



# ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2016

Together, Moving Gauteng City Region Forward



**GAUTENG PROVINCE**

TREASURY  
REPUBLIC OF SOUTH AFRICA

# ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2016



PR31/2015

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The Estimate of Provincial Revenue and Expenditure 2015 is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision

To obtain additional copies of this document, please contact:

The Head of Department  
Gauteng Department of Finance  
Gauteng Provincial Government  
Private Bag X12, Marshalltown, 2107  
Telephone +2711 689 6000



**Barbara Creecy**  
MEC: Finance

## FOREWORD

The 2016 MTEF Budget is being tabled against the backdrop of a highly challenging macro-economic environment, both globally and domestically, which is expected to persist for an extended period. The 2016 MTEF Budget highlights the tough choices that have been made in the wake of a protracted slowdown in economic growth, not just in the province, but South Africa as a whole. There is renewed emphasis on the effective and efficient utilisation of ever-scarce public resources, and this is reflected in the shift of funds within departments to fund governments' priorities.

This budget, like any other, is an indicator of our values, choices and priorities as the Gauteng Provincial Government. Our minds are still focused on ensuring that the Ten-Pillar Programme of Radical Transformation, Modernisation and Re-industrialisation is implemented by all the relevant stakeholders as we aim to do the best with the limited available resources. The funding choices are still biased towards Health, Education and Social Development, with 78 percent of the total provincial budget allocated to these three. The additional funding to the baselines reflects our decisions to support provincial priorities, which include:

- Investment in ICT;
- Infrastructure investment in schools, roads, health facilities, and human settlements;
- Economic development; and
- Addressing substance abuse

Despite the prevailing tough economic times, it is my firm belief that the 2016 MTEF Budget affirms the commitment of GPG to improve the quality of lives of Gauteng citizens over the next three years. Gauteng remains a place in which to live and work.

This document is the culmination of the collective efforts of the Gauteng Provincial Treasury team, under the capable leadership of the Head of Department, Ms Nomfundo Tshabalala, who have worked tirelessly to ensure its conclusion.

A handwritten signature in black ink, appearing to read 'B D Creecy'.

**B D Creecy**  
MEC for Finance  
Gauteng



# LIST OF ABBREVIATIONS

ABET	Adult Basic Education and Training
AFASA	African Farmers Association of South Africa
AFCON	African Cup of Nations
AG	Auditor General
AIDC	Automotive Industry Development Centre
ALOS	Average Length of Stay
ANA	Annual national assessments
ANC	Antenatal care
APAP	Agricultural Policy Action Plan
API	Active Pharmaceutical Ingredient
ARC	Agricultural Research Council
ART	Antiretroviral Therapy
ASLCS	American Society of Legislative Clerks and Secretaries
ASP	Automotive Supplier Park
ATP	Annual Teaching Plans
BAC	Bid adjudication committee
BAS	Basic Accounting System
BBBEE	Broad based black economic empowerment
BBC	Buy-back centre
BCP	Business Continuity Plan
BkB	Bontle ke Botho
BUR	Bed Utilisation Rate
CAPEX	Capital expenditure
CAPS	Curriculum and Assessment Policy Statements
CARMMA	Campaign for the Accelerated Reduction of Maternal Mortality in Africa
CASP	Comprehensive Agricultural Support Programme
CBO	Community based organisation
CD	Compact Disc
CDU	Centralised Dispensing Unit
CDW	Community development worker
CHW	Community health worker
CIC	Climate Innovation Centre
CIDB	Construction Industry Development Board
CFO	Chief Financial Officer
CIP	Committee inquiry process
CIP	Compulsory Induction Programme
CJS	Criminal justice system
COE	Compensation of employees
COGTA	Cooperative Government and Traditional Affairs
CONTRALESA	Congress of Traditional Leaders of South Africa
CONSAWU	Confederation of South African Workers Union
COP	Communities of practice
COSATU	Congress of South African Trade Unions
CPA	Commonwealth Parliamentary Association
CPD	Corporation of Public Deposits
CPF	Community policing forum
CPI	Consumer price index
CPIX	Consumer Price inflation Index
CRC	Citizens Responsibility Campaign
CRDP	Comprehensive Rural Development Programme
CRM	Customer Relationship Management
CSIR	Council for Scientific and Industrial Research
CSF	Community safety forum
CWC	Commonwealth Women Parliamentarians
CYCC	Child and youth care centre

CYCW	Child and youth care worker
CYP	Couple Year Protection
DAV	Design and validation
DBE	Department of Basic Education
DCS	Department of Community Safety
DCST	District clinical specialist team
DED	Department of Economic Development
DDG	Deputy Director General
DID	Department of Infrastructure Development
DLTC	Driving licence testing centre
DoRA	Division of Revenue Act
DPME	Department of Performance Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DR-TB	Drug-resistant TB
DRDLR	Department of Rural Development and Land Reform
DSD	Department of Social Development
DTI	Department of Trade and Industry
ECD	Early childhood development
ECDI	Early Childhood Development Institute
ECE	Estimates of capital expenditure
EEDBS	Enhanced extended discount benefit scheme
EDL	Essential Drug List
EDMS	Electronic document management system
e-Gov	e-Government
EIA	Environmental impact assessment
EMS	Emergency medical services
EP	Economic Planning
EPWP	Expanded Public Works Programme
ESS	Employee Self Service
ESD	Education for Sustainable Development
EXCO	Executive Council
FAL	First additional language
FAWU	Food and Allied Workers Union
FEDUSA	Federation of Unions of South Africa
FET	Further education and training
FLISP	Finance Linked Individual Subsidy Programme
FSDM	Frontline service delivery monitoring
FTE	Full Time Equivalent
FY	Financial Year
G2B	Government to Business
G2C	Government to Community
G2G	Government to Government
GAP	Good Agricultural Practice
GAS	Gauteng Audit Services
GASDS	Gauteng Agricultural Skills Development Strategy
GBN	Gauteng Broadband Network
GBV	Gender Based Violence
GCR	Gauteng City Region
GCRA	Gauteng City Region Academy
GCRO	Gauteng City Region Observatory
GDARD	Gauteng Department of Agriculture and Rural Development
GDE	Gauteng Department of Education
GDF	Gauteng Department of Finance
GDID	Gauteng Department of Infrastructure Development
GDP	Gross Domestic Product
GDRT	Gauteng Department of Roads and Transport
GEYODI	Gender, youth and people with disabilities
GEYODI&MVO	Gender, youth and people with disabilities and military veterans and older persons

GFC	Gauteng Film Commission
GFIP	Gauteng Freeway Improvement Project
GFSP	Gauteng Farmer Settlement Programme
GGB	Gauteng Gambling Board
GIAMA	Government Immovable Asset Management Act
GIFA	Gauteng Infrastructure Funding Agency
GICC	Gauteng Infrastructure Co-ordinating Council
GIIMP	Gauteng Integrated Infrastructure Master plan
GIS	Geographic Information System
GLB	Gauteng Liquor Board
GPC	Gauteng Planning Commission
GPG	Gauteng Provincial Government
GPG CI	Gauteng Province Government Consumer Index
GPH	Gauteng Planning House
GPL	Gauteng Provincial Legislature
GPLMS	Gauteng Primary Language and Mathematics Strategy
GPT	Gauteng Provincial Treasury
GRAP	Generally Recognized Accounting Principles
GSDF	Gauteng Spatial Development Framework
GSF	Gauteng Speakers Forum
GTIP5	Gauteng Transport Integrated Plan 5
HACCP	Hazard Analysis and Critical Control Point
HAST	HIV/AIDS, STI and TB
HCBC	Home and community-based care
HCT	HIV counselling and testing
HDI	Historically Disadvantaged Individuals
HoD	Head of Department
HR	Human resources
HRD	Human Resource Development
HSDG	Human Settlements Development Grant
HPV	Human Papillomavirus Vaccine
ICS	Improvement in conditions of service
ICN	Incubation Centre Nissan
ICT	Information and communication technology
ICU	Intensive care unit
IDMS	Infrastructure delivery management system
IDP	Integrated Development Plan
IDZ	industrial development zone
IEC	Information Education and Communication
IGR	Inter-governmental relations
IKS	Indigenous knowledge systems
IMCI	Integrated Management of Childhood Illness
IPAP	Industrial Policy Action Plan
IRDPA	Integrated Residential Development Programme
IT	Information technology
ITMP	Integrated Transport Master Plan
LARP	Land and Agrarian Reform Programme
LEAs	Law enforcement agencies
LED	Light Emitting Diode
LGBTI	Lesbian, gay, bisexual, transgender and intersex
LSB	Legislative Services Board
LESEN	Learners with special educational needs
LTSM	Learner and teacher support materials
MAFISA	Micro Agricultural Financial Institutions of South Africa
MASP	Man as safety promoters
M & E	Monitoring and evaluation
MEC	Member of the Executive Council
MGSGL	Matthew Goniwe School of Governance and Leadership



MIG	Municipal Infrastructure Grant
MMC	Male Medical Circumcision
MOUs	Maternity and Obstetric Units
MPAC	Municipal public accounts committees
MPAT	Monitoring and performance assessment tool
MSP	Master Skills Plan
MST	Mathematics, science and technology
MTEF	Medium Term Expenditure Framework
MTR	Modernisation, transformation and re-industrialisation
MTRF	Medium Term Revenue Framework
MTSF	Medium Term Strategic Framework
NACTU	National Council of Trade Unions
NAFU	National African Farmers Union
NCSL	National Conference of State Legislatures
NDOH	National Department of Health
NDP	National Development Plan
NEPA	National Education Policy Act
NGO	Non-governmental organization
NGP	New Growth Plan
NHFC	National Housing Finance Corporation
NHI	National Health Insurance
NHLS	National Health Laboratory Service
NISIS	National Integrated Social Information System
NPA	National Prosecuting Authority
NPO	Non-profit organisation
NRTLLEC	National Road Traffic Law Enforcement Code
NMT	Non-Motorised-Transport
NSC	National Senior Certificate
NSP	National Standard Procedures
NSP	National Strategic Plan
NYS	National Youth Service
OoP	Office of the Premier
OSDs	Occupation-specific dispensations
ORTIA	OR Tambo International Airport
PAETF	Provincial Agricultural Education and Training Forum
PAIA	Promotion to Access to Information Act
PAJA	Promotion of Administrative Justice Act
PAHC	Primary Animal Health Care
PAM	Personal administration measures
PANSALB	Pan South African Language Board
PDE	Patient Day Equivalent
PDF	Portable Document Format
PDMC	Provincial Disaster Management Centre
PMDS	Performance Management and Development System
PDPs	Personal Development Plans
PEBA	Programme evaluation and budget analysis
PCO	Public Participation Officers
PFMA	Public Finance Management Act
PHC	Primary health care
PHRA-G	Provincial Heritage Resource Agency of Gauteng
PHWBC	Public Health and Welfare Sector Bargaining Council
PIPV	Programme for Intimate Partner Violence
PLTF	Provincial Land Transport Framework
PMO	Project Management Office
POA	Programme of action
PPPs	Public-private partnerships
PRASA	Passenger Rail Agency of South Africa
POA	Programme of Action

PRF	Provincial Revenue Fund
PRMG	Provincial Roads Maintenance Grant
PROVJOINTS	Provincial Joint Operational Intelligence Structure
PSA	Public Service Act
PTOG	Public Transport Operations Grant
PwD	People with disabilities
PVS	Performance of Veterinary Services
RCAM	Roads Classification and Access Management
RFID	Radio Frequency Identification Device
RISFSA	Road Infrastructure Framework of South Africa
RTMC	Road Traffic Management Corporation
RVO	Regional Victim Offices
SABS	South African Bureau of Standards
SACR	Sports, Arts, Culture and Recreation
SAHPRA	South African Health Products Regulatory Authority
SAIPA	South African institute of Professional Accountants
SALGA	South African Local Government Association
SALSA	Secretaries' Association of the Legislatures of South Africa
SA SAMS	South African School Administration Management System
SANBI	South African National Biodiversity Institution
SAP	System Application Programme
SAPS	South African Police Service
SASSA	South African Social Security Agency
SASSETA	Safety and Security Sector Education and Training Authority
SAWIC	South African Women in Construction
SCM	Supply chain management
SCOA	Standard Chart of Accounts
SERO	Scio-economic Review and Outlook
SETA	Sector Education and Training Authority
SGB	School governing body
SIAS	Screening, Identification, Assessment and Support
SLA	Service level agreement
SMME	Small, micro, medium enterprises
SMS	Senior management service
SONA	State of the Nation Address, June 2014
SOPA	State of the Province Address, June 2014
SSA	State Security Agency
SDWR	Service Delivery War Room
SSIP	Secondary School Intervention Programme
TB	Tuberculosis
TEP	Tourism Enterprise Partnership
TER	Township economic revitalisation
TIHMC	The Innovation Hub Management Company
TMR	Transformation, modernisation and re-industrialisation
U-AMP	User Asset Management Plan
UNAIDS	United Nations Program on HIV/AIDS
VTS	Vehicle testing station
WARD	Women in agriculture and rural development
WBOTs	Ward-based outreach teams
WFW	Work for Waste
WISN	Workload indicators for staffing needs
WoP	War on Poverty
YARD	Youth in agriculture and rural development



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Abbreviations

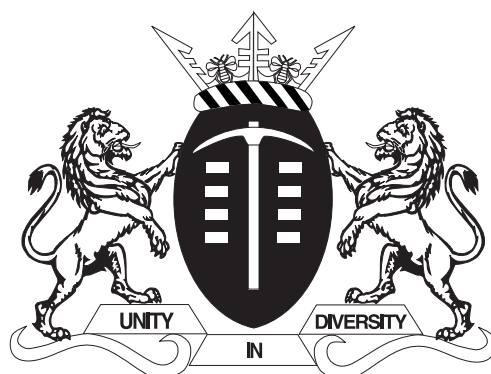
## OVERVIEW OF PROVINCIAL EXPENDITURE

INTRODUCTORY CHAPTER

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# OVERVIEW OF PROVINCIAL ESTIMATES



## 1. SOCIO-ECONOMIC OUTLOOK

### 1.1 Introduction

Against the backdrop of a highly challenging macro-economic environment, many economies are faced with structural and cyclical challenges. The risk of low global economic growth may persist for an extended period of time. A modest global economic recovery is expected to continue. As shown in Table 1, the International Monetary Fund (IMF) expects global economic growth to reach 3.4 per cent in 2016 and 3.6 per cent in 2017, both lower than previous forecasts of 3.6 per cent and 3.8 per cent, issued in October 2015.

TABLE 1: OVERVIEW OF THE WORLD ECONOMIC OUTLOOK AND PROJECTIONS, 2016 (PERCENT CHANGE UNLESS NOTED OTHERWISE)

	Actual	Estimates	Projections		Difference from October 2015 WEO Projections	
	2014	2015	2016	2017	2016	2017
<b>World Output</b>	3.4	3.1	3.4	3.6	-0.2	-0.2
<b>Advanced Economies</b>	1.8	1.9	2.1	2.1	-0.1	-0.1
United States	2.4	2.5	2.6	2.6	-0.2	-0.2
Euro Area	0.9	1.5	1.7	1.7	0.1	0.0
Japan	0.0	0.6	1.0	0.3	0.0	-0.1
United Kingdom	2.9	2.2	2.2	2.2	0.0	0.0
<b>Emerging Market and Developing Economies</b>	4.6	4.0	4.3	4.7	-0.2	-0.2
Russia	0.6	-3.7	-1.0	1.0	-0.4	0.0
China	7.3	6.9	6.3	6.0	0.0	0.0
India	7.3	7.3	7.5	7.5	0.0	0.0
Brazil	0.1	-3.8	-3.5	0.0	-2.5	-2.3
<b>Sub-Saharan Africa</b>	5.0	3.5	4.0	4.7	-0.3	-0.2
Nigeria	6.3	3.0	4.1	4.2	-0.2	-0.3
South Africa	1.5	1.3	0.7	1.8	-0.6	-0.3

Source: IMF, WEO 2016

The recovery in the advanced economies is expected to continue, albeit at a slower pace. Gross Domestic product (GDP) in advanced economies is expected to increase modestly to 2.1 per cent in 2016 from 1.9 per cent in 2015. Economic activity continues to recover in the United States (US) due to strengthening household demand and labour markets. GDP growth is expected to marginally increase from 2.5 per cent in 2015 to 2.6 per cent in 2016. Monetary policy remains accommodative in the US, despite the end of quantitative easing which was followed by a 25 basis point increase in the Federal Funds rate in December 2015.

The divergent monetary policy stance continues among the advanced economies. As the US Federal Reserve Bank prudently tightens monetary policy, Japan is the latest country to join the Euro-zone by dropping their benchmark lending rate to below zero while continuing with their asset purchasing programmes, resulting in renewed US Dollar strength.

There are uneven growth prospects across emerging and developing economies. The growth outlook for China remains benign, with GDP growth expected to decelerate to 6.3 per cent in 2016 from 6.9 per cent in 2015, as it continues to rebalance its economy. Excluding China, economic activity looks set to strengthen in other parts of emerging Asia, in particular India, which is expected to benefit from lower oil prices and improved investor sentiment. India is expected to experience marginal increase of 0.2 percentage points to 7.5 per cent in 2016. Commodity exporting countries like South Africa and Brazil are bearing the brunt of lower commodity prices due to reduced demand from China. Declining export revenue in the energy exporters such as Russia and Nigeria threaten the growth outlook in emerging Europe and Sub-Saharan Africa (SSA). The Sub-Saharan region is expected to grow by 4 per cent in 2016, realising 0.5 percentage points' increase from last year's estimated growth.

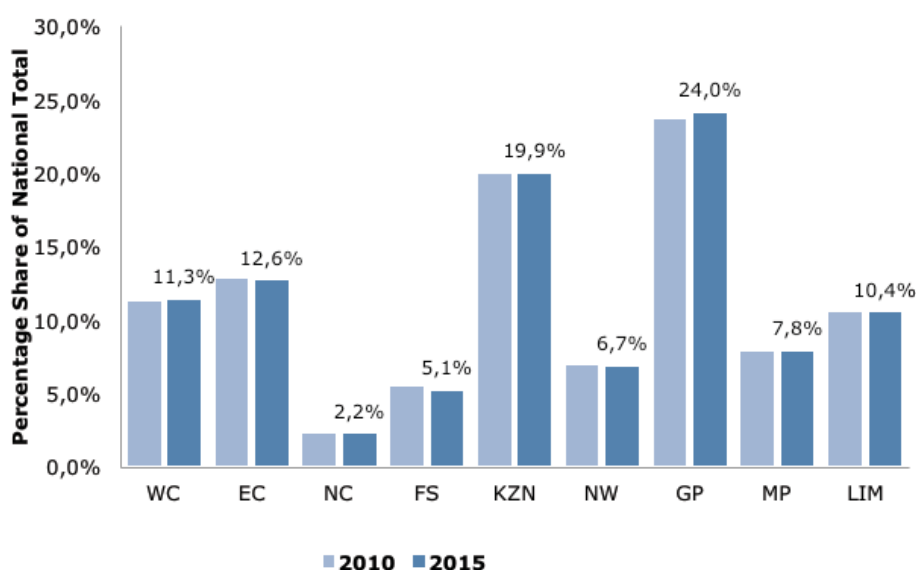


South Africa's economic growth outlook remains fragile, reflective of both global and domestic developments. The IMF forecasts GDP growth of 0.7 per cent in 2016. Manufacturing and agricultural output have declined due to weak global demand, severe drought conditions and exchange rate weakness which also have raised inflation expectations. Headline Consumer price inflation is forecast to average 6.8 per cent in 2016 from 4.6 per cent in 2015.<sup>1</sup> In light of this and other developments globally, the South African Reserve Bank (SARB) has begun its interest rate hiking cycle, raising the repo-rate by 100 basis points cumulatively, since the turning point of the cycle. Due to globalisation and the interconnectedness of South Africa's economy, the fragile global recovery and weakening national outlook poses challenges for the province's revenue and expenditure objectives. The province accounts for the largest share of national output (35 per cent) and is the second largest recipient of the equitable share component (19.5 per cent) of the transfers received from national revenue.

## 1.2 Demographics

The structure of South Africa's population has evolved over a period of time as the population transitions from high to lower fertility and mortality rates. Demographics play an essential role in assessing the achievement of social and economic goals of a region in accordance with Millennium Development Goals (MGDs) to enable regional comparisons. The National Development Plan (NDP), an overarching government policy that offers a long-term vision to be achieved by 2030, recognises that demographic shifts are key to improved economic performance.<sup>2</sup> This section looks at the demographic profile of the Gauteng province. In particular, it looks at the province's population size and distribution by municipality, thus providing information necessary for policy formulation and decision making.

FIGURE 1: POPULATION SHARE BY PROVINCES, 2010 & 2015



Source: Statistics South Africa Mid-year population estimates, 2015

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

Figure 1 shows that the Gauteng Province had the largest share of the national population in 2015, followed by KwaZulu-Natal (19.9 per cent), who's share of the national population remained the same for the 2 years. The Eastern Cape makes up the 3rd largest population, at 12.6 per cent down from 12.9 per cent in 2005. The Northern Cape has the smallest population at 2.2 per cent and its share has marginally declined from 2.3 per cent in 2005; followed by the Free-State at 5.1 per cent from 5.6 per cent in 2005. Due to its relative advantage in social and economic prospects, Gauteng has received the largest increase in its share of the national population of all the nine provinces over the past decade.

1 South African Reserve Bank. (2016). *South African Reserve Bank*.

2 National Planning Commission. (2012). *The National Development Plan*.

The three metropolitan municipalities have the highest population numbers whereas the two district municipalities have the smallest population numbers, as illustrated in the Table 2 below.

**TABLE 2: POPULATION SIZE AND DISTRIBUTION, GAUTENG MUNICIPALITIES, 2015**

Region	Total Population	Percentage
City of Ekurhuleni (CoE)	3 344 675	25.3%
City of Johannesburg (CoJ)	4 856 942	36.8%
City of Tshwane (CoT)	3 214 408	24.4%
Sedibeng	949 857	7.2%
West Rand	834 468	6.3%
<b>Total</b>	<b>13 200 349</b>	<b>100.0%</b>

Source: Stats SA, 2015

Table 2 shows the municipalities' share of the Gauteng population in 2015. The CoJ remains the most populous, with 36.8 per cent of the total. People seeking employment and a better life see Johannesburg as their preferred destination. It is followed by the CoE, at 25.3 per cent and the CoT, at 24.4 per cent. The least populous municipality was the West Rand, with 6.3 per cent of the province's total population.

**TABLE 3: CHANGES IN THE PROVINCIAL DEMOGRAPHICS, 2010-2015**

Description	Period	Effective Change
Population growth rate	2010-2015	2% p.a, 11.9 million to 13.2 million
Population increase	2010-2015	Increase of 1.2 million or 10.2%
Number of households	2010	3.8 million
	2015	4.4 million an increase of 595 000 or 16% increase

Source: Stats SA, IHS Global Insight & Quantec Research, 2016

Table 3 shows the changes in the population and the composition of households between 2010 and 2015. Over this period, the province's population grew by an annual average of 2.8 per cent or an increase of 1.8 million. The number of households increased by 16 per cent or 595 000 households.

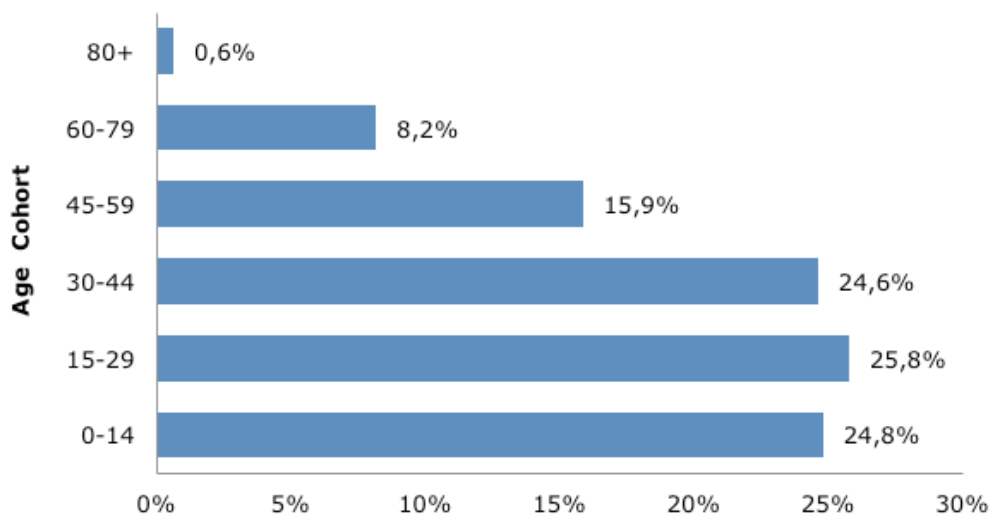
**TABLE 4: GENDER & AGE DISTRIBUTION, 2015**

Age Cohort	Male	Female	Total
0-14	1 649 001	1 629 325	3 278 326
15-29	1 720 461	1 686 439	3 406 901
30-44	1 658 723	1 595 090	3 253 813
45-59	1 089 650	1 008 966	2 098 616
60-79	505 888	573 493	1 079 381
80+	29 573	53 740	83 313
<b>Total</b>	<b>6 653 296</b>	<b>6 547 053</b>	<b>13 200 349</b>

Source: Stats SA, 2015

Table 4 shows the population distribution by gender and age cohort in years for Gauteng for 2015. There were over 3.4 million people aged 15-29 age cohort, the highest number of all the cohorts. This age cohort also represents a significant number of the working-age population. Suggestions are that, the South African urban population is dominated by a younger population as households and individuals migrate to inner cities where jobs and economic opportunities are created.<sup>3</sup> The second largest age group was the 30–44 age cohort, with over 3.2 million people. The age cohort of those aged 80 and over reached 83 000.

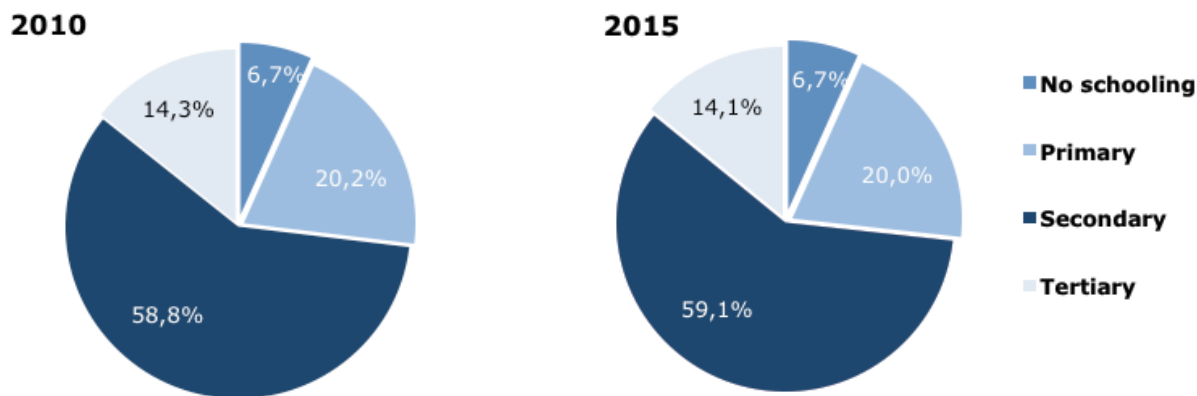
FIGURE 3: AGE DISTRIBUTION OF THE POPULATION, 2015



Source: Stats SA, 2015

Figure 3 is an extension of Table 3 and shows the population shares by age cohort in Gauteng for 2015. The figure indicates that those aged 15–29 years accounted for the largest share of the province’s population at 25.8 per cent. This also indicates the youth population bulge for the province. These are people who form part of the potential labour force and yet, in many instances, are unable to find employment. The age cohort with the least share of the population was the people aged 80 years and over at 0.6 per cent.

FIGURE 4: QUALIFICATIONS OF PEOPLE OLDER THAN 20 YEARS, 2010 & 2015



Source: Quantec Research, 2016

## 1.2 Demographics

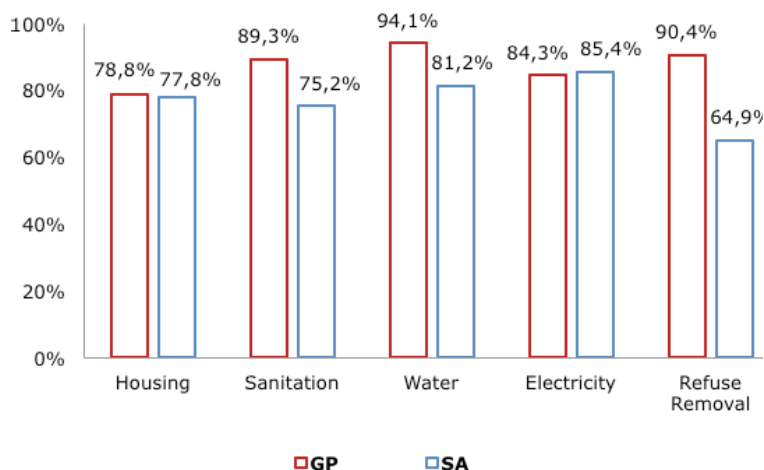
The structure of South Africa’s population has evolved over a period of time as the population transitions from high to lower fertility and mortality rates. Demographics play an essential role in assessing the achievement of social and economic goals of a region in accordance with Millennium Development Goals (MGDs) to enable regional comparisons. The National Development Plan (NDP), an overarching government policy that offers a long-term vision to be achieved by 2030, recognises that demographic shifts are key to improved economic performance.<sup>4</sup> This section looks at the demographic profile of the Gauteng province. In particular, it looks at the province’s population size and distribution by municipality, thus providing information necessary for policy formulation and decision making.

4 National Planning Commission. (2012). *The National Development Plan*.

### 1.3. Socio-Economic Indicators

Access to basic household infrastructure continues to play a vital role in improving the living standards of South Africa and its regions, particularly in Gauteng and its increasing urban population.

FIGURE 5: ACCESS TO BASIC INFRASTRUCTURE, GP & SA, 2014



Source: IHS Global Insight, 2016

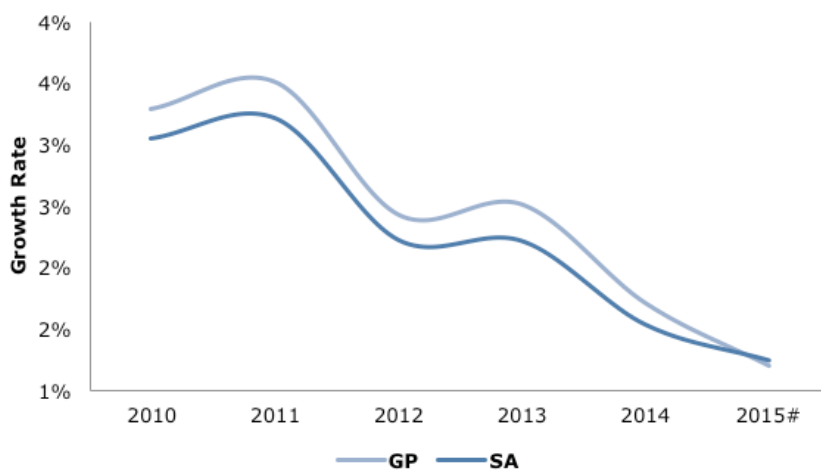
Note: The green upward arrows indicate an increase between the two years while the red downward arrow indicates a decline.

Figure 5 illustrates access to basic services in South Africa and the Gauteng province for 2014, compared to the situation in 2010. Access to basic infrastructure increased between the two years for the country and the province except for electricity in Gauteng which recorded a decrease. This is largely due to an increase in informal settlement in the region.

### 1.4. Economic Indicators

According to IHS Global Insight, South Africa's GDP is estimated to have reached R3 trillion in 2015 and about 35.1 per cent of which is accounted for by the Gauteng Province. Thus the global commodity slump and continued slow demand is likely to have an effect on the province's growth prospects.

FIGURE 6: GDP GROWTH, GP AND SA, 2010-2015#

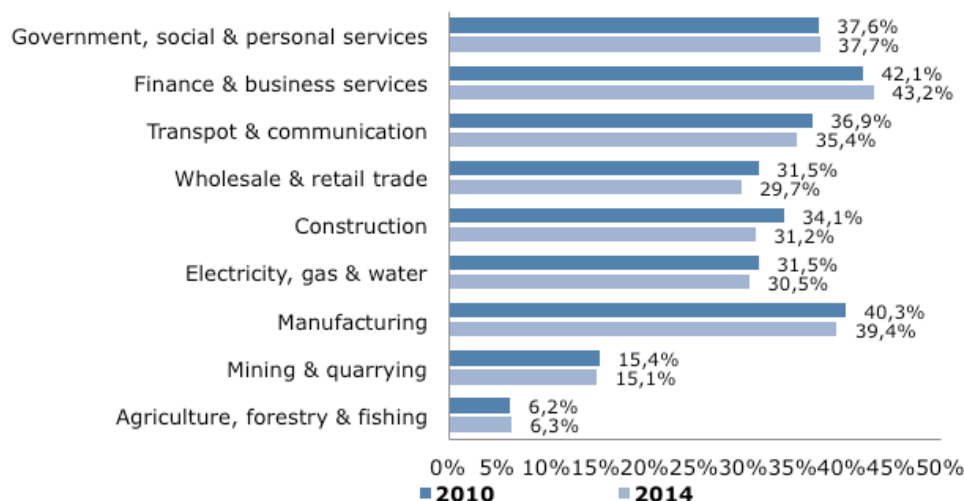


Source: IHS Global Insight, 2016

Note: # Indicates estimates

Figure 6 shows how economic growth in the province mirrors closely that of the country from 2010 to 2015. The province's economic growth started at 3.3 per cent in 2010 and peaked at 3.5 per cent in 2011 before declining to 2.5 per cent by 2012. It increased to 2.5 per cent in 2013 but continued to decline for rest of the review period. Economic growth in both the country and the province is expected to have reached 1.2 per cent in 2015.

FIGURE 7: REGIONAL SHARE OF NATIONAL TOTALS BY SECTOR, 2010 & 2014



Source: IHS Global Insight, 2016

Figure 7 shows Gauteng's share of national output by sector for 2010 and 2014. Of the country's total economic activity in the finance & business services, about 43.2 per cent was accounted for by the Gauteng province in 2014, an increase of 1.1 percentage points compared to 2010. The province accounted for 39.4 per cent of the total activity in the manufacturing sector of the country, a decline of 0.9 percentage points between the two reviewed years. The table below provides information on how the income is distributed amongst the categorised households in Gauteng.

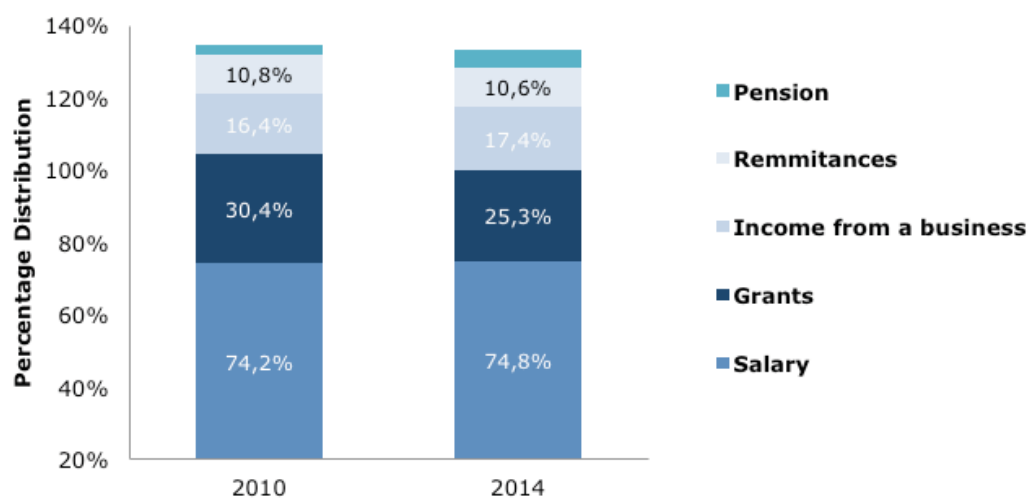
TABLE 5: INCOME DISTRIBUTION, 2014

Annual Income Per Household	Number of Households	Percentage of Households
Less than R12 000	208 543	4.9%
R12 001 to R42 000	1 049 408	24.6%
R42 001 to R96 000	1 090 584	25.6%
R96 001 to R360 000	1 204 587	28.3%
R360 001 to R2 400 000	693 592	16.3%
More than R2 400 000	16 260	0.4%
<b>Total</b>	<b>4 262 973</b>	<b>100.0%</b>

Source: IHS Global Insight, 2016

The annual income per household that constituted the largest number of households was the R96 001 to R360 000 range which accounted for 28.3 per cent of total households in Gauteng. This was followed by the R42 001 to R96 000 range which accounted for 25.6 per cent of the households. The lowest percentage of households was in the highest income range of more than R2.4 million and it comprised of 0.4 per cent of the households.

FIGURE 8: DISTRIBUTION OF SOURCES OF HOUSEHOLD INCOME, 2010 &amp; 2014



Source: Stats SA, General Household Surveys, 2015

Figure 8 shows the percentage of households according to the source of their income between 2010 and 2014. The highest percentage of households in Gauteng reported salaries as their source of income at 74.8 per cent in 2014, an increase of 0.6 percentage points compared to 2010. Grants were the second highest reported source of income at 25.3 per cent in 2014, a decrease of 5.1 percentage points between the two years. Although grants as a source of income decreased between the two years, it remains relatively more prevalent in the Gauteng region.

## 2. BUDGET STRATEGY AND AGGREGATES

The 2016 MTEF budget is compiled during a period in which the global and national economies are still experiencing challenges. The South African economy, being faced by similar challenges, introduced measures to counter the effects of the fiscal constraints. These measures include the budget baseline reductions that the national government implemented across the country. The budget baseline reductions were effected to allow government to stabilize public debt, reduce the budget deficit while keeping within expenditure ceilings. To ensure that the baseline reductions do not compromise service delivery, government departments were required not to implement baseline cuts on pro-poor programmes and on the core service delivery programmes.

To cushion the provincial departments from the baseline reductions, the province absorbed a portion of the national reductions and applied the reductions on a lower scale to the provincial departments. The province utilised its reserves that were accumulated due to improved cash management system to absorb a portion of the reductions. To ensure that service delivery is not compromised, education and health baselines were protected from the baseline reductions.

One of priority areas addressed in the provincial budget is investment in infrastructure which is considered the key stimulator for inclusive growth and economic development. The latest development in the equitable share allocations relate to infrastructure funds which have been revised to factor in the provision for the internal capacity building for the project or programme management planning in 2016/17. There are resources allocated for the rollout of the Infrastructure Delivery Management System which is a provincial intervention to unlock blockages in the infrastructure delivery. This is aligned with the requirement for provinces to strengthen their capacity to roll out priority programmes, especially infrastructure.

The 2016 Medium Term Expenditure Framework will continue to ensure continued reprioritization towards core functions thereby expanding and enhancing service delivery; strengthening and prioritizing fiscal discipline to enable effective delivery on the Ten-Pillar Programme of Transformation, Modernization and Re-industrialization (TMR); promote economic, efficient and effective provision of public services whilst ensuring quality and accessibility of these services (i.e. value for money).

The 2016 MTEF will also focus on alignment to the National Development Plan (NDP), 2014-19 Medium Term Strategic Framework (MTSF), and TMR and associated Game Changers; implementation of the revenue enhancement strategy; implementing stringent cost containment measures on non-core items as highlighted in previous financial years; aim to attain greater efficiencies to ensure that more is achieved with the current level of financial resources; value-for-money by ensuring that procurement, projects and processes are systematically evaluated to provide confidence about suitability, effectiveness, prudence, quality and good value; improving infrastructure delivery to increase job creation and to maintain quality social services; and continued implementation of strict internal controls to contain expenditure.

### 3. MEDIUM TERM EXPENDITURE FRAMEWORK AND THE BUDGET PROCESS

The province drafted the Provincial Budget Guidelines, after the EXCO Lekgotla held in May 2015, to guide the roll out of the provincial budget process. This document highlights the key requirements, critical dates and format which departments must use to prepare the 2016 MTEF budget submissions. The guideline is used by provincial departments to strengthen sound planning, budgeting and programming of public expenditure in the context of the policy changes and priorities of the provincial government. Owing to continuing constrained economic environment, GPG departments should achieve value-for-money by ensuring accountable and transparent decision-making.

In an effort to strengthen the provincial budget process the Provincial Treasury established a Provincial Budget Forum that serves as a platform aimed to standardize budget documentation, improve budget planning and implementation. Emphasis to align planning and budgeting within the strategic framework such as the National Development Plan (NDP), Transformation, Modernisation and Re-industrialisation (TMR) was re-enforced during the forum. Departments were informed about the augmentation window from National Treasury to fund policy priorities, allocate funds after considering the requirements of the 2015 Wage Agreement as well as unforeseeable and unavoidable occurrences. Departments needed to submit a proposal with minimum requirements in order to access the funds.

The 2016 MTEF budget process emphasized the reprioritisation of the 2015 budget baseline as a basis to support continuation of the effective delivery on the Ten-Pillar Programme of TMR. The Provincial Treasury engaged extensively with the provincial departments during the Medium Term Expenditure Committee (MTEC) on issues of funding efficiency and reprioritisation of existing resources to fund the government priorities. The draft budget documents were assessed to identify the extent to which the provincial cost cutting strategy had been implemented and to identify the level of provision for the payment of municipal services the cost of which tend to grow at a rate higher than inflation.

Following the MTEC sessions held with provincial departments, the Provincial Treasury identified the budget pressures in provincial departments and made recommendations for the consideration of the Premier's Budget Committee when making final decisions on the provincial resource allocation. The final allocations were approved by the Premier's Budget Committee in consideration of the current economic situation and the need to invest in projects that will stimulate growth and will support the government programmes including the provincial programme of TMR.

The final allocations include the additional funding over the 2016 MTEF to provide for provincial priorities. A large portion of these funds cater for the implementation of the ICT strategy in Education; enhancement of ICT infrastructure in e-Government; the implementation of infrastructure projects in various departments; provision for increased municipal rates in Health; and the refurbishment of Industrial parks to revitalise the economic activities in townships around the province.

After the tabling and adoption of the 2016 MTEF budget at the Provincial Legislature, departments will commence spending of the 2016 budget in accordance with approved plans. The financial and non-financial performance of the departments will be monitored monthly and quarterly through the analysis of the In-Year Monitoring Reports and Quarterly Performance Reports. The findings of the analysis of reports will be presented to various stakeholders including the Provincial EXCO, Legislature committees and Treasury internal committees.



## 4. RECEIPTS

### 4.1 Overview of provincial receipts

Provincial receipts consist mainly of national transfers (equitable share and conditional grants) with own revenue generated provincially.

Equitable share contribute the highest towards total receipts followed by conditional grants and provincially generated revenue, respectively. Section 227 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996) requires that revenue raised nationally be distributed equitably amongst national, provincial and local spheres of government and it is an unconditional transfer designed to assist in delivery of basic services and assigned functions.

Conditional grants are additional transfers from national government with conditions attached. These grants are centralised at the national government and are accompanied by strict conditions. The grants are limited in terms of flexibility as they are designed to finance nationally determined priorities and compensate provinces in their quest to provide services to provinces.

Provincially, own revenue is generated mainly from motor vehicle licences, casino taxes, patient fees, interest earned on short term investments on unspent funds at any given point in a fiscal year and other user charges.

TABLE 6: SUMMARY OF PROVINCIAL RECEIPTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfer receipts from National</b>	<b>70 858 193</b>	<b>77 451 864</b>	<b>85 846 094</b>	<b>90 536 824</b>	<b>90 660 666</b>	<b>90 660 666</b>	<b>98 439 076</b>	<b>107 148 100</b>	<b>114 459 146</b>
Equitable share	55 212 862	61 706 599	68 811 291	73 413 414	74 100 214	74 100 243	79 599 868	86 412 496	92 199 524
Conditional grants	15 645 331	15 745 265	17 034 803	17 123 410	16 560 452	17 054 810	18 839 208	20 735 604	22 259 622
<b>Total provincial own receipts</b>	<b>3 991 740</b>	<b>4 355 262</b>	<b>4 265 929</b>	<b>4 584 695</b>	<b>4 897 068</b>	<b>5 195 616</b>	<b>4 981 714</b>	<b>5 290 076</b>	<b>5 636 379</b>
Provincial receipts	74 849 933	81 807 126	90 112 023	95 121 519	95 557 734	95 557 734	103 420 790	112 438 176	120 095 525
Total provincial revenue funding				350 800	1 878 143	1 878 143	36 569		
Direct charges				(81 560)	(81 560)	(81 560)	(86 617)	(91 641)	(96 956)
<b>Total provincial receipts</b>	<b>74 849 933</b>	<b>81 807 126</b>	<b>90 112 023</b>	<b>95 390 759</b>	<b>97 354 317</b>	<b>97 354 317</b>	<b>103 370 742</b>	<b>112 346 535</b>	<b>119 998 569</b>

Table 6 shows the summary of provincial receipts. From 2012/13 to 2014/15, transfers from national government increased by R14.9 billion from R70.9 billion to R85.8 billion. Over the 2016 MTRF, total transfers are projected to increase from R98.4 billion to R114.5 billion, an increase of R16.1 billion.

In 2012/13, the province collected R3.9 billion own revenue which increased to R4.3 billion in 2014/15, this is an increase of R274.2 million. Budgeted revenue collection amounts to R4.6 billion in 2015/16 and was adjusted to R4.9 billion with a revised estimate of R4.9 billion in the same year. Over the 2016 MTRF, total revenue will increase by R654.8 million from R4.9 billion to R5.6 billion.

From 2012/13 to 2014/15, provincial receipts increased by R15.3 billion at an annual average growth rate of 10.2 per cent. Provincial receipts were budgeted at R95.1 billion in 2015/16 and have been adjusted upwards to R95.6 billion. Over the 2016 MTRF, provincial receipts will increase by R16.7 billion from R103.4 billion to R120.1 billion at an annual average growth rate 8.1 per cent.

## 4.2 Equitable share

The equitable share is the main source of revenue for provinces, which is responsible for social services including education, health and social development, economic functions such as agriculture and roads, and provincial governance and administration. Section 214 of the Constitution requires that an Act of Parliament provides for the equitable division of revenue raised nationally among the spheres of government; and for the determination of each province's equitable share of that revenue. Each province's equitable share is determined through the equitable share formula which is reviewed and updated annually using new data and taking into account recommendations from the Financial and Fiscal Commission (FFC).

TABLE 7: EQUITABLE SHARE ALLOCATION FOR GAUTENG PROVINCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	55 212 862	61 706 599	68 811 291	73 413 414	74 100 214	74 100 243	79 599 868	86 412 496	92 199 524

From the 2012/13 to 2014/15 financial year, equitable share increased by R13.6 billion at an annual average growth rate of 12.3 per cent. For the 2015/16 financial year equitable share was budgeted at R73.4 billion and is projected to increase by R6.1 billion or 8.4 per cent to reach R79.6 billion in 2016/17. In 2017/18 it is anticipated that equitable share will reach R86.4 billion, showing an increase of R6.8 billion or 8.6 per cent from 2016/17. Equitable share for the 2018/19 financial year is anticipated at R92.2 billion representing an increase of R5.8 billion from the previous financial year or 6.7 per cent. Over the 2016 MTEF equitable share is projected to increase by R12.6 billion at an annual average growth rate of 7.6 per cent. In the seven financial years under review, equitable share increases by R36.9 billion.

### 4.3 Conditional grants

Conditional grants were introduced over and above the equitable share addressing the needs and interests of the national government at level where services are provided, to address policy concerns that are inter-provincial in nature. Provinces had funded these activities from their budgets until 1999. But having established these grants, amounts were shifted from the provinces to be included on the votes of national departments. These funds will nevertheless flow to the provinces, albeit with the attachment of certain conditions.

Conditional grants are designed to achieve specific objectives, and provinces must fulfil certain conditions to receive them. There are essentially four types of conditional grants that are transferred from the national government to provinces: to supplement the funding of programmes or functions funded from provincial budgets; specific-purpose allocations to provinces; allocations-in-kind to provinces for designated special programmes; and funds that are not allocated to specific provinces may be released to provinces to fund immediate disaster response.

TABLE 8: CONDITIONAL GRANTS ALLOCATION FOR GAUTENG PROVINCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Conditional grants	15 645 331	15 745 265	17 034 803	17 123 410	16 560 452	16 560 452	18 839 208	20 735 604	22 259 622

From 2012/13 to 2014/15, the value of these grants increased from R15.6 billion to R16.9 billion. This represents an annual growth rate of 4.3 per cent. In the 2015/16 financial year, the value was R17.123 billion, adjusted to R17.054 billion with a revised estimated to the same value. Over the 2016 MTRF, conditional grants will increase from R18.8 billion in 2016/17 to R22.3 billion in 2018/19, an annual average growth rate of 8.7 per cent.

TABLE 9: SUMMARY OF CONDITIONAL GRANTS BY VOTE

R thousand	Medium-term estimates		
	2016/17	2017/18	2018/19
<b>Health</b>	<b>8 643 260</b>	<b>9 468 766</b>	<b>10 298 339</b>
Comprehensive HIV, Aids Grant and TB Grant	3 259 407	3 757 507	4 242 829
Health Facility Revitalisation Grant	777 818	831 337	865 241
Health Professions Training and Development Grant	865 244	919 438	972 765
National Tertiary Services Grant	3 727 048	3 960 484	4 190 192
National Health Insurance Grant	7 543		
Human Papillomavirus Vaccine Grant			27 312
EPWP Integrated Grant	2 000		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	4 200		
<b>Basic Education</b>	<b>2 211 751</b>	<b>2 155 512</b>	<b>2 279 071</b>
Education Infrastructure Grant	1 385 737	1 318 980	1 394 020
HIV and Aids (Life Skills Education) Grant	32 449	34 436	36 433
National School Nutrition Programme Grant	712 955	748 603	792 022
Maths, Science and Technology Grant	49 810	53 493	56 596
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	28 661		
EPWP Integrated Grant	2 139		
<b>Social Development</b>	<b>13 108</b>	<b>50 139</b>	<b>78 530</b>
Early Childhood Development Grant		50 139	78 530
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	13 108		
EPWP Integrated Grant			
<b>Transport</b>	<b>2 537 823</b>	<b>2 686 446</b>	<b>2 817 974</b>
Gautrain Rapid Rail Link Grant			
Provincial Roads Maintenance Grant	501 784	531 383	562 207
Public Transport Operations Grant	2 033 590	2 155 063	2 255 767
EPWP Integrated Grant	2 449		
<b>Agriculture, Forestry and Fisheries</b>	<b>118 778</b>	<b>125 839</b>	<b>134 245</b>
Comprehensive Agricultural Support Programme Grant	85 079	93 063	98 568
Ilima/Letsema Projects Grant	26 061	27 673	30 278
Land Care Programme Grant: Poverty Relief and Infrastructure Development	4 802	5 103	5 399
EPWP Integrated Grant	2 836		
<b>Sport, Arts, Culture and Recreation</b>	<b>268 647</b>	<b>281 694</b>	<b>297 650</b>
Community Library Services Grant	163 339	174 740	184 619
Mass Participation and Sport Development Grant	101 084	106 954	113 031
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	2 200		
EPWP Integrated Grant	2 024		
<b>Cooperative Governance and Traditional Affairs</b>	<b>2 000</b>		
EPWP Integrated Grant	2 000		
<b>Human Settlements</b>	<b>5 046 443</b>	<b>5 967 208</b>	<b>6 353 813</b>
Housing Disaster Relief Grant	21 569		
Integrated Housing and Human Settlement Development Grant	5 022 669	5 967 208	6 353 813
EPWP Integrated Grant	2 205		
<b>Community Safety</b>	<b>1 800</b>		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 800		
<b>Infrastructure Development</b>	<b>17 167</b>		
EPWP Integrated Grant	17 167		
<b>Total conditional grants</b>	<b>18 860 777</b>	<b>20 735 604</b>	<b>22 259 622</b>

Note: The Housing Disaster Relief Grant is funded from the Provincial Revenue Fund.

Table 9 above shows a breakdown of the conditional grants allocations per department over a period of three years. It is estimated that over the period under review conditional grants will increase from R18.8 billion in 2016/17 to R20.7 billion in 2017/18 and to R22.3 billion in 2018/19.

Health has numerous grants which are aimed at achieving among other priorities, ensuring a healthy lifestyle for all South Africans. The Comprehensive Human Immune deficiency Virus and Acquired immune deficiency syndrome (HIV and Aids) grant is aimed at enabling the health sector to respond to the HIV and Aids epidemic. The National Health Insurance Grant is aimed at testing innovative interventions and methods of service delivery. Other grants within the department include Health Facility Revitalisation Grant which is meant for transforming and modernising infrastructure and equipment in hospitals and comprises of two components; health infrastructure and hospital revitalisation. The National Tertiary Services Grant aims at providing strategic funding to enable provinces to plan, modernise and transform the tertiary hospital service delivery platform in line with national policy objectives. The Human Papillomavirus Vaccine Grant will commence in 2018/19 and is allocated R27 million. The total allocation for the department is estimated to increase from R8.6 billion in 2016/17 to R10.3 billion in 2018/19 at an annual growth rate of 9.1 per cent.

Conditional grants for Education include the National School Nutrition Programme Grant which seeks to improve the nutrition of school children, enhance active learning capacity and improve attendance in schools. The other grants are the education infrastructure grant and the HIV and Aids (life skills education) grant; all of which are administered by the National Department of Basic Education. The department is projected to receive an allocations of R2.211 billion in 2016/17 and this will increase to R2.279 billion in 2018/19.

The Roads and Transport's overall purpose is to provide a balanced and equitable road network. The Provincial Roads Maintenance Grant and the Public Transport Operations Grant make up the bulk of the allocation to the department. The Public Transport Operations subsidies for commuter bus services and are paid to bus operators. The department is projected to receive allocations of R2.5 billion in 2016/17 and this will increase to R2.8 billion in 2018/19 financial years thus showing a 5.4 per cent annual average growth rate.

The Ilima/Letsema Projects Grant is intended to boost food production by assisting previously disadvantaged farming communities. The Comprehensive Agricultural Support Programme Grant is aimed at supporting newly established and emerging farmers in the Province. The allocation for the department is expected to grow from R118.8 million in 2016/17 financial year to R134.2 million in the 2018/19 financial year showing at an annual average growth rate of 6.5 per cent.

Sport, Arts, Culture and Recreation through Mass Sport and Recreation Grant promotes mass participation in historically disadvantaged communities in a selected number of developmental sporting activities. The Community Library Service Grant aims to help South Africans access knowledge and information to improve the socio-economic condition. The allocation increases from R101 million to R113 million at an annual average growth rate of 5.8 per cent over the 2016 MTRF.

Human Settlements receive conditional grants mainly through the Human Settlements Development Grant which seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. The department projects to receive allocations of R5 billion in 2016/17 and this will increase to R6.3 billion in 2018/19 financial years thus showing a 12.47 per cent annual average growth rate.

The Social Sector Expanded Public Works Programme (EPWP) incentive grant is allocated to various Gauteng Provincial Government (GPG) departments for the payment of stipends to volunteers to enhance and expand services within the social sector concurrently creating work opportunities. For the 2016 MTEF an allocation R49.9 million is made for the 2016/17 financial year.

The Expanded Public Works Programme (EPWP) incentive grant is allocated to various departments to incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods. The allocation for the 2016/17 financial year is at R82.7 million.

## 4.4 Provincial own revenue

Provincial own revenue streams are limited but play an important role in supplementing national transfers thus resourcing provincially determined priority outcomes. GPG own revenue collection contributes approximately 5 per cent of total budget while national transfers constitute about 95 per cent. GPG departments collect revenue from different sources with the exception of the Gauteng Provincial Legislature. There are four major revenue generating departments within GPG namely; Roads and Transport through motor vehicle and drivers licence fees, Economic Development through gambling taxes, Health through patient's fees and Treasury earns interest on unspent funds during the financial year. Other department's collection is minimal as it is based on cost recovery sources such as parking fees however there are departments with potential to collect additional revenue; Education through exam related fees, Community Safety through traffic fines, Agriculture and Rural Development through environmental impact assessment and nature reserves fees, and Gauteng Infrastructure Development through property rental fees.

### 4.4.1 Own revenue initiatives

Initiatives currently being explored to maximize revenue collection include gambling tax review, Information, Communication and Technology (ICT) upgrade to enhance patient billing, property rental and revenue incentive schemes. These initiatives are mainly aimed at maximising revenue collection to increase revenue base towards servicing provincial priorities and eliminate loopholes in revenue collection systems and processes.

Gambling tax review study provides for the viability of moving from a flat tax regime to a sliding tax structure, which is potentially competitive and provides for significant increase in revenue from gaming revenue levied from casinos operating within the province.

ICT upgrade on existing systems aims to enhance patient billing by eliminating system down turn time and data discrepancies.

Property rental offers opportunities for increased revenue collection, especially through commercial rentable space and advertising on government properties.

Revenue incentive scheme is aimed at providing an opportunity to retain a proportion of their revenue collection to invest in revenue projects or address expenditure pressures.

TABLE 10: SUMMARY OF PROVINCIAL OWN RECEIPTS BY DEPARTMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Office of the Premier	277	533	426	452	452	595	476	500	529
Economic Development	721 855	763 922	820 420	806 405	806 405	806 405	931 388	991 605	1 046 476
Health	506 939	527 710	524 051	555 727	555 727	537 588	585 100	614 355	649 987
Education	48 612	40 979	36 040	29 560	29 560	49 500	30 299	31 056	31 971
Social Development	5 941	4 691	4 818	2 924	2 924	3 444	3 070	3 222	3 409
Cooperative Governance and Traditional Affairs	441	676	490	481	481	481	506	532	563
Human Settlements	12 701	4 888	4 960	4 429	4 429	37 075	4 664	4 897	5 181
Roads and Transport	2 466 851	2 707 443	3 005 863	3 056 936	3 056 936	3 250 178	3 215 889	3 376 610	3 572 454
Community Safety	20 612	29 852	42 755	15 087	15 087	33 595	19 857	24 821	31 027
Agriculture and Rural Development	2 106	1 030	2 098	1 854	1 854	6 110	14 813	15 591	16 386
Sport, Arts, Culture and Recreation	184	313	433	309	309	615	320	329	348
e-Government	2 355	1 410	2 150	914	914	1 763	917	921	926
Provincial Treasury	187 811	247 893	482 266	88 617	400 990	446 391	151 415	201 486	251 572
Infrastructure Development	15 055	17 755	18 845	21 000	21 000	21 906	23 000	24 150	25 550
<b>Total provincial own receipts by Vote</b>	<b>3 991 740</b>	<b>4 349 095</b>	<b>4 945 615</b>	<b>4 584 695</b>	<b>4 897 068</b>	<b>5 195 646</b>	<b>4 981 714</b>	<b>5 290 076</b>	<b>5 636 379</b>

TABLE 11: SUMMARY OF PROVINCIAL RECEIPTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2010/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts	3 120 962	3 398 280	3 749 485	3 791 410	3 791 410	3 984 652	4 071 610	4 288 838	4 534 949
Casino taxes	684 364	715 672	759 545	706 204	706 204	706 204	878 874	919 624	971 682
Horse racing taxes	34 979	37 732	40 278	97 813	97 813	97 813	50 000	69 340	72 000
Liquor licences									
Motor vehicle licences	2 401 619	2 644 876	2 949 662	2 987 393	2 987 393	3 180 635	3 142 737	3 299 874	3 491 267
Sales of goods and services other than capital assets	576 011	585 451	597 878	652 239	652 612	623 722	695 011	730 199	772 912
Transfers received						37			
Fines, penalties and forfeits	11 791	14 897	18 184	10 492	10 492	24 022	20 254	24 004	28 629
Interest, dividends and rent on land	198 159	260 087	484 661	92 011	404 011	469 224	154 223	204 433	254 684
Sales of capital assets	10 419	5 983	2 028						
Transactions in financial assets and liabilities	74 398	84 397	93 379	38 543	38 543	93 989	40 616	42 600	45 205
<b>Total provincial own receipts</b>	<b>3 991 740</b>	<b>4 349 095</b>	<b>4 945 615</b>	<b>4 584 695</b>	<b>4 897 068</b>	<b>5 195 646</b>	<b>4 981 714</b>	<b>5 290 076</b>	<b>5 636 379</b>

The table above shows own revenue collected over the seven financial year period per economic classification. In 2012/13, total own revenue collected was at R3.9 billion and this increases to R4.9 billion in 2014/15, showing an average annual growth rate of 12 per cent. The estimated R4.6 billion in 2015/16 financial year was adjusted to R4.9 billion, however GPG departments anticipate to collect R5.1 billion; an over collection of R298.5 million. Over the 2016 Medium Term Revenue Framework (MTRF), total revenue will increase by R655 million from R5 billion in 2016/17 financial year to R5.6 billion in 2018/19 financial year, showing an annual average growth rate of 6 per cent, which is higher than the 2012 MTRF.

The province generates 98 per cent of its revenue from four departments (Roads and Transport, Economic Development, Health and Treasury). Roads and Transport, with 65 per cent comprising mainly of motor vehicle licences. In terms of the Road Traffic Act (Act 93 of 1996), municipalities and the South African Post Office (SAPO) act as agents for collecting revenue on behalf of the department. The department anticipates to collect R3.1 billion in 2016/17, R3.3 billion in 2017/18 and R3.5 billion in 2018/19.

The second largest source of revenue is generated by Economic Development through gambling taxes (casino and horse), which contributes approximately 98 per cent of the Department's total own revenue. The department's Entity, Gauteng Gambling Board (GGB) collects the gambling taxes and in turn receive a commission to fund its operations thus sustainability. The Department estimates to collect R928.9 million in 2016/17, R988.9 million in 2017/18 and R1 billion in 2018/19; this shows an average growth of 3.8 per cent over the 2016 MTRF.

The third largest contributor is Health, with a collection mainly consisting of sales of goods and services from patient fees. Patient's fees is classified under sales of goods and services other than capital assets. The department projects to collect R585.1 million in 2016/17; R614.3 million in 2017/18 and R649.9 million in 2018/19 showing an average growth rate of 5.5 per cent over the 2016 MTRF. The department is experiencing difficulties with the collection of patient fees, and have subsequently appointed service providers to ensure effective collection.

Treasury collects revenue mainly from interest generated from unspent funds and through improved cash management. Over the 2016 MTRF, Treasury projects to collect a total of R151.4 million in 2016/17; R201.4 million in 2017/18 and R251.5 million in 2018/19 showing an average growth rate of 33 per cent.

Potential and small revenue generating departments contribute 2 per cent of the revenue collected in the province, with potential generating approximately 60 percent. This is due to the nature of the activities that are not geared towards significant revenue generation at a provincial level. However; Community Safety, Infrastructure Development and, Agriculture and Rural Development generate significant revenue from traffic fines, property rental and nature reserves; respectively.

Community Safety anticipate to collect approximately R19.9 million in 2016/17; R24.8 million in 2017/18 and R31 million in 2018/19 thus showing an average growth rate of 32 per cent over the 2016 MTRF.

Agriculture and Rural Development expects to collect a total of R14.8 million in 2016/17; R15.6 million in 2017/18 and R16.3 million in 2018/19 showing an average growth rate of 5 per cent. Infrastructure Development projects to collect R23 million in 2016/17; R24.1 million in 2017/18 and R25.5 million in 2018/19 showing an average growth rate of 5 per cent over the 2016 MTRF. Agriculture and Rural Development, and Infrastructure Development revenue is classified under sales of goods and service other than capital assets.



## 4.5 Summary of provincial additional funding

TABLE 12: SUMMARY OF PROVINCIAL ADDITIONAL FUNDING

R thousand	Medium-term estimates		
	2016/17	2017/18	2018/19
Economic Development	87 500	92 575	97 944
Health	447 788	538 406	562 813
Education	732 320	457 395	483 923
Social Development	45 000	52 320	54 775
Human Settlements	100 000		
Roads and Transport	40 000	40 000	
Agriculture and Rural Development	67 351	110 924	99 375
Sport, Arts, Culture and Recreation	112 330	227 610	218 288
E-Government	75 000	100 000	100 000
Infrastructure Development	373 824	395 506	418 445
<b>Total provincial payments and estimates by Vote</b>	<b>2 081 113</b>	<b>2 014 736</b>	<b>2 035 563</b>

The above table depicts additional funding received by provincial departments over the 2016 MTEF. The province allocated an additional funding amounting to R2.1 billion in 2016/17 and R2 billion per annum in 2017/18 and in 2018/19 to fund the prioritized programmes and projects that support the implementation of the TMR. Some of these priorities were initially funded during the 2015/16 adjustment budget and therefore the amounts are allocated for their continuation over the MTEF period. Such funding that is provided for the carry-through of the 2015/16 adjustments accumulates to R3.3 billion over the MTEF. The balance of the additional funding relates to the initiatives that are prioritized over the 2016 MTEF period.

### Education

The department received R50 million in 2016/17 and R158.9 million over the MTEF for scholar transport to cater for the increase in learner numbers as a result of high in-migration in the province. An amount of R300 million is allocated in 2016/17 to supplement the budget for the completion of new schools projects, major rehabilitation of various schools and completion of upgrading of the existing schools for e-learning purposes.

In the 2015 adjustment budget, the department received an additional funding to supplement the budget for municipal services for schools; therefore R539.9 million is allocated to maintain the increased budget for the payment of municipal services over the MTEF. Furthermore R212.4 million is allocated in 2016/17 and R674.9 million over the MTEF to continue the implementation of ICT strategy which aims at aligning ICT and e-education initiatives in the province.

### Health

Health receives R158.9 million to increase the availability of medical supplies and medicine in health care facilities; R590 million for the implementation of infrastructure projects and R587.1 million to provide for carry through costs for municipal services due to increased municipal rates. The department also receives R213 million for the enhancement of ICT infrastructure including the electronic filing of patients records.

### Economic Development

In 2016/17 and over the MTEF, the department is allocated an additional funding of R87.5 million and R278 million. The priorities funded include the refurbishment of industrial parks and business hubs to revitalise the economic activities in identified townships for which R159 million is allocated over the MTEF; the Innovation Hub to cater for eKasi Labs, mLab/Code Tribe, Academy Open IX and Innovation Exchange Incubation Programmes for which R95.5 million is allocated; the bidding and hosting of events that will improve the profile and economic activity of the province for which R23.8 million is allocated.

## **Social Development**

The department receives R152 million over the 2016 MTEF of which R79.4 million will fund the increased demand on anti-drugs and substance abuse services and the operation of centres of excellence for recovering addicts, through Anti-Substance Abuse Campaign; R47.7 million to provide vehicles and other tools of trade for social workers; and R25 million for infrastructure programme.

## **Human Settlements**

Human Settlements receive an additional R100 million for the continuation of the infrastructure programme relating to the Syferfontein Mega-city Project. This is a mega project for housing development in the West Rand district which will transform and revitalize sustainable human settlement in the Western corridor.

## **Roads and Transport**

An amount of R80 million is allocated to the department over the MTEF for the implementation of infrastructure projects.

## **Agriculture and Rural Development**

Over the 2016 MTEF, the department receives R45 million for the eradication of maintenance backlog in the departmental nature reserves; R40 million for effective implementation of nature reserve management plans in order to boost eco-tourism in the province; R20 million for the upgrade of Vereeniging market and R20.9 million for the implementation of the infrastructure programme. Furthermore, R35.3 million is allocated for Bontle ke Botho (BKB) campaigns for creating a clean and green Gauteng city-region and increasing job opportunities; and R47.7 million is allocated for personnel requirements of the department. The department receives R68.7 million for the continuation of projects that received funding in 2015/16 adjustment budget for the mobile abattoirs to support meat processing in townships; mobile services and primary animal health care; security services; and firefighting equipment and boreholes for managing biodiversity.

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

The department receives an amount of R558.2 million over the 2016 MTEF. Of the total allocation, R35 million is allocated for the operational costs of community libraries; R65.3 million for the Women's Living Heritage Monument in Tshwane; and R93.6 million for the Provincial Archive Centre.

Also included in the total allocation is the provision for the continuation of key projects that were funded in 2015/16. This includes R16.9 million for operationalizing Women's Living Heritage Monument; R23.6 million for the operational hubs; R6.7 million for maintaining operations of the Boipatong Memorial Centre; and R26.9 million for maintaining operations of the Kagiso Memorial Acre and Sports Facility.

The allocation also provides for bidding and hosting of major events which is allocated R92.1 million over the MTEF. The amount will fund the identified 3 sports events namely: Arnold Games; Under 17 Future Champions; and the Southern Sunshine Tour.

## **e-Government**

An amount of R275 million is allocated to the department for the rollout of the broadband network across the global city-region with an aim of providing connectivity to extra 850 sites by 2018/19 including Thusong Centres, schools and clinics in the historically marginalized areas.

## **Infrastructure Development**

The department receives an additional R1.2 billion over the MTEF to continue to provide for the payment of rates and taxes to municipalities. This is a carry-through of funds allocated during the 2015/16 adjustment budget process to augment the budget pressure resulting from accruals that are carried forward every financial year due to insufficient funding.

## 5. PAYMENTS

### 5.1 Payments by vote

Over the 2016 MTEF the provincial government continues to work towards realising the objectives of the TMR agenda which encompasses 10 pillars to support the NDP and strive to grow the provincial economy despite the volatile global and domestic economic environment.

The GCR is working together to radically transform, modernize and re-industrialize the GPG economy that is characterised by social cohesion and economic inclusion. The province is dedicated to accelerate socio-economic transformation and therefore the social sector is allocated a significant share of provincial budget, with Education taking up 37.8 per cent and Health 36.1 per cent.

TABLE 13: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY VOTE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Office of the Premier	290 566	461 791	355 001	425 455	429 965	429 208	449 420	474 389	503 154
Provincial Legislature	472 005	473 919	497 845	600 473	600 473	611 150	641 673	674 898	715 824
Economic Development	873 371	926 787	1 060 655	1 305 610	1 305 610	1 305 610	1 331 638	1 383 993	1 467 701
Health	26 834 347	27 415 801	31 005 212	34 175 179	35 337 087	35 691 082	37 408 057	39 909 926	42 500 389
Education	26 732 123	29 209 407	31 636 240	36 043 909	36 852 671	36 457 543	39 069 226	40 546 924	42 897 185
Social Development	2 524 726	2 899 683	3 408 805	3 963 972	3 997 139	3 958 972	4 235 362	4 444 715	4 739 013
Cooperative Governance and Traditional Affairs	208 770	273 657	283 461	406 972	406 577	406 577	418 763	440 220	466 910
Human Settlements	4 421 597	4 546 443	5 030 253	5 939 014	5 085 904	5 994 281	5 871 166	6 616 801	7 042 788
Roads and Transport	5 564 906	5 366 174	5 872 084	6 605 952	6 481 601	6 465 091	7 299 704	7 634 841	8 024 170
Community Safety	414 662	493 481	629 606	622 152	736 080	736 080	652 880	677 003	718 047
Agriculture and Rural Development	515 888	543 698	615 022	707 387	811 940	784 022	777 853	852 053	886 211
Sport, Arts, Culture and Recreation	434 025	519 602	642 606	788 034	794 924	794 924	821 059	919 636	945 264
e-Government	1 118 628	1 024 284	1 215 022	1 171 505	1 178 803	1 178 945	1 216 132	1 271 158	1 077 693
Provincial Treasury	346 475	429 905	482 881	584 362	609 271	609 271	607 394	633 536	671 944
Infrastructure Development	1 408 343	1 529 491	1 826 575	2 050 698	2 413 814	2 413 814	2 564 853	2 686 747	2 848 650
<b>Total provincial payments and estimates by Vote</b>	<b>72 160 432</b>	<b>76 114 123</b>	<b>84 561 268</b>	<b>95 390 674</b>	<b>97 041 859</b>	<b>97 836 570</b>	<b>103 365 179</b>	<b>109 166 841</b>	<b>115 504 943</b>

According to Table 13 the total expenditure grows by 17.2 per cent from R72.2 billion in 2012/13 to R84.6 billion in the 2014/15 financial year. In the 2015/16 financial year, the provincial budget increases from R95.4 billion to R97 billion.

The provincial allocation over the 2016 MTEF increases from R103.4 billion in 2016/17 to R115.5 billion in 2018/19 thus representing an increase of approximately 12 per cent. Education; Health; and Roads and Transport receive 80.9 per cent of the provincial budget driven mainly by the need to deliver quality education, health care and convenient transport services.

Education receives the largest share of the total provincial budget that amounts to R39.1 billion in 2016/17 and grows further to R42.9 billion in the 2018/19 financial year. This is mainly due to the provision for independent schools, Improvement in Conditions of Service, learner and teacher support material, scholar transport, school nutrition, school infrastructure, special schools and municipal services to ensure that schools do not run out of electricity. Additional funding allocated to Education is largely for scholar transport, the implementation of the ICT strategy, municipal services and capacity building.

The baseline allocation for Health in 2016/17 amounts to R37.4 billion and grows subsequently to R42.5 billion to make provision for providing quality health care, Improvement in Conditions of Service and to cater for the carry-through effect of allocations made to Health in the 2015/16 adjustment budget. Furthermore, an amount of R27.3 million is received in 2018/19 for the rollout of HPV vaccine and this programme is aimed at reducing

cervical cancer in girls child aged between 9-10 years.

Roads and Transport receive an allocation of R7.3 billion in 2016/17 escalating to R8 billion in 2018/19 to fund the investment in road infrastructure to provide convenient and safe public transport through the bus subsidies and Gautrain. The Provincial Road Maintenance Grant (PRMG) is allocated to Roads and Transport to be used for upgrading and maintenance of roads and the Public Transport Operations Grant (PTOG) and caters for the bus subsidies through the demarcated contracts.

## 5.2 Payments by economic classification

TABLE 14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>54 126 916</b>	<b>58 315 161</b>	<b>64 045 920</b>	<b>71 653 010</b>	<b>73 175 844</b>	<b>73 121 527</b>	<b>76 936 992</b>	<b>81 232 004</b>	<b>86 356 135</b>
Compensation of employees	38 975 546	43 139 114	47 047 269	52 636 496	53 182 560	52 487 507	56 752 802	59 844 582	63 395 858
Goods and services	15 141 119	15 170 322	16 995 467	19 015 214	19 991 984	20 627 483	20 182 467	21 385 794	22 958 634
Interest and rent on land	10 251	5 725	3 184	1 300	1 300	6 537	1 723	1 628	1 644
<b>Transfers and subsidies to:</b>	<b>14 188 391</b>	<b>14 630 338</b>	<b>16 196 539</b>	<b>17 875 552</b>	<b>17 808 954</b>	<b>18 711 595</b>	<b>19 095 901</b>	<b>20 570 451</b>	<b>21 829 418</b>
Provinces and municipalities	1 441 852	962 134	1 047 227	1 146 247	1 459 476	1 460 064	1 522 083	1 608 876	1 697 698
Departmental agencies and accounts	2 307 429	2 188 269	2 168 094	2 471 830	2 667 644	2 667 644	2 846 374	2 968 476	3 141 052
Higher education institutions	17 156	16 849	16 967	23 675	34 175	34 175	25 173	27 012	28 782
Foreign governments and international organisations									
Public corporations and private enterprises	1 702 133	1 772 623	1 931 758	2 010 321	2 030 464	2 030 464	2 188 060	2 316 847	2 426 934
Non-profit institutions	4 345 793	5 090 300	5 592 984	6 461 292	6 713 521	6 610 659	6 772 257	7 165 520	7 633 804
Households	4 374 028	4 600 163	5 439 509	5 762 187	4 903 674	5 908 589	5 741 954	6 483 721	6 901 149
<b>Payments for capital assets</b>	<b>3 732 047</b>	<b>3 108 493</b>	<b>4 150 265</b>	<b>5 862 112</b>	<b>6 056 804</b>	<b>5 988 571</b>	<b>7 332 285</b>	<b>7 364 386</b>	<b>7 319 389</b>
Buildings and other fixed structures	3 007 367	2 484 385	2 705 130	5 020 017	4 798 577	4 636 436	5 828 990	5 901 495	5 785 663
Machinery and equipment	625 182	603 636	1 277 516	789 795	1 106 574	1 210 469	1 453 313	1 419 092	1 500 512
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets	6 569	12 521	41 507	16 740	16 740	16 740	15 000	10 010	3 000
Software and other intangible assets	92 929	7 951	126 112	35 560	134 913	124 926	34 982	33 790	30 215
<b>Payments for financial assets</b>	<b>113 078</b>	<b>60 131</b>	<b>168 544</b>		<b>258</b>	<b>14 877</b>			
<b>Total economic classification</b>	<b>72 160 432</b>	<b>76 114 123</b>	<b>84 561 268</b>	<b>95 390 674</b>	<b>97 041 860</b>	<b>97 836 570</b>	<b>103 365 178</b>	<b>109 166 841</b>	<b>115 504 943</b>

### Current payments

Current payments constitute the largest share of the total provincial spending, at an average of 74.5 per cent over the 2016 MTEF and increases from R73.1 billion in the 2015/16 revised estimate to R86.3 billion in the 2018/19 financial year. The largest portion of current payments is compensation of employees, which is set to increase from R52.5 billion in the 2015/16 revised estimate to R63.4 billion in the 2018/19 financial year. This increase is attributable to the planned filling of critical vacant posts by various departments and the cost of living adjustment.

A major share of the personnel budget is allocated to Education and Health, due to the need to have educators and health care professionals in these departments to ensure that quality teaching and health care services are provided in the province. Health personnel budget includes OSD for qualifying employees and funding for the recruitment of critical staff as well as other salary related costs to fund the remuneration of the existing staff establishment. Education's personnel budget includes funding for the recruitment of additional educators and support staff and to meet the policy requirements such as the learner: educator ratio. In addition, these two departments are allocated additional funding of R1.2 billion and R925.7 million respectively over the 2016 MTEF to cover any shortfall that might arise due to the 2015 wage agreement for the public sector.

Goods and services are set to grow at a nominal annual average rate of 3.7 per cent over the 2016 MTEF from the 2015/16 revised estimate, mainly in response to current cost containment measures. This caters for critical spending areas such as medicine, medical supplies, Learner and Teacher Support Material (LTSM) and municipal services. The goods and services budget increases in 2016/17 to supplement the budget allocated to municipal services and the scholar transport etc.

### **Transfers and subsidies**

The total transfers and subsidies allocation over the 2016 MTEF is estimated to increase by R3.1 billion or 16.7 per cent from the 2015/16 revised estimate of R18.7 billion. A substantial portion of transfers and subsidies is transferred to non-profit institutions emanating from Education to subsidise schools according to the norms and standards for school funding and the other entities to deliver teacher development and interventions to improve education outcomes. Social Development also transfers funds to non-profit organisations as this department works in collaboration with the NGO sector to deliver services.

The majority of the transfers classified under departmental agencies and accounts, and public corporations and private enterprise is from Roads and Transport. The increased allocation over the 2016 MTEF on the departmental agencies and accounts relates to payments made in respect of the Gautrain Management Agency. Transfers to public corporations and private enterprises also grow over the 2016 MTEF, this relate to transfers to the public transport operators including the North West Star contracts.

Transfer to households is primarily to cater for the accelerated delivery in housing projects and the eradication of informal settlements in the province delivered by Human Settlements. Transfers for 2016/17 financial year includes an amount of R124 million which is earmarked for the mining towns of Merafong, Randfontein and Westonaria.

### **Payments for capital assets**

Payments for capital assets reflect growth at annual average of 7.4 per cent over the 2016 MTEF, from R5.99 billion in 2015/16 revised estimates to R7.3 billion in 2018/19. The bulk of the payment for capital assets is driven by the departments of Education, Health, and Roads and Transport who account for R6.6 billion or 90.3 per cent of the total provincial capital investment allocation in 2016/17.

## 5.3 Payments by policy area

TABLE 15: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY FUNCTIONAL AREA

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2012/13	2014/15				2016/17	2017/18	2018/19
General public services	3 844 787	4 193 047	4 660 785	5 239 465	5 638 903	5 648 965	5 898 234	6 180 948	6 284 174
Public order and safety	414 662	493 481	629 606	622 152	736 080	736 080	652 880	677 003	718 047
Economic affairs	6 825 431	6 701 726	7 394 186	8 455 483	8 393 915	8 357 793	9 191 905	9 622 919	10 115 518
Environmental protection	128 734	134 933	153 575	163 466	205 236	196 930	217 289	247 968	262 564
Housing and community amenities	4 421 597	4 546 443	5 030 253	5 939 014	5 085 904	5 994 281	5 871 166	6 616 801	7 042 788
Health	26 834 347	27 415 801	31 005 212	34 175 179	35 337 088	35 691 082	37 408 057	39 909 926	42 500 389
Recreation, culture and religion	434 025	519 602	642 606	788 034	794 924	794 924	821 059	919 636	945 264
Education	26 732 123	29 209 407	31 636 240	36 043 909	36 852 671	36 457 543	39 069 226	40 546 924	42 897 185
Social protection	2 524 726	2 899 683	3 408 805	3 963 972	3 997 139	3 958 972	4 235 362	4 444 715	4 739 013
<b>Total provincial payments and estimates by policy area</b>	<b>72 160 432</b>	<b>76 114 123</b>	<b>84 561 268</b>	<b>95 390 674</b>	<b>97 041 860</b>	<b>97 836 570</b>	<b>103 365 179</b>	<b>109 166 841</b>	<b>115 504 943</b>

Table 15 above presents provincial payments according to the functions of the government, which in the province relates to the implementation of the Transformation, Modernization and Re-industrialization priorities and projects. There is a noticeable growth in the payments and estimates relating to the policy areas in the province over the seven-year period. The level of provincial spending and budget reflects growth from 2012/13 to 2018/19, despite the National Treasury fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces over 2016 MTEF.

As reflected above, the highest expenditure is on Education and Health which account for 74 per cent (R76 billion) of the provincial budget. Education takes the lead in the Modernisation of Public Service through the introduction and implementation of ICT in education and transforming public schooling by addressing barriers to access, equity and redress as well as increasing access to quality pre- and post-schooling educational opportunities. The growth in the Education budget is also attributable to the increase in the funding of the department to deal with the projects such as the Incremental Introduction of African Languages, the New Gauteng Master Skills plan to promote inclusive, facilitative and pro-active skills planning with an implementation framework for the GCR that demonstrates government's commitment to the development of skills that are required to support the GCR's bold economic growth and employment creation targets set in the Radical Transformation, Modernisation and Re-industrialisation strategy.

Health continues to be committed in providing high quality, efficient and accessible health care to transform people's lives through the implementation of accelerated social transformation as one of the pillars. In response to the call to accelerate social transformation, Health is committing to the following priorities: National Health Insurance rollout; Improved quality of health care; Increase quality and access in PHC facilities; Modernized health information systems.

Economic growth and development are primarily driven by the Economic Development; Agriculture and Rural Development; and Roads and Transport. Their main functions are to provide financial and non-financial supports to SMME's and cooperatives, promote economic growth in the province, ensure food security for all and build and upgrade transport infrastructure. The COGTA department will assist in the preparation and facilitation of free and fair local government elections, and continue to promote and establish organs of people's power (ward committees, street committees and block committees). The department will conduct induction and training for all new ward committee members after the 2016 local government elections.

## 5.4 Infrastructure payments

For more information on infrastructure payments refer to 2016 Estimates of Capital Expenditure (ECE).

## 5.5 Personnel costs

TABLE 16: PROVINCIAL PERSONNEL COSTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Office of the Premier	153 493	176 280	199 024	228 529	232 029	232 029	244 362	270 789	289 182
Provincial Legislature	181 637	207 397	231 742	284 865	267 776	267 776	300 171	330 044	362 962
Economic Development	110 304	110 685	134 813	215 711	181 787	181 788	230 625	242 196	256 244
Health	15 244 542	17 096 854	18 654 909	20 409 052	20 834 705	20 826 361	22 208 890	23 614 733	25 043 335
Education	20 029 595	21 812 522	23 734 110	26 428 946	26 814 567	26 268 881	28 214 940	29 558 673	31 273 074
Social Development	782 298	903 194	1 018 431	1 272 624	1 290 791	1 241 225	1 338 081	1 361 124	1 407 089
Cooperative Governance and Traditional Affairs	182 711	200 300	222 104	266 482	254 419	254 395	281 299	302 359	319 896
Human Settlements	298 769	316 760	345 188	372 402	372 402	372 399	404 372	425 087	448 432
Roads and Transport	437 039	472 102	488 559	693 032	548 968	548 968	631 320	647 972	702 514
Community Safety	252 299	319 775	356 292	418 149	418 149	411 537	459 176	477 994	505 717
Agriculture and Rural Development	267 441	291 624	330 853	354 462	379 178	381 241	409 708	424 070	444 098
Sport, Arts, Culture and Recreation	109 238	143 333	174 633	184 440	188 440	188 440	239 300	254 425	269 687
e-Government	220 276	245 369	252 933	343 540	301 464	301 453	503 991	536 347	562 800
Provincial Treasury	257 114	291 210	332 918	417 813	391 434	391 292	453 362	471 808	500 836
Infrastructure Development	448 790	551 709	570 760	746 450	706 450	668 166	833 204	926 963	1 009 990
<b>Total provincial personnel costs</b>	<b>38 975 546</b>	<b>43 139 114</b>	<b>47 047 269</b>	<b>52 636 497</b>	<b>53 182 559</b>	<b>52 535 951</b>	<b>56 752 802</b>	<b>59 844 583</b>	<b>63 395 857</b>

The table above reflect personnel budget and expenditure of provincial departments in Gauteng. The total spending on personnel increased from R38.9 million in 2012/13 to R47 million in the 2014/15 financial year. The budget increased by 8 per cent between the 2015/16 and 2016/17 financial years. For the two outer years there is a slight rise of 6.2 per cent translating to a R3.7 billion growth. The growth in the 2016 MTEF budget allocated to personnel caters for all salary related costs in line with the 2015 wage agreement and the appointment of critical staff.

The personnel budget of Health grows from R20.8 billion in 2015/16, increasing to R25 billion in the 2018/19 financial year to make provision for the appointment of health professionals to deliver quality health care services to the public as well as other salary related costs.

Education has the highest number of personnel due to educators that are paid in this department. The personnel budget increases from R28.2 billion in 2016/17 to R31.3 billion in the 2018/19 financial year.

Social Development significantly increased its personnel budget from R1.3 billion in 2016/17 to R1.4 billion in 2018/18 to cater for the existing staff establishment and the appointment of critical staff including Social Work Graduates, Child and Youth Care Workers and Community Development Practitioners.



## 5.6 Payments on training

TABLE 17: PAYMENTS ON TRAINING BY VOTE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Office of the Premier	2 262	571	1 595	2 075	2 075	2 075	1 898	2 305	2 439
Provincial Legislature	4 884	1 755	3 074	3 880	3 880	3 880	4 011	4 011	4 011
Economic Development	1 399	1 808	4 044	3 237	2 245	2 245	2 306	2 527	2 674
Health	38 013	24 352	30 633	56 918	50 020	44 859	58 493	61 046	64 647
Education	200 937	262 465	378 088	482 774	483 053	488 255	518 630	544 846	576 447
Social Development	6 092	8 137	12 287	12 453	12 453	12 453	13 113	13 768	14 567
Cooperative Governance and Traditional Affairs	8 974	5 683	11 501	10 642	10 642	10 642	11 936	12 051	12 929
Human Settlements	2 062	7 120	904	3 817	3 817	3 817	5 044	4 251	4 485
Roads and Transport	8 713	564	7 600	11 535	11 535	11 535	12 295	12 363	13 080
Community Safety	4 726	3 777	5 591	7 770	7 770	7 579	6 959	7 359	7 739
Agriculture and Rural Development	6 519	6 909	5 579	3 805	3 805	3 805	3 594	4 439	4 696
Sport, Arts, Culture and Recreation	1 559	1 631	1 719	1 840	1 840	1 840	2 393	2 544	2 697
e-Government	1 899	1 648	3 155	2 000	2 000	2 000	2 300	2 415	2 136
Provincial Treasury	3 638	7 410	3 756	5 989	5 989	4 889	6 643	7 015	7 422
Infrastructure Development	11 661	14 505	19 842	20 977	23 810	23 810	20 827	22 910	25 201
<b>Total provincial payments on training</b>	<b>302 692</b>	<b>348 335</b>	<b>489 368</b>	<b>629 713</b>	<b>624 935</b>	<b>623 684</b>	<b>670 442</b>	<b>703 850</b>	<b>745 170</b>

The table above depicts the training budget allocation for the province. This is as per the Skills Development Act to promote skills development and training to promote service delivery. The provincial expenditure on training has increased by R186 million from R302.7 million in 2012/13 to R489.4 million in the 2014/15 financial year. The budget allocated in 2016/17 amounts to R670.4 million, the largest contributing department is Department of Education which contributes 77 per cent followed by Department of Health which contributes 9 per cent. The other department combined contributes 14 per cent.

Education's training budget is inclusive of the budget for the Gauteng City Region Academy for the implementation of the Gauteng Master Skill Plan II. The vision of the Master Skills Plan for the Gauteng City Region is to create inclusive, facilitative and proactive skills planning which demonstrates government's commitment to the development of skills that are required to support the GCR's economic growth and employment creation targets. The department also provides bursaries to top performing learners in the province and training, learnerships and internships to youth as part of youth development in the province.

Health's training programmes will focus on the re-engineering of Primary Health Care Services. The increase in the budget is as a result of the training of community health workers, medical and support staff, who will be appointed under the HIV and AIDS programme. The department will over the 2016 MTEF offer more bursaries to students through the South African Cuban Medical Doctor Training Programme to address the shortage of skills in the province. The training of midwives will continue in order to improve maternal and neonatal services. The training budget allocation in other departments is aimed at mainly training and developing employees to enhance their skills and to improve service delivery in the respective sectors. Departments continue to provide bursaries to employees as part of skills and career development. There is also provision made for learnerships and internship programmes for youth development.





# **ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**

# VOTE 1

## OFFICE OF THE PREMIER

To be appropriated by vote in 2016/17	R449 420 000
Responsible Executing Authority	Premier of the Gauteng Provincial Government
Administering Department	Office of the Premier
Accounting Officer	Director General

### 1. OVERVIEW

#### Vision

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

#### Mission

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

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

#### Strategic goals

The strategic goals of the OoP to 2019 are framed as follows:

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

The introduction of the new vision by the fifth administration culminated in a significant review of the role and strategic direction of the OoP. So as to give effect to this vision, and based on the resolutions taken at the July 2015 strategic planning session, the OoP has revised its Strategic Plan for 2014-2019 and the Annual Performance Plan for 2016/17 to ensure solid alignment to the Transformation, Modernisation and Re-industrialisation (TMR) programme and priorities emanating from the May and November 2015 Executive Council (EXCO) Lekgotla.

#### Core functions and responsibilities

##### Overall leadership to government and society

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

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

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

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

The core function of the OoP is to improve government performance and service delivery; this will be achieved through enhanced planning, coordination, monitoring and evaluation of government performance. The results of Census 2011 indicate that the huge migration to the Gauteng province requires planning capability (both centralised and spatial), performance monitoring and evaluation and strategic planning and agenda setting to ensure that the needs of citizens are adequately addressed.

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

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

- Sustained awareness on government progress and good work and programmes to address challenges;
- Improved responsiveness;
- Sustained engagement with stakeholders; and
- A programme of public participation linked to building public confidence in government and improved access to information.

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

The OoP provides strategic and administrative support to the Premier and Cabinet in fulfilling their mandate, constitutional and legal obligations and in realising the policy priorities and political imperatives of the fifth administration. The OoP will ensure the development of the legislative agenda for the province and provide strategic support and advice to the Premier and EXCO. Through the Cabinet secretariat support will be provided to the EXCO and clusters to ensure optimal integration and coordinated policy development, policy implementation and action. The OoP will ensure an effective and efficient implementation of the 2014-19 Medium Term Strategic Framework (MTSF) mandate.

### **Intergovernmental relations**

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

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

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

### **Service delivery interventions**

The OoP facilitates a responsive, efficient, effective development orientated Gauteng public service through service delivery improvements. It aims to create service delivery intervention that is able to respond with speed to concerns or failures. Through the Cabinet secretariat the OoP will ensure that the Premier and the members of the EXCO are at the forefront of service delivery which will be the hallmark of the 5<sup>th</sup> administration. The rollout of the Premier's Ntirhisano outreach programme will continue in the 2016/17 financial year. As part of the roll out of the Service Delivery War Room (SDWR), the Central Command Centre will be established as a vehicle to enhance government responsiveness towards citizen complaints and queries.

### **Main services**

The main services of the OoP are as follows:

- The provision of leadership to the entire government and society;
- Overseeing the effective functioning of the entire provincial administration and expediting delivery of policy priorities of this term of office and implement the National Development Plan (NDP), Vision 2030;
- Long term planning, policy coordination, monitoring and evaluation of government performance on priorities;

- Communication and interface with communities and key sectors of society;
- Provision of strategic and administrative support to the Premier and Cabinet in fulfilling the mandate, constitutional and legal obligations and realizing the policy priorities and political imperatives of the fifth administration; and
- Mainstreaming gender, youth, disability and the elderly persons in Government programmes.

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

The introduction of the new vision by the fifth administration, *“an integrated city-region, characterised by social cohesion and economic inclusion; the leading economy on the continent, underpinned by sustainable socio-economic development”*, culminated in a significant review of the role and strategic direction of the OoP. Therefore, in stabilizing government the OoP as the political nerve centre of the provincial government has been repositioned. This has consequently entailed a radical shift in the form and content of service delivery in Gauteng, with an emphasis on the ten pillars of transformation, modernisation and re-industrialisation as announced by the Premier. The TMR programme is therefore designed to transform, modernise and re-industrialise the province through attention to the basics of service delivery, good governance, building integrated human settlements, unlocking key sectors of growth, promoting innovation and providing opportunities for employment and development.

### **National Development Plan**

The NDP, Vision 2030, which was adopted by the National Executive in 2012, is the visionary blueprint of government and the society (including business, labour, faith-based organisations, youth, women, elderly and the people with disabilities). Therefore the NDP, Vision 2030, is a collaborative partnership; towards reducing poverty, unemployment, build a national democratic society that is socially inclusive society by 2030. Giving effect to this long range plan is a series of Medium-Term Strategic Frameworks. 2014-2019 is the first of three such Frameworks and identifies the critical actions to be prioritised in the first five years of the NDP, Vision 2030.

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

External events in the OoP relate to the engagement with governmental and non-governmental institutions including the private sector to realise the outcomes outlined above. Based on the decisions of the EXCO Lekgotla’s decisions that relate to the outcomes, budget provisions are aligned to reflect the channelling of funding to the identified priority areas.

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

- Intergovernmental Relations Framework Act 13 of 2005;
- Treasury Regulations, 2005;
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000;
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Skills Development Act, 1998;
- Basic Conditions of Employment Act, 1997;
- Constitution of the Republic of South Africa, 1996;
- Public Service Act, 1994, with regulations; and
- Occupational Health and Safety Act 85 of 1993.

### **Provincial legislation**

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

- The Premier has executive, policy, legislative, intergovernmental and ceremonial functions and responsibilities as defined in Chapter 6 of the Constitution of the Republic of South Africa.
- The Premier, as the political head of the Provincial Government, is also responsible for the implementation of Chapter 3 of the Constitution. Section 41(1) defines the relationship and principles underlying co-operation between the various spheres of government.
- Section 125(2) of the Constitution determines that the Premier exercises the executive authority of the province together with other members of the EXCO. The Premier appoints these members and assigns their functions and responsibilities and delegate powers to them.
- The Premier with the EXCO exercises Executive power by:
  - Implementing provincial legislation;
  - Implementing all applicable national legislation;
  - Developing and implementing provincial policy;
  - Coordinating the functions of the provincial administration and its departments; and
  - Performing any other function assigned to the Provincial Executive in terms of the Constitution or an Act of Parliament; and
- Implementing new national policies introduced by the Department of Performance Monitoring and Evaluation in the

Presidency which relate to the Outcomes-Based approach to improving the performance of government, Frontline Service Delivery Monitoring, the introduction of a Management Performance Assessment Tool and a National Evaluation Policy Framework.

### **Good governance legislation**

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

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

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)**

In delivering on the roles and functions, the OoP is reliant on a number of strategic thrusts that drives service delivery as the head institution of the Gauteng Provincial Government. These thrusts were determined through a process of strategic conversations and engagements amongst the political and administrative structures of the OoP. The focus for each thrust is briefly described below:

### **Executive Council system**

The Cabinet system was overhauled from the three-committees and silo-based departmental system into an integrated, sectoral based system which better supports cross-cutting implementation imperatives. The new system is aimed at providing greater technical support and consistent involvement and feedback to the Heads of Departments and Members of Executive Council. It also aims at ensuring that the Premier and EXCO focus more on critical and strategic matters; strategic projects aligned to the ten-pillar programme, the MTSF 2014-2019 and the NDP, Vision 2030; key service delivery interventions and community contact processes. The new system provides space for special sessions with content experts for concrete and value-adding advice on enhancing government programmes.

The EXCO Cluster System seeks to link local government to the cluster approach and makes provision for the IGR forum programmes. It also includes mechanisms to institutionalise an advanced warning system on emerging service delivery issues to allow for a rapid and decisive response.

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

Performance monitoring and evaluation of the implementation of the provincial ten-pillar programme needs to be increasingly geared towards the coordination, management and monitoring of the Gauteng Programme of Action as the primary instrument and mechanism for integrated planning and enhancing service delivery; the provision of early warning notifications of service delivery failures. This includes effective Frontline Service Delivery Monitoring (FSDM), as well as close monitoring of departments and municipalities; Monitoring and Performance Assessment Tool (MPAT) reporting and the timeous reporting of areas of below par performance pertaining to the performance objectives and indicators of the GPG and conducting performance and service delivery quality evaluations and reporting in order to facilitate a rapid response of corrective actions.

The implementation of the MPAT 1.4 went smoothly with all of Gauteng's departments submitting within the agreed timeframes departmental self-assessments as agreed in Departmental management meetings, together with the relevant evidence. The results for the MPAT 1.4 were released by the Department of Performance Monitoring and Evaluation (DPME) in April 2014. The MPAT Improvement Plans were developed by all departments and the Gauteng Planning Division monitors these improvement plans. The province is in the fifth MPAT phase after the launch of MPAT 1.5 on 31 July 2015.

### **Service delivery interventions**

The Ntirhisano SDWR was launched during the financial year and the rollout of an integrated system of service delivery in metro, district and local municipalities will continue in the new financial year. Its main objectives are to develop and implement a province-wide, integrated, comprehensive and sustainable service delivery model to improve the quality of life of Gauteng residents, particularly the poor. The Ntirhisano Service Delivery Rapid Response System is a key area of work for this cluster to ensure quicker response times to service delivery issues and strengthening of IGR governance.

The OoP is a central location from where the intervention are coordinated across the province and across all spheres of government. The intention is to intervene on a particular service delivery matter for a finite period until sufficient progress has been made to place the matter back to the relevant government department or public entity. The necessary capability and capacity around early warning systems and rapid response has been developed and the SDWR is operational. Fifty wards have already been activated.

The SDWR plays a significant role in enabling a more proactive and interventionist government, and requires that data

be collated from various sources, processed and acted on towards monitoring service delivery across the province. Service delivery intelligence is available through multiple sources including Community Workers, Ward Programmes and the Provincial Hotline.

Cooperative governance ensures greater efficiency across the spheres of government. The implementation of e-governance systems promotes participatory governance and active involvement of residents in the governance of the province. Monthly Open Days are hosted. The Public Service Hotline continues to serve as an effective mechanism for the resolution of complaints and queries.

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

Under the overarching theme of radical transformation and modernisation of the Public Service, the Branches of the OoP are expected to have completed their restructuring processes during the previous financial year; for full alignment to the 10-pillar programme.

The process leading to the development of the OoP Strategic Plan in 2014 and the need to give effect to the 10-pillar strategic programme of TMR, the OoP recognised a need to review the 2012 structure and functions in relation to the three approved budget programmes to best support its new posture and to fully deliver on its mandate, the office is currently reviewing its organisational structure and will be submitted to the Minister of Public Service and Administration for concurrence. The review of the structure also includes a proposal for the review of the current form of the Gauteng Planning Division to ensure that it focuses on long-term planning with the aim of institutionalising and aligning this with the priorities and mandate of government. The OoP continues to monitor the finalization of disciplinary cases on a monthly and quarterly basis through the intergovernmental POA.

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

The Gauteng Anti-Corruption Strategic Framework is being implemented to fight corruption and promote ethical behavior and integrity in the public service and we will continue to monitor and respond to cases referred from the National Anti-Corruption Hotline. The Integrity Management Office has been established and key staff within the Integrity Management Office has been appointed. The primary purpose of the office will be to review the integrity management framework and work towards a corrupt free government and improved disclosure framework to eliminate the practice of public servants doing business with government.

The goal of the OoP is to ensure that all departments in the province receive unqualified audit reports. This vision is also supported by the Auditor-General who continues to make technical teams available to assist departments achieve clean audit reports. The OoP has set the benchmark for all government departments with a clean audit for the past two financial years including unqualified audits in the prior years through the implementation of efficient and effective systems of financial management, risk management and internal controls. Over the past years, all other departments have made major improvements in terms of financial management and controls and are steadily on track to meet the 100 percent compliance rate with unqualified audit reports. The OoP has set a target for the payment of service providers within 30 days. The improvement of internal systems and processes has ensured that 100 percent of service providers are paid within 30 days.

### **Integrated planning and coordination**

Silo-based planning is detrimental to the developmental needs of the province. It often results in a fragmented and visibly inefficient rollout of capital and service delivery programmes. A centralised and integrated planning capability that pulls together and coordinates a multitude of planning initiatives across the province is a critical 'engine' of the Office of the Premier. The planning horizon is long-term, medium-term and short-term; and, alongside strategic planning, includes spatial and development planning coordinated across the municipal boundaries of the City-Region. The planning priorities are long term planning.

The Gauteng Infrastructure Coordinating Council (GICC), chaired by the Premier, was established to lead in the planning, prioritization, coordination, implementation and monitoring of infrastructure projects for the GCR to achieve the objectives of the ten-pillar programme and overcome the infrastructure development challenges in Gauteng. The EXCO developed and approved the Gauteng Spatial Development Framework (GSDF) Implementation Plan to provide the basis for the integrated provincial-wide planning. The Gauteng Planning Division monitors its implementation and reports the progress to EXCO quarterly. Quarterly progress on the development of the Gauteng Integrated Infrastructure Master Plan (GIIMP) is presented at the GICC.



### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

Overall, the NDP, Vision 2030 remains the visionary blueprint of government and informs the strategic direction of the Gauteng Provincial Government. The role of the OoP with regard to national outcomes is to coordinate the implementation of the NDP and all fourteen national outcomes to which the province contributes. In addition to the coordination role, the OoP is primarily responsible for the implementation of three outcomes, namely: Outcome 11 regarding creating a better South Africa and contributing to a better and safer Africa in a better world; Outcome 12 regarding an efficient effective and development oriented public service and Outcome 14 regarding transforming society and uniting the country. The MTEF budget for 2016/17-2018/19 has been aligned to focus on priority areas to ensure that the available resources are spent on strategic priorities.

The OoP will continue to lead in the implementation of the TMR programme throughout the province to transform the lives of all citizens in Gauteng in the current term of office and beyond. It will ensure that the ten-pillars are integrated in the plans of all Gauteng Provincial Departments and that the implementation thereof is monitored, evaluated and reported on. The TMR programme is designed to thus transform, modernise and re-industrialise the province through attention to the basics of service delivery, good governance, building integrated human settlements, unlocking key sectors of growth, promoting innovation and providing opportunities for employment and development. Through these imperatives, over the next 15 years Gauteng will become “an integrated city-region characterised by social cohesion and economic inclusion; the leading economy on the continent which is underpinned by sustainable socio-economic development”.

The Governance and Planning Cluster Roadmap that has been developed to strengthen the GPG and GCR institutions in support of the TMR programme will inform the focus and efforts of the Governance and Planning Cluster and Head of Administration, for this term of office and beyond. The intent of the Roadmap is to inform the strategic focus of the Cluster in driving improved governance and administration. The purpose of the roadmap is to (a) define an approach to position the Governance and Planning Cluster to play its critical role in realising the GCR intent and deliver on the TMR; (b) position the Cluster to build a smart, skilled, responsive and capacitated Public Service able to deliver in line with the intent of the NDP-Chapter 13 specifically; and (c) ensure space and time for the Governance and Planning Cluster to qualitatively build the Administration to a higher level of performance, and build a dynamic and best practice based institutional culture and character.

The APP for the 2016/17 financial year again took into consideration the electoral mandate of the fifth administration and will build on the solid foundation of the new administration, with the overriding vision of building a sustainable and inclusive globally competitive GCR. The OoP will continue to provide political and strategic leadership over the GCR and to the Premier and the EXCO. The projected budget approved by the Premiers Budget Council on 30 October 2015 is aimed at enhancing service delivery, government communications, planning, monitoring and evaluation of government performance and capacity for the Integrity Management Office. The implementation of the new approach towards international engagements abroad and in Africa will be accelerated in the coming year in an effort to ensure that the Gauteng Provincial Government is taking the lead into Africa’s industrial revolution. A summary of the key deliverables is outlined hereunder.

#### **Executive Council system**

The three EXCO Clusters (namely: economic; social; and governance and planning clusters) that are aligned to the Ten-Pillar Programme will continue to provide technical support to EXCO, Members of Executive Council and Heads of Departments in strategic matters and to deliver on the radical transformation agenda, following the implementation of the overhauled Cabinet system in 2014/15 breaking down silos and fostering an integrated, sectoral approach which better supports cross-cutting implementation imperatives.

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

The Gauteng Performance Monitoring and Evaluation (GPME) in collaboration with the DPME will continue to monitor frontline service delivery against standards, at selected service delivery sites in line with the 2016/17 FSDM plan and schedule. PME will continue the management of the MPAT.

Following a significant work that has been undertaken and partnerships established through advancing and protecting the rights youth, women and people with disability, the elderly and military veterans; the Office of the Premier will continue to ensure greater and coordinated support for the target groups, including support for our military veterans and the senior citizens of our province.

#### **Service delivery interventions**

The Ntirhisano Service Delivery War Room will continue in the new financial year. It is in line with commitments to strengthen direct engagements with communities and to see to it that political representatives and public servants alike are constantly on the ground addressing residents’ most pressing needs. Ensuring that a campaign mode and sense of urgency prevails and to deepening active collaboration across spheres of government towards more effective and visible delivery which results in qualitative improvements in people’s quality of life and wellbeing

The Ntirhisano Community Outreach Programme, led by the Premier and Members of the EXCO is aimed at resolving service delivery problems, will continue to be the platform that allows communities to raise their issues and concerns, and encourages participation and enables community to be part of the solution in responding and resolving queries and complaints.

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

The Communication services in the Province will be further transformed and modernised to enable the effective communication of the rollout of the Gauteng Government priorities and POA. The focus will be on more proactive communication. In addition to traditional communication and media platforms, social media channels of communication and direct engagement with communities will take higher prominence.

In line with Outcome 14 of MTSF 2014–2019 pertaining to nation building and social cohesion, Provincial Communications are further tasked with highlighting the many good stories around the work of government. The branding will focus on Gauteng as a people centred brand and a brand of a dynamic, growing Global City Region that is socially and economically inclusive.

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

The financial year 2015/16 has provided an opportunity to branches to begin the process of giving effect to the TMR aligned performance objectives and indicators, as well as the further development of the systems and processes needed for active engagement with communities and other spheres of government. Considerable progress has been made in this alignment process, though further development and refinement is required in some areas.

The call that it is not business as usual and that each branch was to have been optimally structured and capacitated to function at full effectiveness in the 2015/16 financial year stands. The 2016/17 planning period is then focused on implementation and the realisation of targeted results.

The OoP will continue to monitor the implementation of the organizational structures and the finalization of disciplinary cases on a monthly and quarterly basis, across GPG, through the intergovernmental POA. The implementation of the Human Resources Framework that was developed in 2014 will continue to be monitored to ensure technical capacity, strengthen departmental organizational capacity, implement phase 2 of organizational structure, reduction of funded vacancy rate including the reduction of the average time to conclude disciplinary hearings, achievement of Employment Equity targets, Women in SMS positions 50 per cent and People with Disabilities per cent. The Human Resources Development Strategy will be enhanced to ensure that the effective institutional capacity is built and the state liability is reduced.

In modernizing the public service, the ICT infrastructure will be harnessed and access to e-governance expanded through the strategic investment in Gauteng Broadband Network (GBN) through establishing core network (1) connect government – broadband access to government buildings and VOIP (2) connect Thusong centres, twenty priority townships, urban renewal and key economic zones.

The Governance and Planning Cluster will explore alternative sources of revenue generation to enable sustainable funding for the TMR Programme.

#### **Integrated planning and coordination**

The GICC will continue to lead in the planning, prioritization, coordination, implementation and monitoring of infrastructure projects for the GCR to achieve the objectives of the ten-pillar programme and overcome the infrastructure development challenges in Gauteng. Through the implementation of the Gauteng Spatial Development Framework (GSDF) Implementation Plan, coordination of the GCR-wide spatial development and land use management will be monitored. The Development Planning unit of the Gauteng Planning Division will continue to monitor its implementation and quarterly progress reports will be presented to EXCO.

The Game Changer projects have been further demarcated based on the 5 Corridors of development across the GCR, namely, the Central, Northern, Eastern, Western and Southern Corridors. It is envisaged that through the introduction of these “big ideas” and a number of well-planned and coordinated catalytic projects, radical transformation across the GCR will be achieved.

## **4. REPRIORITISATION**

The department reprioritised the budget baselines driven by the following key areas: provincial communication services to accommodate; electronic communication to the public; and profiling the work of government. The Performance Monitoring and Evaluation for the province under the GPD umbrella has been reprioritised. The Development planning unit of the GPC branch has also become a provincial priority including the Gauteng Vision 2030 projects and Infrastructure Master Plan.

Furthermore, the Transversal Human Resources increased with R4.5 million through reprioritised and Legal Services were reprioritised to ensure proper strategies including the litigation strategies.

## 5. PROCUREMENT

The major projects for the OoP will include Infrastructure Master Plan implementation, Geographic Information System (GIS), Game changers (the five economic development corridors of Gauteng), establishment of the SDWR and PME services in 2016/17.

## 6. RECEIPTS AND FINANCING

### 6.1. Summary of receipts

TABLE 1.1: SUMMARY OF RECEIPTS:OFFICE OF THE PREMIER

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	304 270	480 367	382 669	425 455	429 965	429 208	449 420	474 389	503 154
<b>Total receipts</b>	<b>304 270</b>	<b>480 367</b>	<b>382 669</b>	<b>425 455</b>	<b>429 965</b>	<b>429 208</b>	<b>449 420</b>	<b>474 389</b>	<b>503 154</b>

The department is funded from the equitable share allocation. The department's receipts increased from R304.3 million in 2012/13 to R480.4 million in 2013/14. The factors causing the increase include additional funds allocated for official state funerals declared in the province and implementation of plans for the celebration of 20-years of freedom. The allocation decreased to R382.7 million in 2014/15.

During the 2015/16 financial year the budget allocation rose again to R425.5 million as a result of the function shift from the former Gauteng Department of Finance (GDF) HR units and the Public Service Hotline and the Performance Monitoring and Evaluation from Gauteng Provincial Treasury (GPT). During the 2015/16 the budget was adjusted upwards to R429.9 million due to rollover funds approved by Treasury amounting to R4.1 million for the procurement of back-up generator and funds shift of R390 000 from former GDF to fund capital assets desktop computers and laptops for officials migrated from the department.

The allocations over the MTEF increase from R449.4 million in 2016/17 to R503.2 million in 2018/19. These allocations include additional funds allocated for the transfer of functions relating to the Gauteng Hotline, transversal and HR units from the former GDF and provision for SDWR projects, the game-changers, Infrastructure Master Plan implementation and PME are some of the key projects that dominate the 2016 budget allocations.

### 6.3. Departmental receipts

TABLE 1.2 : SUMMARY OF DEPARTMENTAL RECEIPTS COLLECTION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Sales of goods and services other than capital assets	189	357	243	420	420	420	442	464	491
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	1	12	10	32	32	32	34	36	38
Sales of capital assets									
Transactions in financial assets and liabilities	87	164	173			143			
<b>Total departmental receipts</b>	<b>277</b>	<b>533</b>	<b>426</b>	<b>452</b>	<b>452</b>	<b>595</b>	<b>476</b>	<b>500</b>	<b>529</b>

The revenue collection increased from R277 000 in 2012/13 to R426 000 in 2014/15. The main contributors to the revenue collection are parking fees, debt recoveries, application fees on the establishment of townships and interest charged on debt. The projected revenue collection increase to R452 000 in 2015/16 because of expected collection in main sources. From 2016/17 the budgeted revenue collection increases from R476 000 to R529 000 by approximately 11 per cent.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

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

- Personnel is the main cost contributors due to the growing structure emanating from the migration of functions from the Gauteng Department of Finance (GDF) to the Office of the Premier and the automatic increases due to inflationary adjustments over the MTEF as prescribed by Treasury;
- Enhancing research capacity of Gauteng through the Gauteng Planning Division; Gauteng City Region Observatory (GCRO)/University of the Witwatersrand (Wits) transfers; and the provincial monitoring and evaluation (PME) systems;
- Finalisation of the infrastructure master plan in line with TMR (radical transformation and industrialisation of the GCR); and
- Implementation of service delivery interventions projects including the migration of the Gauteng Hotline function, to ensure modernisation of the public service, as enshrined in the TMR programme.

### 7.2. Programme summary

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	73 241	83 865	88 567	97 360	98 804	98 804	104 081	107 431	113 662
2. Institutional Development	156 524	300 774	179 956	194 816	198 542	198 165	211 844	227 223	241 652
3. Policy & Governance	60 801	77 152	86 478	133 279	132 619	132 240	133 496	139 736	147 839
<b>Total payments and estimates</b>	<b>290 566</b>	<b>461 791</b>	<b>355 001</b>	<b>425 455</b>	<b>429 965</b>	<b>429 208</b>	<b>449 420</b>	<b>474 389</b>	<b>503 154</b>

### 7.3. Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>270 633</b>	<b>403 436</b>	<b>330 670</b>	<b>402 820</b>	<b>391 113</b>	<b>390 001</b>	<b>423 681</b>	<b>449 321</b>	<b>476 433</b>
Compensation of employees	153 493	176 280	199 024	228 529	232 029	232 028	244 362	270 789	289 182
Goods and services	117 140	227 156	131 646	174 291	159 084	157 973	179 318	178 532	187 251
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>13 777</b>	<b>50 872</b>	<b>14 706</b>	<b>18 005</b>	<b>29 026</b>	<b>29 053</b>	<b>19 000</b>	<b>19 950</b>	<b>21 306</b>
Provinces and municipalities					500	500			
Departmental agencies and accounts			47						
Higher education institutions	12 422	12 735	14 397	18 005	28 505	28 505	19 000	19 950	21 306
Non-profit institutions		37 514							
Households	1 355	623	262		21	48			
<b>Payments for capital assets</b>	<b>6 022</b>	<b>7 350</b>	<b>9 453</b>	<b>4 630</b>	<b>9 826</b>	<b>10 154</b>	<b>6 740</b>	<b>5 118</b>	<b>5 415</b>
Buildings and other fixed structures									
Machinery and equipment	5 934	7 350	9 448	4 630	9 826	10 154	6 740	5 118	5 415
Software and other intangible assets	88		5						
<b>Payments for financial assets</b>	<b>134</b>	<b>133</b>	<b>172</b>						
<b>Total economic classification</b>	<b>290 566</b>	<b>461 791</b>	<b>355 001</b>	<b>425 455</b>	<b>429 965</b>	<b>429 208</b>	<b>449 420</b>	<b>474 389</b>	<b>503 154</b>

The department expenditure increases from R290.6 million in 2012/13 to R503.2 million in 2018/19. The Programme 2: Institutional Development has been housing the biggest part of the budget since 2012/13 and will continue in the same trend over the MTEF. In 2012/13 total expenditure for department amounted to R290.6 million and grew to R355 million in 2014/15 approximately increase of 22 per cent was realised between those financial years. The steep increase in expenditure in 2013/14 largely driven by cost incurred on state funerals, the spending normalised in 2014/15. Subsequent sharp increase to R425.5 million or by 19.7 per cent in 2015/16 due to the incorporation of functions of the Gauteng Public Service Hotline and Transversal Human Resources migrated from the former GDF, further more during the adjustment period the budget rose due to the rollover funds approved by Treasury amounting to R4.1 million and R390 000 for IT funding to the three units transferred earlier. Over the MTEF allocation increases from R449.4 million in 2016/17 to R503.2 million in 2018/19.

In terms of economic classification, compensation of employees is the main cost driver. The allocation increased from R232 million in 2015/16 to R244.4 million 2016/17 representing an increase of 5.2 per cent. The allocation increase from R244.4 million 2016/17 to 2017/18 R270.8 million approximately 16.6 per cent growth above the inflation rate; this is due to restructuring of OoP staff complement expanding from 488 position in 2016/17 to 559 in 2017/18. However the expenditure

stabilizes in 2018/19 with an increase of 6.7 per cent.

The budget for goods and services grows by approximately R8 million from R179.3 million in 2015/16 to R187.3 million in 2018/19 owing to the provision of inflation adjustments based on the Consumer Price Index (CPI). Goods and services budget allocation was revised downwards during the adjustment to make provision for increased transfer to local university to cater for the GCRO research project and some of the funds were also relocated to compensation of employees under PME.

The budget for transfers and subsidies increases by R10.5 million during the 2015/16 adjustment as a result of a once off transfer for Tshimologong Precinct project. Over the MTEF period the transfer increases with an average of 5 per cent to make provision for research costs. This is for the GCRO to perform work on behalf of the OoP in order to build research capacity and knowledge hub to enhance Gauteng and R500 000 to three metros municipalities to fund research on spatial planning and land use development this project thereby enhancing service delivery among various communities.

## 7.4 Infrastructure

N/A

## 7.5 Transfers to other entities

TABLE 1.5 : SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
GCRO-WITS	12 459	13 008	14 397	18 005	28 505	28 505	19 000	19 950	21 306
<b>Total departmental transfers</b>	<b>12 459</b>	<b>13 008</b>	<b>14 397</b>	<b>18 005</b>	<b>28 505</b>	<b>28 505</b>	<b>19 000</b>	<b>19 950</b>	<b>21 306</b>

The amounts transferred to other entities increase from R12.5 million in 2012/13 to R14.4 million in 2014/15. The department entered into agreement with higher education institutions to assist Gauteng Provincial Government with research to advance the goals of GCR. The budget of the OoP increased by R10 million allocated for the Tshimologong Precinct project during the adjustment budget process in 2015/16. The allocation for the GCRO research amounts to R19 million in 2016/17 and increase to R21.3 million in 2018/19.

TABLE 1.6 : SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Category A					500	500			
Category B									
Category C									
Unallocated									
<b>Total departmental transfers</b>					<b>500</b>	<b>500</b>			

The department allocated adjustment budget of R500 000 on Provinces and municipalities during the 2015/16 adjustment, the funds were transferred to Gauteng metropolitan municipalities to fund research on spatial planning and land use development project.

## PROGRAMME 1: ADMINISTRATION

### Programme description

The programme is responsible for overall strategic management and support to the Premier and the Director-General in fulfilling their statutory and political mandates; and is further responsible for the provision of financial management and support services; and provision of security management services to the Office of the Premier.

### Programme objectives

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

TABLE 1.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Premier Support	15 701	18 614	13 084	19 119	18 419	18 419	19 130	21 119	22 344
2. Executive Council Support	5 412	6 855	5 968	9 779	8 247	8 247	10 245	10 727	11 349
3. Director General	15 835	25 087	32 221	26 605	30 655	30 655	27 984	29 397	31 102
4. Financial Management	33 776	31 814	34 980	39 884	38 320	38 320	44 644	44 007	46 559
5. Programme Support	2 517	1 495	2 314	1 973	3 163	3 163	2 078	2 182	2 308
<b>Total payments and estimates</b>	<b>73 241</b>	<b>83 865</b>	<b>88 567</b>	<b>97 360</b>	<b>98 804</b>	<b>98 804</b>	<b>104 081</b>	<b>107 431</b>	<b>113 662</b>

TABLE 1.8 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>70 990</b>	<b>78 334</b>	<b>81 717</b>	<b>94 380</b>	<b>92 968</b>	<b>92 748</b>	<b>99 878</b>	<b>104 137</b>	<b>110 177</b>
Compensation of employees	37 951	47 958	48 925	53 436	52 096	52 855	55 269	59 083	62 510
Goods and services	33 039	30 376	32 792	40 944	40 872	39 893	44 608	45 054	47 667
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>1 249</b>	<b>112</b>	<b>107</b>						
Provinces and municipalities									
Households	1 249	112	107						
<b>Payments for capital assets</b>	<b>968</b>	<b>5 286</b>	<b>6 664</b>	<b>2 980</b>	<b>5 836</b>	<b>6 056</b>	<b>4 203</b>	<b>3 295</b>	<b>3 486</b>
Buildings and other fixed structures									
Machinery and equipment	968	5 286	6 659	2 980	5 836	6 056	4 203	3 295	3 486
Software and other intangible assets			5						
<b>Payments for financial assets</b>	<b>34</b>	<b>133</b>	<b>79</b>						
<b>Total economic classification</b>	<b>73 241</b>	<b>83 865</b>	<b>88 567</b>	<b>97 360</b>	<b>98 804</b>	<b>98 804</b>	<b>104 081</b>	<b>107 431</b>	<b>113 662</b>

The total programme expenditure increased from R73.2 million in 2012/13 to R88.6 million in 2014/15. In the 2015/16 financial year, the budget allocation increased to R97.4 million. During the adjustment budget process the budget increased even further by R1.5 million to cater for expenditure in procurement of the paperless system for EXCO, branding equipment and office equipment (furniture). Over the 2016 MTEF the allocation increases from R104.1 million to R113.7 million.

Compensation of employees expenditure, which is the main cost driver in this programme increase from R38 million in 2012/13 to R48.9 million in the 2014/15 financial year and increases over the MTEF from R53.4 million main appropriation in 2015/16 to R62.5 million in the 2018/19 financial year owing to inflation and adjustment of cost of living.

The expenditure for goods and services decreased from R33 million in 2012/13 to R32.8 million in 2014/15 subsequently increases by R7 million from R40 million in 2015/16 to R47.7 million in the 2018/19 financial year due to operational costs and services such as stores, telephone accounts, municipal services, stationery and lease equipment that are centralised under financial management.

The total programme expenditure increase is largely driven by inflation over the 2016 MTEF period to 2018/19.

## PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

### Programme description

The Institutional Development Programme is responsible for leading, facilitating, coordinating and support of a skilled, ethical and performance oriented GCR including active advancement of gender equality, women's empowerment, youth development and the rights of people with disabilities, older persons and military veterans; provision of ICT leadership and guidance across the GPG; and ICT related auxiliary support to the OoP towards modernising the public service; support to the Premier and EXCO with legal advice and support and to promote and facilitate effective communication between government and the people of Gauteng.

### Programme objectives

- A public service driven by integrity and ethics. Realisation of the rights and qualitative equity of target groups across the GCR;
- ICT governance maturity improved across the OoP;
- Effective legal support contributing to a more resilient provincial litigation response capability; and

- An informed and empowered public, and a responsive government.

TABLE 1.9 : SUMMARY OF PAYMENTS AND ESTIMATES: INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Strategic Human Resources	46 374	43 653	50 634	61 923	64 373	63 994	70 095	83 278	90 075
2. Information Communication	5 460	7 872	7 096	10 689	11 911	11 912	11 255	11 100	11 744
3. Legal Services	4 151	6 288	7 409	8 502	9 702	9 702	8 932	9 369	9 912
4. Communication Services	67 961	173 991	81 383	72 049	74 343	74 344	75 458	75 332	78 265
5. Programme Support	1 449	39 061	1 446	2 131	1 691	1 691	2 247	2 358	2 495
6. Service Delivery Intervention	31 129	29 909	31 988	39 522	36 522	36 522	43 856	45 786	48 441
<b>Total payments and estimates</b>	<b>156 524</b>	<b>300 774</b>	<b>179 956</b>	<b>194 816</b>	<b>198 542</b>	<b>198 165</b>	<b>211 844</b>	<b>227 223</b>	<b>241 652</b>

TABLE 1.10 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>154 233</b>	<b>260 958</b>	<b>176 938</b>	<b>193 166</b>	<b>195 031</b>	<b>194 531</b>	<b>210 107</b>	<b>225 399</b>	<b>239 723</b>
Compensation of employees	90 304	92 867	108 597	126 502	124 792	124 412	138 800	159 301	171 227
Goods and services	63 929	168 091	68 341	66 664	70 239	70 119	71 307	66 098	68 495
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>69</b>	<b>37 752</b>	<b>136</b>		<b>21</b>	<b>36</b>			
Provinces and municipalities									
Departmental agencies and accounts			47						
Non-profit institutions		37 514							
Households	69	238	89		21	36			
<b>Payments for capital assets</b>	<b>2 122</b>	<b>2 064</b>	<b>2 789</b>	<b>1 650</b>	<b>3 490</b>	<b>3 598</b>	<b>1 737</b>	<b>1 824</b>	<b>1 930</b>
Buildings and other fixed structures									
Machinery and equipment	2 034	2 064	2 789	1 650	3 490	3 598	1 737	1 824	1 930
Software and other intangible assets	88								
<b>Payments for financial assets</b>	<b>100</b>		<b>93</b>						
<b>Total economic classification</b>	<b>156 524</b>	<b>300 774</b>	<b>179 956</b>	<b>194 816</b>	<b>198 542</b>	<b>198 165</b>	<b>211 844</b>	<b>227 223</b>	<b>241 652</b>

This programme accounts for the biggest part of the departmental budget because of business units such as the Provincial Communication and Institutional Support as well as the Integrity Management as the strategic components for both the department and entire GPG. The total expenditure for this programme increased from R156.5 million in 2012/13 to R180 million in 2014/15 mainly due to the need to fund the operationalization of the new structure. Between 2012/13 and 2013/14 expenditure increased sharply driven largely by once-off spending for the two provincial State funerals and subsequently normalised in the 2014/15 financial year.

In 2015/16 main appropriation increased to R194.8 million mainly driven by incorporation of personnel from former department of GDF due to migration of functions namely Public Service Hotline and the Transversal Human Resources units that led to the upwards growth of the budget even further over the MTEF in 2016/17 the budget allocation amounts to R211.8 million and increases to R241.7 million in 2018/19

Compensation of employee's expenditure increased from R90.3 million in 2012/13 to R108.6 million in 2014/15. In 2015/16 main appropriation amounts to R126.5 million, further grow over the MTEF from R138.8 million in 2016/17 to R171.2 million in 2018/19. The increase is associated with the establishment of strategic projects such the function shift of the two transversal HR units from former GDF, newly established branch of Service Delivery Interventions, which houses the Ntirhisano Service Delivery War Room and provision for the Improvement on Conditions of Services (ICS) to accommodate wage agreement also contributes to the increase in the budget.

Goods and services expenditure grew from R63.9 million in 2012/13 to R68.3 million in 2014/15. During 2015/16 adjustment period the budget rose up by R4.1 million to R70.2 million adjusted budget due to rollover funds approved for payment of back-up generator. Over the MTEF budget decreases from R71.3 million to R68.5 million driven largely by cost cutting measures on non-core services items.

Payment for capital assets expenditure grew from R2.1 million in 2012/13 to R2.8 million in 2014/15. The 2015/16 main appropriation increased from R1.6 million to R3.6 million adjusted appropriation for the procurement of computer equipment for added staff establishment and procurement of office equipment for staff that moved to new office premises. The budget increases from R1.7 million in 2016/17 to R1.9 million in 2018/19 to provide for capital requirements.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

#### Strategic Human Resources

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Approved TMR master skills plan developed	Approved TMR master skills plan developed	Assessing the implementation of the TMR master skills plan	Assessing the implementation of the TMR master skills plan
Approved GPG Performance Management and Development framework	Approved GPG Performance Management and Development Framework (PMDF)	Assessing the level of implementation of the approved TMR aligned GPG Performance Management and Development Framework (PMDF)	Assessing the level of implementation of the approved TMR aligned GPG Performance Management and Development Framework (PMDF)
Approved framework for financial and non-financial rewards across the province	An approved framework for financial and non-financial reward	Implementation of the revised framework for financial and non-financial reward	Implementation of the revised framework for financial and non-financial reward
Annual performance contracts for all SMS members finalised across the GPG	Annual performance contracts for all SMS members finalised	Annual performance contracts for all SMS members finalised	Annual performance contracts for all SMS members finalised
Number of days to resolve disciplinary cases at SMS (Level 13-16) (Alignment with FOSAD target) across the GPG	60 - 90 Days	60 Days	60 Days
Number of days to resolve disciplinary cases below SMS (Level 01 – 12) (Alignment with FOSAD target) across the GPG	60 - 90 Days	60 Days	60 Days
Number of employees with service pledges signed	50 000 Employees with service pledges signed	73 000 Employees with service pledges signed	-
Percentage of women representation at SMS level across the GPG	50% women representation at SMS level	50% women representation at SMS level	50% women representation at SMS level
Percentage of staff with disabilities across the GPG staff complement	2% staff with disabilities	2% staff with disabilities	2% staff with disabilities

#### Legal Services

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Annual legislative programme tabled at EXCO in Q1 for the year	1 Legislative programme tabled	1 Legislative programme tabled	1 Legislative programme tabled
Number of analysis conducted on the status of litigation in the Province, tabled to EXCO in Q1 and Q3	2 Analysis tabled	2 Analysis tabled	2 Analysis tabled
Number of trend assessments conducted on the number of cases resolved and the Rand value of cases settled against amounts claimed	2 Trend assessments	2 Trend assessments	2 Trend assessments

#### Communication Services

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of GPG Departments and Municipalities Annual Communication Plans assessed for alignment to the Provincial Communications Framework and TMR agenda	27 GPG Departments and Municipalities Annual Communication Plans assessed for alignment to the Provincial Communications Framework and TMR agenda	27 GPG Departments and Municipalities Annual Communication Plans assessed for alignment to the Provincial Communications Framework and TMR agenda	27 GPG Departments and Municipalities Annual Communication Plans assessed for alignment to the Provincial Communications Framework and TMR agenda
Number of analysis conducted on the level of implementation of GPG Departments and Municipalities Annual Communication Plans, and findings consolidated as input into the EXCO system	4 Quarterly analysis of the level of implementation of GPG Departments and Municipalities Annual Communication Plans, consolidated as input into the EXCO system	4 Quarterly analysis of the level of implementation of GPG Departments and Municipalities Annual Communication Plans, consolidated as input into the EXCO system	4 Quarterly analysis of the level of implementation of GPG Departments and Municipalities Annual Communication Plans, consolidated as input into the EXCO system

#### Integrity Management Office

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Percentage implementation of the ethics programme across GPG departments, as per milestones in the implementation plan	30% of the Ethics Programme implemented as per implementation plan	50% of the Ethics Programme implemented as per implementation plan	70% of the Ethics Programme implemented as per implementation plan
Percentage of corruption cases resolved across the GPG	85% of corruption cases resolved	90% of corruption cases resolved	90% of corruption cases resolved



**PROGRAMME 3: POLICY AND GOVERNANCE****Programme description**

The purpose of the Policy and Governance Programme is to support the Premier and EXCO with policy advice, research support, international and inter-governmental relations, integrated cooperative governance, and effective management of the Executive Council Cluster system; drive province-wide outcomes-based planning, performance monitoring and evaluation, so as to improve government performance towards enhanced service delivery and GCR development impacts/outcomes; the development, implementation and monitor the GCR-wide customer-centric service delivery response system including regulatory and reward frameworks; and lead planning for sustainable development in the Gauteng City-Region.

**Programme objectives**

- Improved response times and resolutions to service delivery issues (via Ntirhisano across the GCR);
- Engaged customers through a more responsive government;
- Regional and International partnerships that enhance the achievement of the GCR and TMR agenda;
- Intergovernmental relations that supports cooperative governance in the GCR;
- Effective coordination and management of the Executive Council Cluster System;
- An integrated Policy and Planning regime for the Gauteng City-Region;
- Improved outcomes-based planning, monitoring and evaluation;
- Improved customer satisfaction with service delivery;
- Enhanced performance monitoring and evaluation; and
- Effective governance and administration.

**TABLE 1.11 : SUMMARY OF PAYMENTS AND ESTIMATES: POLICY & GOVERNANCE**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Inter-Governmental Relations	9 408	18 224	12 242	16 824	18 684	18 802	18 087	18 556	19 632
2. Provincial Policy Management	50 329	57 201	72 433	114 790	111 760	111 263	113 654	119 341	126 262
3. Programme Support	1 064	1 727	1 803	1 665	2 175	2 175	1 755	1 838	1 945
<b>Total payments and estimates</b>	<b>60 801</b>	<b>77 152</b>	<b>86 478</b>	<b>133 279</b>	<b>132 619</b>	<b>132 240</b>	<b>133 496</b>	<b>139 736</b>	<b>147 839</b>

**TABLE 1.12 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: POLICY & GOVERNANCE**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>45 410</b>	<b>64 144</b>	<b>72 015</b>	<b>115 274</b>	<b>103 114</b>	<b>102 723</b>	<b>113 696</b>	<b>119 786</b>	<b>126 533</b>
Compensation of employees	25 238	35 455	41 502	48 591	55 141	54 762	50 294	52 405	55 445
Goods and services	20 172	28 689	30 513	66 683	47 973	47 961	63 403	67 380	71 088
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>12 459</b>	<b>13 008</b>	<b>14 463</b>	<b>18 005</b>	<b>29 005</b>	<b>29 017</b>	<b>19 000</b>	<b>19 950</b>	<b>21 306</b>
Provinces and municipalities					500	500			
Higher education institutions	12 422	12 735	14 397	18 005	28 505	28 505	19 000	19 950	21 306
Households	37	273	66			12			
<b>Payments for capital assets</b>	<b>2 932</b>				<b>500</b>	<b>500</b>	<b>800</b>		
Buildings and other fixed structures									
Machinery and equipment	2 932				500	500	800		
Software and other intangible assets									
<b>Total economic classification</b>	<b>60 801</b>	<b>77 152</b>	<b>86 478</b>	<b>133 279</b>	<b>132 619</b>	<b>132 240</b>	<b>133 496</b>	<b>139 736</b>	<b>147 839</b>

The total expenditure for the programme increased from R60.8 million in 2012/13 to R77.2 million in 2013/14 further increase of R47 million from R86.5 million in 2014/15 to R133.3 million in 2015/16 owing to the rollout and implementation of the G2055 vision. The budget grew from R133.8 million in 2015/16 to R147.8 million in 2018/19.

Compensation of employee's expenditure grew significantly from R25.2 million in 2012/13 to R41.5 million in 2014/15. The budget increase further in 2015/16 to adjusted budget of R55.1 million mainly driven by function of Performance Monitoring and Evaluation migrated from GPT. The personnel budget increase slightly over the MTEF to R55.4 million due to provision for inflation and departmental structural changes.

Goods and services expenditure increased from R20.2 million in 2012/13 to R30.5 million in 2014/15. The goods and services 2015/16 main appropriation increased to R66.7 million before decrease by R19 million during 2015 adjustment budget due

to the shift of funds to transfers and subsidies to fund Tshimologong project, Gauteng metropolitan municipalities and whilst other funds were shifted to increase compensation of employees and to address spending pressures in other programmes.

Transfers and subsidies increased from R12.5 million in 2012/13 to R14.5 million in 2014/15. The budget increased sharply during 2015 adjustment budget to R29 million driven mainly by once off funds shifted to make provision for Tshimologong Precinct project amounting to R10 million and R500 000 for Gauteng metropolitan municipalities for spatial research project. The budget grows from R19 million in 2016/17 to R21.3 million 2018/19.

The Gauteng Planning Division (under Provincial Policy Management); and the intergovernmental relations units are the main cost drivers in this programme, with more vigorous implementation of the GPC and intergovernmental relations programmes. The Gauteng Planning Commission was established in 2009 to assist the province with the monitoring and evaluation of provincial outcomes and outputs in order to meet targets.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: POLICY AND GOVERNANCE

#### Service Delivery Interventions Office

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Percentage Customer Satisfaction Level with issues resolved via the Ntirhisano case management system	75% Customer Satisfaction Level with issues resolved via the Ntirhisano case management system	77% Customer Satisfaction Level with issues resolved via the Ntirhisano case management system	80% Customer Satisfaction Level with issues resolved via the Ntirhisano case management system
Percentage survey target score of customer experience when accessing the Ntirhisano war room channels	65% Target rating achieved	68% Target rating achieved	70% Target rating achieved
Number of Ntirhisano War Room structures established at Metro/ District Level	5 Metro/ District War Room structures established	5 Metro/ District War Room structures established	5 Metro / District War Room structures established
Number of Ntirhisano War Room structures established at Regional/Local Level	25 Regional/ Local War Room structures established	25 Regional/ Local War Room structures established	25 Regional/ Local War Room structures established
Number of Ntirhisano War Room structures established at Ward Level	406 Ward Level War Room structures functional	457 Ward Level War Room structures functional	483 Ward Level War Room structures functional

#### International Relations

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Annual International Relations Programme aligned to the TMR priorities, tabled at EXCO in Q4 for following year	1	1	1
Number of assessments on progress against the Africa and Global International Relations Programme and commitments reflected in the SOPA, including a registry of support provided, submitted to Accounting Officer within 30 Days of end of quarter	4	4	4
Annual Report as provincial input to the African Peer Review Mechanism, submitted in Q4	1	1	1

#### Intergovernmental Relations and Stakeholder Management

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of PCF decision matrixes, circulated within 1 week of meeting.	4 Quarterly PCF decision matrixes, and 1 Annual consolidated PCF decision matrix	4 Quarterly PCF decision matrixes, and 1 Annual consolidated PCF decision matrix	4 Quarterly PCF decision matrixes, and 1 Annual consolidated PCF decision matrix
Number of IGR Provincial Forum decision matrixes, circulated within 1 week of meeting.	4 Quarterly IGR Provincial Forum decision matrixes, and 1 Annual consolidated IGR Provincial Forum decision matrix	4 Quarterly IGR Provincial Forum decision matrixes, and 1 Annual consolidated IGR Provincial Forum decision matrix	4 Quarterly IGR Provincial Forum decision matrixes, and 1 Annual consolidated IGR Provincial Forum decision matrix

#### Cluster Management

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of Executive Council (EXCO) meeting decision matrixes circulated within 1 week of meeting.	4 Quarterly Executive Council meeting decision matrixes, and 1 Annual consolidated EXCO Council decision matrix	4 Quarterly Executive Council meeting decision matrixes, and 1 Annual consolidated EXCO Council decision matrix	4 Quarterly Executive Council meeting decision matrixes, and 1 Annual consolidated EXCO Council decision matrix
Number of analysis conducted on the implementation of EXCO Programme and its alignment to the TMR, submitted to Accounting Officer within 30 Days of end of quarter	4 Quarterly analysis	4 Quarterly analysis	4 Quarterly analysis
Number of trend analysis conducted on questions in the Legislature and progress in their resolution, tabled at Executive Council within 30 Days of end of quarter	4 Quarterly trend analysis	4 Quarterly trend analysis	4 Quarterly trend analysis

## Development Planning

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Legislation for the institutionalisation of the Gauteng City Region	Policy and Legislation drafted	Phase 1 of the institutionalisation of the GCR initiated	Phase 2 of the institutionalisation of the GCR initiated
Number of provincial plans and municipal spatial development frameworks (MSDFs) assessed for alignment with Gauteng Spatial Development Framework 2030	3 provincial plans and 11 MSDFs assessed	3 provincial plans and post 2016/17 MSDFs assessed	3 provincial plans and post 2016/17 MSDFs assessed
Number of regional spatial development frameworks developed	2 regional spatial development frameworks developed	2 regional spatial development frameworks developed	3 regional spatial development frameworks developed
Number of municipal land use schemes developed	Land Use Schemes developed in two municipalities	Land Use Schemes developed in two municipalities	-
Level of implementation and mainstreaming of the GIIMP implementation plan in the GCR	Implementation of GIIMP in line with the Implementation Plan	Implementation of GIIMP in line with the Implementation Plan	Implementation of GIIMP in line with the Implementation Plan
Level of implementation of Game Changers in line with project plans and milestones	8 Game Changer Project Plans assessed against PMBOK Framework 4 Performance Reviews of the Game Changer Programme against project plans and milestones	10 Game Changer Project Plans assessed against PMBOK Framework 4 Performance Reviews of the Game Changer Programme against project plans and milestones	12 Game Changer Project Plans assessed against PMBOK Framework 4 Performance Reviews of the Game Changer Programme against project plans and milestones
Research to support economic development plan	2 research papers to support radical economic transformation	3 research papers to support radical economic transformation	4 research papers to support radical economic transformation
Research to support social transformation agenda	2 research papers to support accelerated social transformation	3 research papers to support accelerated social transformation	4 research papers to support accelerated social transformation

## Performance Monitoring and Evaluation

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Annual Gauteng Programme of Action developed for the following year, aligned to TMR agenda	Annual Gauteng Programme of Action developed for 2018/19, aligned to TMR agenda	Annual Gauteng Programme of Action developed for 2019/20, aligned to TMR agenda	Quarterly
Gauteng mid-term review developed			Quarterly
GPG average attainment of APP targets	80% of 2016/17 GPG APP targets achieved	80% of 2017/18 GPG APP targets achieved	Annually
Provincial Evaluation Plan developed by Q4 for the following year	2018/19 Provincial Evaluation Plan developed	2019/20 Provincial Evaluation Plan developed	Quarterly
Number of evaluation studies undertaken	3 evaluation studies undertaken	3 evaluation studies undertaken	Quarterly
Number of improvement plans facilitated at sites with areas of under-performance	15 improvement plans facilitated	15 improvement plans facilitated	15 improvement plans facilitated
Number of key community-wide service delivery concerns tracked for progress	50 key community-wide service delivery concerns tracked for progress	100 key community-wide service delivery concerns tracked for progress	100 key community-wide service delivery concerns tracked for progress
Automated PME system developed and operationalised	Prototype automated PME system developed	Automated PME system piloted	Automated PME system operationalised
Average GPG MPAT rating in Strategic Management (KPA 1)	3.70 Average MPAT rating	3.90 Average MPAT rating	4 Average MPAT rating

## Special Programmes

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of new programmes implemented to assist Targeted groups to access socio-economic opportunities	10 New programmes implemented, as evidenced by EXCO completion reports	10 New programmes implemented, as evidenced by EXCO completion reports	10 New programmes implemented, as evidenced by EXCO completion reports
Number of people from targeted groups reached through awareness raising to increase access to Government services	50 000 People from targeted groups reached, as evidenced by programme attendance registers	100 000 People from targeted groups reached, as evidenced by programme attendance registers	80 000 People from targeted groups reached, as evidenced by programme attendance registers
Number of Acts/ policies/ frameworks which promote the rights of target groups reviewed	10 Acts/ policies/ frameworks reviewed	10 Acts/ policies/ frameworks reviewed	10 Acts/ policies/ frameworks reviewed
Number of interventions designed to improve services provided to Targeted groups	10 Interventions designed	10 Interventions designed	15 Interventions designed
Number of partnerships facilitated between the GPG and civil society to improve services to Targeted groups	20 Partnership agreements signed	15 Partnership agreements signed	10 Partnership agreements signed

## 8. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 1.13 : PERSONNEL NUMBERS AND COSTS BY PROGRAMME

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	101	95	104	114	114	114	114
2. Institutional Development	254	243	240	319	294	294	294
3. Policy & Governance	43	76	76	65	93	76	76
Direct charges							
<b>Total provincial personnel numbers</b>	<b>398</b>	<b>414</b>	<b>420</b>	<b>498</b>	<b>501</b>	<b>484</b>	<b>484</b>
Total provincial personnel cost (R thousand)	153 493	176 280	199 024	232 028	244 362	270 789	289 182
Unit cost (R thousand)	386	426	474	466	488	559	597

TABLE 1.14 : SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF				
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Ad- ditional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 – 6	59	69	58	11 810	67	58	58	11 810	92	49 262	76	56 643	76	64 739	9.4%	76.3%	16.8%
7 – 10	249	247	295	99 893	254	295	295	99 893	289	103 531	289	114 864	289	124 667	(0.7%)	7.7%	42.9%
11 – 12	48	58	70	46 692	57	70	70	46 692	68	26 801	68	34 147	68	35 486	(1.0%)	(8.7%)	14.7%
13 – 16	42	40	74	73 634	42	74	74	73 634	52	64 768	51	65 135	51	64 290	(11.7%)	(4.4%)	25.6%
Other			1			1	1								(100%)		
<b>Total</b>	<b>398</b>	<b>414</b>	<b>498</b>	<b>232 029</b>	<b>420</b>	<b>498</b>	<b>498</b>	<b>232 029</b>	<b>501</b>	<b>244 362</b>	<b>484</b>	<b>270 789</b>	<b>484</b>	<b>289 182</b>	<b>(0.9%)</b>	<b>7.6%</b>	<b>100.0%</b>
<b>Programme</b>																	
1. Administration	101	95	114	52 096	104	114	114	52 096	114	55 269	114	59 083	114	62 510		6.3%	21.9%
2. Institutional Development	254	243	319	124 792	240	319	319	124 792	294	138 800	294	159 301	294	171 227	(2.7%)	11.1%	57.5%
3. Policy & Governance	43	76	65	55 141	76	65	65	55 141	93	50 293	76	52 405	76	55 445	5.3%	0.2%	20.6%
Direct charges																	
<b>Total</b>	<b>398</b>	<b>414</b>	<b>498</b>	<b>232 029</b>	<b>420</b>	<b>498</b>	<b>498</b>	<b>232 029</b>	<b>501</b>	<b>244 362</b>	<b>484</b>	<b>270 789</b>	<b>484</b>	<b>289 182</b>	<b>(0.9%)</b>	<b>7.6%</b>	<b>100%</b>

The personnel number increased from 398 in 2012/13 to 420 in 2014/15 mainly due to the ongoing department structural changes. The staff establishment increase further to 498 in 2015/16 mainly due to the migrated staff members from GDF Organizational Development, Employee Relations and the Hotline and PME unit from GPT. Over the MTEF the personnel numbers slightly decreases from 488 in 2016/17 484 to 2018/19 the fluctuations relate to departmental structure still to be finalised.

## 9.2. Training

TABLE 1.15 : PAYMENTS ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	50		230						
Subsistence and travel									
Payments on tuition	50		230						
Other									
2. Institutional Development	842	563	830	2 075	2 075	2 075	1 898	2 305	2 439
Subsistence and travel									
Payments on tuition	842	563	830	2 075	2 075	2 075	1 898	2 305	2 439
Other									
3. Policy & Governance	1 370	8	535						
Subsistence and travel			500						
Payments on tuition	1 370	8	35						
Other									
<b>Total payments on training</b>	<b>2 262</b>	<b>571</b>	<b>1 595</b>	<b>2 075</b>	<b>2 075</b>	<b>2 075</b>	<b>1 898</b>	<b>2 305</b>	<b>2 439</b>

TABLE 1.16 : INFORMATION ON TRAINING: OFFICE OF THE PREMIER

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff									
Number of personnel trained	122	134	155	160	160	160	175	184	194
<i>of which</i>									
Male	60	67	70	60	60	60	75	79	83
Female	62	67	85	100	100	100	100	105	111
Number of training opportunities	183	202	200	245	245	245	160	168	178
<i>of which</i>									
Tertiary	37	42	40	45	45	45	55	58	61
Workshops			5	7	7	7	9	9	10
Seminars									
Other	146	160	155	193	193	193	96	101	107
Number of bursaries offered	24	30	35	40	40	40	45	47	50
Number of interns appointed	18	25	30	35	35	35	40	42	44
Number of learnerships appointed									
Number of days spent on training	69	200	225	240	240	240	255	268	283

Training of employees is one of the important priorities in order to build human capital so that service delivery can be driven effectively and efficiently. The tables above provide detailed information on payments for training by programme.

Training is centralised in programme 2: Institutional Support under Strategic HR (reference to table 1.14 above).

In 2012/13 training expenditure amounted to R2.2 million. It decreased to R571 000 in 2013/14 due to fewer officials requesting training. It then increased again to R1.5 million in 2014/15 as more employees including interns have been employed and trained.

Over the MTEF the budget allocation grow to R1.8 million and further increase to R2.4 million in 2018/19 in line with inflation and training requirements of personnel.

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

N/A

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



TABLE 1.17: SPECIFICATION OF RECEIPTS: OFFICE OF THE PREMIER

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Sales of goods and services other than capital assets</b>	<b>189</b>	<b>357</b>	<b>243</b>	<b>420</b>	<b>420</b>	<b>420</b>	<b>336</b>	<b>347</b>	<b>359</b>
Sale of goods and services produced by department (excluding capital assets)	189	357	243	420	420	420	336	347	359
Sales by market establishments	189	357	243	420	420	420	336	347	359
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>1</b>	<b>12</b>	<b>10</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>20</b>	<b>21</b>	<b>22</b>
Interest	1	12	10	32	32	32	20	21	22
<b>Sales of capital assets</b>									
Land and sub-soil assets									
<b>Transactions in financial assets and liabilities</b>	<b>87</b>	<b>164</b>	<b>173</b>			<b>143</b>	<b>120</b>	<b>132</b>	<b>148</b>
<b>Total departmental receipts</b>	<b>277</b>	<b>533</b>	<b>426</b>	<b>452</b>	<b>452</b>	<b>595</b>	<b>476</b>	<b>500</b>	<b>529</b>

TABLE 1.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>70 990</b>	<b>78 334</b>	<b>81 717</b>	<b>94 380</b>	<b>92 968</b>	<b>92 748</b>	<b>99 878</b>	<b>104 137</b>	<b>110 177</b>
Compensation of employees	37 951	47 958	48 925	53 436	52 096	52 855	55 269	59 083	62 510
Salaries and wages	32 791	46 626	43 816	48 603	46 153	46 154	50 181	53 740	56 857
Social contributions	5 160	1 332	5 109	4 833	5 943	6 701	5 089	5 343	5 653
Goods and services	33 039	30 376	32 792	40 944	40 872	39 893	44 608	45 054	47 667
Administrative fees	33	36	35	48	48	48	51	54	57
Advertising	262	68	291	250	135	135	0	276	292
Minor Assets	653	110	438	495	495	495	725	547	579
Audit cost: External	1 518	2 279	2 213	1 919	2 319	2 325	2 500	2 122	2 245
Catering: Departmental activities	1 022	787	605	894	1 055	1 057	930	846	895
Communication (G&S)	4 538	3 903	4 316	3 665	3 665	3 402	4 160	4 051	4 286
Computer services			46	100	970	970	105	110	117
Consultants and professional services: Business and advisory services	1 100	1 102	1 642	3 906	2 811	2 846	4 429	4 321	4 571
Consultants and professional services: Legal costs				10	10	10		16	16
Contractors	158	646	1 322	572	457	674	678	632	669
Agency and support / outsourced services						235			
Entertainment	23	42	26	205	205	205	198	196	207
Fleet services (including government motor transport)		2 005	3 717	5 207	4 707	4 097	6 438	5 757	6 091
Inventory: Food and food supplies	216								
Inventory: Fuel, oil and gas	98								
Inventory: Materials and supplies	5								
Consumable supplies	417	489	490	1 008	1 474	1 507	1 089	1 118	1 183
Consumable: Stationery, printing and office supplies	2 312	2 218	1 709	1 546	1 546	1 928	1 749	1 619	1 713
Operating leases	2 702	3 326	3 196	4 200	4 200	4 200	3 553	4 644	4 913
Property payments	7 955	5 378	7 860	5 470	6 755	6 535	5 992	6 053	6 404
Travel and subsistence	7 649	5 363	2 972	7 357	7 340	6 579	7 855	8 171	8 645
Training and development			110						
Operating payments	188	1	64	114	114	114	117	126	133
Venues and facilities	2 190	2 624	1 740	3 978	2 566	2 531	4 038	4 395	4 650
Rental and hiring									
<b>Transfers and subsidies</b>	<b>1 249</b>	<b>112</b>	<b>107</b>						
Households	1 249	112	107						
Social benefits	1 234	112	107						
Other transfers to households	15								
<b>Payments for capital assets</b>	<b>968</b>	<b>5 286</b>	<b>6 664</b>	<b>2 980</b>	<b>5 836</b>	<b>6 056</b>	<b>4 203</b>	<b>3 295</b>	<b>3 486</b>
Machinery and equipment	968	5 286	6 659	2 980	5 836	6 056	4 203	3 295	3 486

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Transport equipment			5 304		2 490	4 097			
Other machinery and equipment	968	5 286	1 355	2 980	3 346	1 959	4 203	3 295	3 486
Software and other intangible assets			5						
<b>Payments for financial assets</b>	<b>34</b>	<b>133</b>	<b>79</b>						
<b>Total economic classification</b>	<b>73 241</b>	<b>83 865</b>	<b>88 567</b>	<b>97 360</b>	<b>98 804</b>	<b>98 804</b>	<b>104 081</b>	<b>107 431</b>	<b>113 662</b>

TABLE 1.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>154 233</b>	<b>260 958</b>	<b>176 938</b>	<b>193 166</b>	<b>195 031</b>	<b>194 531</b>	<b>210 107</b>	<b>225 399</b>	<b>239 723</b>
Compensation of employees	90 304	92 867	108 597	126 502	124 792	124 412	138 800	159 301	171 227
Salaries and wages	78 896	90 419	95 406	112 138	110 698	110 700	123 319	141 812	152 725
Social contributions	11 408	2 448	13 191	14 364	14 094	13 712	15 480	17 489	18 503
Goods and services	63 929	168 091	68 341	66 664	70 239	70 119	71 307	66 098	68 495
Administrative fees	539			5	5	5	5	5	5
Advertising	25 298	39 289	24 184	24 462	26 287	26 178	27 257	18 603	18 246
Minor Assets	58	46	222	450	1 183	1 183	474	497	526
Audit cost: External									
Bursaries: Employees	375	396	519	450	470	470	1 521	1 982	2 097
Catering: Departmental activities	2 268	1 867	1 933	1 187	1 587	1 793	1 135	1 119	1 184
Communication (G&S)	167	242	1 976	2 385	2 361	2 633	2 565	2 613	2 765
Computer services	505	2 398	2 258	3 950	2 586	3 728	2 702	3 649	3 861
Consultants and professional services: Business and advisory services	7 293	6 801	3 830	10 530	6 311	4 897	11 129	15 873	16 793
Consultants and professional services: Legal costs	84	874	1 200	650	881	952	784	718	760
Contractors	941	285	746	254	1 962	1 786	1 034	281	297
Agency and support / outsourced services	3 779	90 247	10 326			474			
Entertainment		290							
Inventory: Materials and supplies	133								
Consumable supplies	91	467	11	146	160	159	63	162	171
Consumable: Stationery, printing and office supplies	9 184	8 299	10 437	11 378	11 130	10 818	11 282	10 247	10 841
Operating leases	990			993	819	809	1 008	1 108	1 172
Property payments	1 082	1 883	1 292	1 695	5 815	5 815	1 780	964	1 020
Transport provided: Departmental activity			755	720	370	370	760	796	842
Travel and subsistence	996	683	194	1 139	1 385	1 351	1 447	1 257	1 330
Training and development	884	563	952	2 075	2 352	2 294	1 767	1 987	2 102
Operating payments	1 127	81	266	340	300	379	548	375	397
Venues and facilities	8 135	13 380	7 240	3 855	4 275	4 025	4 047	3 863	4 087
Rental and hiring									
<b>Transfers and subsidies</b>	<b>69</b>	<b>37 752</b>	<b>136</b>		<b>21</b>	<b>36</b>			
Departmental agencies and accounts			47						
Social security funds									
Provide list of entities receiving transfers			47						
Non-profit institutions		37 514							
Households	69	238	89		21	36			
Social benefits	69	238	89		21	36			
Other transfers to households									
<b>Payments for capital assets</b>	<b>2 122</b>	<b>2 064</b>	<b>2 789</b>	<b>1 650</b>	<b>3 490</b>	<b>3 598</b>	<b>1 737</b>	<b>1 824</b>	<b>1 930</b>
Machinery and equipment	2 034	2 064	2 789	1 650	3 490	3 598	1 737	1 824	1 930
Transport equipment									
Other machinery and equipment	2 034	2 064	2 789	1 650	3 490	3 598	1 737	1 824	1 930
Software and other intangible assets	88								
<b>Payments for financial assets</b>	<b>100</b>		<b>93</b>						
<b>Total economic classification</b>	<b>156 524</b>	<b>300 774</b>	<b>179 956</b>	<b>194 816</b>	<b>198 542</b>	<b>198 165</b>	<b>211 844</b>	<b>227 223</b>	<b>241 652</b>

TABLE 1.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: POLICY &amp; GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>45 410</b>	<b>64 144</b>	<b>72 015</b>	<b>115 274</b>	<b>103 114</b>	<b>102 723</b>	<b>113 696</b>	<b>119 786</b>	<b>126 533</b>
Compensation of employees	25 238	35 455	41 502	48 591	55 141	54 762	50 294	52 405	55 445
Salaries and wages	22 729	35 455	37 316	44 068	49 638	49 638	45 632	47 752	50 521
Social contributions	2 509		4 186	4 523	5 503	5 124	4 661	4 654	4 923

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Goods and services	20 172	28 689	30 513	66 683	47 973	47 961	63 403	67 380	71 088
Administrative fees				220	107	108	203	197	209
Advertising	1 144	3 944	522	470	1 620	1 770	644	519	550
Assets less than the capitalisation threshold		1							
Catering: Departmental activities	1 813	2 760	3 148	2 008	2 255	2 255	1 899	1 896	2 006
Communication (G&S)	6						42		
Computer services	40			10 000	5 600	5 600	5 600	11 057	11 698
Consultants and professional services: Business and advisory services	7 659	8 885	14 396	39 836	20 076	19 831	38 959	38 175	40 189
Contractors	19	568	84			181	30		
Agency and support / outsourced services			58			255			
Entertainment					60	60			
Consumable supplies		8	15	110	230	229	11	122	129
Consumable: Stationery, printing and office supplies	760	1 081	1 698	1 466	1 116	363	2 469	1 492	1 578
Operating leases	6	147				2 319			
Property payments			119						
Transport provided: Departmental activity	770		1 008	570	1 440	1 433	650	630	667
Travel and subsistence	3 653	2 770	1 215	4 573	6 757	5 622	4 337	5 055	5 348
Training and development	552	8	9		100	100	131		
Operating payments	22	2	52	128	71	81	61	140	148
Venues and facilities	3 728	8 515	8 189	7 302	8 541	7 754	8 366	8 096	8 565
<b>Transfers and subsidies</b>	<b>12 459</b>	<b>13 008</b>	<b>14 463</b>	<b>18 005</b>	<b>29 005</b>	<b>29 017</b>	<b>19 000</b>	<b>19 950</b>	<b>21 306</b>
Provinces and municipalities					500	500			
Municipalities					500	500			
Municipalities					500	500			
Higher education institutions	12 422	12 735	14 397	18 005	28 505	28 505	19 000	19 950	21 306
Households	37	273	66			12			
Social benefits	37	273	66			12			
<b>Payments for capital assets</b>	<b>2 932</b>				<b>500</b>	<b>500</b>	<b>800</b>		
Machinery and equipment	2 932				500	500	800		
Transport equipment	2 932								
Other machinery and equipment					500	500	800		
<b>Total economic classification</b>	<b>60 801</b>	<b>77 152</b>	<b>86 478</b>	<b>133 279</b>	<b>132 619</b>	<b>132 240</b>	<b>133 496</b>	<b>139 736</b>	<b>147 839</b>

# VOTE 2

## GAUTENG PROVINCIAL LEGISLATURE

To be appropriated by vote in 2016/17	R641 673 000
Responsible Executive Authority	Speaker of Gauteng Provincial Legislature
Administering Department	Gauteng Provincial Legislature
Accounting Officer	Secretary to the Gauteng Provincial Legislature

### 1. OVERVIEW

#### Vision

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

#### Mission

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

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

#### Strategic goals

To promote people centred socio-economic transformation.

#### Core functions and responsibilities

The core functions of the Gauteng Provincial Legislature are clearly defined in Section 114 of the Constitution of the Republic of South Africa. The GPL is entrusted with the following responsibilities: facilitating law-making; ensuring public participation in the legislative processes; and exercising oversight over the executive and the organs of the state. The GPL is also responsible for furthering cooperative governance between provincial, national and local legislative institutions.

#### Main services

The GPL is mandated to provide the following main services to ensure effective implementation of its core function:

- Make laws for the province that are just and responsive to the people's needs;
- Mobilise and involve stakeholders to participate in the Legislature processes including:
  - Conducting public education workshops with the aim of informing and educating citizens about the processes of the Legislature;
  - Educating the public about the budget process and encouraging them to participate;
  - Holding Bua le Sechaba campaigns that aim to create dialogue sessions for generating ideas, providing feedback and responding to all public questions and concerns;
  - Holding sector parliaments as part of channelling issues and interest with different sectors of society such as Youth; Children; Women; Workers; Lesbian, Gay, Bisexual and Transgender; and
  - Holding public hearings on matters of interest including laws introduced.
- Overseeing the provincial government by ensuring that the government departments implement the province's legislation in the best interest of the people of the province, and hold them accountable for their functions, conduct and performance; and
- Receiving and responding to all petitions sent and submitted by the citizens.

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

The second Presiding Officers' Lekgotla directed the development of the GPL 2016 MTEF budget. The Lekgotla focused on reviewing the adopted five-year plan for 2014-2019 by assessing progress in implementing the adopted strategy and outlining other emerging priorities that needs to be undertaken by the GPL. The Presiding Officers' Lekgotla also identified the need to revise the GPL strategic goal to closely align it to the six pillars and the vision. The following adopted six pillars that were developed from the Transformation, Modernisation and Reindustrialisation (TMR) imperatives and in line with GPG priorities were confirmed and will still shape the Institutional activities for the 2016 MTEF:

- Transformation of the Legislature governance processes;
- Modernisation of Legislature business of oversight, public participation and law-making practices;
- Re-engineered public participation beyond slogans;
- Transformation of the Legislative Sector in the context of Integrated Global City Region and Connected Government;
- Transformation of the law-making processes; and
- Consolidating oversight practices of the Legislature.

The Presiding Officers' strategic review session was succeeded by the GPL-wide planning session to deliberate and confirm the vision, mission, strategic goal and strategic objectives for the Institution that are aligned to the Presiding Officers' six pillars. The GPL-wide planning session guided the culmination of the Institutional Annual Performance and Financial Plans for 2016 MTEF.

In ensuring that the GPL expenditure estimates are directed to core service delivery outputs, a big slice of the 2016 MTEF budget has been apportioned to Programme 4: Core Business which includes committees, and these are principal executors of the core mandate and priorities of the GPL. Equally, a considerable share of the budget is also allocated to Programme 3: Corporate Support Services as the programme supports political parties through political party funding, constituency allowance and general members' facilities as well as the overall administrative function of the GPL.

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

A substantial portion of the GPL expenditure estimates is driven by the involvement of Gauteng citizens who are crucial patrons of the GPL work. The GPL has taken a stance on active interaction and engagements with the public by encouraging and facilitating public participation in the processes of Legislature such as sector parliaments and the Taking Parliament to the People programme. These public participations and outreach programmes aim to address issues of service delivery, promote public hearings and education as well as allow for provision of feedback and interventions relating to any public hotspot areas. The Institutional budget is similarly influenced by the use of radio and television broadcasts, publications and newsletters with the aim of reaching out to communities and promoting the work of the GPL.

The GPL budget is also informed by departments' performance plans that guide committee activities and their resultant budget. Committees act as the engine of the Legislature by scrutinising legislation and playing an oversight role of ensuring that departments' service delivery outputs are executed in line with their plans.

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

Section 114 of the Constitution of the Republic of South Africa clearly states the responsibility of the Gauteng Provincial Legislature. This section entrusts the GPL with the responsibility to pass, amend and reject any bill before it, including initiation or preparation of legislative bills.

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

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

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)**

The GPL is steadily making progress in ensuring successful implementation of the 2014-2019 adopted strategy. The work of the GPL is primarily at the centre of the citizens and this can be seen in growing engagements and public participation initiatives of reaching out to communities and ensuring that the peoples' voices are heard and implemented.

The GPL has made notable developments that continue to successfully improve quality of life for the people of Gauteng through law-making, public participation and oversight processes as underlined below.

### **Facilitating law-making**

The primary responsibility of the GPL is to create laws that are unbiased and responsive to the people's needs. As part of ensuring public participations in law-making processes, a round-table discussion on budgetary oversight was held in June in relation to the Money Bills Amendment Procedure and Related Matters Bill. The Institution will continue to have ongoing stakeholder engagements to ensure improved budgetary oversight and consideration of laws by the GPL.

The Health and Education committees produced an assessment document on the implementation and impact of Gauteng Regulations on admission of learners to public schools. Health and Co-operative Governance and Traditional Affairs (COGTA) committees held public hearings on the Medicines and Related Substances Amendment Bill and Disaster Management Amendment Bill, respectively. The GPL is also in the process of reviewing the Early Childhood Development National Policy for the Social Development and finalising the Financial Fiscal Amendment draft Bill.

The GPL will continue to develop and implement laws that create an enabling environment to better the lives of the people of Gauteng through consultation processes or public hearings, by consolidating law making processes and all the feedback from citizens, as well as by reviewing the impact of laws passed on the lives of the citizens.

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

The GPL has a constitutional mandate to monitor and oversee the Executive and organs of the state over the implementation of government service delivery outcomes, thus ensuring that citizens' lives are improved for the better. The Institution will continue to identify and implement mechanisms for improving its oversight role over the Executive.

During the first quarter of the financial year, all 2015/16 Budget Votes were considered by Committees, tabled and adopted by the House.

The Institution also continues to effectively monitor the implementation of the Programme Evaluation and Budget Analysis (PEBA) provisions by committees and will continue to improve and strengthen the use of these tools for maximum results. The resolution tracking system template was also adopted with amendments by the Standing Committee on Public Accounts (SCOPA) and further enhancements will be added to improve the implementation of oversight processes.

In this regard, the following committees conducted oversight visits to ensure that departments deliver on their promises and functions:

- Social Development committee made an oversight visit to Emmasdal School of Industry in Heidelberg;
- Education committee paid the Alexandra Secondary School and Aha Thuto Secondary School unannounced oversight visits to inspect the ablution facilities;
- Sport, Arts, Culture and Recreation (SACR) committee visited the HM Pitje Giant Stadium to inspect the functionality of the stadium;
- In addition, the Health committee made an unannounced visit to Jubilee and Natalspruit hospitals in May 2015; and
- In ensuring that the Department of Education delivers on its paperless classrooms initiatives, the Education committee visited the Boitumelong Secondary School to assess the paper classroom functionalities.

All Committees of the House duly considered and adopted oversight reports utilising Committees Oversight and Accountability Framework(COVAC) templates. Focussed Intervention Study reports emanating from the budget process were also processed.

In ensuring that Committees use and derive maximum value from Committee Inquiry Process (CIP) for service delivery interventions, the Roads and Transport committee held an ongoing committee enquiry in May and June 2015 on the issuance of permits and licenses and conducted loco inspection across all provincial TOLABS to labs in Germiston, Tshwane, West Rand and Johannesburg. The issuance of Taxi Permits and Licenses was subsequently adopted by both the Adhoc Committee and the House.

The Institution also continues to oversee the Executive through oral and written motions on matters of service delivery and ensuring that the Executive is accountable on how taxpayers' money is spent to increase public trust in the government.

### **Public participation**

In the period under review, the GPL has increasingly sought innovative ways for effective implementation of its constitutional mandate of promoting public access and involvement in the processes of the institution. The GPL Public Participation Strategy was developed and adopted by the Institution as part of its efforts to enhance public access and involvement. The Public Participation Intervention Study was also initiated to identify gaps in the implementation of public participation in the institution, and to explore best practices for effective public participation interventions.

Analysis of the Public Participation Strategy and the findings of the Public Participation Intervention Study revealed the need to redefine the landscape for public participation in the GPL. Preparatory work has commenced to ensure the production of a comprehensive conceptual framework for re-engineering public participation beyond slogans. More work will still continue in relation to extensive research, benchmark exercise, consultations with relevant stakeholders and organs supporting democracy to ensure meaningful public participation.

Remarkable improvements have been made in creating various platforms for public participation to encourage citizens to directly voice their concerns and views, and partake in Legislature programmes. These include sector parliaments, taking the legislature to the people through outreach programmes. The first quarter statistics on advertisements and marketing prove that GPL is continuously utilising media platforms such as radio programmes and broadcasts, television broadcasts, advertorials, publications and newsletters amongst others, to communicate and educate the people about the mandate of the GPL and to promote public participation. In the first quarter of the financial year, the Institution held public hearings on petitions. Petitions systems are used to allow the public to formally submit or send petitions to ensure that the GPL actions the voices of citizens by referring petitions to the relevant departments and by responding to all the pleas or requests submitted.

In view of the above, the Institution has successfully implemented the following sector parliaments:

- Youth Parliament was successfully held in June 2015 at NASREC Expo Centre in the City of Johannesburg. The sector parliament was attended by approximately 600 Gauteng Youth in partnership with the Department of Education under the theme “The youth celebrating 21 years of a democratic legislature”. The focus was on the role of Youth in preserving and promoting our heritage, economic development opportunities for Gauteng Youth, the use of technology at schools and access to Health Services.
- Children’s Parliament was held in June 2015 under the theme of “Gauteng Children Celebrating 21 Years of a Democratic Legislature”. The main event at Eldorado Park was attended by approximately 1 000 children from across all the regions of Gauteng. The main purpose of the Children’s Parliament is to create a platform for participation of children in matters of democracy and nation building in line with the country’s Children’s Act (No. 38 of 2005), which advocates for the creation of platforms to enhance children participation in democracy providing them an opportunity to influence policies and strategies to realize their rights. The children sector parliament will also be used as a vehicle to educate children about our countries history and foster social cohesion at an early age by bringing together children of different races.
- Women’s Parliament was successfully held on 26 August 2015 at the West Rand District Municipality in the Mogale City Local Municipality. The sector parliament was attended by approximately 600 Gauteng women. The sector parliament was addressed by the following guests: Deputy Chairperson of Committees, Gauteng MEC for Social Development, Mogale City Councilor and the Chairperson of Gauteng South African Women in Construction (SAWIC).
- Lesbians, Gays, Bisexual, Transgender and Intersex (LGBTI) Sector Parliament was held in September 2015 in the City of Tshwane.
- Senior Citizens Parliament took place on 23 October 2015 at the Civic Center in Boksburg.
- People with Disability Parliament was held to ensure increased engagements with designated groups resulting in meaningful participation.
- Commercial Sex Workers Parliament was also successfully held.

National Council of Provinces (NCOP) provincial week took place in July 2015 under the theme: “Advancing the developmental agenda of municipalities for a better life for our people” with more focus on municipalities in respect of delivery of basic services to communities, financial viability, local economic development, governance issues such as compliance with legislation, political stability, interventions, administrative deficiencies and malpractices and spending on the Municipal Infrastructure Grant.

A total number of 80 public education workshops were held in the second quarter to promote meaningful public participation. Of the total public education workshops held, 19 were related to stakeholders’ workshops in support of Committees, four in support of Citizens Responsibility Campaign (CRC) on environmental issues in Tshwane during Mandela Day programme as well as 57 sector based workshops including Women Sector Based workshops and LGBTI sector parliament workshops.

Workers Parliament, however, did not take place as anticipated. While planning with the following workers federations, namely: The Congress of South African Trade Unions (COSATU), The Federation of Unions of South Africa (FEDUSA), The National Council of Trade Unions (NACTU) and The Confederation of South African Workers’ Unions (CONSAWU) commenced well in advance to prepare for the Workers Parliament in May 2015. A challenge was experienced during the implementation stage when the federations did not mobilise other workers for preparatory workshops which were scheduled for two days at the Legislature. In avoiding fruitless expenditure, the Presiding Officers took a decision to cancel this sector parliament.

Bua le Sechaba campaigns will still be undertaken during the course of the financial year to ensure active participation and engagements with communities.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)**

The 2016/17 budget process will place more emphasis on effective implementation of the 2014-2019 Strategy that was

adopted in 2014. The GPL will play an important role of ensuring implementation of the TMR vision through its oversight, law-making and public participation processes:

### **Facilitating law-making**

The primary responsibility of the GPL is to create laws that are unbiased and responsive to the people's needs. The Institution will continue to develop and implement laws that create an enabling environment to better the lives of the people of Gauteng through consultation processes or public hearings, by consolidating law making processes and all the feedback from citizens, as well as by reviewing the impact of laws passed on the lives of the citizens. To ensure improved budgetary oversight and consideration of laws by the GPL, the Institution will create an environment that develops and enacts legislation that facilitates the implementation of the TMR vision.

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

The GPL has a constitutional mandate to monitor and oversee the Executive and organs of the state over the implementation of government service delivery outcomes, thus ensuring that citizens' lives are improved for the better. The Institution will continue to identify and develop mechanisms for improving its oversight role over the Executive and thereby ensuring synergy within government.

In this regard, continuous efforts will be made to reposition the GPL oversight processes in order to support and accelerate the execution of the TMR vision. The GPL oversight structures will undertake an oversight role over the work of the Gauteng City Region Observatory (GCRO) and Gauteng City Region Academy (GCRA) to ensure effective implementation of the Global City Region.

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

The Institution will continue to oversee the Executive through oral and written motions on matters of service delivery and ensuring that the Executive is accountable on how taxpayers' money is spent to increase public trust in the government.

### **Public participation**

The GPL has progressively been at the forefront of pioneering excellent practices that enable effective implementation of its constitutional mandate of promoting public access and involvement in the processes of the Legislature. The Public Participation Strategy and the comprehensive conceptual framework for re-engineering public participation beyond slogans, will be used to enhance public access, engagement and involvement in the Legislature business. Sector parliaments, public education and Taking the legislature to the people programmes continue to create different platforms for public participation to encourage citizens to directly voice their concerns and views and receive feedback from the GPL for ensuring improved Legislature programmes. Committee work will place more emphasis on addressing challenges faced by communities and reporting back on matters raised by stakeholders and communities. The GPL will continue to maintain public engagements including hotspot areas. The use media initiatives including radio programmes and broadcasts, television broadcasts, advertorials, publications and newsletters will be reinforced to communicate and educate the people about the mandate of the GPL and to promote public participation.

Sector Parliaments will also be used to mobilise communities in support of the transformation, modernisation and re-industrialisation of Gauteng vision. In support of the above, the GPL will continue to strengthen and hold the following sector parliaments and Taking the Legislature to the People programme:

- Bua le Sechaba campaigns to ensure improved public participation strategy including dialogue sessions that aim to generate ideas and address issues of importance;
- Public education workshops to promote meaningful public participation;
- Youth Parliament focusing on issues relevant to youth development;
- Children's Parliament to create a platform for participation of children in matters of democracy and nation building in line with the country's Children's Act (No. 38 of 2005), which advocates for the creation of platforms to enhance children's participation in democracy providing them an opportunity to influence policies and strategies to realise their rights.
- Women's Parliament which aims to discuss ways to increase women's representations in Parliament and work towards the mainstreaming of gender considerations in all Commonwealth Parliamentary Association (CPA) activities and programmes;
- Senior Citizens' Parliament and People with Disability Parliament to ensure increased engagements with designated groups resulting in meaningful participation; and
- Workers Parliament to address issues affecting workers and conditions of employment.

### **Stakeholder Relations**



The GPL will continue to collaborate and partner with different organs such as municipalities, including municipal council committees in public participations and engagements as well as on delivering of key programmes of fostering co-operative governance. The Institution will also remain committed to working together with Public Participation Offices (PCOs), Non-Government Organisations (NGOs), the Constitutional Hill, Gender Commission and Congress of the Traditional Leaders of South Africa (CONTRALESA) and other bodies supporting democracy, to promote public involvement and solicit public concerns for tabling and debating in the House.

Interactions between other Legislative sectors such as the Secretaries' Association of the Legislatures (SALSA), the CPA and the Gauteng Speakers Forum (GSF) will be strengthened to ensure implementation of the memorandum of understanding through a customised co-operative governance framework that governs the legislature's engagement with organs of state.

## 4. REPRIORITISATION

The GPL 2016/17 budget preparations commenced with programmes' costing their respective performance plans. Financial plans were then interrogated and assessed in line with the cost-cutting measures principles, the capability to implement the budget and the affordability of the plans considering limited resources. Financial trade-offs were made from non-essentials to core service delivery outputs in line with the Institution's policy priorities as determined by Presiding Officers.

In this regard, when comparing the 2015/16 budget against the 2016/17 budget, Programme 3: Corporate Support Services decreased by R4.6 million to fund Programme 4: Core Business service delivery outputs. Programme 4: Core Business is key to the implementation of the core mandate of the GPL and supports the House and its Committees to make laws for the Gauteng Province, conduct oversight over the Executive and facilitate cooperative governance. The programme also supports the involvement of the people of Gauteng in all GPL processes through its public participation initiatives, ensuring that platforms are created for their effective participation.

## 5. RECEIPTS AND FINANCING

### 5.1 Summary of receipts

TABLE 2.1 SUMMARY OF RECEIPTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	476 305	496 831	521 769	600 473	600 473	600 473	641 673	674 898	715 824
<b>Total receipts</b>	<b>476 305</b>	<b>496 831</b>	<b>521 769</b>	<b>600 473</b>	<b>600 473</b>	<b>600 473</b>	<b>641 673</b>	<b>674 898</b>	<b>715 824</b>

The budget for the Gauteng Provincial Legislature is funded through the equitable share. The budget allocation increases from R476.3 million in 2012/13 to R641.7 million in 2016/17 with a further increase to R715.8 million in 2018/19.

In 2014/15, the allocation increased from R476.3 million in 2012/13 to R521.8 million in 2014/15 in order to continue funding operational costs, political parties and personnel requirements.

The institution's budget was not adjusted in the 2015/16 financial year.

The budget allocation in 2016/17 caters for personnel costs including annual salary increases, increased public outreach programmes and committee activities, including Taking Parliament to the people programmes, Voter Education and Registration Campaign and existing contractual obligations relating to operational costs. In addition, a significant amount of this aggregate is allocated to political parties for political party funding and constituency allowance to enable members to fulfil their constitutional obligations.

Over the MTEF period, the estimated allocation increases from R641.7 million in 2016/17 to R715.8 million in 2018/19. The upward trend caters for projected inflationary adjustments to ensure sustainability and enable the execution of the GPL core mandate of facilitating law making, ensuring public participation in the legislative processes and exercising oversight over the executive and the organs of the state.

## 6. PAYMENT SUMMARY

### 6.1 Key assumptions

The 2016 MTEF expenditure estimates were informed and guided by the House and committee programmes as well as other strategic policy priorities. Furthermore, the following key inputs informed the Institutional budget:

- The Gauteng Provincial Legislature's approved personnel structure and the estimated salary adjustments for 2016/17 to determine compensation of employees;
- The number of estimated House sittings and committee activities;
- Oversight visits as well as planned public participation workshops and sector parliaments;
- Key strategic and operational projects; and
- Operational costs including existing contractual obligations.

### 6.2. Programme summary

TABLE 2.2 : SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: GAUTENG PROVINCIAL LEGISLATURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Leadership and Governance	29 495	34 337	22 249	44 638	48 296	48 296	52 375	52 983	55 275
2. Office of the Secretary	27 607	10 851	13 694	20 692	18 408	18 408	20 706	22 399	24 608
3. Corporate Support Services	258 191	250 567	261 751	275 632	287 726	298 403	293 806	306 158	320 676
4. Core Business	131 659	145 968	165 572	217 462	204 938	204 938	229 795	247 410	265 094
5. Office of the CFO	25 053	32 196	34 579	42 049	41 105	41 105	44 991	45 948	50 171
<b>Total payments and estimates</b>	<b>472 005</b>	<b>473 919</b>	<b>497 845</b>	<b>600 473</b>	<b>600 473</b>	<b>611 150</b>	<b>641 673</b>	<b>674 898</b>	<b>715 824</b>

### 6.3 Summary of economic classification

TABLE 2.3 : SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG PROVINCIAL LEGISLATURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>352 740</b>	<b>379 322</b>	<b>391 610</b>	<b>495 597</b>	<b>486 208</b>	<b>491 106</b>	<b>533 030</b>	<b>565 514</b>	<b>603 979</b>
Compensation of employees	181 637	207 397	231 742	284 865	267 776	267 776	300 171	330 044	362 962
Goods and services	171 103	171 925	159 868	210 732	218 432	223 330	232 859	235 470	241 017
Interest and rent on land									
<b>Transfers and subsidies to</b>	<b>84 169</b>	<b>88 044</b>	<b>94 734</b>	<b>98 623</b>	<b>97 911</b>	<b>97 911</b>	<b>102 701</b>	<b>106 879</b>	<b>111 300</b>
Non-profit institutions	84 169	88 044	94 734	98 623	97 911	97 911	102 701	106 879	111 300
Households									
<b>Payments for capital assets</b>	<b>35 096</b>	<b>6 553</b>	<b>11 501</b>	<b>6 253</b>	<b>16 354</b>	<b>22 133</b>	<b>5 942</b>	<b>2 505</b>	<b>545</b>
Buildings and other fixed structures	15 838	2 724	652		6 030	11 809	600	1 000	
Machinery and equipment	17 826	3 829	10 681	6 253	9 914	9 914	5 342	1 505	545
Software and other intangible assets	1 432		168		410	410			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>472 005</b>	<b>473 919</b>	<b>497 845</b>	<b>600 473</b>	<b>600 473</b>	<b>611 150</b>	<b>641 673</b>	<b>674 898</b>	<b>715 824</b>

The Institution's spending increases from R472 million in 2012/13 to R497.8 million in 2014/15. Programme 3: Corporate Support Services and Programme 4: Core Business accounted for the majority of this expenditure at approximately 82 per cent of the GPL's total expenditure between 2012/13 and 2014/15 financial years. Programme 4: Core Business is responsible for the implementation of the Legislature core mandate whilst Programme 3: Corporate Support Services perform the administration function of the Institution, including allocation to political parties.

In 2015/16, the Institution's expenditure estimates amount to R611.2 million and is mainly driven by compensation of employees, house sittings, committee activities and public outreach programmes, key strategic operational and capital projects. This include renovations and rehabilitation of office spaces in the SAGE building that will accommodate GPL staff without office space.

Over the MTEF, the estimated allocation increases from the main appropriation of R600.5 million in 2015/16 to R641.7 million in 2016/17; and to R715.8 million in 2018/19. The upward increase is attributable to the projected annual inflationary adjustments of salaries, allocation to political parties and increased committee activities including outreach programmes and public participation.

Spending on compensation of employees increased by 13 per cent on average from R181.6 million in 2012/13 to R231.7 million in 2014/15 due to a growing staff complement and implementation of salary adjustments. Over the MTEF, compensation of employees grows by 12 per cent from R267.8 million in 2015/16 to R300.2 million in 2016/17 to cater for estimated salary adjustments such as annual salary increases, pay progression, overtime, performance bonuses and a 13<sup>th</sup> cheque.

Goods and services expenditure accounted for a total amount of R503 million between 2012/13 and 2014/15 financial years, with the last outcome year reflecting a decline. The decreasing expenditure in the last year of the audited outcome can be ascribed to completion of once-off projects. In 2016/17, the GPL projects to spend R232.9 million on goods and services from R223.3 million in 2015/16 due to increased implementation of committee activities and outreach programmes that aim to take Legislature functions to communities, as well as expected operational costs and other key programmes such as the Voter Education and Citizens Responsibility campaign and Multi-Party Women's Caucus. Over the MTEF period, goods and services reflect an increase from R232.9 million in 2016/17 to R241 million in 2018/19 due to expected price increases, the growing number of committee activities and public participation programmes.

Transfer payments to political parties have increased significantly over the years from R84.2 million in 2012/13 to R94.7 million in 2014/15. Over the MTEF, transfers are growing steadily to mitigate against the projected inflationary increase from R102.7 million in 2016/17 to R111.3 million in 2018/19. Transfers to political parties, comprise of constituency allowance and political party funding and enable members to fulfil their constitutional obligations, thus reducing dependency on private funding and enhancing multi-party democracy.

Capital payments reflect a fluctuating trend over the seven-year period. This can be credited to once-off projects that were implemented in 2012/13 such as the refurbishment of the city hall, sandstone and chemical cleaning of the Legislature exterior wall and the purchase of city hall chairs. During 2015/16, capital payments were in relation to procurement of office furniture, security X-ray searching devices and walk-through detector, SAGE building project, rehabilitation of heating ventilation and air-condition installation in the main building, as well as the procurement of computer hardware and audio visual equipment. In 2016/17, capital payments display a sharp budget cut from the estimated expenditure of R22.1 million in 2015/16 to R5.9 million in 2016/17. The estimated expenditure reflected in 2015/16 of R22.1 million includes funding for the rehabilitation of office space in the SAGE building that will accommodate GPL staff who cannot be housed in the main building, due to shortage of work space. The additional office space will ensure that the administration is fully capacitated to effectively support committee work and other core functions of the GPL.

Over the MTEF, capital payments are expected to decrease from R5.9 million in 2016/17 to R545 000 in 2018/19 due to anticipated completion of once-off projects in each particular fiscal year and implementation of cost-cutting measures. Capital payments include upgrading of lifts in the main building, extension of the fire defence system, procurement of laptops, GPL motor vehicles, emergency doors and office furniture.

## 6.4 Infrastructure payments

N/A

### 6.4.1. Departmental infrastructure payments

N/A

## 6.5 Transfers

### 6.4.2. Transfers to public entities

N/A

### 6.4.3. Transfers to other entities

TABLE 2.4: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Political Party Funding	54 817	58 357	64 116	67 963	67 251	67 251	72 041	76 219	80 640
2. Constituency Allowance	29 352	29 687	30 618	30 660	30 660	30 660	30 660	30 660	30 660
<b>Total departmental transfers</b>	<b>84 169</b>	<b>88 044</b>	<b>94 734</b>	<b>98 623</b>	<b>97 911</b>	<b>97 911</b>	<b>102 701</b>	<b>106 879</b>	<b>111 300</b>

Transfer payments to political parties increased significantly over the years from R84.2 million in 2012/13 to R94.7 million in 2014/15. In 2015/16, transfers are increasing by R3.2 million from R94.7 million in 2014/15 to R97.9 million in 2015/16.

Over the MTEF, transfers to political parties are rising steadily from R102.7 million to R111.3 million to mitigate against the projected inflationary increase. Transfers to political parties comprise of constituency allowance and political party funding. Section 236 of the Constitution promotes multi-party democracy and, in particular, requires national legislation to provide for the funding of political parties participating in provincial legislatures on an equitable and proportional basis. The Gauteng Political Party Fund Act, 2007 was promulgated to provide funding for political parties participating in the Legislature and further to provide for accountability and disclosure by parties. It is envisaged that enhanced party funding in the Gauteng Provincial Legislature will help deepen democracy and promote active citizenry as Political Parties are seen as vital public institutions to enhance citizens' participation in their own governance and in democracy.

#### 6.4.4. Transfers to local government

N/A

## 7. PROGRAMME DESCRIPTION

### PROGRAMME 1: LEADERSHIP AND GOVERNANCE

#### Programme description

The purpose of the programme is to provide overall strategic leadership and direction to the Institution by:

- Providing leadership and management of the programme;
- Monitoring and overseeing the execution of institutional obligations;
- Providing leadership and direction to the Legislative Services Board (LSB);
- Ensuring strategic Political Management of Presiding Officers and Office Bearers; and
- Providing strategic management to committees to ensure political outcomes.

#### Programme objectives

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

TABLE 2.5: SUMMARY OF PAYMENTS AND ESTIMATES: LEADERSHIP AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office of the Speaker	20 403	33 138	20 664	28 949	22 947	22 947	27 787	30 599	32 822
2. Office of the Deputy Speaker	34	239	528	3 203	13 331	13 331	8 003	5 458	6 004
3. Chairperson of Committees	9 053	899	723	10 482	10 482	10 482	14 566	14 894	15 117
4. Legislative Service Board	5	61	334	1 422	1 220	1 220	1 794	1 794	1 094
5. Deputy Chairperson of Committees				582	316	316	225	238	238
<b>Total payments and estimates</b>	<b>29 495</b>	<b>34 337</b>	<b>22 249</b>	<b>44 638</b>	<b>48 296</b>	<b>48 296</b>	<b>52 375</b>	<b>52 983</b>	<b>55 275</b>

TABLE 2.6: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LEADERSHIP AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>29 495</b>	<b>34 337</b>	<b>22 249</b>	<b>44 638</b>	<b>48 296</b>	<b>48 296</b>	<b>52 375</b>	<b>52 983</b>	<b>55 275</b>
Compensation of employees	9 745	12 853	13 845	18 179	16 066	16 066	19 669	22 230	24 453
Goods and services	19 750	21 484	8 404	26 459	32 230	32 230	32 706	30 753	30 822
Interest and rent on land									
<b>Transfers and subsidies to</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>29 495</b>	<b>34 337</b>	<b>22 249</b>	<b>44 638</b>	<b>48 296</b>	<b>48 296</b>	<b>52 375</b>	<b>52 983</b>	<b>55 275</b>

The programme's spending between 2012/13 and 2014/15 financial year decreases from R29.5 million to R22.2 million. Increased programme participation in the Legislature Sector and various events such as the regional and international CPA conferences, National and Provincial Speakers' Forums, National Conference of State Legislatures (NCSL), international study tours and committees' international conferences contributed to the recorded higher expenditure in 2012/13. Annual adjustments in staff salaries also account for the increased expenditure in compensation of employees as from 2013/14.

The budget for the programme reflect an increase of 8.4 per cent from R48.3 million in 2015/16 to R52.4 million in 2016/17, primarily due to provisions made for annual salary increases and new positions in the Office of the Speaker; the implementation of Voter Education and Registration Campaign as well as other outputs relating to committees' international conferences and study tours; Gauteng Speakers forum and Citizens' Responsibility campaign. Over the MTEF period, the budget for the programme grows by 5.5 per cent from R52.4 million to R55.3 million to accommodate the impact of inflation on the programme's service delivery outputs.

## PROGRAMME 2: OFFICE OF THE SECRETARY

### Programme description

The Secretary's Office serves as the custodian of the development and implementation of the strategy and provides administrative leadership for the achievement of the institutional mandate of oversight and scrutiny, law-making, public participation and cooperative governance.

### Programme objectives

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

TABLE 2.7: SUMMARY OF PAYMENTS AND ESTIMATES: OFFICE OF THE SECRETARY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office of the Secretary	27 607	10 851	13 677	20 290	18 257	18 257	20 336	22 008	24 209
2. Office of the Integrity Commissioner			17	402	151	151	370	391	399
<b>Total payments and estimates</b>	<b>27 607</b>	<b>10 851</b>	<b>13 694</b>	<b>20 692</b>	<b>18 408</b>	<b>18 408</b>	<b>20 706</b>	<b>22 399</b>	<b>24 608</b>

TABLE 2.8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: OFFICE OF THE SECRETARY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>27 607</b>	<b>10 851</b>	<b>13 694</b>	<b>20 692</b>	<b>18 408</b>	<b>18 408</b>	<b>20 706</b>	<b>22 399</b>	<b>24 608</b>
Compensation of employees	4 878	6 924	8 519	13 158	9 661	9 661	13 319	14 584	16 042
Goods and services	22 729	3 927	5 175	7 534	8 747	8 747	7 387	7 815	8 565
Interest and rent on land									
<b>Transfers and subsidies to</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>27 607</b>	<b>10 851</b>	<b>13 694</b>	<b>20 692</b>	<b>18 408</b>	<b>18 408</b>	<b>20 706</b>	<b>22 399</b>	<b>24 608</b>

The programme's expenditure depicts a fluctuating trend between the outcome years with 2012/13 reflecting a high spending of R27.6 million. Besides the regular programme activities such as participation in the Secretaries' Association of Legislatures of South Africa (SALSA) conferences and international study tours, the programme also undertook once-off projects in 2012-2013 financial year namely; the 43<sup>rd</sup> CPA conference and the African Youth Parliament, hence a sharp increase in spending for that particular fiscal year. In 2013/14 the expenditure for the programme decreased to R10.8 million due to completion of the 43<sup>rd</sup> CPA conference and the African Youth Parliament as well as implementation of cost-savings measures within the programme.

Over the MTEF, the estimated expenditure grows by 11 per cent on average from R18.4 million in 2015/16 to R24.6 million in the outer year. The growth is mainly attributed to annual personnel costs adjustments, implementation of emerging priorities such as the Multi-Party Women Caucus and Transversal Mainstreaming, as well as increased participation in the Legislative sector such as the CPA, Society of Clerks at the Table (SoCATT), Secretaries Association of the Legislatures of South Africa (SALSA), American Society of Legislative Clerks and Secretaries (ASLCS), International and Regional youth parliament and the Legal Advisors' Forum. Also included in the budget is the production of the Institutional Annual Report and Citizens' Annual Report, the function which has been shifted to the programme.

### PROGRAMME 3: CORPORATE SUPPORT SERVICES

#### Programme description

The purpose of the Corporate Support Services is to be a catalyst for service provision to GPL stakeholders by deploying systems, processes, policies, human capital, technologies and infrastructure and by instituting an enabling environment necessary for the effective and efficient functioning of the GPL.

#### Programme objectives

- To ensure that there is an effective system for tracking resolutions of Oversight committee, Legislative Services Board (LSB), sub-committees of the LSB, and Secretariat as well as its sub-committees;
- To ensure that the business requirements are catered for through Information and Communication Technology (ICT) support on Business Solutions (e.g. SAP), appropriate training, licensing, maintenance and access to required reports;
- To develop a system for effective integration processes and practices with internal and external stakeholders (Participation in the Events Coordinating Committee, SALSA, Speaker's Forum processes);
- To develop a system for effective stakeholder resourcing (Resource model);
- Develop a culture of leadership that promotes diversity, work life balance, transparency and accountability;

- To ensure that Members are provided with the necessary support that is responsive and relevant to their needs;
- Ensure the provision of Information Technology (IT) and office space infrastructure to enable staff and members to execute their functions; and
- Ensure the provision of the administrative support such as Human Resource (HR) services, office equipment and stationery,
- Manage and control the provision of communication services.

TABLE 2.9: SUMMARY OF PAYMENTS AND ESTIMATES: CORPORATE SUPPORT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. ED Corporate Support Services	60 564	68 073	74 360	89 808	88 498	88 498	94 645	103 647	113 986
2. Members Affairs	92 185	97 910	104 913	108 360	107 641	107 641	114 906	119 445	124 117
3. Institutional Support Services	35 023	33 357	26 086	31 938	31 826	31 826	35 257	33 734	34 409
4. Operational Support Services	70 419	51 227	37 265	32 315	43 120	53 797	34 701	35 141	34 355
5. IT and Technology			19 127	13 211	16 641	16 641	14 297	14 191	13 810
<b>Total payments and estimates</b>	<b>258 191</b>	<b>250 567</b>	<b>261 751</b>	<b>275 632</b>	<b>287 726</b>	<b>298 403</b>	<b>293 806</b>	<b>306 158</b>	<b>320 676</b>

TABLE 2.10: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CORPORATE SUPPORT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>139 634</b>	<b>157 191</b>	<b>158 590</b>	<b>170 838</b>	<b>175 684</b>	<b>180 582</b>	<b>186 477</b>	<b>197 004</b>	<b>209 076</b>
Compensation of employees	60 054	67 188	74 218	89 536	87 975	87 975	94 339	103 323	113 655
Goods and services	79 580	90 003	84 372	81 302	87 709	92 607	92 138	93 681	95 421
Interest and rent on land									
<b>Transfers and subsidies to</b>	<b>84 169</b>	<b>88 044</b>	<b>94 734</b>	<b>98 623</b>	<b>97 911</b>	<b>97 911</b>	<b>102 701</b>	<b>106 879</b>	<b>111 300</b>
Provinces and municipalities									
Non-profit institutions	84 169	88 044	94 734	98 623	97 911	97 911	102 701	106 879	111 300
<b>Payments for capital assets</b>	<b>34 388</b>	<b>5 332</b>	<b>8 427</b>	<b>6 171</b>	<b>14 131</b>	<b>19 910</b>	<b>4 628</b>	<b>2 275</b>	<b>300</b>
Buildings and other fixed structures	15 838	2 724	652		6 030	11 809	600	1 000	
Machinery and equipment	17 139	2 608	7 607	6 171	7 691	7 691	4 028	1 275	300
Software and other intangible assets	1 411		168		410	410			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>258 191</b>	<b>250 567</b>	<b>261 751</b>	<b>275 632</b>	<b>287 726</b>	<b>298 403</b>	<b>293 806</b>	<b>306 158</b>	<b>320 676</b>

The programme spent a total amount of R770.5 million, between the 2012/13 and 2014/15 financial years, largely on goods and services and transfers to political parties. The reflected expenditure relates to operational costs comprising maintenance costs, ICT infrastructure, telecommunication, payment of rent and municipal rates and taxes, members' travel allowance and implementation of projects such as functional air conditioning installed in the City Hall and the sandstone and chemical cleaning of the exterior wall of the Legislature building.

During the 2015/16 financial year, capital payments increased from R14.1 million to R19.9 million to fund the rehabilitation of office spaces in the SAGE building for GPL staff due to shortage of work space in the GPL main building.

The estimated expenditure for the programme is expected to decrease by 2 per cent from an amount of R298.4 million in 2015/16 to R293.8 million in 2016/17 financial year. The decrease is due to the expected completion of the SAGE building office renovations, which is evident in the drastic drop in capital assets allocation in 2016/17. However, the budget decrease

does not affect the programme's ability to execute its core functions and caters for transfers to political parties which accounts for a large portion (i.e. 35 percent) of the programme's budget for 2016/17 and followed by compensation of employees accounting for 32 percent of the budget, which includes personnel costs for both the programme and political parties' support staff. The budget also accommodate contractual obligations and operational costs such as ICT, rent, municipal rates and taxes and other related costs. Over the MTEF, the overall budget is expected to increase by 4 per cent on average from R293.8 million in 2016/17 to R320.7 million in 2018/19 to provide for cost increases.

## PROGRAMME 4: CORE BUSINESS

### Programme description

The purpose of the programme is to support the House and its Committees to make laws for the Gauteng Province, conduct oversight over the Executive and facilitate cooperative governance. The programme also supports the involvement of the people of Gauteng in all GPL processes through its public participation initiatives, ensuring that platforms are created for their effective participation. The programme consists of three directorates that play a critical role in supporting the execution of the GPL Constitutional mandate by providing professional support for the House and Committees, facilitating communication, public participation and information and knowledge management.

### Programme objectives

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

- Coordinate and drive the execution of the core mandate of the GPL;
- Effectively and efficiently coordinate the support functions to the Committees and the House;
- Provide professional and procedural support to committees of the House;
- Develop and deliver strategic projects which are organized through directorates;
- Monitor and evaluate the key deliverables on law-making, oversight and public participation;
- Improve internal processes, inter-directorate planning, planning and accountability;
- Foster good relations with internal and external service providers and support our customers;
- Provide research services to Committees of the House and the Institution;
- Provide an analysis during oversight activities of the Legislature;
- Coordinate the interface between the Legislature and the National Council of Provinces;
- Provide legal services to committees of the House during national and provincial law-making activities of the institution;
- Coordinate committee activities including scheduling (programming) of committee business;
- Coordinate the interface between the Office of the Speaker and committees of the House;
- Coordinate the provincial law-making processes;
- Promote information and knowledge sharing to support GPL business processes, retention of institutional memory, and embedding of knowledge management to business processes that support the GPL mandate;
- Provide document management services to the House and Committees, printing services, document registration services, interpretation translation services, recording of House and Committee proceedings, transcription services and provision of information services to support GPL business and Service Officers Services;
- Provide the Sergeant-at-arms function;
- Profile the GPL through the Speaker, Public education workshops; media; publications; branding/marketing/advertising; and
- Promote and facilitate public participation in all legislative processes.

TABLE 2.11: SUMMARY OF PAYMENTS AND ESTIMATES: CORE BUSINESS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. ED Core Business	92 065	100 010	115 732	134 123	128 147	128 147	139 102	151 605	166 698
2. Parliamentary Business	20 557	23 563	18 714	35 040	33 352	33 352	42 323	44 978	46 178
3. Information And Knowledge Management	6 093	7 832	10 293	14 455	13 015	13 015	14 872	15 615	15 771
4. Communication	12 944	14 563	20 833	33 844	30 424	30 424	33 497	35 212	36 447
<b>Total payments and estimates</b>	<b>131 659</b>	<b>145 968</b>	<b>165 572</b>	<b>217 462</b>	<b>204 938</b>	<b>204 938</b>	<b>229 795</b>	<b>247 410</b>	<b>265 094</b>



TABLE 2.12: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CORE BUSINESS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>131 638</b>	<b>145 968</b>	<b>165 557</b>	<b>217 462</b>	<b>204 938</b>	<b>204 938</b>	<b>229 795</b>	<b>247 410</b>	<b>265 094</b>
Compensation of employees	87 718	96 584	109 508	129 830	122 310	122 310	137 603	150 856	165 942
Goods and services	43 920	49 384	56 049	87 632	82 628	82 628	92 192	96 554	99 152
Interest and rent on land									
<b>Transfers and subsidies to</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>	<b>21</b>		<b>15</b>						
Machinery and equipment			15						
Software and other intangible assets	21								
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>131 659</b>	<b>145 968</b>	<b>165 572</b>	<b>217 462</b>	<b>204 938</b>	<b>204 938</b>	<b>229 795</b>	<b>247 410</b>	<b>265 094</b>

The programme's expenditure increased from R131.7 million to R165.6 million, between the 2012/13 and 2014/15 financial years. Compensation of employees accounted for a big portion of the expenditure due to increase in staff complement and implementation of annual salary adjustments. The programme plays a crucial role in supporting the execution of the GPL Constitutional mandate by providing professional support for the House and Committees including facilitating communication and public participation, hence the increase in the staff numbers and personnel costs. Similarly, goods and services expenditure makes 33 per cent of the outer expenditure and responds to the implementation of the GPL mandate, mostly driven by committee activities and outreach programmes and House sittings, including the annual Opening of the Legislature.

During 2015/16, the programme's estimated expenditure grew by 24 per cent from R165.6 million in 2014/15 to R204.9 million in 2015/16. The increase accommodates personnel costs annual adjustments, the Opening of the Legislature, increased committee activities and public participation initiatives as well as implementation of strategic projects, including the Celebration of 20 years of the Gauteng Provincial Legislature and Money Bills Amendment Procedure and Related Matters.

In 2016/17, the budget allocation increases by 12 per cent from R204.9 million in 2015/16 to R229.8 million in 2016/17. The increase can be ascribed to the provision made for inflationary salary adjustments; increased committee activities, including outreach programmes, public education workshops and sector parliaments, public participation as well as other initiatives supporting committee activities through radio and television broadcasts, advertorials, newsletters and publications. In addition, the allocated budget includes *Bua le Sechaba* campaigns; NCOP taking Parliament to the people, public hearings and Hansard outsourcing in support of House sittings and committee programmes. Over the MTEF, the budget increases by 8 per cent on average from R229.8 million in 2016/17 to R265.1 million in 2018/19 to augment against the expected inflation.

## PROGRAMME 5: OFFICE OF THE CFO

### Programme description

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

The Office promotes strong financial, supply chain and risk management practices through partnership processes with all programmes of the GPL. It provides effective and efficient management of all financial resources through the implementation of best business practices by linking strategic planning, budgeting and reporting.

The Office is also responsible to ensure continuous implementation of the all relevant financial legislation to enhance the fiscal stability, accountability and integrity of the GPL.

### Programme objectives

- To coordinate and prepare reports on the implementation of the Institutional strategic plan and budget;
- Execution of payroll for both members and staff in line with relevant acts and policies on prescribed dates;

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

TABLE 2.13: SUMMARY OF PAYMENTS AND ESTIMATES: OFFICE OF THE CFO

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Chief Financial Officer	21 665	27 995	28 310	38 852	36 271	36 271	40 624	42 326	46 211
2. Finance	531	473	503	398	398	398	597	602	605
3. Supply Chain Management	2 166	2 396	4 129	701	3 014	3 014	1 571	702	945
4. Audit, Risk and Governance	691	1 332	1 637	2 098	1 422	1 422	2 199	2 318	2 411
<b>Total payments and estimates</b>	<b>25 053</b>	<b>32 196</b>	<b>34 579</b>	<b>42 049</b>	<b>41 105</b>	<b>41 105</b>	<b>44 991</b>	<b>45 948</b>	<b>50 171</b>

TABLE 2.14: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: OFFICE OF THE CFO

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>24 366</b>	<b>30 975</b>	<b>31 520</b>	<b>41 967</b>	<b>38 882</b>	<b>38 882</b>	<b>43 677</b>	<b>45 718</b>	<b>49 926</b>
Compensation of employees	19 242	23 848	25 652	34 162	31 764	31 764	35 241	39 051	42 870
Goods and services	5 124	7 127	5 868	7 805	7 118	7 118	8 436	6 667	7 056
Interest and rent on land									
<b>Transfers and subsidies to</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>	<b>687</b>	<b>1 221</b>	<b>3 059</b>	<b>82</b>	<b>2 223</b>	<b>2 223</b>	<b>1 314</b>	<b>230</b>	<b>245</b>
Buildings and other fixed structures									
Machinery and equipment	687	1 221	3 059	82	2 223	2 223	1 314	230	245
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>25 053</b>	<b>32 196</b>	<b>34 579</b>	<b>42 049</b>	<b>41 105</b>	<b>41 105</b>	<b>44 991</b>	<b>45 948</b>	<b>50 171</b>

The programme's expenditure increased from R25.1 million in 2012/13 to R34.6 million in 2014/15. The major portion of the expenditure can be credited to the expansion of the structure and related annual inflationary salary adjustments, payment of internal and external auditors as well as valuation of GPL artwork and impairment of assets. Equally, there was an increase in capital payments for office furniture in line with the increasing number of new employees in the Institution.

During 2015/16, the programme's estimated expenditure showed an increase of 19 per cent from R34.6 million in 2014/15 to R41.1 million in 2015/16. The increase is mainly driven by compensation of employees due to the increasing staff compliment in Supply Chain Management to support the expanding Institutional activities and demand for services. Also adding to the growing budget are audit fees, implementation of Business Continuity Plan and procurement of office furniture for new positions in Leadership and Governance and new office space in the SAGE building.

The 2016/17 budget increases by 9 per cent from R41.1 million in 2015/16 to R45 million in 2016/17. Compensation of employees accounted for the larger portion of the budget to supplement the projected annual salary adjustments, followed by goods and services for internal and external audit fees. Over the MTEF, the programme budget is expected to increase by 6 per cent on average from R45 million in 2016/17 to R50.2 million in 2018/19 to mitigate against the impact of inflation on compensation of employees and goods and services, as well as to accommodate the procurement of office furniture.

## 8. OTHER PROGRAMME INFORMATION

### 8.1 Personnel numbers and costs

TABLE 2.15: PERSONNEL NUMBERS AND COSTS: GAUTENG PROVINCIAL LEGISLATURE

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019
1. Leadership And Governance	20	21	20	25	25	25	25
2. Office Of The Secretary	8	9	16	13	13	13	13
3. Corporate Support Services	150	155	174	179	181	182	182
4. Core Business	200	200	219	223	223	227	227
5. Office Of The CFO	40	40	47	53	54	54	54
<b>Total personnel numbers</b>	<b>418</b>	<b>425</b>	<b>476</b>	<b>493</b>	<b>496</b>	<b>501</b>	<b>501</b>
Total departmental personnel cost (R thousand)	181 637	207 397	231 742	267 776	300 171	330 044	362 962
Unit cost (R thousand)	435	488	487	543	606	659	724

TABLE 2.16: PERSONNEL NUMBERS AND COSTS: GAUTENG PROVINCIAL LEGISLATURE

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF				
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 – 6																	
7 – 10																	
11 – 12																	
13 – 16	418		425		476	493		493	496	501	330 044	501	362 962	1%	11%	100%	
Other																	
<b>Total</b>	<b>418</b>	<b>181 637</b>	<b>425</b>	<b>207 397</b>	<b>476</b>	<b>231 742</b>	<b>493</b>		<b>496</b>	<b>300 171</b>	<b>330 044</b>	<b>501</b>	<b>362 962</b>	<b>1%</b>	<b>11%</b>	<b>100%</b>	
<b>Programme</b>																	
1. Leadership And Governance	20	9 745	21	12 853	20	13 845	25		25	19 669	22 230	25	24 453		15%	7%	
2. Office Of The Secretary	8	4 878	9	6 924	16	8 519	13		13	13 319	14 584	13	16 042		18%	4%	
3. Corporate Support Services	150	60 054	155	67 188	174	74 218	179		181	94 339	103 323	182	113 655	1%	9%	32%	
4. Core Business	200	87 718	200	96 584	219	109 508	223		223	137 603	150 856	227	165 942	0%	11%	46%	
5. Office Of The CFO	40	19 242	40	23 848	47	25 652	53		54	35 241	39 051	54	42 870	1%	11%	12%	
Direct charges																	
<b>Total</b>	<b>418</b>	<b>181 637</b>	<b>425</b>	<b>207 397</b>	<b>476</b>	<b>231 742</b>	<b>493</b>		<b>496</b>	<b>300 171</b>	<b>330 044</b>	<b>501</b>	<b>362 962</b>	<b>1%</b>	<b>11%</b>	<b>100%</b>	
<b>Employee dispensation classification</b>																	
Public Service Act appointees not covered by OSDs																	
Others such as interns, EPWP, learnerships, etc																	
<b>Total</b>																	

In ensuring that each programme is fully capacitated to effectively execute the core mandate of the Institution, the number of full-time personnel employed by the GPL has increased over the years from 418 in 2012/13 to 493 in 2015/16. Over the MTEF, the GPL staff complement is expected to increase from 495 in 2016/17 to 501 in 2018/19. The number of staff reflected in the table above, includes the GPL employees and political parties' support staff.

The number of staff employed in Programme 4: Core Business increases from 200 in 2012/13 to 223 in 2016/17. The programme supports the House and committees in the implementation of the core mandate of the Institution. Similarly, Programme 3: Corporate Support Services has a growing staff complement since 2012/13 and the personnel includes the support staff of political parties. Programme 3 provides administrative support to the Institution such as ICT, human resources, management of members' facilities, security and maintenance. Also reflecting an increase, is the number of staff of Leadership and Governance to support the strategic leadership of the Institution.

The Institution will also continue to expedite the process of filling all critical and funded vacant positions that already form part of the structure. The increase in compensation of employees caters for the annual salary increases, pay progression, performance bonuses and overtime due to increased Public Outreach Programmes.

## 8.2 Training

TABLE 2.17: PAYMENTS ON TRAINING: GAUTENG PROVINCIAL LEGISLATURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Leadership And Governance</b>	<b>234</b>	<b>90</b>	<b>155</b>	<b>194</b>	<b>194</b>	<b>194</b>	<b>194</b>	<b>194</b>	<b>194</b>
Subsistence and travel									
Payments on tuition	234	90	155	194	194	194	194	194	194
Other									
<b>2. Office Of The Secretary</b>	<b>93</b>	<b>40</b>	<b>91</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>
Subsistence and travel									
Payments on tuition	93	40	91	117	117	117	117	117	117
Other									
<b>3. Corporate Support Services</b>	<b>1 753</b>	<b>670</b>	<b>897</b>	<b>1 164</b>	<b>1 164</b>	<b>1 164</b>	<b>1 200</b>	<b>1 200</b>	<b>1 200</b>
Subsistence and travel									
Payments on tuition	1 753	670	897	1 164	1 164	1 164	1 200	1 200	1 200
Other									
<b>4. Core Business</b>	<b>2 337</b>	<b>785</b>	<b>1 560</b>	<b>1 939</b>	<b>1 939</b>	<b>1 939</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>
Subsistence and travel									
Payments on tuition	2 337	785	1 560	1 939	1 939	1 939	2 000	2 000	2 000
Other									
<b>5. Office Of The CFO</b>	<b>467</b>	<b>170</b>	<b>371</b>	<b>466</b>	<b>466</b>	<b>466</b>	<b>500</b>	<b>500</b>	<b>500</b>
Subsistence and travel									
Payments on tuition	467	170	371	466	466	466	500	500	500
Other									
<b>Total payments on training</b>	<b>4 884</b>	<b>1 755</b>	<b>3 074</b>	<b>3 880</b>	<b>3 880</b>	<b>3 880</b>	<b>4 011</b>	<b>4 011</b>	<b>4 011</b>

The Institution has spent a total amount of R9.7 million on staff training over the outcome years. This amount comprises the largest spending on tuition in 2012/13. Also noticeable is that Programme 4: Core Business accounted for 48 per cent of expenditure in 2012/13 and followed by Programme 3: Corporate Support Services at 36 per cent. This is attributable to the higher number of staff employed in both programmes, as well as payment of tuition for Members and Political Support staff training who are in Corporate Support Services. There was a higher demand for training and development in 2014/15, which increased expenditure from R1.7 million in 2013/14 to R3.1 million in 2014/15.

During 2015/16, the GPL continued to invest in skills development by allocating R3.9 million for training, an increase of 26 per cent from 2014/15 financial year. Over the MTEF period, it is anticipated that an amount of R4 million will be spent annually on staff training to enhance staff knowledge and competency levels. Half of this budget can be ascribed to Programme 4: Core Business which supports the House and Committees in executing the core mandate of the GPL.

TABLE 2.18: INFORMATION ON TRAINING: GAUTENG PROVINCIAL LEGISLATURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff	418	425	476	493	493	493	496	501	501
Number of personnel trained	254	412	360	400	400	400	400	370	370
<i>of which</i>									
Male	114	171	160	200	200	200	190	170	170
Female	140	241	200	200	200	200	210	200	200
Number of training opportunities	135	515	330	280	280	280	360	360	360
<i>of which</i>									
Tertiary	30	77	90	80	80	80	85	85	85
Workshops	90	419	240	200	200	200	240	240	240
Seminars									
Other	15	19					35	35	35
Number of bursaries offered	50	77	77	80	80	80	85	85	85
Number of interns appointed	12	13	15	20	20	25	25	27	27
Number of learnerships appointed			10	10	10	10	10	10	10
Number of days spent on training	120	595	317	300	300	300	250	250	250

Between 2012/13 and 2014/15, the number of staff trained, increased from 254 to 360. Of the total personnel trained over the outcome period, more than 50 per cent were females. The majority of training opportunities created were in the form of workshops, followed by tertiary education. In 2014/15, the number of staff trained, decreased due to conflicting priorities emanating from preparations for the new Legislature term and related processes such as the second Opening of the Legislature and development of the planning documents as required by Financial Management of Parliament and Provincial Legislatures Act, 2009.

The number of bursaries offered during the outcome period, increased significantly from 50 in 2012/13 to 77 in 2014/15 to improve skills and competence of both staff and Members of the Legislature. During 2015/16, it is expected that 80 bursaries will be offered to registered employees and Members; the number will increase to 85 over the MTEF to accommodate the increasing demand for financial assistance.

During 2015/16, a total number of 20 interns were in the employment of the Institution in various fields to create an opportunity for practical work experience and broaden their knowledge. Over the 2016 MTEF, the number of interns employed will increase to 27. The GPL has increased the internship programme from one year to two years and will continue to contribute to youth skills development initiatives. Similarly, the GPL will continue to have 10 learnership opportunities per year over the MTEF period, to promote a structured learning environment for undergraduates, who need to gain theoretical knowledge and practical skills in the workplace, to obtain their qualifications.

### 8.3 Reconciliation of structural changes

TABLE 2.19: RECONCILIATION OF STRUCTURAL CHANGES: GAUTENG PROVINCIAL LEGISLATURE

2015/16		2016/17	
Programmes/sub-programmes	R'000	Programmes/sub-programmes	R'000
1. Leadership and Governance	48 296	1. Leadership and Governance	52 375
Sub-programme: Chair of Chairs	10 482	Sub-programme: Chairperson of Committees	14 566
Sub-programme: Deputy Chair of Chairs	316	Sub-programme: Deputy Chairperson of Committees	225
3. Corporate Support Services	287 726	3. Corporate Support Services	293 806
Sub-programme: Management	88 498	Sub-programme: ED Corporate Support Services	94 645
4. Core Business	204 938	4. Core Business	229 795
Sub-programme: Management	128 147	Sub-programme: ED Core Business	139 102
5. Office of the CFO	41 105	5. Office of the CFO	44 991
Sub-Programme: Management	36 271	Sub-Programme: Chief Financial Officer	40 624
Sub-Programme: Risk Management	1 422	Sub-Programme: Audit, Risk and Governance	2 199



# VOTE 3

## DEPARTMENT OF ECONOMIC DEVELOPMENT

To be appropriated by vote in 2016/17	R1 331 638 000
Responsible MEC	MEC for Economic Development
Administering Department	Department of Economic Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity.

#### Mission

The mission of the Department of Economic Development in quest of its vision is to:

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

#### Strategic Goals

The strategic outcome oriented goals of the DED stem from its mandate, vision and mission. As stated above, the mandate, vision and mission are informed by the national and provincial political and socio-economic imperatives contained in key documents such as the National Development Plan (NDP) and Medium Term Strategic Framework (MTSF), Gauteng Vision 2055 (G2055), the 2016 State of the Nation Address (SONA) and Gauteng's State of the Province Address (SOPA).

The three strategic outcome oriented goals of the DED are:

- Advancing radical economic transformation;
- Facilitating re-industrialisation; and
- Capacitating the department for delivery and Implementation.

#### Main services

The key cross-cutting principles and outcomes that will underpin the programmes and projects of all the three objectives are:

- Promoting smart and green industrial and socio-economic development;
- Creating decent work and reducing levels of unemployment;
- Contributing to an increase in Gross Domestic Product (GDP);
- Making the economy inclusive (reversing monopoly capital's domination);
- Applying smart and green technology and processes;
- Mainstreaming the participation of the marginalised sectors of women, youth and persons with disabilities;
- Developing an appropriately skilled labour force and private sector (SMME's, co-operatives and emerging businesses) to meet and grow the economy and work in the key sectors; and
- Ensuring environmental sustainability.



### **The National Development Plan**

The NDP offers a long-term perspective as it defines a desired destination and the role each sector needs to play. The department will amongst others contribute towards Vision 2030 of the NDP of creating 11 million jobs through:

- Increasing exports;
- Investing in infrastructure to facilitate economic activity that is conducive to growth and job creation;
- Lowering the cost of doing business;
- Matching unemployed people to jobs;
- Providing a tax subsidy to businesses to reduce the cost of hiring people;
- Rewarding the setting up of new businesses including partnering with companies;
- Reducing the cost of living for low income and working class households;
- Reducing the cost of regulatory compliance, especially for small and medium sized firms;
- Supporting small business through better coordination of relevant agencies, development finance institutions and public and private incubators; and
- Building an expanded skills base through better education and vocational training.

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

The Gauteng Provincial Government (GPG) has adopted a 10 pillar programme to ensure radical socio-economic transformation of Gauteng. The mandate of the DED accounts for seven of these:

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

DED is committed to acting decisively and boldly to increase investment in the real economy and infrastructure, stimulate faster levels of inclusive growth, speed up social development, substantially reduce poverty and unemployment and place the economy on a qualitatively different growth path. Radical economic transformation and modernisation and re-industrialisation will underpin all DED's programmes and projects such as:

- Making Gauteng an integrated city-region;
- Transforming the state and governance;
- Modernising the economy;
- Re-industrialising Gauteng province;
- Taking the lead in Africa's new industrial revolution;
- Smart and green industrial and economic development;
- Strengthening economic trade and partnerships with African and BRICS countries;
- Addressing major structural problems by investing in skills, research, innovation, economic infrastructure;
- Supporting township enterprises, co-operatives and SMME's that meet township needs: government to provide training, funding, markets and economic infrastructure for goods produced;
- Bringing SMME's and township entrepreneurs into the key sectors of finance, automotive industry, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction and real estate;
- Promoting new industries e.g. mining beneficiation and agro-processing ;
- Linking with the Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP) to revitalise the township economy and infrastructure; and
- Investing in the renewal of townships.

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

- Municipal Finance Management Act (MFMA), 2003;
- Gauteng Liquor Act, 2003;
- National Protected Areas Act, 2003;
- Blue IQ Investment Holding Act, 2003;
- Gauteng Tourism Act, 2001;
- Promotion of Access to Information Act, 2000;
- Administration of Justice Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Municipality Systems Act, 2000;
- Gauteng Gambling Act, 1995, 1996, 2001;
- World Heritage Convention Act, 1999;
- Public Finance Management Act (PFMA), 1999;

- Skills Development Act, 1998;
- Employment Equity Act, 1998;
- Convention Concerning the Protection of the World Cultural and Natural Heritage (adopted 1997);
- Intergovernmental Fiscal Relations Act, 1997;
- Gauteng Unfair Business Practices Act, 1996;
- Sale and Service Matters Amendment Act, 1995;
- Public Service Act, 1994;
- Business Act, 1991;
- Credit Agreements Act, 1980; and
- 2009-2014 Electoral Manifesto and MTSF

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)

The department has made contribution towards the achievement and the realisation of the TMR programme with particular emphasis to the priorities relevant to GDED. By virtue of its mandate, the department subscribes to the provincial priority areas through programmes outlined below which entails the review of the current year and the outlook for the upcoming financial year.

### PILLAR 1: RADICAL ECONOMIC TRANSFORMATION

#### Output: Re-Industrialisation to Support the Growth of Labour Intensive Industries

##### Automotive Industry Development Centre (AIDC)

The AIDC manages the Automotive Supplier Park (ASP), an automotive hub based in Rosslyn, housing various automotive component manufacturers, suppliers, and service providers to original equipment manufacturers (OEMs). It was established as a government support centre to increase the local automotive industry's global competitiveness and to promote Gauteng as the automotive industry investment destination of choice.

##### Low Carbon Economy Learnership Programme

The Low Carbon Economy Learnership Programme was designed for unemployed and business-minded graduates. The programme focuses on New Venture Creation (NQF Level 4) in the Green Economy Sector. The programme includes a combination of academic and practical skills training by experienced business mentors and leadership coaches. The programme also includes business management, administration, emotional Intelligence and leadership coaching. The programme has recruited a total number of 20 unemployed youth. Various learners have completed their theoretical training including the final summative assessment. Learners have been placed in different companies for workplace exposure until March 2016.

##### Coach-lab

The Coach-lab is a Post-Graduate Leadership and Business skills Development Programme aimed at instilling business principles, the value of innovative and entrepreneurial thinking amongst the participating youth through mentorship by programme partners.

The Coach-Lab programme has appointed a total number of 29 new students, comprising of students in the Coach-Lab@Hub, 10 in the Coach-Lab@JCSE and 10 in the Coach-Lab@Vaal programme. The students have gone through an induction programme and are currently receiving training and personal coaching. The Innovation Hub (TIH) Internship programme has recruited 7 unemployed.

The graduation ceremony for the 2014/2015 Coach-Lab participants was held on 29 April 2015 and students received certificates for successful completion of the programme. From the 36 students that graduated, 31 have secured employment and the remaining 5 are completing postgraduate qualification whilst seeking employment.

To date the Media, Information and Communication Technologies Sector Education and Training Authority (MICT SETA) approved funding for 110 students. A total of 62 unemployed ICT and Media graduates have been recruited to participate in the programme.

##### Nissan Incubation Centre

The Automotive Incubation Centre is aimed at establishing and nurturing small and medium sized enterprises that can supply components to Nissan South Africa's production line, while receiving training on meeting international standards for automotive parts and components. The demolition works and earthworks have been completed. The building construction contract was awarded and work officially commenced in September 2015.

The anticipated completion schedule is July 2016 and operations in 2017. A total number of 4 BBBEE Incubates (engineers) for supplier development was recorded through Nissan Total Harmonious Nissan Kaizens programme. The programme in partnership with Japan and RSA intends to bolster the competitiveness of local auto industry.

#### **Winterveldt Enterprise Hub**

The Winterveldt Enterprise Hub plays a pivotal role in upskilling artisans and supporting the growth of automotive SMMEs in the Winterveldt region. The Winterveldt Enterprise Hub is operating relatively well. To date, a total number of 4 vehicles have been processed through the hub. There are presently 5 SMMEs operating from the Hub, with a total of 11 registered with the Hub.

Improved relations with Emergency Management Services (EMS) resulted in 12 ambulances being booked in for repairs. There are presently 5 SMMEs operating from the Hub, with a total of 10 registered. During the 3rd quarter, 11 vehicles were processed through the hub of which 3 were EMS vehicles.

#### **M-LAB**

The M-Lab is an initiative to support mobile application developers from concept development to the prototype testing stage. It also serves as a feeder programme into the Maxum Business Incubator pipeline. The programme has recruited 5 new mobile application developers. M-lab continued its focus on business development activities with the aim of attracting new talent and potential partners to its programme. These activities took the form of owned or sponsored events and trainings in the form of Hackathons, pitching events, workshops and technical trainings.

The M-lab also focused on the application development with the aim of finalizing the minimal viable products (apps) for further commercialisation before end of March 2016.

The mini-SASS app was officially launched at the Water Research Commission Research Development and Innovation Symposium and Water-Tech Summit. This is the first commercialised high impact solution to come out of the Code-Tribe Academy. Solutions were also presented to the Agricultural Research Council for commercialisation. M-Lab continued to build awareness for youth by hosting lectures at local universities including collaborations with CSIR and DST. The programme also continued to support Geekulcha activities in Kimberley with the aim of establishing M-Lab in the Northern Cape.

#### **Gauteng Accelerator Programme (GAP)**

The GAP is the innovation competition for Gauteng-based researchers and entrepreneurs with plans to be global leaders in the Green, Medical, ICT and Biotech sectors. The competition is aimed at identifying top local innovators and entrepreneurs looking to take their prototypes and late stage research and development (R&D) to market. The GAP Biosciences Business basics workshop took place on the 21<sup>st</sup> -22<sup>nd</sup> May 2015 by 45 people. A total number of 7 Gauteng-based researchers and entrepreneurs were awarded with the GAP Bioscience and GAP Medical. The programme also identified 12 technologies in ICT field for incubation. A total number of 2 companies have been contracted for incubation namely Commutax and m-Health studio. The remaining companies are still receiving coaching and mentoring and are in progress to sign incubation contracts.

#### **Efficiency Programme**

The efficiency programme's objective is to improve the competitiveness of SMME's in the Gauteng automotive component industry and other manufacturing industries. The programme aims to address key issues around quality, cost reduction, productivity improvement and manufacturing/supply stability. A total number of 22 companies were signed into the efficiency programme. Various interventions are planned to be undertaken with various automotive component manufacturers.

The AIDCs Strategic Enterprise Development Department (SEDD) collaborated with the Department of Trade and Industry and applied to the Government of Japan, through JICA (Japan International Cooperation Agency), to enlist experts to support the Automotive Industry competitiveness in South Africa. The JICA experts were approved by the Embassy of Japan this year and first expert Mr. Hayashi started in May 2015 hosted at AIDC ASP for a period of 2 years entailing over 8 visits of 4 weeks each.

#### **Ford SMME Project**

The FORD SMME Project is an Incubation Programme at the Incubation Centre located at Ford Motor Company of Southern Africa plant in Silverton. Broad Based Black Economic Empowerment (BBBEE) entrepreneurs are supported to hone their skills whilst supplying components directly to the Original Equipment Manufacture's (OEM) production line.

Production at the Incubation Centre at Ford remains on-going. One incubates formally graduated in September 2015 with another given notice to graduate at the end of the financial year upon securing viable business opportunities for them. The process of identifying and recruiting the replacement of incubates has commenced. Exit strategy sessions were scheduled monthly for 3 business owners and meetings have been taking place with various stakeholders such as Ford and Tier 1's opportunities for the incubates.

## **Output: Gauteng Township Economy Revitalization**

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

GEP supported township enterprises through, amongst others, the Incubation model, Mentoring Coaching, Skills Development Training, Investment Management, Community Fund, Business Development Support and Township Business Renewal programmes. GEP implemented the Catch-Up Plans developed to address deviations arising from the second quarter non-achievements largely due to moratorium placed on new applications and review of existing products in August and September 2015.

The expeditious processing of applications was achieved without the deployment of additional human resources while the approval of applications was achieved due to the timeous scheduling of various Committee meetings. In this regard, 49 existing SMMEs and 97 new SMMEs were supported financially. Similarly, the targets for existing and new Cooperatives supported non-financially were overachieved. A total number of existing Cooperatives supported non-financially was 177 and 153 new Cooperatives benefited from non-financial support. A total of 1 187 SMMEs were supported against the targeted 540. The efficiency of the Transnet Enterprise Hub and applications sourced during the “Qondis’ishishini lakho” campaigns, contributed to the support provided to 1 046 informal businesses.

## **Output: Trade and investment promotion**

### **Foreign Direct Investment**

One Foreign Direct Investment (FDI) project was successfully facilitated. A Chinese company has invested in the establishment of a warehouse and showroom facilities for their mesh and fence products. The total investment of this project amounts to R3 million and resulted in 18 permanent and 20 temporary jobs being realised. GGDA assisted the company to identify suitable premises and with securing a business permit for its director.

### **Domestic Direct Investment**

One (1) new DDI investment was concluded. An investment DDI company has invested an amount of R384 million from 2014 for a private hospital in Modderfontein.

### **Trade Facilitation**

A total number of 11 trade deals to the value of R174 million were recorded for quarter 2. The deals by 8 companies were exports to India, Brazil, China, Russia, Taiwan and Zimbabwe. The value of trade deals facilitated in quarter 3 amounted to R177 million derived from six (6) trade deals. A total of 3 companies (QK meats, Protectall and Urban Econ) exported deals to the United Kingdom (UK), Zambia and Democratic Republic of Congo (DRC). A further 3 smaller export orders were secured by township enterprises that were supported to participate in the Ethnique Hair and Beauty show, amounting to R24 000 from sample orders taken by buyers from Zambia and Tanzania.

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

The tourism industry continued to make a mark in the economic activities. A total number of 26 tourism nodes were promoted. The promotional work takes the form of ranging from media familiarisation tours including the African Union media, to using popular events such as the Delicious International Music and Food Festival, Top Gear as well as rigorous online promotions through blogs and Tourism Indaba. Townships such as Daveyton, Mamelodi, Alexandra and Soweto benefited into these interventions.

The temporary exhibition space at Maropeng was created. The first phase planned at relocating the office space to a mezzanine level within the Tumulus Building and the second phase involved creating the temporary exhibition in the current space occupied by the offices. Due to administrative demands, there have been delays in relocating the offices and therefore delays in construction on the temporary exhibition were experienced.

Among the key successes for the period under review was the 14 Business (MICE) meetings hosted within the province. A total of 10 signature events were hosted. The hosting of these events has translated to the rand value of economic benefit of R477 million.

The unveiling of Homo Naledi fossils provided an unprecedented global marketing opportunity, which was, leveraged on virtually all media platforms domestically and globally promoting destination Gauteng. Significant to the future infrastructure developments at Maropeng, the National Department of Tourism has provided financial support for the realisation of this project.

The agency managed to complete 1 pilot for green tourism initiatives and tourism experience development work in 10 township clusters. The tourism experience development work is part of the township tourism flagship project and the initial phase included clusters in Soweto, Alexander, Mamelodi and Fordsburg.

### **Gambling and Betting**

The Gauteng Gambling Board (GGB) is a statutory body established in terms of section 3 of the Gauteng Gambling Act, No 4 of 1995 as amended. The Agency strives to regulate the industry in a transparent, fair, equitable and competent manner for the benefit of all stakeholders.

Responsible gambling awareness sessions were held aimed at educating the public on the dangers associated with gambling reached a total of 64 331 beneficiaries through 5 awareness programmes conducted. The agency also conducted 40 compliance audits and 172 inspections. Furthermore, the agency raided 15 illegal gambling outlets and confiscated 30 illegal gambling devices in the process. The rand value of economic benefit generated from business and signature events was R162 million against a target of R210 million which was partially achieved at 77 per cent.

### **Broad Based Black Economic Empowerment (B-BBEE)**

To ensure effective regulation and monitoring of the implementation of the GPG BBBEE Strategy, a total number of 7 B-BBEE Economic Opportunities Roadshows/workshops were conducted with suppliers in different databases (Public, Private and Civil Society stakeholders) in the Province. The demand for presentations that highlight economic opportunities that are presented by Local Content compliance in designated sectors and BBBEE Revised Codes of Good Practice attributed to the achievement of the set target.

The Gauteng Provincial Government (GPG) has achieved 90.5 per cent against the target of 80 per cent for the Historically Disadvantaged Individuals (HDIs). The GPG has met HDIs and Youth spends targets by 90.5 per cent and 10.7 per cent respectively. Women and PWDs spend targets were not met during the third quarter of the current financial year. The realisation of 5 per cent PWDs target still persists to be a challenge.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)**

### **PILLAR 1: RADICAL ECONOMIC TRANSFORMATION**

#### **Output: SMME and Cooperation Support**

##### **Gauteng Enterprise Propeller**

The agency will continue providing both financial and non-financial support services to SMMEs and cooperatives into the economic mainstream sectors. In order to revitalise and modernise the township economies reflecting radical transformation and reindustrialisation of Gauteng economy, the agency will provide support to total number of 25 small businesses in the industrial parks through Business Development Support (BDS) Interventions.

Through the implementing agencies, the Department will shift the township economies from becoming consumers of the first economy into productive centers of the economy, including providing training, handholding, creating manufacturing and productive skills to support the Gauteng economy. The Department will strive to ensure that SMME's, businesses and Co-op support yield GPG's development outcomes of creating decent work, changing the patterns of ownership and meaningful involvement of women, youth and persons with disabilities in the entrepreneurial landscape. A total number of 100 Township Businesses will be supported through the Township Business Renewal programme. The agency will also assist a total number of 750 SMMEs through Business Development Support (BDS) Interventions including 500 cooperatives in the prioritised areas. A total number of 100 cooperatives are anticipated to be funded through the Cooperative Assistance Programme (CAP).

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

The Department will focus on the implementation of the Trade and Investment Strategy as part of Re-industrialisation of the Gauteng Economy. The implementation of this programme will go a long way in improving and positioning Gauteng as a strategic trade partner within the African continent while partnering with strategic partners such as foreign missions and business chambers to access trade markets. As part of driving and participating within the knowledge economy, The Innovation Hub Management Company (TIHMC), will consolidate and align some of its initiatives, with the innovation competitions now falling under the Gauteng Accelerator Programme (GAP) brand. The introduction of EkasiLab programmes by the TIHMC as a response to the Township Economy Revitalisation (TER) strategy remains a key on our agenda.

Guided by the insights gained from the comprehensive township tourism research project which revealed that market access remains one of the most critical challenges confronting small businesses and in particular township-based tourism businesses, the Gauteng Tourism Authority (GTA) will facilitate market access programmes aimed at promoting destination platforms in Africa and BRICS at large. The Department anticipates in hosting 50 business and 6 signature events respectively in Gauteng. In order to benchmark tourism experiences, GTA actively participates in global bodies such as the Destination Marketing Association International (DMAI) and the United World Tourism Organisation (UNWTO) through its affiliate membership. The agency will embark on delivering the following:

- Provision of a wide-range of world-class, customer –focused and vibrant visitor experiences located throughout the province;
- Destination of choice for global, regional, national and local events;
- Offering a safe and secure destination for visitors; and
- Providing a world-class infrastructure that supports the tourism industry as well as frameworks to guide investment and operations in the sector.

### **Regulated Gambling and Betting Industry**

Through Gauteng Gambling Board (GGB), the Department will continue to regulate the gambling industry. Gambling taxes and licenses fees are a significant source of revenue for the Gauteng Province where tax revenue is used to provide essential public services such as policing, schools and to improve civic standards of living. The Gambling industry improves local economies used to build infrastructure related project. The 2014 National Gambling Board annual research bulletin declared that the Gambling industry contributed 11 billion to the GDP of SA. The agency participates in both national and international forums such as Internal Association of Gambling Regulators and Global Gaming Expo in order to be informed about the international gambling environment. The agency continues to implement programmes aimed at preventing, mitigating the risks and dangers associated with gambling activities.

## **PILLAR 6: MODERNISATION OF THE ECONOMY**

### **Output: Strategic economic infrastructure stimulating employment-led economic growth and development**

A number of major industrial development and infrastructure investment initiatives are currently underway namely:

#### **Automotive Incubation Centre at Nissan SA**

The Automotive Industry Development Centre (AIDC) will implement various interventions that are directly supporting the Government's 'integrated approach to SMME and co-operative development' programme, especially creating new (start-up) Black entrants into the automotive manufacturing sector.

On the Northern corridor, the Automotive Industry Development Centre (AIDC), through the Gauteng Automotive Learning Centre and the Nissan Simulator will continue to facilitate the training of people to be employed or become entrepreneurs in the automotive industry. The construction of the mini factory phase 2 will be completed during the financial year. The first tenant of the mini factory phase 2 will take occupation of the facility by September 2016.

Gauteng Growth Development Agency (GGDA) through the AIDC's Automotive Incubation Centre will continue to do work on the Northern corridor. At Ford in Silverton, mentoring and training Black Economic Empowerment SMMEs in the auto sector continue as planned. The first of the incubatees graduated out of 'incubation' in September last year. Two more incubatees will graduate during the course of the next financial year. They will be replaced by new incubates who will undergo the same process from the "hand-holding" phase right through to being independent operators of their own business.

The Gauteng Investment Centre (GIC) has been successful in drawing the attention of the various foreign agencies and embassies, that seek to work closely with the centre especially to create access for businesses originating from their countries keen on doing business in the province. With the growth and success of the CoachLab programme in recent years, there is potential to use the CoachLab skills and leadership training model in collaboration with relevant industries, university partners and Skills Education Training Authority's (SETA) as the basis of a variety of skills development initiatives across all priority sectors, thereby contributing to solving the country's skills deficit.

In the previous financial year, The Innovation Hub Management Company (TIHMC) introduced eKasiLab programmes aligned to Township Economy Revitalisation (TER) mandate. These programmes were successfully launched in Garankuwa and Soweto. The Automotive Industry Development Centre (AIDC) will focus on the automotive and allied sector with particular emphasis on providing facilitation and assistance to the Tier 1, 2 and 3 suppliers. The AIDC will be expanded over the next five years to include allied auto sector activities with regard to further growth anticipated in the local production.

#### **Jewellery Manufacturing Precinct (JMP) bulk infrastructure at Airport City Industrial Development Zone (IDZ)**

The Gauteng IDZ has conceptualised and is planning for the establishment of a Jewellery Manufacturing Precinct (flagship project) on land identified for such purposes within the ORTIA Precinct. The construction of phase 2 of the JMP bulk infrastructure at Airport City IDZ will include bulk infrastructure namely bulk services, water reticulation, storm water, electrical installations and sewage pipes.

#### **Biosciences Park Facility**

The focus of the project is to construct the Biotech Park building on Land Parcel 12 starting with bulk underground services to top structure in line with tenants requirements. The construction of phase 2 of the Biosciences Park Facility at the Innovation Hub will be constructed will include the following:

- Establishment of earthworks and foundations;
- Brickwork and roofing; and
- Internal finishings.

#### **Output: Building an innovation and knowledge-based economy to drive competitiveness and economic growth**

The Innovation Hub will continue to do its work and programmes on the Northern Corridor. As part of revitalising the township economy, encouraging innovation, the commercialisation of ideas and driving the competitiveness of our economy. The target aims to ensure that by the end of the next financial year, there will be at least one eKasiLab Innovation Centre in each of the five development corridors. The Innovation Hub has trained over 75 township entrepreneurs through Start-up Weekends and Bootcamps run in conjunction with eKasiLabs Innovation Centres in Alexandra, Katlehong, Soweto, Sedibeng and Tshwane. This year, the Hub will expand its Start-up Weekends and Bootcamps to train at least 100 entrepreneurs in all our five development corridors.

#### **Output: Green economy interventions to support sustainable economic growth and interventions**

The Green Economy refers to two interlinked developmental outcomes for the South African economy:

- Growing economic activity (which leads to investment, jobs and competitiveness) in the green industry sector; and
- A shift in the economy as a whole towards cleaner industries and sectors with a low environmental impact compared to its socio-economic impact.

A total number of 30 green companies will form part of the incubation programme at the Climate Innovation Centre (CIC). Through this programme companies will be able to profitably develop, commercialize, scale-up their innovative clean technology ideas, concepts, creating jobs, accelerating a greener and more inclusive economic development in the process.

## **4. REPRIORITISATION**

The department will continue to implement cost-cutting measures and re-direct funds to essential services to ensure that non-negotiable line items are adequately funded. The implementation of approved strategies critically informs the reprioritisation of the budget and projects (e.g. the shift in the management of the operations of the Hotel school from GTA to DED head office; the funding of the TIH Bioscience Park, ICT PMO SEZ and the rental of mobile buses for the outreach projects for the entire DED group. These projects are linked to the TER and have necessitated the reprioritization of the budget. The department examined the budget proposals from both its public entities and internal programmes in order to strengthen alignment with its mandate. Several budget proposals from public entities were declined and some were realigned and reprioritised. The budget reprioritisation exercise identified savings within the existing committed expenditure envelope and assigned funds to emerging priorities inter alia the tenant installation cost, enhancement of the business intelligence system as well as in the areas of enterprise development, job creation and targeted sector development. Stringent cost cutting measures were implemented and the department reduced internal costs through centralisation of common expenditure such as stationery, computer consumables, catering etc. This reprioritisation will necessitate an efficient use of resources while on the other hand ensuring that service delivery targets are achieved.

## **5. PROCUREMENT**

The department has made strides in terms of improving its supply chain management practices, and drafts an annual procurement plan on the basis of the approved business plan from programmes. Contract are awarded to suitable service providers ensuring that values for money is achieved. The supply chain management unit in the department subscribes to and complies with government's guideline, policies and regulations. In the business plan and Annual Performance document, the core principle of behaviour which is made up of the five pillars of procurement are adhered to. The department strives to be the best performing unit in the province and staff members are skilled and trained to perform optimally.

The department during the MTEF process, highlighted procurement projects in the 2016/17 financial year which have an impact on the service delivery of the department. The projects are also aligned to the strategic pillar programme aligned to the TER. The procurement will be in conjunction with the projects that each programme would plan to deliver on.

Key projects to be implemented against the TER and TMR includes Regional Township Revitalisation Summits; Provincial Township Revitalisation Summit; Implementation of the 11 sector strategies; establishment and upgrade of the industrial parks/hubs; Provincial Infrastructure Summit (Energy – Green Economy); development of the Gauteng Trade and Investment Strategy; development of the Gauteng Energy Mix Plan; development of the Informal Sector Strategy; Package High Impact and viable Industrialisation Project Gauteng City Region; the Baseline Study on Local Preferential Procurement ;and the Provincial State Bank Feasibility Study.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 3.1 : SUMMARY OF RECEIPTS:DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	874 412	963 353	1 101 491	1 305 610	1 305 610	1 305 610	1 331 638	1 383 993	1 467 701
<b>Total receipts</b>	<b>874 412</b>	<b>963 353</b>	<b>1 101 491</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 331 638</b>	<b>1 383 993</b>	<b>1 467 701</b>

The allocation increased from R874.4 million in 2012/13 to R963 million in 2013/14, this further increased to R1.3 billion in 2015/16. Departmental allocation grew by 2 per cent in 2016/17, the allocation makes provision for the TER projects/programmes that the department will embark on; such as job creation initiatives and the Nelson Mandela Centre of Memory project. Additional funds will make provision for core priority outputs such as the refurbishment of industrial parks in townships and Innovation hubs which contributes to the provincial pillars of; Radical Economic Transformation. Over the MTEF the baseline increases to R1.4 billion and R1.5 billion for 2017/18 and 2018/19 respectively.

### 6.2 Departmental receipts collection

TABLE 3.2: DEPARTMENTAL RECEIPTS:ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts	719 343	753 404	799 823	804 017	804 017	804 017	928 873	988 964	1 043 682
Casino taxes	684 364	715 672	759 545	706 204	706 204	706 204	878 874	919 624	971 682
Horse racing taxes	34 979	37 732	40 278	97 813	97 813	97 813	50 000	69 340	72 000
Liquor licenses									
Motor vehicle licenses									
Sales of goods and services other than capital assets	288	48	17 361						
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	2 006	5 177	2 526	2 111	2 111	2 111	2 223	2 334	2 469
Sales of capital assets			44						
Transactions in financial assets and liabilities	218	5 293	709	277	277	277	292	306	324
<b>Total departmental receipts</b>	<b>721 855</b>	<b>763 922</b>	<b>820 463</b>	<b>806 405</b>	<b>806 405</b>	<b>806 405</b>	<b>931 388</b>	<b>991 605</b>	<b>1 046 476</b>

DED strategic goals include facilitating the implementation of strategic programmes that will stimulate and enhance brand, competitiveness and social transformation in Gauteng; enhance trade and export promotion and the attraction of investment resulting in the creation of decent jobs, increased tourism, and a greener economy. In achieving the goals and priorities outlined, the department's main source of funding is the equitable share. In the execution of the department's mandate of regulating the gambling industry, revenue is mainly from gambling taxes (casino, bingo, limited pay-out machines (LPM) and horse racing taxes) by Gauteng Gambling Board (GGB). The Department's other sources categorised include sales of goods and services other than capital assets; interest, dividends and rent on land; financial transactions in assets and liabilities; and sales of capital assets which are departmentally generated.

Gambling revenue is collected by the Gauteng Gambling Board (GGB) for a commission in terms of the Public Finance Management Act (No. 1 of 1999) and the Gauteng Gambling Act (No. 4 of 1995). During the 2012/13 financial year the actual collection amounted to R721.8 million before increasing to R763.9 million in 2013/14. In 2014/15 financial year the actual collection increased to R820 million. Over the 2016 MTEF, the projected revenue collection is estimated at R931.4 million for 2016/17 and R1 billion for 2018/19.

The estimated revenue collection over the MTEF is based on a number of factors such as people visiting the province for different events, activities such as the Joy of Jazz, provincial hosting of the Gauteng Summer Cup, Rand show, Gauteng Summer Cup and numbers of people visiting the province for holidays just to mention a few.

The GGB will continue implementing its mandate by attracting tourists to ensure a sustainable revenue collection including intensifying the responsible gambling awareness campaign in the domain. The GGB will continue with its programmes as planned and the baseline will not be reduced moving forward.



## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The department has applied the following key assumptions when compiling the budget:

- Filling of the funded vacant positions;
- Increase in personnel and performance bonuses;
- Number of staff and possible changes over MTEF;
- Medical aid contribution which increase annually;
- Basic salary costs including the Improvement in conditions of service adjustments from July each year;
- Skills development levy ;
- Inflation related adjustments;
- Implementation of cost containment;
- Reprioritisation within programmes and items; and
- Additional funding to the baseline.

### 7.2. Programme summary

TABLE 3.3: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	129 864	132 544	168 306	189 997	219 380	219 379	227 109	231 135	246 678
2. Integrated Economic Development Services	196 458	222 076	284 020	321 250	268 967	268 967	198 345	216 003	230 626
3. Trade And Sector Development	452 110	512 185	530 906	556 609	576 509	576 509	624 317	645 449	682 885
4. Business Regulation And Governance	66 734	46 577	58 209	61 261	62 061	62 062	77 249	77 939	82 825
5. Economic Planning	28 205	13 405	19 214	176 493	178 693	178 693	204 617	213 467	224 687
<b>Total payments and estimates</b>	<b>873 371</b>	<b>926 787</b>	<b>1 060 655</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 331 638</b>	<b>1 383 993</b>	<b>1 467 701</b>

### 7.3. Summary of economic classification

TABLE 3.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>265 609</b>	<b>264 807</b>	<b>310 979</b>	<b>591 727</b>	<b>434 986</b>	<b>434 986</b>	<b>494 249</b>	<b>518 881</b>	<b>552 046</b>
Compensation of employees	110 304	110 685	134 813	215 711	181 787	181 787	230 626	242 196	256 244
Goods and services	155 305	154 122	176 166	376 016	253 199	253 199	263 623	276 684	295 802
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>590 114</b>	<b>657 890</b>	<b>688 559</b>	<b>707 748</b>	<b>861 199</b>	<b>861 199</b>	<b>821 890</b>	<b>851 113</b>	<b>900 843</b>
Provinces and municipalities									
Departmental agencies and accounts	587 495	656 778	666 099	707 443	860 543	860 543	821 890	851 113	900 843
Non-profit institutions									
Households	2 619	1 112	22 460	305	656	656			
<b>Payments for capital assets</b>	<b>6 213</b>	<b>1 619</b>	<b>6 028</b>	<b>6 135</b>	<b>9 425</b>	<b>9 425</b>	<b>15 499</b>	<b>14 000</b>	<b>14 812</b>
Buildings and other fixed structures					1 200	1 200			
Machinery and equipment	5 855	1 619	6 028	6 135	8 225	8 225	10 499	9 000	9 522
Software and other intangible assets	358						5 000	5 000	5 290
<b>Payments for financial assets</b>	<b>11 435</b>	<b>2 471</b>	<b>55 089</b>						
<b>Total economic classification</b>	<b>873 371</b>	<b>926 787</b>	<b>1 060 655</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 305 610</b>	<b>1 331 638</b>	<b>1 383 993</b>	<b>1 467 701</b>

For 2012/13 financial year, the expenditure amounted to R873.4 million before increasing to R926.7 million in 2013/14 financial year, which demonstrates a growth of R53.4 million. The biggest portion of the budget is allocated to agencies where the transfer is through the department. For 2013/14 financial year, an allocation of R656.7 million was transferred and in 2014/15 financial year increased to R666 million.

Over the MTEF period, the allocation increases to R1.3 billion in 2016/17 before increasing R1.5 billion in the 2018/19 financial year. The upward trend is attributable to the additional funding of R159 million which is allocated the MTEF for the refurbishment and establishments of Industrial Parks. This programme will revitalize the township within the province; it also seeks to address poverty stricken communities and the low levels of productive economic activity in the townships around Gauteng. The township industrial park refurbishment programmes will be undertaken in the context of the following objectives: supporting SMMEs; job creation; economic growth and development and state support and commitment

The department is further allocated an additional funding of R95.3 million over the MTEF for Innovation Hub to cater for eKasi Labs, mLab /Code Tribe, Academy OpenIX, Innovation Exchange Incubation Programmes, all these programmes are aimed at addressing a variety of issues ranging from the eradication of poverty in townships through job creation and targeting of youth unemployment; the provision of opportunities to promising township based youth as well as supporting emerging industries and the modernization of the economy.

To promote tourism and social cohesion, an amount of R23.8 million is allocated as additional funding over the MTEF for the bidding and hosting of events such as Gauteng Summer Cup, Joburg Shopping Festival and Joy of Jazz Festival. These events have a positive impact on the economy such as revenue generation, job creation, skills development, international exposure and increased levels of local trade and tourism development

The largest portion of the budget is allocated to entities under Programme 2 and 3 followed by Programme 1 which receives the second largest portion of the budget since it carries most of the departmental contracts such as lease payment, municipal rates and taxes, security operational center, ICT equipment and centralization of training and development.

The expenditure on compensation of employees increases from R110.3 million in 2012/13 to R134.8 million in 2014/15. Over the MTEF, compensation budget increases from R230.6 million in 2016/17 to R256.2 million in the 2018/19 financial year primarily due to the implementation of the structure, which the department will align to the needs of the province.

Goods and services have the second largest portion of the budget allocated and it is utilised for the implementation of the emerging priorities and strategic projects and programmes. Expenditure amounts to R155.3 million in 2012/13 increasing to R154.1 million in 2013/14 and further increases to R176 million in 2014/15. Over the MTEF, the allocation increases to R264 million in 2016/17, which augments to R295.8 million in 2018/19. This allocation is linked to the TER programmes, as such, the department has set aside an amount of R221 million which is allocated over the MTEF for Township Economy Revitalisation through various interventions including the:

- A total of R29.4 million has been set aside over the MTEF for Gauteng Informal Business Upliftment (GIBUS), the purpose of GIBUS is to increase recognition of informal businesses in the province and also to provide financial and non-financial support;
- An amount of R20 million has been allocated for 2016/17 to 2018/19 for the Regional Bakery Support Programme;
- An amount to the tune of R45 million has been allocated over the MTEF to townships SMMEs market access programme, this programme will provide market platforms through township SMMEs and cooperatives products exhibitions;

The allocation is also intended for the promotion and application of smart and green development, technologies, and processes, the creation of decent work and reduced levels of unemployment contribution to increased Gross Domestic Product (GDP).

The allocation for Public Entities for the 2013/14 financial year amounted to R657 million before increasing to R666 million in 2014/15 financial year to funds for key priority projects. Over the MTEF, the allocation amounts to R822 million 2016/17, R851 million and R900.8 million in 2017/18 and 2018/19 respectively. This allocation will contribute towards the following:

- Supporting the procurement of consulting engineers to undertake the detailed designs of the Jewellery Manufacturing Precinct (JMP) bulk infrastructure projects;
- ICT PMO;
- Support of township economy;
- Upgrades of picnic sites;
- Working on fire project;
- Tourism public participation;
- Hosting of the Summer cup, Joburg shopping festival, Joy of Jazz and the Gauteng tourism marketing;
- Increase domestic and export demand for South African manufactured goods;
- Building the capacity of SMMEs, township enterprises and cooperatives to participate in mainstream economic activities; and
- Revitalizing and modernizing township economies Revitalize and modernize old industries, Tourism and Creative Industries.

Capital payments significantly declined from R6.2 million in 2012/13 to R1.6 million in the 2013/14 financial year, the expenditure augmented to R6 million in 2014/15 financial year. Over the MTEF, the allocation increases from R15 million in 2016/17 before decreasing to R14.8 million in the 2018/19 financial year. The allocation provides for the procurement of furniture and purchasing of new computers for the newly appointed personnel.

#### **7.4 Infrastructure Payments**

N/A

**7.4.1 Departmental infrastructure payments**

N/A

**7.4.2 Departmental Public-Private Partnership (PPP) projects****7.5 Transfers****7.5.2 Transfers to public entities**

TABLE3.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Gauteng Enterprise Propeller	104 300	128 447	136 291	129 838	260 438	260 438	176 418	183 682	194 335
2.Gauteng Tourism Agency	52 045	62 019	69 530	60 298	90 798	90 798	91 994	96 603	102 206
3.Gauteng Growth and Development Agency	293 223	358 173	341 772	338 033	359 033	359 033	405 949	415 216	439 299
<b>Total departmental transfers</b>	<b>449 568</b>	<b>548 639</b>	<b>547 593</b>	<b>528 169</b>	<b>710 269</b>	<b>710 269</b>	<b>674 361</b>	<b>695 501</b>	<b>735 840</b>

The table above shows the summary of the transfers to public entities by DED which are discussed in detail below.

The total expenditure amounted to R547.5 million for the 2014/15 financial year. Thereafter, the allocation is augmented to R674 million and R735.8 million in 2016/17 and 2017/18 respectively.

The allocation to the GEP escalates from R128.4 million in 2013/14 to R136 million in the 2014/15 financial year to cater for a targeted focus on providing support and training to informal businesses, SMME's and cooperatives. During the 2014/15 financial year the agency through partnership with an organisation also managed to support businesses owned by disabled people, the PWD Empowerment Programme comprised of the identification and assessment of potential entrepreneurs from people with disability through the database and from a network of affiliated disability service provider.

The 2016/17 MTEF allocation will make provision to the following core TER projects such as:

- The establishment of Regional Manufacturing Center of Excellence -this centre will assist to create productive skills and enhance the ailing manufacturing sector in the province. This project has enormous potential to create sustainable entrepreneurs and job opportunities.
- Infrastructure Protection of Project- the project intends to reduce the high infrastructure theft such as the stealing of cable, water leaks and theft etc. It will further enhance the productivity levels of Gauteng businesses and reduce risks related to the erosion of investor confidence. Youth employment will also be created and poverty reduced in this regard.
- Condom distribution and manufacturing will address risks associated with the shortage of condoms whilst the Waste Recycling Project will create a lot of business opportunities, direct and indirect jobs.

GEP will continue to provide non-financial support to about 4 100 SMMEs over the next three years. About 1 500 cooperatives will receive non-financial support in the next three years, 660 SMMEs will benefit from the GEP's financial support. The support to township cooperatives in the next 3 years will assist to increase production and reduce the high levels of poverty and unemployment gripping the province. Consequently, a total of three Bakeries (bread producers) will also be supported financially in three Provincial Regions, Johannesburg, West Rand and Ekurhuleni through the Township Revitalization Programme.

One of GGDA's mandates is to assist the department to lead, facilitate and manage sustainable job creation and inclusive economic growth and development in the Gauteng City Region. The key purpose is to maximize the effect of developing the economy of Gauteng through the growth of cooperatives economy, facilitation of trade and investment and increased strategic economic infrastructure.

GGDA comprises of Holdings Company and subsidiaries:

- **AIDC** - Automotive Industrial park
- **TIH** - The Innovation Hub
- **GIDZ** - Gauteng Industrial Development Zone
- **Newco** - Newtown Development Company
- **ConHill** - Constitution Hill

A total amount of R293 million was transferred in the 2013/14 financial year. The increased allocation of R342 million in the 2014/15 financial year is attributed to programmes such as Green Economy since the agency was tasked to implement aspects of the Green Strategic Programme .This programme is meant to guide the activities of departments and municipalities in pursuance of the green agenda for the Province.

An additional funding of R30 million was granted for the 2016/17 financial year for The Innovation Hub. These will cater for the following:

- **eKasi Labs:** These are micro-scale innovation centres which focus on taking innovation to township communities and fast-

track the establishment of sustainable and innovative enterprises whilst also focusing on supporting entrepreneurs in ICT, Green Economy as well as Creative Industries. One of the long terms implications of these initiatives will be eradication of poverty, particularly in the townships and job creation.

- **mLab /Code Tribe Academy:** mLab's programmes focus on the development of software development skills, mobile solutions consulting, product and enterprise acceleration, commercialisation as well as awareness campaigning around the opportunities available in the mobile industry. The Code Tribe will be focus in the 2016/17 financial year on providing opportunities for talented or promising township based youth and developing solutions that align with the eGovernment Department priorities as well as those of local government.
- **OpenIX Innovation Exchange:** It was launched late in 2012 as a platform to enable solution seekers in government and industry to identify novel technologies and approaches from entrepreneurs and researchers. For the 2016/17 financial year, Open IX will expand solution provider engagement to include township innovation challenges and also provide support for the testing and piloting of innovations within government entities in Gauteng.
- **Incubation Programmes:** Additional funding will be directed towards including emerging industries and target youth unemployment as well transformation and modernisation of the economy with a focus on ICT Digital Gaming (Maxum Digital) and Creative Industries (Maxum Media).
- **Additional Organizational Capacity:** Additional capacity will be directed towards marketing and communications as well as programmatic capacity.

The GTA allocation for the 2015/16 financial year amounts to R60 million which increases to R91.9 million in 2016/17. The allocation caters for the hosting of the Gauteng shopping festival, Joy of Jazz and the Gauteng Summer cup and marketing of Gauteng tourism. The entity continues to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centres, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories; and to provide for the promotion and sustainable development of tourism in Gauteng.

### 7.5.3 Transfers to other entities

TABLE3.6: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Cradle of Humankind	57 157	44 115	37 736	85 977	71 377	71 377	71 283	78 406	82 954
2.Dinokeng	48 100	42 139	62 616	67 970	53 570	53 570	49 576	49 202	52 056
3.Gauteng Liquor Board	32 670	28 781	18 157	25 327	25 327	25 327	26 669	28 003	29 992
<b>Total departmental transfers</b>	<b>137 927</b>	<b>115 035</b>	<b>118 509</b>	<b>179 274</b>	<b>150 274</b>	<b>150 274</b>	<b>147 528</b>	<b>155 611</b>	<b>165 002</b>

Total transfers to these trading entities amounts to R137.9 million in 2012/13 decreasing to R115 million in 2013/14 before increasing marginally to R118 million in 2014/15. The allocation increases significantly to R179 million in 2015/16 and decreases to R165 million in 2018/19.

The budget for Cradle of Humankind World Heritage Site (COH WHS) fluctuates from R57 million in 2012/13 to R44 million in 2013/14 . Over the MTEF, the Cradle of Humankind allocation increases from R71.2 million in 2016/17 to R82.9 million in 2018/19. The COH WHS, as the management authority, protects preserves and interprets the outstanding universal value of the world heritage site on behalf of South Africa for future world generations.

The allocation for Dinokeng amounts to R67.9 million in 2015/16, the allocation increases from R49.5 million in the 2016/17 to R52 million in 2018/19. The entity supports the development of the North Eastern Region of the province as a tourism destination which focuses on nature, culture and history. Tourism is the key driver for the creation of an inclusive economy in this geo-spatial tourism project. The upgrade of the picnic sites in Roodeplaat Dam and provision of modern ablution facilities and upgrade of the Boekenhoutkloof and De Wagensdrift are some of the project earmarked in the 2016/17 financial year.

GLB is under Programme 4 within the department and its budget is still managed by the department. The mandate of GLB amongst other things is to manage the lodgment of liquor license applications, processing liquor license applications and renewal of licenses. The budget amounts to R25.3 million in 2015/16 and increases to R30 million in 2018/19.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide strategic leadership, support and transversal business solutions to enable the MEC, HOD and DED to effectively deliver on the mandate of the Department.

**Programme objectives**

Financial accountability and compliance reports produced aligned to the prescribed financial regulations and guidelines.

**TABLE 3.7: SUMMARY OF PAYMENTS AND ESTIMATES ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The Mec	13 973	12 094	9 894	11 200	11 200	11 200	12 806	14 103	14 920
2. Office Of The Hod	16 454	10 072	15 770	19 000	14 700	14 700	19 712	21 196	22 425
3. Financial Management	18 599	21 974	22 428	40 474	41 474	41 474	39 824	41 738	46 296
4. Corporate Services	80 838	88 404	120 214	119 323	152 006	152 005	154 768	154 099	163 037
<b>Total payments and estimates</b>	<b>129 864</b>	<b>132 544</b>	<b>168 306</b>	<b>189 997</b>	<b>219 380</b>	<b>219 379</b>	<b>227 109</b>	<b>231 135</b>	<b>246 678</b>

**TABLE 3.8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>121 273</b>	<b>127 441</b>	<b>161 602</b>	<b>183 692</b>	<b>209 575</b>	<b>209 573</b>	<b>211 610</b>	<b>217 134</b>	<b>231 866</b>
Compensation of employees	55 157	66 827	84 924	116 500	107 365	107 366	116 586	130 254	139 947
Goods and services	66 116	60 614	76 678	67 192	102 210	102 207	95 024	86 880	91 920
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>2 472</b>	<b>1 013</b>	<b>587</b>	<b>305</b>	<b>515</b>	<b>516</b>			
Provinces and municipalities									
Non-profit institutions									
Households	2 472	1 013	587	305	515	516			
<b>Payments for capital assets</b>	<b>6 091</b>	<b>1 619</b>	<b>6 028</b>	<b>6 000</b>	<b>9 290</b>	<b>9 290</b>	<b>15 500</b>	<b>14 000</b>	<b>14 812</b>
Buildings and other fixed structures					1 200	1 200			
Machinery and equipment	5 733	1 619	6 028	6 000	8 090	8 090	10 500	9 000	9 522
Software and other intangible assets	358						5 000	5 000	5 290
<b>Payments for financial assets</b>	<b>28</b>	<b>2 471</b>	<b>89</b>						
<b>Total economic classification</b>	<b>129 864</b>	<b>132 544</b>	<b>168 306</b>	<b>189 997</b>	<b>219 380</b>	<b>219 379</b>	<b>227 109</b>	<b>231 135</b>	<b>246 678</b>

The Administration budget is used for the items that are centralized to Corporate Services and Financial Management such as lease payments for office buildings, security services, cleaning services, bursaries, moving of bulk filers, tenant installation costs, municipal rates and taxes, legal costs, ICT equipment and internal audit cost that are allocated under the CFO's office. During 2012/13 financial year, the allocation increased from R129.9 million to R132.5 million in 2013/14.

In 2014/15 financial year the budget increased to R168 million and further increases to R219 million in the 2015/16 adjustment budget, the increase is due to the implementation of the TER projects through the Road Shows to 65 Townships through the Qondis'ishishini Lakho Campaign. The department hosted its inaugural Infrastructure investment conference and the Township Entrepreneurship awards 2015/16 financial year and it held provincial and regional Township Revitalization Summits within the same financial year.

Over the MTEF, the allocation amounts to R227 million in 2016/17 and increases to R247 million in 2018/19 financial year. The largest portion of the allocation is allocated to corporate services as certain services, such as payment of leases, municipal rates and taxes, provision of ICT equipment and training of personnel, are centralized. Furthermore, this branch is responsible for the relocation process to the new office building and ensuring that all employees have the necessary tools of trade.

The Compensation of Employees expenditure increased from R66.8 million in 2013/14 to R85 million in 2014/15 financial year. For the 2015/16 financial year, the allocation increases from R107 million to R140 million in 2018/19 financial year. The increase is caused by the implementation of the department's approved structure, which is intended in closing the gaps by capacitating the department in areas where there is lack of capacity in order to achieve the objectives set on the TMR, NDP and SOPA commitments.

In the 2012/13 financial year, the Goods and Services expenditure amounts to R66.1 million and decreased to R60.6 million in 2013/14 financial year. During the 2014/15 financial year, the expenditure amounted to R76.7 million. Over the MTEF, the allocation decreases from R95 million in 2016/17 to R87 million in 2017/18. This decrease is attributed to the discontinuation of certain projects as well as the tenant installation costs that the department will incur for relocating to a new building since these are once off costs.

Machinery and Equipment expenditure for 2012/13 financial year amounts to R6 million before it decreases to R1.6 million in 2013/14 financial year. In 2014/15 financial year, the expenditure further increases to R6 million. The immense increase is due to the procurement of office equipment such computers, furniture caused by the number of new personnel that have joined the department including software. The allocation further increased in 2015/16 financial year to R8 million. The increase in 2016/17 of R10 million relates to various projects that Information Technology will be embarking upon such as the disaster recovery site for the purposes of system recovery and continuity during the time of emergency or disaster and the installation cost associated to the move to the new building. The allocated budget will also cater for the implementation of community ICT hubs that will be used for SMMEs to access internet and broadband and payment of software licenses.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of In-Year-Monitoring (IYM) reports produced	12	12	12
No. of interim Annual Financial Statement (AFS) reports compiled	4	4	4

### PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

#### Programme description

The purpose of this programme is to ensure radical economic transformation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

#### Programme objectives

- Radically transforming the Gauteng economy through new, smart, knowledge-based economy;
- Revitalise and modernize township economies reflecting radical transformation and re-industrialisation for Gauteng economy;
- Appropriately skilled human resource and businesses to radically transform and re-industrialise Gauteng economy; and
- Green industries contributing to energy security to radically transform and re-industrialise Gauteng economy.

TABLE 3.9: SUMMARY OF PAYMENTS AND ESTIMATES: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Enterprise Development	111 142	132 596	138 479	131 938	261 388	261 388	180 817	188 374	199 300
2. Regional And Local Economic Development	4 864	1 791	7 589	2 000	120	120	1 044	1 096	1 160
3. Economic Empowerment	80 452	87 689	137 952	187 312	7 459	7 459	16 484	26 533	30 166
<b>Total payments and estimates</b>	<b>196 458</b>	<b>222 076</b>	<b>284 020</b>	<b>321 250</b>	<b>268 967</b>	<b>268 967</b>	<b>198 345</b>	<b>216 003</b>	<b>230 626</b>

TABLE3.10 SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>86 124</b>	<b>93 629</b>	<b>107 261</b>	<b>191 412</b>	<b>8 509</b>	<b>8 509</b>	<b>21 927</b>	<b>32 321</b>	<b>36 290</b>
Compensation of employees	18 008	10 383	12 650	3 980	6 580	6 580	21 653	17 414	16 286
Goods and services	68 116	83 246	94 611	187 432	1 929	1 929	274	14 907	20 004
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>104 354</b>	<b>128 447</b>	<b>152 759</b>	<b>129 838</b>	<b>260 458</b>	<b>260 458</b>	<b>176 418</b>	<b>183 682</b>	<b>194 335</b>
Provinces and municipalities									
Departmental agencies and accounts	104 300	128 447	136 291	129 838	260 438	260 438	176 418	183 682	194 335
Households	54		16 468		20	20			
<b>Payments for capital assets</b>	<b>71</b>								
Buildings and other fixed structures									
Machinery and equipment	71								
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>5 909</b>		<b>24 000</b>						
<b>Total economic classification</b>	<b>196 458</b>	<b>222 076</b>	<b>284 020</b>	<b>321 250</b>	<b>268 967</b>	<b>268 967</b>	<b>198 345</b>	<b>216 003</b>	<b>230 626</b>

The expenditure for this programme in 2012/13 is R196 million and R222 million in 2013/14 showing an increase of R26 million and it further increases to R284 million in 2013/14.

Over the MTEF, the allocation grows from R198 million in 2016/17 to R216 million for 2017/18 and to R230 million in 2018/19. This allocation caters for transfers to GEP, which provides support to SMME's, township enterprises and cooperatives participating in mainstream economic activities as part of a radically transformed and re-industrialized Gauteng economy. These funds also make provision for Green industries that contribute to energy security, which serves an important element of radically transforming and re-industrializing Gauteng's economy. For Economic Empowerment Sub-programme provision is made towards contributing to Youth PMO and ICT PMO SEZ etc.

The expenditure for Compensation of Employees amounts to R18 million and declines to R10.4 million in 2012/13 and 2013/14 respectively, before increasing to R13 million in 2014/15. Over the MTEF, the budget increases significantly to R21.6 million in 2016/17 before decreasing to R17.4 million in 2017/18, and further declines to R16.3 million in the 2018/19 financial year.

The department will transfer R176 million in 2016/17 and R194 million 2018/19 to GEP. The agency will continue supporting small businesses that participated in the supplier development programmes, township businesses through the township business renewal-funding scheme, existing SMME's financially in the 11 sectors and youth graduates.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of innovations commercialised	27	30	32
No. of entrepreneurs in Ekasi Labs programmes recruited (Soweto, Garankuwa, Mamelodi, Tembisa, Alexandra, Mohlakeng, Sebokeng)	150	150	150
No. of Indigenous Knowledge System entrepreneurs in BioPark recruited	5	5	5
No. of new companies in the Maxum Media Accelerator incubated	10	10	10
No. of existing SMME's financially supported in the prioritized sectors	115	110	110
No. of new SMME's financially supported in the prioritized sectors	230	215	215
No. of existing Co-ops financially supported in the prioritized sectors	100	100	100
No. of new Cooperatives financially supported in the prioritized sectors	110	120	130
No. of TER businesses funded	400	400	400
No. of existing SMME's non-financially supported in the prioritized sectors	1400	1350	1350
No. of BEE SMMEs at Nissan Incubation Centre incubated	8	8	8
No. of BEE SMMEs at Ford Incubation Centre incubated	6	6	6
No. of people participating in skills development and training programmes	3463	3234	3551

### PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

#### Programme purpose

To ensure re-industrialisation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

#### Programme objectives

- Tourism workforce skills development that support and facilitate radical economic transformation;
- Increase Trade Activities In Gauteng Leading To Radical Economic Transformation of Gauteng's Economy;
- Facilitate Investment That Supports Modernisation And Re-Industrialisation of Gauteng's Economy;
- Increase Global Trade Activities In Gauteng; and
- Grow the visitor economy by stimulating demand through effective tourism marketing and promotion.

TABLE 3.11: SUMMARY OF PAYMENTS AND ESTIMATES: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Trade And Investment Promotion		1 576	5 512	4 331	1 731	1 731	5 515	6 021	6 370
2. Sector Development	157 302	150 925	179 637	214 245	215 745	215 745	212 853	224 212	237 216
3. Strategic Initiatives	294 808	359 684	345 757	338 033	359 033	359 033	405 949	415 216	439 299
<b>Total payments and estimates</b>	<b>452 110</b>	<b>512 185</b>	<b>530 906</b>	<b>556 609</b>	<b>576 509</b>	<b>576 509</b>	<b>624 317</b>	<b>645 449</b>	<b>682 885</b>

TABLE 3.12: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 585</b>	<b>5 666</b>	<b>8 335</b>	<b>4 331</b>	<b>1 731</b>	<b>1 731</b>	<b>5 515</b>	<b>6 021</b>	<b>6 370</b>
Compensation of employees		5 519	8 213	4 231	1 631	1 631	5 415	5 916	6 259
Goods and services	1 585	147	122	100	100	100	100	105	111
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>450 525</b>	<b>506 519</b>	<b>515 571</b>	<b>552 278</b>	<b>574 778</b>	<b>574 778</b>	<b>618 802</b>	<b>639 428</b>	<b>676 515</b>
Provinces and municipalities									
Departmental agencies and accounts	450 525	506 444	511 652	552 278	574 778	574 778	618 802	639 428	676 515
Households		75	3 919						
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>			<b>7 000</b>						
<b>Total economic classification</b>	<b>452 110</b>	<b>512 185</b>	<b>530 906</b>	<b>556 609</b>	<b>576 509</b>	<b>576 509</b>	<b>624 317</b>	<b>645 449</b>	<b>682 885</b>

The expenditure for this programme increased from R452 million in 2012/13 to R512 million in the 2013/14 financial year whilst an amount of R530.9 million was incurred by the department in 2014/15. The allocation for 2015/16 was increased to R576.5 million during the adjustment budget to cater for amongst other things the maintenance of the existing hubs such as Winterveld and Mohlakeng hubs. An increase is observed over the MTEF from R624 million in 2016/17, to R683 million in 2018/19. The biggest portion of the allocation is reflected under the sub-programme Strategic Initiative and Sector Development due to the transfer to GGDA, GTA (Cradle of Humankind and Dinokeng) of which all entities are under the control of the department which implements various projects on its behalf.

In the 2012/13 financial year, the expenditure for Strategic initiatives grows from R295 million to R359.7 million in the 2013/14 financial year before decreasing to R345.7 million in the 2014/15 financial year. Over the MTEF, the budget increases from R406 million in 2016/17 to R439 million in 2018/19. GGDA forms part of the strategic initiative unit, which is responsible for the implementation of the Nelson Mandela center of memory, Bioscience Innovation Hub, ICT PMO SEZ, Nissan Incubation center and the AIDC mini factory.

Cradle of Humankind, Dinokeng, and GTA (Gauteng Tourism Authority) are placed under Sector and Development program. The expenditure for this program grew from R157 million in 2012/13 to R179 million in 2014/15. Over the MTEF, the allocation for this sub-programme increases from R213 million in 2016/17 financial year, to R237 million in 2018/19.

The upgrade of the picnic sites in Roodeplaat Dam and provision of modern ablution facilities, upgrade of the Boekenhoutkloof and De Wagensdrift are some of the project earmarked by Dinokeng in the 2016/17 financial year and over the MTEF. The Cradle of Humankind will implement the working on fire, Mountain bike trail maintenance, community Arts and Craft beneficiation, sponsor school visits to the official Visitor Centers of the COHWHS projects over the MTEF.

The allocated funds under this programme also cater for the hosting of the Gauteng Shopping festival, Joy of Jazz and the Gauteng Summer cup as well as the marketing of Gauteng Tourism. The entity continues to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centers, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories; and to provide for the promotion and sustainable development of tourism in Gauteng.

The expenditure for Compensation of Employees amounted to R6 million in 2013/14 and R8.2 million in 2014/15. Over the MTEF, the budget of R5.4 million is allocated for compensation in 2016/17 and R6.3 million in 2018/19. The allocation under Goods and Services is mainly for operational costs, such as catering, travelling and venue and facilities.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of people in Tourism skills development enrolled	1500	1600	-
No. of business events supported	50	55	60
No. of signature events supported	6	8	9
No. of regional events incubated	5	7	9
Rand value of economic benefit from business and signature events generated	1.5bn	1.7bn	2bn
Rand value of FDI facilitated	R2bn	R2.5bn	R3bn
Rand value of DDI facilitated	R1bn	R 1.5bn	R2bn



Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of enterprises through export readiness programme assisted	200	200	200
No. of trade deals for Gauteng based Firms facilitated	40	50	50
No. of destination platforms in Africa market promoted	5	6	7
No. of destination platforms BRICS market promoted	2	3	3

## PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

### Programme description

To create a seamless business regulation and good governance environment that promotes ethical conduct, transforms industry, realises sustainable revenue generation and contributes towards achievement of TMR goals.

### Programme objectives

- Increased consumer satisfaction that secures long term sustainability and facilitates the growth of businesses;
- A properly regulated liquor industry in Gauteng that generates revenue towards socio-economic development of the province;
- A properly regulated Gambling and Betting Industry that generates revenue towards the socio-economic development of the province; and
- Stakeholders from all three spheres of government and from other sectors of society working jointly to radically transform and re-industrialise Gauteng's economy.

TABLE 3.12: SUMMARY OF PAYMENTS AND ESTIMATES: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Governance	16 297	4 011	6 384	9 170	10 150	10 150	10 202	8 577	9 074
2. IGR And Strategic Partnerships	1 542	2 047	6 291	8 738	6 258	6 258	9 625	9 634	10 192
3. Consumer Protection	16 225	18 632	27 377	18 026	20 326	20 327	30 727	31 699	33 537
4. Liquor Regulation	32 670	21 887	18 157	25 327	25 327	25 327	26 695	28 030	30 021
<b>Total payments and estimates</b>	<b>66 734</b>	<b>46 577</b>	<b>58 209</b>	<b>61 261</b>	<b>62 061</b>	<b>62 062</b>	<b>77 249</b>	<b>77 939</b>	<b>82 825</b>

TABLE 3.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>33 578</b>	<b>24 672</b>	<b>21 050</b>	<b>35 934</b>	<b>36 728</b>	<b>36 730</b>	<b>50 580</b>	<b>49 936</b>	<b>52 833</b>
Compensation of employees	28 973	20 973	19 181	28 400	21 400	21 400	31 070	31 951	33 805
Goods and services	4 605	3 699	1 869	7 534	15 328	15 330	19 510	17 985	19 028
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>32 707</b>	<b>21 905</b>	<b>18 159</b>	<b>25 327</b>	<b>25 333</b>	<b>25 332</b>	<b>26 669</b>	<b>28 003</b>	<b>29 992</b>
Provinces and municipalities									
Departmental agencies and accounts	32 670	21 887	18 156	25 327	25 327	25 327	26 669	28 003	29 992
Households	37	18	3		6	5			
<b>Payments for capital assets</b>	<b>51</b>								
Buildings and other fixed structures									
Machinery and equipment	51								
<b>Payments for financial assets</b>	<b>398</b>		<b>19 000</b>						
<b>Total economic classification</b>	<b>66 734</b>	<b>46 577</b>	<b>58 209</b>	<b>61 261</b>	<b>62 061</b>	<b>62 062</b>	<b>77 249</b>	<b>77 939</b>	<b>82 825</b>

The expenditure for the 2012/13 financial year amounted to R66.7 million and R46.6 million in the 2013/14 financial year. For the 2014/15 financial year the expenditure amounted to R58 million.

Over the 2016/17 MTEF, the allocation increased from R77.2 million to R77.9 million which further increases to R82.8 million in the 2018/19 financial year, the increase is due to the rental of mobile buses, continuous implementation of consumer programs and allocation for the Gauteng Liquor Board.

In the 2013/14 financial year, the expenditure for Consumer Protection was R18.6 million that increased to R27.4 million in 2014/15 financial year; this is because of the number of increase in the consumer programme and supporting the alignment of DED's Agencies to implement the work of the Department. The allocation for IGR and Governance share a small portion of the allocation.

The compensation expenditure for 2012/13 amounted to R28.9 million before decreasing to R20.9 million in the 2013/14 financial year. The decrease was due to the number of staff who left the department due to various reasons. An amount of R19.1 million was incurred in the 2014/15 financial year; this was due to the finalization of matching and placing of personnel. In 2016/17 MTEF the allocation amounted to R31 million and R 33.9 million in 2018/19 financial year.

Goods and Services recorded an expenditure to the tune of R4.6 million in 2012/13, a decrease is also observed in the 2013/14 and 2014/15 financial year by amount of R3.7 million and R1.8 million respectively.

Over the MTEF, the budget increase from R77.2 million to R77.9 million and R82.8 million for 2016/17, 2017/18 and 2018/19 respectively. This increase is due to various programs that will be implemented: such as Trade Exchange Programme with community radio stations for consumer awareness campaigns; financial education for young entrepreneurs; the Consumer Affairs Office on Wheels (CAOW); the consumer affairs court holds its sittings in the metro and districts of Gauteng province to create more access to communities. These continuous projects will continue to happen in the outer years in order for Consumer protection to be relevant to the provincial TMR program.

For 2016/17 financial year, the allocation for GLB will contribute towards education and awareness programmes such as liquor abuse, Conduct pre-inspection for the Board process to adjudicate on application, conduct roadshows, public meetings, workshops, electronics, and print media campaigns including conducting stakeholder engagements. Gauteng Liquor Board regulates the liquor industry and maximizes benefits from the industry for socio-economic development.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of consumer complaints received	1 850	1 950	2 050
No. of consumer complaints resolved	1 850	1 950	2 050
No. of consumer education programs conducted	350	360	400
No. of liquor social responsibility programmes supported	2	3	4
Rand Value of CSI expanded	R450 000	R500 000	R550 000
Rand value of revenue from regulation processes generated	R40 500 000	R50 000 000	R50 500
No. of gambling compliance audits conducted	180	180	180
No. of gambling inspections conducted	678	678	678
Rand value on Corporate Social Investment spent	R12.454 m	R13.227 m	R13.949 m
Rand value of tax collected	R1 009.6 m	R1070.2 m	R1134.4 m
No. of JSE listed companies through Strategic Partnerships collaborated	6	7	7
No. of Projects in line with Strategic Partnerships supported	6	7	7

### PROGRAMME 5: ECONOMIC PLANNING

#### Programme description

To co-ordinate provincial internal facilities that makes business activity possible, including communications, transportation and distribution networks, financial institutions and markets and energy supply systems.

#### Programme objectives

- Revitalise and modernise industries reflecting reindustrialisation of Gauteng's economy;
- To have comprehensive, informative policies and strategies for implementing strategic economic development programmes in Gauteng; and
- Strategic economic infrastructure that supports and facilitates radical economic transformation and re-industrialisation of Gauteng.

TABLE 3.14: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Policy And Planning	8 198	5 565	9 562	16 608	20 646	20 646	38 045	47 426	50 176
2. Research And Development	4 809	6 721	8 076	8 000	6 500	6 500	7 500	9 236	9 772
3. Knowledge Management	3 025	715	1 031						
4. Monitoring And Evaluation	12 173	404	545	3 824	3 215	3 215	2 939	8 846	9 358
5. Economic Infrastructure Development				96 900	96 900	96 900	82 386	83 532	87 215
6. Sector And Industry Development				38 760	41 031	41 030	65 232	52 751	55 810

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
7. Inclusive Economy				12 400	10 400	10 401	8 514	11 677	12 355
<b>Total payments and estimates</b>	<b>28 205</b>	<b>13 405</b>	<b>19 214</b>	<b>176 493</b>	<b>178 693</b>	<b>178 693</b>	<b>204 617</b>	<b>213 467</b>	<b>224 687</b>

TABLE 3.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>23 049</b>	<b>13 399</b>	<b>12 731</b>	<b>176 358</b>	<b>178 443</b>	<b>178 443</b>	<b>204 617</b>	<b>213 468</b>	<b>224 687</b>
Compensation of employees	8 166	6 983	9 845	62 600	44 811	44 810	55 901	56 661	59 947
Goods and services	14 883	6 416	2 886	113 758	133 632	133 633	148 716	156 807	164 740
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>56</b>	<b>6</b>	<b>1 483</b>		<b>115</b>	<b>115</b>			
Households	56	6	1 483		115	115			
<b>Payments for capital assets</b>				<b>135</b>	<b>135</b>	<b>135</b>			
Buildings and other fixed structures									
Machinery and equipment				135	135	135			
<b>Payments for financial assets</b>	<b>5100</b>		<b>5 000</b>						
<b>Total economic classification</b>	<b>28 205</b>	<b>13 405</b>	<b>19 214</b>	<b>176 493</b>	<b>178 693</b>	<b>178 693</b>	<b>204 617</b>	<b>213 467</b>	<b>224 687</b>

For 2012/13 financial year, the expenditure amounted to R28.2 million before decreasing to R13.4 million in 2013/14. The reduction was due to research work that was done internally and not outsourced. For the 2014/15 financial year, the expenditure is recorded as R19.2 million, the funds were reprioritised towards TER projects. Over the 2016/17 MTEF, the total programme budget grows from R204.6 million in 2016/17 financial year to R224.6 million in 2018/19.

The focus of the programme is the development of evidence based policies and tracking the contribution of the GEGDS. The Economic Planning programme will continue to provide thought leadership to transform and re-industrialise the economic Gauteng City Region through, policy and strategy development. In this regard, a data-driven research will define the research and intelligence reports produced by Research and Knowledge Management sub-programme, hence the continuous subscription to datasets. The programme will focus on the development of evidence-based macro-policies, strategies, tracking the performance of the economy and how the global, national and local economic developments impact on Gauteng City Region economy and coordination of employments and youth programmes.

During the 2014/15 financial year, the major cost drivers were the business and advisory services on the development of the GEGDS (2014-2019) amounting to R1.38 million, the West Rand and Sedibeng Regional Economic and Industrial Plans amount to R1.5 million as well as the subscription to economic datasets, which are tools for evidence-based research. The remainder of the macro strategies listed above were developed through internal capacity.

The core outputs for this programme for over the MTEF will be; the implementation of the mid-term impact assessment of the TER strategy, the Impact assessment for the bilateral agreement and twin agreement, economic intervention workshops, Gauteng industrialization high impact projects, Gauteng Tooling initiative, Township Stock Exchange strategy, Business case for State bank, Gauteng fashion council, University of Johannesburg J Sector Strategy, the Coordination of Government industrialization activities and regular monitoring reports on the performance of township economy.

For Compensation of Employees the allocation fluctuates from R8.2 million in 2012/13 decreasing to R6.9 million in the 2013/14 main appropriation. The compensation budget significantly increases to R9.8 million in 2014/15. Over the 2016/17 MTEF, the allocation increases even further to R55.9 million, R56.6 million and R59.9 million in 2016/17, 2017/18 and 2018/19 respectively. The increase in personnel is due to the newly created sub-programme to cater for the emerging priorities emanating from TER.

Goods and Services grows from R14.8 million in 2012/13 before decreasing R6.4 million in the 2013/14 financial year. An amount of R2.8 million was incurred in the 2014/15 financial year this reduction is due to the implementation of cost cutting measures. Over the MTEF, the allocation for 2016/2017 financial year amounts to R148.7 million of which R50 million is for the refurbishment of the Industrial parks. The allocation further increases to R164.7 million in 2018/19 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: ECONOMIC PLANNING

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
No. of industrial parks in townships refurbished	5	5	5
Gauteng Industrial Policy Action Plan (IPAP) developed	Develop Gauteng Industrial Policy Action Plan (IPAP)	Update Gauteng Industrial Policy Action Plan (IPAP) in line industrial development	Update Gauteng Industrial Policy Action Plan (IPAP) in line industrial development
Gauteng Black Industrialists Policy Framework developed	Develop Gauteng Black industrialist policy framework	-	-
High impact industrialization projects packaged	Package 12 high impact industrialization projects	Package 13 high impact industrialization projects	Package 14 high impact industrialization projects
Bi-annual GCR Monitoring Economic Plan developed	Develop Bi-annual GCR Monitoring Economic Plan	-	-
TER impact assessment conducted	Conduct TER impact assessment	-	-
Impact assessment on Gauteng Automotive investment conducted	Conduct impact assessment on Gauteng Automotive investment	-	-
Phase 2 Mini Factory 11 at the Rosslyn ASP constructed	Construct Phase 2 Mini Factory 11 at the Rosslyn ASP	-	-
Phase 2 JMP bulk infrastructure at Airport City IDZ constructed	Construct Phase 2 JMP bulk infrastructure at Airport City IDZ	-	-
Phase 2 of the Biosciences Park Facility at The Innovation Hub constructed	Construct Phase 2 of the Biosciences Park Facility at The Innovation Hub	-	-
Phase 2 AIDC Nissan Incubation Centre constructed	Construct Phase 2 AIDC Nissan Incubation Centre	-	-

## 9. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 3.16: PERSONNEL NUMBERS AND COSTS BY PROGRAMME: ECONOMIC DEVELOPMENT

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	152	154	192	192	273	273	277
2. Integrated Economic Development Services	43	23	29	77			
3. Trade And Sector Development		2	12	26			
4. Business Regulation And Governance	66	64	49	59	80	80	80
5. Economic Planning	21	35	34	9	97	97	93
<b>Total provincial personnel numbers</b>	<b>282</b>	<b>278</b>	<b>316</b>	<b>363</b>	<b>450</b>	<b>450</b>	<b>450</b>
Total provincial personnel cost (R thousand)	110 304	110 685	134 813	181 787	230 626	242 196	256 244
Unit cost (R thousand)	391	398	427	501	513	538	569

TABLE 3.17 : SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY PROGRAMME: ECONOMIC DEVELOPMENT

R thousands	Actual						Revised estimate						Medium-term expenditure estimate						Average annual growth over MTEF		
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19		Personnel growth rate	Costs growth rate	% Costs of Total		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs					
Salary level																					
1-6	113	15 738	60	7 869	48	5 398	33	11	44	8 382	51	8 343	51	9 009	51	11 143	5%	10%	4%		
7-10	43	14 194	100	28 388	153	40 007	162	9	171	62 139	246	70 271	246	69 803	246	78 684	13%	8%	31%		
11-12	73	27 653	53	22 123	61	37 427	70	12	70	45 372	87	64 435	87	63 273	87	63 519	8%	12%	25%		
13-16	41	34 395	38	32 758	45	50 910	48	12	60	62 572	66	87 576	66	100 110	66	102 888	3%	18%	39%		
Other	12	18 324	27	19 547	9	1 071	18	18	18	3 323							-100%	-100%	0%		
<b>Total</b>	<b>282</b>	<b>110 304</b>	<b>278</b>	<b>110 685</b>	<b>316</b>	<b>134 813</b>	<b>331</b>	<b>32</b>	<b>363</b>	<b>181 788</b>	<b>450</b>	<b>230 625</b>	<b>450</b>	<b>242 196</b>	<b>450</b>	<b>256 244</b>	<b>7%</b>	<b>12%</b>	<b>100%</b>		
<b>Programme</b>																					
1. Administration	152	55 157	154	66 827	192	84 924	174	18	192	97 305	273	118 379	273	114 192	277	129 986	13%	10%	50%		
2. Integrated Economic Development Services	43	18 008	23	10 383	29	12 650	75	2	77	36 190							-100%	-100%	5%		
3. Trade And Sector Development			2	5 519	12	8 213	26	26	26	13 531							-100%	-100%	2%		
4. Business Regulation And Governance	66	28 973	64	20 973	49	19 181	49	10	59	28 338	80	47 060	80	53 106	80	60 582	11%	29%	21%		
5. Economic Planning	21	8 166	35	6 983	34	9 845	7	2	9	6 424	97	65 186	97	74 898	93	65 676	118%	117%	22%		
Direct charges																	0%	0%	0%		
<b>Total</b>	<b>282</b>	<b>110 304</b>	<b>278</b>	<b>110 685</b>	<b>316</b>	<b>134 813</b>	<b>331</b>	<b>32</b>	<b>363</b>	<b>181 788</b>	<b>450</b>	<b>230 625</b>	<b>450</b>	<b>242 196</b>	<b>450</b>	<b>256 244</b>	<b>7%</b>	<b>12%</b>	<b>100%</b>		

Personnel cost increases from R110.3 million to R134.8 million in financial year 2014/15. This is due to a number of critical posts where filled and completed in financial year 2014/15. The increase in personnel cost is due to the continuation of operationalization of the structure. The personnel cost and number as provided in the revised column indicate the current posts filled and personnel cost to date.

Over the MTEF, the compensation budget allocation will increase due to an increase in the staff compliment resulting from the recruitment drive of filling all vacant posts in the structure. The department has also created new positions in order to ensure that it meets its new mandate. The department also embarked in a process of realigning the current structure to the new mandate of the department, which will increase the compensation of employees from R230.6 million in 2016/17 to R256.2 million in 2018/19.

## 9.2. Training

TABLE3.18: PAYMENTS ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>1 186</b>	<b>452</b>	<b>2 310</b>	<b>3 237</b>	<b>2 245</b>	<b>2 245</b>	<b>2 306</b>	<b>2 527</b>	<b>2 674</b>
Payments on tuition	300	140	1 076	1 137	1 030	1 030	950	820	868
Other	886	312	1 234	2 100	1 215	1 215	1 356	1 707	1 806
<b>2. Integrated Economic Development Services</b>	<b>24</b>	<b>452</b>	<b>578</b>						
Subsistence and travel	18								
Payments on tuition		140	269						
Other	6	312	309						
<b>3. Trade And Sector Development</b>	<b>10</b>								
Subsistence and travel	10								
<b>4. Business Regulation And Governance</b>	<b>48</b>	<b>452</b>	<b>578</b>						
Subsistence and travel	48								
Payments on tuition		140	269						
Other		312	309						
<b>5. Economic Planning</b>	<b>131</b>	<b>452</b>	<b>578</b>						
Subsistence and travel	131								
Payments on tuition		140	269						
Other		312	309						
<b>Total payments on training</b>	<b>1 399</b>	<b>1 808</b>	<b>4 044</b>	<b>3 237</b>	<b>2 245</b>	<b>2 245</b>	<b>2 306</b>	<b>2 527</b>	<b>2 674</b>

TABLE 3.18: INFORMATION ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff									
Number of personnel trained	302	388	400	420	420	487	475	497	526
of which									
Male	130	164	164	185	185	211	220	227	240
Female	172	224	236	235	235	276	255	270	286
Number of training opportunities	399	400	720	750	750	750	727	897	949
of which									
Tertiary	68	75	80	135	135	135	185	194	206
Workshops	321	300	550	500	500	500	450	630	667
Seminars	10	10	75	100	100	100	80	60	63
Other		15	15	15	15	15	12	13	13
Number of bursaries offered	70	75	80	75	75	75	85	89	94
Number of interns appointed	33	15	50	30	30	30	40	42	44
Number of learnerships appointed		66	70	25	25	25	35	40	42
Number of days spent on training	963	1 425	2 550	2 595	2 595	2 595	2 595	2 725	2 883

The department continues to build capacity and improve the efficiency and effectiveness of staff members by encouraging participation in Skills Development Programmes, Management Development Programmes and Bursary opportunities. In line with the priority of government to build the capacity of the state and to operate as a developmental state, the department continued to provide graduate trainee programme opportunities to young people in the province.

It is to be noted that the bursaries awarded in the 2012/13, 2013/14, and 2014/15 financial year had increased considerably compared to the previous financial year due to number of bursary applicants that met bursary requirements and qualified for approval.

The department has filled most of the vacant positions for both senior management and lower levels as per the approved structure to ensure internal capacity. The budget for training is centralised in Programme 1 under Human Capital Management for better coordination and management. The training budget constitutes 1 per cent of the entire departmental compensation budget.

In the 2016/17 financial year, the department will implement a framework of courses, experiential learning, and capacity development requirements for each level of staff. This framework offers learning programmes under four pillars, namely technical skills, foundation skills, behavioral skills, and leadership development. Longer-term capacity development is addressed through the awarding of bursaries to employees with priority given to first time qualifications and lower level employees.

To further enrich succession planning and retention of skills, development initiatives will focus on preparing supervisory levels (MMS and SMS) for the next level of management competence based on the competency framework for SMS. The training budget also makes provision for graduate development initiatives through the appointment of interns and graduates trainees with scarce and critical skills in core business units. In order to ensure compliance to the standards of operations skills sectors, affiliation to professional bodies will be also be provided for.

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

**N/A**

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



TABLE 3.19: SPECIFICATION OF RECEIPTS: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>	<b>719 343</b>	<b>753 404</b>	<b>799 823</b>	<b>804 017</b>	<b>804 017</b>	<b>804 017</b>	<b>928 873</b>	<b>988 964</b>	<b>1 043 682</b>
Casino taxes	684 364	715 672	759 545	706 204	706 204	706 204	878 874	919 624	971 682
Horse racing taxes	34 979	37 732	40 278	97 813	97 813	97 813	50 000	69 340	72 000
<b>Sales of goods and services other than capital assets</b>	<b>288</b>	<b>48</b>	<b>17 361</b>						
Sale of goods and services produced by department (excluding capital assets)	288	48	17 361						
Sales by market establishments			17 361						
Other sales	288	48							
<b>Interest, dividends and rent on land</b>	<b>2 006</b>	<b>5 177</b>	<b>2 526</b>	<b>2 111</b>	<b>2 111</b>	<b>2 111</b>	<b>2 223</b>	<b>2 334</b>	<b>2 469</b>
Interest	2 006	5 177	2 526	2 111	2 111	2 111	2 223	2 334	2 469
<b>Sales of capital assets</b>			<b>44</b>						
<b>Transactions in financial assets and liabilities</b>	<b>218</b>	<b>5 293</b>	<b>709</b>	<b>277</b>	<b>277</b>	<b>277</b>	<b>292</b>	<b>306</b>	<b>324</b>
<b>Total departmental receipts</b>	<b>721 855</b>	<b>763 922</b>	<b>820 463</b>	<b>806 405</b>	<b>806 405</b>	<b>806 405</b>	<b>931 388</b>	<b>991 605</b>	<b>1 046 476</b>

TABLE 3.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>121 273</b>	<b>127 441</b>	<b>161 602</b>	<b>183 692</b>	<b>209 575</b>	<b>209 573</b>	<b>211 610</b>	<b>217 134</b>	<b>231 866</b>
Compensation of employees	55 157	66 827	84 924	116 500	107 365	107 366	116 586	130 254	139 947
Salaries and wages	47 091	66 827	73 729	101 586	93 988	93 988	99 847	111 511	120 117
Social contributions	8 066		11 195	14 914	13 377	13 378	16 739	18 743	19 830
Goods and services	66 116	60 614	76 678	67 192	102 210	102 207	95 024	86 880	91 919
Administrative fees	120	122	191	173	417	417	223	235	248
Advertising	4 083	1 210	4 595	7 885	8 411	8 411	7 150	3 801	4 021
Minor Assets	55	414	159	500	249	249	524	550	582
Audit cost: External	3 092	2 935	3 862	4 400	4 340	4 340	4 620	4 542	4 805
Bursaries: Employees	369	372	336	700	900	900	700	772	817
Catering: Departmental activities	1 239	460	1 041	529	3 246	3 246	475	499	528
Communication (G&S)	6 874	6 265	4 937	3 976	3 976	3 976	4 625	3 281	3 472
Computer services	4 827	10 325	8 950	12 800	17 077	17 074	19 412	8 216	8 693
Consultants and professional services: Business and advisory services	7 524	655	4 309	4 051	3 523	3 523	863	( 46)	( 48)
Consultants and professional services: Scientific and technological services				200	200	200		( 1)	( 1)
Consultants and professional services: Legal costs	3 511	1 678	5 507	6 000	5 723	5 723	2 720	6 615	6 999
Contractors	1 245	2 124	4 125	1 572	16 030	16 030	5 735	5 671	6 000
Agency and support / outsourced services	391	726	837	1 585	1 575	1 575	386	2 989	3 163
Entertainment	31	4			5	5	4	4	4
Fleet services (including government motor transport)	1 119	1 514	1 250	2 500	3 700	3 700	3 274	3 438	3 638
Inventory: Food and food supplies	340		523	520	156	156			
Inventory: Materials and supplies	417		89	150	150	150			
Inventory: Medical Supplies								104	110
Consumable supplies	292	767	1 300	68	83	83	877	817	864
Consumable: Stationery, printing and office supplies	3 701	4 411	2 243	3 579	6 960	6 960	3 727	3 914	4 141
Operating leases	2 721	7 750	9 874	4 353	8 321	8 321	15 115	16 613	17 577
Property payments	16 528	15 055	17 923	2 463	8 537	8 537	16 156	18 014	19 059
Transport provided: Departmental activity		8							
Travel and subsistence	4 679	2 561	829	1 923	2 352	2 352	1 899	2 090	2 211
Training and development	825	443	1 561	5 140	1 845	1 845	2 306	2 422	2 562
Operating payments	448	155	2	524	1 044	1 044	875	906	958
Venues and facilities	1 685	660	1 977	1 101	3 109	3 109	3 159	1 212	1 282
Rental and hiring			258	500	281	281	200	223	236

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>	<b>2 472</b>	<b>1 013</b>	<b>587</b>	<b>305</b>	<b>515</b>	<b>516</b>			
Households	2 472	1 013	587	305	515	516			
Social benefits	2 472	1 013	587	305	515	516			
<b>Payments for capital assets</b>	<b>6 091</b>	<b>1 619</b>	<b>6 028</b>	<b>6 000</b>	<b>9 290</b>	<b>9 290</b>	<b>15 500</b>	<b>14 000</b>	<b>14 812</b>
Buildings and other fixed structures					1 200	1 200			
Other fixed structures					1 200	1 200			
Machinery and equipment	5 733	1 619	6 028	6 000	8 090	8 090	10 500	9 000	9 522
Transport equipment						( 258)			
Other machinery and equipment	5 733	1 619	6 028	6 000	8 090	8 348	10 500	9 000	9 522
Software and other intangible assets	358						5 000	5 000	5 290
<b>Payments for financial assets</b>	<b>28</b>	<b>2 471</b>	<b>89</b>						
<b>Total economic classification</b>	<b>129 864</b>	<b>132 544</b>	<b>168 306</b>	<b>189 997</b>	<b>219 380</b>	<b>219 379</b>	<b>227 109</b>	<b>231 135</b>	<b>246 678</b>

TABLE 3.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTERGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>86 124</b>	<b>93 629</b>	<b>107 261</b>	<b>191 412</b>	<b>8 509</b>	<b>8 509</b>	<b>21 927</b>	<b>32 322</b>	<b>36 290</b>
Compensation of employees	18 008	10 383	12 650	3 980	6 580	6 580	21 653	17 414	16 286
Salaries and wages	16 463	10 383	11 510	3 800	6 400	6 400	18 305	13 610	12 261
Social contributions	1 545		1 140	180	180	180	3 348	3 805	4 025
Goods and services	68 116	83 246	94 611	187 432	1 929	1 929	274	14 907	20 004
Administrative fees	40	85	18	41	41	41	19	45	48
Advertising	18	1 020	135		149	149			
Minor Assets	12								
Catering: Departmental activities	234	73	15	30	10	10	( 1)	33	35
Computer services	1 311	7							
Consultants and professional services: Business and advisory services	61 575	81 123	94 126	86 617	1 517	1 517		( 631)	( 668)
Contractors	34			100 383			94	15 213	20 327
Entertainment				14	14	14	( 1)	15	16
Inventory: Materials and supplies	2						( 1)		
Consumable supplies		3							
Consumable: stationery, printing and office supplies	394			55				61	64
Operating leases	218	11		129					
Travel and subsistence	1 740	780	227	34	119	119	28	29	30
Training and development	53								
Operating payments	62	3	58						
Venues and facilities	2 423	141	32	129	79	79	136	143	151
<b>Transfers and subsidies</b>	<b>104 354</b>	<b>128 447</b>	<b>152 759</b>	<b>129 838</b>	<b>260 458</b>	<b>260 458</b>	<b>176 418</b>	<b>183 682</b>	<b>194 335</b>
Departmental agencies and accounts	104 300	128 447	136 291	129 838	260 438	260 438	176 418	183 682	194 335
Provide list of entities receiving transfers	104 300	128 447	136 291	129 838	260 438	260 438	176 418	183 682	194 335
Households	54		16 468		20	20			
Social benefits	54		16 468		20	20			
<b>Payments for capital assets</b>	<b>71</b>								
Machinery and equipment	71								
Other machinery and equipment	71								
<b>Payments for financial assets</b>	<b>5 909</b>		<b>24 000</b>						
<b>Total economic classification</b>	<b>196 458</b>	<b>222 076</b>	<b>284 020</b>	<b>321 250</b>	<b>268 967</b>	<b>268 967</b>	<b>198 345</b>	<b>216 003</b>	<b>230 626</b>

TABLE 3.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 585</b>	<b>5 666</b>	<b>8 335</b>	<b>4 331</b>	<b>1 731</b>	<b>1 731</b>	<b>5 515</b>	<b>6 021</b>	<b>6 370</b>
Compensation of employees		5 519	8 213	4 231	1 631	1 631	5 415	5 916	6 259
Salaries and wages		5 519	7 340	4 211	1 611	1 611	5 394	5 894	6 235
Social contributions			873	20	20	20	21	22	24
Goods and services	1 585	147	122	100	100	100	100	105	111
Administrative fees	5	3	18						
Catering: Departmental activities	3		1	20	20	20	20	21	22
Consultants and professional services: Business and advisory services	1 471								
Contractors			50						
Travel and subsistence	106	144	53	50	50	50	50	53	56
Venues and facilities				30	30	30	30	32	33
<b>Transfers and subsidies</b>	<b>450 525</b>	<b>506 519</b>	<b>515 571</b>	<b>552 278</b>	<b>574 778</b>	<b>574 778</b>	<b>618 802</b>	<b>639 428</b>	<b>676 515</b>
Departmental agencies and accounts	450 525	506 444	511 652	552 278	574 778	574 778	618 802	639 428	676 515
Provide list of entities receiving transfers	450 525	506 444	511 652	552 278	574 778	574 778	618 802	639 428	676 515
Households		75	3 919						
Social benefits		75	919						
Other transfers to households			3 000						
<b>Payments for financial assets</b>			<b>7 000</b>						
<b>Total economic classification</b>	<b>452 110</b>	<b>512 185</b>	<b>530 906</b>	<b>556 609</b>	<b>576 509</b>	<b>576 509</b>	<b>624 317</b>	<b>645 449</b>	<b>682 885</b>

TABLE 3.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>33 578</b>	<b>24 672</b>	<b>21 050</b>	<b>35 934</b>	<b>36 728</b>	<b>36 730</b>	<b>50 580</b>	<b>49 936</b>	<b>52 832</b>
Compensation of employees	28 973	20 973	19 181	28 400	21 400	21 400	31 070	31 951	33 805
Salaries and wages	25 590	20 973	16 973	24 261	18 821	18 821	26 518	27 243	28 823
Social contributions	3 383		2 208	4 139	2 579	2 579	4 552	4 708	4 981
Goods and services	4 605	3 699	1 869	7 534	15 328	15 330	19 509	17 985	19 028
Administrative fees	1	5	7	31	236	236	147	49	52
Advertising	150	465	129						
Minor Assets	111								
Bursaries: Employees				330					
Catering: Departmental activities	530	954	645	550	621	621	856	584	618
Communication (G&S)	4	250							
Computer services		( 1)							
Consultants and professional services: Business and advisory services	1 471	453	253	5 083	7 471	7 471	2 301	1 566	1 657
Consultants and professional services: Legal costs	186								
Contractors	153	139	74						
Agency and support / outsourced services				39				32	34
Entertainment		( 1)	1	62	36	36	73	45	47
Fleet services (including government motor transport)		14							
Inventory: Materials and supplies	3		1	18				21	22
Consumable supplies	9	3	1						
Consumable: stationery, printing and office supplies	341	13		23				25	27
Operating leases	552	1 140	12				26	27	29
Property payments	50	( 400)							
Travel and subsistence	484	436	477	546	1 532	1 534	2 857	2 638	2 791
Training and development								105	111
Operating payments	118	53	34						
Venues and facilities	442	176	235	852	632	632	1 250	893	945
Rental and hiring					4 800	4 800	12 000	12 000	12 696

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>	<b>32 707</b>	<b>21 905</b>	<b>18 159</b>	<b>25 327</b>	<b>25 333</b>	<b>25 332</b>	<b>26 669</b>	<b>28 003</b>	<b>29 992</b>
Departmental agencies and accounts	32 670	21 887	18 156	25 327	25 327	25 327	26 669	28 003	29 992
Provide list of entities receiving transfers	32 670	21 887	18 156	25 327	25 327	25 327	26 669	28 003	29 992
Households	37	18	3		6	5			
Social benefits	37	18	3		6	5			
<b>Payments for capital assets</b>	<b>51</b>								
Machinery and equipment	51								
Other machinery and equipment	51								
<b>Payments for financial assets</b>	<b>398</b>		<b>19 000</b>						
<b>Total economic classification</b>	<b>66 734</b>	<b>46 577</b>	<b>58 209</b>	<b>61 261</b>	<b>62 061</b>	<b>62 062</b>	<b>77 249</b>	<b>77 939</b>	<b>82 825</b>

TABLE 3.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>23 049</b>	<b>13 399</b>	<b>12 731</b>	<b>176 359</b>	<b>178 444</b>	<b>178 444</b>	<b>204 617</b>	<b>213 468</b>	<b>224 687</b>
Compensation of employees	8 166	6 983	9 845	62 600	44 811	44 810	55 901	56 661	59 947
Salaries and wages	7 506	6 983	8 875	55 140	39 351	39 350	47 766	48 484	51 296
Social contributions	660		970	7 460	5 460	5 460	8 135	8 177	8 651
Goods and services	14 883	6 416	2 886	113 759	133 633	133 634	148 716	156 807	164 740
Administrative fees	147	5	3	163	163	163	819	203	215
Advertising			110					20	21
Catering: Departmental activities	44	48	22	918	856	856	889	957	1 013
Computer services	1 595	316			456	456			
Consultants and professional services: Business and advisory services	11 595	4 701	2 034	14 980	123 254	123 254	15 321	44 562	47 145
Consultants and professional services: Infrastructure and planning				1 370	98	98			
Consultants and professional services: Scientific and technological services							20 000	20 000	20 000
Consultants and professional services: Legal costs				90 303				374	396
Contractors	49	1	19	3 020	5 331	5 331	99 167	74 270	78 578
Agency and support / outsourced services	14							79	84
Entertainment				31	31	31	24	25	27
Fleet services (including government motor transport)		28							
Inventory: Food and food supplies	9								
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	3		1					( 6)	( 7)
Inventory: Other supplies	3								
Consumable supplies		1	4						
Consumable: stationery, printing and office supplies	29			145	240	240	381	112	119
Operating leases							2 000		
Property payments		( 1)	( 1)				4 000	2 000	2 116
Transport provided: Departmental activity								6 000	6 348
Travel and subsistence	1 318	161	434	876	1 625	1 626	2 404	3 462	3 663
Training and development			1		400	400			
Operating payments	2		11		100	100	2 000	2 003	2 120
Venues and facilities	75	1 156	248	1 953	1 018	1 018	1 711	2 744	2 903
Rental and hiring					61	61			
<b>Transfers and subsidies</b>	<b>56</b>	<b>6</b>	<b>1 483</b>		<b>115</b>	<b>115</b>			
Households	56	6	1 483		115	115			
Social benefits	56	6	1 483		115	115			

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Payments for capital assets</b>				135	135	135			
Machinery and equipment				135	135	135			
Other machinery and equipment				135	135	135			
<b>Payments for financial assets</b>	5 100		5 000						
<b>Total economic classification</b>	28 205	13 405	19 214	176 493	176 493	176 493	204 617	213 467	224 687

# VOTE 4

## DEPARTMENT OF HEALTH

To be appropriated by vote in 2016/17	R37 408 057 000
Responsible MEC	MEC for Health
Administering Department	Department of Health
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

Daily we provide high-quality, efficient and accessible healthcare to transform people's lives.

#### Mission

Create an effective public health system in Gauteng by ensuring we have the right people, skills, systems and equipment to provide the care our patients need to live healthy, quality lives.

#### Strategic Goals

- Improved health and well-being of all citizens, with an emphasis on children and women;
- Reduced rate of new infections and burden of HIV & AIDS and TB;
- Increased equal and timely access to efficient and quality health care services, thereby preparing for roll-out of NHI; and
- Excellence in our non-clinical functions.

#### Core functions and responsibilities

- Provision of primary health care services through the district health system. A network of provincial clinics and community health centres provides ambulatory care administered by doctors, nurses and other professionals; local government clinics are subsidised to render primary care services;
- Provision of ambulance (emergency) services and planned patient transport throughout the province;
- Rendering secondary health care services through regional hospitals providing out- and in-patient care at general specialist level;
- Provision of specialised in-patient care for psychiatric and infectious diseases, and some TB and chronic psychiatric services on an outsourced basis;
- Provision of in-patient and out-patient academic health care services through the central, tertiary and dental hospitals, in addition to the teaching that takes place at other service levels; training of future health care professionals in health sciences faculties and nursing colleges; and
- Delivering of forensic pathology services and clinical-medico legal services.

These services are supported through HR development; management and support services such as laundries, facilities management and cook-freeze; and through supplying medical and pharmaceutical materials.

#### The National Development Plan

The National Development Plan (NDP) 2030 adopted by government as its vision will be implemented over three electoral cycles of government. The Medium Term Strategic Framework (MTSF) 2014-2019, which takes its mandate from the NDP, creates the umbrella goals for the health sector. The Gauteng Department of Health (DoH) has developed its five-year strategic plan with the four goals aligned with National Health MTSF and provincial Transformation, Modernisation, and Re-industrialisation (TMR) priorities to improve health outcomes:

- Prevent and successfully manage HIV & AIDS and TB;
- Reduce maternal, infant and child mortality;
- Improve health facility planning and infrastructure delivery;
- Reduce health care costs;

- Efficient health management information system for improved decision making;
- Improve quality of health care;
- Re-engineering of primary health care;
- Achieve universal health coverage through implementation of NHI;
- Improve human resources for health; and
- Improve health management and leadership.

### **Ten Pillar programme of Transformation, Modernisation and Reindustrialisation**

The Gauteng Provincial Government (GPG) has adopted a ten (10) pillar programme aimed at radically transforming, modernising and re-industrialising the province over the next five to fifteen years, with special focus on accelerated social transformation.

In responding to the call from GPG to accelerate social transformation, the GDH has committed to the following priorities for the period 2015-2020 and commenced implementation in the 2014/15 financial year.

- Strengthening health systems and NHI rollout focusing on:
  - Universal coverage through implementation of NHI;
  - Expansion of primary health care including re-engineering of primary health care (PHC) (Cuban Model);
  - Improved hospital management;
  - Implement Nursing Strategy;
  - Improved quality of health care through compliance with National Core Standards (six key priority areas);
  - Improved human resource development and management, and finance and financial management;
  - Improved health infrastructure development and management; and
  - Medico-legal services and litigation.
- Prevention and reduction of the burden of disease, which include:
  - Improving maternal, infant and child health;
  - Intensifying the fight against HIV and AIDS, TB;
- Addressing social determinants of health:
  - Promoting preventative health and healthy life styles; and
  - Strengthening the provision of mental health, substance abuse and detox services.
- Transforming the health economy through localised production and procurement of goods and services; and
- Modernisation of the public service with a focus on the development and implementation of an e-health programme.

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

- Intergovernmental Relations Framework Act, 13 of 2005;
- Broad Based Black Economic Empowerment Act, 53 of 2003;
- The National Health Act, 61 of 2003;
- Mental Health Care Act, 17 of 2002;
- Unemployment Insurance Contributions Act, 4 of 2002;
- Promotion of Access to Information Act, 2 of 2000;
- Promotion of Administrative Justice Act, 3 of 2000;
- Promotion of Equality and the Prevention of Unfair Discrimination Act, 4 of 2000;
- Preferential Procurement Policy Framework Act, 5 of 2000;
- Protected Disclosures Act, 26 of 2000;
- National Health Laboratory Service Act, 37 of 2000;
- Council for Medical Schemes Levy Act, 58 of 2000;
- Public Finance Management Act, 1 of 1999;
- Tobacco Products Control Amendment Act, 12 of 1999;
- State Information Technology Act, 88 of 1998;
- Competition Act, 89 of 1998;
- Copyright Act, 98 of 1998;
- Sterilisation Act, 44 of 1998;
- Employment Equity Act, 55 of 1998;
- Skills Development Act, 97 of 1998;
- Medical Schemes Act, 131 of 1998;
- Public Service Commission Act, 46 of 1997;
- Basic Conditions of Employment Act, 75 of 1997;
- Public Service Regulations, 2001, as amended
- Labour Relation Act, (Act no 66 of 1995) as amended
- The Constitution of South Africa ( Act No 108 of 1996), as amended
- Intergovernmental Fiscal Relations Act, 97 of 1997;
- Medicines and Related Substances Act, 101 of 1965 (as amended in 1997);
- Choice on Termination of Pregnancy Act, 92 of 1996;

- Public Service Act, Proclamation 103 of 1994;
- Occupational Health and Safety Act, 85 of 1993;c
- Trade Marks Act, 194 of 1993;
- Designs Act, 195 of 1993;
- SA Medical Research Council Act, 58 of 1991;
- Control of Access to Public Premises and Vehicles Act, 53 of 1985;
- Child Care Act, 74 of 1983;
- Allied Health Professions Act, 63 of 1982;
- Dental Technicians Act, 19 of 1979;
- Nursing Act, 50 of 1978;
- Patents Act, 57 of 1978;
- International Health Regulations Act, 28 of 1974;
- Pharmacy Act, 53 of 1974;
- Health Professions Act, 56 of 1974;
- Occupational Diseases in Mines and Works Act, 78 of 1973;
- Hazardous Substances Act, 15 of 1973;
- Foodstuffs, Cosmetics and Disinfectants Act, 54 of 1972;
- Conventional Penalties Act, 15 of 1962;
- State Liability Act, 20 of 1957;
- Merchandise Marks Act, 17 of 1941; and
- Treasury Regulation.

### Specific provincial health legislation

National legislation and policy is further supported by the following provincial legislation:

- The Gauteng Ambulance Services Act, 2002;
- The Gauteng District Health Services Act, 2000; and
- The Hospital Ordinance Act, 1958 (as amended in 1999).

### Other policy imperatives guiding the work of the GDH include the following:

- National Development Plan 2030;
- Gauteng Vision 2055;
- GCR game changers;
- GPG 10 Pillar Programme;
- Provincial government's five year strategic programme of action;
- National Health MTSF;
- Provincial Medium Term Strategic Framework;
- The Batho Pele principles of social service delivery and the Service Delivery Charter;
- Policy and Procedure on the Revolving Door Enabler document;
- Public Health and Welfare Sector Bargaining Council (PHWSBC); and
- PSCBC Resolution 3 of 1999 and PSCBC Resolution 9 of 2001.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)

### Output 1: Strengthening the health system and NHI rollout

In its quest to improve the quality and access to PHC facilities, the department continued with the implementation of the PHC re-engineering programme. During the third quarter, an additional 87 Ward Based Outreach Teams (WBOT) were established bringing the total number of WBOTs to 533.

All five health districts have district specialist teams albeit the difficulties in recruiting Paediatric and Anaesthetist specialists. Lenasia South CHC commenced provision of 24 hour services effective from July 2015 thus enabling the department to meet the target of 28 CHCs that provide a 24 hour service.

An 'Ideal Clinic' is a clinic that ensures the provision of quality health services to the community through good infrastructure, adequate staff, medicine and supplies, adequate bulk supplies, good administrative processes, use of applicable policies, protocols, guidelines pertaining to diagnoses and treatment, amongst other things. By the end of the third quarter, ideal clinic assessments carried out reflected that out of the 175 facilities assessed, only eight scored above 80 per cent.

Approximately 95 378 patients over twice target of 45 000 target are enrolled in the centralised chronic medicine dispensing and distribution programme. Potential benefits of the programme to patients include reduced waiting times at facilities or access to medicines at convenient locations. All five districts are currently operating the Centralised Dispensing Unit (CDU).

About 70 per cent of essential medicines continue to be delivered by contracted suppliers directly to healthcare institutions



as planned. The actual achieved target for availability of vital and essential medicines stood at 97 per cent and 96 per cent respectively, well above the target of 87 per cent.

### **Output 2: Decreasing infant, child and maternal mortality**

Various interventions are implemented to help improve reproductive and maternal health of women. Amongst these are cervical screening, provision of contraceptives and antenatal care services for women who are pregnant. The rate of antenatal first visits before 20 weeks was 56.1 per cent or 34 712 pregnant women visiting facilities before their 20 weeks of gestation. Efforts to advocate for 'Every day is antenatal care day' is being further intensified for local government clinics. With regards to reproductive health, 114 360 women have been screened for cervical cancer by the end of the third quarter of the 2015/16 financial year.

The estimated family protection is measured through Couple Year Protection (CYP) rate. The estimated average CYP performance from April to December is estimated at around 44.6 per cent. Other activities to improve reproductive health programmes include contraceptive campaigns, social mobilisation and monitoring of daily service.

Immunisation coverage for children under one year and Measles 2<sup>nd</sup> dose coverage target remains higher than the national norm of 90 per cent. Health facilities will continue with provision of immunisation services daily. Child under 5 years case fatality rate for diarrhea, pneumonia and severe acute malnutrition were also maintained below target thus reflecting some of the benefits of the Integrated Management of Childhood Illness (IMCI). This fosters early detection stabilisation, resuscitation at PHC level and appropriate referral and appropriate care at hospitals. The department also sustained good performance on postnatal visits and infant 1<sup>st</sup> Polymerase chain reaction (PCR) positivity testing.

Postnatal care is critical for the survival of both the mother and the new-born thus the efforts by the department to ensure that mother and baby are provided with health care as early as possible. To this end, a total of 126 827 mothers visited health facilities within six days postnatal. This is an improvement from the 83 per cent reported in the previous quarter of the current financial year.

Despite sustained improvements in a number of areas, school health coverage remained under target, one of the reasons being lack of dedicated personnel to perform school health screening. A proposal has since been developed for employment of 33 dedicated personnel.

Through a variety of child related interventions aimed at preventing vaccine preventable deaths and other common childhood illnesses, the department continued with implementation of Expanded Programme on Immunisation (EPI) and IMCI amongst other child related interventions. As a result, notable progress is being made as observed in the Child under 5 years diarrhea, pneumonia and malnutrition case fatality rate measurements which remained below the threshold. Thus the implementation of IMCI (both clinical and household components) and health promotion information and education is seen to be yielding fruits.

About 171 380 children aged between 12 and 59 months were administered Vitamin A and this represent a 50 per cent coverage which is lower than the 60 per cent target for Vitamin A. Plans are underway for the inclusion of Early Childhood Development (ECD) centres as part of the Community Outreach Programme by WBOTs and all Health Districts to conduct catch-up campaigns

In all other areas of improvement, it appears IMCI training, household engagement by WBOTs, post-delivery information, education, communication and counselling programme, enrolment to MOMCONNECT and household supportive visits to name a few are some of the interventions assisting to ensure progress made in efforts to reduce maternal and child mortality and morbidity.

### **Output 3: Reduced burden of disease due to HIV and AIDS and TB**

As part of the primary prevention of HIV, the department tested 1 741 993 clients on HIV. Adherence to Antiretroviral Therapy (ART) treatment and retention on treatment showed improvements by the end of the third quarter, with additional patients remaining on treatment. The total number of patients who have remained on treatment as at the end of the third quarter, was 727 195.

HIV counselling and testing remains a key focus of the department. The build-up to World Aids Day 2015 saw events held in every district. Campaigns around World Aids Day, sees an increase in the number of people getting tested in the quarter. Other prevention efforts of the HIV, AIDS, STIs and TB (HAST) programme included the distribution of male and female condoms as well as the uptake of Male Medical Circumcision (MMC). The District Health Information System (DHIS) reflects that by end of the third quarter a total of over five million female and over 159 million male condoms have been distributed.

Challenges regarding countrywide male condom distribution had a negative effect on the male condom distribution rate in the province. MMC service uptake improved to 8 529 not enough to meet the planned uptake of 37 771.

As regards TB prevention and treatment, of all patients placed on TB treatment, 86.9 per cent were successfully treated at six months, despite the slightly higher defaulter rate of 4.8 per cent. Plans are underway to ensure that WBOTs are strengthened through appointment of team leaders who will assist with tracing patients.

#### **Output 4: Health sector management**

PHC Normative Guides on Workload Indicators for Staffing Needs (WISN) is now implemented in all five districts although the progress is slow in conducting WISN studies at facility level. By the end of the third quarter, a support programme had commenced for Ekurhuleni and Johannesburg Metro Districts and included West Rand by beginning of the fourth quarter.

The current bursary funding amounts to R54 million. The 2015 new intake of 281 students have been awarded bursaries in various clinical fields. In total, 5 098 full-time and part-time bursary holders are maintained. A total of 466 students are studying medicine in Cuba.

As part of development of mid-level workers, the department has trained a total of 109 Enrolled Nurses working in the maternity setting on the six months in-service training programme.

Health contributes towards Tshepo 500 000 through a vibrant youth development programme, which includes learnerships and internships. To date, 1 422 unemployed and employed youth were accepted into youth development programmes; 465 into learnerships and 957 into internships and allied support categories like Pharmacists, Clinical Engineers and Radiology, etc.

The Gender Equity and People with Disabilities programme is aimed at guiding and supporting implementation of the Employment Equity Act. Key progress with regard to implementation of this Act, is described hereunder:

The percentage of females occupying senior management positions is at 45 per cent, which is 4 per cent higher than the target for the end of the third quarter. There is a slight growth in the recruitment of people with disabilities; the department has thus far recruited 0.3 per cent, compared to the 0.03 per cent recorded in the previous quarter. The planned target of 1.5 per cent remains elusive and thus, there is a need to think differently and explore innovative mechanisms to deal with recruitment of persons with disabilities since current measures do not seem not to be yielding significant fruits.

#### **Emergency Medical Services (EMS)**

Gauteng Emergency Medical Services department has responded to 87.4 per cent of Priority 1 (P1) calls within 15 minutes in urban areas and 100 per cent of all P1 calls within 40 minutes in rural areas. There was a marked increase of 4.5 per cent in the inter-facility calls from 28.2 per cent to 32.7 per cent. The obstetric transfer rate has decreased from 19.7 per cent to 19.2 per cent, thereby giving a positive impetus to the infant morbidity and mortality rate. Gauteng EMS has provincialised West Rand District Municipality during November 2015 and has managed to contain the call volumes and response time, by employing 19 additional staff which included four Advanced Life Support Paramedics and retaining 67 former employees of West Rand District Municipality resulting in a total gain of 86.

Gauteng EMS further mitigated against poor response times by opening strategic satellite bases in West Rand District (Randfontein), Sedibeng District (Helga Khun Clinic) and in Tshwane District (Temba Clinic) as part of an ongoing improvement plan and commitment to improve services to the communities in the province.

#### **Output 5: Health Infrastructure**

The implementation of e-maintenance, suppliers' contract with Builders Warehouse and the term contracts assisted Gauteng Department of Infrastructure Development (GDID) to improve implementation of maintenance projects which in turn attributed to expenditure of 78 per cent on maintenance.

#### **Output 6: Addressing social determinants of health**

##### **Dental services and Rehabilitation Mental Health Services**

As part of the initiatives to promote oral health care, the department placed 19 148 fissure sealants on patients exceeding the target of 13 375. In addition to this intervention were the screening activities because of the oral health month celebrations. Of the 27 000 planned assistive devices, the department was able to issue 12052 additional assistive devices to patients.

##### **Eye care**

The department continues to monitor and support performance of eye health services in districts and facilities with emphasis on increasing the cataract surgery rate. During the third quarter the department performed 3 932 cataract operations. In addition 6 325 eye care assistive devices were provided to patients in need. The total cataracts survey at the end of the third quarter is 10 693 whilst 22 246 eye care assistive devices are issued to date.

### **Mental health and substance abuse services**

A total of 83 per cent of PHCs implemented integrated mental health services, but more needs to be done to ensure integration of these services into PHC services. In addition, capacity building initiatives aimed at improving competence of PHC staff on utilizing standardised screening tools for mental health and substance abuse in the treatment of manageable mental health cases.

### **Output 7: Modernised health information systems**

#### **Broad-based black economic empowerment**

All the hospitals are buying vegetables from local farmers. However, there is a need to work with the Gauteng Department of Agriculture and Rural Development to identify black-owned dairy farmers.

All health facilities are implementing the ICT strategy and road map. The department has continued with the scanning of patient files at various hospitals as part of creating a paperless environment. The following hospitals have commenced scanning of patient files: Thelle Mogoerane, Jubilee, Charlotte Maxeke and on a smaller scale at Edenvale, Tembisa and Bheki Mlangeni.

### **Output 8: Production and procurement localised**

All hospital linen contracts are awarded to women co-operatives, in addition to the procurement of vegetables from local farmers by 100 per cent of targeted hospitals.

The department operated an EMS Vehicle Repair Hub where EMS vehicle maintenance and repairs have been performed since September 2015 in the Winterveld. The value of work allocated to the Winterveld EMS Hub only since during the third quarter of the 2015/16 financial year amounted to R450 million, with commitments of up to R1.5 million. Additional hubs in Katlehong, Soweto and Kagiso will be accredited and in operational before the end of the current financial year.

45 per cent of the departments ARV budget is procured from local manufactures but since the Active Pharmaceutical Ingredient (API) is still not manufactured in South Africa, increased local production of these drugs is inhibited.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)**

### **Accelerated Social Transformation**

The department continues to be committed in providing high quality, efficient and accessible health care to transform people's lives through the implementation of accelerated social transformation as one of the pillars. In response to the call to accelerate social transformation, the GDH has recognised advancement in the health of the province's population and can only be realised if the population take greater responsibility for its own health. The continuum of the care pathway will be properly defined to ensure that users of the health system will be able to identify the appropriate health facilities to visit when seeking institutional support for health issues. In addition to the above, the GDH is committing to the following priorities for the MTEF period (2016 - 2019).

### **Output 1: Strengthening the health system and NHI rollout**

- National Health Insurance (NHI) White Paper;
- Re-engineering of PHC services framework;
- Expansion of PHC re-engineering;
- Compliance with national core standards at PHC facility level;
- Tuberculosis prevention and management;
- Implement the UNAIDS 90-90-90 strategy;
- Reduction of HIV/AIDS and TB related mortality;
- Reduction of maternal, child and infant mortality;
- Promotion of healthy lifestyle; and
- Strengthen partnership with civil society, inter-departmental and external stakeholders.

### **NHI rollout**

The department continues to implement National Health insurance in the Tshwane pilot district to ensure universal coverage of health services. The implementation of the NHI will be through the 'Ideal Clinic Project' implementation in all the PHC facilities; National Core Standards, three streams of PHC re-engineering and health infrastructure programme.

### **Increase quality and access in PHC facilities**

The department will accelerate the implementation of PHC, which is aimed to enhance community transformation using the community-based model; and integration of Ward Based Health Care, Clinics, Community Health Centres, District Hospitals and Districts. The ward-based outreach teams (WBOTs) will be increased to provide coverage in all the 508 wards to provide preventative care and collect information whilst the functional District Clinical Specialist Teams (DCSTs) will contribute to the reduction of maternal, infant and child mortality in all districts. In addition, clients with mental disorders will be treated

as an integrated service of Primary Health Care Services. The Integrated School Health Services will be implemented for grade 1, 4 and 8 pupils. Furthermore the department will also implement a centralised chronic medicine dispensing and distribution programme to reach more than 170 000 patients who are stabilised in 2016/17.

### **Improved quality of health care**

The department continues to implement quality assurance programme in all hospitals and PHC facilities. All hospitals and clinics

will implement the Lean Management Project to reduce waiting times. All hospitals will be conducting self-assessment and will develop quality improvement plans to improve the quality of care. All hospitals and PHC facilities will ensure compliance with the National Core Standards aimed to improve high level of patient experience of care. The turnaround time for complaints resolution will be reduced in all health facilities.

### **Health sector management**

The implementation of functional business units in hospitals will continue at hospitals, which include Activity Based Costing. In order to improve efficiency in hospitals, the department will ensure that bed utilisation, patient stay and expenses are within the expected norm. The department will further improve the full availability of the Essential and Non-Essential Drug List (EDL) through sustainability of direct deliveries from suppliers at all facilities, in order to improve patient care. The department will continue to ensure that all essential medical equipment are purchased and maintained in all hospitals.

EMS response times for P1 urban calls within 15 minutes and within 40 minutes will be at 99 per cent and 100 per cent respectively as a result of an integrated computer aided call taking and dispatch system, completing rollout of bed bureau management system in all hospitals, live monitoring of all vehicles and positioning EMS bases strategically. The department will recapitalise the fleet and provide additional dedicated obstetric ambulances. The ambulance fleet will increase, and continue repairing and maintaining our fleet through township hubs in Winterveld; Katilehong; Soweto; and Kagiso that commenced in 2015/16.

### **Improved HR for health**

The department will continue implementing the PHC Normative Guide informed by the Workload Indicators of Staffing Needs (WISN) in all PHC facilities to provide appropriate staffing levels and distribution of health professionals. The department will continue with training of Health professionals and community health workers and provision of learnership. The department will increase clinical engineers trained to 200, which commenced in 2015/16. The department will be awarding bursaries to 1000 first year nursing and 20 medicine students whilst 1 500 nurses will graduate.

### **Health Infrastructure**

The department will continue to invest in health infrastructure through improved health infrastructure design, delivery and maintenance and ensuring compliance with statutory requirements in all health facilities. The department is committed in implementing the green agenda through tri-generation in six hospitals namely, Chris Hani Baragwanath, Charlotte Maxeke, Steve Biko, Dr George Mukhari, Thelle Mogoerane and Bheki Mlangeni. Dual fire diesel/gas boilers are planned for all hospitals, roof-top solar panels in PHC facilities and green building design over the next five years, in partnership with DID. Maintenance of health facilities will be improved through efficient implementation of e-maintenance in all institutions.

The department will commence building 10 new clinics and CHCs towards the end of 2018/19 to address population growth in these areas, in addition to focusing on major re-build or refurbishment of facilities including Jubilee, Sebokeng, OR Tambo Memorial, Kalafong, Dr Yusuf Dadoo and Khayalami Hospitals in the next MTEF period. Three new hospitals (Lilian Ngoyi, Soshanguve and Daveyton) will be under construction in the 2016/17 financial year with expected completion in 2018/19. The refurbishing of laundries, which commenced in 2015/16 will be completed in 2017/18 financial year.

### **Output 2: Decreasing infant, child and maternal mortality**

The department will continue to implement the Campaign on Accelerated Reduction of Maternal and Child Mortality in Africa (CARMMA), with the aim of reducing maternal mortality to below 100 per 100 000 live births by 2020. This will be achieved through the establishment of 40 maternal homes for Antenatal Care mothers as per the Cuban Model, early antenatal booking and initiation of ARVs to antenatal care positive mothers; provision of dedicated obstetric ambulances to ensure prompt transfer of women in labour and mothers emergencies in all maternity and obstetric units (MOUs) and district hospitals. The reduction of child and neonatal mortality to less than 5 per 1000 live births will be achieved through reduction of mother to child transmission, postnatal care visits, promotion of exclusive breast feeding and expansion of Kangaroo Mother Care to 26 hospitals.

There will be improved use of the partogram and post-delivery monitoring; cervical cancer screening amongst women will continue. Immunisation coverage for children below one year of age will be at 92 per cent. In addition, family planning and the quality of contraceptives will improve in all health facilities.

**Output 3: Reduced burden of disease**

HIV and AIDS prevention of infection and treatment remains a key priority programme within the department. New HIV infections will be reduced through intensifying mother to child HIV transmission prevention; expansion of the medical male circumcision programme to more than 200 000; and strengthening of the multisectoral response programme. The department will continue to implement the UNAIDS 90-90-90 strategy, which will include expansion of HIV Counselling and Testing (HCT) to reach a target of 3.5 million people in 2016/17, whilst clients remaining on ART will be more than 800 000.

The department will maximise TB patient testing and screening to improve TB client treatment success rate to 90 per cent and defaulter rate will decrease to five per cent in the 2016/17 financial year. The effectiveness and efficiency of the MDR-TB control programme will be strengthened through implementing a coordinated decentralised drug-resistant (DR-TB) management. The social and structural drivers of HIV and TB will be reduced through strengthening partnership with civil society, inter-departmental and external stakeholders.

**Output 4: Addressing social determinants of health**

The department will continue with implementation of a comprehensive healthy lifestyle programme to address diet, alcohol, smoking, drug abuse, exercise and practicing safer sex in collaboration with municipalities, the Gauteng Department of Education, and the Gauteng Department of Sport, Arts, Culture and Recreation. The department will also strengthen interventions to prevent motor vehicle accidents, crime, and substance abuse through interdepartmental healthy lifestyle campaigns, and screening of 50 per cent of health clients with mental health disorders in all health facilities. The department will continue implementing healthy lifestyle activities in all clinics and targeted schools. The department will continue with the prevention of non-communicable diseases related to lifestyle through the screening and treatment of hypertension, diabetes and other non-communicable diseases as well as implementation of the integrated Management of Chronic Disease Programme in all districts.

**Modernisation of the public service****Output 5: Modernised health information systems**

Gauteng health services will be modernised through effective management of information system and the development and implementation of e-health strategies towards creating a paperless environment. All hospitals and 27 per cent of PHC facilities will have broadband access in 2016/17 financial year. The upgrading of ICT infrastructure will continue to enable connection of all clinics and hospitals to the internet broadband network. The department will continue with development of an integrated Health Information System, as part of e-health records system, including scanning and indexing of patient records at central, tertiary and regional hospitals to reduce waiting times and loss of records. In addition, the department will implement the PACS system in all institutions across all four clusters, and interface with the National Health Information System and the National Health Laboratory Services (NHLS).

**Re-industrialising Gauteng as our country's economic hub****Output 6: Production and procurement localised**

The department will support cooperatives and SMMEs as providers of linen and other hospitals related needs. The platform for women cooperatives to supply linen to the department will be continued. In conjunction with DED, the department will acquire new investors to establish plants to manufacture ambulances, pharmaceuticals and other consumables. The department will collaborate with the private sector EMS providers for the purpose of sharing of information and resources. The department will continue with the establishment of automotive repair centres for all vehicles related to health services in partnership with engineering faculties and technical colleges/technicians. The department will strengthen the management of laundries and develop departmental guidelines on transformation, modernisation and re-industrialisation.

**4. REPRIORITISATION**

The department reprioritised R60 million from machinery and equipment from different programme to make provision for procurement of ambulances. The EMS is performing poorly due to aging fleet and shortage of ambulances. The department plans to procure 150 new ambulances and distribute them across the province.

R27 million was reprioritised to programme 1: Administration for the provision of continued improvement of ICT upgrade and modernisation of the health system such as replacement of servers at institutions. The amount was reprioritized from Minor assets in programme 2: District Health Services.

**5. PROCUREMENT**

The department will continue to strengthen its procurement systems focusing on reducing the turnaround times when procuring goods and services by means of inviting price quotations and competitive bids. The department will embark on strengthening its control measures, contract management and records management towards an unqualified audit in this

area (procurement). We will continue to uphold the principles of procurement by ensuring that all contracts are awarded in a manner which is fair, equitable, transparent, competitive and cost effective.

The department will hasten the implementation of the recommendations made by Price Waterhouse Coopers (PWC) as part of the Turnaround Strategy for Health, especially towards capacity building of capable and skilled procurement cadres. As part of the department's contribution to the Gauteng Township Economy Revitalisation (TER) Strategy, they will develop and implement the departmental guidelines which will guide the organisation on how to give impetus to the broader TER imperatives. The department will also strive to implement, where possible and depending on the type of the commodities and market complexity, strategic sourcing principles.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 4.1: SUMMARY OF RECEIPTS: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	20 537 572	21 577 055	23 774 130	26 512 746	27 671 653	28 025 647	28 764 797	30 441 160	32 202 050
Conditional grants	6 653 722	7 193 730	7 717 049	7 662 433	7 665 435	7 665 435	8 643 260	9 468 766	10 298 339
Comprehensive HIV, Aids and TB Grant	1 901 293	2 258 483	2 632 578	2 928 300	2 928 300	2 928 300	3 259 407	3 757 507	4 242 829
Hospital Facility Revitalisation Grant	918 280	844 238	752 700	313 630	313 630	313 630	777 818	831 337	865 241
Health Professions Training and Development Grant	725 310	765 202	811 114	829 604	829 604	829 604	865 244	919 438	972 765
National Tertiary Services Grant	3 044 567	3 305 931	3 493 891	3 572 856	3 572 856	3 572 856	3 727 048	3 960 484	4 190 192
National Health Insurance Grant	31 500	16 876	10 281	7 204	10 206	10 206	7 543		
Human Papillomavirus Vaccine Grant									27 312
Social Sector EPWP Incentive Grant	30 072	3 000	14 475	8 788	8 788	8 788	4 200		
AFCON	3 000								
EPWP Integrated Grant			2 010	2 051	2 051	2 051	2 000		
<b>Total receipts</b>	<b>27 191 294</b>	<b>28 770 785</b>	<b>31 491 179</b>	<b>34 175 179</b>	<b>35 337 087</b>	<b>35 691 082</b>	<b>37 408 057</b>	<b>39 909 926</b>	<b>42 500 389</b>

The department is allocated R37.4 billion in 2016/17, R39.9 billion in 2017/18 and R42.5 billion in 2018/19, amounting to a total budget of R119.8 billion over the 2016 MTEF. Of this allocation, the conditional grant constitutes an average of 23 per cent while the equitable share constitutes 77 per cent of the total budget in each financial year.

The equitable share allocation grows from R28.7 billion in 2016/17 to R30.4 billion in 2017/18, this is attributed to an increase in personnel funding, PHC allocation, improvement of conditions of service as well as adjustment carry through towards payment of municipal services due to increased tariffs. R213 million is also allocated as a carry through for ICT enhancement to continue with the development of an integrated Health Information System. An amount of R27.3 million is received in the 2018/19 for the roll-out of the HPV vaccine. This programme is aimed at reducing cervical cancer and is provided to girls aged 9-10 years.

The function shift on National Health Laboratory Service (NHLS) and port health services were effected from 2015 MTEF and this had a reduction impact on the 2015 MTEF baseline.

### 6.2 Departmental receipts collection

TABLE 4.2: DEPARTMENTAL RECEIPTS: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
Sales of goods and services other than capital assets	474 156	471 332	451 636	527 770	527 770	495 384	555 741	583 528	617 373
Transfers received									
Fines, penalties and forfeits	3	47	52	50	50	50	53	55	58
Interest, dividends and rent on land	1 255	6 188	397	1 216	1 216	1 216	1 280	1 344	1 422
Sales of capital assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Transactions in financial assets and liabilities	31 525	50 143	71 966	26 691	26 691	40 938	28 026	29 427	31 134
<b>Total departmental receipts</b>	<b>506 939</b>	<b>527 710</b>	<b>524 051</b>	<b>555 727</b>	<b>555 727</b>	<b>537 588</b>	<b>585 100</b>	<b>614 355</b>	<b>649 987</b>

The department's own revenue is generated mainly from patient fees; other sources which include sale of goods and services other than capital assets, transfers received, fines penalties and forfeits, interest, dividends and rent on land, and transactions in financial assets and liabilities. Patient fees are adjusted annually in line with the Consumer Price Index (CPI) as determined by the National Department of Health. Interest, dividends and rent on land consist of interest from revenue associated with ownership of interest-bearing financial instruments. The department's interest is generated from staff debt, which is collected and administered by the Gauteng Department of e-Government. Transactions in financial assets and liabilities consist of debt owed to the department, as well as refunds relating to previous years' expenditure.

The department uses TransUnion for the verification of patient details in order to ensure correct classification of patients as well as their demographics and this further assists with the debt recovery process. The Department makes use of EOH to assist in the processing of claims to the Compensation Fund and Revco for collection from self-paying patients.

The department also makes use of agents like Medikredit to collect revenue from medical aid schemes. Alexander Forbes collects supporting documents on motor vehicle accidents prior to submission to the Road Accident Fund, thus minimising rejection of claims.

The actual collection for the 2012/13 was R506.9 million and this increased to R524 million in 2014/15. The department estimate to collect R537.6 million in the 2015/16 financial year, the estimated under collection is due to the slow collection of patients fees by the Road Accident Fund due to the cash flow challenges that they are experiencing. Over the 2016 Medium Term Revenue Framework (MTRF), the department estimates to collect R585.1 million in 2016/17 and this increases to R649.9 million in 2018/19.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The following key assumptions were applied when compiling the 2016 MTEF budget:

- Strengthening and investment in PHC to provide treatment at the appropriate level;
- Cost of living adjustment as per the current wage bill agreement, pay progression, housing and other allowances;
- Improvements in conditions of service and the OSD for various categories of employees;
- Provision for the non-negotiable line items as approved by the NDOH to improve the quality of health services;
- Provision was made for the rollout of HPV vaccination in the 2018/19 financial year;
- Provincialisation of primary health care services;
- Recapitalisation and replacement of emergency vehicles;
- Investment and enhancement of ICT; and
- Re-classification of hospitals and equity allocation.

### 7.2 Programme summary

TABLE 4.3 : SUMMARY OF PAYMENTS AND ESTIMATES : HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	501 362	584 151	565 081	561 194	743 226	898 088	829 895	669 961	712 296
2. District Health Services	8 555 956	8 357 432	9 563 046	11 420 847	11 615 588	11 344 993	12 598 039	13 543 039	14 636 378
3. Emergency Medical Services	1 147 231	936 278	847 561	1 086 491	1 086 491	1 064 844	1 197 221	1 275 082	1 351 587
4. Provincial Hospital Services	4 619 534	5 154 324	5 987 314	6 698 750	6 726 998	6 663 256	6 910 146	7 372 610	7 814 966
5. Central Hospital Services	9 762 819	10 237 795	11 584 642	11 783 047	12 034 408	12 637 071	12 609 627	13 317 200	14 055 189
6. Health Sciences And Training	807 070	829 485	861 931	916 549	912 929	889 266	976 452	1 025 163	1 086 673
7. Health Care Support Services	196 544	194 870	211 542	260 328	259 796	235 912	268 747	281 538	298 430
8. Health Facilities Management	1 243 831	1 121 466	1 384 095	1 447 973	1 957 652	1 957 652	2 017 930	2 425 334	2 544 870
<b>Total payments and estimates</b>	<b>26 834 347</b>	<b>27 415 801</b>	<b>31 005 212</b>	<b>34 175 179</b>	<b>35 337 087</b>	<b>35 691 082</b>	<b>37 408 057</b>	<b>39 909 926</b>	<b>42 500 389</b>

### 7.3 Summary of economic classification

TABLE 4.4 : SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>23 870 650</b>	<b>25 157 666</b>	<b>28 390 262</b>	<b>31 263 266</b>	<b>32 346 651</b>	<b>32 658 699</b>	<b>33 655 806</b>	<b>35 731 393</b>	<b>38 197 994</b>
Compensation of employees	15 244 542	17 096 854	18 654 909	20 409 051	20 834 706	20 777 919	22 208 890	23 614 733	25 043 335
Goods and services	8 625 127	8 059 289	9 735 281	10 854 214	11 511 944	11 880 780	11 446 916	12 116 660	13 154 659
Interest and rent on land	981	1 523	72						
<b>Transfers and subsidies to:</b>	<b>2 016 510</b>	<b>1 423 046</b>	<b>1 570 752</b>	<b>1 501 024</b>	<b>1 457 653</b>	<b>1 471 477</b>	<b>1 342 743</b>	<b>1 423 056</b>	<b>1 508 435</b>
Provinces and municipalities	1 083 525	607 677	672 042	681 326	657 443	657 443	675 326	709 103	751 650
Departmental agencies and accounts	28 267	16 117	17 183	17 919	17 919	17 919	18 869	19 812	21 001
Higher education institutions	500	958		1 864	1 864	1 864	1 963	2 061	2 185
Public corporations and private enterprises	34	33 393							
Non-profit institutions	817 505	640 453	652 703	721 610	686 983	636 983	544 030	583 410	618 414
Households	86 679	124 448	228 824	78 305	93 444	157 268	102 555	108 669	115 185
<b>Payments for capital assets</b>	<b>941 464</b>	<b>832 163</b>	<b>1 031 499</b>	<b>1 410 889</b>	<b>1 532 784</b>	<b>1 554 756</b>	<b>2 409 508</b>	<b>2 755 477</b>	<b>2 793 960</b>
Buildings and other fixed structures	528 282	415 135	378 954	869 741	869 741	869 741	1 235 355	1 630 974	1 595 444
Machinery and equipment	413 182	416 840	652 545	541 148	663 043	685 015	1 174 153	1 124 503	1 198 516
Software and other intangible assets		188							
<b>Payments for financial assets</b>	<b>5 723</b>	<b>2 926</b>	<b>12 699</b>			<b>6 150</b>			
<b>Total economic classification</b>	<b>26 834 347</b>	<b>27 415 801</b>	<b>31 005 212</b>	<b>34 175 179</b>	<b>35 337 087</b>	<b>35 691 082</b>	<b>37 408 057</b>	<b>39 909 926</b>	<b>42 500 389</b>

The department's expenditure increased from R26.8 billion in 2012/13 to R31. billion in 2014/15. This is due to the burden of disease, which resulted in accelerated expenditure, mainly in district health services and central hospitals and the payment of accruals from previous financial years.

The total appropriation increases from R34.2 billion or 9.5 per cent in 2015/16 to R37.4 billion in 2016/17 financial year. The increase is mainly due to inflation (CPI), cost of living adjustments, Occupation-Specific Dispensation (OSD) and filling of critical posts, and the carry-through effect of additional funding allocated to the department in 2014/15 for non-negotiable budget line items as well as the adjustment carry through cost towards payment of municipal services.

Comparing the 2015/16 and 2016/17 financial years, the Administration budget shows a substantial increase of 48 per cent. This is as a result of an increase in the computer services budget. In 2016/17, the department allocated R319 million towards the continued enhancement of ICT upgrade and modernisation of the health system, such as the replacement of servers in the department. This development also includes the e-health records system which involves the scanning and indexing of patient records at central, tertiary and regional hospitals to reduce waiting times and avoid the loss of patient records.

The budget of Programme 2: District Health Services increases by 10 per cent from 2015/16 to 2016/17. Over the 2016 MTEF, this programme received an earmarked allocation for accelerating the provision and improvement of PHC services; ward-based outreach teams; district clinical specialist teams; and integrated school health services, and to provide funding for Human Papillomavirus Vaccine to enable the department to prevent cervical cancer in Grade 4 school girls. The National Health Insurance Grant is terminated from the 2017/18 budget as a transfer allocation to the province. It has not been effective as expected in preparing for the roll out and a more targeted approach is considered to make it more efficient for the planned roll out.

The budget for Programme 3: Emergency Medical Services increases by 10 per cent from R1 billion in 2015/16 to R1.2 billion in 2016/17. The growth makes provision for replacing ageing emergency vehicles so that the department can continue to provide effective and efficient emergency medical services.

Over the four year period 2015/16 to 2018/19, the budget of Programme 4: Provincial Hospital Services increases by R1.1 billion or 17 per cent. This is due to additional funding for higher municipal tariffs at institutions and non-negotiable line items.



The budget in Programme 5: Central Hospital Services increases significantly by 19 per cent, from R11.7 billion in 2015/16 to R14 billion in 2018/19. This is due to the enhancement of tertiary services, adequately funding non-negotiable items and budget pressures from increases in the prices of medical commodities and the payment of municipal services.

Over the MTEF period 2016/17 to 2018/19, the budget of Programme 6: Health Science and Training increases by R110 million or 11 per cent to provide for student intake, employee bursary holders and the South African Cuban Doctor programme to address the shortage of doctors in the country.

The budget of Programme 7: Health Care Support Services increases by R29 million or 11 per cent from 2016/17 to 2018/19 to provide for the laundry services and pre-packed food services.

Programme 8: Health Facilities Management is funded through the equitable share and Health Facility Revitalisation Grant for improving and maintaining health infrastructure. From 2016/17 to 2018/19, the allocation for the programme increases by 26 per cent mainly to accommodate the outsourced contracted maintenance and revitalisation of health facilities.

The compensation of employees budget increased by 8.8 per cent from R20.4 billion in 2015/16 to R22.2 billion in 2016/17 financial year as a result of cost of living adjustments, OSD for qualifying employees and overtime and employment of critical staff.

The allocation for goods and services increases by 4 per cent from R10.8 billion in 2015/16 to R11.2 billion in 2016/17. The increase is due to funding for re-engineering of PHC and additional funding for non-negotiable items such as medical supplies and higher municipal tariffs.

The budget for transfer payments decreases by 11 per cent from R1.5 billion in 2015/16 to R1.3 billion in 2016/17. The transfers are to cater for transfer payments to municipalities for primary health care, HIV and AIDS and emergency medical services. The budget for transfer payments to non-profit organisations decreases from R721 million in 2015/16 to R544 million in 2016/17. This slight decrease is as a result of the absorption of the Alexandra CHC and a decision taken by the department to terminate contract with Life Esidimeni. Transfers to departmental agencies and accounts increases from R17.9 million in 2015/16 to R21.0 million in 2018/19 as a result of payments to the Health and Welfare Sector Training Authority (HWSETA) for skills development and training of health professionals on behalf of the department.

An additional allocation of R184 million is allocated in the 2016/2017 towards payment for municipal services. Over the 2016 MTEF, an amount of R587 million has been allocated for municipal services. Furthermore, additional funding amounting to R159 million has been allocated towards medicine and medical supplies over the 2016 MTEF. These funds are allocated in District Health Services, provincial Hospital Services and Central Hospital Services programme respectively. To ensure continued enhancement of ICT upgrade and modernisation of the health system, R213 million additional funding is directed to computer services in 2016/17.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the 2016 Estimates of Capital Expenditure (ECE).

### 7.3.2. Departmental public/private partnership (PPP) projects

N/A.

## 7.5. Transfers

### 7.5.1. Transfers to public entities

N/A.

### 7.5.2. Transfers to other entities

TABLE 4.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Mental Health NPO Psychiatric Programme	326 940	218 536	323 713	265 286	265 286	265 286	61 972	149 324	157 984
HIV/AIDS NPO	196 747	213 183	66 637	127 954	127 954	127 954	113 554	120 761	127 765
Nutrition	49 379	26 313	42 109	50 338	50 338	50 338	52 064	55 233	58 547

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Mental Health NPO	266 498	(2)	97 265	117 554	117 554	117 554	195 000	130 225	137 778
EPWP NPO			50 578	94 585	94 585	94 585	107 256	113 691	120 512
Alexandra Health Care Centre	45 580	35 088	63 667	53 472	53 472	53 472			
Phillip Moyo Community Health Centre	24 110	13 150							
Witkoppen Clinic	8 125	7 314	7 436	10 977	10 977	10 977	11 979	12 578	13 308
Bronkorspruit Hospital	27 406								
HW-Seta	28 286	16 085	17 131	17 919	17 919	17 919	18 869	19 812	20 962
Universities	29	958		1 864	1 864	1 864	1 963	2 061	2 181
EPWP Grant	28 235								
National Health Insurance		333							
Specialised Services NPO			1 300	1 444	1 444	1 444	1 521	1 597	1 690
<b>Total departmental transfers</b>	<b>1 001 335</b>	<b>530 958</b>	<b>669 836</b>	<b>741 393</b>	<b>741 393</b>	<b>741 393</b>	<b>564 178</b>	<b>605 283</b>	<b>640 726</b>

The department works in partnership with sector NPOs, universities, HW-SETA and Life Esidimeni to ensure delivery of services according to the set targets. These working relationships have been in place for many years. From 2015/16, the department has decided to pay CHWs health workers directly instead of transferring the money to NGOs. There is a decrease from R741.3 million in 2015/16 to R564.1 million in the 2016/17 financial year as a result of provincialisation of Alexandra Health Care Centre and the termination of the Life Esidimeni contract. Services will be offered internally within the health facilities and the non-profit institutions, respectively.

### 7.5.3. Transfers to local government

TABLE 4.6 : SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Category A	971 616	559 399	596 186	627 778	627 778	627 778	660 736	693 890	734 842
Category B									
Category C	111 909	48 278	75 856	53 548	29 673	29 673	14 590	15 214	16 084
<b>Total departmental transfers</b>	<b>1 083 525</b>	<b>607 677</b>	<b>672 042</b>	<b>681 326</b>	<b>657 443</b>	<b>657 443</b>	<b>675 326</b>	<b>709 104</b>	<b>750 926</b>

Transfer of funds to local government is made to provide funding for Primary Health Care, HIV and AIDS and Emergency Medical Services. All Emergency Medical Services within district councils have already been provincialized. Over the 2016 MTEF, the allocation for transfers increases by approximately 10.2 per cent. Transfer for Primary Health Care, HIV AIDS and Emergency Medical Services is benefitting the three metros, Tshwane, Ekurhuleni and Johannesburg and the two districts Sedibeng and West Rand. The transfer is aimed at rendering comprehensive Primary Health Care services according to service level agreements, to ensure rapid and effective emergency medical care, sustain and extend coverage of the ward based door to door AIDS education programme and safe sex behaviours (HIV prevention).

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The purpose of this programme is to conduct strategic management and overall administration of the Department of Health through the sub-programmes, Office of the MEC and Management.

#### Programme objectives

- Rendering of advisory, secretarial and office support services; and
- Policy formulation, overall management and administration support of the department and the respective regions and institutions within the department.

#### Policies and priorities

- Improve audit outcomes;
- Modernisation of health systems;
- Effective management information system;

- Transforming the health economy;
- Improving Human Resource for Health;
- Improving financial management and accountability; and
- Improve quality of health care.

TABLE 4.7 : SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Office Of The MEC	11 519	10 970	15 066	18 360	18 345	16 582	19 389	20 358	21 580
2. Management	489 843	573 181	550 015	542 834	724 881	881 506	810 506	649 603	690 716
<b>Total payments and estimates</b>	<b>501 362</b>	<b>584 151</b>	<b>565 081</b>	<b>561 194</b>	<b>743 226</b>	<b>898 088</b>	<b>829 895</b>	<b>669 961</b>	<b>712 296</b>

TABLE 4.8 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>471 731</b>	<b>565 776</b>	<b>514 261</b>	<b>551 271</b>	<b>725 591</b>	<b>836 452</b>	<b>819 146</b>	<b>658 159</b>	<b>699 788</b>
Compensation of employees	241 568	274 797	301 841	370 768	370 768	337 791	395 762	415 549	442 621
Goods and services	229 792	290 748	212 420	180 502	354 822	498 661	423 384	242 610	257 166
Interest and rent on land	371	231							
<b>Transfers and subsidies to:</b>	<b>16 136</b>	<b>1 897</b>	<b>2 158</b>	<b>2 092</b>	<b>2 092</b>	<b>3 868</b>	<b>2 203</b>	<b>2 313</b>	<b>2 450</b>
Non-profit institutions	15 131								
Households	998	1 897	2 158	2 092	2 092	3 868	2 203	2 313	2 450
<b>Payments for capital assets</b>	<b>12 761</b>	<b>16 449</b>	<b>42 191</b>	<b>7 831</b>	<b>15 543</b>	<b>56 582</b>	<b>8 546</b>	<b>9 488</b>	<b>10 058</b>
Buildings and other fixed structures									
Machinery and equipment	12 761	16 449	42 191	7 831	15 543	56 582	8 546	9 488	10 058
<b>Payments for financial assets</b>	<b>734</b>	<b>29</b>	<b>6 471</b>			<b>1 186</b>			
<b>Total economic classification</b>	<b>501 362</b>	<b>584 151</b>	<b>565 081</b>	<b>561 194</b>	<b>743 226</b>	<b>898 088</b>	<b>829 895</b>	<b>669 961</b>	<b>712 296</b>

The baseline of the programme has increased by 48 per cent from R561.1 million in 2015/16 to R829.8 million in 2016/17. This is as a result of increase in the computer services budget. In 2016/17, the department redirected R27 million and receives additional funding amounting to R213 million as a carry through from the 2015/16 adjustment budget towards ICT improvement through the V-block system. V-Block is aimed at enhancing and integrating systems in health facilities and the electronic filing of patient records.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Audit opinion from Auditor General	Unqualified	Unqualified	Unqualified
Percentage of Hospitals with Broadband access	100%	100%	100%
Percentage of fixed facilities with broadband access	27%	54%	60%

### PROGRAMME 2: DISTRICT HEALTH SERVICES

#### Programme description

The purpose of the programme is to render primary health care services, district hospital services, comprehensive HIV and AIDS care and nutrition. It includes the delivery of priority health programmes.

#### Programme objectives

- Planning, administration and management of district health services;
- Rendering a primary health service in respect of health promotion, geriatrics, occupational therapy, physiotherapy, psychiatry, speech therapy, communicable diseases, mental health, community based other services;
- Rendering integrated community based services;
- Render mother, child and women's health programme;
- Rendering a primary health care service in respect of HIV/Aids campaigns and special projects;

- Rendering a nutrition service aimed at specific target groups and combines direct and indirect nutrition interventions to address malnutrition;
- Render coroner services; and
- Rendering of a hospital service at district level.

#### Policies and priorities

- Universal Coverage through expansion of National Health Insurance across the province in all districts;
- Expansion of PHC re-engineering;
- Compliance with national core standards at PHC facility level;
- Tuberculosis prevention and management
- Implement the UNAIDS 90-90-90 strategy;
- Reduction of HIV/AIDS and TB related mortality;
- Reduction of maternal, child and infant mortality;
- Promotion of healthy lifestyle; and
- Strengthen partnership with civil society, inter-departmental and external stakeholders.

TABLE 4.9: SUMMARY OF PAYMENTS AND ESTIMATES: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. District Management	512 337	411 698	428 363	475 621	466 764	476 487	499 666	516 955	547 972
2. Community Health Clinics	1 884 134	1 640 842	1 664 910	2 123 604	2 113 377	2 058 872	2 280 109	2 386 339	2 529 520
3. Community Health Centres	1 184 942	1 087 137	1 329 667	1 739 259	1 751 445	1 535 279	1 743 676	1 873 050	1 985 433
4. Community Based Services	919 224	888 127	1 168 605	1 307 107	1 474 746	1 487 457	1 607 616	1 601 598	1 697 693
5. HIV/Aids	2 134 359	2 459 887	2 709 860	3 086 733	3 086 733	3 086 733	3 451 142	3 982 788	4 481 627
6. Nutrition	49 412	26 339	42 109	50 339	50 339	50 339	52 604	55 234	58 548
7. Coroner Services	126 421	145 177	173 799	194 933	194 933	189 596	204 971	215 220	228 133
8. District Hospitals	1 745 127	1 698 225	2 045 733	2 443 251	2 477 251	2 460 230	2 758 255	2 911 856	3 107 452
<b>Total payments and estimates</b>	<b>8 555 956</b>	<b>8 357 432</b>	<b>9 563 046</b>	<b>11 420 847</b>	<b>11 615 588</b>	<b>11 344 993</b>	<b>12 598 039</b>	<b>13 543 039</b>	<b>14 636 378</b>

TABLE 4.10: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>7 415 386</b>	<b>7 551 460</b>	<b>8 777 412</b>	<b>10 503 621</b>	<b>10 664 557</b>	<b>10 440 325</b>	<b>11 476 238</b>	<b>12 463 523</b>	<b>13 492 091</b>
Compensation of employees	4 243 315	4 663 026	5 163 930	5 665 974	5 936 631	5 862 663	6 476 312	7 040 469	7 482 426
Goods and services	3 172 071	2 888 427	3 613 482	4 837 647	4 727 926	4 577 662	4 999 926	5 423 053	6 009 664
Interest and rent on land		7							
<b>Transfers and subsidies to:</b>	<b>1 080 394</b>	<b>731 303</b>	<b>663 494</b>	<b>795 147</b>	<b>771 751</b>	<b>728 310</b>	<b>845 963</b>	<b>816 169</b>	<b>865 139</b>
Provinces and municipalities	506 498	288 758	310 721	327 388	327 380	327 380	344 531	361 769	383 475
Departmental agencies and accounts	10	1							
Non-profit institutions	560 418	421 917	328 990	456 324	432 936	382 936	482 058	434 085	460 131
Households	13 468	20 627	23 783	11 434	11 434	17 994	19 374	20 315	21 534
<b>Payments for capital assets</b>	<b>58 989</b>	<b>74 206</b>	<b>120 643</b>	<b>122 079</b>	<b>179 280</b>	<b>174 774</b>	<b>275 838</b>	<b>263 348</b>	<b>279 149</b>
Buildings and other fixed structures	1 510	1 537	13 554						
Machinery and equipment	57 479	72 511	107 089	122 079	179 280	174 774	275 838	263 348	279 149
Software and other intangible assets		158							
<b>Payments for financial assets</b>	<b>1 187</b>	<b>463</b>	<b>1 497</b>			<b>1 584</b>			
<b>Total economic classification</b>	<b>8 555 956</b>	<b>8 357 432</b>	<b>9 563 046</b>	<b>11 420 847</b>	<b>11 615 588</b>	<b>11 344 993</b>	<b>12 598 039</b>	<b>13 543 039</b>	<b>14 636 378</b>

The total budget of the programme increases by 16 per cent from R12.5 billion in 2016/17 to R14.6 billion in 2018/19. HIV and AIDS Sub-Programme has increased by 12 per cent from R3 billion in 2015/16 to R3.4 billion in 2016/17 due to an

increased CD4 count threshold from 300-500. The district hospitals' budget grows substantially by 13 per cent from 2015/16 to 2016/17 to fund the new Bronkhorstspuit hospital.

The allocation of the Comprehensive HIV, AIDS and TB Grant decreases by R38 million to make provision for direct funding as a result of function shift to National Health for NHLS.

The budget for compensation of employees increases by 15 percent from R6.4 billion in 2016/17 to an estimated R7.4 billion in the 2018/19 financial year. This budget takes into account items such as payment of OSD to nurses, doctors, specialists and therapists as well as Improvement of Conditions of Service (ICS).

Over the 2016, MTEF the budget for goods and services increases from R4.9 billion in 2016/17 to an estimated R6 billion in the 2018/19 financial year. An amount of R27.3 million is earmarked for HPV in 2018/2019 to enable the department to provide the vaccine to prevent cervical cancer to Grade 4 school girls.

The overall budget for transfers and subsidies increases from R795 million in 2015/16 to R845 million in 2016/17 mainly to cater for transfers to municipalities. There is an increase in payments to non-profit institutions from R456.3 million in 2015/16 to R482 million in 2016/17, this is due to the increase in mental health non-profit institutions from Programme 4: Provincial Hospital Services, Sub-Programme: Psychiatric Hospitals to Sub-Programme: Community Based Services to accommodate some of the patients from Life Esidimeni.

The NHI funding is earmarked for Tshwane Health District, with allocation increasing slightly from R7.2 million in 2015/16 to R7.5 million in 2016/17. This grant will cease from 2017/18 as a direct transfer from National Health as it has not been effective as expected in preparing for the rollout of national health insurance.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: DISTRICT HEALTH SERVICE

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Clinics and Community Health Centres</b>			
Percentage of fixed PHC facilities scoring above 70% on the ideal clinic dashboard	100%	100%	100%
Client satisfaction Survey rate	100%	100%	100%
Client satisfaction rate	70%	72%	80%
OHH registration visit coverage (annualised)	80%	90%	95%
Number of Districts with fully fledged District Clinical Specialist Teams (DCSTs)	5	5	5
PHC Utilisation rate	2.8	3.0	3.0
Complaints resolution rate	95%	100%	100%
Complaint resolution within 25 working days rate	82%	87%	90%
<b>District Hospitals</b>			
National Core Standards self-assessment rate	100%	100%	100%
Quality improvement plan after self-assessment rate	85%	90%	90%
Percentage of hospitals compliant with all extreme and vital measures of the national core standards	20% (2 of 11)	27% (3 of 11)	36% (4 of 11)
Client Satisfaction Survey Rate	100%	100%	100%
Client Satisfaction rate	78%	80%	100%
Average Length of Stay	4.5 Days	4.5 Days	4.5 Days
Inpatient Bed Utilisation Rate	80%	80%	80%
Expenditure per PDE	R2650	R2750	R2850
Complaints resolution rate	85%	90%	95%
Complaint Resolution within 25 working days rate	85%	90%	95%
<b>HIV and AIDS, TB and STI Control</b>			
Adults remaining on ART -Total	82 9643	921 825	102 4250
Children (under 15 years) remaining on ART – Total	38 521	42 758	47 461
TB/HIV co-infected client on ART rate	85%	88%	90%
Client tested for HIV (incl ANC)	3 592 943	4 693 487	5 194 625
TB symptom 5yrs and older screened rate	90%	90%	90%
Male condom distribution coverage	210 960 993	234 472 801	257 920 081
Medical male circumcision performed - Total	209 190	151 082	151 082
TB client treatment success rate	90%	95%	95%
TB client lost to follow up rate	5.10%	4%	4%
TB client death Rate	<5%	<5%	<5%
TB MDR confirmed treatment initiation rate	55%	65%	70%
<b>Maternal, Child and Woman Health</b>			
Antenatal 1st visit before 20 weeks rate	60%	65%	70%
Mother postnatal visit within 6 days rate	90%	99%	99%

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Antenatal client initiated on ART rate	90%	99%	99%
Infant 1st PCR test positive around 6 weeks rate	<1,5%	<1,5%	<1,5%
Immunisation coverage under 1 year (annualised)	92%	97%	98%
Measles 2nd dose coverage (annualised)	95%	95%	95%
DTaP-IPV/Hib 3 - Measles 1st dose drop-out rate	<10%	<10%	5%
Child under 5 years diarrhoea case fatality rate	2.5%	<2%	<2%
Child under 5 years pneumonia case fatality rate	<2%	<2%	<2%
Child under 5 years severe acute malnutrition case fatality rate	<10%	5%	5%
School Grade 1 screening coverage (annualised)	40%	45%	45%
School Grade 8 screening coverage (annualised)	15%	20%	20%
Couple year protection rate (annualised)	60%	90%	99%
Cervical cancer screening Coverage (annualised)	60%	99%	99%
Human Papilloma Virus Vaccine 1st dose coverage	90%	90%	90%
Human Papilloma Virus Vaccine 2nd dose coverage	80%	80%	80%
Vitamin A dose 12 - 59 months coverage (annualised)	60%	65%	70%
Infant exclusively breastfed at HepB 3rd dose rate	60%	65%	70%
Maternal mortality in facility ratio (annualised)	122	<100	<100
Inpatient early neonatal death rate	10	5	5
<b>Disease Prevention and Control</b>			
Clients screened for hypertension	474 000	750 000	1 000 000
Clients screened for diabetes	400 000	400 000	400 000
Clients screened for mental health	50%	60%	100%
Cataract surgery rate (annualised)	1300/mil	1500/mil	1500/mil
Malaria case fatality rate	1.7%	1.7%	1.7%

### PROGRAMME 3: EMERGENCY MEDICAL SERVICES

#### Programme description

The rendering of pre-hospital Emergency Medical Services including Inter-hospital Transfers and Planned Patient Transport.

#### Programme objectives

- Render emergency medical services including ambulance services, special operations, communications and air ambulance services; and
- Render pre-hospital emergency medical services including inter-hospital transfers and planned patient transport.

#### Policies and priorities

- Improve all facilities to a minimum infrastructure operational standards and requirements;
- Strategically position bases EMS resources in order to achieve set response times ;
- Promote proactive programmes to drive demand for services down in various communities including using social media platforms;
- Improve comprehensive EMS services, staffed by qualified paramedics with the necessary equipment, integrated with Hospital bed bureau management ; and
- Complete integration of computer aided, call taking and dispatching system.

TABLE 4:11 SUMMARY OF PAYMENTS AND ESTIMATES: EMERGENCY MEDICAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Emergency Transport	916 242	798 148	723 165	927 527	949 527	936 617	1 036 179	1 105 988	1 172 347
2. Planned Patient Transport	230 989	138 130	124 396	158 964	136 964	128 227	161 042	169 094	179 239
<b>Total payments and estimates</b>	<b>1 147 231</b>	<b>936 278</b>	<b>847 561</b>	<b>1 086 491</b>	<b>1 086 491</b>	<b>1 064 844</b>	<b>1 197 221</b>	<b>1 275 082</b>	<b>1 351 587</b>

TABLE 4.12 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EMERGENCY MEDICAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>556 692</b>	<b>537 280</b>	<b>467 718</b>	<b>704 500</b>	<b>675 560</b>	<b>634 992</b>	<b>755 126</b>	<b>797 417</b>	<b>845 262</b>
Compensation of employees	262 330	313 509	330 910	425 710	425 710	395 576	465 538	494 127	523 774
Goods and services	294 362	223 771	136 808	278 790	249 850	239 416	289 588	303 290	321 488
Interest and rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Transfers and subsidies to:</b>	<b>577 474</b>	<b>320 218</b>	<b>362 136</b>	<b>353 938</b>	<b>332 063</b>	<b>332 063</b>	<b>333 295</b>	<b>349 835</b>	<b>370 825</b>
Provinces and municipalities	577 027	318 919	361 321	353 938	330 063	330 063	330 795	347 335	368 175
Households	447	1 299	815	–	2 000	2 000	2 500	2 500	2 650
<b>Payments for capital assets</b>	<b>13 063</b>	<b>78 780</b>	<b>17 669</b>	<b>28 053</b>	<b>78 868</b>	<b>97 778</b>	<b>108 800</b>	<b>127 830</b>	<b>135 500</b>
Buildings and other fixed structures		510							
Machinery and equipment	13 063	78 270	17 669	28 053	78 868	97 778	108 800	127 830	135 500
<b>Payments for financial assets</b>	<b>2</b>		<b>38</b>			<b>11</b>			
<b>Total economic classification</b>	<b>1 147 231</b>	<b>936 278</b>	<b>847 561</b>	<b>1 086 491</b>	<b>1 086 491</b>	<b>1 064 844</b>	<b>1 197 221</b>	<b>1 275 082</b>	<b>1 351 587</b>

The increase in compensation of employees over the MTEF is as a result of the filling of critical EMS posts, absorption of emergency care technicians trained at Lebone College and OSD implications and the provincialisation of West Rand EMS. The budget for machinery and equipment increases by R80 million from 2015/16 to 2016/17. The department will continue to invest in the recapitalisation and replacement of ambulances with the aim of improving response times of P1 patients.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
EMS P1 urban response under 15 minutes rate	99%	99%	99%
EMS P1 rural response under 40 minutes rate	99%	99%	99%
EMS inter-facility transfer rate	13%	14%	15%

### PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

#### Programme description

Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.

#### Programme objectives

- Render hospital services at a general specialist level and provide a platform for training of health workers and for research;
- Convert present TB hospitals into strategically placed centres of excellence for isolation during the intensive level of treatment, and standardized implementation of multi-drug resistant (MDR) protocols;
- Render a specialist psychiatric hospital service to people with mental illness and intellectual disability and provide a platform for training health workers;
- Provide medium to long term care to patients who require rehabilitation and/or a minimum degree of active medical care; and
- Render an affordable and comprehensive oral health service and training, based on the primary health care approach.

#### Policy and priorities

- Compliance with the National Health Act;
- Implement revitalisation of hospital services;
- Implementation of the Lean Management Project and other programmes to reduce waiting times;
- Compliance with national Core Standards;
- Strengthen bed bureau management;
- Intensify implementation of the Mental Health Act at secondary level of care; and strengthen decentralised MDR-TB management at Sizwe TB Hospital.

TABLE 4.13 : SUMMARY OF PAYMENTS AND ESTIMATES: PROVINCIAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. General Hospitals	3 187 646	3 642 601	4 241 858	4 726 917	4 707 404	4 735 434	4 912 317	5 211 158	5 523 828
2. Tuberculosis Hospitals	156 718	157 939	205 810	399 882	403 482	320 382	383 629	395 593	419 329

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
3. Psychiatric/Mental Hospital	893 466	919 845	1 069 675	1 057 859	1 082 920	1 078 899	1 038 185	1 161 974	1 231 692
4. Dental Training Hospitals	329 030	375 909	407 374	438 201	456 201	449 550	503 869	528 131	559 819
5. Other Specialised Hospitals	52 674	58 030	62 597	75 892	76 992	78 991	72 146	75 754	80 299
<b>Total payments and estimates</b>	<b>4 619 534</b>	<b>5 154 324</b>	<b>5 987 314</b>	<b>6 698 750</b>	<b>6 726 998</b>	<b>6 663 256</b>	<b>6 910 146</b>	<b>7 372 610</b>	<b>7 814 966</b>

TABLE 4.14 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>4 330 570</b>	<b>4 867 144</b>	<b>5 570 168</b>	<b>6 350 610</b>	<b>6 383 038</b>	<b>6 305 439</b>	<b>6 697 664</b>	<b>7 060 031</b>	<b>7 483 633</b>
Compensation of employees	3 257 583	3 856 710	4 251 671	4 756 275	4 792 275	4 759 176	5 113 298	5 361 120	5 682 787
Goods and services	1 072 798	1 010 189	1 318 425	1 594 335	1 590 763	1 546 263	1 584 366	1 698 911	1 800 846
Interest and rent on land	189	245	72						
<b>Transfers and subsidies to:</b>	<b>253 975</b>	<b>231 469</b>	<b>342 996</b>	<b>271 014</b>	<b>261 159</b>	<b>269 113</b>	<b>71 905</b>	<b>159 682</b>	<b>169 263</b>
Provinces and municipalities									
Departmental agencies and accounts	3	18	4						
Non-profit institutions	241 843	218 536	323 713	265 286	254 047	254 047	61 972	149 324	158 284
Households	12 129	12 915	19 279	5 728	7 112	15 066	9 933	10 357	10 979
<b>Payments for capital assets</b>	<b>33 393</b>	<b>53 831</b>	<b>72 742</b>	<b>77 126</b>	<b>82 801</b>	<b>87 659</b>	<b>140 577</b>	<b>152 897</b>	<b>162 071</b>
Buildings and other fixed structures			631						
Machinery and equipment	33 393	53 814	72 111	77 126	82 801	87 659	140 577	152 897	162 071
Software and other intangible assets		17							
<b>Payments for financial assets</b>	<b>1 596</b>	<b>1 880</b>	<b>1 408</b>			<b>1 045</b>			
<b>Total economic classification</b>	<b>4 619 534</b>	<b>5 154 324</b>	<b>5 987 314</b>	<b>6 698 750</b>	<b>6 726 998</b>	<b>6 663 256</b>	<b>6 910 146</b>	<b>7 372 610</b>	<b>7 814 966</b>

A major portion of the budget is allocated to general hospitals providing level two services, and to ensure that regional hospitals comply with statutory obligations. From 2015/16, the allocation to the programme is also funded through the Health Professions Training and Development Grant with the aim of expanding the teaching and training platform in various institutions.

The budget for compensation of employees grows from R4.7 billion in the 2015/16 to R5.6 billion in 2018/19, in order to make provision for all salary-related costs. Non-profit institution budget has decreased due to the departmental decision to terminate the Life Esidimeni contract. This reduction of the non-profit institution budget has been re-allocated within the sub-programme to fund psychiatric hospitals which will accommodate some of the patients from Life Esidimeni and to non-profit institutions providing mental health services in programme 2: District Health Services, sub-programme: Community Based Services. Re-allocated amounts within the programme were reprioritised to compensation of employees, goods and services and machinery and equipment to operationalise the services.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>REGIONAL HOSPITALS</b>			
National Core Standard self-assessment rate (Regional hospitals)	100%	100%	100%
Quality Improvement plan after self-assessment rate (Regional hospitals)	40%	100%	100%
Percentage of Hospitals compliant with all extreme and vital measures of the national core standards (Regional hospitals)	33%	33%	33%



Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Patient Satisfaction Survey Rate (Regional hospitals)	100%	100%	100%
Patient Satisfaction rate (Regional hospitals)	70%	71%	73%
Average Length of Stay (Regional hospitals)	4.85	4.9	4.95
Inpatient Bed Utilisation Rate (Regional hospitals)	82%	83%	84%
Expenditure per patient day equivalent (PDE) (Regional hospitals)	R3 000	R3 000	R3 000
Complaints resolution rate (Regional hospitals)	88%	88%	90%
Complaint Resolution within 25 working days rate (Regional hospitals)	82%	85%	85%
<b>SPECIALISED HOSPITALS</b>			
National Core Standard self-assessment rate (Specialised Hospitals) <sup>1</sup>	100%	100%	100%
Quality Improvement plan after self-assessment rate (Specialised Hospitals)	40%	100%	100%
Percentage of Hospitals compliant with all extreme and vital measures of the national core standards (Specialised Hospitals)	41%	41%	56%
Patient Satisfaction Survey Rate (Specialised Hospitals)	100%	100%	100%
Client satisfaction Rate (Specialised Hospitals)	70%	71%	80%
Complaint resolution rate (Specialised Hospitals)	88%	88%	90%
Complaint Resolution within 25 working days rate (Specialised Hospitals)	80%	82%	90%

## PROGRAMME 5: CENTRAL HOSPITAL SERVICES

### Programme description

Provide a highly specialised health care service, a platform for training health workers and a place of research, and to serve as specialist referral centres for regional hospitals and neighbouring provinces.

### Programme objectives

- Render a highly specialised medical health services on a national basis and a platform for the training of health workers and research;
- Provision of a platform for the training of health workers; and
- Serve as specialist referral centres for regional hospitals and neighbouring provinces.

### Policy objectives

- Implement the National Health Act;
- Implement national policies on conditional grants and revitalisation of hospital services;
- Implement MoUs with universities;
- Render and implement tertiary services;
- Implement Activity Based Costing including the ward-based management approach;
- Implement the Electronic Record Management System;
- Comply with National Core Standards; and
- Implement Lean Management and other programmes to reduce waiting times.

TABLE 4.15: SUMMARY OF PAYMENTS AND ESTIMATES: CENTRAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Central Hospitals	7 799 913	8 079 935	9 198 127	8 831 896	9 079 757	9 806 452	9 537 174	10 024 750	10 565 193
2. Provincial Tertiary Hospital Services	1 962 906	2 157 860	2 386 515	2 951 151	2 954 651	2 830 619	3 072 453	3 292 449	3 489 996
<b>Total payments and estimates</b>	<b>9 762 819</b>	<b>10 237 795</b>	<b>11 584 642</b>	<b>11 783 047</b>	<b>12 034 408</b>	<b>12 637 071</b>	<b>12 609 627</b>	<b>13 317 200</b>	<b>14 055 189</b>

TABLE 4.16: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CENTRAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>9 531 085</b>	<b>10 061 298</b>	<b>11 293 793</b>	<b>11 492 336</b>	<b>11 735 197</b>	<b>12 369 160</b>	<b>12 085 295</b>	<b>12 759 419</b>	<b>13 457 980</b>
Compensation of employees	6 422 987	7 176 189	7 817 483	8 229 196	8 361 044	8 561 055	8 716 095	9 214 422	9 757 287
Goods and services	3 107 677	2 884 069	3 476 310	3 263 140	3 374 153	3 808 105	3 369 200	3 544 997	3 700 693
Interest and rent on land	421	1 040							
<b>Transfers and subsidies to:</b>	<b>22 747</b>	<b>36 182</b>	<b>49 073</b>	<b>22 684</b>	<b>22 684</b>	<b>28 021</b>	<b>20 807</b>	<b>22 391</b>	<b>23 732</b>
Provinces and municipalities									
Departmental agencies and accounts		12	48						
Households	22 747	36 170	49 025	22 684	22 684	28 021	20 807	22 391	23 732
<b>Payments for capital assets</b>	<b>207 190</b>	<b>139 849</b>	<b>239 300</b>	<b>268 027</b>	<b>276 527</b>	<b>238 198</b>	<b>503 525</b>	<b>535 390</b>	<b>573 477</b>
Buildings and other fixed structures									
Machinery and equipment	207 190	139 836	239 300	268 027	276 527	238 198	503 525	535 390	573 477
Software and other intangible assets		13							
<b>Payments for financial assets</b>	<b>1 797</b>	<b>466</b>	<b>2 476</b>			<b>1 692</b>			
<b>Total economic classification</b>	<b>9 762 819</b>	<b>10 237 795</b>	<b>11 584 642</b>	<b>11 783 047</b>	<b>12 034 408</b>	<b>12 637 071</b>	<b>12 609 627</b>	<b>13 317 200</b>	<b>14 055 189</b>

The programme budget increases from R11.8 billion in 2015/16 to R12.6 billion in the 2016/17 financial year. The largest portion of the budget is allocated to the Sub-Programme: Central Hospitals. The programme is funded mainly through the conditional grant: the National Tertiary Services and the Health Professions Training and Development Grants.

Over the MTEF, the programme budget grows by 11.4 per cent or R1.4 billion; this is to ensure that non-negotiable budget line items such as medicine and medical supplies are adequately funded. In 2016/17, the department will continue to provide funding for operationalisation of the three tertiary hospitals, i.e. Helen Joseph, Kalafong and Tembisa.

The budget for compensation of employees increases from R8.2 billion in 2015/16 to R8.7 billion in the 2016/17 financial year, due to Improvement of Conditions of Service provision made for health professionals. Comparing the budgets of 2015/16 and 2016/17, goods and services increases by 3 per cent to ensure that non-negotiable and municipal service items are funded adequately.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: CENTRAL HOSPITALS

Performance measures ( for tertiary hospitals Helen Joseph, Kalafong and Tembisa)	Estimated Annual Targets		
	2016/17	2017/18	2018/19
National Core Standards self-assessment rate	100%	100%	100%
Quality Improvement Plan after self-assessment rate	100%	100%	100%
Percentage of Hospitals compliant with all extreme and vital measures of the national core standards	100%	100%	100%
Patient Satisfaction Survey Rate	100%	100%	100%
Patient Satisfaction Rate	78%	80%	82%
Average Length of Stay	5.45	5.5	5.5
Inpatient Bed Utilisation Rate	82%	82%	82%
Expenditure per patient day equivalent	R2 760	R2 900	R2 900
Complaint Resolution rate	95%	95%	100%
Complaint Resolution within 25 working days rate	80%	85%	100%
<b>ACADEMIC HOSPITALS</b>			
National Core Standards self-assessment rate	100%	100%	100%
Quality Improvement Plan after self-assessment rate	100%	100%	100%
Percentage of Hospitals compliant with all extreme and vital measures of the national core standards	100%	100%	100%
Patient Satisfaction Survey Rate	100%	100%	100%
Patient Satisfaction Rate	75%	78%	80%
Average Length of Stay	5.6	5.7	5.7
Inpatient Bed Utilisation Rate	78%	78%	78%
Expenditure per patient day equivalent	R3 500	R4 000	R4 000
Complaints resolution rate	80%	80%	85%
Complaint Resolution within 25 working days rate	90%	90%	95%

## PROGRAMME 6: HEALTH SCIENCES AND TRAINING

### Programme description

Rendering of training and development opportunities for clinical and non-clinical employees of the Department of Health through sub-programmes Nurse training college, Emergency medical services training college, Bursaries, and Other Training.

### Programme objectives

- Training of nurses at undergraduate and post-basic level. Target group includes actual and potential employees;
- Training of rescue and ambulance personnel. Target group includes actual and potential employees;
- Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees;
- Provision of PHC related training for personnel: Target group includes actual and potential employees;
- Provision of skills development interventions for all occupational categories in the Department; and

### Policies and priorities

- Implement the national Human Resource Framework;
- Implement the Skills Development Act including Expanded Public Works Programmes;
- Implement the Human Resource Development Strategy, policy and strategic plan;
- Expand the teaching and learning platform in line with MoUs with institutions of higher learning;
- Implement the South African/Cuban Medical doctor training programme in line with the Bilateral Cooperation Agreement between South Africa and Cuba;
- Accreditation of Nursing Colleges to offer new curriculum;
- Training of nurses and community health workers;
- Provision of learnership programme; and provision of bursaries to health professionals.

TABLE 4.17: SUMMARY OF PAYMENTS AND ESTIMATES: HEALTH SCIENCES AND TRAINING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Nurse Training Colleges	689 135	674 696	645 135	771 615	761 615	698 893	817 298	858 320	909 819
2. Ems Training Colleges	24 371	27 829	27 811	40 384	39 584	36 786	38 944	39 961	42 359
3. Bursaries	43 573	52 606	132 717	52 053	52 053	93 909	54 458	57 546	60 999
4. Other Training	49 991	74 354	56 268	52 498	59 678	59 678	65 752	69 336	73 496
<b>Total payments and estimates</b>	<b>807 070</b>	<b>829 485</b>	<b>861 931</b>	<b>916 549</b>	<b>912 929</b>	<b>889 266</b>	<b>976 452</b>	<b>1 025 163</b>	<b>1 086 673</b>

TABLE 4.18: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH SCIENCES AND TRAINING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>732 861</b>	<b>717 639</b>	<b>702 125</b>	<b>849 443</b>	<b>833 388</b>	<b>767 022</b>	<b>898 475</b>	<b>943 468</b>	<b>1 000 076</b>
Compensation of employees	686 494	680 787	654 032	791 784	777 834	706 437	840 081	882 087	935 012
Goods and services	46 367	36 852	48 093	57 659	55 554	60 585	58 394	61 381	65 064
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>65 296</b>	<b>101 209</b>	<b>150 215</b>	<b>55 833</b>	<b>67 588</b>	<b>109 683</b>	<b>68 034</b>	<b>72 102</b>	<b>76 428</b>
Provinces and municipalities									
Departmental agencies and accounts	28 239	16 085	17 131	17 919	17 919	17 919	18 869	19 812	21 001
Higher education institutions	500	958		1 864	1 864	1 864	1 963	2 061	2 185
Foreign governments and international organisations									
Public corporations and private enterprises	34	33 393							
Households	36 523	50 773	133 084	36 050	47 805	89 900	47 202	50 229	53 242
<b>Payments for capital assets</b>	<b>8 549</b>	<b>10 588</b>	<b>8 801</b>	<b>11 274</b>	<b>11 954</b>	<b>11 954</b>	<b>9 943</b>	<b>9 593</b>	<b>10 168</b>
Buildings and other fixed structures									
Machinery and equipment	8 549	10 588	8 801	11 274	11 954	11 954	9 943	9 593	10 168
<b>Payments for financial assets</b>	<b>364</b>	<b>49</b>	<b>790</b>			<b>607</b>			
<b>Total economic classification</b>	<b>807 070</b>	<b>829 485</b>	<b>861 931</b>	<b>916 549</b>	<b>912 929</b>	<b>889 266</b>	<b>976 452</b>	<b>1 025 163</b>	<b>1 086 673</b>

The budget for compensation of employees increases from R791.8 million 2015/16 to R840 million in the 2016/17 financial year. The sub-programme: Bursaries reflects an increase from R52 million in 2015/16 to R54 million in 2016/17 to provide

bursaries to address scarce skills such as medical professionals, assistant pharmacists and pharmacists. This initiative includes the South African Cuban Doctor Programme.

EMS colleges mainly train and provide the department with Emergency Care technicians (mid-level workers), thus ensuring that EMS norms and standards are met. The sub-Programme: Other Training grows from R52.4 million in 2015/16 to R65.7 million in 2016/17, thus ensuring that capacity for the health sector is available.

## SERVICE DELIVERY MEASURES

### PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of bursaries awarded to first year medicine students	20	50	100
Number of bursaries awarded to first year nursing students	1000	1000	1000

### PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

#### Programme description

The purpose of this programme is to render support services required by the Department to realise its aims through sub-programmes Laundry and Food supply services.

#### Programme objectives

- Rendering a laundry service to hospitals, care and rehabilitation centres and certain local authorities;
- Managing the supply of pharmaceuticals and medical sundries to hospitals, community health centres and local authorities;
- Render food supply services to hospitals and community health centres; and
- Increase the efficacy of the SCM system.

#### Policies and priorities

- Implement SCM policy and preferential procurement policy framework, including the BBBEE framework;
- Create a platform for women cooperatives to supply linen to the department;
- Strengthen the management of laundries and food supply;
- Ensure sustainability of direct delivery of medicines to healthcare facilities; and
- Roll out of central and remote automated dispensing units to all districts.

TABLE 4.19 : SUMMARY OF PAYMENTS AND ESTIMATES: HEALTH CARE SUPPORT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Laundries	152 113	151 214	158 418	191 005	190 473	178 274	195 706	204 845	217 136
2. Food Supply Services	44 281	43 420	53 124	69 322	69 322	57 637	73 040	76 692	81 293
3. Medicine Trading Account	150	236		1	1	1	1	1	1
<b>Total payments and estimates</b>	<b>196 544</b>	<b>194 870</b>	<b>211 542</b>	<b>260 328</b>	<b>259 796</b>	<b>235 912</b>	<b>268 747</b>	<b>281 538</b>	<b>298 430</b>

TABLE 4.20 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH CARE SUPPORT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>194 173</b>	<b>190 355</b>	<b>205 901</b>	<b>240 818</b>	<b>249 174</b>	<b>225 163</b>	<b>255 441</b>	<b>268 216</b>	<b>284 309</b>
Compensation of employees	120 031	121 428	124 875	153 770	153 770	138 548	163 125	171 282	181 558
Goods and services	74 142	68 927	81 026	87 048	95 404	86 615	92 316	96 934	102 750
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>276</b>	<b>729</b>	<b>658</b>	<b>317</b>	<b>317</b>	<b>419</b>	<b>536</b>	<b>565</b>	<b>599</b>
Provinces and municipalities									
Departmental agencies and accounts		1							
Households	276	728	658	317	317	419	536	565	599
<b>Payments for capital assets</b>	<b>2 052</b>	<b>3 747</b>	<b>4 964</b>	<b>19 193</b>	<b>10 305</b>	<b>10 305</b>	<b>12 770</b>	<b>12 758</b>	<b>13 523</b>
Buildings and other fixed structures									
Machinery and equipment	2 052	3 747	4 964	19 193	10 305	10 305	12 770	12 758	13 523
<b>Payments for financial assets</b>	<b>43</b>	<b>39</b>	<b>19</b>			<b>25</b>			
<b>Total economic classification</b>	<b>196 544</b>	<b>194 870</b>	<b>211 542</b>	<b>260 328</b>	<b>259 796</b>	<b>235 912</b>	<b>268 747</b>	<b>281 538</b>	<b>298 430</b>

The budget of this programme is allocated to five laundries throughout the province that provide cleaning services and purchase linen for health facilities as well as the one cook-freeze facility that provide pre-packed food service supply to health facilities. The 2016/17 budget has increased when compared with the 2015/16 financial year by R8 million.

Compensation of employees budget increased from R153.7 million in 2015/16 to R163.1 million in 2016/17. In the outer year, the personnel budget grows to R181.5 million to make provision for the cost of living adjustment and filling of vacancies.

The goods and services budget increases from R87 million in 2015/16 to an estimated R92.3 million for the 2016/17 financial year as part of the improvement on hygiene and for the replacement of linen.

## PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

### Programme description

The purpose of this programme is to plan, provide and equip new facilities/assets, upgrade and rehabilitate community health centres, clinics, district, provincial, specialized and academic hospitals, and other health-related facilities, and also to undertake life cycle management of immovable assets through maintenance of all health facilities.

### Programme objectives

- Construction of new, and refurbishment, upgrading and maintenance of existing, CHCs, PHCs and District Hospitals;
- Construction of new, and refurbishment, upgrading and maintenance of existing, EMS facilities;
- Construction of new, and refurbishment, upgrading and maintenance of existing, regional hospitals and specialised hospitals, tertiary and central hospitals; and
- Construction of new, and refurbishment, upgrading and maintenance of other, health facilities including forensic pathology facilities and nursing colleges.

### Policies and priorities

- Improved health infrastructure design, delivery and maintenance;
- Medical supplies depots standards complied with SAHPRA licensing;
- Maintenance improved through adequate budget allocation and average completion for minor maintenance within 48 hours;
- Reduce under-spending on infrastructure budget; and
- Ensure compliance with all statutory requirements.

TABLE 4.21: SUMMARY OF PAYMENTS AND ESTIMATES : HEALTH FACILITIES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Community Health Facilities	101 168	133 050	145 238	286 122	319 515	319 515	447 225	699 619	606 272
2. Emergency Medical Rescue Services	18 507	1 501	1 108	1 390	3 390	3 390	5 400	18 871	21 302
3. District Hospital Services	271 851	201 983	209 253	208 967	298 291	298 291	346 226	783 221	1 005 593
4. Provincial Hospital Services	505 784	384 383	464 429	397 880	573 518	573 518	491 415	197 932	262 824

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
5. Central Hospital Services	212 039	242 822	398 392	306 909	509 193	509 193	443 681	415 500	324 206
6. Other Facilities	134 482	157 727	165 675	246 705	253 745	253 745	283 983	310 191	324 673
<b>Total payments and estimates</b>	<b>1 243 831</b>	<b>1 121 466</b>	<b>1 384 095</b>	<b>1 447 973</b>	<b>1 957 652</b>	<b>1 957 652</b>	<b>2 017 930</b>	<b>2 425 334</b>	<b>2 544 870</b>

TABLE 4.22: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH FACILITIES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>638 152</b>	<b>666 714</b>	<b>858 884</b>	<b>570 667</b>	<b>1 080 146</b>	<b>1 080 146</b>	<b>668 421</b>	<b>781 160</b>	<b>934 855</b>
Compensation of employees	10 234	10 408	10 167	15 573	16 673	16 673	38 680	35 678	37 869
Goods and services	627 918	656 306	848 717	555 094	1 063 473	1 063 473	629 741	745 482	896 986
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>212</b>	<b>39</b>	<b>22</b>						
Departmental agencies and accounts	8								
Non-profit institutions	113								
Households	91	39	22						
<b>Payments for capital assets</b>	<b>605 467</b>	<b>454 713</b>	<b>525 189</b>	<b>877 306</b>	<b>877 506</b>	<b>877 506</b>	<b>1 349 509</b>	<b>1 644 174</b>	<b>1 610 015</b>
Buildings and other fixed structures	526 772	413 088	364 769	869 741	869 741	869 741	1 235 355	1 630 974	1 595 444
Machinery and equipment	78 695	41 625	160 420	7 565	7 765	7 765	114 154	13 200	14 571
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 243 831</b>	<b>1 121 466</b>	<b>1 384 095</b>	<b>1 447 973</b>	<b>1 957 652</b>	<b>1 957 652</b>	<b>2 017 930</b>	<b>2 425 334</b>	<b>2 544 870</b>

The bulk of the budget for this programme is transferred to the DID for major capital works' programmes performed on behalf of the department. This includes new facilities, and the rehabilitation, upgrading and maintenance of facilities.

The goods and services budget has increased by 13 percent from 2015/16 to 2016/17 to cater for the day-to-day maintenance of health facilities.

## SERVICE DELIVERY MEASURES

### PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of health facilities that have undergone major and minor refurbishment in NHI Pilot District <sup>2</sup>		4	0
Number of health facilities that have undergone major and minor refurbishments outside NHI pilot district (excluding facilities in NHI Pilot District)	8	7	2
Establish service level agreements (SLAs) with Department of Public Works (and any other implementing agent)	1	1	1

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

TABLE 4.23: PERSONNEL NUMBERS AND COSTS: HEALTH

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	2 617	1 587	1 591	1 793	1 819	1 823	1 825
2. District Health Services	16 798	18 148	18 384	19 183	19 230	19 258	19 288
3. Emergency Medical Services	1 463	1 469	1 513	1 629	1 629	1 645	1 656
4. Provincial Hospital Services	18 275	18 857	19 158	19 735	19 804	19 834	19 861
5. Central Hospital Services	18 379	18 673	18 710	19 060	19 143	19 181	19 217
6. Health Sciences And Training	5 122	4 491	3 957	3 345	3 360	3 364	3 370
7. Health Care Support Services	747	681	702	934	938	950	971
8. Health Facilities Management	42	34	39	34	34	39	49
<b>Total provincial personnel numbers</b>	<b>63 443</b>	<b>63 939</b>	<b>64 054</b>	<b>65 713</b>	<b>65 957</b>	<b>66 094</b>	<b>66 237</b>

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
Total provincial personnel cost (R thousand)	15 244 542	17 096 854	18 654 909	20 777 919	22 208 890	23 614 733	25 043 335
Unit cost (R thousand)	240	267	291	316	337	357	378

Numbers of the personnel in the Gauteng Department of Health (GDoH) are steadily increasing over the Medium Term Expenditure Framework (MTEF) period.

A decision to maintain a lean and manageable head office which has helped to keep the personnel numbers within the Administration programme constant. The move towards strengthening the Primary Health Care (PHC) service, Re-Engineering of the PHC will and has resulted in the increment of personnel headcount within the District Health Services. The process of Provincialisation (taking over specific services from the municipalities into the department), is another cause of increasing personnel numbers. As a process, provincialisation is carried out in phases throughout the departmental health districts. Currently, provincialisation process is completed in the West Rand Health District and other districts will follow, thereby bringing about a further increase in headcount figures.

Furthermore, the current rate in burden of diseases and in migration into the province from other provinces and neighbouring countries is placing great strain on the workload of the department's personnel. This pressure on the provision of services is, inevitably, resulting in the increment of personnel numbers. The GDoH has embarked on the termination of some services contracts. These are health services which were contracted out and offered by private organisations such as the Selby Park Hospital and the Life-Esidimeni services. Taking over of these services also result in increment of personnel numbers. The department is also on the verge of taking over the Bronkhorstspuit Hospital, with the same effect on the numbers of personnel.

Other issues, which are resulting in the increase of personnel numbers, include the need to increase health professionals thereby having to increase the number of training personnel in the department. Also the decision to perform in-house maintenance (of clinical equipment), requires the department to increase the numbers of clinical engineers.

TABLE 4.24: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: HEALTH

R thousands	Actual						Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF			
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19			
	Personnel numbers'	Costs	Personnel numbers'	Costs	Personnel numbers'	Costs	Additional posts	Personnel numbers'	Costs	Personnel numbers'	Costs	Personnel numbers'	Costs	Personnel growth rate	Costs growth rate	% Costs of Total		
Salary level																		
1 - 6	38 712		38 071		38 107	5 717 098	2 481	38 502	6 898 119	38 595	7 350 761	38 663	7 675 541	38 731	8 173 588	0.2%	5.8%	33.1%
7 - 10	15 988		17 579		17 609	6 333 470	140	18 510	7 199 930	18 617	7 711 558	18 658	8 055 664	18 691	8 587 532	0.3%	6.1%	34.6%
11 - 12	5 958		6 520		6 611	6 185 856	1 495	6 747	6 302 805	6 787	6 682 726	6 819	7 010 392	6 862	7 509 935	0.6%	6.0%	30.3%
13 - 16	92		101		117	108 259	114	116	118 718	120	128 577	120	134 255	120	142 437	1.1%	6.3%	0.6%
Other	2 693		1 669		1 610	263 521	-	1 838	306 790	1 838	326 259	1 834	339 568	1 833	362 172	-0.1%	5.7%	1.5%
<b>Total</b>	<b>63 443</b>		<b>63 939</b>		<b>64 054</b>	<b>18 608 204</b>	<b>4 118</b>	<b>65 713</b>	<b>20 826 361</b>	<b>65 957</b>	<b>22 199 881</b>	<b>66 094</b>	<b>23 215 421</b>	<b>66 237</b>	<b>24 775 665</b>	<b>0.3%</b>	<b>6.0%</b>	<b>100.0%</b>
<b>Programme</b>																		
1. Administration	2 617	241 568	1 587	274 797	1 591	301 841	51	1 793	370 989	1 819	395 774	1 823	415 513	1 825	440 483	0.6%	5.9%	1.8%
2. District Health Services	16 798	4 243 315	18 148	4 663 026	18 384	5 163 990	1 314	19 183	5 935 931	19 230	6 492 283	19 258	6 736 463	19 288	7 179 400	0.2%	6.5%	28.8%
3. Emergency Medical Services	1 463	262 330	1 469	313 509	1 513	330 910	2	1 629	425 460	1 629	465 538	1 645	491 141	1 656	520 619	0.5%	7.0%	2.1%
4. Provincial Hospital Services	18 275	3 257 583	18 857	3 856 710	19 158	4 251 671	1 569	19 735	4 814 616	19 804	5 109 683	19 834	5 317 452	19 861	5 673 491	0.2%	5.6%	23.0%
5. Central Hospital Services	18 379	6 422 987	18 673	7 176 189	18 710	7 817 483	1 153	19 060	8 333 788	19 143	8 716 129	19 181	9 182 423	19 217	9 825 032	0.3%	5.6%	39.7%
6. Health Sciences And Training	5 122	686 494	4 491	680 787	3 957	654 032	5	3 345	775 812	3 360	840 080	3 364	882 087	3 370	935 012	0.2%	6.4%	3.8%
7. Health Care Support Services	747	120 031	681	121 428	702	124 875	-	934	153 100	938	163 127	950	171 282	971	181 558	1.3%	5.8%	0.7%
8. Health Facilities Management	42	10 234	34	10 408	39	10 167	24	34	16 665	34	17 267	39	19 060	49	20 069	13.0%	6.4%	0.1%
<b>Total</b>	<b>63 443</b>	<b>15 244 542</b>	<b>63 939</b>	<b>17 096 854</b>	<b>64 054</b>	<b>18 654 909</b>	<b>4 118</b>	<b>65 713</b>	<b>20 826 361</b>	<b>65 957</b>	<b>22 199 881</b>	<b>66 094</b>	<b>23 215 421</b>	<b>66 237</b>	<b>24 775 665</b>	<b>0.3%</b>	<b>6.0%</b>	<b>100.0%</b>



	Actual			Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF						
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
<b>R thousands</b>																	
Employee dispensation classification																	
Public Service Act appointees not covered by OSDs								4 639 714								100.0%	22.6%
Public Service Act appointees still to be covered by OSDs								105 700								100.0%	0.5%
Professional Nurses, Staff Nurses and Nursing Assistants								8 085 856								100.0%	39.4%
Legal Professionals								3 271								100.0%	0.0%
Social Services Professions								107 364								100.0%	0.5%
Engineering Professions and related occupations								23 831								100.0%	0.1%
Medical and related professionals								5 673 491								100.0%	27.6%
Therapeutic, Diagnostic and other related Allied Health Professionals								1 883 896								-100.0%	9.2%
Educators and related professionals																	
Others such as interns, EPWP, learnerships, etc.								3 290								-100.0%	0.0%
<b>Total</b>								<b>20 536 413</b>								<b>-100.0%</b>	<b>100.0%</b>

## 9.2 Training

TABLE 4.25: PAYMENTS OF TRAINING: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	13 352	4 141	1 047	2 068	2 068	3 346	1 755	2 000	2 120
Payments on tuition	13 293	3 801	1 052	2 068	2 068	3 346	1 755	2 000	2 120
Other	59	340	(5)						
2. District Health Services	6 256	7 216	13 577	24 581	25 062	23 749	22 879	23 937	25 345
Payments on tuition	5 092	7 216	13 577	24 581	25 062	23 749	22 879	23 937	25 345
Other	1 164								
3. Emergency Medical Services	32	26		423	763	324	1 654	687	728
Payments on tuition	32	26		423	763	324	1 654	687	728
4. Provincial Hospital Services	492	401	413	2 591	2 591	2 537	7 298	7 442	7 889
Payments on tuition	492	401	413	2 591	2 591	2 537	7 298	7 442	7 889
5. Central Hospital Services	625	878	851	2 172	2 703	2 703	2 080	2 158	2 288
Payments on tuition	625	878	836	2 172	2 703	2 703	2 080	2 158	2 288
Other			15						
6. Health Sciences And Training	13 661	8 680	11 840	21 181	12 859	8 226	22 759	24 752	26 202
Payments on tuition	5 436	5 321	10 452	4 572	7 649	3 016	6 023	6 894	7 308
Other	8 225	3 359	1 388	16 610	5 210	5 210	16 736	17 858	18 894
7. Health Care Support Services			1	160	148	148	68	71	75
Payments on tuition			1	160	148	148	68	71	75
8. Health Facilities Management	3 595	3 010	2 904	3 742	3 826	3 826			
Payments on tuition	3 529	3 010	2 904	3 742	3 826	3 826			
Other	66								
<b>Total payments on training</b>	<b>41 608</b>	<b>27 362</b>	<b>33 537</b>	<b>60 660</b>	<b>53 846</b>	<b>48 685</b>	<b>58 493</b>	<b>61 046</b>	<b>64 647</b>

The increased payments on tuition in the programme 2: District Health Services is attributed to the department's focus on the re-engineering and rationalisation of the Primary Health Care Services. The increase is also as a result of the training of community health workers, medical and support staff, who will be appointed under the HIV and AIDS programme. Over the MTEF, the department will continue to up-skill and develop employees in various key areas towards health systems efficiency.

TABLE 4.26: INFORMATION ON TRAINING: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff	63 443	63 939	64 054	65 713	65 713	65 713	65 957	66 094	66 237
Number of personnel trained	13 051	10 000	10 905	11 412	16 438	18 180	19 800	21 615	23 631
<i>of which</i>									
Male	3 141	2 500	3 177	3 180	2 876	3 180	3 300	3 465	3 666
Female	9 910	7 500	7 728	8 232	13 562	15 000	16 500	18 150	19 965
Number of training opportunities	13 296	12 500	13 500	13 800	25 225	30 089	33 095	36 395	40 025
<i>of which</i>									
Tertiary	24	33	33	33	14	15	20	20	20
Workshops	12 828	12 064	12 982	13 270	13 178	15 000	16 500	18 150	19 965
Seminars	2	2	5	5	74	74	75	75	75
Other	442	401	480	492	11 959	15 000	16 500	18 150	19 965
Number of bursaries offered	244	4 650	4 659	4 943	4 943	4 943	5 415	5 686	6 016
Number of interns appointed	1 071	1 000	1 000	1 000	953	1 000	1 000	1 000	1 000
Number of learnerships appointed	185	500	500	500	465	500	500	500	500
Number of days spent on training	180	180	210	235	235	235	242	245	245

The department will over the 2016 MTEF offer more bursaries to students through the South Africa Cuban Medical Doctor Training Programme to address the shortage of skills in the province. The department will offer 17 117 bursaries to students over the MTEF. The Human Resource Development plan will continue to be implemented by the department inclusive of training programmes for midwives to improve maternity and neonatal services. The department will also continue to train clinical engineers and address staff shortages especially in obstetrics and gynaecology, accident and emergency, PHC, ICU and advanced midwifery.

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

TABLE 4.27: SPECIFICATION OF RECEIPTS: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>474 156</b>	<b>471 332</b>	<b>451 636</b>	<b>527 770</b>	<b>527 770</b>	<b>495 384</b>	<b>555 741</b>	<b>583 528</b>	<b>617 373</b>
Sale of goods and services produced by department (excluding capital assets)	472 533	469 882	450 433	526 236	526 236	493 850	554 126	581 832	615 579
Sales by market establishments	13 073	19 281	20 045	20 212	20 212	20 819	21 283	22 347	23 644
Administrative fees	2	3 689	3 965						
Other sales	459 458	446 912	426 423	506 024	506 024	473 031	532 843	559 485	591 935
Of which									
Health patient fees	405 381	413 318	375 174	456 274	456 274	416 282	473 830	497 853	527 113
Boarding Services	35 305	35 868	33 822	37 214	37 214	37 214	39 187	41 146	43 533
Commission	10 438	16 282	12 587	11 250	11 250	11 250	11 846	12 438	13 160
Special events (Ambulances Services)	8 334		731	1 286	1 286	1 286	6 626	6 626	6 626
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1 623	1 450	1 203	1 534	1 534	1 534	1 615	1 696	1 794
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>	<b>3</b>	<b>47</b>	<b>52</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>53</b>	<b>55</b>	<b>58</b>
<b>Interest, dividends and rent on land</b>	<b>1 255</b>	<b>6 188</b>	<b>397</b>	<b>1 216</b>	<b>1 216</b>	<b>1 216</b>	<b>1 280</b>	<b>1 344</b>	<b>1 422</b>
Interest	1 255	6 188	397	1 216	1 216	1 216	1 280	1 344	1 422
Dividends									
Rent on land									
<b>Transactions in financial assets and liabilities</b>	<b>31 525</b>	<b>50 143</b>	<b>71 966</b>	<b>26 691</b>	<b>26 691</b>	<b>40 938</b>	<b>28 026</b>	<b>29 427</b>	<b>31 134</b>
<b>Total departmental receipts</b>	<b>506 939</b>	<b>527 710</b>	<b>524 051</b>	<b>555 727</b>	<b>555 727</b>	<b>537 588</b>	<b>585 100</b>	<b>614 355</b>	<b>649 987</b>

TABLE 4.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>471 731</b>	<b>565 776</b>	<b>514 261</b>	<b>551 271</b>	<b>725 591</b>	<b>836 452</b>	<b>819 146</b>	<b>658 159</b>	<b>699 788</b>
Compensation of employees	241 568	274 797	301 841	370 768	370 768	337 791	395 762	415 549	442 621
Salaries and wages	169 079	242 782	266 052	297 751	297 751	288 002	318 701	334 636	354 714
Social contributions	72 489	32 015	35 789	73 017	73 017	49 789	77 061	80 913	87 907
Goods and services	229 792	290 748	212 420	180 502	354 822	498 661	423 384	242 610	257 166
Administrative fees	21	2 360	2 236	770	1 378	2 480	1 310	1 351	1 433
Advertising	9 368	1 445	3 643	2 518	1 918	1 918	2 456	3 139	3 327
Minor Assets	180	66	318	1 200	800	800	264	327	347
Audit cost: External	28 549	21 883	23 976	20 829	20 829	19 468	20 991	22 368	23 710
Bursaries: Employees	59	340	(5)						
Catering: Departmental activities	470	542	484	593	993	1 268	624	656	695
Communication (G&S)	7 413	14 431	17 264	13 374	15 274	37 502	15 075	15 786	16 733
Computer services	22 511	68 898	76 490	75 610	251 988	343 472	318 894	129 907	137 701
Consultants and professional services: Business and advisory services	48 475	40 015	36 466	20 116	22 516	25 617	20 210	21 572	22 866
Consultants and professional services: Laboratory services	940	77 490	304						
Consultants and professional services: Legal costs	25 628	4 251	26 948	14 794	14 794	37 664	14 526	15 252	16 167
Contractors	9 437	3 491	1 312	2 041	278	278	247	354	376
Agency and support / outsourced services	4 351	10 870	598		32	202			
Entertainment									
Fleet services (including government motor transport)	2	2 571	1 524	1 680	2 160	2 449	4 031	4 123	4 370

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Inventory: Clothing material and accessories		6 897	2	23					
Inventory: Food and food supplies	791	43	109	65	50	50	26	28	29
Inventory: Fuel, oil and gas	12 085	1	43	52	52	52			
Inventory: Learner and teacher support material	115								
Inventory: Materials and supplies	94	54	195	34	57	57	35	37	39
Inventory: Medical supplies	334	1 227	1 754	461	481	481			
Consumable supplies	1 520	12 298	655	623	391	391	657	689	731
Consumable: Stationery, printing and office supplies	3 899	2 927	4 571	7 929	7 529	6 591	8 150	8 568	9 082
Operating leases	8 205	-239	4	1 383	783	1 577	1 381	1 450	1 537
Property payments	13 840	2 760	4 913	2 697	3 227	4 808	2 840	2 982	3 161
Transport provided: Departmental activity	184	156	41	2	2	2	2	2	2
Travel and subsistence	16 347	12 003	6 884	11 367	6 729	6 729	9 646	11 642	12 341
Training and development	13 293	3 801	1 052	2 068	2 068	3 346	1 755	2 000	2 120
Operating payments	863	107	44	252	152	152			
Venues and facilities	803	55	591	20	220	529	81	82	87
Rental and hiring	15	5	4		120	778	183	296	313
Interest and rent on land	371	231							
Interest	371	231							
<b>Transfers and subsidies</b>	<b>16 136</b>	<b>1 897</b>	<b>2 158</b>	<b>2 092</b>	<b>2 092</b>	<b>3 868</b>	<b>2 203</b>	<b>2 313</b>	<b>2 450</b>
Non-profit institutions	15 131								
Households	998	1 897	2 158	2 092	2 092	3 868	2 203	2 313	2 450
Social benefits	998	1 897	1 954	2 092	2 092	1 709	1 203	1 313	1 392
Other transfers to households			204			2 159	1 000	1 000	1 058
<b>Payments for capital assets</b>	<b>12 761</b>	<b>16 449</b>	<b>42 191</b>	<b>7 831</b>	<b>15 543</b>	<b>56 582</b>	<b>8 546</b>	<b>9 488</b>	<b>10 058</b>
Machinery and equipment	12 761	16 449	42 191	7 831	15 543	56 582	8 546	9 488	10 058
Transport equipment			5 502			6 654	4 485	5 015	5 315
Other machinery and equipment	12 761	16 449	36 689	7 831	15 543	49 928	4 061	4 473	4 743
<b>Payments for financial assets</b>	<b>734</b>	<b>29</b>	<b>6 471</b>			<b>1 186</b>			
<b>Total economic classification</b>	<b>501 362</b>	<b>584 151</b>	<b>565 081</b>	<b>561 194</b>	<b>743 226</b>	<b>898 088</b>	<b>829 895</b>	<b>669 961</b>	<b>712 296</b>

TABLE 4.29: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>7 415 386</b>	<b>7 551 460</b>	<b>8 777 412</b>	<b>10 503 621</b>	<b>10 664 557</b>	<b>10 440 325</b>	<b>11 476 238</b>	<b>12 463 523</b>	<b>13 492 091</b>
Compensation of employees	4 243 315	4 663 026	5 163 930	5 665 974	5 936 631	5 862 663	6 476 312	7 040 469	7 482 426
Salaries and wages	2 970 321	4 073 909	4 519 329	4 898 670	5 094 170	5 088 290	5 609 333	6 000 193	6 376 696
Social contributions	1 272 994	589 117	644 601	767 304	842 461	774 373	866 979	1 040 277	1 105 730
Goods and services	3 172 071	2 888 427	3 613 482	4 837 647	4 727 926	4 577 662	4 999 926	5 423 053	6 009 664
Administrative fees	136	227	184	383	404	335	1 302	1 005	1 066
Advertising	3 605	3 519	8 572	4 396	3 611	3 591	2 647	3 949	4 186
Minor Assets	8 923	8 274	14 999	86 080	88 168	43 540	66 186	69 526	73 697
Bursaries: Employees	1 164								
Catering: Departmental activities	2 659	2 637	3 821	7 311	7 342	6 294	3 028	3 396	3 600
Communication (G&S)	30 129	30 686	35 712	40 677	42 090	33 486	42 378	43 722	46 345
Computer services	2 450	24	329	1 600	1 525	1 221		1	1
Consultants and professional services: Business and advisory services	310	340	751	10 134	10 145	6 128	35 612	37 623	39 881
Consultants and professional services: Laboratory services	570 873	301 906	630 516	678 775	676 475	676 475	702 923	741 136	825 192
Consultants and professional services: Legal costs	2 254	5 651	22 841	4 315	4 836	33 954			
Contractors	18 879	17 667	304 646	395 368	378 504	363 607	366 734	381 486	424 659

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Agency and support / outsourced services	53 176	21 253	33 609	54 873	55 302	47 801	73 268	74 619	79 097
Entertainment	35	6							
Fleet services (including government motor transport)	2 838	23 081	13 297	33 424	38 198	37 168	39 095	40 045	42 447
Housing	11	10							
Inventory: Clothing material and accessories		2 232	4 200	11 943	11 577	9 873		1	1
Inventory: Food and food supplies	45 038	22 530	42 785	79 399	74 219	68 734	82 072	84 148	89 197
Inventory: Fuel, oil and gas	19 335	19 055	36 694	67 215	67 676	55 314	72 303	74 980	79 478
Inventory: Learner and teacher support material	29	15	6	114	116	116	56	58	62
Inventory: Materials and supplies	8 324	9 668	8 786	17 016	21 235	18 619	31 047	31 021	32 882
Inventory: Medical supplies	265 517	184 526	279 482	698 440	678 230	515 817	489 501	534 480	616 549
Inventory: Medicine	1 580 402	1 732 581	1 708 803	2 080 233	1 954 799	2 050 589	2 291 931	2 571 791	2 877 455
Medsas inventory interface	24								
Consumable supplies	70 967	50 072	64 049	114 863	106 641	105 013	146 824	150 850	159 901
Consumable: Stationery, printing and office supplies	29 002	27 715	42 692	52 768	54 600	53 490	58 677	64 184	68 035
Operating leases	35 826	24 001	16 110	14 882	28 880	24 299	33 053	34 781	36 868
Property payments	241 555	238 384	303 383	331 764	364 423	367 169	412 623	426 315	451 894
Transport provided: Departmental activity	448	208	722	4 364	3 685	3 684	2 062	2 159	2 289
Travel and subsistence	132 032	13 633	10 551	14 482	18 921	17 433	18 920	20 259	21 475
Training and development	5 092	7 216	13 577	24 581	25 062	23 749	23 104	21 755	23 060
Operating payments	35 750	129 806	3 441	3 696	6 561	5 508	3 308	3 948	4 184
Venues and facilities	3 770	11 348	8 183	4 550	4 650	4 341	1 222	5 763	6 109
Rental and hiring	1 518	156	741		50	314	50	52	55
Interest and rent on land		7							
Interest		7							
Rent on land									
<b>Transfers and subsidies</b>	<b>1 080 394</b>	<b>731 303</b>	<b>663 494</b>	<b>795 147</b>	<b>771 751</b>	<b>728 310</b>	<b>845 963</b>	<b>816 169</b>	<b>865 139</b>
Provinces and municipalities	506 498	288 758	310 721	327 388	327 380	327 380	344 531	361 769	383 475
Municipalities	506 498	288 758	310 721	327 388	327 380	327 380	344 531	361 769	383 475
Municipalities	506 498	288 758	310 721	327 388	327 380	327 380	344 531	361 769	383 475
Departmental agencies and accounts	10	1							
Provide list of entities receiving transfers	10	1							
Non-profit institutions	560 418	421 917	328 990	456 324	432 936	382 936	482 058	434 085	460 131
Households	13 468	20 627	23 783	11 434	11 434	17 994	19 374	20 315	21 534
Social benefits	13 468	20 627	23 738	11 434	11 434	17 925	19 304	20 235	21 449
Other transfers to households			45			69	70	80	85
<b>Payments for capital assets</b>	<b>58 989</b>	<b>74 206</b>	<b>120 643</b>	<b>122 079</b>	<b>179 280</b>	<b>174 774</b>	<b>275 838</b>	<b>263 348</b>	<b>279 149</b>
Buildings and other fixed structures	1 510	1 537	13 554						
Buildings	1 510	1 537	13 554						
Machinery and equipment	57 479	72 511	107 089	122 079	179 280	174 774	275 838	263 348	279 149
Transport equipment	1 306		34 524	4 448	4 448	54 573	60 367	47 096	49 922
Other machinery and equipment	56 173	72 511	72 565	117 631	174 832	120 201	215 471	216 251	229 226
Software and other intangible assets		158							
<b>Payments for financial assets</b>	<b>1 187</b>	<b>463</b>	<b>1 497</b>			<b>1 584</b>			
<b>Total economic classification</b>	<b>8 555 956</b>	<b>8 357 432</b>	<b>9 563 046</b>	<b>11 420 847</b>	<b>11 615 588</b>	<b>11 344 993</b>	<b>12 598 039</b>	<b>13 543 039</b>	<b>14 636 378</b>

TABLE 4.30: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EMERGENCY MEDICAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>556 692</b>	<b>537 280</b>	<b>467 718</b>	<b>704 500</b>	<b>675 560</b>	<b>634 992</b>	<b>755 126</b>	<b>797 417</b>	<b>845 262</b>
Compensation of employees	262 330	313 509	330 910	425 710	425 710	395 576	465 538	494 127	523 774
Salaries and wages	201 857	263 252	279 233	351 879	351 879	330 492	383 749	407 664	432 123
Social contributions	60 473	50 257	51 677	73 831	73 831	65 084	81 789	86 463	91 651
Goods and services	294 362	223 771	136 808	278 790	249 850	239 416	289 588	303 290	321 488
Administrative fees	536	1 174	616	12	1 012	1 363	2 012	1 612	1 709
Minor Assets	107	1 728	147	6 998	4 098	4 098	9 057	8 610	9 126
Audit cost: External	32								
Catering: Departmental activities	6	8	2	10	50	50	61	71	75
Communication (G&S)	8 639	5 756	6 487	4 471	6 471	6 471	6 508	6 734	7 138
Computer services	8 972	54		2 365	865	865	385	504	534
Consultants and professional services: Business and advisory services		32							
Consultants and professional services: Legal costs	176	402	324		60	60			
Contractors	583	3 551	2 638	4 000	5 000	4 005	4 033	4 234	4 488
Agency and support / outsourced services	1 923	153	541	1 916	1 916	1 117	1 932	2 028	2 150
Fleet services (including government motor transport)	91 310	102 088	66 085	113 510	113 510	120 583	116 393	121 812	129 121
Inventory: Clothing material and accessories		5 980	1 488	5 500	6 500	5 542			
Inventory: Food and food supplies	5	7	6	10	10	10	12	15	16
Inventory: Fuel, oil and gas	2 859	1 654	1 894	5 100	2 100	1 000	2 143	2 400	2 544
Inventory: Materials and supplies	38	585	984	200	1 700	1 700	2 202	2 212	2 344
Inventory: Medical supplies	5 878	5 923	2 870	12 114	9 114	13 602	6 215	6 826	7 235
Inventory: Medicine	686	783	504	10 000	3 000	778	2 084	3 588	3 803
Consumable supplies	1 023	1 385	1 955	3 398	3 398	2 881	10 472	10 643	11 282
Consumable: Stationery, printing and office supplies	4 079	2 098	3 263	6 000	6 000	4 761	6 050	6 352	6 734
Operating leases	15 073	16 554	16 379	25 000	27 000	27 000	37 153	38 404	40 709
Property payments	799	3 531	7 927	10 000	12 000	12 000	22 084	16 588	17 583
Transport provided: Departmental activity	151 276	70 118	22 548	66 762	43 812	30 481	57 629	68 910	73 045
Travel and subsistence	199	181	150	1 001	1 001	255	1 009	1 059	1 123
Training and development	32	26		423	763	324	1 654	687	728
Operating payments	131								
Venues and facilities					450	450	250		
Rental and hiring					20	20	250		
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>577 474</b>	<b>320 218</b>	<b>362 136</b>	<b>353 938</b>	<b>332 063</b>	<b>332 063</b>	<b>333 295</b>	<b>349 835</b>	<b>370 825</b>
Provinces and municipalities	577 027	318 919	361 321	353 938	330 063	330 063	330 795	347 335	368 175
Municipalities	577 027	318 919	361 321	353 938	330 063	330 063	330 795	347 335	368 175
Municipalities	577 027	318 919	361 321	353 938	330 063	330 063	330 795	347 335	368 175
Municipal agencies and funds									
Non-profit institutions									
Households	447	1 299	815		2 000	2 000	2 500	2 500	2 650
Social benefits	447	1 299	735		2 000	2 000	2 500	2 500	2 650
Other transfers to households			80						
<b>Payments for capital assets</b>	<b>13 063</b>	<b>78 780</b>	<b>17 669</b>	<b>28 053</b>	<b>78 868</b>	<b>97 778</b>	<b>108 800</b>	<b>127 830</b>	<b>135 500</b>
Buildings and other fixed structures		510							
Buildings		510							
Other fixed structures									
Machinery and equipment	13 063	78 270	17 669	28 053	78 868	97 778	108 800	127 830	135 500



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Transport equipment			15 472			80 750	60 000	81 000	85 860
Other machinery and equipment	13 063	78 270	2 197	28 053	78 868	17 028	48 800	46 830	49 640
<b>Payments for financial assets</b>	<b>2</b>		<b>38</b>			<b>11</b>			
<b>Total economic classification</b>	<b>1 147 231</b>	<b>936 278</b>	<b>847 561</b>	<b>1 086 491</b>	<b>1 086 491</b>	<b>1 064 844</b>	<b>1 197 221</b>	<b>1 275 082</b>	<b>1 351 587</b>

TABLE 4.31: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>4 330 570</b>	<b>4 867 144</b>	<b>5 570 168</b>	<b>6 350 610</b>	<b>6 383 038</b>	<b>6 305 439</b>	<b>6 697 664</b>	<b>7 060 031</b>	<b>7 483 633</b>
Compensation of employees	3 257 583	3 856 710	4 251 671	4 756 275	4 792 275	4 759 176	5 113 298	5 361 120	5 682 787
Salaries and wages	2 010 575	3 411 168	3 770 502	4 233 235	4 258 435	4 216 031	4 371 010	4 623 268	4 900 664
Social contributions	1 247 008	445 542	481 169	523 041	533 841	543 145	742 288	737 852	782 123
Goods and services	1 072 798	1 010 189	1 318 425	1 594 335	1 590 763	1 546 263	1 584 366	1 698 911	1 800 846
Administrative fees	2 038	241	113	147	144	144	225	179	190
Advertising	147	284	1 177	875	775	795	885	944	1 001
Minor Assets	3 883	3 706	4 751	10 640	11 898	10 208	19 420	20 982	22 241
Audit cost: External	2			53			10	9	9
Catering: Departmental activities	111	97	106	152	152	152	240	250	265
Communication (G&S)	15 203	12 637	12 421	11 086	11 197	10 918	12 873	13 764	14 590
Computer services	3 399	412	280	85	85	511			
Consultants and professional services: Business and advisory services	1 686	2 550	2 195	3 047	3 499	1 867	7 234	7 596	8 052
Consultants and professional services: Laboratory services	9 441	36 703	77 813	178 108	179 086	179 085	153 269	199 416	211 381
Consultants and professional services: Scientific and technological services				30					
Consultants and professional services: Legal costs	97 188	59 199	100 614	10 406	10 326	98 057			
Contractors	42 752	55 649	52 657	39 290	38 639	44 341	35 543	34 826	36 916
Agency and support / outsourced services	47 458	38 410	48 190	54 805	49 692	58 018	48 845	57 798	61 266
Entertainment	4	1	2	1 127					
Fleet services (including government motor transport)		5 005	3 612	14 013	14 298	10 219	13 564	13 894	14 728
Inventory: Clothing material and accessories		2 988	3 516	11 392	10 312	8 702			
Inventory: Food and food supplies	56 851	56 906	62 915	126 620	100 657	87 000	96 264	101 758	107 863
Inventory: Fuel, oil and gas	9 887	14 474	28 318	35 966	27 267	28 105	35 307	37 099	39 325
Inventory: Learner and teacher support material	42	49	146	803	803	803	131	138	147
Inventory: Materials and supplies	3 003	5 176	4 437	19 937	5 716	5 336	9 766	10 460	11 087
Inventory: Medical supplies	401 898	321 076	414 032	439 909	446 759	460 297	467 080	517 048	548 071
Inventory: Medicine	93 630	148 221	175 382	372 279	351 545	190 325	289 698	272 841	289 212
Medsas inventory interface	(4)		2						
Inventory: Other supplies				2 115	35	35			
Consumable supplies	74 622	63 228	87 204	69 712	76 782	88 929	98 228	100 616	106 653
Consumable: Stationery, printing and office supplies	16 213	16 312	18 414	24 182	19 537	22 253	21 965	23 291	24 689
Operating leases	3 903	8 513	6 177	12 135	12 640	13 492	18 516	19 537	20 709
Property payments	170 996	155 159	207 123	149 395	212 095	220 437	242 619	254 966	270 264
Transport provided: Departmental activity	(117)	70	3 102	205	705	705	670	691	733
Travel and subsistence	16 733	956	1 272	2 137	2 137	1 732	2 454	1 939	2 055
Training and development	492	401	413	2 591	2 537	1 923	8 298	7 442	7 889
Operating payments	989	934	588	934	986	1 217	862	930	986
Venues and facilities	342	431	1 118	158	158	158	400	495	525
Rental and hiring	6	401	335		300	499			
Interest and rent on land	189	245	72						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Interest	189	245							
Rent on land			72						
<b>Transfers and subsidies</b>	<b>253 975</b>	<b>231 469</b>	<b>342 996</b>	<b>271 014</b>	<b>261 159</b>	<b>269 113</b>	<b>71 905</b>	<b>159 682</b>	<b>169 263</b>
Provinces and municipalities									
Departmental agencies and accounts	3	18	4						
Social security funds									
Provide list of entities receiving transfers	3	18	4						
Non-profit institutions	241 843	218 536	323 713	265 286	254 047	254 047	61 972	149 324	158 284
Households	12 129	12 915	19 279	5 728	7 112	15 066	9 933	10 357	10 979
Social benefits	12 129	12 915	18 860	5 728	7 112	15 066	9 933	10 357	10 979
Other transfers to households			419						
<b>Payments for capital assets</b>	<b>33 393</b>	<b>53 831</b>	<b>72 742</b>	<b>77 126</b>	<b>82 801</b>	<b>87 659</b>	<b>140 577</b>	<b>152 897</b>	<b>162 071</b>
Buildings and other fixed structures			631						
Buildings			631						
Other fixed structures									
Machinery and equipment	33 393	53 814	72 111	77 126	82 801	87 659	140 577	152 897	162 071
Transport equipment	1		5 549			12 197	13 355	18 129	19 217
Other machinery and equipment	33 392	53 814	66 562	77 126	82 801	75 462	127 222	134 768	142 854
Software and other intangible assets			17						
<b>Payments for financial assets</b>	<b>1 596</b>	<b>1 880</b>	<b>1 408</b>			<b>1 045</b>			
<b>Total economic classification</b>	<b>4 619 534</b>	<b>5 154 324</b>	<b>5 987 314</b>	<b>6 698 750</b>	<b>6 726 998</b>	<b>6 663 256</b>	<b>6 910 146</b>	<b>7 372 610</b>	<b>7 814 966</b>

TABLE 4.32: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CENTRAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>9 531 085</b>	<b>10 061 298</b>	<b>11 293 793</b>	<b>11 492 336</b>	<b>11 735 197</b>	<b>12 369 160</b>	<b>12 085 295</b>	<b>12 759 419</b>	<b>13 457 980</b>
Compensation of employees	6 422 987	7 176 189	7 817 483	8 229 196	8 361 044	8 561 055	8 716 095	9 214 422	9 757 287
Salaries and wages	4 765 824	6 436 281	7 026 508	6 600 808	6 639 678	7 666 289	6 757 638	7 186 623	7 612 821
Social contributions	1 657 163	739 908	790 975	1 628 388	1 721 366	894 766	1 958 457	2 027 799	2 144 466
Goods and services	3 107 677	2 884 069	3 476 310	3 263 140	3 374 153	3 808 105	3 369 200	3 544 997	3 700 693
Administrative fees	424	66	68	52	65	315	181	184	195
Advertising	198	952	512	1 558	801	801	710	752	797
Minor Assets	8 774	8 826	11 816	49 197	41 442	20 291	44 579	47 468	50 316
Bursaries: Employees			15						
Catering: Departmental activities	17	22	63	83	83	83	70	74	78
Communication (G&S)	16 356	18 253	25 273	14 322	14 338	17 550	15 521	16 245	17 219
Computer services	8 350	579	210	673	373	373			
Consultants and professional services: Business and advisory services	228	231	378	826	606	7 268	811	855	906
Consultants and professional services: Laboratory services	653 973	176 662	349 357	537 882	551 668	551 668	454 470	442 195	468 727
Consultants and professional services: Legal costs	19 209	109 305	87 586	493	493	243 320			
Contractors	245 314	160 808	250 136	163 632	152 149	189 665	169 496	182 166	193 096
Agency and support / outsourced services	133 889	234 901	188 567	125 146	127 132	174 850	77 345	79 019	83 760
Entertainment	204	100	3						
Fleet services (including government motor transport)	941	4 512	2 769	8 445	7 054	6 166	10 265	9 661	10 241
Inventory: Clothing material and accessories		6 057	5 348	6 063	6 447	8 164			
Inventory: Food and food supplies	62 919	71 248	89 564	150 745	133 994	101 615	145 692	153 198	162 390

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Inventory: Fuel, oil and gas	39 941	40 691	38 869	47 137	48 662	48 662	44 005	46 582	49 377
Inventory: Learner and teacher support material	712	52							
Inventory: Materials and supplies	7 992	10 279	9 282	18 229	15 743	15 743	15 074	15 987	16 946
Inventory: Medical supplies	1 090 630	1 075 719	1 252 342	1 207 506	1 223 916	1 236 263	1 170 884	1 251 312	1 285 348
Inventory: Medicine	317 969	330 123	501 962	507 054	482 338	499 402	506 480	534 439	555 544
Medsas inventory interface	4								
Consumable supplies	150 535	191 164	213 229	165 577	172 169	234 407	179 315	201 037	213 099
Consumable: Stationery, printing and office supplies	26 363	25 620	36 779	35 595	33 763	41 442	35 268	37 793	40 061
Operating leases	8 692	57	8 167	20 108	18 027	10 644	14 846	16 498	17 488
Property payments	290 836	412 322	399 806	196 515	335 162	392 733	478 792	502 833	528 003
Transport provided: Departmental activity	5 401	412	15	885	563	563	504	1 073	1 137
Travel and subsistence	16 849	2 017	1 436	1 448	1 278	1 278	1 427	1 785	1 893
Training and development	625	878	836	2 172	2 703	2 703	2 080	2 158	2 288
Operating payments	308	2 211	1 922	1 797	3 184	2 136	1 385	1 682	1 783
Venues and facilities	24	1							
Rental and hiring		1							
Interest and rent on land	421	1 040							
Interest	421	1 040							
Rent on land									
<b>Transfers and subsidies</b>	<b>22 747</b>	<b>36 182</b>	<b>49 073</b>	<b>22 684</b>	<b>22 684</b>	<b>28 021</b>	<b>20 807</b>	<b>22 391</b>	<b>23 732</b>
Departmental agencies and accounts		12	48						
Social security funds									
Provide list of entities receiving transfers		12	48						
Households	22 747	36 170	49 025	22 684	22 684	28 021	20 807	22 391	23 732
Social benefits	22 747	36 170	47 508	22 684	22 684	27 021	19 807	21 291	22 568
Other transfers to households			1 517			1 000	1 000	1 100	1 164
<b>Payments for capital assets</b>	<b>207 190</b>	<b>139 849</b>	<b>239 300</b>	<b>268 027</b>	<b>276 527</b>	<b>238 198</b>	<b>503 525</b>	<b>535 390</b>	<b>573 477</b>
Machinery and equipment	207 190	139 836	239 300	268 027	276 527	238 198	503 525	535 390	573 477
Transport equipment			6 048			10 125	2 700	2 835	3 005
Other machinery and equipment	207 190	139 836	233 252	268 027	276 527	228 073	500 825	532 555	570 472
Software and other intangible assets		13							
<b>Payments for financial assets</b>	<b>1 797</b>	<b>466</b>	<b>2 476</b>			<b>1 692</b>			
<b>Total economic classification</b>	<b>9 762 819</b>	<b>10 237 795</b>	<b>11 584 642</b>	<b>11 783 047</b>	<b>12 034 408</b>	<b>12 637 071</b>	<b>12 609 627</b>	<b>13 317 200</b>	<b>14 055 189</b>

TABLE 4.33: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH SCIENCES AND TRAINING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>732 861</b>	<b>717 639</b>	<b>702 125</b>	<b>849 443</b>	<b>833 388</b>	<b>767 022</b>	<b>898 475</b>	<b>943 468</b>	<b>1 000 076</b>
Compensation of employees	686 494	680 787	654 032	791 784	777 834	706 437	840 081	882 087	935 012
Salaries and wages	480 547	579 368	561 479	677 766	662 001	607 866	703 537	738 712	783 035
Social contributions	205 947	101 419	92 553	114 018	115 833	98 571	136 544	143 375	151 977
Goods and services	46 367	36 852	48 093	57 659	55 554	60 585	58 394	61 381	65 064
Administrative fees	14	14	33	18	62	62	15	16	17
Advertising	269	261	244	300	300	300	250	262	278
Minor Assets	278	960	701	1 658	1 076	753	1 554	1 633	1 731
Bursaries: Employees	8 225	3 359	1 388	16 610	5 210	5 210	8 500	8 622	9 139
Catering: Departmental activities	81	138	206	262	262	262	198	202	214
Communication (G&S)	1 304	1 282	1 305	1 573	1 573	1 572	1 716	1 802	1 911
Computer services	82	5	4	512	512	512			
Consultants and professional services: Business and advisory services	1	1	12	22	188	188	330	334	354

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Consultants and professional services: Legal costs		37	507			165			
Contractors	910	510	498	1 204	540	540	1 050	1 102	1 168
Agency and support / outsourced services		193	592	146	145	145	60	63	67
Fleet services (including government motor transport)	443	1 394	1 067	2 882	2 513	2 513	2 287	2 402	2 546
Inventory: Clothing material and accessories		407	261	2 176	2 109	2 109			
Inventory: Food and food supplies	19	169	78	136	61	61	127	132	140
Inventory: Fuel, oil and gas	22	15	28	56	53	52	82	87	92
Inventory: Learner and teacher support material	433	668	943	1 840	1 410	1 410	1 670	1 714	1 816
Inventory: Materials and supplies	582	1 324	748	1 060	902	902	453	437	463
Inventory: Medical supplies	297	869	161	952	905	905	729	766	812
Inventory: Medicine	110	42	58	105	152	152	101	107	113
Medsas inventory interface	1								
Consumable supplies	6 400	5 424	4 920	2 395	2 819	5 644	3 321	3 486	3 695
Consumable: Stationery, printing and office supplies	1 991	2 326	2 442	3 707	3 635	3 635	3 612	3 792	4 020
Operating leases	895	97		1 466	1 051	1 051	920	966	1 024
Property payments	9 885	10 652	13 518	11 920	19 996	19 458	11 864	12 457	13 204
Transport provided: Departmental activity				7	7	7			
Travel and subsistence	5 488	1 218	7 466	1 681	1 995	9 531	13 002	13 549	14 362
Training and development	5 436	5 321	10 452	4 572	7 649	3 016	6 023	6 894	7 308
Operating payments	3 201	116	322	400	400	400	500	525	557
Venues and facilities		50	139		30	30	30	31	33
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>65 296</b>	<b>101 209</b>	<b>150 215</b>	<b>55 833</b>	<b>67 588</b>	<b>109 683</b>	<b>68 034</b>	<b>72 102</b>	<b>76 428</b>
Departmental agencies and accounts	28 239	16 085	17 131	17 919	17 919	17 919	18 869	19 812	21 001
Social security funds									
Provide list of entities receiving transfers	28 239	16 085	17 131	17 919	17 919	17 919	18 869	19 812	21 001
Higher education institutions	500	958		1 864	1 864	1 864	1 963	2 061	2 185
Foreign governments and international organisations									
Public corporations and private enterprises	34	33 393							
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises	34	33 393							
Subsidies on production									
Other transfers	34	33 393							
Non-profit institutions									
Households	36 523	50 773	133 084	36 050	47 805	89 900	47 202	50 229	53 242
Social benefits	1 233	1 640	2 020	607	752	2 750	1 244	1 305	1 383
Other transfers to households	35 290	49 133	131 064	35 443	47 053	87 150	45 958	48 924	51 859
<b>Payments for capital assets</b>	<b>8 549</b>	<b>10 588</b>	<b>8 801</b>	<b>11 274</b>	<b>11 954</b>	<b>11 954</b>	<b>9 943</b>	<b>9 593</b>	<b>10 168</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	8 549	10 588	8 801	11 274	11 954	11 954	9 943	9 593	10 168
Transport equipment			4 153			4 378	4 196	4 373	4 635
Other machinery and equipment	8 549	10 588	4 648	11 274	11 954	7 576	5 747	5 220	5 533
<b>Payments for financial assets</b>		<b>364 49</b>	<b>790</b>			<b>607</b>			
<b>Total economic classification</b>		<b>807 070 485</b>	<b>861 931</b>	<b>916 549</b>	<b>912 929</b>	<b>889 266</b>	<b>976 452</b>	<b>1 025 163</b>	<b>1 086 672</b>

TABLE 4.34: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH CARE SUPPORT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>194 173</b>	<b>190 355</b>	<b>205 901</b>	<b>240 818</b>	<b>249 174</b>	<b>225 163</b>	<b>255 441</b>	<b>268 216</b>	<b>284 309</b>
Compensation of employees	120 031	121 428	124 875	153 770	153 770	138 548	163 124	171 281	181 557
Salaries and wages	116 295	102 012	104 884	130 278	118 278	114 921	136 331	143 147	151 736
Social contributions	3 736	19 416	19 991	23 492	35 492	23 627	26 793	28 133	29 821
Goods and services	74 142	68 927	81 026	87 048	95 404	86 615	92 317	96 935	102 751
Minor Assets	23	152	272	465	730	328	642	674	714
Catering: Departmental activities		1							
Communication (G&S)	487	873	512	1 011	623	625	873	916	971
Contractors	413	30	130	980	370	369	714	750	795
Agency and support / outsourced services			511	595	134	380	13	14	15
Fleet services (including government motor transport)		2 156	930	2 368	2 874	4 036	2 472	2 596	2 752
Inventory: Clothing material and accessories		1 184	930		80	416			
Inventory: Food and food supplies	19 029	18 506	27 710	27 553	27 553	23 508	27 150	28 508	30 218
Inventory: Fuel, oil and gas	985	131	17	1 199	892	764	929	976	1 035
Inventory: Materials and supplies	65	69	101	94	94	230	292	307	325
Inventory: Medical supplies	149	247	378	317	517	411	359	376	399
Consumable supplies	33 946	35 173	33 420	38 059	42 780	35 548	43 196	45 355	48 076
Consumable: stationary, printing and office supplies	262	186	250	320	450	697	589	619	656
Operating leases	326						190	200	212
Property payments	12 033	10 219	15 692	13 814	18 126	19 122	14 765	15 506	16 436
Travel and subsistence	6 528			113	33	33	65	68	72
Training and development			1	160	148	148	68	71	75
Operating payments	(104)		172						
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>276</b>	<b>729</b>	<b>658</b>	<b>317</b>	<b>317</b>	<b>419</b>	<b>536</b>	<b>565</b>	<b>599</b>
Departmental agencies and accounts		1							
Social security funds									
Provide list of entities receiving transfers		1							
Non-profit institutions									
Households	276	728	658	317	317	419	536	565	599
Social benefits	276	728	658	317	317	419	536	565	599
Other transfers to households									
<b>Payments for capital assets</b>	<b>2 052</b>	<b>3 747</b>	<b>4 964</b>	<b>19 193</b>	<b>10 305</b>	<b>10 305</b>	<b>12 770</b>	<b>12 758</b>	<b>13 523</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	2 052	3 747	4 964	19 193	10 305	10 305	12 770	12 758	13 523
Transport equipment			2 705			3 706	7 262	7 600	8 056
Other machinery and equipment	2 052	3 747	2 259	19 193	10 305	6 599	5 508	5 158	5 467
<b>Payments for financial assets</b>	<b>43</b>	<b>39</b>	<b>19</b>			<b>25</b>			
<b>Total economic classification</b>	<b>196 544</b>	<b>194 870</b>	<b>211 542</b>	<b>260 328</b>	<b>259 796</b>	<b>235 912</b>	<b>268 747</b>	<b>281 538</b>	<b>298 430</b>

TABLE 4.35: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH FACILITIES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>638 152</b>	<b>666 714</b>	<b>858 884</b>	<b>570 667</b>	<b>1 080 146</b>	<b>1 080 146</b>	<b>668 421</b>	<b>781 160</b>	<b>934 855</b>
Compensation of employees	10 234	10 408	10 167	15 573	16 673	16 673	38 680	35 678	37 869
Salaries and wages	7 164	8 907	8 834	11 920	12 820	12 820	26 520	24 737	26 293
Social contributions	3 070	1 501	1 333	3 653	3 853	3 853	12 160	10 941	11 576
Goods and services	627 918	656 306	848 717	555 094	1 063 473	1 063 473	629 741	745 482	896 986
Administrative fees	2								
Advertising	86		551	300	400	400	317	333	352
Assets less than the capitalisation threshold	3 631	9 710	4 694	2 850	2 850	2 850	1 398	491	519
Bursaries: Employees	66								
Catering: Departmental activities	8	12	393	100	150	150	105	111	117
Communication (G&S)	4	847	359	158	158	158	667	176	186
Computer services	30 126	1 439	27 474						
Contractors	3 724	4 479	8 634	2 051	2 051	2 051	2 000		
Agency and support / outsourced services	420	8							
Fleet services (including government motor transport)		22	2	555	555	555	1 670	615	650
Inventory: Clothing material and accessories		166							
Inventory: Food and food supplies	98	24	13						
Inventory: Fuel, oil and gas	335	3 507	30						
Inventory: Learner and teacher support material		1							
Inventory: Materials and supplies	400	648	1 868						
Inventory: Medical supplies	1 854	17 935	13 366						
Inventory: Medicine	1	1 806							
Consumable supplies	1 297	16 359	5 982	1 000	1 000	1 000	350		
Consumable: stationery, printing and office supplies	189	681	283	285	285	285	300	316	334
Operating leases	9 430	15 980	30 729	38 502	38 502	38 502	31 525	37 530	39 707
Property payments	572 442	575 888	746 868	505 361	1 013 456	1 013 456	583 209	705 701	854 898
Transport provided: Departmental activity			45						
Travel and subsistence	297	513	536	190	240	240	2 200	210	223
Training and development	3 529	3 010	2 904	3 742	3 826	3 826	5 000		
Operating payments	(229)	3 271	13						
Venues and facilities	208		20				1 000		
Rental and hiring			3 953						
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>212</b>	<b>39</b>	<b>22</b>						
Departmental agencies and accounts	8								
Social security funds									
Provide list of entities receiving transfers	8								
Non-profit institutions	113								
Households	91	39	22						
Social benefits	91	39	22						
Other transfers to households									
<b>Payments for capital assets</b>	<b>605 467</b>	<b>454 713</b>	<b>525 189</b>	<b>877 306</b>	<b>877 506</b>	<b>877 506</b>	<b>1 349 509</b>	<b>1 644 174</b>	<b>1 610 015</b>
Buildings and other fixed structures	526 772	413 088	364 769	869 741	869 741	869 741	1 235 355	1 630 974	1 595 444

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Buildings	526 772	413 088	364 769	869 741	869 741	869 741	1 235 355	1 630 974	1 595 444
Other fixed structures									
Machinery and equipment	78 695	41 625	160 420	7 565	7 765	7 765	114 154	13 200	14 571
Transport equipment							1 200	13 200	14 571
Other machinery and equipment	78 695	41 625	160 420	7 565	7 765	7 765	112 954		
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 243 831</b>	<b>1 121 466</b>	<b>1 384 095</b>	<b>1 447 973</b>	<b>1 957 652</b>	<b>1 957 652</b>	<b>2 017 930</b>	<b>2 425 334</b>	<b>2 544 870</b>

TABLE 4.36: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : COMPREHENSIVE HIV, AIDS AND TB: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 806 434</b>	<b>2 144 842</b>	<b>2 520 696</b>	<b>2 813 752</b>	<b>2 813 752</b>	<b>2 813 752</b>	<b>3 167 582</b>	<b>3 651 649</b>	<b>4 120 794</b>
Compensation of employees	415 085	459 057	531 230	717 990	717 990	717 990	797 230	919 062	1 041 465
Salaries and wages	361 070	399 358	465 203	597 008	597 008	597 008	661 701	762 822	861 348
Social contributions	54 015	59 699	66 027	120 982	120 982	120 982	135 529	156 240	180 117
Goods and services	1 391 349	1 685 785	1 989 466	2 095 762	2 095 762	2 095 762	2 370 352	2 732 587	3 079 329
Administrative fees	2	25	29						
Advertising	2 745	1 014	7 891	2 381	2 381	2 381			
Assets less than the capitalisation threshold	1 190	277	1 287	3 669	3 669	3 669	639	737	832
Catering: Departmental activities	2 089	2 370	3 211	7 095	7 095	7 095	41	47	53
Communication (G&S)	85	188	120	309	309	309	8	9	10
Consultants and professional services: Business and advisory services			37	684	684	684	28 450	32 798	37 034
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services	406 553	264 560	559 572	450 970	450 970	450 970	484 069	558 044	630 121
Consultants and professional services: Legal costs									
Contractors	140	1	273 304	331 069	331 069	331 069	325 055	374 730	423 130
Agency and support / outsourced services	446		950						
Fleet services (including government motor transport)			20	200	200	200			
Inventory: Clothing material and accessories		23							
Inventory: Food and food supplies	23 185	5 631	12 109	21 371	21 371	21 371	18 581	21 421	24 187
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	2 477	38	304						
Inventory: Medical supplies	81 168	48 027	92 499	321 126	321 126	321 126	172 904	199 327	225 072
Inventory: Medicine	833 615	1 213 564	1 006 474	936 644	936 644	936 644	1 324 441	1 527 841	1 718 978
Consumable supplies	1 692	2 156	1 804	1 024	1 024	1 024	2 070	2 386	2 695
Consumable: Stationery, printing and office supplies	5 467	6 839	12 579	5 676	5 676	5 676	4 052	4 671	5 275
Operating leases	26 310		34	72	72	72	108	125	141
Property payments	567	1 848	1 270	1 464	1 464	1 464	1 416	1 632	1 843
Transport provided: Departmental activity			18	1 846	1 846	1 846			
Travel and subsistence	507	1 300	849	2 250	2 250	2 250	3 921	3 520	3 974
Training and development	2 849	5 151	8 051	4 062	4 062	4 062	2 887	3 328	3 758
Operating payments		123 157							
Venues and facilities	262	9 566	7 050	3 850	3 850	3 850	1 710	1 971	2 226
Rental and hiring		50	4						
Interest and rent on land									
Interest									
Rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>	<b>91 422</b>	<b>111 404</b>	<b>47 013</b>	<b>106 520</b>	<b>106 520</b>	<b>106 520</b>	<b>91 600</b>	<b>105 598</b>	<b>121 736</b>
Other transfers to private enterprises									
Non-profit institutions	90 617	109 587	45 687	106 000	106 000	106 000	91 600	105 598	121 736
Households	805	1 817	1 326	520	520	520			
Social benefits	805	1 817	1 326	520	520	520			
Other transfers to households									
<b>Payments for capital assets</b>	<b>3 437</b>	<b>2 237</b>	<b>15 520</b>	<b>8 028</b>	<b>8 028</b>	<b>8 028</b>	<b>225</b>	<b>259</b>	<b>299</b>
Buildings and other fixed structures	649	1 146	13 553						
Buildings									
Other fixed structures	649	1 146	13 553						
Machinery and equipment	2 788	1 091	1 967	8 028	8 028	8 028	225	259	299
Transport equipment									
Other machinery and equipment	2 788	1 091	1 967	8 028	8 028	8 028	225	259	299
<b>Payments for financial assets</b>									
<b>Total economic classification:</b>	<b>1 901 293</b>	<b>2 258 483</b>	<b>2 583 229</b>	<b>2 928 300</b>	<b>2 928 300</b>	<b>2 928 300</b>	<b>3 259 407</b>	<b>3 757 507</b>	<b>4 242 829</b>

TABLE 4.37: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH PROFESSIONS TRAINING AND DEVELOPMENT GRANT: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>42 284</b>	<b>53 736</b>	<b>121 564</b>	<b>75 416</b>	<b>75 416</b>	<b>75 416</b>			
Compensation of employees	40 271	46 514	117 467	39 688	39 688	39 688			
Salaries and wages	42 632	122 003	106 529	22 803	22 803	22 803			
Social contributions	3 882	16 435	10 938	16 885	16 885	16 885			
Goods and services	2 013	7 222	4 097	35 728	35 728	35 728			
Assets less than the capitalisation threshold		15		1 188	1 188	1 188			
Consultants and professional services: Laboratory services		1 898	96	7 667	7 667	7 667			
Inventory: Clothing material and accessories			41						
Inventory: Food and food supplies			4						
Inventory: Materials and supplies	6	4	14						
Inventory: Medical supplies	1 364	8 684	3 245	22 198	22 198	22 198			
Inventory: Medicine	5 560	14 332		4 675	4 675	4 675			
Consumable supplies	35	21	198						
Travel and subsistence	257	285	473						
Operating payments			26						
<b>Transfers and subsidies</b>		<b>146</b>	<b>414</b>						
Households	146	146	414						
Social benefits	146	112	414						
Other transfers to households									
<b>Payments for capital assets</b>	<b>445</b>	<b>445</b>	<b>1 726</b>	<b>3 971</b>	<b>3 971</b>	<b>3 971</b>			
Machinery and equipment	445	445	1 726	3 971	3 971	3 971			
Transport equipment									
Other machinery and equipment	445	943	1 726	3 971	3 971	3 971			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>42 284</b>	<b>54 327</b>	<b>123 704</b>	<b>79 387</b>	<b>79 387</b>	<b>79 387</b>			



TABLE 4.38: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH PROFESSIONS TRAINING AND DEVELOPMENT GRANT: CENTRAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>592 498</b>	<b>504 735</b>	<b>549 396</b>	<b>517 750</b>	<b>541 537</b>	<b>541 537</b>	<b>620 866</b>	<b>659 981</b>	<b>701 559</b>
Compensation of employees	507 508	450 372	428 765	218 000	218 000	218 000	298 899	317 730	337 747
Salaries and wages	467 753	402 805	386 140	177 252	177 252	177 252	209 229	222 410	236 422
Social contributions	39 755	47 567	42 625	40 748	40 748	40 748	89 670	95 319	101 324
Goods and services	84 990	54 363	120 631	299 750	323 537	323 537	321 967	342 251	363 813
Minor Assets	335	564	707	13 018	7 018	7 018	5 780	6 144	6 531
Consultants and professional services: Business and advisory services			3						
Consultants and professional services: Laboratory services	11 347	9 898	32 689	77 730	77 730	77 730	43 427	46 163	49 071
Contractors	13	144	84						
Inventory: Fuel, oil and gas		491							
Inventory: Materials and supplies	15	194							
Inventory: Medical supplies	64 962	30 526	57 817	155 586	170 534	170 534	207 046	220 090	233 956
Inventory: Medicine	8 000	12 462	29 272	53 416	68 255	68 255	65 714	69 854	74 255
Consumable supplies	21	28	25						
Consumable: Stationery, printing and office supplies	175								
Travel and subsistence	105	1	19						
Training and development	17	22							
Operating payments		33	15						
<b>Transfers and subsidies</b>	<b>503</b>	<b>119</b>	<b>215</b>				<b>100</b>	<b>106</b>	
Households	503	119	215				100	106	
Social benefits	428	119	215				100	106	
Other transfers to households	75								
<b>Payments for capital assets</b>	<b>5 465</b>	<b>7 238</b>	<b>14 328</b>	<b>27 250</b>	<b>33 250</b>	<b>33 250</b>	<b>36 149</b>	<b>38 426</b>	<b>40 847</b>
Machinery and equipment	5 465	7 238	14 328	27 250	33 250	33 250	36 149	38 426	40 847
Transport equipment									
Other machinery and equipment	5 465	7 238	14 328	27 250	33 250	33 250	36 149	38 426	40 847
<b>Total economic classification</b>	<b>598 466</b>	<b>512 092</b>	<b>563 939</b>	<b>545 000</b>	<b>574 787</b>	<b>574 787</b>	<b>657 115</b>	<b>698 513</b>	<b>742 407</b>

TABLE 4.39: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH PROFESSIONS TRAINING AND DEVELOPMENT GRANT: PROVINCIAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>72 034</b>	<b>87 740</b>	<b>118 650</b>	<b>194 956</b>	<b>165 169</b>	<b>165 169</b>	<b>184 748</b>	<b>196 141</b>	<b>204 335</b>
Compensation of employees	67 980	78 023	103 859	101 808	101 808	101 808	121 265	128 849	133 678
Salaries and wages	63 093	71 557	94 372	76 120	76 120	76 120	84 886	90 287	93 188
Social contributions	4 887	6 466	9 487	25 688	25 688	25 688	36 379	38 562	40 490
Goods and services	4 054	9 717	14 791	93 148	63 361	63 361	63 483	67 292	70 657
Administrative fees	3								
Assets less than the capitalisation threshold			71	4 269	4 269	4 269	3 463	3 671	3 855
Communication (G&S)	6		72						
Consultants and professional services: Laboratory services	1 275	1 385	1 644	17 095	18 811	18 811	15 148	16 057	16 860
Contractors		345							
Agency and support / outsourced services			143						
Inventory: Food and food supplies			3						
Inventory: Fuel, oil and gas	14								
Inventory: Materials and supplies			7						
Inventory: Medical supplies	2 439	1 505	3 314	44 648	29 809	29 809	26 854	28 465	29 888
Inventory: Medicine	270	6 197	9 338	27 136	10 472	10 472	18 018	19 099	20 054
Consumable supplies	10	247	42						
Consumable: Stationery, printing and office supplies			16						
Travel and subsistence	37	38	79						
Training and development			10						
Operating payments			52						
<b>Transfers and subsidies</b>		<b>286</b>	<b>106</b>						
Households		286	106						

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Social benefits		286	106						
Other transfers to households									
<b>Payments for capital assets</b>	<b>483</b>	<b>351</b>	<b>2 436</b>	<b>10 261</b>	<b>10 261</b>	<b>10 261</b>	<b>23 381</b>	<b>24 784</b>	<b>26 023</b>
Machinery and equipment	483	351	2 436	10 261	10 261	10 261	23 381	24 784	26 023
Transport equipment					400	400			
Other machinery and equipment	483	351	2 436	10 261	9 861	9 861	23 381	24 784	26 023
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>72 517</b>	<b>88 377</b>	<b>121 192</b>	<b>205 217</b>	<b>175 430</b>	<b>175 430</b>	<b>208 129</b>	<b>220 925</b>	<b>230 358</b>

TABLE 4.40 PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: NATIONAL TERTIARY GRANT: CENTRAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>2 878 317</b>	<b>3 187 989</b>	<b>3 337 462</b>	<b>3 342 053</b>	<b>3 342 053</b>	<b>3 342 053</b>	<b>3 275 426</b>	<b>3 480 410</b>	<b>3 682 273</b>
Compensation of employees	2 115 553	2 269 799	2 175 044	2 220 101	2 220 101	2 220 101	2 314 839	2 472 200	2 615 587
Salaries and wages	1 929 297	2 129 059	1 883 177	2 129 297	2 100 674	2 100 674	1 620 387	1 733 997	1 834 569
Social contributions	186 256	140 740	291 867	90 804	119 427	119 427	694 452	738 202	781 018
Goods and services	762 764	918 190	1 162 418	1 121 952	1 121 952	1 121 952	960 587	1 008 210	1 066 686
Minor Assets	3 922	3 582	4 785	18 599	18 599	18 599	25 227	26 816	28 372
Computer services	7 689	209							
Consultants and professional services: Laboratory services	240 910	149 476	207 358	321 016	321 016	321 016	235 040	249 848	264 339
Contractors	48 687	43 962	64 483	62 671	62 671	62 671	79 234	84 226	89 111
Agency and support / outsourced services	14 525	36 028	5	6 074	6 074	6 074	1 000	1 063	1 125
Inventory: Clothing material and accessories		652	108	1 528	1 528	1 528			
Inventory: Food and food supplies	194	1 836	191						
Inventory: Fuel, oil and gas	66	171	17	490	490	490	490	521	551
Inventory: Learner and teacher support material		3							
Inventory: Materials and supplies	378	403	83	10	10	10			
Inventory: Medical supplies	302 821	399 776	549 391	417 499	417 499	417 499	397 980	423 053	447 590
Inventory: Medicine	113 986	263 766	308 310	271 905	271 905	271 905	206 504	219 514	232 246
Consumable supplies	11 768	13 241	27 135	12 758	12 758	12 758	2 982	3 170	3 354
Consumable: Stationery, printing and office supplies	120	655	23	1 072	1 072	1 072			
Operating leases	1 539	97	64	8 121	8 121	8 121	12 130		
Property payments	15 618	4 289	435						
Travel and subsistence	437	44	22	209	209	209			
Training and development	85								
Operating payments	19		8						
<b>Transfers and subsidies</b>		<b>6 234</b>	<b>16 056</b>	<b>22 666</b>	<b>22 666</b>	<b>22 666</b>	<b>14 407</b>	<b>15 315</b>	<b>16 203</b>
Non-profit institutions									
Households		6 234	16 056	22 666	22 666	22 666	14 407	15 315	16 203
Social benefits		6 234	16 056	22 666	22 666	22 666	14 407	15 315	16 203
Other transfers to households									
<b>Payments for capital assets</b>	<b>166 209</b>	<b>111 587</b>	<b>140 335</b>	<b>208 137</b>	<b>208 137</b>	<b>208 137</b>	<b>437 215</b>	<b>464 760</b>	<b>491 716</b>
Buildings and other fixed structures									
Machinery and equipment	166 209	111 587	140 335	208 137	208 137	208 137	437 215	464 760	491 716
Transport equipment									
Other machinery and equipment	166 209	111 587	140 335	208 137	208 137	208 137	437 215	464 760	491 716
<b>Total economic classification</b>	<b>3 044 526</b>	<b>3 305 810</b>	<b>3 493 853</b>	<b>3 572 856</b>	<b>3 572 856</b>	<b>3 572 856</b>	<b>3 727 048</b>	<b>3 960 484</b>	<b>4 190 192</b>

TABLE 4.41: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: NATIONAL HEALTH INSURANCE: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>2 195</b>	<b>3 650</b>	<b>4 935</b>	<b>3 921</b>	<b>8 921</b>	<b>8 921</b>	<b>2 697</b>		
Compensation of employees	1 291		520	650	650	650	610		
Salaries and wages	1 291		481	550	550	550	610		
Social contributions			39	100	100	100			
Goods and services	904	3 650	4 415	3 271	8 271	8 271	2 087		
Administrative fees		18							
Advertising				100					
Minor Assets	533	1 670		200			27		
Catering: Departmental activities			20	50	81	81			
Communication (G&S)		955	3 097	530	13	13	20		
Contractors				50					
Agency and support / outsourced services					156	156			
Inventory: Food and food supplies			123				40		
Inventory: Materials and supplies							50		
Inventory: Medical supplies	371	962			2 429	2 429	340		
Consumable supplies		45	89	740	3 200	3 200			
Consumable: Stationery, printing and office supplies			185		10	10	60		
Training and development			901	1 601	2 382	2 382	1 550		
<b>Transfers and subsidies</b>		<b>333</b>							
Provinces and municipalities									
Non-profit institutions		333							
<b>Payments for capital assets</b>	<b>211</b>	<b>6 676</b>	<b>725</b>	<b>3 283</b>	<b>1 285</b>	<b>1 285</b>	<b>4 846</b>		
Buildings and other fixed structures									
Machinery and equipment	211	6 676	725	3 283	1 285	1 285	4 846		
Transport equipment									
Other machinery and equipment	211	6 676	725	3 283	1 285	1 285	4 846		
<b>Total economic classification</b>	<b>2 406</b>	<b>10 659</b>	<b>5 660</b>	<b>7 204</b>	<b>10 206</b>	<b>10 206</b>	<b>7 543</b>		

TABLE 4.42: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>785</b>		<b>12 865</b>	<b>8 788</b>	<b>8 788</b>	<b>8 788</b>	<b>4 200</b>		
Goods and services	785		12 865	8 788	8 788	8 788	4 200		
Minor Assets							10		
Consultants and professional services: Business and advisory services			3						
Contractors			12 862	8 788	8 788	8 788	4 190		
Inventory: Medical supplies	666								
Consumable supplies	119								
<b>Transfers and subsidies</b>	<b>28 727</b>								
Provinces and municipalities									
Non-profit institutions	28 727								
<b>Payments for capital assets</b>									
<b>Total economic classification</b>	<b>29 512</b>		<b>12 865</b>	<b>8 788</b>	<b>8 788</b>	<b>8 788</b>	<b>4 200</b>		

TABLE 4.43: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : HOSPITAL REVITALIZATION GRANT: HEALTH FACILITIES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>109 638</b>	<b>189 785</b>	<b>365 394</b>	<b>11 742</b>	<b>13 126</b>	<b>13 126</b>	<b>33 034</b>	<b>18 600</b>	<b>19 800</b>
Compensation of employees		3 893		5 000	6 100	6 100	22 600	18 600	19 800
Salaries and wages		3 204		4 000	4 700	4 700	14 238	11 718	12 474
Social contributions		689		1 000	1 400	1 400	8 362	6 882	7 326
Goods and services	109 638	185 892	365 394	6 742	7 026	7 026	10 434		
Administrative fees									
Advertising	227		551		100	100			
Minor Assets	2 314	9 468	4 253	1 000	1 000	1 000	500		
Catering: Departmental activities			394		50	50			
Communication (G&S)		828					500		
Computer services	30 124		27 473						
Contractors	257	198	6 202						
Agency and support / outsourced services		8							
Fleet services (including government motor transport)		22					1 084		
Inventory: Clothing material and accessories		165							
Inventory: Food and food supplies	8	1							
Inventory: Fuel, oil and gas		3 159							
Inventory: Materials and supplies	12	520	1 319						
Inventory: Medical supplies	381	17 223	13 017						
Inventory: Medicine		1 806							
Inventory: Other supplies	382								
Consumable supplies		14 044	4 353	2 000	2 000	2 000	350		
Consumable: Stationery, printing and office supplies	100	644	223						
Operating leases	1 056		106						
Property payments	72 128	134 578	300 393						
Transport provided: Departmental activity			45						
Travel and subsistence	33	155	312		50	50	2 000		
Training and development	2 616	3 013	2 767	3 742	3 826	3 826	5 000		
Operating payments		60	13						
Venues and facilities			20				1 000		
Rental and hiring			3 953						
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>	<b>568 655</b>	<b>284 014</b>	<b>387 317</b>	<b>301 888</b>	<b>300 504</b>	<b>300 504</b>	<b>744 784</b>	<b>812 737</b>	<b>845 441</b>
Buildings and other fixed structures	520 663	250 752	227 171	294 323	292 739	292 739	631 830	812 737	845 441
Buildings	520 663	250 752	227 171	294 323	292 739	292 739	631 830	812 737	845 441
Other fixed structures									
Machinery and equipment	47 992	33 262	160 146	7 565	7 765	7 765	112 954		
Transport equipment									
Other machinery and equipment	47 992	33 262	160 146	7 565	7 765	7 765	112 954		
<b>Total economic classification</b>	<b>678 293</b>	<b>473 799</b>	<b>752 711</b>	<b>313 630</b>	<b>313 630</b>	<b>313 630</b>	<b>777 818</b>	<b>831 337</b>	<b>865 241</b>

TABLE 4.44: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : EXPANDED PUBLIC WORKS GRANT: HEALTH FACILITIES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>		3 000	2 010	2 051	2 051	2 051	2 000		
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services		3 000	2 010	2 051	2 051	2 051	2 000		
Contractors				2 051	2 051	2 051	2 000		
Agency and support / outsourced services			2 010						
Operating payments		3 000							
<b>Total economic classification</b>		<b>3 000</b>	<b>2 010</b>	<b>2 051</b>	<b>2 051</b>	<b>2 051</b>	<b>2 000</b>		

# VOTE 5

## DEPARTMENT OF EDUCATION

To be appropriated by vote in 2016/17	R39 069 226 000
Responsible MEC	MEC for Education
Administering Department	Department of Education
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

Every learner feels valued and inspired in our innovative education system.

#### Mission

We are committed to provide functional and modern schools that enable quality teaching and learning to protect and promote the right of every learner to quality, equitable and relevant education.

#### Strategic Goals

The key provincial goals that Gauteng Department of Education (GDE) plans to achieve over 2016/17 MTEF are:

#### Goal 1: Deliver quality education in a conducive learning environment

- Pillar 1: Curriculum and assessment development
- Pillar 2: Teacher provision and support
- Pillar 3: Leadership and management

#### Goal 2: Provide an administrative service that supports modern and innovative schools

- Pillar 4: Infrastructure development and maintenance
- Pillar 5: Planning, finance and resourcing
- Pillar 6: ICT in education.

#### Goal 3: Transform public schooling by addressing barriers to access, equity and redress

- Pillar 7: Social cohesion
- Pillar 8: School functionality including community involvement

#### Goal 4: Increase access to quality pre- and post-school educational opportunities

- Pillar 9: Skills development
- Pillar 10: Access to quality early childhood development (ECD)

To achieve our goals, the department will continue to work closely with other Gauteng Provincial Government departments, such as Social Development, Department of Health, Infrastructure Development, Sport, Arts, Culture and Recreation, Economic Development and Gauteng Provincial Treasury.

#### Core functions and responsibilities

The department works to ensure that people of all ages and backgrounds have the education, skills and opportunities to pursue activities that promote their wellbeing and build strong communities. We are primarily responsible for the delivery and regulation of pre-tertiary schooling and we are a delivery agent for provincial skills development in Gauteng. All the department's plans and service delivery areas are aligned to national and provincial imperatives with special focus on curriculum delivery, teaching and learning support material, infrastructure, and Information Communication Technology (ICT) and teacher placements.

#### Main services

##### The department will provide the following education programmes:

- Public ordinary schooling: this involves the provision of ordinary schooling to all learners in the province (primary and secondary schools);
- Independent schools: this involves the provision of subsidies and support services to qualifying independent schools and monitoring the conditions that are pre-requisites for continued funding;

- Special schools education: this involves the provision of schooling to all learners with special education needs in the province from Grade 1 to 12, and non-formal education programmes;
- Early Child Development: this programme focuses on providing Grade R in public ordinary schools, private and community centres. The programme also seeks to provide support for ECD programmes for pre-Grade R learners; and
- Skills Development: this entails the improvement of skills in the province.

**Underpinning the provision of the services above are the following education services:**

- Improving teaching: curriculum development, implementation of support systems to teachers, learners and management, and assessment of learning. This includes specialist support to learners by therapists and educational psychologists;
- Improving Curriculum and School Management: Institutional development and support to schools through school development planning, subsidies, monitoring of institutional performance and monitoring and developing school governance;
- Human Resource Development: provision of in-service programmes, management development and pre-service bursaries;
- In-School/In-College Sport and Culture: provision of extra-curricular activities in the form of sport, arts and culture in schools;
- Improving resources: resource management and provision, including procurement of goods and services for schools that are not self-managing, and provision of learner and teacher support materials (LTSM), administrative equipment and labour saving devices;
- National Senior Certificate examinations for Grade 12 and standardised testing for Grades 3, 6, 9: standards and benchmarking is a school evaluation service that has been established to measure and report on institutional and learner performance per school; and
- Parental support: providing necessary support to parents so that they can support and monitor their children’s education through partnering with school governing bodies and schools.

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

The National Education Sector has identified a number of goals that are consistent with the department’s cradle-to-career education strategy, with the 2030 National Development Plan, Gauteng 2055 and Schooling 2030, which will be used to regularly monitor and report progress. The effective implementation of the department’s priorities and strategic goals will depend, in part, on the effective use of high-quality and timely data, including evaluations and performance measures, throughout the lifecycle of policies and programmes. The department is committed to increasing the number of programmes and initiatives that are evaluated using methods that include those consistent with the standards set by the Department of Planning, Monitoring and Evaluation and incorporating cost-effectiveness measures.

The department’s plan is underpinned by the Ten Provincial Pillars. The education plan responds to the strategies under *Provincial Pillar 3: Accelerated social transformation*.

- **Pillar 1: Radical Economic Transformation:** The province, through the Gauteng City Region Academy, will focus on skills development, specifically to promote youth employment. As part of the Master Skills Plan, the Gauteng Department of Education, together with the department of Economic Development, will introduce a range of skills development programmes and training opportunities, internship and learnership programmes, to give the youth in the province the edge when entering the job market.
- **Pillar 3: Accelerated Social Transformation:** The modernisation of classroom practice is critical to achieve quality education in the classroom. The department is focusing on bringing education into the 21st century by ensuring that all teachers and learners have progressive access to broadband, smart learning and teaching tools. The department, in collaboration with the Department of Social Development, Department of Health, Department of Infrastructure Development, Department of Sport Arts and Culture and Recreation and Department of Economic Development, will work closely together to achieve the delivery of quality education in the province.
- **Pillar 4: Transformation of the state and governance:** The Gauteng City Region Academy focal area, remains focused on skills development of public servants to lead the transformation of services and interventions. The focus will be on integrating the training of provincial and local government officials and to support the creation of a seamless public service to support and realise the GCR.
- **Pillar 5: Modernisation of the public service:** As part of our vision of modernising the delivery of public education, we will see greater efforts in harnessing ICT in schools and the education system as a whole. This is consistent with the province’s vision of building a smart, knowledge-based and innovation-driven Gauteng economy.

**Acts, rules and regulations**

- The Regulations for Domestic and International Tours for Learners at Public Schools, 2012;
- Further Education and Training Colleges Act, 2006 (Act No.16 of 2006), as amended;

- South African Council for Educators Act, 2001 (Act 31 of 2001), as amended;
- Adult Education and Training Act, 2000 (Act No. 52 of 2000), as amended;
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);
- Further Education and Training Institutions (General Notice 1926 of 1999);
- Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended;
- Gauteng Education Policy Act, 1998 (Act No. 12 of 1998), as amended;
- Skills Development Act, 1998 (Act No. 97 of 1998), as amended;
- Admission Policy for Ordinary Public Schools (General Notice 2432 of 1998);
- Employment of Educators Act, (Act 76 of 1998);
- Regulations and Rules for Governing Bodies of Public Schools, 1997, as amended;
- National Education Policy Act, 1996 (Act 27 of 1996) (NEPA), as amended;
- South African Schools Act, 1996 (Act 84 of 1996), as amended;
- Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), as amended;
- Gauteng Schools Education Act, 1995 (Act No. 6 of 1995), as amended;
- Public Service Act, 1994 (Proclamation 103, Published in GG 15791 of 3 June 1994); and
- National Policy on HIV/AIDS for Learners and Educators in Public Schools.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)

### Goal 1: Deliver quality education in a conducive learning environment

#### Pillar 1: Curriculum and Assessment Development

##### Improving learner performance in primary schools

The Primary Schools Language and Mathematics intervention was mainstreamed into the line functions of as part of normal curriculum implementation and management through head office and district office subject facilitators. The principles of the strategies were incorporated into the learning and teaching methods in the province. Interventions that involves continuous support and monitoring of the implementation of lesson plans were provided through the Gauteng Primary Literacy and Mathematics Strategy (GPLMS) and these interventions are being conducted by district officials who are responsible for providing relevant training to school management team members to improve teacher performance in the Foundation Phase.

With regard to the improvement of Literacy in the Foundation Phase, the department developed a phonic programme per language for Grades 1-3 to improve language proficiency and have introduced unprepared reading and elocution for Grade 2 and Spellathon for Grade 3 to improve vocabulary and language use. The Provincial Spellathon celebration day was held at Dalpark Primary, where 150 learners across the 15 districts, were awarded certificates and trophies for participating actively in the programme.

In addition, the department facilitated the Mental Mathematics challenge for Grades 1, 2 and 3 learners at a cluster and district level. To improve mathematics proficiency, a total of 43 Grade 3 learners across 15 districts participated in the Provincial Mental Mathematics challenge. A total of 342 Mental Maths kits were distributed to 114 selected public ordinary schools in quintile 1-3 to improve learner performance in Mathematics.

The department successfully distributed LTSM resources including teaching and learning resources for Grade 2, posters, graded readers and workbooks. The resources were provided to teachers during school support visits with the necessary training to educators.

With regard to the improvement of language and mathematics in the Intermediate Phase, the department has developed and distributed lesson plans to schools for Grades 4 to 7 in order to improve teacher performance in Language, Mathematics, Science and Technology. To further improve language proficiency, the department distributed Compact Discs (CD) which contained the required materials, to districts and schools.

The Mathematics Olympiad for Grades 4 to 9 took place at Rosebank Primary in the Johannesburg East District which saw a total of 360 learners participate in the Olympiad, at a provincial level. The purpose of the initiative was to improve learner performance in Mathematics through performing arithmetic operations with reasonable speed and also to apply Mathematical concepts to solve various problems. In improving language competency, the department participated in the national launch of Spelling Bee Championship for grade 6, held at Sci-Bono. All public schools with Grade 6 classes were encouraged to participate in the competition.

The department conducted Mathematics, Science and Technology (MST) training workshops to support the implementation of the MST Strategy. The MST Strategy was successfully advocated to 376 Technology, 306 Natural Science and 687 Mathematics teachers.



### **Annual National Assessment (ANA)**

With regard to the improvement of learner performance in Mathematics in the Annual National Assessments (ANA), the training of district facilitators on the ANA error analysis was completed in line with the responses of learners in the previous ANA tests. . The Department of Basic Education imparted teachers with the necessary skills in developing intervention strategies to assist learners with difficulties in Mathematics.

The department printed ANA revision learner books for English targeting Grades 4 to 9. The learner workbooks developed contained learner activity books with explanations of key concepts, learner activities with solutions, ANA assessment guidelines, ANA exemplars with the memoranda and ANA past papers with memoranda.

The department facilitated a revision programme in preparation of the Annual National Assessment (ANA). Schools were encouraged to revise past ANA papers and the department provided schools with exemplar question papers on a compact disk. Officials were encouraged to support the revision programme held in August 2015 and to support schools in getting ready for ANA. Schools were monitored specifically to facilitate the readiness of schools to administer ANA.

### **Improving Language and Mathematics in the Senior Phase**

As part of the Broadcast programme, the Language and Mathematics lessons for Grades 8 and 9 were developed and recorded. The department is in the process of finalising the broadcast lessons.

A quality assurance process on the lesson plans and content development for Grades 8 and 9 was done. The lesson plans and ANA revision workbooks were delivered to schools.

In preparation for ANA, the department printed and distributed revision learner books for Grades 4 to 9 English. The ANA learner workbooks contain a learner activity book with explanations of key concepts with examples, learner activities with solutions, ANA assessment guidelines, ANA exemplars with memorandum and ANA past papers with memorandum.

The department conducted workshops for Mathematics educators in Grades 6 and 9. The workshop focused on probability and transformation as these contents pose challenges to learners if not adequately covered.

The Grades 4-9 have started with the implementation of the Curriculum and Policy Statement (CAPS). The department compiled basic essentials of the lesson plan to support and guide teachers on how to plan in line with the Annual Teacher Plan. Teachers were also provided with tactical aspect of curriculum delivery that includes, amongst others, provision of the following:

- The guidelines on how to indicate curriculum coverage in the Annual Teaching Plans (ATP) with regard to percentage cumulative per subject were finalised;
- The exemplar on how to pace the formal assessment tasks in the programme of assessment, in order to alleviate over assessment of learners; and
- The school assessment plan exemplar to guide school management teams on managing and monitoring assessment practices in their schools.

### **Improve the Grade 12 pass rate**

The department provided additional tuition to learners for Saturdays and during school holiday programmes at 164 sites across the province and a total of 69 727 learners attended the SSIP classes. The Secondary School Improvement Programme (SSIP) implementation supports the Grade 12 in 450 schools as well as grade 10 and 11 learners.

The SSIP programme targets 10 gateway subjects and focuses on critical and challenging areas of curriculum content, using the best teachers as tutors. The SSIP activities include, among others, 19 days for conventional Saturday sessions, 15 days for the holiday programmes, 10 days for the Exam Preparation Camp sessions, five days for the special holiday camp for progressed and repeating learners and the five day special holiday camp for high risk learners.

The subjects targeted are Mathematics, Physical Sciences, Accounting, Economics, Geography, History, Business Studies, Maths, Literacy and English First Additional Language (FAL).

### **Access to LTSM**

The department facilitated the provisioning of LTSM in the current academic year for the delivery and use of LTSM for the next academic year. To date, schools were provided with catalogues to procure the required LTSM for the 2016 academic year.

## **Pillar 2: Teacher Provision and Support**

### **Teacher Development**

A total of 150 teachers in the Foundation Phase have been trained in Numeracy. Topics for training were extracted from the

analysis of responses provided by learners in the 2014 ANA. The purpose of the training is to assist teachers to focus on the most challenging sections on the subject content, thus improving learner performance.

A total of 155 lead teachers and a total of 27 facilitators in the Senior Phase received training in Mathematics, Science and Technology. An additional 1 338 Further Education and Training (FET) Phase teachers were trained on Microsoft Basic and the use of SMART boards. The department organised training targeting 6 700 Grade 12 teachers from no-fee schools. The teachers were trained on the use of SMART boards in the classroom.

The CAPS orientation training for Grade 10 teachers and subject advisors in nine technical subject specialisations including Technical Mathematics and Technical Science roll-out was conducted as follows:

- Phase 1- CAPS training was conducted and a total of 421 teachers attended:
  - 93 teachers trained in Civil Technology;
  - 134 teachers trained in Electrical Technology;
  - 80 teachers trained in Mechanical Technology; and
  - 114 Technical Science teachers

A pre-preparation training session was conducted for Technical Maths and Technical Science trainers/facilitators in preparation for phase 2 CAPS training.

- Phase 2 – CAPS training took place and a total of 271 teachers were trained:
  - 157 teachers trained in Technical Maths; and
  - 114 teachers trained in Technical Science.

### **Pillar 3: Leadership and Management**

The department has finalised the conceptualisation of the design of the new GDE structure with five virtual districts aligned to the five corridors. The virtual district funding model is being sustained. School Governing Bodies in 43 schools attended a capacity building workshop to address issues of Basic Functionality regarding the roles and responsibilities of the SGB, Code of Conduct and financial management. A total of 3 309 SGB members have been trained to date. The quarterly SGB stakeholder meeting was held to engage with SGB Associations on operational issues to minimize the contesting and objections by the Associations, in defence of their member school affiliates.

The second Senior Management Service (SMS) conference targeting all Senior Managers within GPG departments, was held and the conference was preceded by a series of seminars.

A total of 4 154 public servants attended the Compulsory Induction Programme (CIP) and 5 310 participants attended training to improve core and generic management competencies to improve government performance in the province.

## **Goal 2: Provide an administrative service that supports modern and innovative schools**

### **Pillar 4: Infrastructure Development and Maintenance**

#### **Improved school infrastructure**

Of the current 18 new schools being constructed through DID, four have been completed and opened in January 2016.

#### **Adequate basic infrastructure needs addressed at schools**

The department prioritised the improvement of infrastructure in 375 schools to prepare for the installation of the interactive boards. In addition, sanitation facilities in those schools have been refurbished.

A total of five schools are being rehabilitated and 15 schools have been identified as schools of the future. The unblocking of toilets is done on a continuous basis, as and when reported by schools to the call centre.

#### **New Schools -Alternative Construction Technology (ACT) Project**

Of the 15 ACT schools under construction, nine schools have been completed and are in use. Of the six remaining schools, four are at an advanced stage of construction and two schools are in the initial stages of new school development.

All schools in the province have access to water and only one school that had no access to electricity has been provided with a generator. In terms of addressing the issue of poor sanitation, the unblocking of toilets is done on a continuous basis as and when reported by schools to the call centre.

With regard to providing learning space a total of 541 classrooms and five specialist rooms have been built in public ordinary schools. In addition, 217 Grade R classrooms have been built and 15 schools are undergoing scheduled maintenance.

## **Pillar 5: Planning, finance and resourcing**

### **Budget and Financial Management**

The current allocation has been split into 87 per cent which directly impacts on classroom outcome, and 13 per cent that indirectly impacts on the classroom. Public schools in the province have been provided with their allocated budgets for this academic year to make necessary preparations and procurement of the Learner Teacher Support Material.

## **Pillar 6: ICT in Education**

### **ICT in Schools**

The department finalised plans for, and has begun implementation of, the second phase of the rollout of the ICT Strategy targeting 375 “no-fee” Secondary Schools. The department installed interactive boards in 375 schools to make teaching and learning more meaningful and interactive. In managing the modern changes and provision of support, the department recruited a total of 58 interns to provide first level technical assistance in schools.

A total of 64 129 tablet devices were preloaded with digital content and delivered to 375 “no-fee” secondary township schools. The process of preloading of learner’s tablet devices (17 000) with e-Books has been completed and ready for the January 2016 launch. In the Phase 1 Schools, 5 310 learner Tablets Devices, 95 LED Boards and 95 Teacher Laptops have been updated and the e-Books license has been renewed, in preparation for the 2016 academic year.

During the June 2015 school holiday period, educators who teach Grade 12 classes had undergone training on how to use the provided technology and to make the delivery of the curriculum more effective, meaningful and interactive.

A total of 17 589 learners received the tablets preloaded with e-Books, GDE content and freely available e-Content. Further, a total of 450 teachers from these schools received laptops, preloaded with e-Books with teacher’s guides, GDE content and freely available e-Content. The Classroom Devices (LED Smart Board and classroom servers) have also been preloaded with e-Books, Multimedia Content, GDE content and freely available e-Content.

A total of 24 schools (primary and secondary schools) have been identified as the Phase Two (2) (b) rollout of a full ICT programme. This entails the provision of dedicated ICT resources for individual learners (Tablets devices with e-Books, Multimedia e-Content and freely available e-Content in the form of PDFs) and teachers (laptops for lesson preparations and LED Smart boards for lesson presentation preloaded with e-Books and the Multimedia Content), and Classroom Micro servers.

## **Goal 3: Transform public schooling by addressing barriers to access, equity and redress**

### **Pillar 7: Social Cohesion**

#### **Poverty alleviation programmes**

All learners in “no-fee” schools are benefiting from the school nutrition programme. There are 1 231 673 learners currently in “no-fee” schools and all these learners have benefited from the school nutrition programme.

A total of 91 194 learners who stay five km away from school, across the province, are transported to schools.

#### **Improved School Safety**

A total of 5 753 patrollers have been deployed to priority schools in the province to enhance safety against substance abuse, gang violence, weapons in school, sexual violence, bullying, assault, theft and robbery in prioritised schools.

#### **Increased availability of School Sport**

A total of 1 731 schools participate in the identified school sporting codes.

#### **Improved learner health**

The Integrated School Health Programme (ISHP) facilitates basic health screening for minor ailments (primary health care), referrals and administering of vaccinations. With regard to improving learner health, the department has distributed Health Promoting booklets to all primary schools during the Human Papilloma Virus (HPV) campaign. The HPV second round vaccination programme was concluded. The department has also facilitated the on-going linking of schools with Primary Health Care facilities and School Health Teams (consisting of nurses, health promoters, therapists, optometrists, audiologists, dental hygienists) who visit schools on certain scheduled days.

#### **Implement an Extra School Support Programme**

A total of 2 033 homework assistants and 1 766 sport assistants have been provided to priority schools in the province.

**Inclusive Education**

In terms of the early identification of learners with learning barriers, a total of 29 422 Grade R learners in 467 schools, have been screened as per the verification schedule. Further screening and support programmes have been implemented for a total of 14 500 learners that were identified as being in need of further support to enable them to learn effectively.

**Pillar 8: School functionality including community involvement****Improved community involvement**

The department held an inauguration ceremony of School Governing Body (SGBs) where a total of 10 450 SGB members from 2 090 schools attended the ceremony. A total of 5 344 new School Governing Body members attended an induction session and the department provided capacity building workshops to 4 417 Representative Councillors of Learner (RCL) members as well as teacher liaison officers (TLOs).

In terms of establishing a single SGB for two or more schools in terms of section 17 of the South African Schools Act, seven pairs of schools have been identified, and SGBs are being consulted on the matter. Three pairs of schools have already been twinned. In total, to date, the department has facilitated the training of 3 309 SGB members.

In relation to the development and implementation of a school diversity strategy, the department is in the process of establishing an advisory council to deal with racism in both independent and public schools. The department conducted preparatory planning meetings with the Independent Schools sector for organising the summit of independent schools to address issues of racism.

**Goal 4: Increase access to quality pre- and post-schooling educational opportunities****Pillar 9: Skills Development****Master Skills Plan**

A total of 783 senior managers within GPG departments attended training programmes on monitoring and evaluation and 462 participants attended training to improve core and generic management competencies for improved government performance in the province. A total of 4 154 public servants attended the Compulsory Induction Programme (CIP) and a total of 5 310 participants received training to improve core and generic management competencies for improved government performance in the province.

The department had a consulting meeting with stakeholders to deliberate on the Draft Master Skills Plan II. The plan aims to facilitate the training and skilling of public servants and citizens in order to address the provincial goals through skills training for the needs of Gauteng.

**Improve career education and guidance**

Currently, there are 600 active lay counsellors in the province and 159 582 Grade 8 and 9 learners had access to career guidance and counselling through these trained lay counsellors.

In addition, a total of 60 543 learners were reached through career education and guidance programmes. Of these, a total of 20 543 learners received career education and counselling through the GCRA and 40 000 learners from 206 schools were reached through the Mathematics Programme at Sci-Bono.

**Implement Intern and Learnerships programmes**

A total of 2 117 learners have been placed in Skills Development Programmes and 1 827 male and female learners (youth) are in formal learnership/internship programmes. In addition, a total of 100 Youth Development Facilitators were deployed in the five Gauteng economic developmental corridors to identify and support the youth to gain the skills required for the economy as defined in each of the corridors.

The department has developed an implementation plan to reach 23 750 youth in the province for enrolment in the Harry Gwala Brigade, which is a skills development project, targeting unemployed youth to be developed and trained on skills such as filling potholes, traffic cop assistants and traffic lights technicians.

**Improved career education**

A total of 827 male and female graduates (youth) are currently benefitting from experiential learning and workplace experience and 2 237 learners were adopted and supported by companies with a view to career pathing and employment.

## **Pillar 10: Access to quality Early Child Development (ECD)**

### **Universalisation of Grade R**

The department is currently at 95 per cent of the 100 per cent target for Universalisation of Grade R. There are 6 893 Grade R classes in public schools, supporting a total of 142 354 learners.

### **Practitioner Training**

A total of 2 173 Grade R practitioners have been trained, and of these a total of 178 practitioners are in NQF Level 4 training to be completed in June 2016. A total of 1 220 practitioners are in NQF Level 6 training to be completed in December 2017. A total of 775 practitioners are in NQF Level 4 training to be completed in June 2016. A total of 564 Pre-Grade R practitioners received training on National Curriculum Framework (NCF).

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)**

The 2016/17 EPRE is aligned to the department's ten pillar programme focusing on improving learner performance by delivering quality education, improving education administration, addressing barriers to access, equity, redress and providing access to quality pre- and post-schooling educational opportunities.

The department has responded to the National Development Plan (NDP), Action Plan 2019: Towards Schooling 2030, the Provincial Transformation, Modernisation and Reindustrialisation (TMR) Programme and the Gauteng City Region objectives that are key to improving education performance.

### **Goal 1: Deliver quality education in a conducive learning environment**

#### **Pillar 1: Curriculum and assessment development**

##### **Incremental Introduction of African Languages (IIAL)**

In the 2015 academic year, the Incremental Introduction of African Languages (IIAL) was rolled out in 12 pilot schools. The pilot will be continued in the 12 schools with the incremental introduction of IsiZulu, Sesotho, Setswana, Sepedi, Xitsonga and Afrikaans. In the 2016 academic year, the National Department of Basic Education (DBE)'s Curriculum and Assessment Policy Statements (CAPS) and the DBE workbooks are available for both the Home and the First Additional Language levels for all official languages. The consultative sessions and training will continue as the department continues procuring LTSM for advancement of the pilot project.

##### **Primary School Interventions**

Primary school interventions will continue focussing on improving learner performance in Language and Mathematics. Although the interventions are mainstreamed into the line function of district facilitators, head office officials and professional learning groups (PLG), are constantly supporting the principles and strategies of the curriculum implementation and assessment in the province. The overall focus of support includes focusing on assessment, teaching, learning, learner support and support of school management. Further assistance will be given to teachers in content development and curriculum delivery. The Intersen resources that will be provided to priority schools will include homework booklets which will reinforce key concepts learnt in class and supported by the CAPS.

##### **Mathematics Intervention**

A special intervention programme is developed to support and improve mathematics across all phases, with a specific emphasis on the Intersen phase (Grades 4-9). The department will be developing lesson plans to support content delivery and bridge the gap that is currently being experienced in these Grades. The additional support given to these teachers will include the use of the mental maths kits, the scaffolding of content and how to manage and complete classwork as well as homework activities. To further develop learner performance, priority schools will receive DVD's that can further develop content and pedagogical training to teachers. Special support will be aimed at school management and district officials in supporting mathematics teachers in their schools.

##### **Secondary School Improvement Programme (SSIP)**

The SSIP will be offered to 450 priority schools, which will offer direct support to approximately 72 000 Grade 12 learners at 163 SSIP sites. A further 117 000 Grade 10 and 11 learners and up to 8 500 teachers will also benefit from this programme. The Grade 12 programme will be offered over a period of 38 days for most learners and consist of four components including 21 Saturday sessions, 14 Vacation sessions, 10 Matric exam preparation camps and five Exam support sessions during final exams. All the text book materials, exam papers and study guides will be provided to learners in the Saturday sessions which will be limited to Maths, Maths Literacy, Physical Science, Life Science, Accounting, Geography and Economics. History, Business Studies and English FAL will be offered during the vacation sessions.

### **Annual National Assessments**

The Annual National Assessments have been conducted in Grades 3, 6 and 9 since 2011. The department has been making steady progress in improving learner performance. Due to the intervention strategies put in place to improve results in learning areas, the department is aiming to ensure that:

- 72 per cent of learners will achieve 50 percent or more in Literacy and 74 per cent of learners achieve 50 percent or more in Numeracy in Grade 3;
- 80 per cent of learners will achieve 50 percent or more in Language and 55 per cent of learners achieve 50 percent or more in Mathematics in Grade 6;
- 50 per cent of learners will achieve 50 percent or more in Language and 22 per cent of learners achieve 50 percent or more in Mathematics in Grade 9;
- 88 per cent of learners that sit for the Grade 12 NCS examination will pass the examinations with at least a 38 per cent pass rate with university entrance and
- The department envisages that 70 per cent of Grade 12's will pass the NCS Mathematics and Physical Science examinations.

### **Pillar 2: Teacher Development and Support**

The department is introducing its new Teacher Development Strategy aimed at qualitative improvements in Mathematics, Science and Technology, literacy, school safety and Grade R. This strategy aims to follow a demand-driven, decentralized training approach in which teachers are primarily responsible for their own professional development. This envisioned development is a first-level response, and takes place at schools with the support of Heads of Departments (HODs), mentors and coaches within the over-arching support of the Professional Learning Communities (PLC). At the second level of response, all those developmental needs that could not be addressed at a school level, are taken care of at Districts Teacher Development Centres (TDCs), supported by subject facilitators and PLCs at the district level. Training facilitated by the province and at Provincial Teacher Development Institute (PTDI) will cater for those needs not met at a school and district level, as well as needs emanating from curriculum and policy changes.

A key focus for the in-service training programmes is to get teachers' classroom ready with emphasis on improving teaching and learning and ICT. The department envisages training 11 000 teachers in technical subjects, Maths, Science, Literacy, ICT and curriculum content, coupled with instructional skills, assessment and the use of resources as supplied by the department.

### **Pillar 3: Leadership and Management**

The new district model has been repositioned to give deepened and direct support to school management with the introduction of virtual districts. School Management Teams (SMT) play a central role in achieving the department's goal of realising schools of the future. To this end, the department envisages training the SMTs from 300 schools on the management of e-learning at their schools. This will help in bringing these selected schools closer to achieving the vision of schools of the future. District Management and facilitators will be trained as custodians of curriculum delivery in schools. HR and Finance functions will be centralised in the new model and this will be enhanced by the use of ICT in offices.

## **Goal 2: Provide an administrative service that supports modern and innovative schools**

### **Pillar 4: Infrastructure Development and Maintenance**

A key issue under this pillar is to ensure that the norms and standards for school infrastructure are implemented and monitored to ensure the provision of basic infrastructure needs in the Province. The department's Infrastructure plan will deal with both the provisioning of new infrastructure as well as the maintenance, rehabilitation and upgrading of existing infrastructure. In addition, the plan deals with the need for and utilisation of the infrastructure, as well as with the changing situations in relation to the needs and utilisation. In the 2016/17 financial year, the department will prioritise school sanitation and ensure that all schools have functional toilets and have access to running water and electricity as a basic need.

The infrastructure plan for 2016/17 will endeavour to provide access to all learners of school going age in our continually changing environment, in accordance to the demands of the people in the province. The department will accelerate delivery of infrastructure in order to improve access of learners to schools and meet its objective of providing quality education to all. To overcome the department's infrastructure backlog, the department plans to start building 15 new schools while 39 schools will be placed on the rehabilitation schedule.

To bring schools in the province in line with the ICT initiatives, the department has identified a further 21 schools to be converted to schools of the future. The department, together with local government and national departments, are working together to accelerate delivery of school infrastructure and to improve maintenance across the sphere.

### **Pillar 5: Planning, Financing and Resourcing**

This pillar is structured around three focal areas namely, strategic and operational planning, financial management and human resource management.

### **Strategic and operational planning**

The department will facilitate macro education planning to ensure alignment between statutory mandates, plans, budgets and resource utilisation. The department is in the process of establishing a media complaints unit. The purpose of this unit will be to track and monitor complaints in the media for incorrect information and to engage the Ombudsman. Fairness must be entrenched where there is unfair or incorrect reporting on government.

### **Financial Management**

The mandate of the financial departments is to facilitate the prudent spending of the department by ensuring that expenditure is in line with the budget and cash flow requirements. The department will endeavour to improve on procurement practices and ensure payment within 30 days from invoice.

### **Human Resource Management**

The key directive of Human Resource management for the coming year is to accelerate recruitment processes to ensure that there are no vacant posts in human resources, finance and ICT. The key to managing human resource matters and ensuring effective and efficient operation includes managing HR records and transactions, transformation and good governance.

The department also plans on organising and managing the rendering of legal services to ensure effective discipline, grievance and dispute management systems. A tribunal is being established to deal speedily with grievances and disputes to ensure effective operations.

### **Pillar 6: ICT in Education**

In line with the provincial TMR framework, the department will be modernising and improving public education in the Province. The department has an approved e-learning strategy that is in line with the DBE's e-Education guidelines which is the cornerstone of ICT transformation in the Province.

The ICT and e-education strategy will be using ICT to improve education outcomes with a focus on learner achievement. The use of technology will enhance teaching quality by giving both teachers and learners access to extensive learning material, through the use of the tablet devices and smart software in the classroom. The department is currently rolling out a Tech-enabled learning environment, which is based on a systematic use of smart boards and digital exercises and lessons. Learners use the tablets to complete the exercises and research with the on-the-spot assignments that give teachers an indication of whether learners are grasping the content. This Tech-enabled learning environment will be fully rolled out by 2019 which will be followed up by the Blended learning classroom, which builds a learner-paced learning environment with the teachers as managers of the learning process. The department envisages to have 100-200 schools fully on the Blended learning model by the end of 2019.

To achieve the ultimate vision of a "paperless" classroom, the department must further develop its teachers and learners in its institutions. Teacher training, improvements to school infrastructure and the distribution of educational devices, is key to achieving this vision. An intensive teacher/principal training programme is being developed to orientate and train teachers/managers on the integrated use of technology to improve curriculum delivery in the classroom. Teachers will be trained in variety of teaching methodologies and innovative techniques for effective learning.

## **Goal 3: Transform public schooling by addressing barriers to access, equity and redress**

### **Pillar 7: Social Cohesion**

#### **Improving School Nutrition**

The department continues to support the poverty alleviation programmes currently in place. In the 2016/17 financial year, the department will provide nutritious meals to 1 186 384 learners in "no-fee" schools. The department will continue working with the Gauteng Department of Agriculture and Rural Development (GDARD) in maintaining and sustaining the food gardens at schools.

#### **Increasing access to schooling**

The department will not be expanding the "no-fee" schools in the province, due to budgetary constraints. The department will maintain the status quo by keeping the number of "no-fee" public schools at 1 376 catering for approximately 1 186 384 learners.

#### **Scholar Transport**

To further improve access to schools, the department will continue providing scholar transport to approximately 70 000 learners at 360 schools in the province. The relationship between the department and the Department of Roads and Transport will be enforced to monitor the road worthiness of vehicles transporting learners.

#### **Extra School Support Programme (ESSP)**

The ESSP will continue in the Province, by providing after school support for the homework programme and the school sport

programme. The department will be employing 1 500 homework assistants to provide homework support to Grade 1-7 learners in priority schools. A further 1 500 sport assistants that will be deployed to priority schools to assist in coordinating school sports.

### **School Safety Programme**

School safety remains one of the department's main concerns. The safety of all learners, teachers and support staff on the school premises will remain the department's priority. The department will be employing 4 500 patrollers on contract to assist in creating a safe and secure school environment. The department of Community Safety, SAPS and the Department of Social Development will continue with the collaborative agreement to ensure school safety. The department encourages the search and seizure operations which raids unlicensed liquor outlets and shebeens.

### **School Sports**

The department will be continuing with the Wednesday sports programme in no-fee primary schools. This programme will include athletics, swimming, winter sport codes, cross country and summer sport codes. The department will focus on sporting codes in special schools. LSEN school sports will focus on multiple-discipline learners with special education needs, athletics competition, football and sporting programmes for the physically impaired, blind, and deaf and intellectually impaired learners.

### **Learners with Special Education Needs (LSEN)**

The department will focus on turning around special education in the province. The department is committed to building an inclusive education system where services are available and learners with special needs can access quality education. The services that will be made available will be categorised based on the continuum of disability from learning challenges that are mild to severe disabilities. The department will prioritise the existing LSEN facilities that are optimally utilised to address the current deficits in the LSEN sector. The department's new Inclusion Strategy key focus will be on:

- Early Identification and appropriate support provision;
- Teacher Support and Development;
- Resourcing, schools management and government development; and
- Stakeholder participation.

The department will pay additional attention to the plight of learners with Autism Spectrum Disorder. The department, jointly with Autism South Africa, commits to ensure appropriate curriculum delivery with the required support to learners with Autism. The 2016/17 financial year will be the second year in which the department will roll out the introduction of class assistants to assist learners with extreme disabilities, including Autism. The GCRA and MGSLG will develop training programmes to develop the class assistants to maximise support to the learners.

Additional training programmes are being introduced to develop and skill educators, practitioners, support staff and school management teams in the LSEN sector. In 2016 academic year, the department will be increasing access to schools for children with Autism, by increasing the number of schools including independent special schools. The department anticipates a plan for 16 schools to increase demand.

### **The Reorganisation of Schools (RoS) Strategy**

The department adopted a 10 Pillar Strategy to drive improvement and transformation in the education system over the five years electoral cycle. To operationalise the strategy and translate it into improved learner performance, A detailed plan called the Reorganisation of Schools will be implemented through a transformational, multi-year programme that will promote holistic education, strengthen social cohesion, drive improved learner performance, and channel resources to schools that need them the most. Through the RoS, the department seeks to produce learners who are both top achievers and socially active and engaged citizens, learners who are open to diversity and who embrace different cultures and backgrounds.

The Strategy is underpinned by five strategic levers.

- Lever 1: Public schooling;
- Lever 2: Twinning Programme;
- Lever 3: Schools of Specialisation;
- Lever 4: Optimal utilisation of resources and
- Lever 5: Head Office and District Support.

## **Pillar 8: School functionality including community involvement**

### **Parental support**

In making education a societal priority, we will ensure stakeholder involvement in schools in a manner that adds value to the attainment of the core outcomes. The department will mobilise civil society, faith-based organisations and the private sector to support the inputs and outcomes of a quality education system. Young learners will also be urged to participate actively in school programmes in order to change their attitudes and commitment to school work. Training will be offered to 60 000 parents as part of the family support programme.



## **Goal 4: Increase access to quality pre- and post-school educational opportunities**

### **Pillar 9: Skills Development**

#### **New Gauteng Master Skills Plan**

The Gauteng Province has now developed a new and comprehensive strategic skills plan which is Gauteng Master Skills Plan II. The vision of the Second Master Skills Plan for the Gauteng City Region (MSP2) for the period 2015 to 2020 (MSP2) is to create an inclusive, facilitative and proactive skills plan with an implementation framework for the GCR that demonstrates government's commitment to the development of skills that are required to support the GCR's bold economic growth and employment creation targets set in the Radical Transformation, Modernisation and Reindustrialisation (TMR) strategy.

#### **Skills for the GCR Economy**

The GCR vision of Transformation, Modernisation and Re-industrialisation (TMR) is central to all our skills development programmes. The GCRA is, together with other GPG departments, playing a part and contributing to the Tshepo 500 000 programme implementation, particularly from a capacity building perspective. There are a number of programmes that are being initiated to recruit youth, collate their database, train and deploy them in fields like ICT support to schools, filling of potholes, traffic controllers and traffic robot technicians, plus entrepreneurship. The focus of this programme is consistent with, and complementary to, the township economic revitalisation (TER) and the five corridor model. Some of the development programmes will take the form of learnerships and/or Internships, whilst others will be short skills and work readiness programmes.

#### **Learnerships and Internships**

The learnerships, apprentices, and internships offered by Gauteng City Region Academy (GCRA), targets scarce skills areas such as manufacturing; engineering; construction; ICT; agriculture; jewellery manufacturing; furniture manufacturing; business management focusing on learners with disabilities, production technology, air conditioning and refrigeration, in partnership with public and private sector. A total of 10 000 learnerships, apprentices, and internships are targeted for the 2016/17 financial year. We believe that the full roll-out of this programme will make a huge dent on the unemployment and poverty in the province.

#### **Bursaries**

The GCRA has made a concerted effort to increase the scarce and critical skills by investing in a bursary scheme which provides funding to the top three high performers in no-fee paying Gauteng schools. In the last four years the Province offered Higher Education Institute (HEI) and Technical and Vocational Education and Training (TVET) to the value of R886 million to support a total of 16 171 students. Up to 60 per cent of these bursaries are offered to females and 40 per cent to males; whilst 20 students are people with disabilities. We are working with various partners, including higher education institutions, to increase the bursary scheme capacity by 25 per cent in 2019.

#### **Youth Development**

Youth developments (in and out of the schooling sector) remain one of the key focus areas for the GCRA. The year 2016 marks the 40th anniversary of the June 16 youth uprising. We are looking forward to having another well-coordinated programme, which is even more successful and will start in January 2016. We call upon all youth of our province to support and benefit fully from the programme.

#### **Government Capacity to deliver on TMR**

The development of civil servants remains one of the key programmes for the GCRA and the TMR vision within the public service to be better driven if the capacity of the state is strengthened. Some of the key focus areas and programmes include, but are not limited to:

#### **E-Learning**

One of the innovations that will continue in the 2016/17 financial year is the e-learning mode of delivery for training and development in the public service. The GCRA, together with national School of Government (NSG), has developed two programmes using the eLearning platform. One of the programmes that have been implemented as a first phase project, includes the Work Readiness Programme (WRP). A total of 1 500 unemployed youth will be upskilled through this project in business skills, project management, ICT Basics and Entrepreneurship. The youth will also be provided with Android Tablets to access the learning content and to use as digital communication tools in interacting with the world of work. In the 2016/17 financial year, the GCRA is gearing to expand its eLearning programmes delivery via a Learner Management System (LMS) and will be free to access to trainees with internet capable devices anywhere in the province, where there is internet connectivity.

#### **Management Leadership Development**

Senior managers, within the province, have been receiving various capacity building programmes in the form of skills programmes, longer programmes with credits from higher education institutions and forums like learning frameworks.

These opportunities also included initial international knowledge through presentation of two papers presented at a cultural conference, organised by the Shanghai Institute of Administration (SAI) in China. These collaboration opportunities will be expanded through Chinese Executive Leadership Academy Pudong (CELAP), as a Memorandum of understanding (MoU) has been signed to formalise the collaboration for executive development.

As a build-up and improvement from the previous annual Gauteng senior management conferences, the 2016 conference will take a different approach as it will be geared towards taking stock of clusters' response in the development of critical GCR capabilities of the state. Furthermore, there will be a focus on the development of middle management with particular focus on the management role and competencies expected at those levels.

## **Pillar 10: Access to quality Early Child Development (ECD)**

### **Universalisation of Grade R**

To ensure that all learners entering the schooling system have participated in ECD, regardless of their socio-economic status, the department will be expanding Grade R to all public schools. In addition, new Grade R sites will be registered. To meet the demand of the expansion, the procurement of additional classrooms is planned based on demand. Consultation and meetings with local government and ECD providers are being initiated for updating the Grade R database to facilitate expansion. Further consultations and meetings on the department's plan are being conducted with SGB associations, unions, principals and other stakeholders.

### **Practitioner Training**

The department will identify 750 Grade R and pre-Grade R (Grade R: NQF L4 and NQF L6, Pre-Grade R NQF L4 and Training of Pre-Grade R, Curriculum ECD Sites and Staff) practitioners for training to improve the quality of teaching and learning in the classroom.

### **Early Identification Programme**

As part of quality education, the department will continue to test Grade R learners in order to identify learning barriers such as dyslexia and psycho-motor disorders and provide simple assistive devices.

## **4. REPRIORITISATION**

The reprioritisation principles applied by the department are influenced by the prevailing economic environment and the increase in the demand for services. The department has reprioritised funds to align with policy priorities, to achieve greater value for money in achieving objectives and to allocate resources to activities and initiatives that will have an impact on the achievement of strategic objectives.

Through reprioritisation, the department allocated additional funds to district offices to address budget shortfalls. The budget movement will ensure that service delivery is not interrupted at schools level. The department also reprioritised funds to reduce a shortfall in Independent Schools Subsidies which arose as a result of an increase in Provincial Allocation Expenditure per Learner (PAEPL).

The department also increased transfers to Entities in Public Special Schools and Early Childhood Development for training of Educators in Public Special Schools and Grade R Practitioners. Provision was made for capacity building as part of infrastructure plans to fast track service delivery. Furthermore, to improve security on the printing of examination papers, the department increased an allocation for the rental of high security machines. Bursaries to learners were also increased and the allocation for Gauteng City Region Academy (GCRA) was reallocated.

## **5. PROCUREMENT**

The department will continue to develop and implement procurement plans for the financial year 2016/17 to ensure that the needs of the organisation are in line with the pillars underpinning the department's strategy as well as budget allocated to the department. Demand management plans for all goods and services below R500 000 will be monitored to ensure timely implementation. The major procurement to be taken will relate to mobile SMART devices, school maintenance, LTSM and school furniture.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 5.1: SUMMARY OF RECEIPTS: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	25 750 129	28 326 476	30 605 518	34 274 788	35 049 970	35 049 788	36 857 475	38 391 412	40 618 114
Conditional grants	1 231 815	1 274 738	1 458,065	1 769 121	1 802 701	1 802 701	2 211 751	2 155 512	2 279 071
<i>Education Infrastructure Grant</i>	512 866	537 892	623 602	935 725	935 725	935 725	1 385 737	1 318 980	1 394 020
<i>HIV and AIDS (life skills education)</i>	29 147	34 803	30 179	29 945	29 945	29 945	32 449	34 436	36 433
<i>Provincial Disaster Grant</i>					14 019	14 019			
<i>National School Nutrition Programme</i>	619 526	616 516	640 322	678 974	678 974	678 974	712 955	748 603	792 022
<i>OSD for Therapists</i>			73 471	29 442	49 003	49 003			
<i>Maths, Science and Technology Grant</i>	68 663	56 853	52 025	47 842	47 842	47 842	49 810	53 493	56 596
<i>Social Sector Expanded Public Works</i>		25 674	36 016	44 784	44 784	44 784	28 661		
<i>Expanded Public Works Programme Incentive Grant</i>	1 613	3 000	2 450	2 409	2 409	2 409	2 139		
<b>Total receipts</b>	<b>26 981 944</b>	<b>29 601 214</b>	<b>32 063 583</b>	<b>36 043 909</b>	<b>36 852 671</b>	<b>36 852 671</b>	<b>39 069 226</b>	<b>40 546 924</b>	<b>42 897 185</b>

The increase in budget allocation for the department is influenced by the growth in learner numbers, the demand for learning space and the improvement in the quality of education in the province. Over the period of 2012/13 to 2014/15, the budget increased by 18 per cent or R5 billion. The increase was mainly under equitable share due to funding allocated for Improvement in Conditions of Service, the recruitment of additional educators and support staff in order to achieve the learner: educator ratio policy requirements.

During the 2015/16 adjustment, an amount of R19.5 million of the OSD for Therapists grant was rolled over for the grading of deputy education specialists according to the available translation tables. The department further received R14 million as a Provincial disaster grant which is a relief funding for the purpose of repairing schools that were damaged by hailstorm in the Ekurhuleni Municipality and an amount of R400 million which is allocated to the department to accelerate infrastructure projects that are funded from Education Infrastructure Grant as a result of under spending by other provinces. GDE has demonstrated capacity to absorb additional funds in the current infrastructure portfolio.

In the 2016/17 financial year, R36.8 billion is received as equitable share and R2.2 billion as conditional grants. Departmental allocations grew by 8.4 per cent from a main appropriation of R36 billion in 2015/16 to R39 billion in the 2016/17, showing a nominal rand value increase of R3 billion. The increase in funds is due to the increase in demand for learning space and improvement in the quality of education in the province. In 2016/17, the department received an incentive grant and internal capacity building funding as part of the Education infrastructure grant and there is an increase in equitable share to supplement the budget for municipal services at schools and to fund the implementation of the ICT strategy which is a carry through from the 2015/16 adjustment budget.

Additional funds have been earmarked to deliver on government's priorities, including the universalisation of Grade R, the introduction of e-education solutions and the improvement of quality learning strategies.

### 6.2 Departmental receipts

TABLE 5.2: DEPARTMENTAL RECEIPTS: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts									
Sales of goods and services other than capital assets	21 651	24 359	25 042	25 379	25 379	23 945	26 013	26 663	27 330
Transfers received									
Fines, penalties and forfeits	151	74	30	37	37	193	38	39	41
Interest, dividends and rent on land	7 000	1 315	173	182	182	19 940	187	192	197
Sales of capital assets	257								

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Transactions in financial assets and liabilities	19 553	15 231	10 795	3 962	3 962	5 385	4 061	4 162	4 403
<b>Total departmental receipts</b>	<b>48 612</b>	<b>40 979</b>	<b>36 040</b>	<b>29 560</b>	<b>29 560</b>	<b>49 500</b>	<b>30 299</b>	<b>31 056</b>	<b>31 971</b>

The main source of revenue collections is from examination processes including remarking and rechecking of Grade 12 scripts and the reissuing of matriculation certificates. Additional funds are collected from administrative fees for insurance premiums from employees, official housing (rental income) and financial transactions in assets and liabilities relating to the departmental debt account and receivables relating to previous financial expenditure.

Schools are entitled to raise funds through the collection of school fees and other fundraisers to meet the shortfall between subsidies and the actual cost of running schools. However, the department does not receive any funds collected by schools. Over 86 percent of budgeted receipts are from sale of goods and other capital assets. Transactions in financial assets and liabilities comprise around 13 percent.

Revenue collection decreased by 35 per cent from 2012/13 to 2014/15, this is due to a decrease in the recoveries from previous year expenditure.

This item includes sources such as rental of dwellings, non-residential buildings, parking, request for access to information, boarding services staff, commission on insurance and garnishee, exam certificates, marking of exam papers, photocopies and faxes, sale of waste paper and replacement of security cards, with commission on insurance and garnishee being the largest contributor.

Due to the decrease in recoveries from 2012/13 to 2014/15, the department adjusted its revenue for 2015/16 downwards. Revenue collection increases over the MTEF due to annual adjustment on examination related receipts, which are implemented annually by National Department of Education.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The following key assumptions were taken into account when determining the personnel budget for the 2016/17 MTEF:

- Number of staff and possible changes over the 2016 MTEF;
- Basic salary costs including improvements in condition of service (ICS) adjustments from 1 April 2016;
- Pension fund contributions, thirteenth cheque and overtime all linked to the basic salary cost and increasing at the same rate;
- Salary increase for people with scarce skills;
- Grades and level of each staff member;
- Increased take-up of benefits such as medical aid and housing allowance;
- Contract employees, merit bonuses;
- Re-grading of clerical post as per Department of Public Service and Administration circular;
- Appointment of additional educators (growth posts) to accommodate learner growth;
- Medical aid contributions which normally increase more rapidly than inflation; and
- Skills development and technical and vocational skills.

The department aims to maintain at least an 80:20 split of personnel and non-personnel costs although an increase in personnel costs is evident. The following key assumptions were also considered when determining the budget for the 2016 MTEF, in order to meet the goal of improving quality of learning:

- Infrastructure development and the maintenance of school buildings with the aim of eradicating the backlog of learning space and preventative maintenance;
- Transfers and subsidies to institutions and schools;
- The Implementation of the National School Nutrition Policy;
- The provision of LTSM, workbooks and lesson plans for learners;
- District development and support;
- Reduction of class size;
- Providing therapists and social workers to schools to support learners;
- Rollout of the CAPS;
- Implementation and maintenance of intervention strategies such as the mainstreaming of Gauteng Primary Language and Mathematics Strategy, Secondary School Improvement Programme and Teacher Development Strategy and
- School Support Programme and the implementation of the ICT Strategy

## 7.2 Programme summary

TABLE 5.3 : SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	2 421 030	2 466 703	2 527 337	2 548 172	2 566 758	2 507 753	2 713 306	2 849 808	3 015 102
2. Public Ordinary School Education	19 472 806	21 225 396	23 304 740	26 360 762	27 103 256	26 896 768	28 624 341	30 064 102	31 807 818
3. Independent School Subsidies	421 446	452 967	515 059	537 988	597 750	597 750	580 498	609 523	644 876
4. Public Special School Education	1 444 314	1 587 210	1 804 844	1 918 152	1 987 713	1 987 713	2 021 733	2 123 009	2 246 144
5. Early Childhood Development	338 659	485 303	572 017	783 212	770 420	770 420	811 339	851 697	901 095
6. Infrastructure Development	1 669 458	1 628 548	1 760 629	2 596 164	2 585 080	2 447 058	3 010 234	2 709 912	2 865 626
7. Examination And Education Related Services	964 410	1 363 280	1 151 614	1 299 459	1 241 694	1 250 081	1 307 775	1 338 873	1 416 524
<b>Total payments and estimates</b>	<b>26 732 123</b>	<b>29 209 407</b>	<b>31 636 240</b>	<b>36 043 909</b>	<b>36 852 671</b>	<b>36 457 543</b>	<b>39 069 226</b>	<b>40 546 924</b>	<b>42 897 185</b>

## 7.3 Summary of economic classification

TABLE 5.4 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>22 908 703</b>	<b>25 129 771</b>	<b>27 267 237</b>	<b>29 830 810</b>	<b>30 517 798</b>	<b>30 219 507</b>	<b>32 000 928</b>	<b>33 534 370</b>	<b>35 606 470</b>
Compensation of employees	20 029 595	21 812 522	23 734 110	26 428 946	26 814 567	26 268 881	28 214 940	29 558 673	31 273 074
Goods and services	2 876 165	3 316 049	3 530 901	3 401 864	3 703 231	3 950 054	3 785 988	3 975 107	4 332 772
Interest and rent on land	2 943	1 200	2 226			572		589	623
<b>Transfers and subsidies to:</b>	<b>2 376 320</b>	<b>3 003 795</b>	<b>3 348 634</b>	<b>3 950 683</b>	<b>4 165 997</b>	<b>4 159 155</b>	<b>4 316 323</b>	<b>4 531 457</b>	<b>4 794 280</b>
Departmental agencies and accounts	12 522	12 520	60 247	79 312	75 346	75 346	80 531	84 639	89 548
Non-profit institutions	2 144 033	2 716 922	2 953 402	3 545 414	3 763 761	3 725 779	3 886 478	4 080 038	4 316 680
Households	219 765	274 353	334 985	325 957	326 890	358 030	349 314	366 780	388 052
<b>Payments for capital assets</b>	<b>1 386 908</b>	<b>1 044 349</b>	<b>1 010 581</b>	<b>2 262 416</b>	<b>2 168 876</b>	<b>2 071 595</b>	<b>2 751 975</b>	<b>2 481 099</b>	<b>2 496 436</b>
Buildings and other fixed structures	1 335 427	988 387	929 570	2 192 801	2 071 415	1 964 926	2 661 454	2 391 790	2 409 536
Machinery and equipment	42 654	42 583	39 504	47 115	80 177	89 385	74 921	78 669	83 233
Land and sub-soil assets	6 569	12 521	41 507	16 740	16 740	16 740	15 000	10 010	3 000
Software and other intangible assets	2 258	858		5 760	544	544	600	630	667
<b>Payments for financial assets</b>	<b>60 192</b>	<b>31 492</b>	<b>9 788</b>			<b>7 286</b>			
<b>Total economic classification</b>	<b>26 732 123</b>	<b>29 209 407</b>	<b>31 636 240</b>	<b>36 043 909</b>	<b>36 852 671</b>	<b>36 457 543</b>	<b>39 069 226</b>	<b>40 546 924</b>	<b>42 897 185</b>

The total budget allocation budget for the 2016/17 financial year amounts to R39 billion growing by 8.3 per cent from 2015/16 main appropriation of R36 billion.

The increase in the budget allocated to compensation of employees' is primarily to make provision for the recruitment of additional educators and support staff and to meet the policy demands of having a learner: educator ratio as per policy requirements of 1:40 and 1:35 for public primary and secondary schools, respectively. The 2016/17 budget for goods and services increases by 11.3 per cent, from R3.4 billion in 2015/16 to R3.7 billion in 2016/17 as a result of funding allocated to supplement the municipal services' budget for schools and the scholar transport budget to cater for the increase in learner numbers. The department has reprioritised the budget from transfers to entities to goods and services for the procurement of LTSM as part of the ICT Strategy implementation.

The largest portion of the budget is allocated to Public Ordinary School Education. Budget growth in Programme 2: Public Ordinary Schools is as a result of increases in budgets for LTSM, scholar transport, municipal services and school nutrition programmes. Programme 5: Early Childhood Development's budget experienced an increase in the transfers and subsidies item. The need to provide schools in newly established areas and maintaining existing ones as well as building classrooms of the future, resulted in a budget increase for Programme 6, Infrastructure Development:

## 7.4 Infrastructure Payments

### 7.4.1 Departmental Infrastructure Payment

For information on Infrastructure refer to estimate of capital expenditure (ECE).

### 7.5 Departmental Public-Private-Partnership (Ppp) Projects

N/A

## 7.6 Transfers

### 7.6.1 Transfers to Public Entities

N/A

### 7.6.2 Transfers to other Entities

TABLE 5.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Public Ordinary Schools	1 250 590	1 320 566	1 444 792	1 623 601	1 552 175	1 552 175	1 733 727	1 816 962	1 922 346
Sci-Bono Discovery Centre	103 695	159 938	93 982	477 068	719 027	677 628	652 576	687 513	727 389
Matthew Goniwe School of Leadership and Governance	112 769	166 250	458 697	451 718	400 776	400 776	404 662	470 642	497 939
Independent Schools	421 446	452 837	498 597	537 988	597 750	597 750	580 498	609 523	644 875
Special Schools	231 546	277 619	288 991	299 968	302 771	302 771	315 866	331 660	350 896
University of the Witwatersrand (Examinations)	23 987	23 133	23 365	13 934	11 525	11 525	7 324	7 690	8 136
Households Social Benefits	127 131	130 622	156 816	107 552	108 485	134 542	113 252	118 914	125 811
Households Other Transfers GCRA Bursaries to learners)	93 428	144 813	178 169	218 405	218 405	223 488	236 062	247 865	262 241
Department Agencies	7	1	1	1	1	1			
Grade R Sites/ Centers		113 838	135 154	141 137	141 137	144 554	148 617	156 048	165 099
SETA	20 144	20 151	60 246	79 311	75 345	75 345	80 531	84 639	89 548
Gauteng Education Development Trust		214 934	9 824						
FET Colleges					38 600	38 600	43 208		
<b>Total departmental transfers</b>	<b>2 384 743</b>	<b>3 024 702</b>	<b>3 348 634</b>	<b>3 950 683</b>	<b>4 165 997</b>	<b>4 159 155</b>	<b>4 316 323</b>	<b>4 531 456</b>	<b>4 794 280</b>

Transfers made to public ordinary schools amount to R2.6 billion for both section 20 and section 21 schools as defined by the South African Schools Act (SASA). These funds are intended to cover municipal services and social upliftment programmes. The allocations made to public ordinary schools are increased in line with the per capita allocations.

Independent school subsidies are directly linked to the per capita expenditure allocations of public ordinary schools. Independent subsidised schools will receive R580 million for the 2016/17 financial year. Special schools will receive R356 million and ECD will receive R148.6 million in the 2016/17 financial year.

Transfers will be made to Sci Bono Discovery Centre, Mathew Goniwe School of Leadership and Governance for the delivery of intervention strategies including the mainstreaming of the Gauteng Primary Language and Mathematics Strategy, the Secondary School Improvement Programme, teacher development, school safety and the Master Skills Plan.

Transfers and subsidies increased from R2.3 billion in 2012/13 to R4.3 billion in 2016/17, showing an increase of 81.5 per cent. This increase is attributable to implementation of ICT Strategy, Training activities for ESSP programmes, transfers to schools for the payment of food handlers relating to the school nutrition programme and intervention programmes to address challenges such as literacy, low pass rate in maths and science, teacher development, etc. All these activities

are implemented through departmental entities. Increase in bursaries to learners also contributed to the high increase in transfers.

The department's transfer and subsidy allocation increases by 9.2 per cent from R3.9 billion in 2015/16 to R4.3 billion in 2016/17. This is a direct result of the department's no-fee policy and caters for the increase in learner numbers in the no-fee schools. Transfers to Matthew Goniwe School of Leadership and Governance (MGSLG) which will be doing most of the teacher development for the department and Gauteng City Region Academy, which will be doing skills development and training for the province and the allocation of funds for bursaries for learners, will receive R444 million. Sci Bono will receive R652 million to implement the Maths, Science and Technology strategy of the department.

### 7.6.3 Transfers to local government

N/A

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Management Act and other policies.

#### Programme objectives

- To provide for the functioning of the office of the Member of the Executive Council (MEC) for Education;
- To provide management services which are not education specific for the education system;
- To provide education management services for the education system;
- To provide human resource development for office-based staff;
- To provide for projects under Programme 1 specified by the department of Education and funded by Conditional grants; and
- To provide an education management information system in accordance with the national Education Information Policy.

#### Key policies, priorities and outputs

The department will focus on the following targets and interventions to ensure that the set goals are met:

- It will improve its HR functions by accelerating its recruitment and appointment processes, to ensure transparency and accountability of personnel;
- It will deepen support to school management by head-office and district offices by introducing the notion of virtual districts; and
- It will ensure the production of education information through the collection of data/information and timely completion and submission of the Annual Performance Plan.

TABLE 5.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Office Of The MEC	2 604	3 304	3 607	4 015	4 015	3 947	4 228	4 439	4 698
2. Corporate Services	1 433 495	1 535 922	1 538 654	1 464 377	1 478 927	1 430 349	1 569 563	1 649 104	1 744 755
3. Education Management	869 262	884 520	968 405	1 038 155	1 038 225	1 027 866	1 091 445	1 145 787	1 212 244
4. Human Resource Management	19 086	4 481	11 671	22 902	26 868	26 868	28 355	29 777	31 504
5. Education Management Information System(Emis)	96 583	38 476	5 000	18 723	18 723	18 723	19 715	20 701	21 901
6. Conditional Grants									
<b>Total payments and estimates</b>	<b>2 421 030</b>	<b>2 466 703</b>	<b>2 527 337</b>	<b>2 548 172</b>	<b>2 566 758</b>	<b>2 507 753</b>	<b>2 713 306</b>	<b>2 849 808</b>	<b>3 015 102</b>

TABLE 5.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>2 329 596</b>	<b>2 413 309</b>	<b>2 490 293</b>	<b>2 514 864</b>	<b>2 543 509</b>	<b>2 470 832</b>	<b>2 690 599</b>	<b>2 825 966</b>	<b>2 989 878</b>
Compensation of employees	1 834 740	1 900 390	1 922 118	2 052 703	2 052 703	1 914 785	2 173 724	2 283 124	2 415 544
Goods and services	492 118	512 069	567 687	462 161	490 806	555 481	516 875	542 842	574 333
Interest and rent on land	2 738	850	488			566			
<b>Transfers and subsidies to:</b>	<b>10 850</b>	<b>10 398</b>	<b>13 284</b>	<b>4 987</b>	<b>4 987</b>	<b>11 589</b>	<b>5 250</b>	<b>5 513</b>	<b>5 832</b>
Departmental agencies and accounts	7	1	2	1	1	1			
Non-profit institutions	717								
Households	10 126	10 397	13 282	4 986	4 986	11 588	5 250	5 513	5 832
<b>Payments for capital assets</b>	<b>20 392</b>	<b>11 504</b>	<b>13 972</b>	<b>28 321</b>	<b>18 262</b>	<b>18 046</b>	<b>17 457</b>	<b>18 330</b>	<b>19 393</b>
Buildings and other fixed structures	9								
Machinery and equipment	18 098	10 646	13 972	22 561	17 718	17 502	16 857	17 700	18 726
Land and sub-soil assets	27								
Software and other intangible assets	2 258	858		5 760	544	544	600	630	667
<b>Payments for financial assets</b>	<b>60 192</b>	<b>31 492</b>	<b>9 788</b>			<b>7 286</b>			
<b>Total economic classification</b>	<b>2 421 030</b>	<b>2 466 703</b>	<b>2 527 337</b>	<b>2 548 172</b>	<b>2 566 758</b>	<b>2 507 753</b>	<b>2 713 306</b>	<b>2 849 808</b>	<b>3 015 102</b>

The Administration budget for the 2016/17 financial year amounts to R2.7 billion, an increase of 6.5 per cent from the 2015/16 main appropriation of R2.5 billion. Budget growth relates to provision made for improvement in conditions of services (ICS) and adjustment for price inflation for goods and services.

The increase translates to a rand value of R165 million. Compensation of employees increased by 5.9 per cent as a result of the provision made for ICS costs for the administrative staff at head office and district offices. The increase in goods and services is due to reprioritisation of funds to cover operational costs at district offices and to make provision for bursaries for administrative staff.

District administration will receive an allocation of R64.1 million for the 2016/17 financial year. In support of the intervention strategies supporting language and mathematics development, the department is allocating a further R4.6 million to a Library Information System. This system will provide access to learners in schools that do not have libraries. The department's information management systems will receive an allocation of R19.7 million to ensure connectivity in schools and to enable schools to utilise the South African School Administration Management System (SA SAMS) to provide learner data to the national learner tracking system.

The budget of the Office of the MEC receives an allocation for administrative costs only. The budget increased from an allocation of R4 million in 2015/16 to R4.2 million in 2016/17 indicating an increase of 5.3 per cent. The budget has remained stable over the past five years and is largely influenced by the increase in administration costs and salary increases.

The budget for Corporate Services is the largest under Programme 1 as it manages all the financial, administrative and personnel support services which is key to the broad management of the department. The budget increased by 7.2 per cent from 2015/16 to 2016/17, a rand value increase of R105 million. The Virtual District Model of the department endeavours to streamline the business processes which will ensure that most of the administration costs are reduced and funds reprioritised to core programmes.

Education Management is the second largest, showing an increase of R53.2 million which translates to 5.1 per cent increase from 2015/16 to 2016/17. The sub-programme functions include Quality Assurance, Policy Development, Monitoring and Evaluation, Research Coordination, Education Planning and Information Management.

Administration expenditure increased by R292 million from R2.4 billion in 2012/13 to R2.7 billion in 2016/17. The largest spending share is on current payments which are influenced by increases as a result of inflation and contractual obligations.



**SERVICE DELIVERY MEASURES****PROGRAMME 1: ADMINISTRATION**

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Programme 1: Administration</b>			
PM101: Number of public schools that use the school administration and management systems to electronically provide data to the national learner tracking system.	2 197	2 197	2 197
PM102: Number of public schools that can be contacted electronically (e-mail).	2 048	2 048	2 048
PM103: Percentage of education current expenditure going towards non-personnel items.	25% (9,773,055)	22.9% (9,072,581)	26.7% (11,248,689)
PM104: Number of schools visited by district officials for monitoring and support purposes.	2 097	2 097	2 097

**PROGRAMME 2: PUBLIC ORDINARY SCHOOL EDUCATION****Programme description**

To provide public ordinary education from Grades 1 to 12, in accordance with the South African Schools Act.

**Programme objectives**

- Provide specific public primary ordinary schools with the resources required for the Grade 1 to 7 phases;
- Provide specific public secondary ordinary schools with resources required for the Grades 8 to 12 levels;
- Provide Departmental services for the professional and other development of educators and non-educators in public ordinary schools;
- Provide additional and departmentally managed sporting and cultural activities in public ordinary schools; and
- Provide for projects under Programme 2 specified by the department of Basic Education and funded by conditional grants.

**Key policies, priorities and outputs**

The department will focus on the following targets and interventions to ensure that the goals set are met:

- Expansion of the school nutrition programme;
- Expansion of learner educator support material;
- CAPS rollout and Intersen Strategy;
- Improved learning in poor communities to urgently address the growing class sizes in schools;
- Expansion of no-fee schools;
- Leadership skills and capacity building programmes for managing learning through the effective governance and management of schools;
- Implementation of a province-wide literacy and numeracy programme to improve basic writing, reading and arithmetic. This will include the promotion of the use of mother tongue instruction as an enabler of learner performance;
- Improve the quality and competence of teachers in the foundation phase and review all textbooks and learning support materials utilised in the phase;
- Improve the quality of learning in all other Grades and in languages, Mathematics, Science, Technology and the economic and Management Sciences;
- Increase the role of SGBs and society at large in supporting and monitoring schools and the quality of learning that they provide; and
- Enhance vocational and technical skills in learners.

**TABLE 5.8 : SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: PUBLIC ORDINARY SCHOOL EDUCATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Public Primary Schools	10 817 601	11 762 967	12 325 850	14 322 558	14 628 807	14 671 619	15 469 718	16 246 457	17 188 749
2. Public Secondary Schools	7 909 925	8 652 265	10 142 584	11 133 836	11 569 802	11 321 733	12 201 047	12 814 634	13 557 883
3. Human Resource Development	73 993	100 652	111 472	145 817	146 096	146 109	156 477	164 500	174 041
4. School Sport, Culture And Media Services	23 167	504	816	1 790	1 790	1 790	1 885	1 979	2 094
5. Conditional Grants	648 120	709 008	724 018	756 761	756 761	755 517	795 214	836 532	885 051
<b>Total payments and estimates</b>	<b>19 472 806</b>	<b>21 225 396</b>	<b>23 304 740</b>	<b>26 360 762</b>	<b>27 103 256</b>	<b>26 896 768</b>	<b>28 624 341</b>	<b>30 064 102</b>	<b>31 807 818</b>

TABLE 5.9 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC ORDINARY SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>18 147 150</b>	<b>19 621 067</b>	<b>21 489 562</b>	<b>23 835 108</b>	<b>24 467 587</b>	<b>24 275 863</b>	<b>25 963 292</b>	<b>27 269 572</b>	<b>28 851 206</b>
Compensation of employees	16 785 396	18 129 998	19 769 461	22 007 144	22 337 429	21 967 979	23 618 636	24 802 418	26 240 958
Goods and services	1 361 549	1 490 719	1 719 417	1 827 964	2 130 158	2 307 878	2 344 656	2 467 154	2 610 248
Interest and rent on land	205	350	684			6			
<b>Transfers and subsidies to:</b>	<b>1 306 282</b>	<b>1 557 320</b>	<b>1 784 879</b>	<b>2 489 683</b>	<b>2 623 608</b>	<b>2 599 420</b>	<b>2 648 507</b>	<b>2 780 168</b>	<b>2 941 417</b>
Non-profit institutions	1 196 279	1 444 489	1 649 356	2 389 553	2 523 478	2 482 079	2 543 070	2 669 459	2 824 287
Households	110 003	112 831	135 523	100 130	100 130	117 341	105 437	110 709	117 130
<b>Payments for capital assets</b>	<b>19 374</b>	<b>47 009</b>	<b>30 299</b>	<b>35 971</b>	<b>12 061</b>	<b>21 485</b>	<b>12 542</b>	<b>14 362</b>	<b>15 195</b>
Buildings and other fixed structures	1 289	25 508	11 852	24 351	119	119		1 192	1 261
Machinery and equipment	17 521	21 501	18 447	11 620	11 942	21 366	12 542	13 170	13 934
Land and sub-soil assets	564								
<b>Total economic classification</b>	<b>19 472 806</b>	<b>21 225 396</b>	<b>23 304 740</b>	<b>26 360 762</b>	<b>27 103 256</b>	<b>26 896 768</b>	<b>28 624 341</b>	<b>30 064 102</b>	<b>31 807 818</b>

The increase in the public school allocations can be ascribed to the no-fee school policy, the increase in compensation of employees and the implementation of national and provincial interventions to improve the quality of education. The intervention programmes include resourcing of schools, especially to improve learner performance in literacy and numeracy in the foundation phase, languages and mathematics in the intermediate and Intersen phases. Resource interventions in schools have increased for both primary and secondary schools over the MTEF.

The programme budget grows by 8.6 per cent from R26.3 billion in 2015/16 to R28.6 billion in 2016/17. This increase is attributed to Compensation of employees which grew by 7.3 per cent constituting a rand value of R1.6 billion. The increase in compensation of employee's budget is in response to the increase in learner numbers due to in-migration and to maintain the learner: educator ratio of 40:1 in primary schools and 35:1 in secondary schools.

The goods and services budget grows by 28.3 per cent from R1.8 billion in 2015/16 to R2.3 billion in 2016/17. This is sufficient to ensure that the department maintains the procurement of quality inputs for its schools. This increase is mainly due to the reprioritisation of funds to LTSM and additional funding received to address budget shortfalls for scholar transport and municipal services. Included in the goods and services budget is the procurement of LTSM for ICT and section 20 schools, provision for scholar transport, municipal costs for schools, allocation for school furniture and other administrative costs within the programme. The increase in the allocation for scholar transport and school nutrition programme aims to collaborate with the department's quality upliftment programmes to improve the level of learner attainment in the province.

Transfers and Subsidies budget for 2016/17 amounts to R2.6 billion, indicating a nominal increase of 6.4 per cent, which amounts to R158 million. This increase is largely due to the growth in learner enrolment and the implementation of the no-fee Policy.

In terms of providing access to schooling, the department has budgeted just over R1.2 billion to execute the no-fee school policy. A further R535 million will be allocated to transport over 70 000 learners to 360 schools in the province. To improve learning in schools and to alleviate poverty, the department has allocated R712 million to school nutrition that will feed over one million learners in our no-fee schools.

There is also a marked increase in conditional grant budgets which consist of Mathematics, Science and Technology Grant (MST), HIV and AIDS and National School Nutrition which constitutes 27.9 per cent of the 2016/17 programme budget. These grants continue to grow over the MTEF to ensure that learner performance improves through the provision of nutritious meals to children in no-fee schools, to improve performance in mathematics and science through the MST grant.

Public Ordinary Schools expenditure increased by 46.9 percent from R19.4 billion in 2012/13 to R28.6 billion in 2016/17. The increase in spending is influenced by the expansion in the education sector, increased learner enrolment, opening of new schools, employment of more educators, implementation of departmental priorities and the procurement of education resources. The department recorded higher spending on compensation of employees as a result of learner growth and opening of new schools. Goods and services increased due to spending on LTSM, increased access to scholar transport by children living five km away from schools and increase in fuel costs, expansion of the national school nutrition programme, and increase in municipal costs in schools, procurement of and replacement of school furniture and inflationary costs.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: PUBLIC ORDINARY SCHOOLS

Programme 2: Public Ordinary School Education			
Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Programme 2: Public Ordinary School Education</b>			
PM201: Number of full service schools servicing learners with learning barriers.	19	19	19
PM202: Number of primary schools with an overall pass rate in ANA of 50% and above	1 690	1 732	1 732
PM203: Number of secondary schools with an overall pass rate in ANA of 40% and above	500	761	761
PM204: Number of secondary schools with National Senior Certificate (NSC) pass rate of 60% and above	805	815	825
PM205: The percentage of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or a higher grade)	82.5%	83%	83.5%
PM206 : The percentage of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or a higher grade)	75.5%	80%	80%
PM207: Number of schools provided with media resources	375	375	375
PM208: Learner absenteeism rate	9%	8%	8%
PM209: Teachers absenteeism rate	9%	8%	8%
PM210: Number of learners in public ordinary schools benefiting from the "No Fee School" policy.	1 237 907	1 250 286	1 262 788
PM211: Number of educators trained in Literacy/Language content and methodology	600	750	750
PM212: Number of educators trained in Numeracy/Mathematics content and methodology	600	750	750

### PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

#### Programme description

To provide independent ordinary education from Grades 1 to 12, in accordance with the South African Schools Act.

#### Programme Objectives

- To support independent schools in accordance with the South African Schools Act;
- To support independent schools in Grades 1 to 7; and
- To support independent schools in Grades 8 to 12.

#### Key policies, priorities and outputs

In achieving the broad outcomes of the programme, the department will:

- Increase its inspection, audit and oversight capacity to ensure that all subsidised schools use state funds to achieve the educational outcomes set out in the curriculum framework;
- Monitor the compliance of all independent schools with the conditions of registration;
- Enforce the regulation of all relocations to new sites by owners of independent schools;
- Process all new applications for registration in good time;
- Train all independent schools on CAPS and the writing of the 2015 ANA; and
- Train and support independent schools in the implementation of assessment policy statements and writing ANA where required.

TABLE 5.10 : SUMMARY OF PAYMENTS AND ESTIMATES: INDEPENDENT SCHOOL SUBSIDIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Primary Phase	250 287	277 500	283 257	314 954	339 203	332 664	345 643	362 925	383 975
2. Secondary Phase	171 159	175 467	231 802	223 034	258 547	265 086	234 855	246 598	260 901
<b>Total payments and estimates</b>	<b>421 446</b>	<b>452 967</b>	<b>515 059</b>	<b>537 988</b>	<b>597 750</b>	<b>597 750</b>	<b>580 498</b>	<b>609 523</b>	<b>644 876</b>

TABLE 5.11 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INDEPENDENT SCHOOL SUBSIDIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>		130	16 462						
Goods and services		130	16 462						
Interest and rent on land									
<b>Transfers and subsidies to:</b>	421 446	452 837	498 597	537 988	597 750	597 750	580 498	609 523	644 876
Non-profit institutions	421 446	452 837	498 597	537 988	597 750	597 750	580 498	609 523	644 876
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	421 446	452 967	515 059	537 988	597 750	597 750	580 498	609 523	644 876

The independent school sector has grown significantly from R421 million in 2012/13 to R580 million 2016/17. The budget has grown by R159 million over the period indicating a growth of 37.7 per cent. This is due to the increase in the allocation per learner rate and the increase in the number of schools qualifying for subsidies.

Subsidies to independent schools will increase by R42.5 million from R537 million in 2015/16 to R580 million in 2016/17 or 7.9 per cent. The subsidies to independent schools are directly linked to increased expenditure in Programme 2 as the budget of independent schools is directly derived from the per capita expenditure on public ordinary schools. The department has a total of 208 independent subsidised schools. Subsidies to primary and secondary schools amount to R345 million, which is allocated to primary schools and R234 million to secondary schools.

The Independent School Directorate monitors all subsidised independent schools and ensures that the norms and standards are implemented in the interest of the learners. School monitors are funded through compensation of employees in programme 1. Subsidies will be paid to institutions within the stipulated time-frame and the department will increase its capacity to register new independent schools or deregister schools that do not fulfil stipulated requirements.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: Independent School Education

#### Programme 3: Independent School Education

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Programme 3: Independent School Education</b>			
PM301: Number of subsidized learners in registered Independent Schools	97 117	98 088	98 088
PM302: Percentage of registered independent schools receiving subsidies	25%	25%	25%
PM303: Percentage of registered independent schools visited for monitoring and support	15%	15%	15%

### PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

#### Programme description

To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education.

#### Programme objectives

- To provide specific public special schools with resources;
- To provide educators and learners in public special schools with Departmentally managed support services;
- To provide Departmental services for the professional and other development of educators and non-educators in public special schools; and
- To provide additional and departmentally managed sporting and cultural activities in public special schools.

#### Key policies, priorities and outputs

The Gauteng strategy for Early Identification and Support Provisioning to learners experiencing barriers to learning will focus on three key areas:

- Screening of learners to identify barriers to learning and development;

- Staff at full service and special schools resource centres as well as school-based and district-based support teams will be trained and skilled to screen all learners in terms of Screening, Identification, Assessment and Support (SIAS); and
- Identifying learners in need of alternative placement and finding appropriate placement, through district- and school-based support teams that will be trained to identify learners with moderate to high level needs that need placement in full service and special schools resource centres.

TABLE 5.12 : SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: PUBLIC SPECIAL SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Schools	1 439 910	1 587 210	1 730 383	1 885 673	1 935 673	1 935 673	2 018 535	2 119 651	2 242 591
2. Human Resource Development	1 603			1 850	1 850	1 850	1 948	2 045	2 164
3. School Sport, Culture And Media Services	2 801		990	1 187	1 187	1 187	1 250	1 313	1 389
4. Conditional Grants			73 471	29 442	49 003	49 003			
<b>Total payments and estimates</b>	<b>1 444 314</b>	<b>1 587 210</b>	<b>1 804 844</b>	<b>1 918 152</b>	<b>1 987 713</b>	<b>1 987 713</b>	<b>2 021 733</b>	<b>2 123 009</b>	<b>2 246 144</b>

TABLE 5.13 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC SPECIAL SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>1 206 476</b>	<b>1 288 778</b>	<b>1 498 360</b>	<b>1 592 892</b>	<b>1 658 894</b>	<b>1 656 777</b>	<b>1 665 217</b>	<b>1 748 667</b>	<b>1 850 090</b>
Compensation of employees	1 170 860	1 278 391	1 483 359	1 576 618	1 645 428	1 643 311	1 662 097	1 745 391	1 846 623
Goods and services	35 616	10 387	15 001	16 274	13 466	13 466	3 120	3 276	3 467
<b>Transfers and subsidies to:</b>	<b>237 437</b>	<b>298 431</b>	<b>306 328</b>	<b>324 965</b>	<b>328 519</b>	<b>330 636</b>	<b>356 386</b>	<b>374 205</b>	<b>395 909</b>
Non-profit institutions	231 546	292 119	298 391	322 529	325 332	325 332	353 821	371 512	393 060
Households	5 891	6 312	7 937	2 436	3 187	5 304	2 565	2 693	2 849
<b>Payments for capital assets</b>	<b>401</b>	<b>1</b>	<b>156</b>	<b>295</b>	<b>300</b>	<b>300</b>	<b>130</b>	<b>137</b>	<b>145</b>
Buildings and other fixed structures									
Machinery and equipment	401	1	156	295	300	300	130	137	145
<b>Total economic classification</b>	<b>1 444 314</b>	<b>1 587 210</b>	<b>1 804 844</b>	<b>1 918 152</b>	<b>1 987 713</b>	<b>1 987 713</b>	<b>2 021 733</b>	<b>2 123 009</b>	<b>2 246 144</b>

Public Special School Education received an allocation of R2 billion in 2016/17. The budget is to finance resource requirements and support to 111 Special Schools and 19 Full-Service Schools. A portion of the budget is earmarked to be spent on the provision of various assistive devices used and required at special schools.

The increase in Compensation of employees amounts to 5.4 per cent, growing from the 2015/16 budget of R1.5 billion to 1.6 billion in the 2015/16 financial year. This is mainly due to additional funds allocated to improvements in the conditions of service of employees. The budget for goods and services decreased with 80.8 per cent from R16.2 million in 2015/16 to R3.1 million in 2016/17, due to funds being prioritized for the training of educators and professional staff at special schools. Transfer payments to public special schools increased by R31.4 million from R324 million in 2015/16 to R356 million in 2016/17 due to the implementation of the department's inclusion strategy and the establishment and resourcing of full service schools and teacher development.

The Expansion budget which encompasses the early identification of learners in need of assistive devices in public special schools, as well as the outreach to learners with Autism and strengthening of Full Services Schools, will receive R38 million of which R10 million has been exclusively earmarked for the use of Autism education in special schools and R1.9 million has been allocated to teacher development to improve the performance of educators in the special schools in the province.

Spending on the special schools has increased from R1.4 billion in 2012/13 to R1.8 billion in 2014/15; this is as a result of the department's responsibility to ensure that all learners with special educational needs are suitably accommodated in institutions that are appropriately resourced.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

Programme 4: Public Special School Education			
Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Programme : Public Special School Education</b>			
PPM401: Percentage of learners with special needs in special schools retained in schools until age 16	*N/A	*N/A	*N/A
PM401: Percentage of special schools serving as Resource Centers	5%	5%	5%

\*PM401 cannot be calculated as the population statistics of children with disabilities in Gauteng is not available

### PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

#### Programme description

To provide ECD at Grade R and earlier levels in accordance with White Paper 5.

#### Programme objectives

- To provide specific public ordinary schools with the resources required for Grade R;
- To support particular community centres at Grade R level;
- To provide particular sites with resources required for pre-Grade R; and
- To provide educators and learners in ECD sites with departmentally managed support services.

#### Key policies, priorities and outputs

- The department will expand Grade R to all public schools as well as registering new Grade R sites and procuring additional classrooms to meet demand;
- the department will work with the department of Social Development, to recognise private Grade R in centres registered with them and local government;
- the department will identify 750 Grade R practitioners for training to improve the quality of teaching and learning in the classroom;
- As part of quality education, the department will continue testing Grade R learners with learning difficulties to identify barriers such as dyslexia and psycho-motor disorders and provide simple assistive devices; and
- The Early Childhood Development Institute (ECDI) and the department of Social Development will broaden access to Grade R and pre-Grade R programmes in all communities.

TABLE 5.14 : SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: EARLY CHILDHOOD DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Grade R In Public Schools	321 754	447 567	511 626	693 295	695 664	695 664	730 652	766 975	811 460
2. Grade R In Community Centers	96	600	33	29 840	16 548	16 548	17 426	18 297	19 358
3. Pre-Grade R Training	16 809	37 136	43 826	45 588	43 719	43 719	48 004	50 405	53 328
4. Human Resource Development			16 532	14 489	14 489	14 489	15 257	16 020	16 949
<b>Total payments and estimates</b>	<b>338 659</b>	<b>485 303</b>	<b>572 017</b>	<b>783 212</b>	<b>770 420</b>	<b>770 420</b>	<b>811 339</b>	<b>851 697</b>	<b>901 095</b>

TABLE 5.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>212 196</b>	<b>336 330</b>	<b>377 029</b>	<b>592 226</b>	<b>579 123</b>	<b>575 685</b>	<b>570 867</b>	<b>599 200</b>	<b>633 953</b>
Compensation of employees	100 722	190 046	243 765	402 010	388 536	388 515	409 960	430 458	455 425
Goods and services	111 474	146 284	133 264	190 216	190 587	187 170	160 907	168 742	178 528
<b>Transfers and subsidies to:</b>	<b>125 869</b>	<b>148 935</b>	<b>194 988</b>	<b>190 626</b>	<b>190 808</b>	<b>194 246</b>	<b>240 116</b>	<b>252 123</b>	<b>266 746</b>
Non-profit institutions	125 864	148 935	194 913	190 626	190 626	194 043	240 116	252 123	266 746
Households	5		75		182	203			
<b>Payments for capital assets</b>	<b>594</b>	<b>38</b>		<b>360</b>	<b>489</b>	<b>489</b>	<b>356</b>	<b>374</b>	<b>396</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Machinery and equipment	555	38		360	489	489	356	374	396
Land and sub-soil assets	39								
<b>Total economic classification</b>	<b>338 659</b>	<b>485 303</b>	<b>572 017</b>	<b>783 212</b>	<b>770 420</b>	<b>770 420</b>	<b>811 339</b>	<b>851 697</b>	<b>901 095</b>

The budget increased by R28.1 million from R783 million in 2015/16 to R811 million in 2016/17. Compensation of employee's budget increased from R402 million to R409 million in 2016/17, an increase of 2 per cent or R7.9 million. The budget increase is in support of the goal to universalisation of Grade R through the increase in number of Grade R practitioners and the increase in resources to Grade R sites in public ordinary schools and in community centres.

Goods and services shows a decrease of R29.3 million from R190 million in 2015/16 to R160 million in 2016/17 due to funds being reprioritised for the training of Grade R practitioners through Matthew Goniwe School of Leadership and Governance. The department allocates funds to resource Grade R in schools and in Community centres by providing start-up kits for all new Grade R centres in the province. Teacher development of pre-Grade R practitioners and training of Grade R practitioners will receive R18.8 million and R15.2 million respectively.

Expenditure outcome for this programme has increased from R338 million in 2012/13 to R572 million in 2014/15. This increase is evident in sub-programme Grade R in public schools which has increased by R189.9 million from 2012/13 to 2014/15. This is as a result of the expansion of Grade R by providing remuneration and training to Grade R practitioners and the registration of new Grade R centres. The department is targeting to have 145 000 learners in Grade R by the end of the 2016/17 financial year.

Community centres receive allocation for resources and the increase in allocation is aimed at having all private sites registered and monitored to improve the quality of education.

The Pre-Grade R training sub-programme received a budget of R48 million. This is utilised to offer training and skills development to pre-grade R practitioners. The focus of the training is on management of the centres and training of ECD practitioners on curriculum to improve the quality of teaching and learning in the classroom.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: EARLY CHILD DEVELOPMENT

#### Programme 5: Early Childhood Development

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Programme 5: Early Childhood Development</b>			
PM501: Number of public schools that offer Grade R	1 400	1 431	1 431
PM502: Percentage of Grade 1 learners who have received formal Grade R education	72%	73%	74%
PM503: Percentage of employed ECD Practitioners with NQF level 4 and above	90%	95%	95%

### PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

#### Programme description

To provide and maintain infrastructure facilities for administration and schools.

#### Programme objectives

- Infrastructure development and maintenance of buildings;
- Office infrastructure development and maintenance;
- Infrastructure development and maintenance in public ordinary schools (main stream and full service schools);
- Special schools infrastructure development and maintenance; and
- Infrastructure development and maintenance for ECD.

#### Key policies, priorities and outputs

- The department's infrastructure programme for the 2015/16 MTEF will focus on school maintenance using maintenance teams, the building of schools and providing of mobiles in high pressured areas, and completing fencing of all priority schools in line with the department's safety strategy;
- The department is working in partnership with the DID to identify and purchase land for the development and completion of turnkey schools;

- The department will implement the norms and standards for school infrastructure, to ensure a conducive learning environment in all schools;
- To bring education into the 21st century, the department aims to develop a model of a smart school that includes infrastructure, ICT and smart education;
- The department plans to ensure that all schools have functional, clean and hygienic toilets, to ensure an environment that is conducive to teaching and learning;
- The department will also pilot the cleaning of schools through the establishment of cooperatives and through the EPWP; and
- The department endeavours to ensure that all teachers, learners and administrative staff on the school property are safe and secure at all times.

TABLE 5.16: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Administration	57 503	35 378	69 228	31 982	31 982	38 885	36 603	25 026	23 767
2. Public Ordinary Schools	1 246 494	1 485 033	1 630 461	2 244 039	2 232 955	2 114 010	2 396 238	2 156 323	2 499 961
3. Special Schools	28 265	40 305	54 382	177 975	177 975	177 975	356 012	349 479	177 819
4. Early Childhood Development	337 196	67 832	6 558	142 168	142 168	116 188	221 381	179 084	164 079
<b>Total payments and estimates</b>	<b>1 669 458</b>	<b>1 628 548</b>	<b>1 760 629</b>	<b>2 596 164</b>	<b>2 585 080</b>	<b>2 447 058</b>	<b>3 010 234</b>	<b>2 709 912</b>	<b>2 865 626</b>

TABLE 5.17 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>329 981</b>	<b>652 959</b>	<b>801 404</b>	<b>410 974</b>	<b>497 044</b>	<b>465 511</b>	<b>333 780</b>	<b>309 304</b>	<b>454 351</b>
Compensation of employees							36 598		
Goods and services	329 981	652 959	801 404	410 974	497 044	465 511	297 182	309 304	454 351
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
<b>Payments for capital assets</b>	<b>1 339 477</b>	<b>975 589</b>	<b>959 225</b>	<b>2 185 190</b>	<b>1 688 036</b>	<b>1 981 547</b>	<b>2 676 454</b>	<b>2 400 608</b>	<b>2 411 275</b>
Buildings and other fixed structures	1 334 121	962 879	917 718	2 168 450	2 071 296	1 964 807	2 661 454	2 390 598	2 408 275
Machinery and equipment		189							
Land sub-soil assets	5 356	12 521	41 507	16 740	16 740	16 740	15 000	10 010	3 000
<b>Total economic classification</b>	<b>1 669 458</b>	<b>1 628 548</b>	<b>1 760 629</b>	<b>2 596 164</b>	<b>2 585 080</b>	<b>2 447 058</b>	<b>3 010 234</b>	<b>2 709 912</b>	<b>2 865 626</b>

Infrastructure development received a budget of R3 billion for the 2016/17 financial year, an increase of R414 million or 27.7 per cent. The increase is due to the education infrastructure incentive grant received and internal capacity building funding received. The department also received additional funding of R300 million for infrastructure projects through equitable share allocation.

In 2015/16 second adjustment, the department received R414 millions of which R14 million is a Provincial disaster grant which will be used to repair schools that were damaged by storm in the Ekurhuleni municipality district and R400 million which is allocated to accelerate infrastructure projects that are funded from Education Infrastructure Grant as the department has demonstrated capacity to absorb additional funds in the current infrastructure portfolio.

The payments for capital assets items, which includes buildings and other fixed assets, increased by R491 million from 2015/16 main appropriation of R2.1 billion to R2.6 billion in 2016/17 and constitutes 22.5 per cent. This increase can be attributed to the shift in focus in the refurbishment of fixed structures and maintenance of existing structures in line with the ICT strategy as well as provision of mobile classrooms for Grade R and other pressure areas. Capex for special schools increased from R177 million to R356 million. This budget caters for the building of specialist rooms in ordinary schools in fulfilment of the Inclusion strategy.



## SERVICE DELIVERY MEASURES

### PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Programme 6: Infrastructure Development</b>			
PM601: Number of public ordinary schools provided with water supply.	*0	*0	*0
PM602: Number of public ordinary schools provided with electricity supply.	*0	*0	*0
PM603: Number of public ordinary schools supplied with sanitation facilities.	*0	*0	*0
PM604: Number of classrooms built in public ordinary schools.	340	592	350
PM605: Number of specialist rooms built in public ordinary schools.	122	221	97
PM606: Number of new schools completed and ready for occupation (includes replacement schools)	13	22	12
PM607: Number of new schools under construction (includes replacement schools)	17	25	22
PM608: Number of Grade R classrooms built	200	200	200
PM609: Number of hostels built	**0	**0	**0
PM610: Number of schools undergoing scheduled maintenance	48	34	33

\* This measure applies to existing schools and excludes new schools. All existing schools have the above services available.

\*\* To measure access to education for learners who travel long distance. No hostels planned for the MTEF

### PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

#### Programme Description

To provide training and support to all education institutions.

#### Programme objectives

- Provide employee human resources development in accordance with the Skills Development Act;
- Provide for special departmentally managed intervention projects in the education system as a whole;
- Provide educators and learners in public ordinary schools with departmentally managed support services; and
- Provide departmentally managed examination services.

TABLE 5.18 : SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: EXAMINATION AND EDUCATION RELATED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Payments To SETA	12 515	12 519	60 245	79 311	75 345	75 345	80 531	84 639	89 548
2. Professional Services	446 101	817 485	488 461	491 843	424 915	443 263	491 400	514 963	544 827
3. Special Projects	312 271	278 855	316 566	436 758	447 158	426 150	444 057	465 253	492 238
4. External Examinations	193 523	225 604	249 513	244 354	247 083	258 130	260 987	274 018	289 911
5. Conditional Grants		28 817	36 829	47 193	47 193	47 193	30 800		
<b>Total payments and estimates</b>	<b>964 410</b>	<b>1 363 280</b>	<b>1 151 614</b>	<b>1 299 459</b>	<b>1 241 694</b>	<b>1 250 081</b>	<b>1 307 775</b>	<b>1 338 873</b>	<b>1 416 524</b>

TABLE 5.19 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXAMINATION AND EDUCATION RELATED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>683 304</b>	<b>817 198</b>	<b>594 127</b>	<b>884 746</b>	<b>771 641</b>	<b>774 839</b>	<b>777 173</b>	<b>781 660</b>	<b>826 992</b>
Compensation of employees	137 877	313 697	315 407	390 471	390 471	354 291	313 925	297 282	314 524
Goods and services	545 427	503 501	277 666	494 275	381 170	420 548	463 248	483 789	511 845
Interest and rent on land			1 054					589	623
<b>Transfers and subsidies to:</b>	<b>274 436</b>	<b>535 874</b>	<b>550 558</b>	<b>402 434</b>	<b>420 325</b>	<b>425 514</b>	<b>485 566</b>	<b>509 925</b>	<b>539 500</b>
Provinces and municipalities									
Departmental agencies and accounts	12 515	12 519	60 245	79 311	75 345	75 345	80 531	84 639	89 548
Non-profit institutions	168 181	378 542	312 145	104 718	126 575	126 575	168 973	177 421	187 711
Households	93 740	144 813	178 168	218 405	218 405	223 594	236 062	247 865	262 241

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Payments for capital assets</b>	6 670	10 208	6 929	12 279	49 728	49 728	45 036	47 288	50 032
Buildings and other fixed structures	8								
Machinery and equipment	6 079	10 208	6 929	12 279	49 728	49 728	45 036	47 288	50 032
<b>Total economic classification</b>	<b>964 410</b>	<b>1 363 280</b>	<b>1 151 614</b>	<b>1 299 459</b>	<b>1 241 694</b>	<b>1 250 081</b>	<b>1 307 775</b>	<b>1 338 873</b>	<b>1 416 524</b>

The programme received R1.3 billion in the 2016/17 financial year; showing an increase of 0.6 per cent. The cost drivers in the programme are GCRA training and youth development programmes, provision of bursaries to top student achievers and examination services.

Compensation of employees decreased by 19.6 per cent, from R390 million in 2015/16 to R313 million in 2016/17. Funds that were allocated for the employment of ESSP practitioners have been reprioritised to fund GCRA activities to drive skills development with more focus on youth development.

Goods and Services decreased from R494 million in 2015/16 to R463 million in 2016/17 due to funds reprioritised to transfers and subsidies to fund curriculum related activities and transfers and subsidies budget consequently increased from R402 million in 2015/16 to R485 million in 2016/17.

School safety has been allocated R13.2 million in the 2016/17 financial year, which includes the advocacy and development of school safety plans in all priority schools and the training of occupational health and safety officers. This is to enhance safety against substance abuse, gang violence, weapons in school, sexual violence, bullying, assault, theft and robbery in prioritised schools

An amount of R121.7 million will be invested in the intensification of the Psycho-Social Services for the early identification of learners with minor learning barriers and the distribution of assistive devices to primary school learners. A total of R75.3 million is allocated to the school sport and the homework programme as part of the After school programme.

The GCRA will receive an allocation of R444 million for the continued expansion of the Master Skill Plan (MSP). The MSP funding includes the provision of bursaries to the top three learners from no-fee schools and other learners based on their performance. External examination is allocated R260 million of which R97.4 is for administrative costs and R163 million for examination markers and moderators who get paid a stipend as per the Personnel Administration Measures (PAM). In support of learning interventions which includes MST teacher development and MST learner achievement, an amount of R193 million is allocated.

## SERVICE DELIVERY MEASURES

### PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

#### Programme 7: Examination and Education Related Services

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Programme 7: Examination and Education Related Services</b>			
PM701: Percentage of learners who passed National Senior Certificate (NSC)	90%	91%	92%
PM702: Percentage of Grade 12 learners passing at bachelor level	39%	40%	43%
PM703: Percentage of Grade 12 learners achieving 50% or more in Mathematics	40%	43%	60%
PM704: Percentage of Grade 12 learners achieving 50% or more in Physical Science.	35%	40%	60%
PM705: Percentage of Grade 3 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA)	72%	73%	75%
PM706: Percentage of Grade 3 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA)	74%	75%	75%
PM707: Percentage of Grade 6 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA)	80%	80%	80%
PM708: Percentage of Grade 6 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA)	55%	56%	57%
PM709: Percentage of Grade 9 learners achieving 50% and above in Home Language in the Annual National Assessment (ANA)	50 0%	51 0%	52%
PM710: Percentage of Grade 9 learners achieving 50% and above in Mathematics in the Annual National Assessment (ANA)	22 0%	23 0%	24%

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

TABLE 5.20: PERSONNEL NUMBERS AND COSTS BY PROGRAMME: EDUCATION

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	5 094	6 180	5 024	5 931	6 050	6 170	6 294
2. Public Ordinary School Education	66 033	69 060	68 888	73 898	83 566	85 238	86 943
3. Independent School Subsidies							
4. Public Special School Education	5 024	5 162	5 432	6 238	6 363	6 491	6 620
5. Early Childhood Development	2 788	3 294	3 132	3 950	4 550	5 000	5 000
6. Infrastructure Development					66		
7. Examination And Education Related Services	18 304	18 783	11 917	18 291	18 291	18 291	18 291
<b>Total provincial personnel numbers</b>	<b>97 243</b>	<b>102 479</b>	<b>94 393</b>	<b>108 308</b>	<b>118 886</b>	<b>121 190</b>	<b>123 148</b>
Total provincial personnel cost (R thousand)	20 029 595	21 812 522	23 734 110	26 268 881	28 214 940	29 558 673	31 273 074
Unit cost (R thousand)	206	213	251	243	237	244	254

SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF			
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19	
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
<b>Salary level</b>																
1 – 6	22 676		22 886	176	20 032	3 815 689		20 452	4 076 910	20 841	4 338 038	21 259	4 594 282	2 0%	6 4%	14 6%
7 – 10	51 090		54 090	51	15 879	19 993 150		16 221	21 633 415	16 521	22 581 817	16 851	23 886 922	2 0%	6 1%	76 3%
11 – 12	2 284		2 447	272	50 036	1 566 084		51 042	1 684 750	52 057	1 794 676	53 098	1 898 767	2 0%	6 6%	6 0%
13 – 16	101		109	3	120	101 477		124	110 710	125	116 287	127	123 032	1 9%	6 6%	0 4%
Other	21 092		15 061	–	22 241	792 481		31 047	709 155	31 646	727 855	31 813	770 071	12 7%	-1 0%	2 6%
<b>Total</b>	<b>97 243</b>		<b>94 393</b>	<b>502</b>	<b>108 308</b>	<b>26 268 881</b>		<b>118 886</b>	<b>28 214 940</b>	<b>121 190</b>	<b>29 558 673</b>	<b>123 148</b>	<b>31 273 074</b>	<b>4 4%</b>	<b>6 0%</b>	<b>100%</b>
<b>Programme</b>																
1. Administration	5 094	1 834 740	5 024	3	5 931	2 052 703		6 050	2 173 724	6 170	2 283 124	6 294	2 415 544	2 0%	5 6%	7 8%
2. Public Ordinary School Education	66 033	16 785 396	68 888	499	73 898	21 897 078		83 566	23 657 277	85 238	24 701 285	86 943	26 112 586	5 6%	6 0%	83 5%
4. Public Special School Education	5 024	1 170 860	5 432		6 238	1 526 618		6 363	1 654 256	6 491	1 846 524	6 620	1 974 995	2 0%	9 0%	6 1%
5. Early Childhood Development	2 788	100 722	3 132		3 950	402 010		4 550	409 960	5 000	430 458	5 000	455 425	8 2%	4 2%	1 5%
6. Infrastructure Development								66	36 598							
7. Examination And Education Related Services	18 304	137 877	11 917		18 291	390 471		18 291	283 125	18 291	297 282	18 291	314 524		-7 0%	1 2%
<b>Total</b>	<b>97 243</b>	<b>20 029 595</b>	<b>94 393</b>	<b>502 0</b>	<b>108 308</b>	<b>26 268 880</b>		<b>118 886</b>	<b>28 214 940</b>	<b>121 190</b>	<b>29 558 673</b>	<b>123 148</b>	<b>31 273 074</b>	<b>4 4%</b>	<b>6 0%</b>	<b>100%</b>
<b>Employee dispensation classification</b>																
Public Service Act appointees not covered by OSDs					20 206	3 062 561		20 610	3 283 065	21 022	3 506 313	21 442	3 709 679	2 0%	6 6%	11 8%
Professional Nurses, Staff Nurses and Nursing Assistants					92	25 354		94	27 179	96	29 027	98	30 711	2 1%	6 6%	0 1%
Legal Professionals					11	5 150		11	5 521	11	5 896	11	6 238		6 6%	0 0%
Social Services Professions					48	11 043		49	11 838	50	12 643	51	13 376	2 0%	6 6%	0 0%
Engineering Professions and related occupations					37	20 383		38	21 851	39	23 337	40	24 691	2 6%	6 6%	0 1%
Therapeutic, Diagnostic and other related Allied Health Professionals					166	74 978		169	80 376	172	85 842	175	90 821	1 8%	6 6%	0 3%
Educators and related professionals					65 507	22 276 931		75 074	23 992 629	76 509	25 103 134	78 040	26 605 077	6 0%	6 1%	84 9%
Others such as interns, EPWP, learnerships, etc.					22 241	792 481		22 841	792 481	23 291	792 481	23 291	792 481	1 5%		2 7%
<b>Total</b>			<b>108 308</b>		<b>108 308</b>	<b>26 268 881</b>		<b>118 886</b>	<b>28 214 940</b>	<b>121 190</b>	<b>29 558 673</b>	<b>123 148</b>	<b>31 273 074</b>	<b>4 4%</b>	<b>6 0%</b>	<b>100</b>

The functional nature of the Education sector in terms of Post Provisioning is guided by the Employment of Educators Act 76 of 1998, Education Labour Relation council resolutions (ELRC) 3 of 2006 (Grading of Schools) and 4 of 1995 (Educator Learner Ratio). The key driver of all processes with the exception of the allocated budget is the Learner Enrolment. The province has constantly experienced a 2 per cent learner influx which subsequently results in more demand for both teachers and support staff. Post Establishment is issued annually on or before 30 September as promulgated in Personnel Administration Measure (PAM), however the growth posts process is done in line with the 10<sup>th</sup> Day Head count of the successive year of the issuing of Post Establishment.

In Programme 1 only critical posts are filled in line with the recruitment plan in order to prioritise the need in programmes 2: Public Ordinary School and programme 4: Public Special schools.

In the year 2016 the department has gained additional 40 463 learners into the system. As it relates to the ratios promulgated in ELRC resolution 4 of 1995 the growth translated into 1231 posts that are funded for. The following ratios are utilised for distribution, secondary schools 1:35; primary schools 1:40 and LSEN 1:15

## 9.2 Training

TABLE 5.22: PAYMENTS ON TRAINING BY PROGRAMME: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>19 086</b>	<b>4 481</b>	<b>11 671</b>	<b>22 902</b>	<b>26 868</b>	<b>26 868</b>	<b>28 355</b>	<b>29 777</b>	<b>31 504</b>
Subsistence and travel									
Payments on tuition	19 086	4 481	11 671	22 902	26 868	26 868	28 355	29 777	31 504
<b>2. Public Ordinary School Education</b>	<b>73 993</b>	<b>100 652</b>	<b>111 472</b>	<b>145 817</b>	<b>146 096</b>	<b>146 109</b>	<b>156 477</b>	<b>164 500</b>	<b>174 041</b>
Subsistence and travel									
Payments on tuition	73 993	100 652	111 472	145 817	146 096	146 109	156 477	164 500	174 041
<b>4. Public Special School Education</b>	<b>1 603</b>			<b>1 850</b>	<b>1 850</b>	<b>1 850</b>	<b>1 948</b>	<b>2 045</b>	<b>2 164</b>
Subsistence and travel									
Payments on tuition	1 603			1 850	1 850	1 850	1 948	2 045	2 164
<b>5. Early Childhood Development</b>			<b>16 532</b>	<b>14 489</b>	<b>14 489</b>	<b>14 489</b>	<b>15 257</b>	<b>16 020</b>	<b>16 949</b>
Subsistence and travel									
Payments on tuition			16 532	14 489	14 489	14 489	15 257	16 020	16 949
<b>7. Examination And Education Related Services</b>	<b>106 255</b>	<b>157 332</b>	<b>238 413</b>	<b>297 716</b>	<b>293 750</b>	<b>298 939</b>	<b>316 593</b>	<b>332 504</b>	<b>351 789</b>
Subsistence and travel									
Payments on tuition	106 255	157 332	238 413	297 716	293 750	298 939	316 593	332 504	351 789
<b>Total payments on training</b>	<b>200 937</b>	<b>262 465</b>	<b>378 088</b>	<b>482 774</b>	<b>483 053</b>	<b>488 255</b>	<b>518 630</b>	<b>544 846</b>	<b>576 447</b>

TABLE 5.23: INFORMATION ON TRAINING: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff	2 284		2 380				2 447		49 764
Number of personnel trained	49 056	47 308	40 808	42 735	49 219	51 319	51 519	53 519	54 519
<i>of which</i>									
Male	20 174	22 056	19 339	20 667	18 623	19 823	19 923	21 423	21 923
Female	28 882	25 252	21 469	22 068	30 596	31 496	31 596	32 096	32 596
Number of training opportunities	15 719	35 008	35 808	27 434	49 176	49 976	51 726	52 826	53 512
<i>of which</i>									
Tertiary	600	1 525	1 625	1 050	1 050	1 350	2 600	3 200	3 386

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Workshops	15 119	33 483	34 183	26 384	48 126	48 626	49 126	49 626	50 126
Number of bursaries offered	1 508	4 283	3 655	2 820	2 820	2 820	3 370	3 370	3 370
Number of interns appointed	4 676	1 600	150	380	380	480	500	500	500
Number of learnerships appointed	1 728	4 500	4 500	3 531	3 531	3 531	3 531	3 531	3 531
Number of days spent on training	100 011	36 900							

Gauteng Department of Education conducts various training programmes, formal qualifications and skills development in order to support both the educators and administrative staff. The programmes are designed to address continuous professional development with the main focus on critical and scarce skills and pivotal programmes. Training needs are informed by the different types of needs identification processes.

The teacher development programmes are implemented by Mathew Goniwe School of Leadership; Sci- Bono Discovery Center and Gauteng City Region Academy with the main focus on Mathematics, Science & Technology and CAPS as informed by ANA results, Integrated Quality Management Systems and Whole School Evaluation, Moderators report, SIP and DIP. The department is also embarking on youth development through appointments of youth into learnerships and Internship programmes where learners get theory and experiential learning. Bursaries are awarded to employees in order to get partial or full qualifications.

The following programmes were conducted in order to address gaps and to improve the performance of office-based and school based employees based on the needs identification:

- Mathematics and Science Teachers-Mathematics Content, Pedagogy Assessment, Practical Investigation. Elided geometry and Probability;
- SASAMS for Data capturing and Management;
- Inclusion Educators - Classroom Assistant;
  - ICT- Design and develop e-resources, develop and distribute e-lessons and integrating ICT into the classroom, Information Technology Infrastructure Library;
- School Management - Change management, Leadership and management, Development of Management; Qualification, Curriculum management, Lead and manage a department, Diversity management, Management programmes for principals;
- Office Management - Financial planning and management, Strategic planning, Project management, Leadership and management, Mentoring and Coaching; and
- Elementary workers - Vocational training.

### 9.3 Reconciliation of structural changes

N/A

## **ANNEXURE TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**

TABLE 5.24: SPECIFICATION OF RECEIPTS: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>21 651</b>	<b>24 359</b>	<b>25 042</b>	<b>25 379</b>	<b>25 379</b>	<b>23 945</b>	<b>26 013</b>	<b>26 663</b>	<b>27 330</b>
Sale of goods and services produced by department (excluding capital assets)	21 651	24 267	25 042	25 379	25 379	23 945	26 013	26 663	27 330
Sales by market establishments		2 354							
Administrative fees									
Other sales	21 651	21 913	25 042	25 379	25 379	23 945	26 013	26 663	27 330
<i>Of which</i>									
<i>Health patient fees</i>	21 651	21 913	25 042	25 379	25 379	23 945	26 013	26 663	27 330
Sales of scrap, waste, arms and other used current goods (excluding capital assets)		92							
<b>Transfers received from:</b>						<b>37</b>			
<b>Fines, penalties and forfeits</b>	<b>151</b>	<b>74</b>	<b>30</b>	<b>37</b>	<b>37</b>	<b>193</b>	<b>38</b>	<b>39</b>	<b>41</b>
<b>Interest, dividends and rent on land</b>	<b>7 000</b>	<b>1 315</b>	<b>173</b>	<b>182</b>	<b>182</b>	<b>19 940</b>	<b>187</b>	<b>192</b>	<b>197</b>
Interest		1 315	173	182	182	19 940	187	192	197
Dividends	7 000								
Rent on land									
<b>Sales of capital assets</b>	<b>257</b>								
Land and sub-soil assets	257								
Other capital assets									
<b>Transactions in financial assets and liabilities</b>	<b>19 553</b>	<b>15 231</b>	<b>10 795</b>	<b>3 962</b>	<b>3 962</b>	<b>5 385</b>	<b>4 061</b>	<b>4 162</b>	<b>4 403</b>
<b>Total departmental receipts</b>	<b>48 612</b>	<b>40 979</b>	<b>36 040</b>	<b>29 560</b>	<b>29 560</b>	<b>49 500</b>	<b>30 299</b>	<b>31 056</b>	<b>31 971</b>

TABLE 5.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>22 908 703</b>	<b>25 129 771</b>	<b>27 267 237</b>	<b>29 830 810</b>	<b>30 517 798</b>	<b>30 219 507</b>	<b>32 000 928</b>	<b>33 534 370</b>	<b>35 606 470</b>
Compensation of employees	20 029 595	21 812 522	23 734 110	26 428 946	26 814 567	26 268 881	28 214 940	29 558 673	31 273 074
Salaries and wages	17 224 292	18 759 332	20 514 013	22 860 260	23 196 785	22 625 690	24 380 558	25 532 370	27 013 247
Social contributions	2 805 303	3 053 190	3 220 097	3 568 686	3 617 782	3 643 191	3 834 382	4 026 302	4 259 827
Goods and services	2 876 165	3 316 049	3 530 901	3 401 864	3 703 231	3 950 054	3 785 988	3 975 108	4 332 773
<i>Administrative fees</i>	2 925	3 084	7 773	6 424	13 440	15 269	9 553	10 028	10 611
<i>Advertising</i>	6 259	5 579	14 629	13 912	33 311	43 123	18 300	18 938	20 036
<i>Minor assets</i>	23 966	3 458	3 439	11 385	6 250	5 442	19 152	20 110	21 277
<i>Audit cost: External</i>	11 381	14 449	13 593	13 479	13 479	13 479	17 364	18 232	19 289
<i>Bursaries: Employees</i>	15 836	3 494	5 116	–	6 366	6 366	10 439	10 965	11 601
<i>Catering: Departmental activities</i>	8 806	5 062	8 297	8 205	10 070	7 661	14 310	15 104	15 981
<i>Communication (G&amp;S)</i>	51 268	53 664	53 560	36 127	56 251	56 363	35 507	37 270	39 432
<i>Computer services</i>	65 417	53 392	105 803	102 956	82 453	71 694	81 942	86 039	91 030
<i>Consultants and professional services: Business and advisory services</i>	29 901	13 245	48 938	47 549	56 735	31 542	44 671	46 905	49 625
<i>Consultants and professional services: Infrastructure and planning</i>	2 116		232						
<i>Consultants and professional services: Legal costs</i>	26 675	65 487	27 406	10 590	10 590	52 390	11 160	11 718	12 397



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Contractors	24 983	8 658	11 649	2 271	2 571	2 847	3 957	4 155	4 395
Agency and support / outsourced services	709 989	628 039	684 740	791 333	781 536	897 469	786 458	825 791	873 686
Entertainment				142	65	65		-1	
Fleet services (including government motor transport)	39 782	15 167	15 418	37 873	26 442	13 884	32 547	34 174	36 157
Inventory: Clothing material and accessories		46	20						
Inventory: Farming supplies									
Inventory: Food and food supplies		3							
Inventory: Fuel, oil and gas		12 208							
Inventory: Learner and teacher support material	228 872	819 637	490 421	680 982	723 711	762 762	929 671	979 105	1 035 894
Inventory: Materials and supplies	1 472	467	224						
Inventory: Medical supplies	299	1 780							
Inventory: Other supplies		345 094	343 278	62 246	182 366	222 391	72 556	76 184	80 602
Consumable supplies	31 159	9 638	21 590	31 975	17 239	17 676	32 280	33 896	35 862
Consumable: Stationery, printing and office supplies	47 600	18 652	21 150	37 529	32 770	24 605	34 716	36 410	38 521
Operating leases	100 173	174 837	177 979	135 962	136 902	184 540	131 721	138 312	146 338
Property payments	507 561	554 819	846 684	546 854	780 188	732 557	628 847	658 916	824 243
Transport provided: Departmental activity	240 454	312 865	423 989	467 180	471 915	539 345	551 325	579 822	613 450
Travel and subsistence	75 547	75 748	83 431	93 371	74 094	71 858	86 799	89 674	94 873
Training and development	359 898	56 841	53 413	162 961	93 688	91 936	110 597	115 136	121 814
Operating payments	256 983	54 134	57 042	90 722	68 565	61 977	95 154	99 913	105 704
Venues and facilities	6 784	5 565	10 282	8 972	20 910	21 205	24 768	26 009	27 516
Rental and hiring	59	937	805	865	1 325	1 608	2 194	2 305	2 439
Interest and rent on land	2 943	1 200	2 226			572		589	623
Interest	2 835	1 200	2 226			571			
Rent on land	108					1		589	623
<b>Transfers and subsidies</b>	<b>2 376 320</b>	<b>3 003 795</b>	<b>3 348 634</b>	<b>3 950 683</b>	<b>4 165 997</b>	<b>4 159 155</b>	<b>4 316 323</b>	<b>4 531 457</b>	<b>4 794 280</b>
Departmental agencies and accounts	12 522	12 520	60 247	79 312	75 346	75 346	80 531	84 639	89 548
Provide list of entities receiving transfers	12 522	12 520	60 247	79 312	75 346	75 346	80 531	84 639	89 548
Non-profit institutions	2 144 033	2 716 922	2 953 402	3 545 414	3 763 761	3 725 779	3 886 478	4 080 038	4 316 680
Households	219 765	274 353	334 985	325 957	326 890	358 030	349 314	366 780	388 052
Social benefits	126 337	129 540	156 817	107 552	108 485	134 542	113 252	118 915	125 811
Other transfers to households	93 428	144 813	178 168	218 405	218 405	223 488	236 062	247 865	262 241
<b>Payments for capital assets</b>	<b>1 386 908</b>	<b>1 044 349</b>	<b>1 010 581</b>	<b>2 262 416</b>	<b>1 768 876</b>	<b>2 071 595</b>	<b>2 751 975</b>	<b>2 481 098</b>	<b>2 496 435</b>
Buildings and other fixed structures	1 335 427	988 387	929 570	2 192 801	1 671 415	1 964 926	2 661 454	2 391 789	2 409 535
Buildings	1 335 427	988 387	929 570	2 192 801	1 671 296	1 964 926	2 661 454	2 391 789	2 409 535
Other fixed structures					119				
Machinery and equipment	42 654	42 583	39 504	47 115	80 177	89 385	74 921	78 669	83 233
Transport equipment		189							
Other machinery and equipment	42 654	42 394	39 504	47 115	80 177	89 385	74 921	78 669	83 233
Land and sub-soil assets	6 569	12 521	41 507	16 740	16 740	16 740	15 000	10 010	3 000
Software and other intangible assets	2 258	858		5 760	544	544	600	630	667
<b>Payments for financial assets</b>	<b>60 192</b>	<b>31 492</b>	<b>9 788</b>			<b>7 286</b>			
<b>Total economic classification</b>	<b>26 732 123</b>	<b>29 209 407</b>	<b>31 636 240</b>	<b>36 043 909</b>	<b>36 452 671</b>	<b>36 457 543</b>	<b>39 069 226</b>	<b>40 546 924</b>	<b>42 897 185</b>

TABLE 5.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>2 329 596</b>	<b>2 413 309</b>	<b>2 490 293</b>	<b>2 514 864</b>	<b>2 543 509</b>	<b>2 470 832</b>	<b>2 690 599</b>	<b>2 825 966</b>	<b>2 989 878</b>
Compensation of employees	1 834 740	1 900 390	1 922 118	2 052 703	2 052 703	1 914 785	2 173 724	2 283 124	2 415 544
Salaries and wages	1 557 644	1 631 014	1 654 249	1 752 987	1 752 987	1 640 497	1 856 533	1 949 942	2 063 038
Social contributions	277 096	269 376	267 869	299 716	299 716	274 288	317 191	333 181	352 506
Goods and services	492 118	512 069	567 687	462 161	490 806	555 481	516 875	542 843	574 334
Administrative fees	1 567	1 608	1 647	272	142	1 919	215	224	238
Advertising	4 956	2 321	11 006	5 924	9 553	19 381	4 814	5 055	5 348
Minor assets	1 553	462	2 990	1 754	2 660	1 836	3 456	3 630	3 841
Audit cost: External	11 337	14 414	12 658	13 479	13 479	13 479	17 364	18 232	19 289
Bursaries: Employees	1 224				6 366	6 366	10 439	10 965	11 601
Catering: Departmental activities	981	539	1 107	2 050	1 233	1 176	1 420	1 491	1 578
Communication (G&S)	43 565	37 512	44 511	16 708	17 854	23 424	17 128	17 984	19 027
Computer services	61 608	47 791	100 256	71 252	76 411	66 902	73 044	76 696	81 145
Consultants and professional services: Business and advisory services	12 161	12 368	22 517	37 089	25 834	8 097	26 671	28 005	29 629
Consultants and professional services: Legal costs	26 675	64 238	25 535	10 590	10 590	52 025	11 160	11 718	12 397
Contractors	1 243	934	915	2 090	1 978	2 243	2 383	2 502	2 647
Agency and support / outsourced services	90 125	65 447	67 010	83 776	79 351	68 956	84 362	88 581	93 718
Entertainment	–	–	–	142	65	65	–	-1	–
Fleet services (including government motor transport)	37 678	11 596	11 253	18 259	12 856	5 398	17 632	18 513	19 587
Housing									
Inventory: Clothing material and accessories			2						
Inventory: Farming supplies									
Inventory: Food and food supplies		2							
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material	587	137	165	363	768	768	665	697	738
Inventory: Materials and supplies	280	40							
Inventory: Medical supplies	2								
Inventory: Other supplies					11 561	12 560	12 173	12 782	13 523
Consumable supplies	2 538	2 020	4 326	8 821	7 197	4 374	15 103	15 859	16 779
Consumable: Stationery, printing and office supplies	10 522	8 121	7 578	14 426	15 532	10 263	14 498	15 216	16 098
Operating leases	95 387	164 159	165 526	121 407	119 851	170 889	109 396	114 872	121 539
Property payments	34 397	30 969	33 689	19 919	38 785	38 798	54 937	57 687	61 033
Transport provided: Departmental activity	429	2	122	110	170	110	124	131	139
Travel and subsistence	29 410	34 764	35 106	13 332	13 925	25 690	16 013	16 930	17 913
Training and development	13 996	414	4 170	9 845	10 530	10 632	7 496	7 872	8 329
Operating payments	8 941	9 955	11 992	9 288	10 027	7 449	11 838	12 430	13 150
Venues and facilities	956	2 256	3 581	1 265	3 688	1 998	3 214	3 375	3 570
Rental and hiring			25		400	683	1 330	1 397	1 478
Interest and rent on land	2 738	850	488			566			
Interest	2 738	850	488			565			
Rent on land						1			
<b>Transfers and subsidies</b>	<b>10 850</b>	<b>10 398</b>	<b>13 284</b>	<b>4 987</b>	<b>4 987</b>	<b>11 589</b>	<b>5 250</b>	<b>5 513</b>	<b>5 832</b>
Departmental agencies and accounts	7	1	2	1	1	1			
Provide list of entities receiving transfers	7	1	2	1	1	1			
Non-profit institutions	717								
Households	10 126	10 397	13 282	4 986	4 986	11 588	5 250	5 513	5 832

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Social benefits	10 126	10 397	13 282	4 986	4 986	11 588	5 250	5 513	5 832
<b>Payments for capital assets</b>	<b>20 392</b>	<b>11 504</b>	<b>13 972</b>	<b>28 321</b>	<b>18 262</b>	<b>18 046</b>	<b>17 457</b>	<b>18 330</b>	<b>19 393</b>
Buildings and other fixed structures	9								
Buildings	9								
Other fixed structures									
Machinery and equipment	18 098	10 646	13 972	22 561	17 718	17 502	16 857	17 700	18 726
Other machinery and equipment	18 098	10 646	13 972	22 561	17 718	17 502	16 857	17 700	18 726
Land and sub-soil assets	27								
Software and other intangible assets	2 258	858		5 760	544	544	600	630	667
<b>Payments for financial assets</b>	<b>60 192</b>	<b>31 492</b>	<b>9 788</b>			<b>7 286</b>			
<b>Total economic classification</b>	<b>2 421 030</b>	<b>2 466 703</b>	<b>2 527 337</b>	<b>2 548 172</b>	<b>2 566 758</b>	<b>2 507 753</b>	<b>2 713 306</b>	<b>2 849 809</b>	<b>3 015 103</b>

TABLE 5.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC ORDINARY SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>18 147 150</b>	<b>19 621 067</b>	<b>21 489 562</b>	<b>23 835 108</b>	<b>24 467 587</b>	<b>24 275 863</b>	<b>25 963 292</b>	<b>27 269 572</b>	<b>28 851 206</b>
Compensation of employees	16 785 396	18 129 998	19 769 461	22 007 144	22 337 429	21 967 979	23 618 636	24 802 418	26 240 958
Salaries and wages	14 435 822	15 537 687	17 020 373	18 952 303	19 240 041	18 821 544	20 328 094	21 346 981	22 585 106
Social contributions	2 349 574	2 592 311	2 749 088	3 054 841	3 097 388	3 146 435	3 290 542	3 455 437	3 655 852
Goods and services	1 361 549	1 490 719	1 719 417	1 827 964	2 130 158	2 307 878	2 344 656	2 467 154	2 610 248
Administrative fees		6	71	10	11	11	10	10	11
Advertising	984	2 219	614	551	138	138	805	846	896
Minor assets	21 448	2 297	13	261	485	485	10 294	10 809	11 436
Audit cost: External	42	35	935						
Bursaries: Employees	14 520	3 494	5 102						
Catering: Departmental activities	5 594	1 429	122	1 169	1 227	1 227	1 131	1 188	1 257
Communication (G&S)	1 603	11 646	4 454	7 897	28 037	28 037	8 384	8 804	9 315
Computer services			12						
Consultants and professional services: Business and advisory services			31						
Consultants and professional services: Infrastructure and planning	2 116		232						
Consultants and professional services: Legal costs	-	909	1 871						
Contractors	23 344	7 584	86	9	21	21	33	35	37
Agency and support/ outsourced services	580 076	551 826	596 414	662 892	662 892	712 892	670 254	703 766	744 584
Fleet services (including government motor transport)	144	15	578	1 287	1 424	1 424	1 447	1 519	1 607
Housing									
Inventory: Clothing material and accessories		46	18						
Inventory: Food and food supplies		1							
Inventory: Fuel, oil and gas		12 208							
Inventory: Learner and teacher support material	205 148	339 673	305 546	492 877	527 608	559 909	743 093	783 410	828 849
Inventory: Materials and supplies	1 085	338	224						
Inventory: Medical supplies	297	1 780							

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<i>Inventory: Other supplies</i>	–	23 200	68 825	61 763	80 644	119 670	59 683	62 667	66 301
<i>Consumable supplies</i>	24 773	7 365	14 014	4 612	4 038	9 698	2 895	3 040	3 217
<i>Consumable: Stationery, printing and office supplies</i>	6 016	3 174	4 538	1 534	1 847	2 346	2 897	3 042	3 219
<i>Operating leases</i>	1 129	270	896	692	671	671	545	572	605
<i>Property payments</i>	142 097	191 921	280 369	99 373	327 972	312 231	274 137	289 203	305 979
<i>Transport provided: Departmental activity</i>	238 516	308 033	416 243	462 518	465 653	532 653	538 381	566 043	598 872
<i>Travel and subsistence</i>	8 125	4 406	5 859	8 855	9 062	8 861	8 933	9 377	9 921
<i>Training and development</i>	76 370	7 939	4 846	8 639	5 033	5 033	7 623	8 004	8 467
<i>Operating payments</i>	6 235	7 570	6 359	11 218	11 466	7 456	12 235	12 848	13 590
<i>Venues and facilities</i>	1 884	435	989	958	1 080	4 265	1 026	1 078	1 140
<i>Rental and hiring</i>	3	900	156	850	850	850	850	893	945
Interest and rent on land	205	350	684			6			
Interest	97	350	684			6			
Rent on land	108								
<b>Transfers and subsidies</b>	<b>1 306 282</b>	<b>1 557 320</b>	<b>1 784 879</b>	<b>2 489 683</b>	<b>2 623 608</b>	<b>2 599 420</b>	<b>2 648 507</b>	<b>2 780 168</b>	<b>2 941 417</b>
Non-profit institutions	1 196 279	1 444 489	1 649 356	2 389 553	2 523 478	2 482 079	2 543 070	2 669 459	2 824 287
Households	110 003	112 831	135 523	100 130	100 130	117 341	105 437	110 709	117 130
Social benefits	110 003	112 831	135 523	100 130	100 130	117 341	105 437	110 709	117 130
<b>Payments for capital assets</b>	<b>19 374</b>	<b>47 009</b>	<b>30 299</b>	<b>35 971</b>	<b>12 061</b>	<b>21 485</b>	<b>12 542</b>	<b>14 362</b>	<b>15 195</b>
Buildings and other fixed structures	1 289	25 508	11 852	24 351	119	119		1 192	1 261
Buildings	1 289	25 508	11 852	24 351		119		1 192	1 261
Other fixed structures					119				
Machinery and equipment	17 521	21 501	18 447	11 620	11 942	21 366	12 542	13 170	13 934
Other machinery and equipment	17 521	21 501	18 447	11 620	11 942	21 366	12 542	13 170	13 934
<b>Total economic classification</b>	<b>19 472 806</b>	<b>21 225 396</b>	<b>23 304 740</b>	<b>26 360 762</b>	<b>27 103 256</b>	<b>26 896 768</b>	<b>28 624 341</b>	<b>30 064 102</b>	<b>31 807 818</b>

TABLE 5.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INDEPENDENT SCHOOL SUBSIDIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>		<b>130</b>	<b>16 462</b>						
Goods and services		130	16 462						
<i>Consultants and professional services: Business and advisory services</i>			16 460						
<i>Consumable: Stationery, printing and office supplies</i>		32							
<i>Operating leases</i>			2						
<i>Travel and subsistence</i>		98							
<b>Transfers and subsidies</b>	<b>421 446</b>	<b>452 837</b>	<b>498 597</b>	<b>537 988</b>	<b>597 750</b>	<b>597 750</b>	<b>580 498</b>	<b>609 523</b>	<b>644 876</b>
Non-profit institutions	421 446	452 837	498 597	537 988	597 750	597 750	580 498	609 523	644 876
<b>Total economic classification</b>	<b>421 446</b>	<b>452 967</b>	<b>515 059</b>	<b>537 988</b>	<b>597 750</b>	<b>597 750</b>	<b>580 498</b>	<b>609 523</b>	<b>644 876</b>

TABLE 5.29: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC SPECIAL SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 206 476</b>	<b>1 288 778</b>	<b>1 498 360</b>	<b>1 592 892</b>	<b>1 658 894</b>	<b>1 656 777</b>	<b>1 665 217</b>	<b>1 748 667</b>	<b>1 850 090</b>
Compensation of employees	1 170 860	1 278 391	1 483 359	1 576 618	1 645 428	1 643 311	1 662 097	1 745 391	1 846 623
Salaries and wages	1 006 940	1 086 888	1 281 867	1 363 681	1 425 991	1 423 744	1 436 270	1 508 247	1 595 725
Social contributions	163 920	191 503	201 492	212 937	219 437	219 567	225 827	237 144	250 898
Goods and services	35 616	10 387	15 001	16 274	13 466	13 466	3 120	3 276	3 467
Administrative fees				20	20	20			
Advertising			142	347	147	147	630	383	405
Minor assets	4		31	65	65	65	30	32	34
Audit cost: External	2								
Catering: Departmental activities	576	2	138	474	271	271	370	468	496
Communication (G&S)	145	291	290	512	383	383	142	149	158
Contractors	29	8							
Agency and support / out-sourced services	148		695	370	770	770	121	136	144
Fleet services (including government motor transport)	1 716	168	1 278	466	530	530	146	153	162
Inventory: Learner and teacher support material	12 357	6 896	7 705	7 652	5 951	5 951			
Consumable supplies	341	1	60	174	628	628	17	18	19
Consumable: Stationery, printing and office supplies	399	215	538	741	618	618	196	206	218
Operating leases		1 585	2 402	531	955	955	87	91	96
Property payments	55		78				108	114	120
Transport provided: Departmental activity			67	300	300	300	140	334	353
Travel and subsistence	3 211	707	578	3 954	1 984	1 984	609	639	676
Training and development	16 547	30	730	588	757	757	447	469	497
Operating payments	86	484	269	20	24	24	17	18	19
Venues and facilities				60	63	63	60	66	70
<b>Transfers and subsidies</b>	<b>237 437</b>	<b>298 431</b>	<b>306 328</b>	<b>324 965</b>	<b>328 519</b>	<b>330 636</b>	<b>356 386</b>	<b>374 205</b>	<b>395 909</b>
Non-profit institutions	231 546	292 119	298 391	322 529	325 332	325 332	353 821	371 512	393 060
Households	5 891	6 312	7 937	2 436	3 187	5 304	2 565	2 693	2 849
Social benefits	5 891	6 312	7 937	2 436	3 187	5 304	2 565	2 693	2 849
<b>Payments for capital assets</b>	<b>401</b>	<b>1</b>	<b>156</b>	<b>295</b>	<b>300</b>	<b>300</b>	<b>130</b>	<b>137</b>	<b>145</b>
Machinery and equipment	401	1	156	295	300	300	130	137	145
Other machinery and equipment	401	1	156	295	300	300	130	137	145
<b>Total economic classification</b>	<b>1 444 314</b>	<b>1 587 210</b>	<b>1 804 844</b>	<b>1 918 152</b>	<b>1 987 713</b>	<b>1 987 713</b>	<b>2 021 733</b>	<b>2 123 009</b>	<b>2 246 144</b>

TABLE 5.30: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EARLY CHILDHOOD DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>212 196</b>	<b>336 330</b>	<b>377 029</b>	<b>592 226</b>	<b>579 123</b>	<b>575 685</b>	<b>570 867</b>	<b>599 200</b>	<b>633 953</b>
Compensation of employees	100 722	190 046	243 765	402 010	388 536	388 515	409 960	430 458	455 425
Salaries and wages	86 620	190 046	243 764	402 010	388 487	388 457	409 960	430 458	455 425
Social contributions	14 102		1		49	58			
Goods and services	111 474	146 284	133 264	190 216	190 587	187 170	160 907	168 742	178 528
Advertising				132	132	116			
Minor assets	330	600	12			16			
Catering: Departmental activities							6	6	6
Communication (G&S)	12	10	5	150	150	150	67	70	74
Consultants and professional services: Business and advisory services			9 881	10 460	28 877	18 710	18 000	18 900	19 996

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Contractors	11				2	2	8	8	8
Agency and support / outsourced services	3 532	880		4 067	2 987	2 987	2 640	2 772	2 933
Fleet services (including government motor transport)				126	126	126	4	4	4
Inventory: Learner and teacher support material	9 380	144 310	121 738	157 164	157 164	163 914	136 593	143 212	151 518
Inventory: Materials and supplies	66								
Inventory: Other supplies			50						
Consumable supplies	146		123	60	60	60	788	827	875
Consumable: Stationery, printing and office supplies	76	420	94	167	167	167	172	181	191
Operating leases	7	3		216	216	216	168	176	186
Property payments	168		30	14 431	300	300	477	502	532
Travel and subsistence		1	2	126	126	126	294	309	327
Training and development	32 063								
Operating payments	65 683	60	1 329	3 117	280	280	1 690	1 775	1 878
<b>Transfers and subsidies</b>	<b>125 869</b>	<b>148 935</b>	<b>194 988</b>	<b>190 626</b>	<b>190 808</b>	<b>194 246</b>	<b>240 116</b>	<b>252 123</b>	<b>266 746</b>
Non-profit institutions	125 864	148 935	194 913	190 626	190 626	194 043	240 116	252 123	266 746
Households	5		75		182	203			
Social benefits	5		75		182	203			
<b>Payments for capital assets</b>	<b>594</b>	<b>38</b>		<b>360</b>	<b>489</b>	<b>489</b>	<b>356</b>	<b>374</b>	<b>396</b>
Machinery and equipment	555	38		360	489	489	356	374	396
Transport equipment									
Other machinery and equipment	555	38		360	489	489	356	374	396
Land and sub-soil assets	39								
<b>Total economic classification</b>	<b>338 659</b>	<b>485 303</b>	<b>572 017</b>	<b>783 212</b>	<b>770 420</b>	<b>770 420</b>	<b>811 339</b>	<b>851 697</b>	<b>901 095</b>

TABLE 5.31: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>329 981</b>	<b>652 959</b>	<b>801 404</b>	<b>410 974</b>	<b>497 044</b>	<b>465 511</b>	<b>333 780</b>	<b>309 304</b>	<b>454 351</b>
Compensation of employees							36 598		
Salaries and wages							36 598		
Goods and services	329 981	652 959	801 404	410 974	497 044	465 511	297 182	309 304	454 351
Consultants and professional services: Legal costs		340				365			
Inventory: Other supplies		321 894	270 682		86 070	86 070			
Consumable: Stationery, printing and office supplies						5			
Property payments	329 981	330 725	530 722	410 974	410 974	379 071	297 182	309 304	454 351
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>	<b>1 339 477</b>	<b>975 589</b>	<b>959 225</b>	<b>2 185 190</b>	<b>1 688 036</b>	<b>1 981 547</b>	<b>2 676 454</b>	<b>2 400 607</b>	<b>2 411 274</b>
Buildings and other fixed structures	1 334 121	962 879	917 718	2 168 450	1 671 296	1 964 807	2 661 454	2 390 597	2 408 274
Buildings	1 334 121	962 879	917 718	2 168 450	1 671 296	1 964 807	2 661 454	2 390 597	2 408 274
Machinery and equipment		189							
Transport equipment		189							
Land and sub-soil assets	5 356	12 521	41 507	16 740	16 740	16 740	15 000	10 010	3 000
<b>Total economic classification</b>	<b>1 669 458</b>	<b>1 628 548</b>	<b>1 760 629</b>	<b>2 596 164</b>	<b>2 185 080</b>	<b>2 447 058</b>	<b>3 010 234</b>	<b>2 709 911</b>	<b>2 865 625</b>

TABLE 5.32: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXAMINATION AND EDUCATION RELATED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>683 304</b>	<b>817 198</b>	<b>594 127</b>	<b>884 746</b>	<b>771 641</b>	<b>774 839</b>	<b>777 173</b>	<b>781 660</b>	<b>826 992</b>
Compensation of employees	137 877	313 697	315 407	390 471	390 471	354 291	313 925	297 282	314 524
Salaries and wages	137 266	313 697	313 760	389 279	389 279	351 448	313 103	296 742	313 953
Social contributions	611		1 647	1 192	1 192	2 843	822	540	571
Goods and services	545 427	503 501	277 666	494 275	381 170	420 548	463 248	483 789	511 845
Administrative fees	1 358	1 470	6 055	6 122	13 267	13 319	9 328	9 794	10 362
Advertising	319	1 039	2 867	6 958	23 341	23 341	12 051	12 654	13 387
Minor assets	631	99	393	9 305	3 040	3 040	5 372	5 639	5 966
Bursaries: Employees	92		14						
Catering: Departmental activities	1 655	3 092	6 930	4 512	7 339	4 987	11 383	11 951	12 644
Communication (G&S)	5 943	4 205	4 300	10 860	9 827	4 369	9 786	10 263	10 858
Computer services	3 809	5 601	5 535	31 704	6 042	4 792	8 898	9 343	9 885
Consultants and professional services: Business and advisory services	17 740	877	49		2 024	4 735			
Contractors	356	132	10 648	172	570	581	1 533	1 610	1 703
Agency and support / outsourced services	36 108	9 886	20 621	40 228	35 536	111 864	29 081	30 536	32 307
Fleet services (including government motor transport)	244	3 388	2 309	17 735	11 506	6 406	13 318	13 985	14 797
Inventory: Learner and teacher support material	1 400	328 621	55 267	22 926	32 220	32 220	49 320	51 786	54 789
Inventory: Materials and supplies	41	89							
Inventory: Other supplies			3 721	483	4 091	4 091	700	735	778
Consumable supplies	3 361	252	3 067	18 308	5 316	2 916	13 477	14 151	14 972
Consumable: Stationery, printing and office supplies	30 587	6 690	8 402	20 661	14 606	11 206	16 953	17 765	18 795
Operating leases	3 650	8 820	9 153	13 116	15 209	11 809	21 525	22 601	23 912
Property payments	863	1 204	1 796	2 157	2 157	2 157	2 006	2 106	2 228
Transport provided: Departmental activity	1 509	4 830	7 557	4 252	5 792	6 282	12 680	13 314	14 086
Travel and subsistence	34 801	35 772	41 886	67 104	48 997	35 197	60 950	62 419	66 036
Training and development	220 922	48 458	43 667	143 889	77 368	75 514	95 031	98 790	104 521
Operating payments	176 038	36 065	37 093	67 079	46 768	46 768	69 374	72 842	77 067
Venues and facilities	3 944	2 874	5 712	6 689	16 079	14 879	20 468	21 490	22 736
Rental and hiring	56	37	624	15	75	75	14	15	16
Interest and rent on land			1 054					589	623
Interest			1 054						
Rent on land								589	623
<b>Transfers and subsidies</b>	<b>274 436</b>	<b>535 874</b>	<b>550 558</b>	<b>402 434</b>	<b>420 325</b>	<b>425 514</b>	<b>485 566</b>	<b>509 925</b>	<b>539 500</b>
Departmental agencies and accounts	12 515	12 519	60 245	79 311	75 345	75 345	80 531	84 639	89 548
Provide list of entities receiving transfers	12 515	12 519	60 245	79 311	75 345	75 345	80 531	84 639	89 548
Non-profit institutions	168 181	378 542	312 145	104 718	126 575	126 575	168 973	177 421	187 711
Households	93 740	144 813	178 168	218 405	218 405	223 594	236 062	247 865	262 241
Social benefits	312					106			
Other transfers to households	93 428	144 813	178 168	218 405	218 405	223 488	236 062	247 865	262 241
<b>Payments for capital assets</b>	<b>6 670</b>	<b>10 208</b>	<b>6 929</b>	<b>12 279</b>	<b>49 728</b>	<b>49 728</b>	<b>45 036</b>	<b>47 288</b>	<b>50 032</b>
Buildings and other fixed structures	8								
Buildings	8								
Machinery and equipment	6 079	10 208	6 929	12 279	49 728	49 728	45 036	47 288	50 032
Other machinery and equipment	6 079	10 208	6 929	12 279	49 728	49 728	45 036	47 288	50 032
Land and sub-soil assets	583								
<b>Total economic classification</b>	<b>964 410</b>	<b>1 363 280</b>	<b>1 151 614</b>	<b>1 299 459</b>	<b>1 241 694</b>	<b>1 250 081</b>	<b>1 307 775</b>	<b>1 338 873</b>	<b>1 416 524</b>

TABLE 5.33: PAYMENTS AND ECONOMIC CLASSIFICATION: HIV AND AIDS (LIFE SKILLS EDUCATION): PUBLIC ORDINARY SCHOOLS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>20 405</b>	<b>27 698</b>	<b>22 016</b>	<b>21 891</b>	<b>21 891</b>	<b>18 520</b>	<b>24 449</b>	<b>25 946</b>	<b>27 451</b>
Compensation of employees		2 015	2 193	2 193	2 193	1 852	2 162	2 294	2 427
Salaries and wages		2 015	2 193	2 193	2 193	1 606	2 162	2 294	2 427
Social contributions						246			
Goods and services	20 405	25 683	19 823	19 698	19 698	16 668	22 287	23 652	25 024
Administrative fees		144		10			10	11	11
Advertising	90	718	116	400		82	600	637	674
Minor assets	1 343	15	41	2	2	53			
Catering: Departmental activities	3 031	2 431	394	860	860	395	830	881	932
Communication (G&S)	239	627	388	152	152	15			
Contractors		1	10	2	2				
Agency and support / outsourced services			5 494			776			
Entertainment									
Fleet services (including government motor transport)		687	25	143	143		170	180	191
Inventory: Learner and teacher support material	7	350	3 000	3 061	5 961	5 891	3 245	3 444	3 643
Inventory: Other supplies			983						
Consumable supplies	2 741	329	143	306	306	153	250	265	281
Consumable: Stationery, printing and office supplies		3 809	181	351	351	328	1 231	1 306	1 382
Operating leases	64	864	166	324	324	13	120	127	135
Transport provided: Departmental activity		381	359	1 312	1 312	726	2 480	2 632	2 784
Travel and subsistence	1 782	2 432	4 344	5 628	6 038	4 122	5 004	5 311	5 619
Training and development	11 012	8 903	2 880	5 912	3 012	3 155	7 084	7 518	7 954
Operating payments		2 256	109	15	15	4			
Venues and facilities	96	1 736	344	370	370	316	413	438	464
Rental and hiring			846	850	850	639	850	902	954
<b>Transfers and subsidies</b>		<b>6 999</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 000</b>	<b>8 490</b>	<b>8 982</b>
Non-profit institutions		6 999	8 000	8 000	8 000	8 000	8 000	8 490	8 982
<b>Payments for capital assets</b>		<b>106</b>	<b>179</b>	<b>54</b>	<b>54</b>	<b>77</b>			
Machinery and equipment		106	179	54	54	77			
Transport equipment			179						
Other machinery and equipment		106		54	54	77			
<b>Total economic classification: Programme</b>	<b>20 405</b>	<b>34 803</b>	<b>30 195</b>	<b>29 945</b>	<b>29 945</b>	<b>26 597</b>	<b>32 449</b>	<b>34 436</b>	<b>36 433</b>

TABLE 5.34: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CONDITIONAL GRANT (NATIONAL SCHOOL NUTRITION PROGRAMME)

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>584 640</b>	<b>567 458</b>	<b>588 550</b>	<b>615 015</b>	<b>586 491</b>	<b>586 491</b>	<b>646 807</b>	<b>679 147</b>	<b>718 538</b>
Compensation of employees					3 000	3 000	3 960	4 158	4 399
Salaries and wages					3 000	3 000	3 960	4 158	4 399
Goods and services	584 640	567 458	588 550	615 015	583 491	583 491	642 847	674 989	714 139
Administrative fees					9	9			
Advertising									
Minor assets	2 636	617			169	169	10 010	10 511	11 120
Communication (G&S)							63	66	70



R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Agency and support / outsourced services	567 322	559 717	586 871	562 892	562 892	562 892	496 536	521 363	551 603
Entertainment									
Fleet services (including government motor transport)		154		900	930	930	478	502	531
Inventory: Other supplies				14 581	14 581	14 581	99 079	104 033	110 067
Consumable supplies	14 191	6 781	1 679	2 700	2 553	2 553	1 500	1 575	1 666
Consumable: Stationery, printing and office supplies	491				10	10	458	481	509
Operating leases									
Property payments				31 574			32 688	34 322	36 313
Transport provided: Departmental activity		189							
Travel and subsistence				1 607	1 446	1 446	1 644	1 726	1 826
Training and development				760	715	715			
Operating payments					150	150	391	411	434
Venues and facilities					36	36			
<b>Transfers and subsidies</b>		<b>48 898</b>	<b>51 832</b>	<b>63 809</b>	<b>92 383</b>	<b>92 383</b>	<b>65 796</b>	<b>69 086</b>	<b>73 093</b>
Non-profit institutions		48 898	51 832	63 809	92 383	92 383	65 796	69 086	73 093
<b>Payments for capital assets</b>		<b>160</b>	<b>100</b>	<b>150</b>	<b>100</b>	<b>100</b>	<b>352</b>	<b>370</b>	<b>391</b>
Machinery and equipment		160	100	150	100	100	352	370	391
Transport equipment									
Other machinery and equipment		160	100	150	100	100	352	370	391
<b>Total economic classification</b>	<b>584 640</b>	<b>616 516</b>	<b>640 482</b>	<b>678 973</b>	<b>678 974</b>	<b>678 974</b>	<b>712 955</b>	<b>748 603</b>	<b>792 022</b>

TABLE 5.35: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CONDITIONAL GRANT (MATHS, SCIENCE AND TECHNOLOGY GRANT)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>43 626</b>	<b>12 375</b>							
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services	43 626	12 375							
Advertising	23								
Contractors	17 804	10 215							
Property payments	1 340								
Inventory: Other Supplies									
Training and development	24 459	2 160							
<b>Transfers and subsidies</b>		<b>21 244</b>	<b>22 458</b>	<b>23 491</b>	<b>47 842</b>	<b>47 842</b>	<b>49 810</b>	<b>53 493</b>	<b>56 596</b>
Non-profit institutions		21 244	22 458	23 491	47 842	47 842	49 810	53 493	56 596
<b>Payments for capital assets</b>	<b>15 535</b>	<b>23 234</b>	<b>29 567</b>	<b>24 351</b>					
Buildings and other fixed structures	15 535	23 234	29 567	24 351					
Buildings	15 535	23 234	29 567	24 351					
<b>Total economic classification</b>	<b>59 161</b>	<b>56 853</b>	<b>52 025</b>	<b>47 842</b>	<b>47 842</b>	<b>47 842</b>	<b>49 810</b>	<b>53 493</b>	<b>56 596</b>

TABLE 5.36: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CONDITIONAL GRANT (PROVINCIAL DISASTER GRANT)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>									
<b>Payments for capital assets</b>					14 019				
Buildings and other fixed structures					14 019				
Buildings					14 019				
<b>Total economic classification</b>					14 019				

TABLE 5.37: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CONDITIONAL GRANT (EDUCATION INFRASTRUCTURE GRANT)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>									
<b>Payments for capital assets</b>	512 937	537 892	617 785	935 725	935 725	935 725	1 385 737	1 318 980	1 394 020
Buildings and other fixed structures	512 937	537 892	617 785	935 725	935 725	935 725	1 385 737	1 318 980	1 394 020
Buildings	512 937	537 892	617 785	935 725	935 725	935 725	1 385 737	1 318 980	1 394 020
<b>Total economic classification</b>	512 937	537 892	617 785	935 725	935 725	935 725	1 385 737	1 318 980	1 394 020

TABLE 5.38: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CONDITIONAL GRANT (EXPANDED PUBLIC WORKS PROGRAMME INCENTIVE GRANT)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>		25 674	36 016	44 784	44 784	44 784	28 661		
Compensation of employees		25 674	36 016	44 784	44 784	44 784	28 661		
Salaries and wages		25 674	35 656	44 336	44 336	44 336	28 374		
Social contributions			360	448	448	448	287		
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>									
<b>Total economic classification</b>		25 674	36 016	44 784	44 784	44 784	28 661		

TABLE 5.39: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CONDITIONAL GRANT (EPWP INTERGRATED GRANT FOR PROVINCES)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	1 613	3 000	2 450	2 409	2 409	2 409	2 139		
Compensation of employees		3 000	2 450	2 409	2 409	2 409	2 139		
Salaries and wages		3 000	2 450	2 409	2 409	2 409	2 139		
Goods and services	1 613								
Property payments	1 613								
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>									
<b>Total economic classification</b>	1 613	3 000	2 450	2 409	2 409	2 409	2 139		

TABLE 5.40: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CONDITIONAL GRANT (OSD FOR THERAPISTS)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>			73 471	29 442	49 003				
Compensation of employees			73 471	29 442	49 003				
Salaries and wages			73 471	29 442	49 003				
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>									
<b>Total economic classification</b>			73 471	29 442	49 003				

# VOTE 6

## DEPARTMENT OF SOCIAL DEVELOPMENT

To be appropriated by vote in 2016/17	R 4 235 362 000
Responsible MEC	MEC for Social Development
Administering Department	Department of Social Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

A Caring and Self-reliant Society.

#### Mission

To transform our society by building conscious and capable citizens through the provision of integrated social development services.

#### Strategic Goals

- To provide support to core business in rendering effective and efficient services through 21 365 beneficiaries by the 2019/20 financial year;
- Efficient and effective integrated developmental social welfare services to 7 523 289 service recipients focusing on children, youth, older persons, persons with disabilities and women by the 2019/20 financial year; and
- Efficient, effective anti-poverty community interventions, youth development and women empowerment services to 4 421 595 beneficiaries promoting sustainable livelihoods by the 2019/20 financial year.

#### Core functions and responsibilities

- Rendering management and administration to the network of social development services within Gauteng;
- Provision, in partnership with relevant stakeholders, of prevention, early intervention, rehabilitation and after care services to people abusing substances. This also includes services rendered in in-patient and out-patient treatment centres;
- Provision of community home-based care, residential and all other protection services for vulnerable older persons at risk, and people with disabilities;
- Provision of secure care facilities, home-based services, and assessment and referral services for children found to be in conflict with the law;
- Provision of services for children through the construction and funding of Early Childhood Development (ECD) facilities throughout the province;
- Provision of child care and protection services and implementation of the Children's Act;
- Provision of shelters and counseling services for women and children who are victims of domestic violence and abuse;
- Provision, through home and community-based care (HCBC) centres, of psycho-social support services to people who are infected and affected by HIV and AIDS, especially orphans and vulnerable children;
- Provision of reunification and preservation services for families; and
- Provision of youth development and sustainable livelihood services to poor households through the implementation of the War on Poverty (WoP) programme.

#### Main services

- Reforming the welfare sector through legislative and policy reforms: we seek to expand services by ensuring adequate numbers and training of social service professionals, and by review of funding models and the roles assigned to Non-Profit Organisation (NPOs);
- Improving access to quality ECD through the provision of comprehensive ECD services as an instrument to undertake investments in health, development of capabilities, and mitigation of vulnerabilities, and to serve as the building blocks for future resilience. Effective ECD is also critical for ensuring equitable participation of women in the labour force and for securing the productive and social life of communities;

- Deepening social assistance and extending the scope for social security to address issues of coverage while defining policies that create a social protection floor that provides a minimum set of guarantees, coupled with a framework of progressive realisation of rights;
- Enhancing the capabilities of the identified groups and communities to achieve sustainable livelihoods and household food and nutrition security through a combination of income, direct provision and support to local economies through local procurement; and
- Establishing social protection systems and strengthening of monitoring and evaluation of services to ensure that interventions are responsive and yield sustainable outcomes.

#### Ten pillar programme of Transformation, Modernisation and Re-industrialisation

The department's response to Pillar 3: Accelerated Social Transformation includes:

- Reforming the welfare sector through transformation of services in and by previously advantaged communities and NPOs for inclusion of vulnerable groups; modernisation; through the introduction of the National Integrated Social Information System (NISIS) for household profiling and the Supatsela Information Technology system for NPO payment, social work services case management and reindustrialisation (production of school uniforms, gardening and laundry services by cooperatives);
- Improving access to quality ECD: integrated ECD services, provided primarily by the social cluster, are critical components of the millennium development goals (MDGs) in terms of universal access to education. In this regard the department will ensure the design of child friendly and child responsive human settlements in the province's urban development planning processes by including critical social infrastructure such as ECD facilities. The department will expand the rollout of ECD prototypes in the poorest communities, providing non-centre based ECD (mobile ECDs, toy libraries, play groups and child minders);
- Combating substance abuse and gender-based violence and ensuring integration of interventions with the programmes of the Department of Community Safety;
- Expanding the WoP programme to ensure a comprehensive profiling of all households situated within the 50 poorest wards and fighting urban poverty through the food security programmes. The department will also increase the scale of operations to include coloured and Indian communities by partnering with community development workers (CDWs), municipal street workers and community health care workers in profiling households; and
- Upscaling the Welfare to Work Programme by making extensive use of the co-operative model and Expanded Public Works programme (EPWP) opportunities (including the Lulaway project and the Tshepo 500 000 programme).

#### National Development Plan

The department aligned its plans and policies to the National Development Plan (NDP) 2030, in terms of the eradication of poverty and addressing inequality through inclusive social dialogue and an active and engaged citizenry. The department's interventions are concentrated in the area of expanded social protection (including social insurance, social assistance, social and productive inclusion), contributing to the improvement of the quality of life for the poor, the marginalised, the vulnerable and those with special needs.

#### Acts, rules and regulations

- Draft National Early Childhood Development Policy 2015;
- Broad-Based Black Economic Empowerment Act, No. 46 of 2013;
- Basic Conditions of Employment Amendment Act, No. 20 of 2013;
- Prevention and Combating of Trafficking in Persons Act, No. 7 of 2013;
- Cooperatives Amendment Act, No. 6 of 2013;
- Protection of Personal Information Act, No. 4 of 2013;
- Women Empowerment and Gender Equality Bill, November 2013;
- White Paper on Families approved by cabinet on 26<sup>th</sup> June 2013;
- National Strategic Plan (NSP) 2007-2011;
- Child Justice Act, No. 75 of 2008;
- Prevention of and Treatment for Substance Abuse Act, No. 70 of 2008;
- Criminal Law (Sexual Offences and Related Matters) Amendment Act, No. 32 of 2007;
- Older Persons Act, No. 13 of 2006;
- Children's Act, No. 38 of 2005;
- South African Social Security Agency Act, No. 9 of 2004;
- Advisory Board on Social Development Act, No. 3 of 2001;
- Public Finance Management Act, No. 1 of 1999;
- Domestic Violence Act, No. 116 of 1998;
- Maintenance Act, No. 99 of 1998;
- Welfare Laws Amendment Act, No. 106 of 1997;
- Non-Profit Organisations Act, No. 71 of 1997;
- White Paper for Social Welfare (1997);
- The Constitution of the Republic of South Africa Act, No. 108 of 1996;

- Child Care Amendment Act, No. 96 of 1996;
- Prevention and Treatment of Drug Dependency Act, No. 20 of 1992;
- Probation Service Act, No. 116 of 1991;
- Adoption Matters Amendment Act, No. 56 of 1988;
- Mediation in Certain Divorce Matters Act, No. 24 of 1987;
- Social Service Professions Act, No. 110 of 1978;
- National Welfare Act, No. 100 of 1978;
- Criminal Procedures Act, No. 51 of 1971;
- Gauteng Strategic Policy Framework on Gender Equality and Women Empowerment;
- Policy Framework on Orphans and other Children made vulnerable by HIV and AIDS;
- Gauteng Provincial Government Strategic Policy Framework on Disability Rights;
- •Gauteng AIDS Strategic Plan;
- Policy on Residential Facilities to Persons with Disabilities;
- Minimum Standards on Residential Facilities for Persons with Disabilities;
- Policy on the Management and Transformation of Protective;
- South African Policy for Older;
- Protocol on Management of Elder Abuse; and
- South African Charter for Older Persons and the United Nations Declaration on the Rights of Older Persons.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)

### Pillar 3: Accelerated social transformation

#### Output 1: Services to Older Persons

In the 2015/16 financial year, the department planned to fund 253 community based care and support facilities (inclusive of service centres, luncheon clubs and home-based care facilities) for older persons, to provide access to 18 327 older persons. It was planned that 17 759 older persons would participate in Active-Ageing Programmes provided by Government and NPOs.

At the end of the 3<sup>rd</sup> quarter of the financial year under review, 19 985 older persons were reached through services provided by funded community-based care and support facilities (inclusive of service centres, luncheon clubs and home-based care facilities) for older persons. A total of 23 735 older persons participated in Active-Ageing Programmes provided by both government and NPOs. A total of 26 facilities for older persons are provided with gym equipment which benefited 1 024 older persons.

#### Output 2: Services to Persons with Disabilities

The department recognises that there is a need to provide services that foster greater access to opportunities and social inclusion of people with disabilities. The interventions seek to promote the well-being, independent living, and protection of persons with disabilities.

In the 2015/16 financial year, the department planned to support 20 companies owned by persons with disabilities participating in preferential procurement spend, support 120 NPOs providing services for persons with disabilities, and support 4 297 persons with disabilities accessing services in funded protective workshops managed by NPOs.

By the end of the 3<sup>rd</sup> quarter of the 2015/16 financial year, a total of 2 148 persons with disabilities accessed services in residential facilities for persons with disabilities, and 72 companies owned by persons with disabilities benefitted from the preferential procurement direction of the department. Furthermore, 4 952 persons with disabilities accessed services in protective workshops managed by funded NPOs and 17 225 beneficiaries were reached through disability prevention programmes.

Whilst the performance on the above services is dependent on referrals from the community, the department continued to market this service in an effort to improve access. Services to persons with disabilities are also mainstreamed in all other services provided by the department.

#### Output 3: HIV and AIDS

In the 2015/16 financial year, the department planned to fund 242 NPOs delivering HIV and AIDS social protection programmes; reach out to 28 648 vulnerable households receiving psychosocial support services; 75 991 beneficiaries receiving food parcels from HCBC organisations; and 40 513 beneficiaries receiving daily meals at drop-in centres.

35 149 vulnerable households and 67 072 beneficiaries received psychosocial support services at the end of the 3<sup>rd</sup> quarter

of the financial year under review. A total of 9 607 work opportunities were created in Home and Community-Based Care (HCBC) through the Expanded Public Works Programme (EPWP).

To alleviate food insecurity and malnutrition, the department provided food parcels to 83 724 beneficiaries in HCBC organisations, and a total of 35 434 beneficiaries received daily meals at drop-in centres.

#### **Output 4: Integrated Child Care and Protection Services**

The work of the department in relation to child care and protection is informed by the objectives of the Children's Act No. 38 of 2005, which gives effect to the constitutional rights of children and that includes developing community structures which can assist in providing care and protection for children including children with disabilities.

#### **Access to Child and Youth Care Centres (CYCCs)**

The department planned to fund 106 CYCCs (children's homes, shelters, places of safety and schools of industry) managed by both government and NPOs by the end of the 2015/16 financial year, in order to provide access to a planned total of 5 158 children.

As reported at the end of the 3<sup>rd</sup> quarter, 5 060 children accessed services through 107 Child and Youth Care Centres (CYCCs).

#### **Foster Care**

In the 2015/16 financial year under review, the department planned to ensure that a total of 3 871 children would have been placed in foster care; 50 140 children receiving social work services placed in foster care; and 61 382 orphans and vulnerable children to receive psychosocial support services.

A total of 3 920 children are newly placed in foster care; 36 609 children placed in foster care received social work services and 52 892 orphans and vulnerable children received psychosocial support services as at the end of the 3<sup>rd</sup> quarter. Furthermore, 459 Child and Youth Care Worker (CYCW) trainees received training through the Isibindi model, and 13 162 children accessed services through the Isibindi model.

#### **The Bana Pele Programme**

In addition to existing legislation and policies that seek to promote and protect the rights of children, the Gauteng City Region (GCR) advocates for a pro-poor integrated response in tackling child poverty. The department facilitates a basket of services in respect of children. Critical stakeholders include amongst others Municipalities, Non-Governmental Organisations (NGOs), Faith-Based Organisations (FBOs) and all relevant social cluster departments.

At school level the services comprise of the provision of scholar transport and no-fee paying schools which are provided by department of Education, and free health care provided by Health department as well as dignity packs and school uniforms delivered by social development. The latter are designed to target boys, girls and children with albinism.

The performance for school uniforms is planned for the 4<sup>th</sup> quarter of the current financial year.

#### **Dignity Packs**

The provision of dignity packs helped to keep many girls in school. A dignity pack comprises of body lotion, deodorant, petroleum jelly, tooth paste, soap and sanitary pads. At the end of this 3<sup>rd</sup> quarter, the department managed to distribute the dignity packs to 188 323 children.

#### **Food Security**

At the end of the 3<sup>rd</sup> quarter, 83 724 food parcels were issued by HCBC organisations and 124 789 beneficiaries of food relief received food from the food banks, while 13 688 households accessed food through various food security programmes.

#### **Output 5: Early Childhood Development**

In terms of the ECD programme, the services include: a nutrition programme in the form of standardised meals; and the upgrading and renovation of ECD centres that do not meet the required minimum norm and standards. This intervention has tremendous spin-offs in that, it serves as a safety and poverty alleviation measure for children but also eases the process of registration and licencing. The rolling out of non-centre based ECD services has been a critical initiative in driving access to the ECD programme. It is through these interventions that the department is able to strengthen the programme of ECD massification in working towards universal access to ECD.

It was planned that 97 215 children would have accessed services from 1 293 funded partial care sites in the current financial year. Furthermore, the department also planned to register 2 029 partial care sites.

As at the end of the 3<sup>rd</sup> quarter, a total of 88 214 children accessed funded ECD programmes, 1 373 partial-care sites are registered, and 1 930 children were reached through non-centre based services.

**Output 6: Crime Prevention and Support**

The department will continue to strengthen the implementation of the Social Crime Prevention Strategy, which aims to reduce the incidence and impact of social crimes.

In the 2015/16 financial year, the department planned to expand the social crime awareness and prevention programmes reaching out to 147 247 beneficiaries (children included). The assessment of 2 572 children in conflict with the law in the 2015/16 financial year was to be at the centre of the strategy implementation. Furthermore, 920 children would have been provided with access to secure care centres, and 3 102 children in conflict with the law would participate in diversion programmes.

By the end of the 3<sup>rd</sup> quarter, the department rendered social crime awareness and prevention programmes reaching 118 451 beneficiaries (including children). A total of 5 264 children and adults in conflict with the law were assessed. Performance on this service is, however, dependent on the courts and SAPS referrals. The department also manages two secure care centres (child and youth care centres), and one secure care centre is managed by an NPO. Secure care centres managed by Government already benefitted a total of 1 196 children as to the 3<sup>rd</sup> quarter. A further 1 238 children in conflict with the law participated in diversion programmes and 241 children completed these programme.

**Output 7: Victim Empowerment Services (VEP)**

In strengthening prevention programmes, the department committed to reduce the risk of sexual and physical violence against women and children by ensuring participation of men and boys through education on gender based violence.

In the 2015/16 financial year, the department planned to expand its funding to 25 service sites for victims of crime and violence managed by funded NPOs. A total of 2 107 victims of crime and violence has access to those service sites or shelters managed by funded NPOs. It was also planned that a further 26 208 victims of crime would access victim empowerment programmes (VEPs) via NPOs funded by the department.

At the end of the 3<sup>rd</sup> quarter, the department reached 1 763 victims of crime and violence through services rendered at 24 shelters managed by funded NPOs. A total of 96 039 beneficiaries were reached through the programme of no-violence against women and children, including 16 days of activism. A further 32 161 victims of crime accessed Victim Empowerment Programme (VEP) services through 65 NPOs funded by the department.

**Output 8: Substance Abuse Prevention, Treatment and Rehabilitation**

In the 2015/16 financial year, the department planned to fund 52 substance abuse treatment centres managed by both government and NPOs; reach out to 22 052 service users accessing treatment centres managed by funded NPOs; reach 371 826 children and youth through the Ke-Moja drug prevention programme. The department also planned to reach 455 223 beneficiaries through substance abuse prevention programmes by funded NPOs; and 9 701 beneficiaries of aftercare programmes would receive treatment for substance abuse.

As reported at the end of the 3<sup>rd</sup> quarter, the department reached out to 9 821 service users who accessed funded substance abuse treatment centres; 427 785 children and youth were reached through Ke-Moja drug prevention programmes and a total of 392 066 people benefitted from the substance abuse prevention programmes. Aftercare programmes were provided to 4 220 persons who had received assistance from substance abuse treatment centres. The department also established 29 local drug action committees in the poorest wards and other prioritised hot spots. A total of 1 308 beneficiaries were counselled through the mobile counselling service buses during the quarter.

**Output 9: Community development through sustainable livelihoods strategies****Ward-based Model**

The service delivery war room is a province-wide integrated and comprehensive service delivery model that seeks to radically restructure the interface between government and the people so as to respond to their needs. In line with this approach, the department approved a ward-based approach to respond to the service delivery focus of the Province.

The introduction of the ward-based approach led to the appointment of 300 Social Service Professionals to increase service delivery capacity in the 50 poorest and other prioritised wards.

**War on Poverty**

The War on Poverty campaign is a Presidential initiative aimed at graduating households out of poverty. This is done through door-to-door household profiling and linking them to a number of government interventions that will assist to improve the quality of life for the household members. This process involves the utilisation of electronic devices to capture and transfer data into a nationally-based information system known as the National Integrated Social Information System.

Through the food banks, the department continues to make steady progress in our efforts to eradicate hunger among



households in Gauteng.

The department planned to increase the number of beneficiaries of food relief from food banks by 147 840 in the period under review. A total of 29 712 households will access food through Department of Social Development food security programmes, while it was also planned that the department would also refer 165 000 beneficiaries to sector departments for appropriate support and interventions.

A total of 124 789 people benefited from food relief from food banks; 36 933 households accessed food through the DSD food security programme as to the end of 3<sup>rd</sup> quarter. Furthermore, a total of 85 161 beneficiaries were referred for intervention through the NISIS.

#### **Output 10: Youth Development**

The transformation of services to young people is meant to foster self-reliance and empowerment. The effects of poverty and unemployment manifest in various ways, including alcohol and substance abuse as well as youth criminality. In responding to the challenges above, the department services are guided by the Youth Development Strategy developed by the National Department of Social Development. Youth entrepreneurship is at the epicentre of departmental programmes to facilitate an exit pathway from the social security safety net to being self-reliant through the Welfare to Work Programme.

In the 2015/16 financial year, in terms of addressing the training and skills needs of our young people, the department planned to reach 34 500 youth participating in skills development programmes. As planned, a total of 6 800 youth would participate in entrepreneurship programmes; 91 000 youth in social change programmes; and 276 young people in internship programmes. In addition, the department plans to expand the number of youth participating in learnership programmes to 574, and will provide external bursaries to at least 25 unemployed young people in the province.

The department provided opportunities for 1 414 youth to participate in entrepreneurship programmes at the end of the 3<sup>rd</sup> quarter. A total of 11 228 youth participated in skills development programmes rendered by the funded NPOs. In addition, a total of 13 376 youth participated in social change programmes, and 278 youth were deployed to profile and coordinate households' interventions in the poorest wards.

#### **Output 11: Women Development**

The empowerment of women through awareness programmes is a priority. In accordance with the Victim Empowerment Programme (VEP), shelters are funded to accommodate abused women and their children. The programme is further being expanded to include all victims of crime particularly sexual assault in all Victim Empowerment Centres supported by the Department of Community Safety. The interventions include promotion and protection of rights for lesbian, gay, bisexual, transgender and intersex (LGBTI) people.

The department planned to ensure that 1 065 women on child support grant will be linked to economic opportunities by the end of the 2015/16 financial year; and that 8 109 women will participate in the empowerment programmes.

By the end of the 3<sup>rd</sup> quarter, a total of 1 397 women on child support grants were linked to economic opportunities and 5 404 women participated in income generating programmes.

#### **Output 12: Sustainable employment creation**

##### **Expanded Public Works Programme**

In the 2015/16 financial year, the department planned to provide opportunities created through EPWP to 6 710 beneficiaries. Jobs in HCBC organisations to be created through the EPWP volunteers as caregivers serving people affected with HIV & AIDS.

A total of 9 607 job opportunities were created through the EPWP within the HCBC programme and a further 2 998 jobs were created in the ECD programme by the end of the 3<sup>rd</sup> quarter.

##### **Support to Cooperatives**

As planned in the 2016/17 financial year, the department will continue to empower a total of 490 cooperatives to provide goods and services to the department and other service users.

Through providing contracts to social cooperatives in previously disadvantaged communities, work opportunities were created for those participating in these cooperatives. At the end of the 3<sup>rd</sup> quarter, a total of 394 cooperatives were empowered by the department.

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

#### **Pillar 3: Accelerated social transformation**

The department will continue to contribute towards addressing the challenges of unemployment, poverty and inequality in response to Pillar 3: Accelerated Social Transformation.

#### **Output 1: Services to Older Persons**

In the 2016/17 financial year, the department plans to fund 253 community based care and support facilities (inclusive of service centres, luncheon clubs and home based care facilities) for older persons, with aim to provide access to 22 753 older persons.

Active ageing is a programme that ensures that the elderly live a healthy life and participate in various activities. It is planned that 23 314 older persons will participate in active-ageing programmes (government and NPOs).

#### **Output 2: Services to Persons with Disabilities**

In the 2016/17 financial year, the department plans to support 70 companies owned by persons with disabilities participating in preferential procurement spend, support 118 NPOs providing services for persons with disabilities, and ensure that 4 672 persons with disabilities access services in funded protective workshops managed by NPOs. Furthermore, 20 006 beneficiaries will be reached through disability prevention programmes.

#### **Output 3: HIV and AIDS**

The department has planned to fund 246 NPOs delivering HIV and AIDS services; and reach out to 72 435 beneficiaries receiving psychosocial support services from HCBC organisations in the 2016/17 financial year. The department will further ensure that 34 000 vulnerable households receive psychosocial support services; 75 992 beneficiaries receive food parcels from HCBC organisations and that 40 515 beneficiaries receive daily meals.

#### **Output 4: Integrated Child Care and Protection services**

##### **Access to child and Youth care centres**

The department will fund 109 CYCCs (children' homes, shelters, places of safety and schools of industry) managed by both government and NPOs, to provide access to 5 141 children in the 2016/17 financial year.

##### **Foster care**

In the 2016/17 financial year, the department will ensure that a total of 3 871 children are newly placed in foster care; 50 140 children will be placed in foster care that receive social work services and a further 61 382 children in need of care and protection will be provided with psychosocial support services. The NPO sector will be capacitated by employing child and youth care workers trained through the Isibindi programme targeting child headed households and orphans and vulnerable children.

##### **Bana Pele Programme**

The department plans to expand the provision of school uniform packs to a total of 136 500 learners in the 2016/17 financial year.

##### **Dignity packs**

The provision of dignity packs helped to keep many girls in school and provide an income for the cooperatives packaging them. In the 2016/17 financial year, the department will increase the number of beneficiaries of dignity packs to 251 849 children.

#### **Output 5: Early childhood development**

The department will continue to implement the ECD regulating and funding strategy that focuses on profiling illegally operating ECD facilities. It will also continue to improve ECD social infrastructure and appropriate programme design focusing on 50 prioritised areas.

It is planned that in the 2016/17 financial year, 97 215 children will receive services from 1 376 funded partial care sites, and also to register 2 221 partial care sites.

#### **Output 6: Crime prevention and support**

In the 2016/17 financial year, the department will strengthen the implementation of the Social Crime Prevention Strategy, which aims to reduce the incidence and impact of social crimes. This will be done through the expansion of social crime awareness and prevention programmes reaching 147 247 beneficiaries (children included).

In the 2016/17 financial year, the assessment of 6 576 children and adults in conflict with the law will be at the centre of

strategy implementation. Furthermore, 920 children will be provided with access to secure care centres. The department will also ensure that the number of children who participate in diversion programmes reach 3 102.

**Output 7: Integrated victim empowerment services (VEP)**

The department will increase its funding to 24 service sites for victims of crime and violence managed by funded NPOs in the 2016/17 financial year, and 2 107 victims of crime and violence managed by funded NPOs will have access to these service sites. A further 26 208 victims of crime will access VEP services through NPOs funded by the department.

**Output 8: Integrated substance abuse prevention, treatment and rehabilitation**

In the 2016/17 financial year, the department plans to fund 54 substance abuse treatment centres managed by government and NPOs; reach out to 20 052 service users accessing treatment centres managed by funded NPOs; reach 371 826 children and youth through the Ke-Moja drug prevention programme. A total of 9 701 beneficiaries of aftercare programmes will receive treatment for substance abuse.

**Output 9: Community Development services through sustainable livelihoods strategies**

The department in partnership with civil society will continue to assist in setting up community advice centres. Young people will continue to be trained as advice agents to serve the community by giving people easier access to social services.

The department plans to reach 11 500 people through community mobilisation programmes in the 2016/17 financial year.

**War on Poverty**

The department continues to make steady progress in the battle to end hunger among households in Gauteng through food banks.

In the 2016/17 financial year, the department will increase the number of beneficiaries of food relief from food banks to 147 840, and a total of 29 712 households will access food through DSD food security programmes.

**Output 10: Youth Development**

The department will reach out to a total of 34 500 youth participating in skills development programmes in the 2016/17 financial year. A total of 6 800 youth will participate in entrepreneurship programmes, and 91 000 youth will participate in social change programmes.

A total of 276 young people will participate in internship programmes. In addition, the department will expand the number of youth participating in learnership programmes to 574 and a further 25 unemployed youth will be provided with external bursaries.

**Output 11: Women Development**

The department will ensure that 1 607 women on child support grants will be linked to economic opportunities in the 2016/17 financial year; and 8 109 women will participate in empowerment programmes.

**Output 12: Sustainable employment creation**

**Expanded Public Works Programme**

The EPWP provides an important contribution towards the MDGs. In the 2016/17 financial year, the department will create a total of 6 710 work opportunities through EPWP.

**Support to cooperatives**

Social cooperatives are organs of civil society that are intended to stimulate social cohesion and local economic development amongst organised communities.

In the 2016/17 financial year, the department will continue to empower a total of 490 cooperatives to provide goods and services to the department and other service users.

## **4. REPRIORITISATION**

The department conducted a reprioritisation exercise over the 2016 MTEF to ease budget pressures and to finance priorities. Budget pressures were addressed by identifying savings from non-essential items and through the implementation of cost containment measures.

The compensation of employee's budget is reprioritised over the 2016 MTEF to align the budget to the organisational structure, and for the appointment of Community Development Workers responsible for the implementation of the ward-

based model in the Development and Research programme.

The funds are reprioritised from non-core items to fund the annual escalating cost for the payment of Microsoft licenses, outsourced services, and tools of trade. Funds for fleet services were increased as a result of additional staff appointed and the need to expand services to the communities.

An amount of R21.5 million is reprioritised within transfers to NPIs in both the 2016/17 and 2017/18 financial years to strengthen the department's capacity to monitor funded NPO's; expanding the training and skills development of the youth; and for the implementation of Ntirhisano priorities through welfare services. Furthermore, a total amount of R20 million for the outer two years of the 2016 MTEF, is reprioritised within transfers to NPIs to address the pressures of providing effective treatment programmes for substance abusers aligned with the GCR strategy on substance abuse.

## 5. PROCUREMENT

The department will continue to strengthen supply chain management (SCM) through various interventions such as:

- Continuous training of the SCM unit on new frameworks, guidelines and policies;
- Strengthening quarterly SCM forums, and quarterly supplier forums;
- Capacitating the demand management unit; and
- Monitoring compliance to legislative requirements.

Some of the major procurement to be undertaken by the department over the 2016 MTEF relates to the following:

- The provision of security services at head office, regions, service points and institutions;
- The provision of gardening and laundry services at the regions and institutions;
- The improvement of information technology infrastructure;
- Implementation of the township economy revitalisation strategy;
- The continuous training of departmental staff; and
- Empowerment of cooperatives to participate in the departmental procurement opportunities.

## 6. RECEIPTS AND FINANCING

### 6.1. Summary of receipts

TABLE 6.1: SUMMARY OF RECEIPTS: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	2 531 045	2 916 748	3 412 095	3 945 187	3 978 354	3 978 354	4 222 254	4 394 576	4 660 483
Conditional grants	12 873		22 267	18 785	18 785	18 785	13 108	50 139	78 530
<i>Social Sector EPWP Incentive Grant</i>	12 873		20 267	16 785	16 785	16 785	13 108		
<i>EPWP Integrated Grant</i>			2 000	2 000	2 000	2 000			
<i>Early Childhood Development Grant</i>								50 139	78 530
<b>Total receipts</b>	<b>2 543 918</b>	<b>2 916 748</b>	<b>3 434 362</b>	<b>3 963 972</b>	<b>3 997 139</b>	<b>3 997 139</b>	<b>4 235 362</b>	<b>4 444 715</b>	<b>4 739 013</b>

The departmental allocation increased from R2.5 billion in the 2012/13 financial year to R3.4 billion in the 2014/15 financial year due to the implementation of national and provincial priorities. The department's budget was increased in the 2014/15 financial year by the strengthening of integrated substance abuse interventions, and the introduction of mobile toy libraries and mobile ECDs. Furthermore, the department received a once-off additional fund of R13 million from the Road Traffic Management Corporation (RTMC) to fund ECD and rural development projects in the 2014/15 financial year. Social work graduates who completed studies in 2012 and 2013 were absorbed into the departmental structure in 2013/14 financial year which also contributed to the increased budget during this period.

An amount of R12.8 million and R22.2 million was appropriated as the EPWP conditional grant in 2012/13 and 2014/15 financial years respectively, with the aim of creating additional work opportunities for unemployed South Africans in a manner that will enable them to gain skills and increase their capacity to earn income when they exit the programme. In the 2015/16 financial year, the department is allocated R18.8 million for this EPWP programme.

In the 2015/16 financial year, the departmental allocation is adjusted upwards by R33.2 million. This consists of an amount of R15 million received for the preparatory work towards the implementation of the Gauteng City Region Anti-Substance Abuse Social Movement Campaign and R18.2 million for the Improvements in Conditions of Service.

Over the 2016 MTEF, the allocation increases from R4.2 billion in the 2016/17 financial year to R4.7 billion in the 2018/19

financial year to sustain services delivered by the department. In 2016/17 financial year, the department is allocated an additional R13.1 million for the social sector EPWP incentive grant, R25 million for the Drug and Substance Abuse programme, R5.3 million for the infrastructure programme for purpose of internal capacity building, and R15 million for social workers' tools of trade. Furthermore, the department received R50.1 million and R78.5 million in the 2017/18 and 2018/19 financial year respectively for the new ECD conditional grant programme.

The department will continue to strengthen substance abuse interventions across the province and expand mobile ECD facilities to cover previously disadvantaged areas. The department will also continue to absorb additional social work graduates over the 2016 MTEF period in order to increase its capacity to implement statutory services.

The department is allocated an amount of R30.8 million over the 2016 MTEF to continue to provide shelters to victims of Gender-Based Violence and increase funding to NPIs that deliver services to victims of domestic violence and crime.

### 6.3. Departmental receipts

TABLE 6.2: SUMMARY OF DEPARTMENTAL RECEIPTS: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Sales of goods and services other than capital assets	1 602	2 017	2 468	2 400	2 400	2 400	2 520	2 645	2 798
Fines, penalties and forfeits	1	1	1						
Interest, dividends and rent on land	39	(2)	15	24	24	24	25	26	28
Transactions in financial assets and liabilities	4 299	2 675	2 334	500	500	1 020	525	551	583
<b>Total departmental receipts</b>	<b>5 941</b>	<b>4 691</b>	<b>4 818</b>	<b>2 924</b>	<b>2 924</b>	<b>3 444</b>	<b>3 070</b>	<b>3 222</b>	<b>3 409</b>

The departmental revenue decreased from R5.9 million in the 2012/13 financial year to R4.8 million in the 2014/15 financial year due to irrecoverable debts written off previously.

Over the 2016 Medium Term Revenue Framework (MTRF), revenue increases from R3.1 million in the 2016/17 financial year to R3.4 million in the 2018/19 financial year, increasing by R339 000 at an annual average growth rate of 5.3 per cent. A significant part of revenue collected in 2015/16 financial year is emanating from sales of goods and services other than capital assets. This revenue source includes garnishee orders, parking fees collected from employees, and boarding fees from officials who occupy official residence at the departmental institutions.

The anticipated revenue collected on interest, dividends and rent on land comprise the interest from revenue associated with ownership of interest-bearing financial instruments.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The following key assumptions were considered when formulating the budget over the 2016 medium term:

- Ten Pillar Programme;
- Absorption of social work graduates over the 2016 MTEF period;
- Improvement in conditions of service;
- Establishment of centres of excellence (skills development centres);
- Integrated Substance abuse interventions across the province;
- The costing of outsourced services and the annual inflationary increase on existing contracts;
- Expansion of early childhood development centres and home-based care services;
- Expansion of dignity packs, school uniforms and food banks projects;
- Implementation of non-centre based programmes such as toy libraries, mobile toy libraries and mobile ECD facilities;
- Continued services to children in conflict with the law and the poverty alleviation programmes;
- Implementation of social infrastructure projects; and
- Continued implementation of the Welfare to Work programme.

## 7.2. Programme summary

TABLE 6.3: SUMMARY OF PAYMENT AND ESTIMATES: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	350 493	401 470	442 905	479 250	481 248	484 867	519 462	543 654	596 471
2. Social Welfare Services	563 711	554 970	625 311	697 055	710 398	712 331	733 925	762 716	816 540
3. Children And Families	1 102 562	1 351 564	1 629 765	1 993 465	1 956 637	1 923 522	2 080 636	2 157 836	2 251 171
4. Restorative Services	280 142	303 098	348 538	423 250	430 128	420 871	446 879	494 008	560 113
5. Development And Research	227 818	288 581	362 286	370 952	418 728	417 381	454 461	486 502	514 719
<b>Total payments and estimates</b>	<b>2 524 726</b>	<b>2 899 683</b>	<b>3 408 805</b>	<b>3 963 972</b>	<b>3 997 139</b>	<b>3 958 972</b>	<b>4 235 362</b>	<b>4 444 715</b>	<b>4 739 013</b>

## 7.3. Summary of economic classification

TABLE 6.4: SUMMARY OF ECONOMIC CLASSIFICATION: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 106 630</b>	<b>1 243 445</b>	<b>1 403 658</b>	<b>1 730 186</b>	<b>1 753 494</b>	<b>1 722 338</b>	<b>1 845 587</b>	<b>1 925 929</b>	<b>2 020 721</b>
Compensation of employees	782 298	903 194	1 018 431	1 272 624	1 290 791	1 241 225	1 338 081	1 361 124	1 407 089
Goods and services	324 332	340 251	385 227	457 562	462 703	481 113	507 506	564 805	613 632
<b>Transfers and subsidies to:</b>	<b>1 286 710</b>	<b>1 583 526</b>	<b>1 869 455</b>	<b>2 088 351</b>	<b>2 103 323</b>	<b>2 088 323</b>	<b>2 221 844</b>	<b>2 369 512</b>	<b>2 560 411</b>
Provinces and municipalities									
Departmental agencies and accounts	114	74	67	95	67	67	100	105	111
Non-profit institutions	1 280 438	1 576 738	1 861 312	2 079 837	2 094 837	2 079 837	2 212 842	2 360 060	2 550 411
Households	6 158	6 714	8 076	8 419	8 419	8 419	8 902	9 347	9 889
<b>Payments for capital assets</b>	<b>130 487</b>	<b>71 735</b>	<b>135 452</b>	<b>145 435</b>	<b>140 285</b>	<b>148 224</b>	<b>167 931</b>	<b>149 274</b>	<b>157 881</b>
Buildings and other fixed structures	105 676	45 972	89 981	134 400	129 250	129 250	155 860	136 600	144 472
Machinery and equipment	24 594	24 233	45 120	11 035	10 988	18 927	12 070	12 674	13 409
Software and other intangible assets	217	1 530	351		47	47			
<b>Payments for financial assets</b>	<b>899</b>	<b>977</b>	<b>240</b>		<b>37</b>	<b>87</b>			
<b>Total economic classification</b>	<b>2 524 726</b>	<b>2 899 683</b>	<b>3 408 805</b>	<b>3 963 972</b>	<b>3 997 139</b>	<b>3 958 972</b>	<b>4 235 362</b>	<b>4 444 715</b>	<b>4 739 013</b>

The department's expenditure increased from R2.5 billion in the 2012/13 financial year to R3.4 billion in the 2014/15 financial year. The increase in the expenditure is due to expansion of services such as food banks, school uniforms, dignity packs and the Welfare to Work Programme. The department intensified social welfare services intervention programmes, and further approved the ward-based approach to improve access to social welfare services at a ward level across the Province.

Expenditure on compensation of employees increased from the 2013/14 financial year, due to the appointment of Community Development Workers for implementation of the ward-based model and the continued absorption of Social Work graduates. Furthermore, the increase on compensation employees' budget during the 2015/16 adjustment budget is attributable to an additional allocation of R18.2 million received for the higher than anticipated wage agreement for Improvements in Conditions of Service.

In the 2015/16 financial year, the department's expenditure estimates of R3.9 billion is mainly driven by the intensification of programmes such as welfare to work, dignity packs, food banks and interventions on the impact of a fire disaster that occurred in the third quarter. The department will further procure tools of trade for absorbed social workers, and implement victim empowerment, integrated substance abuse intervention and non-centred based programmes. Of this amount, is also the additional allocation of R15 million for the preparatory work towards the implementation of the Gauteng City Region Anti-Substance Abuse Social Movement Campaign.

The overall budget increases from R4.2 billion in the 2016/17 financial year to R4.7 billion in the 2018/19 financial year. The department will continue with the implementation of mobile substance abuse and ECD programmes to increase access to services in areas that are under serviced.

The allocation for goods and services is reprioritised to fund the annual inflationary increases on all contractual obligations such as security, gardening, cleaning, laundry and catering at institutions run by the department and five regional offices. Included in the goods and services' budget are funds allocated to acquire new additional office space to increase access to

social welfare services by communities. Furthermore, the department receives an additional allocation of R47.7 million to fund tools of trade for the absorption of social work graduates over the 2016 MTEF period.

The department receives the ECD conditional grant with the aim of expanding the coverage of early childhood development services for children up to the age of five. The department also receives an additional allocation to fund the increased demand on substance abuse services and the operation of centres of excellence for recovering addicts through the Anti-Substance Abuse Campaign. Furthermore, an amount of R13.1 million is allocated for the continued implementation of the social sector EPWP incentive grant.

#### 7.4. Infrastructure payments

##### 7.4.1. Departmental infrastructure payments

Please refer to the 2016 Estimates of Capital Expenditure (ECE).

##### 7.4.3. Departmental Public-Private-Partnership (PPP) projects

N/A

#### 7.5. Transfers

##### 7.5.1. Transfers to public entities

N/A

##### 7.5.2. Transfers to other entities

TABLE 6.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES (NGOs)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Care and Services to Older Persons	157 150	173 379	199 030	250 174	246 174	246 174	253 933	267 105	282 597
2. Services to Persons with Disabilities	76 376	79 029	83 614	90 124	90 124	90 124	94 901	99 646	105 426
3. HIV and AIDS	239 006	232 274	264 906	274 002	274 002	274 002	283 958	284 393	300 887
4. Care and Support Services to Families	101 734	112 860	118 228	118 765	118 765	118 765	125 060	131 313	138 929
5. Child Care and Protection	4 294	11 797	21 206	21 000	21 000	21 000	23 000	24 150	25 551
6. ECD and Partial Care	246 230	290 629	315 028	341 182	341 182	341 182	359 265	427 367	477 638
7. Child and Youth Care Centers	147 462	140 153	144 420	155 494	155 494	155 494	159 194	167 154	176 849
8. Community- Based Care Services for Children	69 799	217 748	294 659	391 788	391 788	391 788	417 054	437 907	463 305
9. Crime Prevention and Support	68 789	75 809	108 562	101 045	101 045	101 045	87 990	93 390	98 806
10. Victim Empowerment	31 064	46 515	52 331	66 811	66 811	66 811	68 254	71 767	75 929
11. Substance Abuse, Prevention and Rehabilitation	44 657	55 187	61 440	67 502	82 502	67 502	106 080	111 084	145 511
12. Institution Capacity and Support to NPOs		13 000	20 000	16 000	20 000	20 000	21 348	22 190	23 477
13. Poverty Alleviation and Sustainable Livelihoods	87 480	121 691	149 004	162 234	162 234	162 234	180 677	189 211	200 185
14. Youth Development	6 397	6 667	16 627	17 216	17 216	17 216	23 128	24 035	25 429
15. Women Development			12 257	6 500	6 500	6 500	9 000	9 350	9 892
<b>Total departmental transfers</b>	<b>1 280 438</b>	<b>1 576 738</b>	<b>1 861 312</b>	<b>2 079 837</b>	<b>2 094 837</b>	<b>2 079 837</b>	<b>2 212 842</b>	<b>2 360 060</b>	<b>2 550 411</b>

The transfer payments to Non-Profit Institutions (NPIs) increased from R1.3 billion in the 2012/13 financial year to R1.9 billion in the 2014/15 financial year. The largest share of the transfers to NGOs supported ECD and the HIV and AIDS programmes. The transfers under the Poverty Alleviation and Sustainable Livelihoods increased sharply in the 2014/15 financial year due to the department's implementation of Welfare to Work Programme and the intensification of development centres.

The budget for NPIs grows from R2.2 billion in the 2016/17 financial year to R2.5 billion in the 2018/19 financial year. This increase is informed by additional allocation received for the substance abuse programme; continued implementation of the social sector EPWP incentive grant, and the new ECD conditional grant. This ECD conditional grant has been allocated from the 2017/18 financial year to expand the subsidy to poor children in registered ECD programmes and to improve the conditionally registered ECD centres to meet the basic requirements in order to become fully registered.

The Community Based Care Services sub-programme receives a higher percentage of the overall NPIs budget over the 2016 MTEF period. The funds will be utilised to continue support for children programmes such as school uniform, computers, toys etc. The sub-programme also makes provision for the care and protection of orphans and vulnerable children through the Isibindi programme.

The NPI's budget allocation for 2016 MTEF was reprioritised to accommodate changing priorities aligned to the Ten Pillar Programme. In the 2016/17 financial year, an amount of R10 million is reprioritised from the Crime Prevention and Support sub-programme to fund the essential programmes under Poverty Alleviation and Sustainable Livelihoods such as welfare to work, dignity packs and food banks. A further R10 million is also reprioritised to substance abuse in order to address the pressures of providing effective treatment programmes.

#### 7.5.4. Transfers to local government

N/A

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide political and strategic direction and leadership, and to guide and support the development policy frameworks and guidelines for the implementation of priority programmes.

#### Programme objectives

- To provide effective and efficient human resource management and development services to 16 282 beneficiaries in the 2016/17 financial year;
- To provide legal services to the department through 8 legislative compliance testing in the 2016/17 financial year;
- To provide infrastructure support services to 35 projects in the 2016/17 financial year;
- To provide risk management and internal control services through the provision of 2 risk assessments in the 2016/17 financial year;
- To provide for the equality of 317 women, youth and persons with disabilities through capacity building sessions in the 2016/17 financial year;
- To provide preferential procurement to 1 099 companies (HDI; SMME; PWD and Youth Owned) in the 2016/17 financial year;
- To provide effective and efficient financial management to ensure that 95 per cent of suppliers are paid within 30 days in the 2016/17 financial year; and
- To provide services to 100 per cent (192) cases received via the Hotline and other stakeholders in the 2016/17 financial year.

TABLE 6.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The MEC	404	1 067	3 441	7 779	9 623	9 657	6 790	7 129	7 542
2. Corporate Management Services	188 015	204 504	221 411	240 891	240 234	239 164	250 011	262 512	277 737
3. District Management	162 074	195 899	218 053	230 580	231 391	236 046	262 661	274 013	311 192
<b>Total payments and estimates</b>	<b>350 493</b>	<b>401 470</b>	<b>442 905</b>	<b>479 250</b>	<b>481 248</b>	<b>484 867</b>	<b>519 462</b>	<b>543 654</b>	<b>596 471</b>

TABLE 6.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>324 882</b>	<b>376 682</b>	<b>405 697</b>	<b>461 805</b>	<b>465 636</b>	<b>462 173</b>	<b>500 642</b>	<b>523 893</b>	<b>575 564</b>
Compensation of employees	164 496	186 368	210 991	233 865	237 203	232 563	242 179	252 821	267 483
Goods and services	160 386	190 314	194 706	227 940	228 433	229 610	258 463	271 072	308 080
<b>Transfers and subsidies to:</b>	<b>4 922</b>	<b>4 257</b>	<b>5 201</b>	<b>6 410</b>	<b>6 382</b>	<b>6 030</b>	<b>6 750</b>	<b>7 087</b>	<b>7 498</b>
Provinces and municipalities									
Departmental agencies and accounts	114	74	67	95	67	67	100	105	111
Households	4 808	4 183	5 134	6 315	6 315	5 963	6 650	6 982	7 387
<b>Payments for capital assets</b>	<b>19 989</b>	<b>20 188</b>	<b>31 940</b>	<b>11 035</b>	<b>9 224</b>	<b>16 652</b>	<b>12 070</b>	<b>12 674</b>	<b>13 409</b>
Buildings and other fixed structures						170			
Machinery and equipment	19 772	18 658	31 589	11 035	9 177	16 435	12 070	12 674	13 409
Software and other intangible assets	217	1 530	351		47	47			
<b>Payments for financial assets</b>	<b>700</b>	<b>343</b>	<b>67</b>		<b>6</b>	<b>12</b>			



R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Total economic classification</b>	350 493	401 470	442 905	479 250	481 248	484 867	519 462	543 654	596 471

The programme expenditure increases from R350.5 million in the 2012/13 financial year to R442.9 million in the 2014/15 financial year. The expenditure increase in the 2014/15 financial year is attributable to additional provision made for fleet services and contractual obligations due to inflation and fleet acquired for social workers. The expenditure in the programme increased due to the need to cover operational costs after the absorption of additional social workers which necessitates the need to acquire machinery and equipment and pay software licenses for additional staff.

Over the 2016 MTEF period, the budget in this programme increases from R519.5 million in the 2016/17 financial year to R596.5 million in the 2018/19 financial year, and this increase is informed by the implementation of Phase two of the Business Continuity Plan (BCP) project. The allocated budget over the 2016 MTEF will also cover the escalating cost of outsourced services at regional offices, head office and service points, and the maintenance of the buildings. The budget for internal and external training and bursaries, Microsoft Licenses, fleet services and office accommodation for regional offices, and machinery and equipment continued to be centralised in this programme.

The District Management sub-programme receives an additional allocation amounting to R47.7 million over the 2016 MTEF for the provision of tools of trade to social workers that are absorbed on an annually.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of youth (new) participating in internship programmes	276	291	308
Number of learners in learnership programmes	574	606	640
Number of social workers employed by the department	1 528	1 614	1 708
Number of social auxiliary workers employed by the department	572	604	638
Number of community development workers employed by the department	162	171	181
Number of social worker bursary holder graduates	130	137	145
Percentage of social worker bursary holder graduates employed	100% (130)	100% (137)	100% (145)
Number of community based care, including day care facilities for older persons constructed in Gauteng	7 Projects	6 Projects - G7 1 Project - G5	1 Project - G7
Number of ECD centres constructed in Gauteng	12 Projects	11 Projects - G7 1 Project - G6B	1 Project - G7
Number of service delivery accommodation facilities constructed in Gauteng	12 Projects	1 Project - G6B 1 Project - G5	1 Project - G7 1 Project - G6B
Number of shelters for vulnerable women and children constructed in Gauteng	1 Project	1 Project - G7	1 Project - G7
Number of in-patient substance abuse rehabilitation centres constructed in Gauteng	3 Projects	1 Project - G6B 2 Projects - G6B	1 Project - G7 2 Projects - G6B 1 Project - G5
Number of companies owned by persons with disabilities participating in preferential procurement	70	74	78
Number of companies owned by youth participating in preferential procurement	300	317	335

### PROGRAMME 2: SOCIAL WELFARE SERVICES

#### Programme description

To provide integrated developmental social welfare services to the poor and vulnerable beneficiaries in partnership with stakeholders and civil society.

#### Programme objectives

- To provide integrated developmental social welfare services for the care, support and protection of 77 916 older persons in the 2016/17 financial year;
- To provide integrated developmental social welfare services to facilitate care, social inclusion and economic empowerment of 33 332 persons with disabilities in the 2016/17 financial year;
- To provide integrated community-based care programmes aimed at mitigating the social and economic impact of HIV and AIDS to 259 215 infected and affected people in the 2016/17 financial year; and
- To respond to emergency needs identified in communities affected by disasters not declared, and or any other social condition resulting in undue hardship to 2 180 beneficiaries in the 2016/17 financial year.

TABLE 6.8: SUMMARY OF PAYMENTS AND ESTIMATES: SOCIAL WELFARE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Management And Support		2 569	3 222	5 652	4 192	4 418	3 413	3 722	3 938
2. Care And Services To Older Persons	228 340	218 959	246 816	297 622	308 159	309 679	314 863	333 588	363 378
3. Services To Persons With Disabilities	93 241	97 442	106 291	114 005	118 232	118 344	127 720	136 944	144 031
4. HIV and AIDS	242 130	236 000	268 982	279 776	279 815	279 890	287 929	288 462	305 193
<b>Total payments and estimates</b>	<b>563 711</b>	<b>554 970</b>	<b>625 311</b>	<b>697 055</b>	<b>710 398</b>	<b>712 331</b>	<b>733 925</b>	<b>762 716</b>	<b>816 540</b>

TABLE 6.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL WELFARE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>58 002</b>	<b>65 334</b>	<b>70 995</b>	<b>81 098</b>	<b>90 919</b>	<b>92 775</b>	<b>98 650</b>	<b>109 066</b>	<b>114 094</b>
Compensation of employees	35 208	41 150	42 917	48 642	58 825	58 225	62 121	66 294	70 139
Goods and services	22 794	24 184	28 078	32 456	32 094	34 550	36 529	42 772	43 954
<b>Transfers and subsidies to:</b>	<b>473 046</b>	<b>485 152</b>	<b>548 029</b>	<b>614 757</b>	<b>610 757</b>	<b>610 804</b>	<b>633 275</b>	<b>651 650</b>	<b>689 446</b>
Provinces and municipalities									
Non-profit institutions	472 532	484 682	547 550	614 300	610 300	610 300	632 792	651 143	688 910
Households	514	470	479	457	457	504	483	507	537
<b>Payments for capital assets</b>	<b>32 657</b>	<b>4 461</b>	<b>6 282</b>	<b>1 200</b>	<b>8 722</b>	<b>8 752</b>	<b>2 000</b>	<b>2 000</b>	<b>13 000</b>
Buildings and other fixed structures	31 823	3 621	3 682	1 200	8 100	8 100	2 000	2 000	13 000
Machinery and equipment	834	840	2 600		622	652			
<b>Payments for financial assets</b>	<b>6</b>	<b>23</b>	<b>5</b>						
<b>Total economic classification</b>	<b>563 711</b>	<b>554 970</b>	<b>625 311</b>	<b>697 055</b>	<b>710 398</b>	<b>712 331</b>	<b>733 925</b>	<b>762 716</b>	<b>816 540</b>

The programme expenditure increased from R563.7 million in the 2012/13 financial year to R625.3 million in the 2014/15 financial year. The increase in expenditure is attributable to services provided by funded community-based care and support facilities for older persons and provision made for gym equipment at facilities.

The 2015/16 revised estimates of R712.3 million is based on the increased expenditure on goods and services for older persons due to annual active aging events such as national choir competitions and games and compensation of employees due to the alignment of the personnel budget with the organisational structure.

The programme budget increases from R733.9 million in the 2016/17 to R816.5 million in the 2018/19 financial year. The compensation of employees' budget increases over the 2016 MTEF period to align the budget with the organisational structure. The allocated budget for NPI's for 2016 MTEF is reprioritised to address the spending pressures in Programme 5: Development and Research relating to the expansion of food banks, welfare to work and youth development projects.

The allocation over the 2016 MTEF makes provision to continue with the residential and community based care and support programmes, and improving health and safety programmes in residential and community based facilities as well as increasing access to active ageing programmes. In addition, the department will implement intervention programmes towards the protection of older persons.

In order to further promote the wellbeing, independent living, socio-economic participation and protection of persons with disabilities, the department will provide residential and community based services. In 2016/17 the focus will be on increasing access to protective workshops through extension of funding to more organisations.

The allocation for the HIV and AIDS sub-programme will be utilised to fund NPOs that deliver HIV and AIDS prevention and social protection programmes in line with the HIV and AIDS prevention strategy. This sub-programme receives an EPWP conditional grant allocation amounting to R13.1 million in the 2016/17 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: SOCIAL WELFARE SERVICES

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Sub-programme 2.2: Services to Older Persons</b>			
Percentage of residential facilities for older persons managed by funded NPOs	100% (73)	100% (77)	100% (81)
Number of older persons accessing funded residential facilities	6 396	6 754	7 132
Number of residential facilities for older persons managed by Government	1	1	1
Number of older persons in residential facilities managed by Government	110	116	122
Percentage of community based care and support facilities (home based care) for older persons managed by funded NPOs	100% (85)	100% (90)	100% (95)
Number of older persons accessing community based care and support services (home based care) managed by funded NPOs	6 271	6 622	6 993
Number of older persons participating in active aging programmes by Government	8 314	8 780	9 271
Number of older persons participating in active aging programmes by NPOs	15 000	15 840	16 727
Percentage of community based care and support facilities (service centres and luncheon clubs) for older persons managed by funded NPOs	100% (168)	100% (177)	100% (187)
Number of older persons accessing community based care and support facilities (service centres and luncheon clubs) managed by funded NPOs	16 482	17 405	18 380
Number of facilities for older persons in the 50 poorest wards and other prioritised areas provided with gym equipment.	26	27	29
Number of older persons in 50 poorest wards and other prioritised areas utilising gym facilities	1 343	1 418	1 498
Number of beneficiaries reached through elder abuse prevention programmes	24 000	25 344	26 763
<b>Sub-programme 2.3: Services to Persons with Disabilities</b>			
Number of beneficiaries reached through disability prevention programmes	20 006	21 126	22 309
Number of residential facilities for persons with disabilities managed by Government	2	2	2
Number of persons with disabilities in residential facilities managed by Government	180	190	201
Percentage of residential facilities for persons with disabilities managed by funded NPOs	100% (31)	100% (33)	100% (35)
Number of persons with disabilities accessing funded residential facilities	1 948	2 057	2 172
Percentage of assisted living facilities for persons with disabilities managed by funded NPOs	100% (7)	100% (7)	100% (8)
Number of persons with disabilities accessing assisted living facilities managed by funded NPOs	55	58	61
Percentage of protective workshops for persons with disabilities managed by funded NPOs	100% (80)	100% (84)	100% (89)
Number of persons with disabilities accessing services in protective workshops managed by funded NPOs	4 672	4 934	5 210
Number of persons with disabilities receiving psycho- social support services	6 471	6 833	7 216
<b>Sub-programme 2.4: HIV and AIDS</b>			
Percentage of funded NPOs delivering HIV and AIDS services	100% (246)	100% (258)	100% (274)
Number of food parcels issued by HCBC organizations	75 992	80 247	84 741
Number of beneficiaries receiving daily meals at HCBC organizations	40 515	42 784	45 180
Number of vulnerable households receiving psychosocial support services	34 000	35 904	37 915
Number of beneficiaries receiving psychosocial support services	72 435	76 490	80 775
Number of organizations trained on Social and Behaviour Change Programmes	120	127	134
Number of organizations trained on HCBC Management Programme	58	61	64
Number of beneficiaries reached through Social and Behaviour Change Programmes	29 200	30 835	32 561
Number of work opportunities created by DSD through EPWP	6 710	7 086	7 483
<b>Sub-programme 2.5: Social Relief</b>			
Number of social relief applications recommended for approval by SASSA	2 180	2 302	2 431

### PROGRAMME 3: CHILDREN AND FAMILIES

#### Programme description

To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organisations.

#### Programme objectives

- To provide integrated developmental social welfare services promoting functional families to 96 874 families/service recipients in the 2016/17 financial year;
- To provide integrated developmental social welfare services for the care and protection of 5 158 children in Child and Youth Care Centres (CYCCs) in the 2016/17 financial year;
- To provide Early Childhood Development and partial care services to 99 558 children in the 2016/17 financial year;
- To provide alternative care and support to 121 218 vulnerable children in the 2015/16 financial year; and

- To provide community-based care support programmes for the care and protection of 12 039 orphans and vulnerable children through the Isibindi programme in the 2016/17 financial year.

TABLE 6.10: SUMMARY OF PAYMENTS AND ESTIMATES: CHILDREN AND FAMILIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Management And Support	5 057	5 288	5 141	5 493	5 627	5 722	5 724	6 362	6 731
2. Care And Services To Families	102 962	114 246	120 812	121 248	121 232	121 110	127 282	133 406	141 144
3. Child Care And Protection	282 932	260 283	403 861	559 376	527 212	507 563	560 601	520 737	551 222
4. ECD And Partial Care	266 697	291 371	368 784	431 332	416 582	416 767	433 610	494 026	504 661
5. Child And Youth Care Centers	375 115	462 628	436 508	484 228	494 196	480 572	536 365	565 397	584 108
6. Community-Based Care Services For Children	69 799	217 748	294 659	391 788	391 788	391 788	417 054	437 907	463 305
<b>Total payments and estimates</b>	<b>1 102 562</b>	<b>1 351 564</b>	<b>1 629 765</b>	<b>1 993 465</b>	<b>1 956 637</b>	<b>1 923 522</b>	<b>2 080 636</b>	<b>2 157 836</b>	<b>2 251 171</b>

TABLE 6.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CHILDREN AND FAMILIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>494 491</b>	<b>550 428</b>	<b>646 033</b>	<b>848 494</b>	<b>816 376</b>	<b>782 843</b>	<b>860 965</b>	<b>875 546</b>	<b>891 593</b>
Compensation of employees	395 650	470 494	535 558	737 904	698 109	662 583	734 528	719 428	730 176
Goods and services	98 841	79 934	110 475	110 590	118 267	120 260	126 437	156 118	161 417
<b>Transfers and subsidies to:</b>	<b>570 061</b>	<b>774 856</b>	<b>895 063</b>	<b>1 029 371</b>	<b>1 029 371</b>	<b>1 029 632</b>	<b>1 084 810</b>	<b>1 189 190</b>	<b>1 283 645</b>
Provinces and municipalities									
Non-profit institutions	569 519	773 187	893 541	1 028 229	1 028 229	1 028 229	1 083 573	1 187 891	1 282 271
Households	542	1 669	1 522	1 142	1 142	1 403	1 237	1 299	1 374
<b>Payments for capital assets</b>	<b>37 856</b>	<b>25 958</b>	<b>88 549</b>	<b>115 600</b>	<b>110 859</b>	<b>110 972</b>	<b>134 860</b>	<b>93 100</b>	<b>75 932</b>
Buildings and other fixed structures	34 773	21 460	80 786	115 600	110 450	110 280	134 860	93 100	75 932
Machinery and equipment	3 083	4 498	7 763		409	692			
<b>Payments for financial assets</b>	<b>154</b>	<b>322</b>	<b>120</b>		<b>31</b>	<b>75</b>			
<b>Total economic classification</b>	<b>1 102 562</b>	<b>1 351 564</b>	<b>1 629 765</b>	<b>1 993 465</b>	<b>1 956 637</b>	<b>1 923 522</b>	<b>2 080 636</b>	<b>2 157 836</b>	<b>2 251 171</b>

The expenditure in this programme grows from R1.1 billion in the 2012/13 financial year to R1.6 billion in the 2014/15 financial year. In the 2014/15 financial year, the department expanded its partnership to NPOs located in the historically disadvantaged communities to render a range of services including ECD. The department rolled out the non-centre based ECD services in 2014/15 to promote universal access to ECD in line with the National Development Plan and Gauteng City Region priorities.

In the 2015/16 financial year, the estimated expenditure on compensation of employees was revised downward. This is due to the funds which were redirected to goods and services to procure tools of trade for additional social workers absorbed, and funds which were reprioritised to other programmes to align budget with the organisational structure.

The overall budget increases from R2.1 billion in the 2016/17 financial year to R2.2 billion in the 2018/19 financial year, and the higher percentage of the programme's budget is allocated to NPIs to continue with the implementation of ECD services in partnership with the NPOs. The ECD conditional grant has been allocated from 2017/18 financial year to expand the subsidy to poor children in registered ECD programmes and to improve the conditionally registered ECD centres to meet the basic requirements in order to become fully registered.

The strengthening of families' services remains a priority, and the budget in the 2016/17 financial year includes the plan to focus on building capacity and strengthening family development and preservation programmes. The department will continue with the implementation of the Isibindi model which entails the training and remuneration of Child and Youth Care Workers and the establishment of formal and informal safe parks.

The budget for compensation of employees over the 2016 MTEF decreases to provide for the new organisational structure to be implemented over the 2016 MTEF.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: CHILDREN AND FAMILIES

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Sub-programme 3.2: Care and Services to Families</b>			
Number of family members participating in family preservation programmes provided by Government	25 498	26 926	28 434
Number of family members participating in family preservation programmes provided by funded NPOs	41 572	43 900	46 358
Number of families participating in re-unification programmes by Government	2 612	2 758	2 912
Number of families participating in re-unification programmes by funded NPOs	3 408	3 598	3 800
Number of families participating in the parenting skills programme	7 635	8 062	8 514
Number of families receiving crisis intervention services (social work services)	15 275	16 130	17 033
Percentage of funded NPOs providing care and support services to families	100% (124)	100% (131)	100% (138)
Number of family members reunited with their families through services provided by Government	676	714	754
Number of family members reunited with their families through services provided by funded NPOs	198	209	221
<b>Sub-programme 3.3: Child Care and Protection</b>			
Number of children placed in foster care (newly placed)	3 871	4 087	4 316
Number of children placed in foster care that receive social work services	50 140	52 947	55 912
Number of children in need of care and protection receiving Psychosocial Support Services	61 382	64 819	68 449
Number of children awaiting foster care placement	5 825	6 151	6 495
<b>Sub-programme 3.4: ECD and Partial Care</b>			
Percentage of funded partial care sites (ECDs)	100% (1 376)	100% (1 453)	100% (1 534)
Number of children accessing funded ECD programmes	97 215	102 659	108 408
Percentage of newly funded partial care sites (ECDs) managed by funded NPOs	100% (105)	100% (111)	100% (117)
Number of registered partial care site (ECDs)	2 221	2 345	2 477
Percentage of non-centre based sites funded	100% (29)	100% (31)	100% (32)
Number of children accessing non-centre based services	2 343	2 474	2 612
<b>Sub-programme 3.5: Child and Youth Care Centres</b>			
Number of child and youth care centres(children's homes) managed by Government	1	1	1
Number of children in need of care and protection placed in CYCCs (children's homes) managed by Government	200	211	223
Number of child and youth care centres (places of safety) managed by Government	7	7	8
Number of children in need of care and protection placed in CYCCs (places of safety) managed by Government	655	692	730
Number of child and youth care centres(Schools of Industry) managed by Government	2	2	2
Number of children in need of care and protection placed in CYCCs (Schools of Industry) managed by Government	80	84	89
Percentage of child and youth care centres (children's homes) managed by funded NPOs	100% (85)	100% (90)	100% (96)
Number of children in need of care and protection placed in CYCCs (children's homes) managed by funded NPOs	3 760	3 970	4 193
Percentage of child and youth care centres (shelters) managed by funded NPOs	100% (14)	100% (15)	100% (16)
Number of children in need of care and protection placed in CYCCs (shelters) managed by funded NPOs	385	407	429
Number of child and youth care centres (CYCCs) capacitated to meet compliance to transformation in line with norms and standards of the Children's Act	100	106	112
<b>Sub-programme 3.6: Community-Based Care Services for Children</b>			
Number of CYCW trainees receiving training through the Isibindi model	363	383	405
Number of CYCW who completed in-services training through the Isibindi model	178	188	198
Number of children accessing services through the Isibindi model	11 498	12 142	12 822
Number of NPOs capacitated to implement prevention, early intervention and protection services through Isibindi Model	60	63	67

### PROGRAMME 4: RESTORATIVE SERVICES

#### Programme description

To provide integrated developmental social crime prevention and anti-substance abuse services and victim empowerment programme to the most vulnerable in partnership with stakeholders and civil society organisations.

#### Programme objectives

- To provide integrated social crime prevention programmes, probation and after care services to 162 463 children, youth and adults in conflict with the law in the 2016/17 financial year;
- To provide integrated developmental social welfare services for the care, support and protection of 92 359 victims of gender-based violence and crime in the 2016/17 financial year; and
- To provide integrated developmental social welfare services for substance abuse prevention, treatment and after care to 844 970 beneficiaries in the 2016/17 financial year.

TABLE 6.12: SUMMARY OF PAYMENTS AND ESTIMATES: RESTORATIVE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Management And Support	854	830	1 040	1 362	1 385	1 275	1 405	1 475	1 561
2. Crime Prevention And Support	160 890	158 607	183 242	219 516	201 918	195 392	185 210	192 889	202 048
3. Victim Empowerment	36 206	51 497	59 061	81 055	77 641	75 020	87 114	84 220	89 104
4. Substance Abuse, Prevention And Rehabilitation	82 192	92 164	105 195	121 317	149 184	149 184	173 150	215 424	267 399
<b>Total payments and estimates</b>	<b>280 142</b>	<b>303 098</b>	<b>348 538</b>	<b>423 250</b>	<b>430 128</b>	<b>420 871</b>	<b>446 879</b>	<b>494 008</b>	<b>560 113</b>

TABLE 6.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: RESTORATIVE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>95 654</b>	<b>104 331</b>	<b>117 184</b>	<b>169 872</b>	<b>168 500</b>	<b>173 982</b>	<b>165 113</b>	<b>175 804</b>	<b>183 835</b>
Compensation of employees	61 675	65 736	70 449	90 864	92 161	84 859	88 432	90 854	94 123
Goods and services	33 979	38 595	46 735	79 008	76 339	89 123	76 681	84 950	89 712
<b>Transfers and subsidies to:</b>	<b>144 623</b>	<b>177 621</b>	<b>222 709</b>	<b>235 778</b>	<b>250 778</b>	<b>235 784</b>	<b>262 766</b>	<b>276 704</b>	<b>320 737</b>
Provinces and municipalities									
Non-profit institutions	144 510	177 511	222 333	235 358	250 358	235 358	262 324	276 240	320 246
Households	113	110	376	420	420	426	442	464	491
<b>Payments for capital assets</b>	<b>39 840</b>	<b>21 054</b>	<b>8 601</b>	<b>17 600</b>	<b>10 850</b>	<b>11 105</b>	<b>19 000</b>	<b>41 500</b>	<b>55 540</b>
Buildings and other fixed structures	39 080	20 891	5 513	17 600	10 700	10 700	19 000	41 500	55 540
Machinery and equipment	760	163	3 088		150	405			
<b>Payments for financial assets</b>	<b>25</b>	<b>92</b>	<b>44</b>						
<b>Total economic classification</b>	<b>280 142</b>	<b>303 098</b>	<b>348 538</b>	<b>423 250</b>	<b>430 128</b>	<b>420 871</b>	<b>446 879</b>	<b>494 008</b>	<b>560 113</b>

The expenditure in this programme increase from R280.1 million in 2012/13 to R348.5 million in the 2014/15 financial year. The growth in expenditure is attributed to the increased demand for substance abuse through in-patient treatment centres. The department partnered with Life Health Care, the registered Witpoort Treatment Centre and a Halfway house, and the opened treatment centre at Chris Hani Baragwanath Hospital. The revised estimates for 2015/16 made provision for the preparatory work towards the implementation of the Gauteng City Region Anti-Substance Abuse Social Movement Campaign.

The budget increase over the 2016 MTEF from R446.9 million in 2016/17 to R560.1 million in the 2018/19 financial year, is due to the additional allocation amounting to R79.4 million over the MTEF period to fund existing spending pressures due to an increase in substance abuse services, the establishment of Centres of Excellence (skills development centres) and a half way house to be able to accommodate young people recovering from substance abuse. Programmes will also be implemented to empower families to support addicts not to relapse.

The programme further reprioritised the budget for NPIs to address the pressures of providing effective treatment programmes for substance abusers aligned to the Gauteng City Region (GCR) strategy on substance abuse. The allocation over the MTEF also includes provision of shelters to victims of Gender-Based Violence and the construction of the inpatient substance abuse prototype facilities at Sebokeng and Soweto. The programme will also continue to implement diversion programmes at Soshanguve Secure Care Centre.

The department will continue to fund programmes supporting children and adults in conflict with the law referred for diversion and home-based supervision. The allocated budget in this programme will be utilised to expand programmes aimed at rehabilitation and reintegration of ex-offenders back into communities.

Over the 2016 MTEF, the allocated budget for NPIs is reprioritised to address the spending pressures in Programme 5: Development and Research relating to expansion of food banks, welfare to work and youth development.

**SERVICE DELIVERY MEASURES****PROGRAMME 4: RESTORATIVE SERVICES**

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Sub-programme 4.2: Crime Prevention and Support</b>			
Number of beneficiaries of social crime awareness and prevention programmes (excluding children)	67 157	70 918	74 889
Percentage of adults in conflict with the law assessed	100% (4 004)	100% (4 228)	100% (4 465)
Percentage of children in conflict with the law assessed	100% (2 572)	100% (2 716)	100% (2 868)
Percentage of children in conflict with the law referred to diversion programmes	100% (1 396)	100% (1 474)	100% (1 557)
Percentage of children in conflict with the law who participate in diversion programmes	100% (3 102)	100% (3 276)	100% (3 459)
Percentage of children in conflict with the law who completed diversion programmes	100% (1 399)	100% (1 477)	100% (1 560)
Percentage of children in conflict with the law in home-based supervision	100% (1 353)	100% (1 429)	100% (1 509)
Number of secure care centres managed by Government	2	2	2
Percentage of children in conflict with the law awaiting trial in secure care centres managed by Government	100% (920)	100% (971)	100% (1 026)
Number of secure care centres managed by funded NPOs	1	1	1
Number of children benefiting from social crime awareness and prevention programmes	80 090	84 575	89 311
Percentage of funded NPOs implementing diversion and prevention programmes	100% (28)	100% (30)	100% (31)
Percentage of sentenced children in secure care centres	100% (470)	100% (496)	100% (524)
<b>Sub-programme 4.3: Victim Empowerment</b>			
Percentage of service sites (shelters) for victims of crime and violence managed by funded NPOs	100% (24)	100% (26)	100% (28)
Percentage of victims of crime and violence in VEP service sites (shelters) managed by funded NPOs	100% (2 107)	100% (2 225)	100% (2 349)
Number of beneficiaries reached through programme of no violence against children and women including 16 days of activism	62 606	66 218	69 926
Percentage of Government funded NPOs delivering services on victim empowerment	100% (54)	100% (57)	100% (60)
Percentage of victims of crime accessing VEP services (excluding the services rendered at shelters)	100% (26 208)	100% (27 676)	100% (29 225)
Percentage of human trafficking victims who accessed social services	100% (58)	100% (61)	100% (65)
Number of perpetrators participating in programme for intimate partner violence (PIPV).	1 280	1 352	1 427
<b>Sub-programme 4.4: Substance Abuse, Prevention and Rehabilitation</b>			
Number of beneficiaries reached through substance abuse prevention programmes managed by Government	69 477	73 368	77 476
Number of beneficiaries reached through substance abuse prevention programmes by funded NPOs	385 746	407 348	430 159
Percentage of out-patient substance abuse treatment centres managed by funded NPOs	100% (15)	100% (16)	100% (18)
Number of service users who accessed out-patient treatment services	6 618	6 989	7 380
Percentage of private in-patient treatment centres funded by government	100% (12)	100% (13)	100% (13)
Number of service users who have accessed private in-patient treatment services at funded treatment centres	1 318	1 392	1 470
Number of public in-patient treatment centres	1	1	1
Number of service users who have accessed public in-patient substance abuse treatment centres	1 436	1 516	1 601
Number of children 18 years and below reached through the Ke-Moja drug prevention programme	291 655	307 988	325 235
Number of youth (19-35) reached through the Ke-Moja drug prevention programme	80 171	84 661	89 402
Number of persons who received substance abuse treatment participating in aftercare programme	9 701	10 244	10 818
Number of Anti-substance Abuse Half-way House established	1	1	1
Number of service users who completed inpatient treatment services at funded treatment centres	340	359	379
Percentage of funded substance abuse community based services	100% (26)	100% (27)	100% (29)
Number of service users who accessed substance abuse community based services	12 680	13 390	14 140
Percentage of beneficiaries counselled through the mobile counselling busses	100% (492)	100% (520)	100% (549)
Number of local drug action committees supported in the poorest wards and other prioritised hot spots	161	170	179

**PROGRAMME 5: DEVELOPMENT AND RESEARCH****Programme description**

To provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information.

**Programme objectives**

- To build safe and sustainable communities through the creation of strong community networks, based on principles of trust and respect for local diversity, and nurturing a sense of belonging and confidence in local people to 11 500 recipients in the 2016/17 financial year;
- To support 3 495 Non-Profit Organisations (NPOs) registration and compliance monitoring, NPO stakeholder liaison and communication, provide institutional capacity building, manage NPO funding and monitoring and create a conducive environment for all NPOs to flourish in the 2016/17 financial year;
- To provide poverty alleviation and sustainable livelihood services to 742 301 recipients in the 2016/17 financial year;
- To provide community-based research and planning to 165 000 households in the 2016/17 financial year;
- To create an environment to help young people to develop constructive, affirmative and sustainable relationships while

- concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities to 134 190 youth in the 2016/17 financial year;
- To create an environment to help 9 174 women to develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities in the 2016/17 financial year; and
  - To promote the implementation of the Population Policy within all spheres of government and civil society through population research, advocacy, capacity building and by monitoring and evaluating the implementation of the policy reaching 206 stakeholders in the 2016/17 financial year.

**TABLE 6.14: SUMMARY OF PAYMENTS AND ESTIMATES: DEVELOPMENT AND RESEARCH**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Management And Support	2 870	4 900	5 782	4 888	5 958	6 074	4 436	4 733	5 008
2. Community Mobilisation	3 608	5 115	6 672	4 527	8 753	8 500	10 256	10 781	11 407
3. Institutional Capacity And Support For NPOs	98 808	121 640	137 621	137 548	153 721	150 661	161 950	173 140	183 182
4. Poverty Alleviation And Sustainable Livelihoods	109 871	143 208	176 664	191 433	218 071	219 844	235 503	253 800	268 521
5. Community Based Research And Planning	3 042	3 134	3 722	3 936	4 441	4 441	5 566	5 851	6 190
6. Youth Development	7 832	8 977	18 017	19 639	18 939	18 949	25 078	26 102	27 616
7. Women Development			12 257	6 500	6 500	6 500	9 000	9 350	9 892
8. Population Policy Promotion	1 787	1 607	1 551	2 481	2 345	2 412	2 672	2 743	2 902
<b>Total payments and estimates</b>	<b>227 818</b>	<b>288 581</b>	<b>362 286</b>	<b>370 952</b>	<b>418 728</b>	<b>417 381</b>	<b>454 461</b>	<b>486 502</b>	<b>514 719</b>

**TABLE 6.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND RESEARCH**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>133 601</b>	<b>146 670</b>	<b>163 749</b>	<b>168 917</b>	<b>212 063</b>	<b>210 565</b>	<b>220 217</b>	<b>241 621</b>	<b>255 635</b>
Compensation of employees	125 269	139 446	158 516	161 349	204 493	202 995	210 820	231 728	245 168
Goods and services	8 332	7 224	5 233	7 568	7 570	7 570	9 397	9 893	10 467
<b>Transfers and subsidies to:</b>	<b>94 058</b>	<b>141 640</b>	<b>198 453</b>	<b>202 035</b>	<b>206 035</b>	<b>206 073</b>	<b>234 243</b>	<b>244 881</b>	<b>259 084</b>
Provinces and municipalities									
Non-profit institutions	93 877	141 358	197 888	201 950	205 950	205 950	234 153	244 786	258 984
Households	181	282	565	85	85	123	90	95	100
<b>Payments for capital assets</b>	<b>145</b>	<b>74</b>	<b>80</b>		<b>630</b>	<b>743</b>			
Buildings and other fixed structures									
Machinery and equipment	145	74	80		630	743			
<b>Payments for financial assets</b>	<b>14</b>	<b>197</b>	<b>4</b>						
<b>Total economic classification</b>	<b>227 818</b>	<b>288 581</b>	<b>362 286</b>	<b>370 952</b>	<b>418 728</b>	<b>417 381</b>	<b>454 461</b>	<b>486 502</b>	<b>514 719</b>

The spending trend in this programme increases from R227.8 million in the 2012/13 financial year to R362.3 million in the 2014/15 financial year. Service delivery interventions in this programme were delivered mainly in partnership with NPIs. The department expanded the provision of dignity packs, skills development centres and food banks to beneficiaries who were identified from the poorest wards and other prioritised areas. The implementation of a ward based model from 2014/15 financial year necessitated the need to appoint community development workers responsible for household profiling which increased expenditure on compensation of employees.

The overall budget over the 2016 MTEF increases from R454.5 million in the 2016/17 financial year to R514.7 million in the 2018/19 financial year. This growth is attributable to reprioritisation of the compensation of employee's allocation from Programme 3: Children and families to align the budget with the organisational structure. Furthermore, the funds are redirected over the MTEF from various programmes within transfers to NPIs to address spending pressures in areas such as welfare to work, dignity packs, and food banks. Funds are also redirected to the Institutional Capacity Building sub-programme to strengthen the department's capacity to monitor funded NPOs.

The programme will continue to work with the NPO sector in a coordinated approach to assist communities to rebuild their lives and be self-sustainable, through income generation and job creation programmes as part of the Tshepo 500 000 and in line with Township Enterprise Revitalisation.



## SERVICE DELIVERY MEASURES

### PROGRAMME 5: DEVELOPMENT AND RESEARCH

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Sub-programme 5.2: Community Mobilisation</b>			
Number of people reached through community mobilisation programmes	11 500	12 144	12 824
<b>Sub-programme 5.3: Institutional Capacity Building and support for NPOs</b>			
Number of NPOs capacitated according to capacity building guidelines	1 000	1 056	1 115
Total percentage of funded NPOs	100% (2 495)	100% (2 635)	100% (2 782)
<b>Sub-programme 5.4 Poverty Alleviation and Sustainable Livelihood</b>			
Number of cooperatives empowered to provide goods and services to the Department and other service users	490	517	546
Number of beneficiaries of food relief from food banks	147 840	156 119	164 861
Number of households accessing food through DSD food security programmes	29 712	31 376	33 133
Number of community development structures facilitating social change programme	91	96	101
Number of dignity packs distributed	251 849	265 952	280 846
Number of people participating in income generating programmes	7 800	8 237	8 698
Number of school uniform packs distributed	136 500	144 144	152 216
Number of community development interventions conducted in 50 poorest wards and other prioritised areas	49	52	55
Number of beneficiaries referred for intervention via the NISIS	165 000	174 240	183 997
Number of beneficiaries Participating in the Welfare to Work programme	3 600	3 802	4 014
<b>Sub-programme 5.5: Community Based Research and Planning</b>			
Number of households profiled	165 000	174 240	183 997
Number of wards profiled	13	14	14
Number of community-based plans developed	13	14	14
<b>Sub-programme 5.6: Youth Development</b>			
Number of youth participating in skills development programmes	34 500	36 432	38 472
Number of youth participating in entrepreneurship programmes	6 800	7 181	7 583
Number of youth participating in social change programmes	91 000	96 096	101 477
Number of youth accessing economic opportunities	1 890	1 996	2 108
Number of funded youth development structures supported	91	96	101
<b>Sub-programme 5.7: Women Development</b>			
Number of women participating in empowerment programmes	8 109	8 563	9 043
Number of women on child support grant linked to economic opportunities	1 607	1 696	1 792
<b>Sub-programme 5.8: Population Policy Promotion</b>			
Number of research projects completed	3	3	3
Number of dissemination workshops for population and development conducted	8	8	9
Number of stakeholders (individuals) who participated in dissemination workshops for population and development	146	154	163
Number of stakeholders (individuals) who participated in capacity building training	60	63	67
Number of demographic profiles completed	32	34	36
Number of population capacity development sessions conducted	2	2	2
Number of population policy monitoring and evaluation thematic reports produced	2	2	2

## 9. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 6.16: PERSONNEL NUMBERS AND COSTS: SOCIAL DEVELOPMENT

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	619	612	627	625	679	679	679
2. Social Welfare Services	190	182	193	185	205	205	205
3. Children And Families	1 924	2 062	2 184	2 177	2 529	2 636	2 636
4. Restorative Services	232	176	171	167	233	233	233
5. Development And Research	496	498	475	466	546	557	557
<b>Total provincial personnel numbers</b>	<b>3 461</b>	<b>3 530</b>	<b>3 650</b>	<b>3 620</b>	<b>4 192</b>	<b>4 310</b>	<b>4 310</b>
Total provincial personnel cost (R thousand)	782 298	903 194	1 018 431	1 241 225	1 338 081	1 361 124	1 407 089
Unit cost (R thousand)	226	256	279	343	319	316	326

The increase in the compensation of employees' budget over the 2016 MTEF period is attributable to statutory salary adjustment increases and the provision made for the absorption of Social Work Graduates.

The compensation of employee's budget is set to increase in the 2016/17 financial year in order to fill critical posts. The approval of a concurred organisational structure bring about vacancies that would also need to be prioritised for filling during the 2016/17 financial year across all occupational categories to support the existing service delivery demands.

The personnel for 2017/18 and 2018/19 financial years will remain the same, however it should be noted that the fluctuation of headcount will be based on filling of vacant posts, social work graduates, and ward based model. The number of posts required will change, should the strategy of the department change and a workload assessment required during the periods in question. This will impact on the number of vacant post and actual warm bodies that are matched against the number of posts on the organisation structure. The department is required from time to time to recruit social work graduates and intake staff on what is called a ward based model.

TABLE 6.17: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: SOCIAL DEVELOPMENT

R thousands	Revised estimate										Medium-term expenditure estimate				Average annual growth over MTEF					
	2012/13		Actual		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19					
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total			
Salary level																				
1 - 6	1 728	283 411	1 856	300 210	1 860	314 503	1 845	5	1 850	331 950	2 002	372 472	2 004	387 533	2 004	392 755	2 7%	5 8%	27 7%	
7 - 10	1 575	419 698	1 530	496 329	1 628	585 964	1 607	2	1 609	783 918	2 011	826 668	2 124	827 084	2 124	867 025	9 7%	3 0%	61 6%	
11 - 12	126	71 251	110	74 906	122	83 187	122		122	88 366	140	99 367	142	104 892	142	113 032	5 2%	8 6%	7 6%	
13 - 16	32	152	34	31 749	40	34 777	39		39	36 991	39	39 574	40	41 615	40	44 277	0 8%	6 2%	3 1%	
Other		7 786																		
<b>Total</b>	<b>3 461</b>	<b>782 298</b>	<b>3 530</b>	<b>903 194</b>	<b>3 650</b>	<b>1 018 431</b>	<b>3 613</b>	<b>7</b>	<b>3 620</b>	<b>1 241 225</b>	<b>4 192</b>	<b>1 338 081</b>	<b>4 310</b>	<b>1 361 124</b>	<b>4 310</b>	<b>1 407 089</b>	<b>6 0%</b>	<b>4 3%</b>	<b>100 0%</b>	
<b>Programme</b>																				
1. Administration	619	164 496	612	186 368	627	210 991	624	1	625	232 563	679	242 180	679	252 820	679	267 483	2 8%	4 8%	18 8%	
2. Social Welfare Services	190	35 208	182	41 150	193	42 917	184	1	185	58 225	205	62 121	205	66 294	205	70 139	3 5%	6 4%	4 9%	
3. Children And Families	1 924	395 650	2 062	470 494	2 184	535 558	2 175	2	2 177	662 583	2 529	734 528	2 636	719 428	2 636	730 176	6 6%	3 3%	52 7%	
4. Restorative Services	232	61 675	176	65 736	171	70 449	164	3	167	84 859	233	88 432	233	90 854	233	94 123	11 7%	3 5%	6 7%	
5. Development And Research	496	125 269	498	139 446	475	158 516	466		466	202 995	546	210 820	557	231 728	557	245 168	6 1%	6 5%	17 0%	
<b>Total</b>	<b>3 461</b>	<b>782 298</b>	<b>3 530</b>	<b>903 194</b>	<b>3 650</b>	<b>1 018 431</b>	<b>3 613</b>	<b>7</b>	<b>3 620</b>	<b>1 241 225</b>	<b>4 192</b>	<b>1 338 081</b>	<b>4 310</b>	<b>1 361 124</b>	<b>4 310</b>	<b>1 407 089</b>	<b>6 0%</b>	<b>4 3%</b>	<b>100 0%</b>	
<b>Employee dispensation classification</b>																				
Public Service Act appointees not covered by OSDs							1 174		1 174	279 520	1 388	300 520	1 472	358 900	1 472	379 716	7 8%	10 8%	25 4%	
Professional Nurses, Staff Nurses and Nursing Assistants					101	2 255	101		101	2 466	115	2 466	115	2 634	115	2 787	4 4%	7 3%	0 2%	
Legal Professionals					3	1 350	3		3	1 559	6	1 559	6	1 665	6	2 808	26 0%	27 7%	0 1%	
Social Services Professions					2 329	956 864	2 329	7	2 336	956 864	2 677	1 031 743	2 711	996 010	2 711	1 019 752	5 1%	2 1%	74 1%	
Therapeutic, Diagnostic and other related Allied Health Professionals					6	1 236	6		6	1 236	6	1 793	6	1 915	6	2 026		17 9%	0 1%	
<b>Total</b>					<b>3 613</b>	<b>1 241 225</b>	<b>3 613</b>	<b>7</b>	<b>3 620</b>	<b>1 241 225</b>	<b>4 192</b>	<b>1 338 081</b>	<b>4 310</b>	<b>1 361 124</b>	<b>4 310</b>	<b>1 407 089</b>	<b>6 0%</b>	<b>4 3%</b>	<b>100 0%</b>	

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

## 9.2. Training

TABLE 6.18: PAYMENTS ON TRAINING: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>6 092</b>	<b>8 137</b>	<b>12 287</b>	<b>12 453</b>	<b>12 453</b>	<b>12 453</b>	<b>13 113</b>	<b>13 768</b>	<b>14 567</b>
Subsistence and travel									
Payments on tuition	3 039	4 682	8 481	9 081	9 081	9 081	9 562	10 040	10 623
Other	3 053	3 455	3 806	3 372	3 372	3 372	3 551	3 728	3 944
<b>Total payments on training</b>	<b>6 092</b>	<b>8 137</b>	<b>12 287</b>	<b>12 453</b>	<b>12 453</b>	<b>12 453</b>	<b>13 113</b>	<b>13 768</b>	<b>14 567</b>

The table above indicates expenditure and budget allocation for bursaries and training development for staff employed in the department. The budget allocated for training within Programme 1: Administration has been increased over the MTEF period to accommodate the increase in the skills development levies payable to the SETAs as contained in the Directive issued by the DPSA. The current changes and review of a Recruitment and Retention, Social Work Supervision and Induction Strategy at both a National and Provincial level will increase the training and development budget to accommodate the changes emanating from the strategy.

The department also provide training to NPOs continuously to provide updates on legislative mandates, policies and prescripts, track progress on action plans against programme objectives/priorities, training on programmes interventions and models.

TABLE 6.19: INFORMATION ON TRAINING: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff	3 461	3 530	3 650	4 082	4 082	3 620	4 192	4 310	4 310
Number of personnel trained	1 586	1 906	1 554	1 728	1 728	1 728	1 901	2 091	2 213
<i>of which</i>									
Male	409	459	396	437	437	437	480	528	559
Female	1 177	1 447	1 158	1 291	1 291	1 291	1 421	1 563	1 654
Number of training opportunities	72	66	73	68	68	68	70	74	78
<i>of which</i>									
Tertiary	6	6	6	6	6	6	6	6	7
Other	66	60	67	62	62	62	64	67	71
Number of bursaries offered	589	585	510	551	551	342	363	381	400
Number of interns appointed	235	215	237	260	260	261	276	291	308
Number of learnerships appointed	100	165	182	200	200	200	211	223	235

In 2015/16 financial year, the department planned to offer 551 bursaries, however the department revised the number to 342 as a result of graduation, drop-out rates and bursary audits inform the decline as well as the costing attached to study fees. In addition the department grants internal departmental bursaries based on the number of applications received per annum.

The department will embark on a skills audit to inform a new Human Resource Plan over the MTEF, and would therefore result in different priorities that will be aligned to the department's strategic plan, government priorities and sector priorities.

In addition, the budget for the MTEF will focus on priorities such as an increase in bursaries around formal studies for occupational category Care Work and Community Development. This is with the aim of professionalisation and key strategic priorities informed by the Government Capacity Building Audit that may present and increase in bursaries amongst all core occupations like Social Workers, Social Auxiliary Work, Community Development Workers and Child and Youth Care Workers at all levels.

The projected costs for a compulsory induction programme based on the current backlog challenges will be catered for within the allocated training budget as well as the focus that has been placed on the continuous professional development of social service professionals as required by the professional body. In addition, the implementation of management development programmes is catered for over the MTEF.

The department furthermore ensures the supply of social work graduates through the bursary and scholarship schemes on an annual basis to cater for the demand within the department and sector. The employment of these graduates will have an impact on the budget associated with compensation of employees as well as the acquiring of tools of trade and infrastructure.

**9.3. Reconciliation of structural changes**

No structural change in the department.

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

TABLE 6.20: SPECIFICATION OF RECEIPTS: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Sales of goods and services other than capital assets</b>	<b>1 602</b>	<b>2 017</b>	<b>2 468</b>	<b>2 400</b>	<b>2 400</b>	<b>2 400</b>	<b>2 520</b>	<b>2 645</b>	<b>2 798</b>
Sale of goods and services produced by department (excluding capital assets)	1 583	2 010	2 432	2 400	2 400	2 400	2 520	2 645	2 798
Sales by market establishments	1 583	1 096	1 355	1 320	1 320	1 320	1 386	1 455	1 539
Other sales		914	1 077	1 080	1 080	1 080	1 134	1 190	1 259
<i>Of which</i>									
Other Sales		18	24	36	36	36	38	39	41
Boarding Services		157	242	264	264	264	277	292	309
Commission		740	812	780	780	780	819	859	909
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	19	7	36						
<b>Fines, penalties and forfeits</b>	<b>1</b>	<b>1</b>	<b>1</b>						
<b>Interest, dividends and rent on land</b>	<b>39</b>	<b>(2)</b>	<b>15</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>28</b>
Interest	39	(2)	15	24	24	24	25	26	28
<b>Transactions in financial assets and liabilities</b>	<b>4 299</b>	<b>2 675</b>	<b>2 334</b>	<b>500</b>	<b>500</b>	<b>1 020</b>	<b>525</b>	<b>551</b>	<b>583</b>
<b>Total departmental receipts</b>	<b>5 941</b>	<b>4 691</b>	<b>4 818</b>	<b>2 924</b>	<b>2 924</b>	<b>3 444</b>	<b>3 070</b>	<b>3 222</b>	<b>3 409</b>

TABLE 6.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>324 882</b>	<b>376 682</b>	<b>405 697</b>	<b>461 805</b>	<b>465 636</b>	<b>462 173</b>	<b>500 642</b>	<b>523 893</b>	<b>575 564</b>
Compensation of employees	164 496	186 368	210 991	233 865	237 203	232 563	242 179	252 821	267 483
Salaries and wages	140 318	161 136	184 441	197 753	202 111	200 321	209 915	218 353	231 016
Social contributions	24 178	25 232	26 550	36 112	35 092	32 242	32 263	34 468	36 467
Goods and services	160 386	190 314	194 706	227 940	228 433	229 610	258 463	271 072	308 080
Administrative fees	438	290	244	192	192	192	202	212	225
Advertising	2 038	1 184	924	998	1 044	1 044	1 024	1 076	1 138
Minor assets	708	2 131	3 118	2 957	2 730	5 665	3 114	3 269	3 459
Audit cost: External	673	3 154	3 225	3 300	3 550	3 550	3 647	3 829	4 051
Bursaries: Employees	3 053	3 455	3 806	3 372	3 372	3 372	3 551	3 728	3 944
Catering: Departmental activities	653	1 092	416	751	760	764	546	490	519
Communication (G&S)	21 598	20 194	20 311	22 975	22 543	22 809	24 836	25 605	27 090
Computer services	20 381	21 256	17 769	12 924	15 406	15 406	13 589	13 873	14 678
Consultants and professional services: Business and advisory services	332	287	63	524	524	524	552	579	613
Consultants and professional services: Legal costs		1 986	478	1 617	617	617	1 229	1 316	1 392
Contractors	3 223	3 091	2 526	2 735	2 220	2 476	2 353	2 496	2 641
Agency and support / outsourced services	7		49						
Fleet services (including government motor transport)	8 187	15 632	15 960	32 200	32 200	31 756	55 219	56 000	76 038
Inventory: Food and food supplies						1			
Inventory: Materials and supplies			3						
Inventory: Medical supplies	7								
Inventory: Other supplies		70							
Consumable supplies	1 048	3 089	2 776	1 913	2 231	1 753	2 014	2 115	2 237
Consumable: Stationery, printing and office supplies	7 014	5 938	5 139	3 757	5 423	5 675	3 561	3 749	3 967
Operating leases	29 643	44 321	46 728	51 780	50 029	49 107	52 927	57 463	60 796
Property payments	48 280	53 418	58 732	71 177	71 317	71 161	76 667	80 508	89 673
Transport provided: Departmental activity	3	127			189	189			
Travel and subsistence	2 273	2 729	1 826	3 131	2 470	2 292	1 395	2 065	2 185
Training and development	3 039	4 682	8 481	9 081	9 081	9 081	9 562	10 040	10 623
Operating payments	7 202	1 130	1 119	1 634	1 961	1 264	1 710	1 796	1 900
Venues and facilities	488	646	958	812	553	807	638	730	772
Rental and hiring	98	412	55	110	21	105	126	133	140
<b>Transfers and subsidies</b>	<b>4 922</b>	<b>4 257</b>	<b>5 201</b>	<b>6 410</b>	<b>6 382</b>	<b>6 030</b>	<b>6 750</b>	<b>7 087</b>	<b>7 498</b>
Provinces and municipalities									
Departmental agencies and accounts	114	74	67	95	67	67	100	105	111
Provide list of entities receiving transfers	114	74	67	95	67	67	100	105	111
Non-profit institutions									
Households	4 808	4 183	5 134	6 315	6 315	5 963	6 650	6 982	7 387
Social benefits	463	954	703	801	841	859	843	886	937
Other transfers to households	4 345	3 229	4 431	5 514	5 474	5 104	5 806	6 097	6 450

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Payments for capital assets</b>	<b>19 989</b>	<b>20 188</b>	<b>31 940</b>	<b>11 035</b>	<b>9 224</b>	<b>16 652</b>	<b>12 070</b>	<b>12 674</b>	<b>13 409</b>
Buildings and other fixed structures						170			
Buildings						170			
Machinery and equipment	19 772	18 658	31 589	11 035	9 177	16 435	12 070	12 674	13 409
Transport equipment	6 473		14 153						
Other machinery and equipment	13 299	18 658	17 436	11 035	9 177	16 435	12 070	12 674	13 409
Software and other intangible assets	217	1 530	351		47	47			
<b>Payments for financial assets</b>	<b>700</b>	<b>343</b>	<b>67</b>		<b>6</b>	<b>12</b>			
<b>Total economic classification</b>	<b>350 493</b>	<b>401 470</b>	<b>442 905</b>	<b>479 250</b>	<b>481 248</b>	<b>484 867</b>	<b>519 462</b>	<b>543 654</b>	<b>596 471</b>

TABLE 6.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL WELFARE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>58 002</b>	<b>65 334</b>	<b>70 995</b>	<b>81 098</b>	<b>90 919</b>	<b>92 775</b>	<b>98 650</b>	<b>109 066</b>	<b>114 094</b>
Compensation of employees	35 208	41 150	42 917	48 642	58 825	58 225	62 121	66 294	70 139
Salaries and wages	29 379	34 909	36 461	41 114	50 720	50 317	52 153	55 439	58 654
Social contributions	5 829	6 241	6 456	7 528	8 105	7 908	9 968	10 855	11 485
Goods and services	22 794	24 184	28 078	32 456	32 094	34 550	36 529	42 772	43 954
Administrative fees	7	2							
Advertising	58	61	180		36	36			
Minor assets	361	128	473		38	298			
Bursaries: Employees	5								
Catering: Departmental activities	1 387	1 450	1 895	1 229	1 318	1 727	771	705	746
Communication (G&S)	483	524	487	549	587	624	614	646	683
Computer services			13						
Consultants and professional services: Business and advisory services		12	52			28			
Contractors	199	109	575	2 184	2 107	2 119	193	203	214
Agency and support / outsourced services	1 979	2 219	2 458	2 641	2 674	2 978	2 773	2 912	3 081
Fleet services (including government motor transport)	900	784	830	1 620	1 620	1 706	3 136	3 190	3 375
Inventory: Clothing material and accessories		1	22		14	14			
Inventory: Food and food supplies	1 990	2 003	2 234	2 413	2 413	2 036	2 541	2 668	2 823
Inventory: Fuel, oil and gas		4							
Inventory: Materials and supplies		21	52	20	20	4	21	7	7
Inventory: Medical supplies	598	726	902	648	720	667	682	666	705
Inventory: Medicine		2		6	3	3	6	6	7
Inventory: Other supplies		1 267	856	1 450	933	908	1 870	2 014	2 130
Consumable supplies	3 417	2 285	1 611	1 115	1 382	1 793	1 195	1 255	1 328
Consumable: Stationery, printing and office supplies	638	151	72	479	210	203	515	540	572
Operating leases	499	323	614	611	868	868	1 201	768	812
Property payments	7 879	9 024	10 202	11 640	11 258	11 650	15 119	21 666	21 624
Transport provided: Departmental activity	533	648	958	938	771	991	855	700	740
Travel and subsistence	494	724	1 185	1 243	1 864	2 092	940	775	820
Training and development	1 216	1 165	737	1 030	905	1 129	1 079	933	987
Operating payments	89	327	994	1 372	1 937	2 325	2 613	2 688	2 844
Venues and facilities	40	177	317	770	185	185	203	213	226
Rental and hiring	22	47	359	498	231	166	203	218	231
<b>Transfers and subsidies</b>	<b>473 046</b>	<b>485 152</b>	<b>548 029</b>	<b>614 757</b>	<b>610 757</b>	<b>610 804</b>	<b>633 275</b>	<b>651 650</b>	<b>689 446</b>
Provinces and municipalities									
Non-profit institutions	472 532	484 682	547 550	614 300	610 300	610 300	632 792	651 143	688 910
Households	514	470	479	457	457	504	483	507	537
Social benefits	250	116	185	223	223	153	66	69	73
Other transfers to households	264	354	294	234	234	351	417	438	463
<b>Payments for capital assets</b>	<b>32 657</b>	<b>4 461</b>	<b>6 282</b>	<b>1 200</b>	<b>8 722</b>	<b>8 752</b>	<b>2 000</b>	<b>2 000</b>	<b>13 000</b>
Buildings and other fixed structures	31 823	3 621	3 682	1 200	8 100	8 100	2 000	2 000	13 000
Buildings	31 823	3 621	3 682	1 200	8 100	8 100	2 000	2 000	13 000
Machinery and equipment	834	840	2 600		622	652			
Transport equipment	134		925						
Other machinery and equipment	700	840	1 675		622	652			
<b>Payments for financial assets</b>	<b>6</b>	<b>23</b>	<b>5</b>						
<b>Total economic classification</b>	<b>563 711</b>	<b>554 970</b>	<b>625 311</b>	<b>697 055</b>	<b>710 398</b>	<b>712 331</b>	<b>733 925</b>	<b>762 716</b>	<b>816 540</b>



TABLE 6.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CHILDREN AND FAMILIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>494 491</b>	<b>550 428</b>	<b>646 033</b>	<b>848 494</b>	<b>816 376</b>	<b>782 843</b>	<b>860 965</b>	<b>875 546</b>	<b>891 593</b>
Compensation of employees	395 650	470 494	535 558	737 904	698 109	662 583	734 528	719 428	730 176
Salaries and wages	333 402	398 819	457 451	642 211	589 790	562 465	638 649	616 284	621 050
Social contributions	62 248	71 675	78 107	95 693	108 319	100 118	95 879	103 144	109 126
Goods and services	98 841	79 934	110 475	110 590	118 267	120 260	126 437	156 118	161 417
Administrative fees	186	7	60						
Advertising	499	298	1 681	840	2 561	1 816	810	851	900
Minor assets	678	444	1 591		155	372			
Catering: Departmental activities	726	1 184	1 923	1 720	1 556	1 536	937	909	962
Communication (G&S)	3 142	3 171	3 654	4 010	4 211	4 222	4 255	4 468	4 727
Computer services	2								
Contractors	268	387	354	292	331	462	305	320	339
Agency and support / outsourced services	4 535	4 038	5 142	6 440	6 301	9 137	7 820	8 247	8 725
Fleet services (including government motor transport)	22 931	4 783	4 682	8 906	8 906	9 931	9 589	10 068	10 652
Inventory: Clothing material and accessories		23	19						
Inventory: Food and food supplies	7 881	9 435	11 125	10 880	10 356	9 560	11 135	11 692	12 370
Inventory: Learner and teacher support material	170	256	42		31	31	0	0	0
Inventory: Materials and supplies		84	61	40	40	148	44	46	49
Inventory: Medical supplies	399	303	633	586	674	674	615	646	683
Inventory: Medicine	76	99	282		212	212			
Inventory: Other supplies		3 046	5 693	3 065	4 868	5 810	6 455	4 017	4 250
Consumable supplies	7 498	4 217	2 160	2 013	1 936	1 923	2 213	2 324	2 458
Consumable: Stationery, printing and office supplies	1 215	716	1 237	1 935	2 184	1 355	2 105	1 610	1 704
Operating leases	866	906	835	1 152	654	654	770	841	889
Property payments	37 538	36 715	55 567	56 850	62 928	62 928	68 531	94 973	96 727
Transport provided: Departmental activity	413	352	6 760	808	778	815	847	889	941
Travel and subsistence	4 464	3 185	2 086	3 385	3 215	1 798	3 030	5 502	5 821
Training and development	136	686	325	200	233	228	110	116	122
Operating payments	4 833	4 819	4 071	6 928	5 587	5 587	6 387	8 045	8 512
Venues and facilities	259	401	348	130	390	816	140	147	155
Rental and hiring	126	379	144	410	160	240	338	407	431
<b>Transfers and subsidies</b>	<b>570 061</b>	<b>774 856</b>	<b>895 063</b>	<b>1 029 371</b>	<b>1 029 371</b>	<b>1 029 632</b>	<b>1 084 810</b>	<b>1 189 190</b>	<b>1 283 645</b>
Provinces and municipalities									
Non-profit institutions	569 519	773 187	893 541	1 028 229	1 028 229	1 028 229	1 083 573	1 187 891	1 282 271
Households	542	1 669	1 522	1 142	1 142	1 403	1 237	1 299	1 374
Social benefits	453	1 472	1 362	943	906	1 156	1 028	1 079	1 142
Other transfers to households	89	197	160	199	236	247	209	219	232
<b>Payments for capital assets</b>	<b>37 856</b>	<b>25 958</b>	<b>88 549</b>	<b>115 600</b>	<b>110 859</b>	<b>110 972</b>	<b>134 860</b>	<b>93 100</b>	<b>75 932</b>
Buildings and other fixed structures	34 773	21 460	80 786	115 600	110 450	110 280	134 860	93 100	75 932
Buildings	34 773	21 460	80 786	115 600	110 450	110 280	134 860	93 100	75 932
Machinery and equipment	3 083	4 498	7 763		409	692			
Transport equipment	1 528		5 193						
Other machinery and equipment	1 555	4 498	2 570		409	692			
<b>Payments for financial assets</b>	<b>154</b>	<b>322</b>	<b>120</b>		<b>31</b>	<b>75</b>			
<b>Total economic classification</b>	<b>1 102 562</b>	<b>1 351 564</b>	<b>1 629 765</b>	<b>1 993 465</b>	<b>1 956 637</b>	<b>1 923 522</b>	<b>2 080 636</b>	<b>2 157 836</b>	<b>2 251 171</b>

TABLE 6.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: RESTORATIVE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>95 654</b>	<b>104 331</b>	<b>117 184</b>	<b>169 872</b>	<b>168 500</b>	<b>173 982</b>	<b>165 113</b>	<b>175 804</b>	<b>183 835</b>
Compensation of employees	61 675	65 736	70 449	90 864	92 161	84 859	88 432	90 854	94 123
Salaries and wages	51 530	55 464	60 058	75 438	76 535	72 148	75 735	77 199	79 676
Social contributions	10 145	10 272	10 391	15 426	15 626	12 711	12 697	13 655	14 447
Goods and services	33 979	38 595	46 735	79 008	76 339	89 123	76 681	84 950	89 712
Administrative fees	1	76	1	2	1	1	2	2	2
Advertising	278	2 651	2 652	2 514	2 457	1 174	4 974	5 223	5 526
Minor assets	272	32	664	230	234	280	241	253	268
Catering: Departmental activities	594	772	983	1 113	1 529	6 877	1 295	1 150	1 216
Communication (G&S)	564	612	633	3 413	853	853	3 180	3 941	4 169
Computer services						134			

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<i>Consultants and professional services: Business and advisory services</i>		4	5						
<i>Consultants and professional services: Legal costs</i>			5						
<i>Contractors</i>	189	96	220	200	261	381	180	189	200
<i>Agency and support / outsourced services</i>	7 586	9 101	10 286	12 858	12 127	11 438	12 890	13 650	14 441
<i>Fleet services (including government motor transport)</i>	1 436	931	623	2 900	2 900	2 636	3 053	3 206	3 392
<i>Inventory: Food and food supplies</i>	334	74	40	20	28	8	21	22	23
<i>Inventory: Learner and teacher support material</i>		7	3		9	9			
<i>Inventory: Materials and supplies</i>		124		40	44	30	96	101	107
<i>Inventory: Medical supplies</i>	5	18	19	216	213	18	189	198	210
<i>Inventory: Medicine</i>	113	86	133	90	50		100	105	111
<i>Inventory: Other supplies</i>		853	1 028	5 317	5 891	5 710	6 000	6 170	6 528
<i>Consumable supplies</i>	1 504	491	261	912	720	459	1 340	1 407	1 489
<i>Consumable: Stationery, printing and office supplies</i>	599	498	179	829	732	373	1 221	1 282	1 356
<i>Operating leases</i>	422	384	559	772	872	872	387	426	451
<i>Property payments</i>	17 385	17 717	22 824	38 612	38 688	38 688	33 000	38 936	41 029
<i>Transport provided: Departmental activity</i>		103	455		517	2 668			
<i>Travel and subsistence</i>	413	530	479	1 468	531	1 648	1 733	1 515	1 602
<i>Training and development</i>	74	82	412		147	181			
<i>Operating payments</i>	1 601	2 186	3 036	5 600	5 930	6 332	5 687	5 987	6 334
<i>Venues and facilities</i>	600	1 005	857	386	1 180	6 966	582	496	525
<i>Rental and hiring</i>	9	162	378	1 516	425	1 387	510	693	733
<b>Transfers and subsidies</b>	<b>144 623</b>	<b>177 621</b>	<b>222 709</b>	<b>235 778</b>	<b>250 778</b>	<b>235 784</b>	<b>262 766</b>	<b>276 704</b>	<b>320 737</b>
Provinces and municipalities									
Non-profit institutions	144 510	177 511	222 333	235 358	250 358	235 358	262 324	276 240	320 246
Households	113	110	376	420	420	426	442	464	491
Social benefits	91	81	348	157	172	239	165	173	183
Other transfers to households	22	29	28	263	248	187	277	291	308
<b>Payments for capital assets</b>	<b>39 840</b>	<b>21 054</b>	<b>8 601</b>	<b>17 600</b>	<b>10 850</b>	<b>11 105</b>	<b>19 000</b>	<b>41 500</b>	<b>55 540</b>
Buildings and other fixed structures	39 080	20 891	5 513	17 600	10 700	10 700	19 000	41 500	55 540
Buildings	39 080	20 891	5 513	17 600	10 700	10 700	19 000	41 500	55 540
Machinery and equipment	760	163	3 088		150	405			
Transport equipment	477		1 045						
Other machinery and equipment	283	163	2 043		150	405			
<b>Payments for financial assets</b>	<b>25</b>	<b>92</b>	<b>44</b>						
<b>Total economic classification</b>	<b>280 142</b>	<b>303 098</b>	<b>348 538</b>	<b>423 250</b>	<b>430 128</b>	<b>420 871</b>	<b>446 879</b>	<b>494 008</b>	<b>560 113</b>

TABLE 6.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND RESEARCH

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>133 601</b>	<b>146 670</b>	<b>163 749</b>	<b>168 917</b>	<b>212 063</b>	<b>210 565</b>	<b>220 217</b>	<b>241 621</b>	<b>255 635</b>
Compensation of employees	125 269	139 446	158 516	161 349	204 493	202 995	210 820	231 728	245 168
Salaries and wages	105 868	120 378	136 563	137 922	175 257	174 766	178 017	195 214	206 537
Social contributions	19 401	19 068	21 953	23 427	29 236	28 229	32 804	36 513	38 631
Goods and services	8 332	7 224	5 233	7 568	7 570	7 570	9 397	9 893	10 467
Administrative fees	33		29						
Advertising	3								
Minor assets	49	150	102		2	4			
Catering: Departmental activities	643	831	566	631	849	806	930	831	880
Communication (G&S)	928	1 010	668	1 224	1 020	1 020	2 718	2 791	2 953
Computer services	51	33	37			30			
<i>Consultants and professional services: Business and advisory services</i>	814	636	208	1 201	1 161	1 065	1 581	1 660	1 756
<i>Contractors</i>	49		12	36	64	64	38	40	42
<i>Fleet services (including government motor transport)</i>	1 177								
<i>Inventory: Food and food supplies</i>	18								
<i>Inventory: Learner and teacher support material</i>	203								
<i>Consumable supplies</i>	162	85	60	98	92	118	103	108	115
<i>Consumable: Stationery, printing and office supplies</i>	379	451	369	466	487	600	701	736	779
<i>Operating leases</i>	312	90	194	190	60	60	200	210	222
<i>Property payments</i>	25								

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<i>Transport provided: Departmental activity</i>	83	30	304	280	293	244	295	310	328
<i>Travel and subsistence</i>	2 167	1 986	1 685	2 739	2 497	2 522	1 816	2 242	2 372
<i>Training and development</i>			24		13	13			
<i>Operating payments</i>	700	532	420	474	436	436	499	524	554
<i>Venues and facilities</i>	533	733	534	62	484	469	182	191	202
<i>Rental and hiring</i>	3	657	21	167	112	119	334	250	265
<b>Transfers and subsidies</b>	<b>94 058</b>	<b>141 640</b>	<b>198 453</b>	<b>202 035</b>	<b>206 035</b>	<b>206 073</b>	<b>234 243</b>	<b>244 881</b>	<b>259 084</b>
Provinces and municipalities									
Non-profit institutions	93 877	141 358	197 888	201 950	205 950	205 950	234 153	244 786	258 984
Households	181	282	565	85	85	123	90	95	100
Social benefits	181	282	565	85	85	123	90	95	100
Other transfers to households									
<b>Payments for capital assets</b>	<b>145</b>	<b>74</b>	<b>80</b>		<b>630</b>	<b>743</b>			
Machinery and equipment	145	74	80		630	743			
Transport equipment									
Other machinery and equipment	145	74	80		630	743			
<b>Payments for financial assets</b>	<b>14</b>	<b>197</b>	<b>4</b>						
<b>Total economic classification</b>	<b>227 818</b>	<b>288 581</b>	<b>362 286</b>	<b>370 952</b>	<b>418 728</b>	<b>417 381</b>	<b>454 461</b>	<b>486 502</b>	<b>514 719</b>

TABLE 6.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL SECTOR EPWP INCENTIVE GRANT: SOCIAL WELFARE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>	<b>12 873</b>		<b>20 267</b>	<b>16 785</b>	<b>16 785</b>	<b>16 785</b>	<b>13 108</b>		
Provinces and municipalities									
Non-profit institutions	12 873		20 267	16 785	16 785	16 785	13 108		
<b>Total economic classification</b>	<b>12 873</b>		<b>20 267</b>	<b>16 785</b>	<b>16 785</b>	<b>16 785</b>	<b>13 108</b>		

TABLE 6.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EPWP INTEGRATED GRANT: SOCIAL WELFARE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>			<b>350</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>			
Goods and services			350	2 000	2 000	2 000			
Contractors				2 000	2 000	2 000			
Property payments			350						
<b>Total economic classification</b>			<b>350</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>			

TABLE 6.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EARLY CHILDHOOD DEVELOPMENT GRANT: CHILDREN AND FAMILIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>								<b>50 139</b>	<b>78 530</b>
Provinces and municipalities									
Non-profit institutions								50 139	78 530
<b>Total economic classification</b>								<b>50 139</b>	<b>78 530</b>

# VOTE 7

## DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

To be appropriated by vote in 2016/17	R418 763 000
Responsible MEC	MEC for Cooperative Governance and Traditional Affairs
Administering Department	Department of Cooperative Governance and Traditional Affairs
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

Lead provincial department in the coordination, collaboration, and facilitation of cooperative governance in building a globally competitive and people-driven Gauteng City-Region.

#### Mission

In pursuit of our vision of cooperative governance, COGTA shall:

- Support, facilitate, coordinate, and regulate inter-sphere and cross-departmental integrated planning, budgeting, implementation; and
- Monitor, evaluate and report on local government performance in order to achieve an accountable, stable, efficient, effective and resilient, activist and ethical local government and empowered communities.

#### Strategic Goals

The department is geared towards achieving the five strategic objectives which are to:

- Promote and facilitate viable and sustainable local governance;
- Promote integrated development planning through efficient land use management, provincial coordination of disaster management and improved access to basic services;
- Promote and facilitate viable and sustainable traditional institutions;
- Build an inclusive economic environment conducive to the creation of decent work; and
- Manage human resources (HR) in ways which develop the department and enable it to carry out its core functions.

#### Core functions and responsibilities

The mandate of the department highlights cooperative governance, and is essential for integrated development. The department provides support to and monitors municipalities and tribal authorities by:

- Monitoring the municipalities and traditional authorities' development and performance;
- Supporting local authorities where there are capacity constraints;
- Promoting capacity development in a systematic manner, to ensure that municipalities are able to manage their own affairs;
- Advising, commenting on and approving Integrated Development Plans (IDP's);
- Providing key support services to municipalities in implementing the Municipal Finance Management Act (No. 56 of 2003) (MFMA) and supporting Community Development Workers (CDW's);
- Intervening where local authorities fail to perform their designated functions and mandates; and
- Strengthening the functioning of Municipal Public Accounts Committees.

#### Main services

To assist the province's municipalities to achieve good governance and accountability through the implementation of the oversight model, the department continues to provide support to the same municipalities. It continues to monitor the effectiveness and impact of the Municipal Public Accounts Committees (MPACs') oversight and accountability functions. This enables MPACs to contribute to improved assessment of the municipalities' accountability and responsibility to render services to its communities, as per the mandate.

The main focus of the department in the 2016/17 financial year will be to continue strengthening ward-based planning and public participation through the involvement and training of ward committees, as a result of the local government elections which will bring in new ward committees and councillors. The department will continue to monitor the effectiveness and

the impact of MPAC in carrying out its oversight and accountability functions. The department is currently drafting a 15-year assessment report on the performance of the municipalities in line with their mandate to their constituencies.

The department exercises oversight over the relationship between local municipalities' structures, traditional leadership structures and communities in the province. The Department will continue to monitor progress in achieving targets such as the implementation of waste water management systems, provincial sanitation and water demand management strategies, until the output is achieved.

The integration of IDPs and dealing with municipal debt in respect of revenue management, are some of the specific areas in which the Department will provide support in the coming financial year. The department will support the Municipal Demarcation Board's intension to finalise the mergers of municipalities in the West Rand and Sedibeng districts to form Metros with an aim of utilising resources, optimally. The department is currently finalising processes of carrying out voter education for the 2016 local government elections; and assist municipalities with developing their consolidated municipal sector plans.

## **Ten pillar programme**

### **Transformation of state and governance**

In line with the audit outcomes of the 2015/16 financial year, the department will allocate funding aimed at providing capacity support to municipalities in critical areas for complying with Operation Clean Audit in Gauteng. To achieve this, the Department will support municipalities in the areas of asset management, financial management, revenue enhancement, performance management systems, project and contract management and skills development within scarce skills areas. The Municipal merger process which started during 2014/15 financial year will continue to materialise to enable municipalities to be self-sufficient; to manage resources more effectively; and to achieve their mandates and functions in line with the transformation of the State. To this end, the major contribution of the department towards the transformation of the state and governance, will be the department's mandate to ensure the smooth and seamless merger of Westonaria and Randfontein Local Municipalities into one bigger municipality and to support the new municipality after 2016 local government elections to address the audit outcomes released at the end of November 2015.

The process of ensuring that 508 ward committees are in place, will continue in the 2016/17 financial year. To argument that, the department allocates R2.8 million for the provision of training and skills auditing for new members of ward committees and functions; assessing the committees' impact; and strengthening public participation. The Department will work with municipalities on their local economic development (LED) strategies, intended to strengthen their economies within the context of an economically inclusive Global City Region.

### **Modernisation of the public service**

Over and above monitoring the implementation of back to basics, the department will continue to investigate and recommend methods and ways that will improve access to municipal services and payment of the same.

The department allocated a substantial amount of funding to improve access to basic services. The allocated funding will ensure continuous provision of free basic services to the indigent communities such as free electricity and water and sanitation from municipalities. However, the Province continues to experience in-migration coupled with the 2016 local government elections with municipal mergers pending. An amount of R3 million in the sub-programme Municipal Infrastructure is set aside for this initiative.

### **National Development Plan**

The department will pursue its aim of reducing employment and poverty through equitable growth, integrated strategies and prudent planning by all spheres of government in order to position the province as a globally competitive region. The department will align with the National Development Plan (NDP) by seeking to create a liveable, equitable, prosperous and united Gauteng City Region characterised by economic and social inclusivity and cohesion, sustainable development and infrastructure and good governance.

### **External activities and event relevant to Budget decisions**

The expected promulgation of the National Bill on traditional affairs, which will allow Khoisan leaders to be Traditional leaders, will have an impact on the budget, including the anticipated remuneration packages for Traditional Leaders.

### **Acts, rules and regulations – (Legislative Mandates)**

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- Local Government: Municipal Property Rate Act (Act No. 6 of 2004);
- National Environmental Management Act (Act No. 107 of 1998), as amended by Act No. 8 of 2004;
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);

- Local Government: Municipal Systems Act (Act NO. 32 of 2000);
- Public Finance Management Act (Act No. 1 of 1999);
- Local Government: Demarcation Act (Act No. 27 of 1998);
- Local Government: Municipal Structure Act (Act No. 117 of 1998);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- Expropriation Act (1951), as repealed by Act No. 63 of 1975;
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

#### **Provincial Legislation**

- Gauteng Traditional Leadership Act no of 2010;
- Gauteng Types of Municipality Act no 03 of 2000; and
- Gauteng City Improvement Act no 12 of 1997.

#### **Good Governance Legislation**

- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003); and
- Public Finance Management Act (Act No. 1 of 1999).

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)**

#### **Transformation of the state and governance**

The department continued to monitor the functionality of ward committees in the province and reported quarterly on the progress made. Training has been implemented in four municipalities. These included Randfontein with 120 participants; Merafong with 136; Westonaria with 66; and Mogale City with 70 participants.

The Community Development Workers (CDWs) continued to play a supporting role in the implementation of the Public Participations Framework. CDWs support government programmes through the advocacy initiatives and participatory democracy process, in particular the IDP process, ward committees and imbizos. Individual and community service delivery cases were referred to the War Room, municipalities, provincial and national departments.

In relation to Back to Basics (B2B), the department supported the programme by profiling municipalities' service delivery achievements, during the third quarter of 2015/16 in the newsletter which features the City of Johannesburg. The West Rand merger between Randfontein and Westonaria is currently in the process of being completed. The change management committee has set up work streams that would ensure that integration of work systems, bylaws, procedures and policies are harmonised and consolidated to create a sustainable and functional municipality. The Department has set aside an amount of R15 million for the merger to ensure that, amongst other things, structures and the transition are properly managed to ensure that seamless service delivery to the communities is not interrupted.

The Department spent an amount of R4 million for the provision of water to the Boiketlong informal settlement community, whilst an amount of R8 million has been set aside to provide high mast street lighting to the community of Boiketlong. Most of the communities have benefitted from the project and will also benefit from the high mast street lighting once the project is completed. During the current financial year, the Department allocated R10 million to develop a voter education strategy as part of the preparation for 2016 local government elections and voter education.

In support of the Ntirhisano programme, the department, together with the Gauteng Provincial Treasury, monitors and supports the Emfuleni Local Municipality to implement phase 1 of the short term service delivery plan. To date, the municipality has shown progress.

In the provision of basic services in line with the Back-to-Basics Approach, three municipalities were assessed against service delivery benchmarks. The results of this assessment reflect a provincial benchmark of: Water – 96.4 per cent; Sanitation – 90.9 per cent; and Refuse removal at 89.1 per cent. In addition, the government debt management committee report highlighted that Gauteng has 234 086 registered indigent Households (HH) who receive Free Basic Services in 10 municipalities.

The Municipal Infrastructure Grant (MIG) expenditure is currently at 33.58 per cent or R154 million of the R457 million (total allocation this financial year) for projects across Gauteng. In relation to water conservation, municipalities are implementing technical and social intervention of the Water Conservation and Demand Management Strategy to reduce 2.5 per cent losses by the end of 2015/16 financial year.

### **Modernisation of the public service.**

The establishment of the Provincial Disaster Management Centre (PMDC) was delayed in the current financial year due to delays in securing a building after the secured lease was withdrawn in the last minute. Due to the withdrawal of the lease, the procurement of the equipment for the centre was also delayed. The Department of Infrastructure Development has now secured a building for the PMDC, on behalf of COGTA and the centre should be functional in the 2016/17 financial year.

### **Transformation of the public service**

To contribute to the transformation of public service, the Department has thus far achieved 36% in employment equity targets. This has been progressive over the three quarters. The Department will have to achieve the remaining 14% in the last quarter, to ensure achievement of the annual target.

In improving sound financial management, the Department monitored all 12 municipalities on their implementation of the Audit Response Plan based on the 2014/15 audit outcomes. The department also ensures compliance to GRAP standards i.e. GRAP 13 – Leases; GRAP 16 – Investment Property; GRAP 21 - Impairment of non-cash generating assets; GRAP 25 - Employee benefits; GRAP 26 - Impairment of cash generating assets; GRAP 100 - Discontinued Operations; and iGRAP 1 - Recognition of Revenue (Traffic fines) in the three Municipalities (Tshwane, Westonaria and Randfontein).

The government debt management committee report indicates that municipalities' collection rate stands at 42% due to strengthened Implementation of credit control policies by municipalities. Randfontein Municipality was given financial support to cascade (level 3-5) of the Automated Performance Management System (PMS) whilst Merafong, City of Tshwane and Joburg received support to review their HR Strategy and Plans.

Training of 60 officials and councillors on the municipal finance training programme, was completed. This target is planned over two years and participants received training in 16 modules of the National Treasury Competency Framework.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)**

With the coordination and maintaining intergovernmental relations (IGR) mandate, the department will facilitate the realisation of programmes that fall within the jurisdiction of other Pillars, in line with the GCR imperatives. COGTA has a strategic role to play in the implementation of the Ten Pillar and GCR Game Changer Programmes, especially as the coordinator of the Governance and Planning Cluster. CoGTA has the responsibility to deliver on the following three Pillars:

- Transformation of the State and Governance
- Decisive Spatial Transformation; and
- Modernisation of the Public Service.

The latter pillars are further elaborated to fully support the Ten Pillar Programme in Gauteng.

### **Transformation of the state and governance**

The department will develop plans and programmes to enhance the functionality of ward committees across the province. Individual and community service delivery cases will continue to be attended to and/or referred to the War Room, municipalities, provincial and national departments. As part of its mandate, the department will assist in the preparation and facilitation of free and fair local government elections, and continue to promote and establish organs of people's power (ward committees, street committees and block committees). The department will, in the financial year, implement induction and training for all new ward committee members after the 2016 local government elections.

The Community Development Workers (CDWs) will continue to support implementation of Public Participations Framework through the advocacy initiatives and participatory democracy process, in particular the IDP process, ward committees and izimbizo's. Service delivery cases will be managed for the War Room, municipalities, provincial and national departments and referred accordingly. In the coming financial year, the Department will need to configure the Community Development Workers' Programme with a view to provide it with more capacity, particularly, in each ward so that engagement with communities is intensified as part of B2B programme.

With the intent to contribute to the Gauteng City-Region, the department will scrutinise and revitalise the IDP processes in order to strengthen participation while training will be provided to municipal officials to ensure that capacity building is imparted in the development of IDPs. Engagements with sector departments will continue to strengthen and validate the quality of IDP in representing the needs of its communities. An analysis, which will include the review of structures and processes of popular participation, will be conducted on the state of IDP in the province to strengthen participatory governance and expand people's democracy.

### **Modernisation of the public service**

In achieving Financial Management and viability across municipalities, the department will continue to monitor all 12 municipalities on their implementation of the Audit Response Plan based on the 2015/16 audit outcomes. The department

will provide financial support to update and maintain infrastructure asset registers in line with the GRAP 17 requirements to identified Municipalities, based on audit outcomes. The target for reduction of total government debt paid to municipalities is 80 per cent for the 2016/17 financial year. However, the 2015/16 financial year has seen great improvement in the reduction of outstanding government debt. The collection rate for the top 500 business debtors is at 80 per cent and it is anticipated that by 2018/19, municipalities will be able to collect at 90 per cent or more.

Improving and sustaining sound financial management will require the department to provide support to newly merged municipalities with hands-on support for the rolling out and cascading of level 3-5 of the Automated PMS. The municipalities will also be provided with support to review their medium to long term HR Plans and their Scarce and Critical Skills Strategy based on new municipal IDPs after the elections. In addition, the municipalities will be supported with the development and design of a functional organisational structure to quickly bring municipalities to normality in order to carry out their service delivery mandate. During the coming financial year, the establishment of the Provincial Disaster Management Centre will take a final stage for completion since the building has already been identified and the appointment letter issued.

### **Decisive Spatial Transformation**

In contributing to province-wide infrastructure planning and performance, the Department will organise and manage the provincial and municipal infrastructure development and service delivery coordinating structures. The main aim of the structures is to facilitate implementation of infrastructure projects that will influence the spatial planning of the province. The department will also coordinate the allocation of MIG funds to further the implementation of capital projects.

In 2016/17 the department will further allocate resources to renovate the procured building for the Provincial Disaster Management Centre (PDMC) and procurement of the equipment for the temporary lease for the Centre. During the 2016/17 financial year, the department will continue to prioritise capacity-building support for local government. It will also maintain partnerships with stakeholders who provide scarce skills to augment municipal capacity. This enables and maintains service delivery while also addressing audit findings.

The department, as part of its legislative duty, Municipal Structures Act no 32 of 2000 (MSA 2000) will continue with the assessment of IDP's on an annual basis in pursuance of compliance to relevant legislation to foster horizontal and vertical alignment as well as sustaining the credibility of the IDP's. In collaboration with sector departments in the province, COGTA will finalise the review of the Gauteng IDP Analysis Framework to foster integration of the TMR and Sustainable Development Goals (SDG's) in municipal IDP's. The Nthirhisano programme offers the Department an opportunity to identify pertinent community needs and concerns that will start transforming spatial planning in the province. The department will analyse information collected, including the one from agencies such as Auditor-General, Statistics South Africa and (GCRO) to ensure that information is used to cross check and authenticate the municipal reports as part of going Back to Basics thus; targeting improvement in AT RISK municipalities. The department will, in the coming financial year, oversee and participate in the process of section 57 appointments.

As part of the Ntirhisano programme, the department will ensure the full roll out of Management Performance Assessment Tool (MPAT) to municipalities; full implementation of Back to Basics'; assist Municipalities with credible, updated and maintained Infrastructure Asset registers; improved infrastructure development and maintenance; ensure that an effective GCR-wide Disaster Management capacity and provincial Disaster Management Centre is established; and provide municipal support for scarce & critical skills, key systems and support.

Over the short-to-medium term, the department will pursue strategic objectives, which will shape the future of the province and these include, inter alia, the Township Economies Revitalisation; Tshepo 500 000; Gauteng Energy Plan; Welfare to Work; Gauteng Safety Strategy; Human Settlement Strategy and e-Governance Strategy.

## **4. REPRIORITISATION**

The reprioritised funds will assist with projects related to the municipal amalgamation involving the West Rand and Sedibeng district municipalities and Ekurhuleni Metro and Lesedi municipality; infrastructure projects such as the development of the provincial Strategy on Water Conservation and Demand Management; and other capital projects, in line with approved IDPs. In light of this, when comparing the 2015/16 budget against the 2016/17 budget, Programme 1: Corporate Support Services reprioritised money as part of cost containment implementation, where items such as administration fees, advertising, catering, venues and facilities, travel and subsistence, consumable stationary and operating payments, were reduced drastically to fund items which support the core of the business such as property payments, which will fund the rates and taxes for the soon to be acquired, PDMC. Funding for items such as audit fees, fleet services and consultants were also increased from the savings realised from cost containment implementation. Further to that Programme 1 decreased by R13.5 million to fund Programme 2: Core Business service delivery outputs. Programme 2: Core Business is key to the implementation of the core mandate of COGTA and provides support such as the implementation of GRAP17 and PMS to municipalities, the roll out of CDW's and the monitoring, reporting and evaluation of municipal performance.

Funds were also reprioritised to Programme 4: Traditional Institutional Development mainly to support and enhance the



capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amendable Ndunza Sokhumi traditional councils). In addition, the reprioritised funds will provide for continuous training of traditional council members as part of the transformation of state and governance.

## 5. PROCUREMENT

In the coming financial year, the department will:

- Continue with the leasing of the temporary building and finance rental for, and the procurement of, equipment of the Provincial Disaster Management Centre which did not materialise in the current financial year.
- Implement the induction on public participation strategy for newly elected councillors in municipalities and in ward committees.
- Support municipalities in developing and adopting the Public Participation Framework.
- Provide training and development for newly elected ward committees for all municipalities after the local government elections.
- Continue to strengthen the MPAC as a watchdog of accountability within municipalities.
- Support municipalities in developing and implementing customised municipal recruitment, performance management systems (PMS) and retention strategies.
- Assist municipalities to adhere to the norms and standards of the revised PPF.
- Continue with the implementation of the government debt strategy in all municipalities.
- Provide continuous training of traditional council members as part of the transformation of state and governance.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 7.1: SUMMARY OF RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	257 840	273 657	338 598	404 972	406 577	406 577	416 763	440 220	466 910
Conditional grants			2 000	2 000			2 000		
<b>Total receipts</b>	<b>257 840</b>	<b>273 657</b>	<b>340 598</b>	<b>406 972</b>	<b>406 577</b>	<b>406 577</b>	<b>418 763</b>	<b>440 220</b>	<b>466 910</b>

The table above shows the departmental receipts which comprised of equitable share, which is mainly utilised to finance and carry out the mandate and operational activities of the department. The allocation for the department increased from R258 million in 2012/13 to R274 million in 2013/14 and subsequently to R341 million in 2014/15 which were mainly to fund personnel requirements, provide support to municipalities and a once-off conditional grant for the expanded public works' programme (EPWP) of R2 million to support job creation in communities. In 2015/16, the Department's allocation increased to R407 million, which included an additional R10 million for the Voter Education programme in preparation for Municipal Elections. The allocation increases to R419 million in 2016/17 financial year with a further increase of R19 million to R440 million in the following financial year and to 467 million in the last financial year of the MTEF to fund key departmental programmes, namely: Municipal support activities in totality, including operation clean audit initiatives, to update and maintain infrastructure asset registers in line with GRAP17 to identified municipalities, which is ongoing, the renovation of the Provincial Disaster Management Centre building (procured), the temporary leasing of the centre, including equipment. This budget will also cater for training of ward committees and councillors after the coming 2016 Local government elections. The increase over the MTEF will assist the department to continue to roll out Operation Clean Audit and to deal with audit issues to be raised by the Auditor-General during the 2016/17 audit outcomes; to train ward councillors as a result of the 2016 local government elections; implement revenue management; and implement the priorities and programmes of the current administration.

Included in the budget utilisation will be an assessment on the training of municipal officials on GEYODI mainstreaming and evaluation of impact assessment on training of women councillors and skills development, as a result of the coming local government elections.

## 6.2. Departmental receipts

TABLE 7.2: DEPARTMENTAL RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Sales of goods and services other than capital assets	360	130	325	141	141	295	148	156	165
Interest, dividends and rent on land	25	25	6	26	26	16	27	29	30
Sales of capital assets									
Transactions in financial assets and liabilities	56	300	159	314	314	170	331	347	367
<b>Total departmental receipts</b>	<b>441</b>	<b>455</b>	<b>490</b>	<b>481</b>	<b>481</b>	<b>481</b>	<b>506</b>	<b>532</b>	<b>563</b>

Departmental receipts increased from R441 000 in 2012/13 to R490 000 in 2014/15 and includes collection on parking fees (additional parking bays issued) and tender documents sold. In the 2015/16 financial year, receipts amount to R481 000 and they increase to R563 000 in the outer year of the MTEF. The main sources of revenue are parking fees from staff members, third party transactions such as commissions, sale of tender documents, and interest from staff debts, including servitudes from Eskom.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The assumptions that underpin the department's 2016 MTEF budget are summarized below. The Department has a 7.2 percent wage increase for 2016/17, 6.8 percent for 2017/18 and 5.8 percent for the outer year of the MTEF. A 6.2 percent increase in goods and services is anticipated, in line with projected consumer price inflation (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2016 MTEF:

- Number of staff, vacancies and possible changes over the MTEF;
- Basic salary costs including improvement of conditions of service adjustment from 1 April each year;
- Salary increases for officials with occupation-specific dispensations (OSDs);
- Provision for filling vacant posts as a result of the approved structure of the department by DPSA;
- The need to fill CDW vacancies in all wards;
- The renovation of the new PDMC building and procurement of equipment for the temporary lease;
- Provision for the administration and functioning of merging municipalities after 2016 municipal elections as per proclamation by the Municipal Demarcation Board (MDB); and
- Continuous provision for Operation Clean Audit initiatives in relation to the 2015/16 audit outcomes.

### 7.2. Programme summary

TABLE 7.3: SUMMARY OF PAYMENTS AND ESTIMATES: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	37 207	80 766	82 819	125 632	115 582	114 982	123 862	129 090	137 997
2. Local Governance	142 700	158 629	162 712	196 976	200 631	201 231	203 090	215 472	227 132
3. Development Planning	25 097	28 239	31 423	77 116	83 116	83 116	81 396	84 595	90 367
4. Traditional Institutional Management	3 766	6 023	6 507	7 248	7 248	7 248	10 414	11 064	11 415
<b>Total payments and estimates</b>	<b>208 770</b>	<b>273 657</b>	<b>283 461</b>	<b>406 972</b>	<b>406 577</b>	<b>406 577</b>	<b>418 763</b>	<b>440 220</b>	<b>466 910</b>

### 7.3. Summary of economic classification

TABLE 7.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>206 942</b>	<b>266 880</b>	<b>274 609</b>	<b>366 796</b>	<b>362 575</b>	<b>362 553</b>	<b>381 604</b>	<b>401 344</b>	<b>425 778</b>
Compensation of employees	182 711	200 300	222 104	266 482	254 419	254 395	281 299	302 359	319 896
Goods and services	24 231	66 580	52 505	100 314	108 156	108 158	100 306	98 985	105 882
Interest and rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Transfers and subsidies to:</b>	<b>369</b>	<b>2 485</b>	<b>6 835</b>	<b>10 030</b>	<b>13 730</b>	<b>13 730</b>	<b>9 053</b>	<b>7 249</b>	<b>7 670</b>
Provinces and municipalities			5 000	7 500	11 563	11 563	7 000	5 250	5 555
Households	369	2 485	1 835	2 530	2 167	2 167	2 053	1 999	2 115
<b>Payments for capital assets</b>	<b>1 257</b>	<b>4 263</b>	<b>1 879</b>	<b>30 146</b>	<b>30 146</b>	<b>30 146</b>	<b>28 105</b>	<b>31 627</b>	<b>33 462</b>
Buildings and other fixed structures							8 000	9 000	9 522
Machinery and equipment	830	4 263	1 865	30 146	30 146	30 146	20 105	22 627	23 940
Software and other intangible assets	427		14						
<b>Payments for financial assets</b>	<b>202</b>	<b>29</b>	<b>138</b>		<b>126</b>	<b>148</b>			
<b>Total economic classification</b>	<b>208 770</b>	<b>273 657</b>	<b>283 461</b>	<b>406 972</b>	<b>406 577</b>	<b>406 577</b>	<b>418 763</b>	<b>440 220</b>	<b>466 910</b>

The table above includes reprioritisation of the budget at programme and economic classification level over the 2016/17 MTEF. During 2012/13, expenditure amounted to R209 million and increased significantly by R65 million to R274 million in 2013/14. Expenditure increased by R10 million to R283 million in the 2014/15 financial year. The budget increases by R18 million from R407 million to R419 million between 2015/16 and 2016/17. This was mainly due to the refocus on the Department's mandate to support municipalities and to ensure departmental capacity by filling critical posts.

The allocation increases from R419 million in the 2016/17 financial year to R467 million in the 2018/19 financial year. The increase is as a result of the new PDMC which will be renovated after the outright procurement of the building during the 2015/16 financial year and the procurement of the equipment for the lease building (temporary); continuation of implementation of priorities identified by the current administration; the need to address the audit outcomes of municipalities during Operation Clean Audit in 2016; the filling of critical CDW positions in each ward as a result of natural attrition; and to refurbish the building that will be made available to accommodate the Department.

Programme 1: Administration expenditure increased from R37 million in 2012/13 to R81 million in 2013/14, which was mainly to fund operational needs/support requirements after the demerger from the former Department of Housing. There was a slight increase to R83 million in 2014/15. This was to enable the department to deliver on its expanding mandate of oversight of and support for municipalities and ensuring that it is adequately capacitated. The increase over the MTEF, in comparison to the 2016/17 main appropriation, is mainly due to the refurbishment of the building that will accommodate the Department, and the procurement of the ICT infrastructure equipment that will support the Department's work. Over the 2016 MTEF, the budget increases to R124 million in 2016/17 and R138 million in 2018/19. Included in the budget for this programme is the maintenance of the E-MAPP financial system procured during the 2015 financial year. The E-MAPP system will assist the department with regards to the financial information systems and information keeping.

Programme 2: Local Governance has the largest share of the budget. This is mainly allocated to core functions of the Department to ensure that Operation Clean Audit programme continues in Municipalities; and to address audit outcome matters to be raised by the Auditor-General in the 2015/16 financial year. The budget will also ensure that the CDW programme continues through the allocation of a worker to each ward. This will alleviate the burden on ward councillors; CDWs will direct community members to the Department where services are required. This programme spent R143 million in 2012/13; R159 million in 2013/14; and R163 million in 2014/15. The budget grows from R197 million in 2015/16 to R227 million over the MTEF for hands-on support to municipalities. This includes provision for ongoing ward councillor training, implementation of revenue management strategies to deal with municipal debts that have been escalating drastically, Municipal Rates Property Act (MRPA) and the implementation and other critical activities as they arise. Included in the budget will be the recourses to train new ward committees and councillors in all aspects of municipal competencies as a result of the upcoming local government elections.

Programme 3: Expenditure in development and planning amounted to R25 million in 2012/13 and increased to R28 million in 2013/14. It increased to R31 million in 2014/15; and further increases to R77 million in 2015/16 as result of the allocation for the PDMC which will be constructed by the end of the 2016 financial year. The budget will also enable geysers to be continuously installed in communities in targeted municipalities. The allocation increases to R81 million in 2016/17 and to R90 million in 2018/19. The increase over the 2016 MTEF also relates to the renovation of the procured building during 2015/16 financial year and the procurement of the equipment for the lease building over the period of two years. Included in this allocation is the compliance to section 36 and 50 of the Disaster Management Act in compiling, printing and submission of the annual report on all PDMC activities. Disaster Management awareness campaigns at the cost of R2 million, in collaboration with municipalities, including public education sessions. Included in the allocation is to ensure that the Department complies with disaster management legislative requirements on response and relief. This budget will also include the IDP engagements and education in all communities, including the continuous roll out of IDP framework. The department received a conditional grant for expanded public works programme (EPWP) amounting to R2 million to support

job creation in communities. The programme, in its allocation for the coming year, will facilitate the implementation of water conservation and water demand management strategy to reduce water losses by 3 per cent in the coming financial year with the implementation of a water and sanitation plan.

Programme 4: The Traditional Institutional Development budget grows slightly over the 2016 MTEF, mainly to support and enhance the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amandebele Ba Lebelo and Amandebele Ndzunza Sokhumi traditional councils). In addition, the budget will provide for continuous training of traditional council members as part of the transformation of state and governance. The Department of Traditional Affairs (DTA) and the Local Government Sector Education and Training Authority (LGSETA) will facilitate a national skills audit of traditional leaders and its councillors. Included in the budget over the MTEF will be administration and functioning of the amalgamated municipalities after the coming local government elections. This budget will also include conclusion of the framework on inter-governmental relations (IGR) within municipalities and traditional leadership structures.

The budget for compensation of employees increased slightly from R266 million in 2015/16 to R281 million in 2016/17, with a further increase to R320 million over the 2016 MTEF. This increase mainly relates to filling critical vacant positions; implementing the Occupational Specific Dispensation (OSDs); Improvement in Condition of Service (ICS) and wage salary agreements; and ensuring existence of CDWs in each ward. The filling of vacant positions will be concluded in the coming financial year, since the structure has been approved or concurred by DPSA.

The expenditure for goods and services grows significantly from R24 million in 2012/13 to R100 million in 2015/16. It remains constant at R100 million in 2016/17 and increases to R106 million in 2018/19. The allocation will cater for work to be carried out in relation to the PDMC; refurbishment of the building that will accommodate the Department; and ICT software licenses and servers for the new building. This increase over the MTEF will assist the Department to continue to roll out Operation Clean Audit and to deal with audit issues to be raised by the Auditor-General during the 2016/17 audit outcomes; and to continue to train ward councillors as a result of the 2016 local government elections, implement revenue management and implement the priorities and programmes of the current administration. This will assist the municipalities to turn around their finances, strategies and audit outcomes as part of the transformation of state and governance. Included in the budget for the coming financial year is the continuous training of OD ward committees, women councillors and councillors in all aspects of municipal competences, as a result of the coming local government elections.

Total budget for machinery and equipment decreases from R30 million in 2015/16 to R24 million in the outer year of the MTEF period. The allocation for the coming year is earmarked for the refurbishment of the Department's building. The slight decrease over the outer year of the MTEF is due to ongoing maintenance of the building, and providing tools of trade to new appointees. Included in the budget for the coming financial year is the renovation of the building for a centre procured during 2015/16 financial year and the procurement of equipment for the temporary leased building.

### **Municipal Services**

The department is currently housed by the department of Infrastructure Development as well as the department of Human Settlements, however, the department is in the process of acquiring its own building. The provision for property payments will provide for both the soon to be acquired PMDC as well as the departmental head offices.

In line with the cost containment implementation, no funds were spent on catering for internal meetings, including meetings with municipalities, and other government departments, national or provincial. Number of hotel sleep overs were materially reduced with the exception of those sleep overs that meet the criteria in accordance with the cost containment measure circular. Items such as admin fees, advertising, venues and facilities, consumable stationary and operating payments were also reduced drastically to fund items which supports the core of the business, such as property payments, which will fund the rates and taxes for the soon to be acquired PDMC.

#### **7.4 Infrastructure payments**

N/A

##### **7.4.1 Departmental infrastructure payments**

N/A

##### **7.4.2 Maintenance**

N/A

##### **7.4.3. Departmental Public-private-partnership (PPP) projects**

N/A

## 7.5 Transfers

### 7.5.1. Transfers to public entities

N/A

### 7.5.2. Transfers to other entities

N/A

### 7.5.3. Transfers to local government

TABLE 7.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Category B</b>			<b>5 000</b>	<b>7 500</b>	<b>11 563</b>	<b>11 563</b>	<b>7 000</b>	<b>5 250</b>	<b>5 555</b>
Emfuleni			1 500	1 000	5 063	5 063	1 500	750	794
Lesedi			500	1 500	1 500	1 500	1 500	1 500	1 587
Randfontein			1 000	2 250	2 250	2 250	2 000	1 500	1 587
Westonaria			1 500	2 250	2 250	2 250	2 000	1 500	1 587
Merafong City			500	500	500	500			
<b>Total transfers to municipalities</b>			<b>5 000</b>	<b>7 500</b>	<b>11 563</b>	<b>11 563</b>	<b>7 000</b>	<b>5 250</b>	<b>5 555</b>

The table above shows transfers to municipalities by transfer type and by category. During the 2014/15 financial year, the department transferred a once-off R2 million to municipalities for job creation as part of the EPWP grant which continues during the coming financial year to the same municipalities for the same amount. The department also transferred funds to municipalities to an amount of R3 million for implementation of GRAP 17 and R2 million for performance management systems (PMS). Funding from the Department to municipalities in the coming financial year and over MTEF will be for various projects including continuous implementation of GRAP 17 and PMS in those identified municipalities that were not part of the implementation plan during the 2015/16 financial year.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The main goal of this programme is to strengthen and align the department's organisational capacity and capability to deliver on its mandate. It enables the Department's business units to perform efficiently by providing corporate support (HR, financial management, SCM, ICT, risk management and facilities management). The programme ensures effective and efficient leadership, management and administrative support to the core business of the Department by refining organisational strategy and structure in compliance with appropriate legislation and practice. The programme's outputs are a reflection of Pillar 5 (modernisation of the public service which seeks to achieve an efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenry).

#### Programme objectives to:

- Ensure that HRM is a strategic partner to all units in the department;
- Provide effective legal services to the Department;
- Provide efficient and effective facilities management to the department;
- Provide efficient, effective and stable ICT infrastructure and support to the department;
- Ensure prudent financial management, and efficient and effective SCM and systems, to ensure that financial planning and budgeting are aligned with the Department's strategic plan;
- Maintain effective, efficient and transparent risk management and financial systems and controls in order to safeguard departmental assets; and
- Ensure good governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility within departmental operations.

**Key Policies, priorities and outputs**

- Develop policies, provide strategic direction and monitor and evaluate the Department's programmes, support services and operations;
- Render strategic and focused HRM support to ensure effective execution of the Department's functions and strategy;
- Render effective and economic financial management services to the Department; ensure the alignment of strategy and budget; manage expenditure, reporting and the supply chain;
- Render corporate services within the Department and ensure the efficient execution of the Department's functions and strategy (structure; resources: budget, physical and human; systems);
- Manage the risk strategy of the Department;
- Anti-corruption enforcement;
- Building capacity and capability to professionalise the Department;
- Monitor and support legislative compliance;
- Facilitate access to information;
- Provide sound legal advice and support to the Department;
- Provide gender mainstreaming activities and women counsellors training and summit with skills development.

**TABLE 7.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The MEC	1 236	2 816	3 563	3 986	3 986	3 930	4 629	4 992	5 281
2. Corporate Services	35 971	77 950	79 256	121 646	111 596	111 052	119 233	124 098	132 716
<b>Total payments and estimates</b>	<b>37 207</b>	<b>80 766</b>	<b>82 819</b>	<b>125 632</b>	<b>115 582</b>	<b>114 982</b>	<b>123 862</b>	<b>129 090</b>	<b>137 997</b>

**TABLE 7.7: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>35 394</b>	<b>73 989</b>	<b>78 967</b>	<b>119 756</b>	<b>109 943</b>	<b>109 321</b>	<b>117 704</b>	<b>121 520</b>	<b>129 988</b>
Compensation of employees	25 799	46 211	53 277	86 206	76 156	75 331	79 842	83 442	88 281
Goods and services	9 595	27 778	25 690	33 550	33 787	33 990	37 862	38 078	41 707
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>354</b>	<b>2 485</b>	<b>1 835</b>	<b>2 530</b>	<b>2 167</b>	<b>2 167</b>	<b>2 053</b>	<b>1 999</b>	<b>2 115</b>
Households	354	2 485	1 835	2 530	2 167	2 167	2 053	1 999	2 115
<b>Payments for capital assets</b>	<b>1 257</b>	<b>4 263</b>	<b>1 879</b>	<b>3 346</b>	<b>3 346</b>	<b>3 346</b>	<b>4 105</b>	<b>5 571</b>	<b>5 894</b>
Buildings and other fixed structures									
Machinery and equipment	830	4 263	1 865	3 346	3 346	3 346	4 105	5 571	5 894
Software and other intangible assets	427		14						
<b>Payments for financial assets</b>	<b>202</b>	<b>29</b>	<b>138</b>		<b>126</b>	<b>148</b>			
<b>Total economic classification</b>	<b>37 207</b>	<b>80 766</b>	<b>82 819</b>	<b>125 632</b>	<b>115 582</b>	<b>114 982</b>	<b>123 862</b>	<b>129 090</b>	<b>137 997</b>

The programme showed increased expenditure from R37 million to R83 million between 2012/13 and 2014/15. In 2013/14, the Department had to fund its activities as a stand-alone entity as the results of the de-merger from Human Settlements. The programme budget for 2015/16 amounted to R126 million which catered for the envisaged procurement of ICT infrastructure, software licenses, refurbishment of the new envisaged building and marketing for the MEC's outreach programmes to municipalities. The budget allocation for 2016/17 amounts to R124 million which increases to R129 million for the 2017/18 financial year before increasing to R138 million in 2018/19.

The increase in the budget of the MEC's office is mainly to enable the office to perform its functions and activities. The expenditure increased from R1.2 million in 2012/13 to R3.6 million in 2013/14 which funded the MEC's outreach programmes. The budget remains relatively constant at R5 million over the 2016 MTEF in order to continue supporting the MEC's office on its functions and activities, including the Nthiriso and outreach programmes.

The sub-programme Corporate Services expenditure increased from R36 million to R78 million between 2012/13 and 2013/14 and was for the funding of recruitment processes and operational requirements. In 2014/15, the expenditure increases to R79 million. The allocation for 2015/16 is R126 million and it increases to R133 in 2018/19. The increase in allocation is to fund the refurbishment and maintenance of the Department's building, ICT infrastructure, communication, software licenses and marketing of MEC's events including gender mainstreaming, women councillor training and skills

development, including the women councillor summit. Included in the budget for the coming year under this sub-programme is the maintenance of the E-MAPP system procured during the current year to assist the Department in the reporting mechanisms due to the continuous non-availability of BAS and SAP.

The expenditure on compensation of employees has increased from R53 million in 2014/15 to an estimated R88 million in the 2018/19 financial year. This increase is mainly to fill critical vacant positions, which is part of the recruitment drive of the Department, in line with an approved organisational structure.

The allocation for goods and services increases slightly from R26 million in 2014/15 to R34 million in 2015/16. It increases slightly to R38 million in the 2016/17 financial year because of the Department's reprioritisation to fund core functions from administration programme before it increases to R42 million in 2018/19. The allocation will cater for the envisaged procurement of ICT infrastructure, software licenses, refurbishment of the new envisaged building and marketing for the MEC's outreach programmes to municipalities. Included in the budget for the coming year under this sub-programme is the maintenance of the E-MAPP system procured during the current year to assist the Department in the reporting mechanisms due to the continuous non-availability of BAS and SAP.

Expenditure on households fluctuates between R2.1 million and R2 million for the respective years of the MTEF. The allocation over the MTEF is attributed to the beneficiaries who are still in the system with pension administration at National Treasury. The drastic decrease in this allocation is as result of beneficiaries passing on and others reaching pensionable age resulting in their transfer to the Department of Social Development for old age pension. The budget for machinery and equipment increases marginally as a result of the refurbishment of the building that will accommodate the department. This will also include the supply of tools of the trade which relates to the provision of capital assets for the appointment of new staff members and to meet the priorities of the current executive.

## PROGRAMME 2: LOCAL GOVERNANCE

The Local Governance Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as building the capacity and capability of local government to achieve its constitutional mandate. The goal of the programme is to promote and facilitate viable and sustainable local governance in line with Pillar 4: transformation of state and governance.

### The objectives to be achieved under this programme include:

- To provide management and support services to local government within the regulatory framework;
- To monitor and support municipalities to ensure financially viable and sustainable municipalities in accordance with applicable Acts;
- To deepen democracy by promoting community participation through appropriate structures, processes and systems, and by facilitating access to government services;
- To coordinate, cooperate and integrate support and monitor capacity building initiatives;
- To improve municipal performance through enhanced monitoring, reporting and evaluation;
- To improve the image of local government;
- To implement a differentiated approach to local government in the province;
- To monitor and support legislative compliance;
- To establish and support viable and accountable governance structures;
- To promote intergovernmental and stakeholder relations, and improved integration and planning;
- To facilitate the devolution of powers and functions to ensure stable local government;
- To improve public participation;
- To implement an appropriate finance model for local government to promote sustainability and viability;
- To enforce anti-corruption measures in municipalities;
- To provide urban management and built environment planning;
- To build capacity and capability towards improving professionalism in local government;
- To develop policy towards differentiated approaches and social inclusivity;
- To enhance participatory governance through CDW programmes; and
- To facilitate access to basic services for poor communities.

TABLE 7.8: SUMMARY OF PAYMENT AND ESTIMATES: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Municipal Administration	2 993	10 519	11 576	12 283	17 151	21 626	14 366	14 123	14 069
2. Municipal Finance	15 619	10 726	8 849	10 192	12 352	12 210	11 603	11 755	12 437
3. Public Participation	113 479	116 017	121 176	142 377	140 384	137 699	145 931	155 892	164 636
4. Capacity Development	10 609	11 252	10 064	18 754	17 374	17 112	16 708	18 123	19 174

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
5. Municipal Performance Monitoring, Reporting And Evaluation		10 115	11 047	13 370	13 370	12 584	14 482	15 580	16 816
<b>Total payments and estimates</b>	<b>142 700</b>	<b>158 629</b>	<b>162 712</b>	<b>196 976</b>	<b>200 631</b>	<b>201 231</b>	<b>203 090</b>	<b>215 472</b>	<b>227 132</b>

TABLE 7.9: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>142 685</b>	<b>158 629</b>	<b>158 712</b>	<b>191 476</b>	<b>191 068</b>	<b>191 668</b>	<b>198 090</b>	<b>210 221</b>	<b>221 576</b>
Compensation of employees	130 592	130 844	137 693	146 457	144 444	144 116	165 946	178 092	187 882
Goods and services	12 093	27 785	21 019	45 019	46 624	47 552	32 143	32 129	33 694
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>15</b>		<b>4 000</b>	<b>5 500</b>	<b>9 563</b>	<b>9 563</b>	<b>5 000</b>	<b>5 250</b>	<b>5 555</b>
Provinces and municipalities			4 000	5 500	9 563	9 563	5 000	5 250	5 555
Households	15								
<b>Payments for capital assets</b>									<b>1</b>
Machinery and equipment									1
<b>Total economic classification</b>	<b>142 700</b>	<b>158 629</b>	<b>162 712</b>	<b>196 976</b>	<b>200 631</b>	<b>201 231</b>	<b>203 090</b>	<b>215 472</b>	<b>227 132</b>

Total expenditure increased from R143 million to R197 million between the 2012/13 and 2015/16 financial years. The increase was due to the support provided to municipalities and deployment of CDWs. The budget increases by R6 million from R197 million in 2015/16 to R203 million in 2016/17 due to allocation of elections funding and reprioritisation of functions from Programme 2 to Programme 1 and Programme 4 in order to align the functions with programmes, this will not affect the performance of the programme. The increase from R215 million in 2017/18 to R227 million in 2018/19 will fund the continuation of providing support to municipalities in relation to achieving clean audits, training (train new ward committees and councillors in all aspects of municipal competencies as a result of the upcoming local government elections) of ward committees and councillors, deployment of CDWs to each ward, conducting of research, implementation of revenue management strategies to deal with municipal debts that have been escalating drastically, Municipal Rates Property Act (MRPA) implementation and other critical activities. The Department will also look at a number of municipalities' to be supported to institutionalise Performance Management Systems, including the capacity building interventions to be conducted in municipalities in respect of financial management, project and contract management, technical skills and governance of which an amount of R2 million has been set aside that cover municipalities to be supported with implementing and institutionalising the Scarce and Critical Skills Strategy, focusing on the areas of Financial Management, Infrastructure and Oversight (S79, inclusive of MPACs). This will also support the merged municipalities with the Development and Design of a Functional Organisational Structure on Macro and Micro Functional structure (concept papers).

The budget of sub-programme Municipal Administration is mainly to provide research studies and to deal with the powers and functions on intergovernmental relations in line with the transformation of state and governance. The budget increases from R12 million in 2015/16 to R14 million in 2016/17, due to reprioritisation of functions from the sub-programme to programme one and programme four to align the functions with the programmes. The allocation remains constant over the MTEF period as a result of the promulgation of gazettes for the holding of elections at municipalities, conducting research studies on powers and functions and the development of the oversight and accountability model. The increased allocation is also attributed to the amalgamation of various municipalities in preparation for the 2016 local government elections, including coordinating and facilitating local government knowledge management and sharing and promoting effective and efficient decision making on policy development on an evidence basis. Within the allocation, the Department will train 50 new women councillors and develop GEYODI strategy with all municipalities.

Sub-programme Municipal Finance has a budget of R10 million in 2015/16 and it increases to R12 million in 2016/17. The allocation remains constant at R12 million during the 2016 MTEF period. The budget caters for continuous initiatives which include interventions on asset management, resolutions on Auditor-General outcomes, tariff modelling, data cleansing, GRAP 17 training, research on policies, guidelines and legislation necessary to the enhancement of revenue and improve debtor management and implementation of smart metering within municipalities as part of the transformation of the state and governance. The Department will support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local government institutions, including municipalities to be monitored on implementation of Audit Response Plan based on the 2014/15 audit outcomes.



Sub-programme Public participation has an allocation that grows from R142 million in 2015/16. It increases to R146 million in 2016/17, an increase of 9 per cent. There is a further increase to R165 million over the 2016 MTEF to provide for setting up 508 ward committees in all municipalities. The allocation will cater for updating the skills audit and training ward committees in Metros and local municipalities. The training is aimed at improving the level of engagement of ward committees in planning processes, and fostering civic responsibility in planning and development. An additional module of the training focuses on conflict management to empower ward committees to facilitate good community relations amongst ward stakeholders and mitigate conflicts of interest within community groups over development issues. The Department further plans to improve relations between ward committees and CDWs in order to foster coordination of activities and strengthen service delivery in communities. The CDW programme will continue to play a supporting role in the implementation of the framework by assisting with coordination between the spheres of government and monitoring service delivery points, including promoting and improving public trust in local government through active and deliberative citizen engagement, the creation of robust engagement spaces and innovative communication platforms in line with Pillar 5: Modernisation of the public service. The Department has set aside funds within the allocated budget for induction of new councillors and ward committees as per local government elections in partnership with SALGA.

Capacity Development: this sub-programme's expenditure remained constant at R11 million in 2012/13 and 2013/14. This was due to the fact that support to municipalities continues by deploying engineers from SAICE and chartered accountants from SAICA. The allocation increases by R7 million to R18 million in 2015/16 and amounts to R19 million in 2018/19. The sub-programme will continue to provide hands-on support to improve the audit outcomes through Operation Clean Audit, targeting identified municipalities in line with the modernisation of the public service. The sub-programme will focus on infrastructure verification and intangible assets identification to ensure prudent asset management in municipalities, support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local government institutions. This allocation will also facilitate the development of specialist and technical skills in order to transform local government. The Department will look at a number of municipalities to be supported to institutionalise Performance Management Systems, including the capacity building interventions to be conducted in municipalities in respect of financial management, project and contract management, technical skills and governance. An amount of R2 million has been set aside that covers municipalities to be supported with implementing and institutionalising the Scarce and Critical Skills Strategy, focusing on the areas of financial management, Infrastructure and Oversight (S79, inclusive of MPACs). The Department will support the merged municipalities with the Development of Design of a Functional Organisational Structure on Macro and Micro Functional structure (concept papers).

Municipal Performance Monitoring: This sub-programme's allocation amounted to R13 million in 2015/16 and R14 million in 2016/17. Over the 2016 MTEF, the allocation increases to R17 million by inflationary adjustments. The allocation is mainly to implement the Municipal Property Rates Act (MPRA) in all municipalities. This allocation includes the assessment of determination of upper limits of municipal councillors, in terms of Remuneration of Public Office Bearers. (POBA). This will also include the assessment report on the state of municipal performance.

Compensation of employee's expenditure has been fluctuating over the years. It increased from R138 million in 2014/15 to R146 million in 2015/16. There is a further increase to R166 million in 2016/17. The allocation for compensation of employees over the MTEF further increased to R188 million. These increases relate to filling of positions in all sub-programmes within the programme, particularly CDWs to be deployed to each ward in all municipalities; and to comply with the EXCO resolution and Infrastructure Development Unit for filling engineering posts. These increases also takes into account the anticipated wage agreements.

Allocation on goods and services increased from R21 million in the 2014/15 financial year to R45 million in the 2015/16 financial year. It decreases to R32 million in the 2016/17 financial year, due to reprioritisation of functions from the programme to programme one and programme four to align the functions with programmes which will not affect the performance of the programme. Allocation remains constant at R34 million over the MTEF. These increases relate to programmes and ward and councillor training. This will include research to be conducted, and the continuous customised municipal recruitment and retention strategy and human resource development framework, meeting the continuing OPCA initiatives, and catering for municipal capacity building. It will also provide critical and scarce skills training, including the deployment of technical expertise in targeted municipalities in line with transformation of state and governance. The allocation is mainly to implement the Municipal Property Rates Act (MPRA) in all municipalities. This allocation includes the assessment of determination of upper limits of municipal councillors in terms of Remuneration of Public Office Bearers (POBA). This will also include the assessment report on the state of municipal performance. This allocation will also facilitate the development of specialist and technical skills in order to transform local government. The department will look at a number of municipalities' to be supported to institutionalise Performance Management Systems including the capacity building interventions to be conducted in municipalities in respect of financial management, project and contract management, technical skills and governance. An amount of R2 million has been set aside that cover municipalities to be supported with implementing and institutionalising the Scarce and Critical Skills Strategy focusing on the areas of Financial Management, Infrastructure and Oversight (S79, inclusive of MPACs). This will also support the merged municipalities with the Development and Design of a Functional Organisational Structure on Macro and Micro Functional structure (concept papers)

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: LOCAL GOVERNANCE

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of municipalities with anti-corruption strategies and fraud prevention plans.	6	6	6
Number of reports on fraud, corruption and maladministration cases reported and investigated	4	4	4
Number of research reports produced on key local policy issues identified during the relevant financial year(s).	4	4	2
Number of local government policies developed or reviewed as approved during the relevant financial year(s).	12	10	10
<b>Sub-Programme: Municipal Finance</b>			
Number of municipalities provided with Hands-on Support to maintain their infrastructure asset registers in line with the GRAP 17 requirements	3	3	3
Number of municipalities monitored on the implementation of Audit Response Plan based on the 2014/15 audit outcomes	12	10	10
% collection of outstanding current debtors and percentage collection of arrears government debt.	80	80	80
% of collection on Top 500 Business Debtors	80	90	95
<b>Sub-Programme Public Participation</b>			
Number of advocacy initiatives undertaken to support participatory democracy	12	12	12
Number of ward committees in Gauteng adhering to National functionality criteria.	Elections	new ward committees	new ward committees
Number of municipalities in which ward committees are trained.	Induction of all new ward councillors	New capacity building programme for councillors and ward committees.	Implementation of the new capacity building programme.
Number of programmes supported through community mobilisation.	12	12	12
<b>Sub-programme Capacity Development</b>			
Number of municipalities supported to institutionalise Performance Management System.	2	1 newly merged municipality	1 newly merged municipality
Number of municipalities supported and monitored with the review of their medium to long term HR plans	2	1 newly merged municipality	1 newly merged municipality
Number of capacity building interventions conducted in municipalities	100 participants trained	300 participants trained.	300 participants trained.
Number of municipalities supported with implementing and institutionalising the Scarce and Critical Skills Strategy	12	1 merged municipality	1 merged municipality
<b>Sub-programme Municipal performance monitoring, reporting and evaluation</b>			
Number of monitoring reports on municipal compliance in terms of the Municipal Finance Management Act.	3	3	3
Number of monitoring reports on conditional grants expenditure and municipal unauthorised; irregular; fruitless and wasteful expenditure reported	12	12	4 reports on state of municipal finances
Number of monitoring reports on compliance with Municipal Property Rates Act (MPRA).	13	13	9 compliance reports compiled on MFMA, MPRA, POBA
Number of reports on the implementation of the National Gazette on the determination of upper limits for municipal councillors in terms of Remuneration of Public Office Bearers' Act (POBA)	3	3	3
Number of reports on the implementation of the MSA Regulations on total remuneration packages payable to Municipal managers and managers directly accountable to municipal managers	1	1	1

### PROGRAMME 3: DEVELOPMENT AND PLANNING

#### Programme description

This programme seeks to coordinate, facilitate and promote integrated development and planning in municipalities to ensure that services are delivered in an integrated and sustainable manner in line with the transformation of state and governance.

#### Programme objectives

- It facilitates and coordinates processes to ensure that municipal IDPs are credible, implementable and aligned with national and provincial outcomes, plans and strategies;
- It ensures strategic management of provincial land for economic and social purposes;

- It ensures the accelerated delivery of municipal basic services and infrastructure delivery to meet national targets;
- Coordination and support is provided for the implementation of the National Disaster Management Act, the Fire Brigade Services Act and the Disaster Management Framework to ensure the effective management of disasters at national, provincial and local level;
- It facilitates integrated urban management and planning;
- It improves integration and planning;
- It increases community-based planning and
- To facilitate access to basic services for poor communities.

TABLE 7.10: SUMMARY OF PAYMENTS AND ESTIMATES: DEVELOPMENT AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Land Use Management	4 639	4 767	1 668	5 946	5 611	3 275	608	638	675
2. IDP Coordination	9 494	3 387	4 925	5 870	4 388	4 388	6 001	6 431	6 804
3. Disaster Management	9 137	12 363	13 817	53 156	53 156	55 492	58 262	62 925	67 406
4. Municipal Infrastructure	1 827	7 722	11 013	12 144	19 961	19 961	16 526	14 600	15 482
<b>Total payments and estimates</b>	<b>25 097</b>	<b>28 239</b>	<b>31 423</b>	<b>77 116</b>	<b>83 116</b>	<b>83 116</b>	<b>81 396</b>	<b>84 595</b>	<b>90 367</b>

TABLE 7.11: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>25 097</b>	<b>28 239</b>	<b>30 423</b>	<b>48 316</b>	<b>54 316</b>	<b>54 316</b>	<b>55 397</b>	<b>58 539</b>	<b>62 800</b>
Compensation of employees	23 040	19 355	26 249	28 871	28 871	30 088	30 315	34 060	36 866
Goods and services	2 057	8 884	4 174	19 445	25 445	24 228	25 081	24 479	25 934
<b>Transfers and subsidies to:</b>			<b>1 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>		
Provinces and municipalities			1 000	2 000	2 000	2 000	2 000		
<b>Payments for capital assets</b>				<b>26 800</b>	<b>26 800</b>	<b>26 800</b>	<b>24 000</b>	<b>26 056</b>	<b>27 567</b>
Buildings and other fixed structures							8 000	9 000	9 522
Machinery and equipment				26 800	26 800	26 800	16 000	17 056	18 045
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>25 097</b>	<b>28 239</b>	<b>31 423</b>	<b>77 116</b>	<b>83 116</b>	<b>83 116</b>	<b>81 396</b>	<b>84 595</b>	<b>90 367</b>

The audited actual spending for the three year period 2012/13 to 2014/15 increased by R6 million from R25 million in 2012/13 to a total of R31 million for 2014/15 financial year. The programme allocation increases significantly from R77 million in 2015/16, then increasing to R81 million in 2016/17 and to R90 million 2018/19 to cater for the renovation of the procured PDMC building, procurement of equipment for the leasing of the building over the period of two years in line with the transformation of state and governance, IDP coordination within municipalities and installation of geysers for communities in targeted municipalities. The programme in its allocation for the coming year, will facilitate the implementation of water conservation and water demand management strategy to reduce water losses by 3.7% in the coming financial year with the implementation of water and sanitation plan. Included in this allocation is the compliance to section 36 and 50 of the Disaster Management Act in compiling, printing and submission of the annual report on all PDMC activities. Disaster Management awareness campaigns at the cost of R2 million, will be implemented in collaboration with municipalities and include public education sessions, while ensuring that the centre complies with disaster management legislative requirements. This will also cater for the appointment of new employees, in line with the newly approved structure of the department, as this represents the core function.

Land Management sub-programme allocation amounts to R6 million in 2015/16 and decreases to R675 thousand over the 2016 MTEF. This is due to the on-going transfer of properties to beneficiaries and the vesting of properties in the state. This process is longer than expected as only the Minister of Land Affairs can authorise vesting of properties. This increase is also due to the disposal of redundant properties on the land asset register and the allocation of title deeds.

Integrated Development planning sub-programme allocation increases from R6 million in 2015/16 to R7 million in the outer year of the 2016 MTEF. The allocation will be used for IDP education and training, the roll out of the IDP framework, inter-governmental IDP engagements and municipal analysis and the MEC commenting process to be conducted by the Department in various municipalities. The slight additional funding request on this sub-programme is aimed at ensuring the successful implementation of the inter-governmental planning roadmap to ensure the alignment of IDPs with the NDP and the Gauteng 2055 vision, which is in line with transformation of state and governance. This budget will also include the IDP

engagements and education in all communities, including the continuous roll out of the IDP framework.

The Sub-Programme Disaster Management allocation increased from R53 million in 2015/16 to R58 million in 2016/17 to establish the new PDMC. The increase over the 2016 MTEF to R67 million is attributed to the fact that the Department will be leasing a centre for a year and liaising with municipalities on disaster issues as part of Pillar 4: Transformation of state and governance. The increase will be part of the implementation of the new PDMC, including the maintenance and the coordination of its structures to ensure a link with the municipalities. Included in this allocation is the compliance to section 36 and 50 of the Disaster Management Act in compiling, printing and submission of the annual report on all PDMC activities. Disaster Management awareness campaigns at the cost of R2 million, in collaboration with municipalities, including public education sessions. Included in the allocation is to ensure that the Department complies with disaster management legislative requirements on response and relief.

The sub-programme Municipal Infrastructure allocation grows marginally from R12 million in 2015/16 to R15 million in 2018/19. The allocation for this sub-programme is prioritised for increased interventions in water conservation and water demand management which will be implemented in Lesedi and Mogale, and the extension to other municipalities including Emfuleni and Westonaria. The budget caters for the continued review of sector plans which is a legislative requirement in terms of the Water Act and the Municipal Systems Act and informs the Gauteng Integrated Infrastructure Master Plan initiated by the GPC. The allocation to the sub-programme also relates to the development of the electricity loss management strategy and the database of alternative/efficient energy projects in the province, in line with transformation of state and governance. The department received a conditional grant for expanded public works programme (EPWP) amounting to R2 million to support job creation in communities. The programme in its allocation for the coming year, will facilitate the implementation of water conservation and water demand management strategy to reduce water losses by 3.7 per cent in the coming financial year, with the implementation of the water and sanitation plan.

Compensation of employees increases from R26 million in 2014/15 to R29 million in 2015/16 and R37 million over the MTEF as a result of expected filling of OSD positions within the unit. Over the 2016 MTEF, the increases are to supplement cost of living increases in the wage agreements. This will also cater for the appointment of new employees, in line with the newly approved structure of the department, as this programme represents the core functions performed by the department.

Goods and Services: there is a significant increase from R4 million in 2014/15 to R19 million in 2015/16. The budget increases to R26 million over the 2016 MTEF. The growth is due to the gradual establishment of the new PDMC; the connection of free basic services to registered indigent communities; the vesting and transfer of properties to beneficiaries; the review and integration of municipal IDPs; implementation of water conservation and water demand management in four targeted municipalities. The increase in allocation further provides for continuous deployment of engineers to municipalities for technical support. The installation of geysers has become a cost driver for this sub-programme. The coming year will facilitate the implementation of water conservation and water demand management strategy to reduce water losses by 3.7 per cent with the implementation of the water and sanitation plan. Included in the allocation are funds to ensure that the department complies with disaster management legislative requirements on response and relief. Funds are allocated to ensure compliance to section 36 and 50 of the Disaster Management Act in compiling, printing and submission of the annual report on all PDMC activities. Funds amounting to R2 million have also been allocated for Disaster Management awareness in collaboration with municipalities, including public education sessions.

Payments for capital assets allocation reduces from R27 million in 2015/16 financial year to R24 million in 2016/17. The funds allocated for the purchase of PDMC have been reallocated to goods and services for the leasing of the PDMC. The allocation for the outer year of the MTEF, amounts to R18 million and will be used for maintenance of equipment for the centre.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: DEVELOPMENT AND PLANNING

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of municipalities with legally compliant IDPs	12	12	12
Technical Steering Committee Engagements with Gauteng sector departments	3	3	3
Participants receiving training on IDP.	100	150	150
State of IDPs report	1	1	1
Number of municipalities participating in the IDP analysis and receiving MEC comments	12	12	12
Number of municipalities assessed against service delivery benchmarks	12	12	12
Number of functional coordinating structures for infrastructure development and service delivery.	3	3	3
Number of municipalities implementing the Gauteng water and sanitation management plan.	10	10	10
Number of municipalities supported with service delivery programmes.	7	7	7
Number of municipalities supported to implement indigent policies (Sub-outcome 1, Action 6).	10	10	10
% of indigent Households with improved access to basic electricity services.	92%	92%	95%

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of Municipalities with Electricity Loss Management Plans	Facilitate and monitor the implementation of the electricity loss management strategy.	Facilitate and monitor the implementation of the electricity loss management strategy.	Facilitate and monitor the implementation of the electricity loss management strategy.
Number of functional municipal disaster management centres	5	5	5

## PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

### Programme description

The programme promotes and facilitates viable and sustainable traditional institutions by enhancing the capacity for traditional leadership and local governance institutions in line with Pillar 4: Transformation of state and governance.

The key performance areas are:

- Traditional Institutional Administration;
- Traditional Resource Administration;
- Rural Development Facilitation; and
- Traditional Land Administration;
- To facilitate the devolution of powers and functions to ensure stable local government and traditional leadership;

TABLE 7.12: SUMMARY OF PAYMENTS AND ESTIMATES: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Traditional Institution Administration	1 596	5 061	3 888	4 081	4 051	4 139	4 851	6 848	7 245
2. Traditional Resource Administration	1 481	436	1 059	1 687	1 377	1 289	4 206	1 660	1 579
3. Rural Development Facilitation	300	72		688	411	411	410	552	555
4. Traditional Land Administration	389	454	1 560	792	1 409	1 409	947	2 004	2 036
<b>Total payments and estimates</b>	<b>3 766</b>	<b>6 023</b>	<b>6 507</b>	<b>7 248</b>	<b>7 248</b>	<b>7 248</b>	<b>10 414</b>	<b>11 064</b>	<b>11 415</b>

TABLE 7.13: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>3 766</b>	<b>6 023</b>	<b>6 507</b>	<b>7 248</b>	<b>7 248</b>	<b>7 248</b>	<b>10 414</b>	<b>11 064</b>	<b>11 415</b>
Compensation of employees	3 280	3 890	4 885	4 948	4 948	4 860	5 195	6 766	6 867
Goods and services	486	2 133	1 622	2 300	2 300	2 388	5 219	4 298	4 547
<b>Transfers and subsidies to:</b>									
<b>Total economic classification</b>	<b>3 766</b>	<b>6 023</b>	<b>6 507</b>	<b>7 248</b>	<b>7 248</b>	<b>7 248</b>	<b>10 414</b>	<b>11 064</b>	<b>11 415</b>

The budget for the programme remained constant at R7 million in 2014/15 and 2015/16 before increasing to R10 million in 2016/17 and to R11 million in 2018/19. This increase is attributed to the reprioritisation of functions from Programme one to programme four, to align the programmes with functions which will not affect the performance of the programme. This increase is attributed to the expected National Traditional Bill still to be passed by Parliament which recognises Khoisan leaders as traditional leaders. The increase is for statutory payments to tribal authorities by the department to assist them to function effectively, meet their mandate to the communities and enable the Department to finance the Kings' commemorations. The allocated budget will also meet the obligations and needs of the tribal authorities, intergovernmental relations, and filling vacant positions where necessary to the functioning of intergovernmental relations (IGR). This programme supports the transformation of the state and governance.

The allocation for the sub-programme Traditional Institutional Administration remained constant at R4 million between the 2014/15 and 2015/16 and increases to R5 million in 2016/17 and to R7 million in 2018/19. This allocation is attributed to the increase in expenses for traditional leadership including remuneration of traditional leaders and filling of critical vacancies within the directorate. In this allocation, the department will ensure that Traditional Leaders and Traditional Councils are provided and fully equipped with offices and the institution will be supported to participate in the business and programmes initiated by the House of Traditional Leadership, the Department of Traditional Affairs, as well as activities and council meetings of the City of Tshwane. This will also have the support of rural development which forms part of the National Development Plan and articulates the need for capacity development of rural communities through training and enhancing the role of the institution.

The allocation for this sub-programme Traditional Resource Administration the allocation for 2015/16 amounts to R4 million and remains constant at R2 million over the 2016 MTEF period. This relates to Pillar 4, which is transformation of state and governance. Included in the budget over the MTEF will be an administration and functioning of the amalgamated municipalities after the coming local government elections. This budget will also include conclusion of the framework on inter-governmental relations (IGR) within municipalities and traditional leadership structures.

The sub-programme Rural Development Facilitation: In 2015/16 the sub-programme receives a substantial increase from the previous years as a result of the maintenance of the new vehicles procured during the previous financial year. The increase in allocation over the MTEF also caters for the running costs of these vehicles.

The expenditure and allocation on this sub-programme's budget remains constant at R1 million for 2015/16 and for all the years of the 2016 MTEF. The allocation is used mainly for capacity building programmes in traditional leadership and the development of women within tribal communities. The funding will be utilised to continuously integrate the traditional leaders into the mainstream of the municipal councils. The allocation to this sub-programme has increased slightly, as a result of the increased intake of women.

Compensation of employees' allocation increased to R5 million for 2015/16 and remains constant at R7 million for the 2016 MTEF. This is due to a slight increase of remuneration of traditional chiefs and their staff members, including the increase in departmental staff members as a result of wage agreements.

The allocation of goods and services increases from R2 million in 2015/16 to R5 million in 2016/17, due to reprioritisation of functions from programme two to programme four, to align the programmes with functions which will not affect the performance of the programme. It decreases to R4 million in 2017/18 and 2018/19 will carry through costs of the programme which are funded in the subsequent years.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of reports on the implementation of Presidential Proclamation in terms of the Remuneration of Public Office Bearers Act (POBA)	1	1	1
Number of Traditional Councils complying to legislative prescripts	2	2	2

## 9 OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 7.14 PERSONNEL NUMBERS AND COSTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	115	114	114	154	154	154	154
2. Local Governance	598	598	598	472	472	472	472
3. Development Planning	61	61	61	51	51	51	51
4. Traditional Institutional Management	8	10	10	11	11	11	11
<b>Total provincial personnel numbers</b>	<b>782</b>	<b>783</b>	<b>783</b>	<b>688</b>	<b>688</b>	<b>688</b>	<b>688</b>
Total provincial personnel cost (R thousand)	182 711	200 300	222 104	254 395	281 299	302 359	319 896
Unit cost (R thousand)	234	256	284	370	409	439	465

TABLE 7.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

R thousands	2012/13		2013/14		2014/15		Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF					
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	2015/16		2016/17		2017/18		2018/19		Personnel growth rate	Costs growth rate	% Costs of Total	
									Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs				Personnel numbers <sup>1</sup>
<b>Salary level</b>																				
1 – 6	552		551		551		442		442	130 205	442	135 233	442	143 571	442	143 571		10.6%		43.9%
7 – 10	160		159		159		152		152	69 738	152	82 042	152	81 707	152	81 707		2.9%		27.2%
11 – 12	46		50		50		49		49	39 406	49	41 472	49	46 194	49	46 194		9.2%		14.0%
13 – 16	24		23		23		28		28	41 758	28	43 419	28	48 232	28	48 232		8.5%		14.8%
Other							17		17	192	17	193	17	192	17	192				0.1%
<b>Total</b>	<b>782</b>		<b>783</b>		<b>783</b>		<b>688</b>		<b>688</b>	<b>281 299</b>	<b>688</b>	<b>302 359</b>	<b>688</b>	<b>319 896</b>	<b>688</b>	<b>319 896</b>		<b>7.9%</b>		<b>100.0%</b>
<b>Programme</b>																				
1. Administration	115	25 799	114	46 211	114	53 277	154		154	79 843	154	83 441	154	88 281	154	88 281		5.4%		28.2%
2. Local Governance	598	130 592	598	130 844	598	137 693	472		472	165 946	472	178 092	472	187 882	472	187 882		9.2%		58.2%
3. Development Planning	61	23 040	61	19 355	61	26 249	51		51	30 315	51	34 060	51	36 866	51	36 866		7.0%		11.5%
4. Traditional Institutional Management	8	3 280	10	3 890	10	4 885	11		11	5 195	11	6 766	11	6 867	11	6 867		12.2%		2.1%
Direct charges																				
<b>Total</b>	<b>782</b>	<b>182 711</b>	<b>783</b>	<b>200 300</b>	<b>783</b>	<b>222 104</b>	<b>688</b>		<b>688</b>	<b>281 299</b>	<b>688</b>	<b>302 359</b>	<b>688</b>	<b>319 896</b>	<b>688</b>	<b>319 896</b>		<b>7.9%</b>		<b>100.0%</b>

The department is in the process of finalising its service delivery model and organisational structure as it is now a stand-alone entity. Critical vacant positions are to be filled in the next financial year to ensure that all core functions and support functioned appropriately. Personnel numbers of the department may increase as placement of staff is not finalised. The difference between the current establishment and PERSAL is due to the fact that the department is still paying compensation to employees in the Department of Human Settlement.

## 9.2. Training

TABLE 7.16: PAYMENTS ON TRAINING: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>67</b>	<b>1 683</b>	<b>6 461</b>	<b>5 502</b>	<b>5 502</b>	<b>5 502</b>	<b>7 116</b>	<b>6 990</b>	<b>7 574</b>
Subsistence and travel	67								
Payments on tuition		1 683	6 461	5 502	5 502	5 502	7 116	6 990	7 574
Other									
<b>2. Local Governance</b>	<b>4 467</b>	<b>1 000</b>	<b>1 100</b>	<b>1 100</b>	<b>1 100</b>	<b>1 100</b>	<b>1 080</b>	<b>1 134</b>	<b>1 200</b>
Subsistence and travel									
Payments on tuition	67	1 000	1 100	1 100	1 100	1 100	1 080	1 134	1 200
Other	4 400								
<b>3. Development Planning</b>	<b>4 400</b>	<b>2 400</b>	<b>3 160</b>	<b>2 660</b>	<b>2 660</b>	<b>2 660</b>	<b>2 660</b>	<b>2 793</b>	<b>2 955</b>
Subsistence and travel									
Payments on tuition	4 400	2 400	3 160	2 660	2 660	2 660	2 660	2 793	2 955
Other									
<b>4. Traditional Institutional Management</b>	<b>40</b>	<b>600</b>	<b>780</b>	<b>1 380</b>	<b>1 380</b>	<b>1 380</b>	<b>1 080</b>	<b>1 134</b>	<b>1 200</b>
Subsistence and travel									
Payments on tuition	40	600	780	1 380	1 380	1 380	1 080	1 134	1 200
Other									
<b>Total payments on training</b>	<b>8 974</b>	<b>5 683</b>	<b>11 501</b>	<b>10 642</b>	<b>10 642</b>	<b>10 642</b>	<b>11 936</b>	<b>12 051</b>	<b>12 929</b>

TABLE 7.17: INFORMATION ON TRAINING: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of personnel trained	282	120	120	120	120	120	120	126	133
<i>of which</i>									
Male	94	40	40	40	40	40	40	42	44
Female	188	80	80	80	80	80	80	84	89
Number of training opportunities	47	68	68	68	68	68	68	71	76
<i>of which</i>									
Tertiary	24	50	50	50	50	50	50	53	56
Workshops	12	16	16	16	16	16	16	17	18
Seminars	2	2	2	2	2	2	2	2	2
Other	9								
Number of bursaries offered	24	50	50	50	50	50	50	53	56
Number of interns appointed	33	10	10	10	10	10	10	11	11
Number of learnerships appointed	5								
Number of days spent on training	19	100	100	100	100	100	100	105	111

The allocation for training for the Department is related to bursaries to employees to increase capacity in departmental programmes so that the constitutional mandate can be achieved. The training offered through bursaries relates to computer training, financial management, project management and other training related to the functions of the department. The table shows the gender breakdown and types of training. The training budget is centralised in programme 1 under HR for better coordination and management. The Department is funding studies of the CDWs to improve their capacity to deliver better service.

## 9.3 RECONCILIATION OF STRUCTURAL CHANGES

N/A



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

TABLE 7.18: SPECIFICATION OF RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
Sales of goods and services other than capital assets	360	130	325	141	141	295	148	156	165
Sale of goods and services produced by department (excluding capital assets)	360	130	325	141	141	295	148	156	165
Sales by market establishments	360	130	325	141	141	295	148	156	165
<b>Interest, dividends and rent on land</b>	<b>25</b>	<b>25</b>	<b>6</b>	<b>26</b>	<b>26</b>	<b>16</b>	<b>27</b>	<b>29</b>	<b>30</b>
Interest	25	25	6	26	26	16	27	29	30
<b>Transactions in financial assets and liabilities</b>	<b>56</b>	<b>300</b>	<b>159</b>	<b>314</b>	<b>314</b>	<b>170</b>	<b>331</b>	<b>347</b>	<b>367</b>
<b>Total departmental receipts</b>	<b>441</b>	<b>455</b>	<b>490</b>	<b>481</b>	<b>481</b>	<b>481</b>	<b>506</b>	<b>532</b>	<b>563</b>

TABLE 17.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>35 394</b>	<b>73 989</b>	<b>78 967</b>	<b>119 756</b>	<b>109 943</b>	<b>109 321</b>	<b>117 704</b>	<b>121 520</b>	<b>129 988</b>
Compensation of employees	25 799	46 211	53 277	86 206	76 156	75 331	79 842	83 442	88 281
Salaries and wages	22 441	46 211	47 236	74 808	66 100	64 686	68 976	71 760	75 922
Social contributions	3 358		6 041	11 398	10 056	10 645	10 866	11 682	12 359
Goods and services	9 595	27 778	25 690	33 550	33 787	33 990	37 862	38 078	41 707
Administrative fees	10	40	39	92	84	99	75	39	32
Advertising	396	1 226	1 712	460	1 260	1 524	1 132	525	556
Minor Assets	163	502	366	115	223	167	527	359	380
Audit cost: External	31	399	2 198	3 199	3 199	3 657	3 458	3 840	4 063
Bursaries: Employees	25	254	374	864	464	175	866	909	962
Catering: Departmental activities	237	302	607	1 187	757	698	1 034	717	759
Communication (G&S)	2 470	1 506	3 998	2 000	2 600	3 392	2 796	4 286	4 534
Computer services	51	2 405	3 268	3 230	3 410	588	4 312	3 621	5 287
Consultants and professional services: Business and advisory services	1 390	22	386	1 000	660	529	422	443	468
Consultants and professional services: Legal costs	1	100	681	570	570	245	533	559	592
Contractors	329	257	802	3 300	2 706	2 221	542	511	540
Agency and support / outsourced services	2	8 908	883	411	1 192	2 224	1 637	631	667
Entertainment	36	93		20	170	170	21	22	23
Fleet services (including government motor transport)		1 510	1 934	2 200	5 960	5 837	6 410	7 042	8 691
Housing									
Inventory: Fuel, oil and gas	1								
Inventory: Materials and supplies		16	5	800	20				
Inventory: Other supplies	4								
Consumable supplies	194	2 176	1 999	3 440	2 790	3 502	3 083	3 910	4 136
Consumable: Stationery, printing and office supplies	782	2 223	1 654	1 482	1 732	2 564	1 924	1 157	664
Operating leases	564		1 211	2 100	700	268	841	2 668	2 823
Property payments	427		71	500	50	1 061	959	1 036	1 040
Transport provided: Departmental activity									
Travel and subsistence	1 775	410	1 086	2 130	1 998	1 831	1 446	1 873	1 483
Training and development	242	2 419	612	2 054	991	1 553	2 879	2 395	2 533
Operating payments	121	1	91	1 310	324	158	390	68	47
Venues and facilities	344	3 009	1 713	1 086	1 927	1 527	2 578	1 467	1 428
<b>Transfers and subsidies</b>	<b>354</b>	<b>2 485</b>	<b>1 835</b>	<b>2 530</b>	<b>2 167</b>	<b>2 167</b>	<b>2 053</b>	<b>1 999</b>	<b>2 115</b>
Non-profit institutions									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Households	354	2 485	1 835	2 530	2 167	2 167	2 053	1 999	2 115
Social benefits				330	330	2 167	30	30	32
Other transfers to households	354	2 485	1 835	2 200	1 837		2 023	1 969	2 083
<b>Payments for capital assets</b>	<b>1 257</b>	<b>4 263</b>	<b>1 879</b>	<b>3 346</b>	<b>3 346</b>	<b>3 346</b>	<b>4 105</b>	<b>5 571</b>	<b>5 894</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	830	4 263	1 865	3 346	3 346	3 346	4 105	5 571	5 894
Transport equipment						253			
Other machinery and equipment	830	4 263	1 865	3 346	3 346	3 093	4 105	5 571	5 894
Software and other intangible assets	427		14						
<b>Payments for financial assets</b>	<b>202</b>	<b>29</b>	<b>138</b>		<b>126</b>	<b>148</b>			
<b>Total economic classification</b>	<b>37 207</b>	<b>80 766</b>	<b>82 819</b>	<b>125 632</b>	<b>115 582</b>	<b>114 982</b>	<b>123 862</b>	<b>129 090</b>	<b>137 997</b>

TABLE 17.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>142 685</b>	<b>158 629</b>	<b>158 712</b>	<b>191 476</b>	<b>191 068</b>	<b>191 668</b>	<b>198 090</b>	<b>210 221</b>	<b>221 576</b>
Compensation of employees	130 592	130 844	137 693	146 457	144 444	144 116	165 946	178 092	187 882
Salaries and wages	114 508	130 844	116 948	127 261	120 633	120 860	142 714	153 120	161 128
Social contributions	16 084		20 745	19 196	23 811	23 256	23 233	24 972	26 754
Goods and services	12 093	27 785	21 019	45 019	46 624	47 552	32 143	32 129	33 694
Administrative fees	12	176	69	25	202	148	49	80	57
Advertising	93	1 058	102	3 825	2 933	4 018	994	886	919
Minor Assets		15	31	338	345	237	184	166	175
Audit cost: External	935		1 452		15	15	15		
Bursaries: Employees				65	65	65			
Catering: Departmental activities	8	87	210	556	626	2 276	428	344	364
Communication (G&S)	3 856	3 488	4 796	4 500	5 786	6 017	4 725	4 961	5 568
Computer services		547					320	350	370
Consultants and professional services: Business and advisory services		298		597	197		2 753	1 391	1 471
Contractors		194	4						
Agency and support / outsourced services	3 003	13 205	2 821	18 512	20 798	19 430	9 450	10 599	11 699
Entertainment		52	2						
Consumable supplies		10		222	44	150	233	257	302
Consumable: Stationery, printing and office supplies	32	535	576	1 174	824	1 083	545	612	648
Travel and subsistence	1 018	2 228	3 134	2 880	2 643	2 369	2 764	2 154	1 649
Training and development	2 500	3 479	5 483	7 896	7 238	7 845	7 003	7 568	8 187
Operating payments	73	80	568	44	791	406	237	264	197
Venues and facilities	563	2 333	1 771	4 385	4 117	3 493	2 444	2 498	2 088
<b>Transfers and subsidies</b>	<b>15</b>	<b>4 000</b>	<b>4 000</b>	<b>5 500</b>	<b>9 563</b>	<b>9 563</b>	<b>5 000</b>	<b>5 250</b>	<b>5 555</b>
Provinces and municipalities			4 000	5 500	9 563	9 563	5 000	5 250	5 555
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities			4 000	5 500	9 563	9 563	5 000	5 250	5 555
Municipalities			4 000	5 500	9 563	9 563	5 000	5 250	5 555
Households	15								
Social benefits	15								
Other transfers to households									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Payments for capital assets</b>									1
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment									1
Transport equipment									
Other machinery and equipment									1
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>142 700</b>	<b>158 629</b>	<b>162 712</b>	<b>196 976</b>	<b>200 631</b>	<b>201 231</b>	<b>203 090</b>	<b>215 472</b>	<b>227 132</b>

TABLE 7.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>25 097</b>	<b>28 239</b>	<b>30 423</b>	<b>48 316</b>	<b>54 316</b>	<b>54 316</b>	<b>55 397</b>	<b>58 539</b>	<b>62 800</b>
Compensation of employees	23 040	19 355	26 249	28 871	28 871	30 088	30 315	34 060	36 866
Salaries and wages	20 086	19 355	22 965	25 616	25 216	26 458	26 072	29 291	31 821
Social contributions	2 954		3 284	3 255	3 655	3 630	4 244	4 769	5 045
Goods and services	2 057	8 884	4 174	19 445	25 445	24 228	25 081	24 479	25 934
Administrative fees	2	30	17	78	78	124	49	18	20
Advertising	200	2 476	272	826	1 537	2 569	1 364	1 747	1 849
Minor Assets			30	229	229	55	322	128	136
Catering: Departmental activities	235	336	624	1 471	1 026	1 602	1 185	854	368
Communication (G&S)							1 200		
Computer services	90	570	124	600	289	335	1 000	1 034	1 094
Consultants and professional services: Business and advisory services				222	72	72	2 234	245	260
Consultants and professional services: Legal costs	8			222	37	37	234	245	260
Contractors		15		386	386		1 376	395	418
Agency and support / outsourced services		1 450		8 565	14 815	12 257	1 848	177	480
Entertainment								21	22
Fleet services (including government motor transport)							1 500		
Inventory: Clothing material and accessories		56							
Consumable supplies		618	587	2 398	2 263	3 799	451	2 573	2 723
Consumable: Stationery, printing and office supplies	345		1	502	602	268	321	526	557
Operating leases	151	400					6 000	11 500	12 167
Property payments	1	18	481	761	711	662	1 676	2 150	2 275
Transport provided: Departmental activity									535
Travel and subsistence	658	790	686	1 621	1 621	1 402	1 849	793	839
Training and development	148	1 124	254	699	699	490	1 706	1 267	1 340
Operating payments	63	92	136	98	313	91	78	82	87
Venues and facilities	156	909	962	767	767	465	688	722	506
<b>Transfers and subsidies</b>			<b>1 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>		
Provinces and municipalities			1 000	2 000	2 000	2 000	2 000		
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities			1 000	2 000	2 000	2 000	2 000		
Municipalities			1 000	2 000	2 000	2 000	2 000		
<b>Payments for capital assets</b>				<b>26 800</b>	<b>26 800</b>	<b>26 800</b>	<b>24 000</b>	<b>26 056</b>	<b>27 567</b>
Buildings and other fixed structures							8 000	9 000	9 522

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Buildings							8 000	9 000	9 522
Other fixed structures									
Machinery and equipment				26 800	26 800	26 800	16 000	17 056	18 045
Transport equipment				1 000	1 000	372	1 925	2 021	2 138
Other machinery and equipment				25 800	25 800	26 428	14 075	15 035	15 907
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>25 097</b>	<b>28 239</b>	<b>31 423</b>	<b>77 116</b>	<b>83 116</b>	<b>83 116</b>	<b>81 396</b>	<b>84 595</b>	<b>90 367</b>

TABLE 7.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>3 766</b>	<b>6 023</b>	<b>6 507</b>	<b>7 248</b>	<b>7 248</b>	<b>7 248</b>	<b>10 414</b>	<b>11 064</b>	<b>11 415</b>
Compensation of employees	3 280	3 890	4 885	4 948	4 948	4 860	5 195	6 766	6 867
Salaries and wages	2 825	3 890	4 331	4 232	4 232	4 153	4 468	5 814	5 906
Social contributions	455		554	716	716	707	727	951	961
Goods and services	486	2 133	1 622	2 300	2 300	2 388	5 219	4 298	4 547
Administrative fees		22	14	40	40	40	40	42	45
Advertising		3							
Minor Assets		5	9	30	30	30	40	50	52
Catering: Departmental activities		89	6	150	150	150	150	157	167
Agency and support / outsourced services		989	605	744	744	744	3 529	1 709	1 951
Consumable supplies			21	1	1	1	1	1	1
Consumable: Stationery, printing and office supplies	82	48	42	365	365	365	380	399	423
Travel and subsistence	22	298	134	470	470	470	331	612	647
Training and development		221	78	200	200	200	348	822	869
Operating payments	13								
Venues and facilities	369	458	713	300	300	388	400	506	392
<b>Transfers and subsidies</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>3 766</b>	<b>6 023</b>	<b>6 507</b>	<b>7 248</b>	<b>7 248</b>	<b>7 248</b>	<b>10 414</b>	<b>11 064</b>	<b>11 415</b>

# VOTE 8

## DEPARTMENT OF HUMAN SETTLEMENTS

To be appropriated by vote in 2016/17	R 5 871 166 000
Responsible MEC	MEC for Human Settlements
Administering Department	Department of Human Settlements
Accounting Officer	Head of Department of Human Settlements

### 1. OVERVIEW

#### Vision

To provide integrated sustainable human settlements and improved quality of household life.

#### Mission

To provide relevant, differentiated and good quality housing opportunities to qualifying beneficiaries in partnership with various stakeholders.

#### Values

The Department's values are based on the Batho Pele (People First) principles of the South African Public Service. Its specific focus is on:

- Integrity;
- Honesty;
- Loyalty;
- Professionalism;
- Human dignity;
- Service delivery; and
- Excellence.

#### Strategic goals

The Department's Strategic Plan gives effect to the ten pillars that drive the Gauteng Provincial Government's (GPG) five year programme. The Department aims to achieve the following eight strategic objectives:

- Build inclusive human settlements consistent with integrated, efficient and equitable spatial patterns;
- Build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements;
- Address housing needs, through effective research, monitoring, evaluation, planning and the development of appropriate human settlements policies;
- Building a productive and capable human capital with the relevant and appropriate skills base to duly respond to the needs of human settlements;
- Restoring public service ethos by promoting sound and good governance, preventing fraud, corruption and ensuring effective risk management by establishing policies and systems;
- Use human settlements as a catalyst for the creation of work and entrepreneurial opportunities inclusive of but not limited to the Expanded Public Works Programme (EPWP) and Community Works Programme (CWP) approach;
- Engendering a coordinated function of joint planning across inter-governmental platforms and spheres of government for long term transformed human settlements; and
- Enabling the department to perform its roles and responsibilities through planning, implementation and use of effective systems and ICT as a strategic enabler of business.

#### Core functions and responsibilities

The mandate of the department is derived from the Constitution. Its primary roles are:

- To promote and facilitate the provision of adequate housing in the province;
- To develop provincial housing policies that will strengthen the ability to provide housing opportunities to qualifying

beneficiaries in order to build sustainable communities;

- To develop and implement programmes and projects that give effect to the province's short, medium and long term housing plans; and
- To manage the housing delivery process and transform informal settlements, especially in priority townships and 50 poorest wards, into sustainable and vibrant communities; and provide services in respect of subsidies and rental housing.

### **Main services**

Through the Human Settlements Development Grant (HSDG), the department delivers quality housing opportunities to the people of Gauteng and develops integrated infrastructure to create cohesive communities. It is responsible for managing provincial housing assets through the property management programme and for redistributing or transferring properties to beneficiaries. In addition the department aims to building cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. Through the HSDG, the department delivers mega human settlements and post-apartheid cities, which also include student accommodation. Developing human settlements along other nodal developments is vitally important to achieve maximum impact as well as economies of scale whilst supporting the programme of radical transformation. The Department is also mandated with the upgrading of existing townships and inner cities through urban renewal programme, 20 Prioritised Township Programme (PTP) and 50 poorest wards, inner city revitalisation, ensuring that the Gauteng Rental Housing Strategy is realised, Mining towns revitalisation, Integrate hostel residents into broader social fabric and ensuring that every Gauteng resident has access to housing through the Finance-linked Individual Subsidy Programme (FLISP) rollout for families who do not qualify for social housing opportunities (those who earn between R3500 and R18000 p.m.).

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

#### **Modernisation of the public service and transformation of the state and governance**

In support of the above pillar an amount of R439 million and R930 million over the MTEF is allocated under Programme 1: Administration to strengthen and align the department's organisational capacity and capability to deliver on its mandate. It will enable the department's business units to perform efficiently by providing corporate support (human resources, financial management, ICT and office accommodation facilities). Through continuous refinement of the organisational strategy and structure in compliance with appropriate legislation and best practice, the programme ensures effective leadership, management and administrative support to the core business divisions.

#### **Decisive spatial transformation and modernisation of human settlements and urban development**

An amount of R33 million in 2016/17 and R73 million over the MTEF has been allocated to the Housing Needs, Research and Planning programme which develops policies and plans that give support to the achievement of the ideals expressed as part of achieving decisive spatial transformation and modernising human settlements and urban development, examples of such policies include the Inclusionary Housing Bill; the Densification Policy; the Gauteng Rental Housing Strategy; and the Land Invasion Framework.

Through the HSDG as well as funding from the province, a total allocation of R5 billion has been allocated in 2016/17 and R13 billion over the MTEF to support the realisation of decisive spatial transformation and modernisation of human settlements and urban development pillar through the Housing Development Programme. The Housing Development Programme aims to build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The emphasis of this programme is on providing individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy. The Department plans to implement mega-projects to provide various housing types which will be developed along nodes that will provide economic and employment opportunities. Some of these mega projects include: Lion Park, Fleurhof, Diepsloot East, Malibongwe Ridge, Syferfontein and Goudrand Extension 4. The programme is aligned with government's Outcome 8: "Sustainable human settlement and improved quality of household life".

Through the Housing Assets and Property Management programme, the Department facilitates affordable rental accommodation and delivers housing units in targeted presidential projects in order to promote home ownership. This programme in support of the above pillars provides for the sale and transfer of rental stock, devolution of housing assets, implementation of the Enhanced Extended Benefit Scheme, and housing property maintenance. In line with the above mentioned pillars, the department provides cleaning services on its stock of flats and is also transferring ownership of them to people who qualify. An allocation of R111 million has been set aside in 2016/17 and R151 million over the MTEF to support the realisation of the above pillars.

In combating fraud and corruption in the allocation of houses to beneficiaries, the department has an approved Strategic Framework on Anti-Fraud, Corruption and Ethics as well as an approved fraud prevention plan. Oversight, transparency and accountability, fraud detection, reporting and monitoring are critical components of dealing with fraud and corruption in this regard.

In line with the decisive spatial transformation and the modernisation of human settlements and urban development, the department has established a Project Management Office to address issues of service delivery protests, to reduce the waiting times for beneficiaries who are on the waiting list and to ensure coordination of departmental plans with other GPG departments. The main objectives of the PMO include, among other things the following:

- To develop processes to support the efficient and effective delivery of services in partnership and collaboration with various stakeholders in the public and private sector;
- To facilitate and coordinate the implementation of allocated projects from initiation through to execution and closure; and
- Oversee and ensure attainment of quality project deliverables in line with project plans.

The validation of qualifying beneficiaries of housing opportunities will be performed by installing a centralised biometric system for beneficiary administration while the waiting list will be reformed by updating the demand database.

### **National Development Plan (NDP) vision 2030 and the departmental strategy for 2014-19**

The national government's NDP is the overarching plan with which all departments and state agencies are aligned. In terms of the NDP Vision 2030, and Chapter eight (8) in particular, the department needs to ensure that the people of Gauteng have a decent standard of living through the elimination of poverty and the reduction of inequality through the following key areas of focus:

- Shape the spatial form of Gauteng by focusing on infrastructure investment and urban regeneration in terms of infill developments between major urban centres and aggressive densification in good locations;
- Devise alternative innovative financial instruments to increase housing opportunities by increasing the supply of Finance Linked Individual Subsidy Programme (FLISP) housing products; harnessing private sector funding and investment in housing, infrastructure development and affordable rental accommodation; and servicing stands by the capital subsidy scheme;
- Play a central coordinating and facilitative role between Global City Region (GCR) cities and capitalise on the growing integrated urban network to implement the Human Settlement Master Plan (Housing Chapters), supported by transport and infrastructure plans and well located human settlements in areas of employment and economic activity;
- Prioritise the development of urban infrastructure, environment and affordability of living in urban centres in order to implement the provincial Bulk Infrastructure Plan; and align funding streams to support the plan
- Promote social and spatial integration to achieve social cohesion through identifying and providing new human settlements;
- Develop efficient and effective human settlements, as opposed to marginalised and dysfunctional settlements or "pockets of poverty", through a joint effort with stakeholders; and
- Encourage optimal use of land through densification in strategic locations.

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

The 2015 Statistics South Africa (Stats SA) reports has estimated Gauteng's population growth at 0, 5 per cent or 200 000 individuals per annum. It is expected to remain around this level over time and in particular over the 2016 MTEF. Stats SA also indicates that the percentage of unemployed South Africans stood at 26 per cent, and that the average monthly salary for South Africans stands at R8 380 (Census 2011). The province's unemployment rate is affected by migration, and increased funding is therefore needed to cater for the increase in the number of poor people who cannot afford to buy houses. The slowdown in economic conditions and the reduction in government spending over the MTEF pose challenges in terms of the number of houses that the department can deliver.

### **Acts, rules and regulations (most recent date first)**

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- National Environmental Management Act (Act No.107 of 1998, as amended by Act No. 8 of 2004);
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Construction Industry Development Board Act (Act no. 38 of 2000);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- National Building Regulations and Building Standards Act (Act No. 103 of 1977);
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

### **Legislative and other mandates**

The core mandate of the department is to deliver quality housing opportunities to the people of Gauteng and to develop integrated infrastructure to create cohesive communities. It is also responsible for managing provincial housing assets



and for redistributing or transferring properties to beneficiaries. In addition the department aims to building cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements.

### **Policy mandate**

The department is guided by the following policies and strategies:

- National Development Plan
- Provincial Growth and Development Strategy (PGDS);
- Breaking New Ground (BNG) Strategy;
- Gauteng City Region (GCR) Strategy;
- Gauteng Human Settlements Mega Projects Strategy
- National Housing Policy; and
- National Housing Code.

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)**

### **Decisive spatial transformation and modernisation of human settlements and urban development**

The location of housing is of vital importance. Whilst significantly altering existing spatial patterns, the department has the responsibility to “modernise urban development and human settlements” through the greening of these developments and densifying them in order to counteract the shortage and cost of land in the province.

The Department continues with the consolidation of the legacy projects; the micro projects that are found across the development corridors. Currently, the department is highly engaged in the planning processes that would eventually translate into the implementation of the mega human settlements projects in not so distant a future. This will endeavour to have such developments taking place in areas closer to employment, economic opportunities and transport facilities so that residents save money and time commuting between their workplaces and homes, and also gaining access to basic services and other amenities. The Department’s performance against each one the housing programmes implemented to date (as at the end of the third quarter) is summarised below.

**Finance-Linked Programme:** The annual target under this sub-programme was 400 houses and to date 676 houses have been built exceeding the annual target by 276 units. The performance was scaled to meet the stipulated Medium Term Strategic Framework (MTSF) targets which have been implemented by private developers through the National Housing Finance Corporation (NHFC) and the Gauteng Department of Human Settlements.

**Land Parcels / hectares acquired for human settlements development:** The Department planned to acquire 16 well-located land parcels for the development of affordable housing, social and rental housing initiatives and addressing the need of the gap housing market. These pockets of land range between 3-9 hectares in extent and are located within well-established residential areas across the province. However, in addressing the “gap” market needs, the department has a responsibility towards the “modernisation of human settlements and urban development.” To develop sustainable human settlements, the department has to ensure that it affords the various segments of the housing market access to different housing typologies that suit their needs, whilst at the same time taking into account the paucity of and pricey land in the province. To date, the department only acquired 1 land parcel totalling 128 hectares.

**RDP Phase 1: Planning and Services:** Under this sub-programme the Department had an annual target of 3 265 serviced stands and to date only 797 have been serviced. The underachievement was due to project implementation delays relating to the late appointment of a service providers for the Westonaria Borwa (Crimson King) (Mega Project; incomplete planning work at Wagterskop (Mega) Project; and Top-up funding requirement for improved products (stands and houses) for Mega Projects (Savannah City).

**IRDP: Phase 1: Planning and Services: Informal Settlements.** Under this sub-programme, the Department planned to service 6 267 stands per annum. However, to date only 1 316 stands have been serviced. The short fall has been caused by a combination of factors which included among others, delays in appointment of contractors (Chief Albert Luthuli servicing of stands), insufficient bulk infrastructure in the Sedibeng region (Badirile Phase 1 and 2,); community unrests and funding shortages. Funding shortages are caused by the department having to roll out bulk infrastructure in some instances where municipalities do not have funding / budgets for the planned developments from funding which is intended to provide for housing opportunities.

**IRDP: Phase 2: Top Structure Construction:** Under this sub-programme, the Department had an annual target of 315 houses and to date has completed 878 houses. The annual target has been exceeded because the Business plan targets were revised and funding redirected from non-performing projects to align with the MTSF targets.

**Integrated Residential Development Programme (IRDP): Phase 2: Top structure construction: Informal Settlements.** Under this sub-programme, the Department had an annual target of 8 001 and to date, 5 796 units have been completed. The

cumulative 3<sup>rd</sup> quarter target has not been met due to ambitious planning where some targets were put in the business plan before pre-planning processes were concluded.

Informal Settlements upgrading; against an annual target of 4 513 houses only 337 houses have been completed to date. The reasons for the shortfall are as follows: Project implementation delays due to the late appointment of contractors; projects that had targets but were not ready for implementation due to planning work that had not been concluded or land availability agreements that were not in place; some projects were implemented by the metros and funding availability for the implementation of projects has been a challenge for those projects to be implemented by the municipalities. .

With regards to the servicing of stands, the Department had an annual target of 2 000 stands and to date only 940 have been serviced. The shortfall is in part, due to the suspension of projects in areas such as Vosloorus extension 28 after community unrests.

Rural Housing: Under this programme, the Department planned to build 215 units by the end of the year, but due to contractual-related challenges such as poor performance by contractors and water shortages, none have been delivered to date. Projects particularly affected by contractual challenges are Sokhulumi and Mamello. Appropriate remedial action is being considered.

Community Rental Units (CRU) converted/upgraded: under this programme 974 units were planned for the year and to date a total of 271 units have been upgraded. It is important to note that these units were only delivered during the first two quarters of the financial year. Nothing was delivered during the third quarter due to delays in relocating residents to make way for the upgrades.

CRUs constructed: 124 units were planned for the financial year and to date only 35 have been constructed. All the 35 were built during the third quarter. Nothing was achieved during the first 2 quarters because the Department was still obtaining temporary residential units for Wattville Hostel residences in order to allow the commencement of the planned activities. Under the priority programme, a total of 2 610 housing units was planned for the year and to date 1 870 units have been delivered. These units were completed in Fleurhof (428); Khutsong 1, 2, and 3 (463); Thulamntwana (334) and Winterveldt Ext 3 Phase 2. For the (Mega - Tshwane North Development) 101 units were delivered against a total target of 465 units in the third quarter. However, during the second quarter performance fell short of the planned target by 561 houses. The greatest short fall was in Winterveldt Ext 3 where there were delays due to procurement processes and unsuccessful negotiations with farm owners.

Provincial Specific programme (Backyard Rentals), 915 houses were planned for the year and to date only 212 houses were completed. The short fall was due to outstanding sewer connections in Atteridgeville for backyard rentals by the City of Tshwane and poor contractor performance in the Mamelodi backyard rentals.

Job Creation, the set target was to create 4 000 job opportunities during the year under review. To date 1 632 job opportunities have been created. It remains in the Department's priority to mainstream the designated groups into the country's economy through various interventions such as training and providing business and job opportunities to the designated and / or vulnerable groups: Youth, Women, and People with Disabilities (PWDs). For the year, the dDepartment planned to recruit 25 PWDs for training in construction and business management and to date 26 PWDs were recruited. This includes 3 PWDs recruited from the Military Veterans. The annual target for training the youth in construction and business management is 30, but to date none have been trained due to challenges with appointing a service provider by the NHBC who are responsible with the appointment of service providers. As part of expanding business management skills and creating work and business opportunities within the GEYODI area, the Department further planned appointing 30 participants into its Incubator Construction Programme. The 30 participants would be divided as follows: 10 women-owned companies; 10 youth-owned companies; and 10 PWDs-owned companies. To date 18 appointment letters have been issued to contractors but no actual assignment/allocation of projects has been done yet.

National Youth Service: an annual target of 200 youth to be trained and placed with contractors was set. To date 107 youth have been placed with contractors in Savana City at the Sedibeng region.

A clean and competent bureaucracy driven by a high performance culture is necessary in a developmental state. There is evidence that through Ntirhisano, government can change the way government works. The

ability of public officials to deliver on their plans and commitments is crucial in any thriving democracy because it enhances public confidence. Before the launch of the Ntirhisano community outreach programme, Gauteng was engulfed by violent community protests on a daily basis.

The Department of Human Settlements has the highest number of Ntirhisano commitments. These include amongst others:

- Kanana housing project: Whilst behind schedule, progress is being made. Beneficiary verification has been completed

while the beneficiary administration for 2 905 is ongoing. A total of 550 beneficiaries have been approved and 439 houses have been completed. There are intentions to complete the project on the 31 March 2016.

- Etwatwa: There is slow progress in the delivery of Com Biza housing project. Due to the non-performance of the contractor the contract had to be terminated. A new contractor was appointed in October 2015 to complete the project.
- Actonville: The refurbishments of the Actonville hostel are behind schedule as a demolition certificate is still not secured.
- Evaton: The completion of the Mafatsane Multipurpose Centre and the show house complex are behind schedule due to the fact that the procurement processes for service providers are still in progress.

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

#### Modernisation of human settlements and urban development

In aligning with the Medium Term Strategic Framework (MTSF) targets, the Department will undertake a rigorous exercise to ensure that targets set are a true reflection of the MTSF expectations. Variances that occurred during the previous financial years will be carried forward and spread across the remaining financial years to make up for the loss or under planning encountered during two previous financial years. The Department has taken this into consideration when aligning their 2016/17 targets with that of both the National and Provincial MTSFs.

Through its Incremental Housing Programme, under the IRDP: Phase 1: Planning and services, the Department plans to service 2 750 stands. Phase 1: Planning and Services under Informal Settlements, the Department plans to service 8 904 stands. For the Phase 2: Top Structure the Department plans to deliver 2 745 units. IRDP: Phase 2: Top Structure: Informal Settlements, the department's target is to complete 12 309 housing units. Under Social and Rental Intervention, the Department plans to build 903 Social Housing Capital Grant units for rental housing. The Department will focus more on the construction of 220 CRUs, 350 units for rural housing and also to build 2 303 units for institutional subsidies as part of aligning with the MTSF priorities.

The Department plans to create 6 000 Work opportunities through EPWP, GEYODI, Tshepo 500 000 in 2016/17 and 8 000 job opportunities between 2017/18 and 2018/19. The Department will also strengthen the implementation of its empowerment policies by prioritising GEYODI mainstreaming across all the programmes and sub programmes. Through its empowerment and job creation initiatives / contribution, the Department will train 200 youth and place them with contractors through the National Youth Service Framework (NYSF). It will also train 30 Youth entrepreneurs, 25 women entrepreneurs and 25 People living with Disabilities (PWDs) in construction and business management. The Department will further recruit 30 companies owned by designated groups (10 women, 10 Youth and 10 PWDs) to participate in incubator Programme.

The department supports the important national goal of universal access to basic services, although this is primarily the responsibility of the Department of Cooperative Governance and Traditional Affairs (COGTA). In its supportive role, the department is planning to service 600 stands and 5 229 units under its informal settlement upgrading. The servicing of stands provide for connection of basic services such as access to basic water, sanitation and electricity.

#### Decisive spatial transformation

Developing human settlements along other nodal developments is vitally important to achieve maximum impact as well as economies of scale. The department plans to acquire 5 well-located land parcels for the development of affordable housing, social and rental housing initiatives and addressing the need of the gap housing market. These pockets of land will range between 3-9 hectares in extent and are located within well-established residential areas across the province. However, in addressing the "gap" market needs, the Department has a responsibility towards the "modernisation of human settlements and urban development." To develop sustainable human settlements, the department has to ensure that it affords the various segments of the housing market access to different housing typologies that suit their needs, whilst at the same time taking into account the paucity of and pricey land in the province.

Under Financial Intervention, the FLISP programme caters for people who earn up to R18 000 a month (R3 500-R18 000 income bracket) and this is a significant increase on the previous figure of R15 000. As part of improving the property market, the department will set aside 5 land parcels to be developed through the FLISP and deliver 950 houses during the 2016/17 financial year.

In line with the provincial priorities of an inclusive GCR, the department will during the 2016/17 financial year embark on High yield projects which includes: Chief Luthuli Ext. Mega and Germiston South (Eastern Development Corridor) (Ekurhuleni) 1 839 sites and 6 239 units. 3 D Slovo Park (Crosby) (NJR(S), 3 D Lawley Ext.3 & 4 (Temiyaabo (H), 3 D Riverside View 28 (COJ H (Valumax)) 3 D Diepsloot Phase 5 COJ (H) (Central Development Corridor) (Joburg) 2 172 sites and 6 334 units. Heatherly East (Nellmapius Ext 22) (Mega - Tshwane East), Hammanskraal West Ext 2 (Mega - Tshwane North Development) and Lady Selbourne Phase 2 (Mega - Tshwane West Capital) (Northern Development Corridor) (Tshwane) 1 620 site and 6 741 units. Wagterskop (Mega), Kagiso/Azaadville (Chief Mogale Phase II), Westonaria Borwa (Mega), Kagiso ext 13 (Mega), Khutsong South Ext 5 & 6 (Western Development Corridor) (West Rand) 3 050 sites and 4 141 units. Sebokeng Ext 28 (Boiketlong

Mega), Ratanda Ext. 1,3,5,6,7&8 (Ratanda Precint Mega), Savannah City (Vaal Triangle Mega), Obed Mthombeni Nkosi Phase I (Mose) (Ratanda Precint Mega), Westside Park (Golden Highway Mega), Savannah City (Vaal Triange Mega), Southern Development Corridor (Sedibeng) 2 910 sites and 4 864 units.

**Challenges faced by the department are:**

- Continuous increase in the housing demand and thus an increase in the housing backlog;
- Distressed infrastructure as a result of rapid urbanisation and inward migration;
- An increase in the number of informal settlements across the province. Providing basic services to these areas places a huge financial burden on the province and on the municipalities;
- Growth in the “gap” market demand in line with the revised threshold;
- Difficulties in acquiring suitable and well-located housing land, and high prices asked by its owners; and
- Slow turn-around times on the FLISP application processing

**The following are some of the mitigating steps that need to be taken to address these difficulties:**

- Joint planning with municipalities and other departments. This collaborative approach is reflected in, for example, the planned mega projects.
- Long-term planning, in co-operation with municipalities and with other departments;
- Consumer education to ensure that there is wide-spread knowledge of opportunities such as FLISP;
- A Working Group has been formed to advice on the challenges facing the FLISP with a view to expediting delivery on the programme.

## 4. REPRIORITISATION

The department continues to review its operations in order to identify potential cost savings and eliminate inefficiencies. This will lead to reprioritisation, essential in the present tight fiscal environment. The department continues to explore less expensive building technologies and, taking the MTEF period as a whole, has examined how it can prioritise its budget to meet its primary objectives. Thus, the budgets of some programmes, such Programme 2 and 3 were reprioritized from the Item transfers and subsidies after the reprioritisation of the department’s business plan and were reprioritized and re-directed to Programmes 3 and 4 which are responsible for the core operations of the department and where the funds can be used more effectively.

In light of this, when comparing the 2015/16 budget against the 2016/17 budget, Programme 1: Corporate Support Services reprioritised money within as part of cost containment implementation where items such as admin fees, advertising, catering, communication, venues and facilities, travel and subsistence, consumable stationary and operating payments were reduced drastically to fund items which support the core of the business such as property payments which will fund the commission of municipal services. Further to that programme 1 decreased by R21 million and programme 2 by 4 million to fund Programme 3 and Programme 4: Core Business service delivery outputs. Programme 3: Core Business is key to the building of integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The emphasis on this programme is on the provision of individual subsidies and housing opportunities to beneficiaries in accordance with the national housing policy. This programme promotes effective and efficient delivery of Provincial and local housing programmes. It also concentrates on the integrated redevelopment of urban communities at scale, cultivating sustainable local economies.

Funds were also reprioritised to programme 4: Housing Assets and Property Maintenance mainly to promote home-ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands; and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The department motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats. It also disposes of the department’s commercial properties

## 5. PROCUREMENT

The department will continue to procure goods and services in line with the budget allocation indicated by the Provincial Treasury and in terms of all prescribed policies and Acts; and will monitor and control spending as efficiently and as effectively as possible. Purchasing, receiving and using goods and services on time is essential to service delivery. All contracts are subjected to market-related price analysis and the terms and conditions are analysed to identify areas where the department can negotiate for better value for money without compromising quality. The department encourages the use of small black owned businesses to promote sustainable job creation, using a range of these businesses in order to promote fairness and transparency.

In relation to procurement, in the 2016/17 financial year the department plans to:

- Renovate its building to optimize office space and improve the working environment;
- Continue to train and develop its staff;
- Appoint service providers on a pre-approved list basis for regular services to ensure timeous appointment of contractors;
- Acquire goods and services in line with the targets as indicated in the procurement plan;
- Finish with the appointment of service providers for construction projects within the first quarter of the financial year; and
- Honour contractual obligations.

## 6. RECEIPTS AND FINANCING

### 6.1. Summary of receipts

TABLE 8.1: SUMMARY OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	472 105	508 099	682 160	959 170	1 012 437	1 012 437	824 723	649 593	688 975
Conditional grants	4 003 776	4 108 399	4 432 595	4 979 844	4 073 467	4 981 844	5 046 443	5 967 208	6 353 813
<b>Total receipts</b>	<b>4 475 881</b>	<b>4 616 498</b>	<b>5 114 755</b>	<b>5 939 014</b>	<b>5 085 904</b>	<b>5 994 281</b>	<b>5 871 166</b>	<b>6 616 801</b>	<b>7 042 788</b>

The equitable share and the conditional grants are the main source of funding for the Gauteng Department of Human Settlements. The Human Settlements Development Grant allocation and part of the provincial funding caters for the implementation of national and provincial housing programmes. In the 2016/17 financial year the total budget of R6 billion is made up R5 billion in conditional grants and R1 million equitable share.

Over the seven years MTEF period, total receipts have increased steadily from R4 billion in 2012/13 to R7 billion in the 2018/19 financial year. The funds are allocated to enable the department to provide sustainable human settlements services and infrastructure, in line with national access and equity policy and objectives. The grant remains steady at R6 billion between 2015/16 and 2016/17 due to the fact that the HSDG was reduced by R400 million in 2016/17 financial year by the National Department of Human Settlements to make way for the Housing Development Agency (HAD). During the 2015/16 adjustment budget, the HSDG was also reduced by R908 million by the National Department of Human Settlements to fund priority projects to be implemented in KZN, Eastern Cape, North West and the Northern Cape. The decision came about after a sectorial mid-year review established that provincial departments performances were at varying degrees with others performing more than expected and it was determined that the provinces that were far ahead in terms of their delivery at mid-year review will be recapitalised as they had guaranteed more outputs for the 2015/16 financial year. As a consequence thereof the funding was reprioritised to those high performing provinces. This invariably will have an impact on the department's performance for the 2015/16 financial year and into the 2016 MTEF. The department has already put in place a recovery plan which includes among others ensuring that projects on the business plan comply to the project readiness matrix, having contractors on site on all projects per business plan by the 1st day of the 2016/17 financial year. The allocation increases to R7 billion in the 2018/19 financial year, aligned to the estimated inflation projections. The continuous increase of the Conditional Grant will assist in decreasing the housing backlog which the province experiences cause by the ever increasing number of people who migrate to the province in pursuit of a better life and employment opportunities.

Through the Emergency Relief Funding (Provincial Disaster Grant), the department is allocated R21.6 million to repair houses that were damaged by hail storm in Ekurhuleni Metropolitan Municipality in November 2015 in the 2016/17 financial year. Included in the R5 billion Human Settlement Development Grant in 2016/17 is an amount of R124 million which is earmarked for revamping mining towns which includes Merafong City, Randfontein, Westonaria and Mogale City while R47 million is made available for flood repair.

The provincial allocations and conditional grants allocated to the department during 2015/16 MTEF period provides for continuation of the Inner City Renewal, Rehabilitation of the 20 Prioritise Township Projects (PTP) and 50 poorest wards and carrying the operational activities of the department. The conditional grant funding together with funding from the province is made available to implement projects that will contribute to the TMR. Through the Human Settlements Development Grant (HSDG) as well as the funding from the province, the department will roll out projects such as Savanna City, Lion Park, Diepsloot, Fleurhof, Cosmo City and Malibongwe Ridge in the Central Corridor; in the Northern Corridor for projects such as Hammanskraal, Winterveldt and Nelmapius will be implemented, in the Eastern Corridor projects such as Chief Albert Luthuli, John Dube and Germiston South will be funded through the HSDG and provincial funding. The Western Corridor will deliver projects such as Syferfontein, Chief Mogale and Khutsong, whilst projects such as Boiketlong, Evaton and Ratanda

will be delivered in the Southern Corridor in the 2016/17 financial year.

## 6.2. Departmental receipts

TABLE 8.2: DEPARTMENTAL RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Sales of goods and services other than capital assets	1 825	3 255	989	393	393	603	414	435	460
Interest, dividends and rent on land			2 007	344	344	277	362	380	402
Transactions in financial assets and liabilities	10 876	1 633	1 964	3 692	3 692	36 195	3 888	4 082	4 319
<b>Total departmental receipts</b>	<b>12 701</b>	<b>4 888</b>	<b>4 960</b>	<b>4 429</b>	<b>4 429</b>	<b>37 075</b>	<b>4 664</b>	<b>4 897</b>	<b>5 181</b>

The department generates its revenue from parking fees, sale of tender documents and collection of rental from departmental properties. For the period under review, revenue remains stable due to the nature of the department's business. The significant revenue collection of R13 million for 2012/13 resulted from servitude rights as well as sale of scrap assets (assets less than R5 000). This was once off revenue, however, the department anticipate that the increased parking fees, tender document prices and commission on third party payments could improve revenue collection over the MTEF. Estimated revenue remains stable at R5 million over the 2016 MTEF.

## 6.3 Donor Funding

N/A

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The assumptions that underpin the department's 2016 MTEF budget are summarized below. The Department has a 7.2 percent wage increase for 2016/17, 6.8 percent for 2017/18 and 5.8 percent for the outer year of the MTEF. A 6.2 percent increase in Goods and Services is anticipated, in line with projected consumer price inflation (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2016 MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary cost including improvement of conditions of service adjustments from 1 April each year;
- Increased take-up of benefits such as medical aid and home owners' allowance based on bargaining council agreements;
- Inflation in the cost of goods and services, based on headline CPI projections;
- Provision for eradicating informal settlements through the province; and
- Provision for upgrading infrastructure services.

### 7.2. Programme summary

TABLE 8.3: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	220 968	198 197	282 788	444 995	398 543	393 765	439 358	449 717	480 351
2. Housing Needs, Research And Planning	10 821	10 818	14 595	29 603	25 798	25 795	33 078	35 822	36 771
3. Housing Development	4 103 039	4 240 571	4 647 462	5 363 737	4 446 184	5 359 343	5 287 262	6 058 371	6 448 004
4. Housing Assets Management Property Management	86 769	96 857	85 408	100 679	215 379	215 378	111 469	72 891	77 662
<b>Total payments and estimates</b>	<b>4 421 597</b>	<b>4 546 443</b>	<b>5 030 253</b>	<b>5 939 014</b>	<b>5 085 904</b>	<b>5 994 281</b>	<b>5 871 166</b>	<b>6 616 801</b>	<b>7 042 788</b>

### 7.3 Summary of Economic Classification

TABLE 8.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>362 337</b>	<b>392 077</b>	<b>421 164</b>	<b>566 206</b>	<b>599 406</b>	<b>599 407</b>	<b>560 596</b>	<b>587 344</b>	<b>623 188</b>
Compensation of employees	298 769	316 760	345 188	372 402	372 402	372 399	404 372	425 087	448 432
Goods and services	63 568	75 317	75 976	193 804	227 004	227 008	156 224	162 257	174 755
<b>Transfers and subsidies to:</b>	<b>4 047 556</b>	<b>4 141 781</b>	<b>4 574 792</b>	<b>5 333 882</b>	<b>4 458 424</b>	<b>5 366 800</b>	<b>5 260 703</b>	<b>5 982 181</b>	<b>6 369 654</b>
Households	4 047 556	4 141 781	4 574 792	5 333 882	4 458 424	5 366 800	5 260 703	5 982 181	6 369 654
<b>Payments for capital assets</b>	<b>10 460</b>	<b>12 585</b>	<b>9 111</b>	<b>38 926</b>	<b>28 074</b>	<b>28 074</b>	<b>49 867</b>	<b>47 276</b>	<b>49 947</b>
Buildings and other fixed structures	5 359								
Machinery and equipment	5 101	9 099	9 073	30 926	16 926	16 926	40 000	42 262	44 447
Software and other intangible assets		3 486	38	8 000	11 148	11 148	9 867	5 014	5 500
<b>Payments for financial assets</b>	<b>1 244</b>		<b>25 186</b>						
<b>Total economic classification</b>	<b>4 421 597</b>	<b>4 546 443</b>	<b>5 030 253</b>	<b>5 939 014</b>	<b>5 085 904</b>	<b>5 994 281</b>	<b>5 871 166</b>	<b>6 616 801</b>	<b>7 042 788</b>

The table above shows that departmental expenditure increased from R4 billion in the 2012/13 financial year to R5 billion in the 2014/15 financial year. The increase was mainly as a result of the recalculation of the equitable share receipts based on Stats SA data that showed Gauteng's population as higher than previously indicated. During the 2015/16 adjustment budget, the HSDG was reduced by R908 million by the National Department of Human Settlements to fund priority projects to be implemented in KwaZulu Natal (KZN), Eastern Cape, North West and the Northern Cape. For the period under review the budget slightly declined from R5.9 billion in 2015/16 to R5.8 billion in the 2016/17 financial. The decrease is due to reprioritisation within the housing sector which led to a reduction of R400 million on the Human Settlement Development Conditional Grant. However, over the 2016 MTEF the budget grows by 6.5 percent year on year. The largest share of the budget is allocated to the Housing Development Programme, which aims to establish sustainable human settlements where all citizens have access to housing and other social amenities.

Programme 1: Administration expenditure significantly declined from R221 million 2012/13 to R198 million in the 2013/14 financial year. The decrease related mainly to cost containment measures on Administration programmes. In 2015/16, the budget increased to R445 million; this related to the realignment of the personnel budget from Programme 3: Housing Development to this programme. For 2016/17 financial year the budget show a slight decrease of R6 million to R439 million when compared to the previous financial year budget of R445 million due to the reallocation of some HSDG funding from this programme to Programme 3: Housing Development. In 2017/18 financial year the budget amounts to R450 million and increases in the 2018/19 financial year to R480 million mainly to ensure that the programme ensures effective leadership, management and administrative support of the core business divisions through continuous refinement of organisational strategy and structure in compliance with appropriate legislation and practice.

Programme 2: Housing Needs, Planning and Research expenditure increased from R11 million to R15 million from 2012/13 to 2014/15. In 2015/16, the programme budget grew significantly to R30 million. The increase budget was mainly because the personnel budget from Programme 3: Housing Development was transferred to the correct cost centre which was this programme. In 2016/17, the allocated budget of R33 million within the programme provides for the regulatory framework for housing delivery, develops policy guidelines and provides provincial inputs on housing legislation. Over the MTEF the budget grows to R37 million or by 6 per cent year-on-year to provide for inflationary increases.

Programme 3: Housing Development Programme makes up the largest share of the budget. Its aim is to establish sustainable human settlements where all citizens have access to housing and other social amenities. Expenditure for the programme grew from R4 billion in the 2012/13 financial year to R5 billion in the 2014/15 financial year. In the 2015/16 financial year, the budget increased to R5.4 billion mainly due to additional funding of R390 million for provincial mega projects and provision of bulk infrastructure for Syferfontein Phase 1 and 2 and Savannah City. The budget was however reduced by R908 million to R4.4 billion during the adjustment budget to fund priority projects to be implement in KZN, Eastern Cape, North West and the Northern Cape. The decision came about after a sectorial mid-year review established that provincial departments performances were at varying degrees with others performing more than expected and it was determined that the provinces that were far ahead in terms of their delivery at mid-year review will be recapitalised as they had guaranteed more outputs for the 2015/16 financial year. As a consequence thereof the funding was reprioritised to those high performing provinces. This invariably will have an impact on the department's performance for the 2015/16 financial year and into the 2016 MTEF. The department has already put in place a recovery plan which includes among others ensuring that projects on the business plan comply to the project readiness matrix, having contractors on site on all projects per business plan by the 1st day of the 2016/17 financial year. The budget for the programme grows to R6 billion in 2016/17 financial year. Though the programme received additional funding, the Human Settlements Development Grant (HSDG) was reduced by R400 million in the same period and was redirected to the Housing Development Agency. An amount of R124 million is earmarked for

the mining towns of Merafong, Randfontein and Westonaria in the 2016/17 financial year. The programmes budget grows to R7 billion in the outer year of the MTEF.

Programme 4: Housing Assets Property Management expenditure was R87 million in 2012/13 and R85 million in 2014/15. It increased to R101 million in the 2015/16 main appropriation. The budget increases to R111 million in 2016/17 due to the reprioritisation of the Enhanced Extended Discount Benefit Scheme (EEDBS) funds from programme 3 (financial intervention to this programme) before it decreased to R78 million in 2018/19 due to the reprioritisation of the business plan. This allocation is mainly for coordinating, managing and overseeing the maintenance of the department's immovable assets in the form of flats, hostels and vacant stands; and to provide the tools and personnel needed for these activities.

Expenditure on compensation of employees increased from R299 million in 2012/13 to R345 million in 2014/15. In the 2015/16 financial year, the budget for personnel amounted to R372 million. The personnel budget grows from R404 million in the 2016/17 financial year to R448 million in the 2018/19 financial year. The increased allocation is mainly attributed to the yearly general increment as agreed upon by the Bargaining Council as well as the filling of critical vacant posts in the department. The total expenditure for goods and services increased considerably from R64 million in the 2012/13 financial year, to R76 million in the 2014/15 financial year. In 2015/16 the allocation for goods and services increased to R194 million mainly to address the budget pressure that the department is experiencing because of increased costs of operations. The budget decreases to R175 million for the outer year of the MTEF period due to cost containment measures being put in place by the department.

Transfers and subsidies increased from R4 billion in 2012/13 to R5 billion in 2014/15. The growth in transfers and subsidies is driven by the growth in Human Settlements Conditional Grant to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. For the period 2015/16 the total allocation for transfers and subsidies amounted to R5.3 billion and it decreases to R5.2 billion in 2016/17 to make provision for the Housing Development Agency. The allocation increases to R6 billion for the 2018/19. The increase caters for the accelerated delivery in housing projects and the eradication of informal settlements in the province.

Expenditure on machinery and equipment fluctuates, decreasing from R10 million in 2012/13 to R9 million in 2014/15 and increasing to R39 million in 2015/16. The 2016/17 budget is R50 million, and remains constant at R50 million in the outer year of the MTEF. The budget is mainly for procuring equipment as part of the tools of trade for personnel to carry out their duties efficiently and effectively.

## **7.4. Infrastructure payments**

### **7.4.1 Departmental infrastructure payments:**

Please refer to the Estimates of Capital Expenditure (ECE) for details on infrastructure payments.

### **7.4.2. Departmental Public-Private-Partnership (PPP) projects**

#### **Municipal Accreditation Framework**

- For provinces which have metropolitan municipalities within their administrative and geographical jurisdiction, the municipal accreditation process remains a key policy issue as the target for level 3 accreditation draws closer. The forthcoming financial year is expected to bring with it major developments in this regard.
- FLISP was a key policy issue during the reporting period. It was revised in order to cater for individuals earning up to R18 000 a month. This is a significant increase from the previous maximum of R15 000, and was the result of a comprehensive consultation and engagement process between the various stakeholders involved in the housing market. In addition to the revision of the subsidy bracket, the National Housing Finance Corporation (NHFC) was given the responsibility of managing FLISP applications directly with the financiers. This means that government departments' administrative responsibility in relation to FLISP has effectively been taken away.
- The department aims to work in partnership with the identified sectors and to empower them to become productive and to be actively involved in housing construction. The department has since included vulnerable groups among others, people with severe mental disabilities, people disabled by violence, particularly domestic violence, orphans and abused children, the aged, victims of war and people living with HIV/AIDS. The range of the department's beneficiaries has therefore been extended to include all vulnerable sections of society.

## **7.5. Transfers**

### **7.5.1. Transfers to public entities**

The Human Settlement Development Grant will be reduced by R240 million over a three year period. The first cut will be effected from 2015/16 financial year and the final in 2017/18 financial year. These funds will be allocated to the Housing Development Agency which is taking on an expanded mandate that includes some of the planning and project development work that was previously carried out by provinces. The reprioritisation therefore adheres to the principle that funds should follow functions.



## 7.5.2. Transfers to other entities

TABLE 8.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Gauteng Partnership Fund		322 917	100 170	200 000	200 000	200 000	212 400	224 719	237 753
<b>Total departmental transfers</b>		<b>322 917</b>	<b>100 170</b>	<b>200 000</b>	<b>200 000</b>	<b>200 000</b>	<b>212 400</b>	<b>224 719</b>	<b>237 753</b>

The Gauteng Partnership Fund (GPF) mandate seeks to provide housing finance and solutions for households that earn income between R3 500 and R18 000 per month (adjusted 2015). To facilitate or mobilise funding for affordable housing and to support the Gauteng Human Settlements to facilitate private sector participation and mobilise appropriate funding for social housing and integrated projects. Key projects for provision of affordable rental stock include: Kliptown, Commissioner Street, Anderson Street, Brickfields, Fleurhof, Sondela Village, Germiston Phase 2 and KwaShenge.

The GPF receives contributions from the Gauteng Department of Human Settlements from time to time but the entity has funded itself mainly from the interest earned from the original capitalisation of the GDHS donation. The GPF also receives interest from the loans that were given out to the borrowers. In 2013/14 the entity received a contribution from the GDHS of R322 million, in 2014/15 the contribution amounted to R100 million whilst in the current financial year 2015/16, the GPF received a contribution of R200 million from the GDHS. The GPF estimates to receive a contribution of R212 million in 2016/17 which will assist the entity to strengthen its strategic objective to increase and leverage the involvement of private sector funding for affordable housing in Gauteng with the ultimate aim of increasing the rate of delivery of sustainable human settlements in the province. The funding is expected to increase to R225 million in 2017/18 and R238 million in the outer year of the MTEF.

## 7.5.3 Transfers to local government

TABLE 8.6: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Category A</b>			38 349	327 496	629 525	629 525	741 384	188 010	182 712
Ekurhuleni Metro				85 924	128 526	128 526	126 738	62 670	60 904
City of Johannesburg			38 349	241 572	414 343	414 343	411 613	62 670	60 904
City of Tshwane					86 656	86 656	203 033	62 670	60 904
<b>Category B</b>			<b>138 871</b>		<b>178 690</b>	<b>178 690</b>	<b>190 452</b>		
Emfuleni									
Lesedi									
Mogale			13 700				86 752		
Randfontein					40 500	40 500	32 700		
Westonaria							44 700		
Merafong City			125 171		138 190	138 190	26 300		
<b>Category C</b>			<b>13 133</b>						
Sedibeng District Municipality			13 133						
West Rand District Municipality									
<b>Total transfers to municipalities</b>			<b>190 353</b>	<b>327 496</b>	<b>808 215</b>	<b>808 215</b>	<b>931 836</b>	<b>188 010</b>	<b>182 712</b>

During the 2015/16 period the department is transferring a total of R630 million to the Category A municipalities and a total of R179 million to category B municipalities. All the transfers made to category A municipalities were for the delivery of housing stock / units where the municipality is appointed as an implementing agent. R41 million is transferred to Randfontein municipality for the construction of a water reservoir which will unlock a number of developments in the west rand area and parts of the southern region. The budget for the construction of the water reservoir was funded from the mining town's earmarked allocation. R138 million is transferred to Merafong municipality of which R83 million is earmarked for the construction of a bridge over a railway line to connect the old and new developments, R22 million is earmarked for servicing of 500 sites and R34 million is allocated for the construction of 265 housing units.

The budget for transfers to category A and category B municipalities will increase to R932 million during 2016/17 financial year. The department will enter into the subsidy funding agreements with all the municipalities who will be receiving the funds. The funding is primarily for the construction of top structures and to a lesser degree, the servicing of stands. The mining towns' funds will be used to a large degree for infrastructure upgrade in the aforementioned mining towns. These areas do not receive funding from the Urban Settlements Development Grant (USDG). This funding is provided for these targeted areas in order to unblock development bottlenecks. For the two outer years of the MTEF the budget for transfers will decrease to R188 million and R183 million respectively.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The main goal of this programme is to strengthen and align the department's ability to deliver on its mandate. It enables the department's business units to perform efficiently by providing corporate support (Human Resources, financial management, supply chain, ICT, risk management and facilities management and support). The programme ensures effective leadership, management and administrative support of the core business divisions through continuous refinement of organisational strategy and structure in compliance with appropriate legislation and practice. The programme's outputs are in line with government's Outcome 12 which seeks to achieve "An efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenship.

#### Programme objectives

- To ensure that the department's supply chain processes are conducted in a manner that is fair, transparent, equitable, competitive and cost effective; and that the management and operation of the function is efficient and effective and adds value to the strategic objectives of the department;
- To ensure that Human Resources Management is a strategic partner to all units in the department;
- To provide effective legal services to the department;
- To provide efficient and effective facilities management to the department;
- To provide effective, efficient and stable ICT infrastructure and support to the department;
- To ensure prudent financial management, efficient and effective procurement systems and to ensure that financial planning and budgeting are aligned to the department's Strategic Plan;
- To provide for the functioning of the Office of the MEC and legislative support services;
- To ensure effective, efficient and transparent risk management, financial systems and controls in order to safeguard departmental assets; and
- To ensure good corporate governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility in departmental operations.

TABLE 8.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The MEC									
2. Corporate Services	220 968	198 197	282 788	444 995	398 543	393 765	439 358	449 717	480 351
<b>Total payments and estimates</b>	<b>220 968</b>	<b>198 197</b>	<b>282 788</b>	<b>444 995</b>	<b>398 543</b>	<b>393 765</b>	<b>439 358</b>	<b>449 717</b>	<b>480 351</b>

TABLE 8.8: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>212 452</b>	<b>185 555</b>	<b>248 310</b>	<b>405 769</b>	<b>368 969</b>	<b>364 191</b>	<b>389 175</b>	<b>402 109</b>	<b>430 054</b>
Compensation of employees	153 626	121 852	177 992	231 488	231 488	226 706	242 921	252 329	266 985
Goods and services	58 826	63 703	70 318	174 281	137 481	137 485	146 254	149 780	163 069
<b>Transfers and subsidies to:</b>	<b>2 171</b>	<b>72</b>	<b>181</b>	<b>300</b>	<b>1 500</b>	<b>1 500</b>	<b>316</b>	<b>332</b>	<b>351</b>
Households	2 171	72	181	300	1 500	1 500	316	332	351
<b>Payments for capital assets</b>	<b>5 101</b>	<b>12 570</b>	<b>9 111</b>	<b>38 926</b>	<b>28 074</b>	<b>28 074</b>	<b>49 867</b>	<b>47 276</b>	<b>49 947</b>
Machinery and equipment	5 101	9 084	9 073	30 926	16 926	16 926	40 000	42 262	44 447
Software and other intangible assets		3 486	38	8 000	11 148	11 148	9 867	5 014	5 500
<b>Payments for financial assets</b>	<b>1 244</b>		<b>25 186</b>						
<b>Total economic classification</b>	<b>220 968</b>	<b>198 197</b>	<b>282 788</b>	<b>444 995</b>	<b>398 543</b>	<b>393 765</b>	<b>439 358</b>	<b>449 717</b>	<b>480 351</b>

The table above shows that the programme's expenditure increased from R221 million in 2012/13 to R283 million in 2014/15 financial year. In 2015/16, financial year the budget was R445 million, decreased by R6 million in 2016/17 to R439 million. It increases to R450 million in 2017/18 and R480 million in the outer year of the MTEF.

The budget shows significant growth of 58 per cent from 2014/15 to 2015/16. This is mainly because the personnel budget shifted from other programmes to this programme. The allocated funding will enable the department to strengthen governance, combat fraud and corruption and enhance security and risk management by conducting internal audits and facilitating external audits. It will also ensure the implementation of and compliance with minimum information security standards and other security legislation. Improved service is aligned with the organisation's core objectives delivery and is achieved through the provision of cost effective and efficient ICT solutions and services, facilities, logistics and records management support services.

The Sub-programme 1: Office of the MEC has no expenditure or budget for the period under review because the function has moved to Cooperative Governance and Traditional Affairs (COGTA). However, the sub-programme continues to provide administrative and political support by developing and implementing key systems and strategies, and submitting reports and plans for the department and COGTA at stipulated times within the financial year.

The programme's expenditure on compensation of employees decreases from R154 million in 2012/13 to R122 million in 2013/14 before it increased to R178 million in 2014/15 financial year. The allocation amounts to R231 million in 2015/16 financial year. The increase results from the personnel budget being moved from other programmes to programme one administration. The budget remains relatively stable at R252 million and R267 million in the two outer years of the MTEF with provisions made for general salary adjustments

Goods and services expenditure increased significantly from R59 million to R70 million between the 2012/13 to 2014/15 financial year. In the 2015/16 financial year, the budget amounted to R174 million. The budget decreased to R146 million in the 2016/17 financial year before it increases to R163 million in the outer year of the MTEF. The budget increases will cater for software licences and the continuation of the office refurbishment and the establishment of the project management office.

## PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

### Programme description

The purpose of this programme is to facilitate and undertake housing delivery planning, identify housing needs, provide a regulatory framework for housing delivery, develop policy guidelines, provide provincial inputs on housing legislation and any amendments to these, develop provincial multi-year housing delivery plans, ensure alignment of housing plans with Integrated Development Plans (IDPs) and conduct research into the demand for housing. The programme also promotes effective and efficient delivery of provincial and local government housing programmes; integrated redevelopment of urban communities at scale; and sustainable local economies. The programme has a number of transversal functions including quality assurance, research and development and inputs into policy development, planning and housing support.

### Programme objectives

- Develop and implement departmental policies and initiate research to achieve the strategic objectives;
- Facilitate the realignment of and compliance with the regulatory environment for sustainable human settlements;
- Develop Annual Performance Plans and the 5 year Strategic Plans;
- Implement, revise and review the department's Programme of Action (PoA); and
- Provide support to various Directorates in the Department on the Development of Performance Indicators for both the APP and PoA.

TABLE 8.9: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	3 631	4 120	1 095	11 064	4 419	4 419	11 272	14 052	13 770
2. Policy	3 650	3 171	12 784	6 931	13 731	13 728	10 611	11 303	11 958
3. Planning	3 540	3 478	695	7 803	7 648	7 648	11 195	10 468	11 043
4. Research		49	21	3 805					
<b>Total payments and estimates</b>	<b>10 821</b>	<b>10 818</b>	<b>14 595</b>	<b>29 603</b>	<b>25 798</b>	<b>25 795</b>	<b>33 078</b>	<b>35 822</b>	<b>36 771</b>

TABLE 8.10: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>10 821</b>	<b>10 818</b>	<b>14 595</b>	<b>25 798</b>	<b>25 798</b>	<b>25 798</b>	<b>33 078</b>	<b>35 822</b>	<b>36 771</b>
Compensation of employees	10 759	10 479	14 162	22 245	22 245	22 245	32 657	35 380	36 335
Goods and services	62	339	433	3 553	3 553	3 553	421	442	436
<b>Transfers and subsidies to:</b>				<b>3 805</b>					
Households				3 805					
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>10 821</b>	<b>10 818</b>	<b>14 595</b>	<b>29 603</b>	<b>25 798</b>	<b>25 795</b>	<b>33 078</b>	<b>35 822</b>	<b>36 771</b>

The programme's expenditure increased from R11 million to R15 million between the 2012/13 and 2014/15 financial years. The increase was to ensure that the Inclusionary Housing Incentives chapter was completed for insertion into the (Inclusionary Housing Bill). The 2015/16 budget increases significantly by R15 million to R30 million, an increase of 100 per cent. The increase was because the personnel budget shifted from Programme 3: Housing Development. The budget is R33 million in 2016/17, R36 million in 2017/18 and R37 million in 2018/19. The increase in the budget is mainly to develop and implement departmental policies, initiate research to achieve strategic objectives and ensure alignment and compliance with the regulatory environment for sustainable human settlements.

The expenditure for the Sub-programme: Policy increased from R4 million from 2012/13 to R13 million in 2014/15. The budget decreases to R7 million in 2015/16 before it increases to R11 million in 2016/17 and remains constant over the MTEF period.

The budget on Sub-programme: Planning decreases from R4 million in 2012/13 to R695 000 in 2014/15. It increases to R11 million over the MTEF period. The growth in the budget is to support the development and alignment of the departmental planning frameworks including the Annual Performance Plans, the Integrated Multi-year Housing Development Plan, the Medium Term Budget Policy Statements and Programmes of Action, in line with national and provincial requirements.

The Sub-programme: Research did not record any expenditure in the 2012/13 financial year and in 2013/14 spending amounted to R49 000 to conduct research and develop innovative methods to address housing needs. However, the allocation was increased to R4 million in the 2015/16 financial year. There is no allocation over the MTEF as the function has now moved to the Housing Development Agency. The growth in the budget in 2015/16 will fund four research projects to be conducted annually which include: FLISP target market affordability and financial institutions lending patterns; Human Settlements Satisfaction Survey; Informal Settlements Upgrading Programme; and Understanding Demand and Backlog in the Gauteng Province.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Sub Programme: Policy</b>			
Number of Acts passed or policy guidelines approved	1	1	1
<b>Sub Programme: Planning</b>			
Number of mega human settlements project plans approved for consideration by municipalities	16	16	16
Number of housing chapters reviewed for incorporation into the IDP	5	5	5
<b>Sub Programme: Research</b>			
Number of research projects approved	4	4	4
Number of research journals published	1	1	1

### PROGRAMME 3: Housing Development

#### Programme description

The core focus of the Housing Development Programme is to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The emphasis on this programme is on the provision of individual subsidies and housing opportunities to beneficiaries in accordance with the national housing policy. This programme promotes effective and efficient delivery of Provincial and local housing programmes. It also concentrates on the integrated redevelopment of urban communities at scale, cultivating sustainable

local economies. The programme outputs are reflected in Government's Outcome 8, which seeks to achieve "Sustainable human settlement and improved quality of household life".

### Programme objectives

- Provide and develop integrated infrastructure for the creation of cohesive communities;
- Promote home ownership;
- Substantially reduce levels of unemployment;
- Create a healthy and clean living environment;
- Provide engineering services at an affordable and sustainable level;
- Reduce levels of crime and violence;
- Upgrade existing housing and create additional affordable housing;
- Alleviate poverty;
- Create sustainable livelihoods;
- Create a caring and responsive government;
- Create a better life for all; and
- Implement integrated, high impact, time bound and targeted interventions.

TABLE 8.11: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	144 423	195 719	156 394	126 236	196 236	201 018	128 849	137 405	145 273
2. Financial Interventions	344 887	577 555	484 450	475 331	376 589	376 589	339 157	554 850	574 675
3. Incremental Interventions	2 815 026	2 536 186	3 460 983	4 024 726	3 522 879	4 171 256	4 226 619	4 753 722	5 251 554
4. Social And Rental Intervention	518 942	883 058	529 650	705 971	317 066	577 066	510 427	594 001	454 313
5. Rural Intervention	279 761	48 053	15 985	31 473	33 414	33 414	82 210	18 392	22 189
<b>Total payments and estimates</b>	<b>4 103 039</b>	<b>4 240 571</b>	<b>4 647 462</b>	<b>5 363 737</b>	<b>4 446 184</b>	<b>5 359 343</b>	<b>5 287 262</b>	<b>6 058 371</b>	<b>6 448 004</b>

TABLE 8.12: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>139 064</b>	<b>195 704</b>	<b>158 259</b>	<b>126 236</b>	<b>196 236</b>	<b>201 018</b>	<b>126 644</b>	<b>137 405</b>	<b>145 273</b>
Compensation of employees	134 384	184 429	153 034	111 236	111 236	116 018	120 565	128 512	135 998
Goods and services	4 680	11 275	5 225	15 000	85 000	85 000	6 079	8 894	9 275
<b>Transfers and subsidies to:</b>	<b>3 958 616</b>	<b>4 044 852</b>	<b>4 489 203</b>	<b>5 237 501</b>	<b>4 249 948</b>	<b>5 158 325</b>	<b>5 160 618</b>	<b>5 920 965</b>	<b>6 302 731</b>
Households	3 958 616	4 044 852	4 489 203	5 237 501	4 249 948	5 158 325	5 160 618	5 920 965	6 302 731
<b>Payments for capital assets</b>	<b>5 359</b>	<b>15</b>							
Buildings and other fixed structures	5 359								
Machinery and equipment		15							
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 103 039</b>	<b>4 240 571</b>	<b>4 647 462</b>	<b>5 363 737</b>	<b>4 446 184</b>	<b>5 359 343</b>	<b>5 287 262</b>	<b>6 058 371</b>	<b>6 448 004</b>

The programme expenditure grew from R4 billion to R5 billion between 2012/13 and 2014/15. In 2015/16, the programme budget was R5.4 billion adjusted to R4.4 billion during the adjustment to fund priority projects to be implemented in KZN, Eastern Cape, North West and the Northern Cape. The decision came about after a sectorial mid-year review established that provincial departments' performances were at varying degrees with others performing more than expected and it was determined that the provinces that were far ahead in terms of their delivery at mid-year review will be recapitalised as they had guaranteed more outputs for the 2015/16 financial year. As a consequence thereof the funding was reprioritised to those high performing provinces. This invariably will have an impact on the department's performance for the 2015/16 financial year and into the 2016 MTEF. The department has already put in place a recovery plan which includes among others ensuring that projects on the business plan comply to the project readiness matrix, having contractors on site on all projects per business plan by the 1st day of the 2016/17 financial year. The budget is R5.3 billion in 2016/17. In 2017/18 the programme's budget will be R6 billion and R6.4 billion in 2018/19. The purpose of the programme is to deliver on the Department's mega projects and programmes: mixed housing development, eradication of informal settlements, alternative tenure, the urban renewal programme and the 20 Priority Township Programme (PTP) and 50 poorest wards.

The expenditure for the Sub-programme: Financial Intervention was R345 million in 2012/13 and R484 million in 2014/15. The purpose of the increase was to facilitate immediate access to housing goods and services, create an enabling environment and provide implementation support. In 2015/16 the budget stood at R475 million, mainly to cater for credit

linked individual housing subsidies, housing finance linked individual subsidies, the Enhanced Extended Discount Benefit Scheme (EEDBS), Rectified RDP stock 1994-2002, social and economic facilities, NHBRC enrolment and procurement of land parcels. In 2016/17, the programme budget decreases by R136 million from the previous financial year to R339 million due to the reprioritisation of the business plan and EEDBS being moved to programme 4. The programme budget picks to R555 million in 2017/18 and to R575 million in 2018/19. The projected budget growth will cater for the 3 611 houses targeted to be built under the Finance Linked Individual Subsidy Programme.

The expenditure for the Sub-programme: Incremental Intervention increased from R2.8 billion in 2012/13 to R3.5 billion in 2014/15. The budget remained stable at R4 billion between 2015/16 and 2016/17, and will provide for servicing 6 000 stands for Project-linked Subsidies. Under Integrated Residential Development Programme (IRDP), the Department plans to service 11 828 stands and build 31 373 houses for IRDP. The programme budget estimates show the budgets for 2017/18 and 2018/19 as R4.8 billion and R5.3 billion respectively. The estimated budget growth provides for the planned mega projects: Fleurhof Phases 1 and 2, Malibongwe Ridge, Lufereng, Goudrand Extension 4, Chief Albert Luthuli Extension 6, Tsakane Extension 22, Sebokeng Extension 28, Obed Mthombeni Nkosi Ratanda Precinct, Wesoria Borwa, Savannah City, Hamanskraal West Extension 2, Olievenhoutbosch Ext 27 and KuDube Unit 1 & 2. The Department expects 91 786 new housing units to be completed and to service 98 610 stands over the MTEF. An additional R200 million in provincial-specific funding is earmarked for planning and bulk infrastructure for the Syferfontain and Savana City mega projects

The expenditure for the Sub-programme: Social and Rental intervention grew significantly from R519 million to R883 million between 2012/13 and 2013/14. This increase was driven by the growing demand for housing resulting, among other factors, from in migration to the province. The 2014/15 expenditure of R530 million shows a decline of R353 million or 33 per cent from the previous financial year because of some of the personnel budget being moved from this programme to programme one in line with where functions are performed. The budget increases to R706 million in 2015/16 before it decreased to R510 million in 2016/17 and picks up again to R594 million in 2017/18 and decreases to R454 million in 2018/19 because of the reprioritisation of the business plan. The budget will provide for the 8 440 units to be built for Institutional Subsidies and the construction of 2 527 units for CRUs over the MTEF period. The sub-programme also plans to build 3 060 houses for rural housing.

Transfers and subsidies increased from R3.9 billion in 2012/13 to R4.5 billion in 2014/15. In 2015/16, the budget increased to R5.2 billion in 2015/16 mainly to provide for payments to contractors and service providers involved with housing development projects including Savana City and Syferfontein. The budget grows from R5.2 billion to R5.9 billion and R6.3 billion over the years of the MTEF. The decline in 2016/17 is caused by the reduction in the HSDG by R400 million as funds were reprioritised by national government to fund other priorities.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: HOUSING DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Sub-programme: Financial Interventions</b>			
Number of houses built for finance linked individual subsidy (FLISP)	893	1 340	1 378
<b>Sub-programme: Incremental Interventions</b>			
Number of stands serviced for IRDP: Phase 1 Planning and services	2 677	8 800	5 550
Number of stands serviced for IRDP: Phase 1 Planning and services	2 677	8 800	5 550
Number of houses for IRDP: Phase 2 top structure	4 920	1 660	2 730
Number of houses for IRDP: Phase 2 top structure (Informal settlements)	13 881	12 673	15 622
Number of stands serviced for informal settlements upgrading	1 170	1 300	1 500
Number of houses / units for informal settlements upgrading	4 327	5 900	4 470
<b>Sub-programme: Social and Rental Housing Interventions</b>			
Number of units build for institutional subsidies	1 930	2 200	2 300
Number of social capital grant unit build for rental housings	1 314	699	350
Number of CRU's constructed	729	1 082	454
<b>Sub-programme: Rural Interventions</b>			
Number of stands services for rural housing	300	200	200
Number of houses build for rural housing	500	100	200
<b>Priority Projects</b>			
Number of stands for priority projects	2 085	2 650	4 676
Houses for priority projects	2 542	5 614	4 048
<b>Provincial Specific Programmes</b>			
Number of houses built for provincial specific programmes linked subsidies	337	50	300

**PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT****Programme description**

The purpose of the programme is to promote home-ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands; and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The department motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats. It also disposes of the department's commercial properties

**Programme objectives**

- To capacitate social housing institutions so as to accelerate housing delivery;
- To facilitate the stabilisation of the sectional title environment;
- To facilitate and enabling environment that allows for the delivery of social housing including facilitating the involvement of financial institutions;
- To phase out special needs housing and facilitate interactions with provincial departments;
- To provide housing assistance to departmental staff;
- To facilitate medium-density housing (rental, instalment sale and cooperative housing);
- To facilitate affordable rental accommodation (including upgrade of backyard rentals and non-transferable stock);
- To promote home ownership;
- To dispose of commercial property and vacant land owned by the department in the most economical way; and
- To deliver housing units in targeted presidential projects.

**TABLE 8.13: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING ASSETS AND PROPERTY MAINTENANCE**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration				8 403	8 403	8 403	11 699	12 007	11 090
2. Sales And Transfer Of Housing Properties	44 876	53 979	42 642	39 576	127 470	127 469	51 000	5 500	6 050
3. Devolution Of Housing Properties		42 878		2 156	10 255	10 255	2 270	2 384	2 522
4. Housing Properties Maintenance	41 893		42 766	50 544	69 251	69 251	46 500	53 000	58 000
<b>Total payments and estimates</b>	<b>86 769</b>	<b>96 857</b>	<b>85 408</b>	<b>100 679</b>	<b>215 379</b>	<b>215 378</b>	<b>111 469</b>	<b>72 891</b>	<b>77 662</b>

**TABLE 8.14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>				<b>8 403</b>	<b>8 403</b>	<b>8 403</b>	<b>11 669</b>	<b>12 007</b>	<b>11 090</b>
Compensation of employees				7 433	7 433	7 433	8 229	8 866	9 114
Goods and services				970	970	970	3 470	3 142	1 976
<b>Transfers and subsidies to:</b>	<b>86 769</b>	<b>96 857</b>	<b>85 408</b>	<b>92 276</b>	<b>206 976</b>	<b>206 975</b>	<b>99 770</b>	<b>60 884</b>	<b>66 572</b>
Households	86 769	96 857	85 408	92 276	206 976	206 975	99 770	60 884	66 572
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>86 769</b>	<b>96 857</b>	<b>85 408</b>	<b>100 679</b>	<b>215 379</b>	<b>215 378</b>	<b>111 469</b>	<b>72 891</b>	<b>77 662</b>

This programme mainly deals with the Extended Discount Benefit Scheme and transfer of housing properties to beneficiaries. The programme's expenditure increased from R87 million in 2012/13 financial year to R97 million in 2013/14. The allocation for the programme in 2015/16 is R101 million. Between 2016/17 and 2018/19 the budget decreases from R111 million to R78 million. The targets for the Sub Programme: Housing Property Maintenance largely depends on how many complaints are received in a given year, as it carries out unplanned maintenance.

**SERVICE DELIVERY MEASURES****PROGRAMME 4: HOUSING ASSETS AND PROPERTY MAINTENANCE**

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of residential properties transferred to beneficiaries (EEDBS)	500	4400	300
Number of post 1994 houses regularized	78 795	78 795	78 795
Number of home owners issued with title deeds: pre 1994	7 461	400	300
Number of title deeds issued on new housing developments	23 626	23 626	23 626

## 9. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 8.15: PERSONNEL AND COSTS: HUMAN SETTLEMENTS

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	498	498	519	483	483	483	483
2. Housing Needs, Research And Planning	44	295	38	38	38	38	38
3. Housing Development	466	466	304	304	304	304	304
4. Housing Assets Management Property Management	152	152	58	58	58	58	58
Direct charges							
<b>Total provincial personnel numbers</b>	<b>1 160</b>	<b>1 411</b>	<b>919</b>	<b>883</b>	<b>883</b>	<b>883</b>	<b>883</b>
Total provincial personnel cost (R thousand)	298 769	316 760	345 188	372 399	404 372	425 087	448 432
Unit cost (R thousand)	258	224	376	422	458	481	508



TABLE 8.16: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBER AND COSTS: HUMAN SETTLEMENTS

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF				
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
<b>Salary level</b>																	
1 – 6	429	110 493	429	96 308	372	139 728	285	30	315	99 858	336	158 844	336	163 860	2.2%	17.9%	33.9%
7 – 10	467	120 280	645	144 798	350	131 464	346	4	350	120 092	350	121 026	350	125 211		1.4%	29.4%
11 – 12	96	24 726	134	30 082	154	57 844	146	8	154	95 311	154	77 746	154	87 976		-2.6%	21.0%
13 – 16	56	14 423	78	17 510	43	16 151	41	2	43	37 298	43	44 043	43	46 597		7.7%	10.3%
Other	112	28 847	125	28 062			21		21	19 841		23 429		24 788	-100.0%	7.7%	5.5%
<b>Total</b>	<b>1 160</b>	<b>298 769</b>	<b>1 411</b>	<b>316 760</b>	<b>919</b>	<b>345 188</b>	<b>839</b>	<b>44</b>	<b>883</b>	<b>372 399</b>	<b>883</b>	<b>404 372</b>	<b>883</b>	<b>448 432</b>		<b>6.4%</b>	<b>100.0%</b>
<b>Programme</b>																	
1. Administration	498	153 626	498	121 852	519	177 992	448	35	483	226 706	483	242 922	483	266 985		5.6%	59.9%
2. Housing Needs, Research And Planning	44	10 759	295	10 479	38	14 162	37	1	38	22 242	38	32 657	38	36 335		17.8%	7.5%
3. Housing Development	466	134 384	466	184 429	304	153 034	297	7	304	116 018	304	120 565	304	135 998		5.4%	30.5%
4. Housing Assets Management Property Management	152		152		58		57	1	58	7 433	58	8 229	58	9 114		7.0%	2.0%
Direct charges																	
<b>Total</b>	<b>1 160</b>	<b>298 769</b>	<b>1 411</b>	<b>316 760</b>	<b>919</b>	<b>345 188</b>	<b>839</b>	<b>44</b>	<b>883</b>	<b>372 399</b>	<b>883</b>	<b>404 372</b>	<b>883</b>	<b>448 432</b>		<b>6.4%</b>	<b>100.0%</b>

For the period under review the table above indicates personnel numbers and personnel cost estimates relating to the Department of Human Settlements. The departmental structure was reviewed to ensure filling of posts in accordance with the availability of funds. The number of contract workers declines substantially from the previous financial years, with contract workers being absorbed as permanent staff members. The table above indicates that the personnel numbers will remain stable at 883 over the MTEF as the department does not plan to create additional positions but plans to fill all the critical vacant positions in line with the approved structure. The growth in personnel cost is in line with inflation rates and also takes into consideration the improved conditions of service as per agreements reached during the bargaining process.

## 9.2. Training

TABLE 8.17: PAYMENTS ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>2 062</b>	<b>7 120</b>	<b>904</b>	<b>3 817</b>	<b>3 817</b>	<b>3 817</b>	<b>4 044</b>	<b>4 251</b>	<b>4 485</b>
<b>Subsistence and travel</b>									
Payments on tuition	2 062	7 120	904	3 817	3 817	3 817	4 044	4 251	4 485
Other									
<b>Total payments on training</b>	<b>2 062</b>	<b>7 120</b>	<b>904</b>	<b>3 817</b>	<b>3 817</b>	<b>3 817</b>	<b>4 044</b>	<b>4 251</b>	<b>4 485</b>

TABLE 8.18: INFORMATION ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of personnel trained	226	200	300	400	400	400	500	600	635
<i>of which</i>									
Male	74	90	140	160	160	160	240	240	254
Female	152	110	160	240	240	240	260	360	381
Number of training opportunities	8	20	20	20	20	20	25	25	26
<i>of which</i>									
Tertiary		10	10	8	8	8	10	12	13
Workshops	8	7	7	4	4	4	5	6	6
Seminars		3	3	3	3	3	3	2	2
Other				5	5	5	7	5	5
Number of bursaries offered	111	73	100	100	100	100	100	100	106
Number of interns appointed	25	29	30	30	30	30	30	30	32
Number of learnerships appointed		29	30	15	15	15	15	15	16
Number of days spent on training		80	80	100	100	100	120	126	133

The table above gives the number of staff participating in the training programmes provided by the department in order to improve efficiency and service delivery. It shows a gender breakdown in relation to various types of training as well as details of the number of bursaries and training developments. The training offered relates to computer training, secretarial courses, project management and financial management. The high training cost relates to bursaries to various institutions for different courses.

A total number of 80 employees were trained and developed through skills programmes coordinated by the department in the following programmes: Ms Excel and PowerPoint; project management; the department conducted in-house training where 634 employees were trained on the performance management and development.

## 9.3. Reconciliation of structural changes

N/A

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

TABLE 8.19: SPECIFICATION OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Sales of goods and services other than capital assets</b>	<b>1 825</b>	<b>3 255</b>	<b>989</b>	<b>393</b>	<b>393</b>	<b>603</b>	<b>414</b>	<b>435</b>	<b>460</b>
Sale of goods and services produced by department (excluding capital assets)	1 825	3 255	989	393	393	603	414	435	460
Sales by market establishments	1 825	3 255	989	393	393	603	414	435	460
<b>Interest, dividends and rent on land</b>			<b>2 007</b>	<b>344</b>	<b>344</b>	<b>277</b>	<b>362</b>	<b>380</b>	<b>402</b>
Interest			2 007	344	344	277	362	380	402
<b>Transactions in financial assets and liabilities</b>	<b>10 876</b>	<b>1 633</b>	<b>1 964</b>	<b>3 692</b>	<b>3 692</b>	<b>36 195</b>	<b>3 888</b>	<b>4 082</b>	<b>4 319</b>
<b>Total departmental receipts</b>	<b>12 701</b>	<b>4 888</b>	<b>4 960</b>	<b>4 429</b>	<b>4 429</b>	<b>37 075</b>	<b>4 664</b>	<b>4 897</b>	<b>5 181</b>

TABLE 8.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>212 452</b>	<b>185 555</b>	<b>248 310</b>	<b>405 769</b>	<b>368 969</b>	<b>364 191</b>	<b>389 175</b>	<b>402 109</b>	<b>430 054</b>
Compensation of employees	153 626	121 852	177 992	231 488	231 488	226 706	242 921	252 329	266 985
Salaries and wages	133 380	98 560	177 992	185 191	185 191	180 407	194 474	200 850	212 943
Social contributions	20 246	23 292		46 297	46 297	46 299	48 447	51 479	54 042
Goods and services	58 826	63 703	70 318	174 281	137 481	137 485	146 254	149 780	163 069
Administrative fees	60		71	53	53	53	111	166	176
Advertising	2 430	3 813	2 230	8 725	5 125	5 125	2 500	2 099	2 461
Minor assets	1 004	1 079	169	105	105	105	1 449	1 522	1 610
Audit cost: External	193		5 209	6 825	13 825	13 825	13 414	15 265	16 150
Bursaries: Employees	157	269	421	2 893	2 893	2 892	4 045	1 097	1 161
Catering: Departmental activities	1 298	1 284	317	2 678	1 478	1 478	800	600	635
Communication (G&S)	15 173	18 218	15 600	20 000	20 000	13 334	15 530	13 201	11 220
Computer services	2 932	88	3 891	15 750	3 750	3 750	7 002	7 352	7 779
Consultants and professional services: Business and advisory services	8 535	8 270	15 686	38 879	11 879	14 060	8 540	6 411	6 783
Consultants and professional services: Legal costs	8	25	13	210	210	210	106		
Contractors	2 020	33	196	39 553			3 064	787	833
Agency and support / outsourced services	9	99		126	126	126	246	259	274
Entertainment	42	21							
Fleet services (including government motor transport)		(2)	14 745	11 000	11 000	15 486	10 000	10 154	16 841
Inventory: Clothing material and accessories		50	276						
Inventory: Food and food supplies		215	13	200	200	200	100	716	757
Inventory: Fuel, oil and gas	10			16	16	16	16	17	18
Inventory: Materials and supplies	1								
Inventory: Other supplies	1 193								
Consumable supplies		2 595	1 397	4 352	4 352	4 351	9 210	10 518	11 128
Consumable: Stationery, printing and office supplies	4 598	3 930	2 332	3 000	3 000	3 000	2 973	1 889	1 561
Operating leases	3 461	-60		4 000	4 000	4 000	3 500	10 612	11 228
Property payments	2 625	3 503	1 601	2 650	42 203	42 203	46 309	52 000	58 240
Transport provided: Departmental activity		15 560					2 500	2 625	2 777
Travel and subsistence	10 279	1 460	3 180	4 674	4 674	4 676	4 665	3 946	3 344
Training and development	1 487	534	904	3 724	3 724	3 724	5 044	4 251	4 485
Operating payments	743	87	320	500	500	500	1 232	994	818
Venues and facilities	568	2 632	1 747	4 368	4 368	4 371	3 900	3 300	2 791
<b>Transfers and subsidies</b>	<b>2 171</b>	<b>72</b>	<b>181</b>	<b>300</b>	<b>1 500</b>	<b>1 500</b>	<b>316</b>	<b>332</b>	<b>351</b>
Households	2 171	72	181	300	1 500	1 500	316	332	351
Social benefits	2 171	72	181	300	1 500	1 500	316	332	351

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Other transfers to households									
<b>Payments for capital assets</b>	<b>5 101</b>	<b>12 570</b>	<b>9 111</b>	<b>38 926</b>	<b>28 074</b>	<b>28 074</b>	<b>49 867</b>	<b>47 276</b>	<b>49 947</b>
Machinery and equipment	5 101	9 084	9 073	30 926	16 926	16 926	40 000	42 262	44 447
Transport equipment							10 000	16 605	17 568
Other machinery and equipment	5 101	9 084	9 073	30 926	16 926	16 926	30 000	25 657	26 879
Software and other intangible assets		3 486	38	8 000	11 148	11 148	9 867	5 014	5 500
<b>Payments for financial assets</b>	<b>1 244</b>		<b>25 186</b>						
<b>Total economic classification</b>	<b>220 968</b>	<b>198 197</b>	<b>282 788</b>	<b>444 995</b>	<b>398 543</b>	<b>393 765</b>	<b>439 358</b>	<b>449 717</b>	<b>480 351</b>

TABLE 8.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>10 821</b>	<b>10 818</b>	<b>14 595</b>	<b>25 798</b>	<b>25 798</b>	<b>25 795</b>	<b>33 078</b>	<b>35 822</b>	<b>36 771</b>
Compensation of employees	10 759	10 479	14 162	22 245	22 245	22 242	32 657	35 380	36 335
Salaries and wages	8 902	10 479	14 162	17 781	18 381	18 379	25 319	27 685	28 347
Social contributions	1 857			4 464	3 864	3 863	7 338	7 695	7 988
Goods and services	62	339	433	3 553	3 553	3 553	421	442	436
Administrative fees				7	7	7	7	8	8
Advertising				7	7	7	7	8	8
Minor assets				164	164	164	4	4	17
Catering: Departmental activities		5		441	441	441	43	45	48
Consultants and professional services: Business and advisory services			274		161	161			
Contractors		4							
Inventory: Clothing material and accessories			105						
Consumable supplies				8	163	163	8	9	9
Consumable: Stationery, printing and office supplies			104	678	678	678	82	73	65
Operating leases		60							
Travel and subsistence	15	10	54	800	800	800		13	14
Training and development				93	93	93			
Operating payments	23	22		255	100	100	269	282	266
Venues and facilities	24	134		1 100	939	939			
<b>Transfers and subsidies</b>				<b>3 805</b>					
Households				3 805					
Other transfers to households				3 805					
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>10 821</b>	<b>10 818</b>	<b>14 595</b>	<b>29 603</b>	<b>25 798</b>	<b>25 795</b>	<b>33 078</b>	<b>35 822</b>	<b>36 771</b>

TABLE 8.22: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>139 064</b>	<b>195 704</b>	<b>158 259</b>	<b>126 236</b>	<b>196 236</b>	<b>201 018</b>	<b>126 644</b>	<b>137 405</b>	<b>145 273</b>
Compensation of employees	134 384	184 429	153 034	111 236	111 236	116 018	120 565	128 512	135 998
Salaries and wages	110 184	128 229	153 034	98 134	98 134	101 103	107 750	114 596	122 010
Social contributions	24 200	56 200		13 102	13 102	14 915	12 815	13 916	13 989
Goods and services	4 680	11 275	5 225	15 000	85 000	85 000	6 079	8 894	9 275
Administrative fees									
Advertising	52								
Minor assets	15	11			100	100	500	600	634
Audit cost: External		7 589							
Bursaries: Employees									
Catering: Departmental activities	45	187	44				158		
Communication (G&S)							1		
Consultants and professional services: Business and advisory services					12 816	12 816	500	500	529
Contractors								150	159
Agency and support / outsourced services	491			10 000	12 000	12 000	4 468	6 589	6 971
Entertainment									
Fleet services (including government motor transport)		2							
Inventory: Other supplies	16								
Consumable supplies		238			1 000	1 000	37	39	41
Consumable: Stationery, printing and office supplies	262		18		2 400	2 400	255	850	765
Operating leases	404		1 948				159	167	177
Property payments	1				50 000	50 000			
Transport provided: Departmental activity									
Travel and subsistence	3 156	3 203	2 685	2 500	4 184	4 184			
Training and development	3								
Operating payments	88	27	530	2 500	2 500	2 500	1		
Venues and facilities	147	18							
Rental and hiring									
<b>Transfers and subsidies</b>	<b>3 958 616</b>	<b>4 044 852</b>	<b>4 489 203</b>	<b>5 237 501</b>	<b>4 249 948</b>	<b>5 158 325</b>	<b>5 160 618</b>	<b>5 920 965</b>	<b>6 302 731</b>
Households	3 958 616	4 044 852	4 489 203	5 237 501	4 249 948	5 158 325	5 160 618	5 920 965	6 302 731
Social benefits									
Other transfers to households	3 958 616	4 044 852	4 489 203	5 237 501	4 249 948	5 158 325	5 160 618	5 920 965	6 302 731
<b>Payments for capital assets</b>	<b>5 359</b>	<b>15</b>							
Buildings and other fixed structures	5 359								
Buildings	5 359								
Other fixed structures									
Machinery and equipment		15							
Transport equipment									
Other machinery and equipment		15							
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 103 039</b>	<b>4 240 571</b>	<b>4 647 462</b>	<b>5 363 737</b>	<b>4 446 184</b>	<b>5 359 343</b>	<b>5 287 262</b>	<b>6 058 371</b>	<b>6 448 004</b>

TABLE 8.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>				<b>8 403</b>	<b>8 403</b>	<b>8 403</b>	<b>11 699</b>	<b>12 007</b>	<b>11 090</b>
Compensation of employees				7 433	7 433	7 433	8 229	8 866	9 114
Salaries and wages				5 203	5 203	5 203	5 786	6 360	6 500
Social contributions				2 230	2 230	2 230	2 443	2 506	2 614
Goods and services				970	970	970	3 470	3 142	1 976
Advertising							2 500	2 150	1 149
Minor assets				150	150	150	150	158	167
Catering: Departmental activities				150	150	150	150	158	
Consumable supplies				300	300	300	300	315	333
Travel and subsistence				170	170	170	170	152	136
Venues and facilities				200	200	200	200	210	191
<b>Transfers and subsidies</b>	<b>86 769</b>	<b>96 857</b>	<b>85 408</b>	<b>92 276</b>	<b>206 976</b>	<b>206 975</b>	<b>99 770</b>	<b>60 884</b>	<b>66 572</b>
Households	86 769	96 857	85 408	92 276	206 976	206 975	99 770	60 884	66 572
Social benefits									
Other transfers to households	86 769	96 857	85 408	92 276	206 976	206 975	99 770	60 884	66 572
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>86 769</b>	<b>96 857</b>	<b>85 408</b>	<b>100 679</b>	<b>215 379</b>	<b>215 378</b>	<b>111 469</b>	<b>72 891</b>	<b>77 662</b>

# VOTE 9

## DEPARTMENT OF ROADS AND TRANSPORT

To be appropriated by vote in 2016/17	R 7 299 704 000
Responsible MEC	MEC for Roads and Transport
Administering Department	Department of Roads and Transport
Accounting Officer	Head of Department

### 1. OVERVIEW

The Gauteng Department of Roads and Transport (GDRT) is the main contributor to the provincial outcome of providing a modernised public transport system which has sustainable road infrastructure and integrated transport system that is reliable, accessible, safe and affordable, and that has a broad range of socio-economic effects. These include the benefits flowing from increased accessibility, employment creation, increased efficiency and social inclusion of all citizens of the province.

#### Vision

A modern integrated, efficient and sustainable transport and road infrastructure system in Gauteng.

#### Mission

To facilitate and provide an integrated transport system that:

- Is reliable, accessible, safe and affordable;
- Promotes seamless mobility and social inclusion;
- Is environmentally sustainable; and
- Support industrialisation and radical socio-economic transformation.

#### Strategic Goals

- A modern integrated public transport system that provides customer-centric transport services.
- Strategic economic transport infrastructure that stimulate socio-economic growth
- A modern, accountable and development oriented department.

#### Core functions and responsibilities

- To contribute to the achievement of departmental outcomes;
- To develop and maintain a sustainable road infrastructure that contributes to increased economic growth and enhanced quality of life in Gauteng;
- To develop a policy framework in support of a modern, integrated and intelligent transport system;
- To contribute to the regulation of transport-related carbon emissions;
- To contribute to environmental protection through green transport;
- To provide public transport infrastructure to promote integration and inter-modality of public transport;
- To regulate public transport operations through the issuing of operating licenses and permits;
- To regulate public transport operations through the registration of associations;
- To issue valid drivers' licenses; and
- To issue valid vehicle licenses.

#### Main services

Main services	Actual customers	Potential customers	Standard of service
Manage, coordinate and integrate the overall planning of transport in metropolitan areas	DRT, District and Metropolitan Municipalities, PRASA and Transnet	Commuters and the General public	Provincial Land Transport Framework (PLTF)
Implementation of freight plan for Gauteng	Transport Authorities, Municipalities, Gauteng Department of Agriculture and Rural Development (GDARD), Gauteng Growth and Development Agency and Transnet	Freight industry and all road users	According to the Gauteng Freight implementation strategy
Construction and upgrading of the provincial road networks	General public, other departments and municipalities	General public, other departments and municipalities	GDRT's standards and code procedures
Issue abnormal vehicle and load permits	An average of 100 applications per month	Determined by the economy	Two work days per permit
Issuing of Operating Licenses/Permits for all public transport modes in the Province	Public Transport Operators and commuters	Public Transport Operators and commuters	Operating licenses/permits issued within 120 working days upon receipt of application
Testing of vehicles and issuing of road worthy certificates	Vehicle owners and road users	Vehicle owners, road users and general public	Testing of motor vehicles and issuing of road worthy certificates completed within two hours.



### **Ten Pillar Programme of Transformation, Modernisation and Re-Industrialisation**

The functions of this department is aligned to the outcomes of the Transformation, Modernisation and Re-industrialisation (TMR) which is supported by the Pillars of Radical economic transformation; Decisive spatial transformation; Modernization of the public service; Modernization of human settlements and urban development.

The DRT has initiated the development of outcome statements in relation to the relevant government outcomes. It has consulted lead and support departments pivotal to the realization of the an efficient, competitive and responsive economic infrastructure network outcome, including consultations focused on the content, costing and budgeting for key projects that support the outcome statements.

The department plays a key role in the implementation of an efficient, competitive and responsive economic infrastructure network outcome through the provision of transport infrastructure, transport regulation services and transport planning services. The department also contributes to the modernisation of public transport infrastructure, radical economic transformation, decisive spatial transformation, modernisation of the public service, modernisation of human settlements and urban development through development strategy with the construction of the rural roads infrastructure and the Inner City Renewal Programme through the construction of road linkages

The department will also contribute to Gauteng Tshepo 500 000, an intervention of the Gauteng Provincial, which is intended at providing hope and enabling the unemployed youth, women, people with disabilities and children born of military veterans, to participate in the mainstream of Gauteng economy through training and skills development.

It will also contribute to the revitalisation of the township economy which is focused at improving the lives of the communities within townships. The Department will perform this function through the creation of opportunities by sourcing some of the materials required for road construction or transport related matters.

Furthermore, the Department will also contribute to the Ntirhisano outreach programme, an initiative by the Gauteng government aimed at ensuring that all government structures perform the functions assigned to them optimally to benefit the communities of Gauteng. The coordination of plans between government institutions is essential to maximise efficiency. The development of mechanisms to unblock bottlenecks may improve service delivery through improved decision making. The administrative functions of the Department contribute to an efficient, effective and developmental orientated public service outcome. As it is a new focus within government, the outcomes planning and budgeting process has required extra effort within limited timeframes, and departments have had to focus on developing their plans for their own lead roles and at the same time, on their supporting roles aligned with the lead roles of other departments. Ensuring proper alignment has therefore posed a challenge. The province will continue to confront this challenge during further implementation of outcomes planning and budgeting.

### **National Development plan**

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. It provides a broad strategic framework to guide key choices and actions. Government recently adopted an Infrastructure Plan intended to transform the country's economic landscape, create a significant number of new jobs, strengthen the delivery of basic services and support the integration of African economies. In relation to transport, the plan aims to consolidate and expand the transport and logistics infrastructure, with key focus areas being:

- Upgrading the Durban-Gauteng freight corridor, including a new port at the old Durban airport site (SIP2); and
- Public transport infrastructure and systems, including the renewal of the commuter rail fleet, supported by enhanced links with road based services (SIP7).

In response to the NDP, the Department of Roads and Transport developed the five-year Gauteng Transport Integrated Plan (GTIP5) as well as the Integrated Transport Master Plan (ITMP 25) that both provide a framework within which an efficient and integrated transport system for Gauteng can be achieved. The ITMP25 has been widely consulted and is the framework for the department's 2014-2019 Strategic Plan. It aims to improve the lives of all Gauteng residents and to position the province as an ideal place in which to live and work, and as an attractive destination for foreign investment and tourism. It departs fundamentally from apartheid spatial planning, land use and mobility and proposes an integrated and equitable transport value chain where public transport has the highest priority. It provides a planning framework to assist government at all three levels to deliver the transport system over the next 25 years.

The ITMP25 does not replace local and provincial medium-term statutory planning in terms of the National Land Transport Act (2009) but provides an overarching framework within which integrated transport planning should be done, over the next 25 years. The founding principles for the ITMP25 are:

- Integration of land use with transport, as well as integration of networks, modes and services;
- Being "smart" by using scarce resources more effectively and applying suitable technology;
- Social inclusion and beneficiation; and
- Promotion of a more sustainable Gauteng City Region (CGR).

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

The country continues to focus on accelerating the service delivery and the province has adopted a Ten Pillar programme of radical transformation, modernisation, and reindustrialisation of Gauteng over the next five to 15 years. This necessitates the Department to align to the national and provincial priorities by engaging in projects that support them. The political landscape within the country is making it imperative for the Department to deliver quality products and services, speedily, for citizens of the province to realise the impact of the work of the Department.

The report on the socio-economic impact of the Gauteng Freeway Improvement Project (GFIP) and related E-tolls requires the department to accelerate the construction of new alternative roads as well as to maintain the existing ones, so that road users have an alternative. This has been incorporated into the 2016 MTEF budget, in line with available resources.

**Acts, rules and regulations**

Schedules 4 and 5 of the Constitution of South Africa, empower provinces with concurrent competencies with national government, and with exclusive legislative competencies in specific functional areas such as public transport, provincial roads and public works.

**Key legislation and policies to the mandate of the GDRT include:**

- Gauteng Transport Framework Revision Bill, 2008;
- Government Immoveable Assets Management Bill, 2006;
- Gautrain Management Agency Act, 2006;
- Gauteng Planning and Development Act, 2003;
- Gauteng Transport Framework Revision Act, 2002;
- Planning Professions Act, 2002;
- Gauteng Public Passenger Road Transport Act, 2001;
- Gauteng Transport Infrastructure Act, 2001;
- National Spatial Development Perspective;
- Architectural Profession Act, 2000;
- Built Environment Professions Act, 2000;
- Construction Industry Development Board Act, 2000;
- Engineering Profession Act, 2000;
- Landscape Architectural Profession Act, 2000;
- National Land Transport Transition Act, 2000;
- Project and Construction Management Act, 2000;
- Property Valuers ' Profession Act, 2000;
- Road Traffic Management Corporation Act, 1999;
- National Environmental Management Act, 1998;
- National Road Traffic Act, 1996;
- Occupational Health and Safety Act, 1993 (and particularly the associated construction regulations)
- Road Traffic Act, 1989; and
- Standards Act, 1982 (and particularly the associated National Building Regulations).

**2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)****Pillar 8: Modernisation of Public Transport Infrastructure****Output 1: Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of our logistics and transport infrastructure ensured**

The overall mandate of the department is linked to this pillar through the provision of affordable new transport infrastructure and upgrade of the current infrastructure and systems. The focus is on promoting accessibility to major economic hubs and creating jobs for citizens in the province. The department contributes to this pillar through the construction and maintenance of the provincial road network.

**Gauteng Household Travel Survey**

The household travel survey examines the provincial travel patterns in the specific provincial regions. The information obtained from the household travel survey is a critical component in planning of the province's transportation infrastructure and also valuable in optimising existing transportation operations. It is also essential in understanding travel modes of different market segments, to measure accessibility of public transport facilities and private motor vehicles, including attitudes towards this. Although the project was completed in the 2015/16 financial year, it needs a mention that the next cycle to update the information will be in 2024/25.

**Traffic engineering**

In the 2015/16 financial year, a feasibility study on the Intelligent Transport System (ITS) programme was conducted and

concluded, and it revealed that ITS measures needed to be implemented on all the freeways in Gauteng, national as well as provincial. The project will be piloted on provincial freeways on the M1 between Buccleuch and Corlett drive. A full M1 programme implementation plan was also concluded and approved during the year. The Department also initiated programmes to upscale protection, improve safety and efficient use of the provincial road network. These initiatives will result in safer and shorter travel time. Furthermore, infrastructure optimisation projects were performed within the province. These will ease congestion and improve safety at hazardous intersections.

The programmes implemented within the unit have progressed in line with the plans and budget for the year.

- All 4 provincial weighbridges were maintained and calibrated
- Maintenance and upgrading of provincial traffic signals;
- Maintenance of provincial traffic survey facilities;
- Performance of road safety audits and implementation of improvements; and

These are annual activities that are performed throughout the year. The unit is also in the process of developing the design layout for the construction of the Westonaria Traffic Control Centre and will finalise this during the fourth quarter.

### Design

Progress on designs for the following projects are summarised hereunder:

- K101 from Randjiesfontein interchange to Olifantsfontein Road to New Road (private contribution) – there were budget alignment issues that hindered the start of the project, and as a result, the design will be completed in June 2016, which will include the interchange with K27.
- K154 Phase 2 Gauteng Highlands: Graceview Access Road to Old Vereeniging Road - the project did not take off as anticipated at the start of the financial year; however, it has progressed to a stage where designs are completed. The outstanding water use licence and proclamation of the road reserve will both be completed by 2017/18.
- K148/N3 construction of interchange and access road to OR Tambo/Springs – this is a 36 month project. The delay is in relation to land proclamation and the actual design as a result of the negotiations with the land owners
- K77 Gauteng Highlands Elizabeth Road to K154 (Phase 1) – this project commenced in September 2015 and the designs are being developed, while the EIA water use licence and proclamation of the road reserve will be completed in 2017/18.
- K97: (P1-3): Pretoria N4-Bonaccord – in line with the Department’s plan, the project is currently at design stage and will be completed by 31 March 2016. It involves the upgrading of road K50 (D321) from K69 and Pretoria East hospital (Garsfontein). The project is being implemented by City of Tshwane under a Memorandum of Agreement with the Department of Roads and Transport.
- Upgrading of road K54 Mamelodi (Tsamaya Rd) to R104 Pretoria/Bronkhorstspuit Rd. The project involves the construction of a single carriage way for K54 (from K22 to K69) and to design the other carriage way of Road D2561 (from K54 to Tsamaya Road). The road is located in the Tshwane Metropolitan Municipality and is a North/South Corridor between Mamelodi and the R21 to the West Rand. A total of 6.8km as well as section of Road 2561 from K54 to Tsamaya Road in Mamelodi, are both constructed. Certain portion of the road is being implemented by NAD developers and work has already commenced.

### Construction

The focus of the Department during this year has been increasingly on the rehabilitation programme throughout the provincial roads network. This is further supported by the budget allocation with 50 percent of the department’s allocation being within this unit.

- K46 Phase 1 - (William Nicol) Construction of a Section of the Proposed K46 (P79-1). The objective of the project was to construct a section of the proposed dual carriageway road K46 (P79-1) between 3.2km and 7.3km in order to improve access to Diepsloot and the Fourways area towards Randburg. The project was partly funded by Steyn City Development and its completion is expected in June 2015.
- K46 (P79-1): Upgrading from single to dual carriageway of Road K46 (P79-1) William Nicol from PWV5 to Diepsloot/N14 Phase 2. The road will provide a link between Diepsloot and Johannesburg and also act as access for existing and future developments along its corridor. The project involves upgrading of an existing 7.2km single carriageway between PWV5 and Diepsloot into a dual carriageway. It is one of the open-tender projects that have been implemented within the province and is also funded partly by a developer. The site handover took place on 8 November 2015 and site establishment is currently at 85 percent. The layer works are expected to commence before the end of the financial year.
- Upgrading of road K50 (D321) from K69 and Pretoria East hospital (Garsfontein). The project involves the reconstruction

and upgrading of Garsfontein Road between Loristo and Anton Van Wouw Street. The project is being implemented by City of Tshwane under a Memorandum of Agreement with the Department of Roads and Transport. The project is currently at design stage.

- Upgrading of road K54 Mamelodi (Tsamaya Rd) to R104 Pretoria Bronkhorstspuit Rd. The project involves the construction of a single carriage way for K54 (from K22 to K69) and to design the other carriage way of Road D2561 (from K54 to Tsamaya Road). The road is located in the Tshwane Metropolitan Municipality and is a North/South Corridor between Mamelodi and the R21 to the West Rand. A total of 6.8km as well as a section of Road 2561 from K54 to Tsamaya Road in Mamelodi are both constructed. Certain portions of the road are being implemented by NAD Developers and work has already commenced.
- Upgrading of road R82 phase 2- Old Vereeniging road between Walkerville and Vereeniging (De Deur) This project involves upgrading of 4.58km of an existing single into a dual carriageway. The project will provide an alternative link between N1 Johannesburg and Vereeniging, including access to existing and future developments around Walkerville, Eikenhoff and De Deur. It also forms part of the Maize Belt. The project is located in the Midvaal Municipality and also acts as a feeder road to the N12 freeway. The contractor is busy with layer works and progress to date is at 85 percent. The project is expected to be complete in April 2016, which is later than the original completion date. This is due to delays in the relocation of Eskom services.
- Upgrading of road P4-1 Nederveen Rd (103) from Leondale Forsdick Rd (554) to Barry Marais Rd (R21) The project involves the construction of Road P4-1 (Nederveen Road) between Van Dyk Road (P58-1) and Diana Road (P140-1) in Ekurhuleni Municipality. The project involves upgrading of an existing single into a dual carriageway to act as a supporting and feeder road to the N3. The road will also serve the Roodekop industrial area and residential areas in Vosloorus, Leondale, Roodekop, Rondebult and planned future industrial townships. It also forms part of a strategic public transport network providing access from areas South East of the City of Johannesburg.
- Rehabilitation of road P158/1 (N14) from Diepsloot (km 20.7) to Hendrik Potgieter intersection (km 41.49) – Phase 1. The project involves the rehabilitation of the road and this route is an inter-urban freeway that serves as a transport corridor between Tshwane, the Northern suburbs of Johannesburg and the North West cities of Krugersdorp and Rustenburg. The project cuts across two municipalities, City of Johannesburg and Mogale City. The progress to date is at 58 percent; the layer works are ongoing.
- Rehabilitation of road P3-6 (N12) between Gauteng North west boarder (57.56 km) and Road P186 (90.78km). The project is located south west of Johannesburg, between P186/1 and the N12 at the border with North West Province. The road provides a major route from Johannesburg towards North West Province including Potchefstroom and Klerksdorp. It also serves as a collector/distributor to the rural areas and towns along the route. The project entails the rehabilitation of the single carriageway road between the border, P111/1 and the dual carriageway road from P111/1 to P186/1. Progress to date is at 97 percent. The contractor has completed major works and is completing the snag list.
- Rehabilitation of road P39/1 (Erasmia to Krugersdorp). The project involves the rehabilitation of 23.6km of the road and is situated within the West Rand Municipality between Laudium and Diepsloot. The progress to date is 85 percent. The project is practically complete.
- Rehabilitation of road P6/1 (R25) Kempton Park to Bronkhorstspuit. The project is located on the Southern Western fringe of Bronkhorstspuit and Road P6/1 (R25). It is a single carriageway provincial road linking Gauteng Province and Limpopo Province through Bronkhorstspuit. Traffic volumes on the road are relatively high with a high volume of heavy vehicles. A total of 40km of the road has already been surfaced, and the remainder of works will be completed by the end of the financial year. The project is practically complete.
- Upgrading and Rehabilitation of Cedar Road (D1027) from 2.95km Valley Road to 5.93km Runnymede Road – Phase 1. This project was the first project in the province to be subjected to the open-tender process, which was successful and created a precedent for all other open-tender projects that followed. It is also funded partly by Steyn City Development. Its objective is to complete the upgrade of Cedar Road North and South to a dual carriageway status and to improve the pavement life. The project is located in Sunninghill, Sandton. The length of the construction, complete with storm water drainage and services provision, is approximately 2.4km. Progress to date is at 75 percent and the contractor has surfaced 2.4km of single carriageway.
- The Rehabilitation of Road P186/1 between 0 and 9.54km). The project entails the rehabilitation of the single carriageway between the North West Province border and road P111/1 and the dual carriageway from P111/1 to P186/1. The road provides a major route from Johannesburg towards North West Province including Potchefstroom and Klerksdorp, and it is within the City of Joburg municipality. Progress to date is at 99 percent with the contractor back on site, to rectify the vandalised fenced.

- Rehabilitation of 9.56km of Road D1511 between the intersection with Dale and Allen Roads D51. The project entails the rehabilitation of the single carriageway link (Modderfontein Road) between Dale Road and Zuurfontein Street and the rehabilitation of the dual carriageway link (Zuurfontein Street) between Modderfontein and Chloorkop road. The project is located on the North Eastern edge of Johannesburg, east of the N1. This road provides an alternative to the N1, N3, and N1/N3 interchange. It also serves as a collector/distributor for the residential areas surrounding the route. The main objective is to rehabilitate road D1511 by recycling short sections, patching, crack sealing, constructing an asphalt overlay and repairing the drainage along the road between Dale Road and Road D51. The surfacing is 100 percent complete with the contractor nearing completion.
- P70: Rehabilitation and upgrading of Witkoppen road (P70/1) between Megawatt Park and Sunninghill hospital. The P70-1 is being rehabilitated from Main Road P71-1 Eastbound towards Rivonia road for 3.05km. The rehabilitation includes the widening of portions of P70-1 and gravel shoulders. Motorists will benefit from the rehabilitation of the road as it will reduce travelling distance. Progress to date is at 87 percent.

### Maintenance

The Provincial Roads Maintenance Grant (PRMG) supplements provincial investments for preventative, routine and emergency maintenance and roads rehabilitation of the provincial road network and ensures all the roads are classified as per Road Infrastructure Strategy Framework of South Africa (RISFSA) and Roads Classification and Access Management (RCAM) guidelines. Routine road maintenance is split into outsourced and internal workforce and roads classifications.

The scope of works for routine roads maintenance for RISFSA classes 1-6, on an annual basis, includes the following:

- Continuous re-graveling;
- Pothole patching and crack sealing;
- Cleaning and repairing of surface drainage structures like ditches and channels ;
- Cleaning and repairing of culverts and inlets;
- Vegetation control;
- Inspection of the road during the day and at night;
- Accommodation of traffic;
- Edges and shoulder repairs;
- General erosion and gabions protection;
- Cutting of grass and weed;
- Maintenance and establishment of plants, trees, shrubs and grass;
- Grass cutting;
- Cleaning of riverbeds;
- Collection and removal of debris and litter picking;
- Repairing and installation of road signs and guard rails;
- Pavement layers repairs;
- Stabilisation of slopes;
- Repair of slope failures and wash –aways;
- Repairing damaged fencing;
- Clearing refuse from roads reserve, lay byes and interchanges;
- Replace and repair damaged road signs;
- Installation of road studs;
- Road markings;
- Regular mowing of grass in the road reserve including the median and the removal of grass cuttings;
- Maintenance of trees and shrubs;
- Supply and spreading of topsoil;
- Emergency assistance; and
- Removal of wrecks and abandoned vehicles.

The table below indicates the number of kilometres maintained during the year in the different regions for classes 1, 2, 3, 5 & 6 roads: which also form part of the Contractor Development Programme

Region	Length – Class 1 & 2	Length – Class 3	Length – Class 5 & 6
Pretoria	269.43	235.82	128.27
Vereeniging	250.80	208.83	48.18
Benoni	260.91	225.38	114.6
Bronkhorstspuit	244.72	93.25	110.43
Krugersdorp		207.8	220.88

**Expanded Public Works Programme (EPWP)**

As part of the EPWP frameworks, the Department is expected to continuously increase the number of jobs through the infrastructure projects that are being implemented. 1 754 jobs were created during the year, with 56 percent woman, 59 percent youth and 3.5 percent people with disabilities. Roads maintenance has seen a well-balanced level of success in and around Gauteng through outsourced maintenance with hundreds being employed in the townships contributing to the economy. The implementation of the outsourced routine maintenance and term contracts has been a boost to performance of the unit and increased overall service delivery within the maintenance programme.

**Gautrain**

The focus of the Gautrain Management Agency over this financial year was to continue to work on the annual performance milestones in line with all the plans. The feasibility study on Gautrain II will be completed in 2016 and further information will be provided then.

**Intermodal public transport facilities**

The Directorate continues with the deployment of intermodal facilities in line with the current 25 Year Integrated Transport Master Plan (ITMP25) that advocates an integrated approach towards planning and development of a public transport infrastructure. There are a number of intermodal facilities being constructed:

**Vereeniging Stations Public Transport intermodal facility**

This is a multi-year project, up for completion in the new financial year. Though marred with construction challenges during this financial year, the project is being fast-tracked for partial operation before the 2016 rainy season later in the year, having achieved completion of the major building construction as well as offices in the Taxido Junction site.

**Non-Motorised Transport (NMT)**

The Masterplan is in a draft format up for completion in this financial year with the procurement of 3 000 bicycles for Shovakalula, but the delivery thereof will not be complete before the end of the financial year.

**TOLABS**

The Tshwane TOLAB was to be renovated as planned. Koedoespoort regional office was identified as an alternative site in order to accommodate the staff from the old building during the renovations. The relocation took place during the year. No work commenced on the West Rand project as land could not be acquired in the area, as well as the Derek Masoek TOLAB, due to unresolved legal disputes.

**DLTCs**

The unit is busy implementing centres throughout the province:

**Kagiso DLTC**

Construction of the new DLTC in Kagiso is 90 per cent complete. It is anticipated that construction will be completed by March 2016.

**Sebokeng DLTC**

A new Centre is being established in Sebokeng Township zone 7 Extension. The contractor for the construction of a new DLTC in Sebokeng was appointed and site establishment is complete with earthworks underway. The project will be completed in the 2016/17 financial year.

**Mabopane DLTC**

This centre is situated in Tshwane and is currently operational. The construction of the DLTC section and part of the Motor Vehicle Road Accident (MVRA) is complete. Refurbishment of the remaining portion of the Motor Vehicle Road Accident (MVRA) is dependent on the resolution of the eNatis court case between TASIMA and the National Department of Transport.

**Temba DLTC**

The centre is situated in Tshwane and was closed during construction. The objective of the upgrade was to renovate and rehabilitate the ageing infrastructure and to increase the testing capacity for better service delivery in Temba and surrounding areas. Construction of the building is complete.

In addition, the Department also initiated the planning of new DLTCs in Soweto and Lesedi however; these were withdrawn due to land acquisition issues.

**Bus subsidies**

The objective of the programme is to provide integrated subsidised province-wide public transport services, and facilitate the provision of Public transport services that supports the movement of people through efficient transport network that is safe, reliable and accessible. The Department manages thirty four (34) bus subsidy contracts (26 tendered and 8 interim

contracts) that have been awarded to thirteen (13) bus operators. Thirty two (32) contracts are funded from the Public Transport Operations Grant (PTOG) and two ceded contracts from North West Province are funded by the Gauteng province. These contracts are operated in the three metros, namely: City of Johannesburg, City of Tshwane and Ekurhuleni as well as Sedibeng District Council. The Department's annual target on provision of subsidised bus services to commuters is based on contracted scheduled Routes; Trips and Kilometers. The annual targets are as follows: Number of Routes subsidised is **3 047**; number of kilometers subsidised is **101 296 704** and number of trips subsidised is **1 934 128**.

#### **Pillar 5: Modernisation of Public Service**

In order to build the capacity for good governance and effective service delivery, the department offers bursaries to external candidates, in a range of disciplines, including transport engineering and economics, as well as civil and other fields of engineering. Furthermore, funds are allocated for training and development of employees. The bursary recipients are continuing with their tuition and the Department continues to support them financially and otherwise, and the bursary recipients are required to offer their services to the Department, post completion of their studies and further increase capacity within the Department.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)**

The projects implemented by the department are aligned to the national and provincial priorities.

#### **Pillar 8: Modernisation of Public Transport Infrastructure**

**Output 1: Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of our logistics and transport infrastructure ensured**

##### **Infrastructure planning**

##### **Route Determination for strategic network**

In the review of the Strategic Road Network, amendments of the planning for the remainder of the approximately 50 routes were identified, including supporting roads for freight hubs. These are multiyear projects, of which the projects are expected to be completed in June 2016. The service providers for the fourth tender RFP 32/08/2014 (A&B) were appointed on 14 July 2015 and will be completed in October 2017, pending the outcome of the Environmental Impact Assessments (EIA's). An estimated R12 million is needed to continue with this project in the 2016/17 financial year.

##### **Transport Modelling Centre**

The department has initiated a process of establishing a Transport Modelling Centre as a tool to meet the growing requirements needed for a real world transportation system. This tool will enable the department to address the challenges of today, the needs of tomorrow and provide guidance on where, when and what is required to improve mobility of goods and people. As part of the ITMP 25, the ITMP25 consortium produced a specific Transport Demand Model which sought to quantify the future transport demand in Gauteng. A new revised proposal was recently introduced that awaits approval from the Head of Department to enhance its combined utility in 2016 onwards. Due to the nature of this project, it needs to be updated annually to ensure accurate prediction. Therefore, there is no finalisation date to this project. To drive this modelling process successfully, an amount of R3.9 million is allocated in the 2016/17 financial year.

##### **Gauteng Freight Databank**

GDRT will update freight data and information to share with all stakeholders through the established platform "Gauteng Freight Databank". Due to the scale of the freight management project, a budget of R2 million is allocated for the 2016/17 financial year to ensure that the project is successfully implemented. A service provider was appointed on 15 June 2015 for a new project RFP 23/07/2014 for the update of the Gauteng Freight Databank and its Website. The project will be completed in July 2018.

##### **Traffic engineering**

The activities within this unit occur annually and form part of the infrastructure programme of the Department. They are:

- Maintenance and calibration of four provincial weighbridges;
- Maintenance and upgrading of provincial traffic signals;
- Maintenance of provincial traffic survey facilities;
- Performance of road safety audits and implementation of improvements; and

In relation to the Intelligent Transport System (ITS), a detailed design of the programme will be concluded during 2016/17, and funding will only be requested for implementation of the project in the 2017/18 financial year and onward.

## Design

During the 2016/17 financial year, the following designs will be implemented:

- K60 construction of one carriageway from Gautrain yard to K101 (Old JHB road) and river bridge: detail design and proclamation of road reserve;
- K97 (New Road) Phase 2 from N4 southwards to Wonderboom (K14) (Pyramid Freight hub): detail design and road proclamation;
- K101 (R101) from K103 (M10) to N1: detail design and road proclamation;
- K60 New from K58 Allandale Road to K105 near the R21 Detail design and land proclamation;
- K16 new road from Watloo to Mamelodi: detail design and road reserve proclamation;
- K11 New Road from P73-1 Golden Highway to K57 (P1-1) (R82): detail design and proclamation of road reserve.

## Construction

The Construction Directorate will be implementing upgrading of roads and rehabilitation of roads in 2016/17:

- K46 (P79-1): Upgrading from single to dual carriageway of Road K46 (P79-1) William Nicol from PWV5 to Diepsloot/N14 Phase 2 - the project involves the upgrading from single to dual carriageway of road K46 Phase 2 and it will provide a link between Diepsloot and Johannesburg.
- P241/1: Rehabilitation of Road P241/1 (R554) from 17.7 to 19.75km and Road D405 from 0 to 8.75km (R82) - the project entails the rehabilitation of Road 241/1 from 15.7 to 19.75km and Road D405 from 0 to 8.75km. Road P241/1 will serve as one of two main link roads between Johannesburg and Lenasia.
- P158/2 (N14) and P39/1: Light rehabilitation of Road P158/2 (N14) and P39/1 between P158/2 (20.7km) to Pinehaven Interchange (Muldersdrift) Phase 1 - in order to extend the service life of the pavement by a further 15 years, the project will focus on rehabilitation and resurfacing of P158/2 (N14) and P39/1 from Brakfontein to Hendrik Potgieter.
- P41/1: Rehabilitation (Repair and Resurfacing) of Road P41/1 from 0.84 to 5.61km West Nigel - the project entails the repair and resurfacing of the provincial road P41/1 from 0.84 to 5.61km West of Nigel and it forms part of the Eastern corridor. The purpose of the project is to protect the pavement structure asset and to extend its serviceable life.
- P46/1: Rehabilitation of Road P46/1 from Vereeniging to Alberton and D1073 - the project entails the rehabilitation of Road P46/1 and D1073 from Meyerton to Katlehong and forms part of the Eastern Corridor.
- K69 (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54) - the project involves the doubling of 5km of an existing single carriageway with the aim of increasing capacity, safety and accessibility for existing and future developments along the K69. The road forms part of the Northern corridor.
- K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspuit Road - the project involves the construction of a new single carriage way road K54 from the Old Bronkhorstspuit Road (K22) to Road K69 (Solomon Mahlangu) in Mamelodi, Tshwane Metropolitan Municipality. This road forms part of the Northern corridor and replaces the existing gravel Road D771.
- Upgrading of gravel road D1944 (Rust de Winter) for 11.35km - the project involves surfacing of Road D1944 from gravel to tar. D1944 forms part of the Northern corridor. The road is located in the North Eastern side of Gauteng between provincial Road D2759 and the Mpumalanga boarder, near Cullinan.
- P88/1 between Roads P73/1 and P3/6 - the project entails the rehabilitation of road P88/1 by recycling the existing base and subbase. It involves stabilising cement, constructing a new base and asphalt surfacing. Repairing the drainage along the road between P79/1 and P3/6 of a single carriageway will also be completed.
- R500: Rehabilitation and addressing of sinkhole problems on Road R500(P61-3) - the rehabilitation and repair of sinkhole problems on road P61-3 (R500) for 12km between district roads D762 and D1755 near Carletonville, with the total length of approximately 400m<sup>2</sup>. The road forms part of the Western corridor. The project is located near Carletonville.
- R82 Phase 3 (K57): Upgrading from single to dual carriageway of Road K57 (R82 (P1/1)) at Walkerville - the road will provide an alternative link between Johannesburg and Vereeniging, including access to existing and future developments around Walkerville; Eikenhoff and De Deur. It also forms part of the Maize Belt.
- D904: Light rehabilitation of road D904 in Evaton - the project entails the rehabilitation of road D904 commencing at the junction with road R82 in Evaton and proceeds to South West, ending at the road rail bridge. D904 is located in Sedibeng municipality in the Southern corridor.

## Maintenance

The Department continues with road infrastructure maintenance which covers various activities and objectives.

- The Provincial gravel road network length, under jurisdiction of the Department, is 1 388km, including rural development and promotion of access to the Maize Belt.
- The Department also maintains a total of 4 248.44km of paved roads. The National Department of Transport directive on the PRMG directs that provincial roads classification, throughout the country, be based on the Road Infrastructure Framework of South Africa (RISFSA) Classification. The PRMG funding is aimed at reducing the backlog of road maintenance on Provincial roads as well as to assist Provincial Departments in building capacity, in terms of Road Asset Management Systems. Road safety is key to the PRMG funding and as such, it is important that the targets are met in terms of the Division of Revenue Act (DORA) requirements, which includes street lights and storm water structure maintenance.



- The Department undertakes emergency road maintenance activities requiring the procurement of materials and services on an ad hoc basis, and as such, need to make provision for term contracts to provide services as, and when it is required. Activities that are within these contracts include road markings, emergency work at intersections, road signs replacement and repairs, etc.

The Departmental Roads Maintenance Programme includes preventative maintenance under which the rehabilitation and resealing of roads form a major part. The needs analysis conducted, using the 2010 visual condition assessment data, indicated that the Annual Average Daily Traffic (AADT) on the provincial paved roads, under the jurisdiction of the department, totals 24 billion vehicles per km annually (66 million x 365).

The above statistics translate to a required minimum of not less than 200km of resealing and rehabilitation of the paved roads per annum. The current resurfacing rate on the network is on average, since 2000, 165km per year. This translates to a surfacing cycle of 24 years and the cycle is increasing. The road network will continue to deteriorate drastically if the resurfacing frequency is not increased on all paved roads.

The outsourced routine roads maintenance plan strategy focuses on efficiency and cost saving for the department. The model is cost effective and includes contractor development which comprises 29 learner contractors who will exit the programme at higher level.

### **Public Transport Integration and Special Projects**

This sub-programme is tasked with systems and infrastructure interventions to facilitate integration - an initiative that seeks to modernise the provision of public transport, as part of the TMR. The initiatives are meant to transform the transit landscape, thus enhancing public transportation patronage.

Roodepoort Public Transport Intermodal Facility: having achieved practical completion, snagging and retention will be provided to achieve true transformation of the station precinct as special consideration has been made for pedestrians and motorists.

Leratong Public Transport Intermodal Facility: recommissioning of the Leratong Intermodal Facility following the termination of the contract. The scope of work will entail review of the designs allowing for further studies and assessment of stability of the work initially completed.

Vereeniging Public Transport Intermodal Facility: the project is under construction and was delayed as a result of a number of issues; however, it is up for completion during 2016/17.

Park Station Public Transport Intermodal Facility: the project is a partnership between the City of Joburg (COJ) and Gauteng Department of Roads and Transport. As the prefeasibility studies were underway, the Ntirhisano consultations reflected the urgent requests relating to signage and other public transport comfort considerations, to which government has to respond. All these will be implemented, accordingly, in the designs.

Shovakalula – as part of the Non-Motorised Transport Programme, the learner programme of distributing bicycles to get learners to school, is going to be enhanced through an agreement with The Innovation Hub within the Department of Economic Development. This will help the Department to contribute to all aspects of the TMR imperative through deployment of the bike sharing scheme that will facilitate mobility at stations, thus transforming the last mile transit for the chosen corridors. The Bike Share Scheme will be supported by advanced technology, a wireless tracking system such as Radio Frequency Identification Device (RFID's) which will locate the bicycle's position at pick-up and return. This is real-time monitoring to aid security. Furthermore, real-time user information, through various platforms including the web, mobile and/or on-site terminals.

### **TOLABS**

During the 2016/17 financial year, this unit will be engaging in finalisation of the planning and designs of the Sedibeng TOLAB, as well as the commencement of the construction thereof, later in the year. The refurbishment of the Tshwane TOLAB is also set to commence during the year as all the relocation procedures to Koedoespoort regional office, would have been finalised.

### **DLTCs**

The major deliverable during the year will be the finalisation of the construction of the Sebokeng DLTC. No other budget amounts have been allocated for other projects in order to allow the Department to commence with the identification and land acquisition for two additional new DLTCs that will be established over the MTEF period.

## 4. REPRIORITISATION

The Department was requested to reprioritise the allocated budget over the MTEF to augment allocations towards national and provincial priorities and core spending activities. This exercise focused on the infrastructure allocation as well as the operational budget. Based on the plans of the Department, some of the infrastructure projects that formed part of the Estimates of Capital Expenditure (ECE) in 2015/16 and beyond will not be realised in total or in the period that had been anticipated when drafting that ECE. This resulted in the units, therefore, aligning their ECE to the ITMP25 as well as the mandates of the new political leadership in the province.

The reprioritisation details per programme are:

### Programme 1: Administration

The reprioritisation within this programme was within the Management and Departmental Strategy sub-programmes, where the operational expenditure was shifted within the goods and services items.

### Programme 4: Transport Regulation

The reprioritisation within this programme was within the two sub-programmes, and only in relation to the operational expenditure that was shifted within the goods and services programmes.

## 5. PROCUREMENT PLAN

The supply chain management unit within the department continues to actively drive the procurement processes that will ensure the successful implementation of all major projects as outlined below. These projects form part of the department's overall procurement plan for the 2016/17 financial year. Over the 2016/17 financial year, the department will be embarking on the roll out of the Infrastructure Delivery Management System (IDMS). Supply chain management is one of the key components within the IDMS model. The successful implementation of this IDMS model will allow for a fully capacitated and competent supply chain management unit which will drive the effective, efficient and timely utilisation of state resources, within the department.

The table below depicts the major procurement for the 2016/17 financial year:

- Supply and application of diluted emulsion and supply and delivery of small plant, equipment, tools and accessories that was advertised in December 2015 and envisaged to be awarded in April 2016 by the Department.
- Supply and application of herbicides to be advertised in May 2016 and the tender will be awarded in November 2016.
- Rental of mobile toilets for Tshwane, Ekurhuleni, Motsweding, Sedibeng and West Rand for a period of 24 months to be done in April 2016 and the contract to be awarded in September 2016.
- Execution of routine roads maintenance contract for selected RISFSA classes 1 and 2 at West Rand, Tshwane, and Ekurhuleni, Sedibeng and Motsweding regions, contractor development programme, Re-graveling for Motsweding, Ekurhuleni, Sedibeng, West Rand, Tshwane, and Professional engineering services RISFSA Classes 1 and 2 all of these projects will be done by roads maintenance directorate and the tender will be awarded in August 2016.
- Number of roads rehabilitation will be done through construction directorate which is envisaged to start during April and May 2016 and expected to be awarded tender during July to September 2016.
- K142: Construction of road over rail to provide a link with Lenasia from Protea Glen, K145 from K22 to K34, K77 Phase 2 Elizabeth road to K154, K198: New road from Leratong to Corlett Drive (Witpoortjie), PWV 5 link west from Krugersdorp/Johannesburg and PWV5 Eastern/Central from PWV9 to R21 all these are envisaged to start with the tender advertisements in June and the awarding is envisaged to be in August 2016 by design directorate

Included in the major procurement for the 2016/17, are the key procurement functions that will be procured within the department:

- Advertising: procurement for this service will occur via request for quotations as when the services are required;
- Communications, computer service these services will occur via a combination of quotations and open orders depending on the nature and extend of the service required
- Consultants, contractors and fleet services: procurement for these services will occur via open tender processes as and when service is required in terms of the project plans
- Inventory, other supplies and inventory stationery and printing: procurement of these services will occur via a combination of quotations and open orders depending on the nature of extend of the service required
- Travel and subsistence, training and development and venues and facilities: procurement of these services will occur via request for quotations as and when the service are required

## 6. RECEIPTS AND FINANCING

### 6.1. Summary of receipts

TABLE 9.1: SUMMARY OF RECEIPTS: DEPARTMENT OF ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	2 149 818	2 397 371	3 814 962	4 287 564	4 163 213	4 146 703	4 761 881	4 948 396	5 206 196
Conditional grants	2 213 972	2 372 592	2 337 897	2 318 388	2 318 388	1 529 517	2 537 823	2 686 446	2 817 974
Public Transport Operations Grant	1 625 746	1 714 344	1 819 854	1 860 048	1 860 048	1 204 076	2 033 590	2 155 063	2 255 767
Provincial Roads Maintenance Grant	579 081	655 248	514 903	455 821	455 821	325 441	501 784	531 383	562 207
Expanded Public Works Programme Infrastructure Grant	9 145	3 000	3 140	2 519	2 519		2 449		
<b>Total receipts</b>	<b>4 363 790</b>	<b>4 769 963</b>	<b>6 152 859</b>	<b>6 605 952</b>	<b>6 481 601</b>	<b>5 676 220</b>	<b>7 299 704</b>	<b>7 634 842</b>	<b>8 024 170</b>

The department is funded from the equitable share and conditional grants. The conditional grants allocated to the department are the Public Transport Operations Grant (PTOG), for subsidising public transport providers within the province; the Provincial Roads Maintenance Grant (PRMG), which is utilised for the department's routine maintenance programme, construction of roads and the Expanded Public Works Programme (EPWP) Infrastructure Grant which is an incentive grant, based on the number of EPWP jobs that are created annually.

The growth in the equitable share is a welcome relief, given the budget pressure that the department has been experiencing over the past financial years. The equitable share allocations relates to infrastructure funds which have been revised to factor in the provision for the internal capacity building for the project or programme management and planning in 2016/17. During 2012/13 and 2013/14 the department received R4.4 billion and R4.8 billion as a form of equitable share allocation and conditional grant allocation, the allocation was then increased to R6.2 billion in 2014/15 in order to fund vital tasks such as the maintenance of properties and the upkeep of Driver licence Testing Centres (DLTC's)

The department also received funding in 2013/14 and 2014/15 amounting to R3 million, respectively, in terms of Expanded Public Works Programme (EPWP) grant for Provinces to be utilised for the creation of job opportunities. However, there was under-spending by the department, as a whole, of R300 million in 2013/14, mainly as a result of low infrastructure spending and the inability of the department to fill some of the vacancies within the approved organisational structure. The allocation was then decreased to R2.5 million in 2015/16 to R2.4 million in 2016/17.

The allocation for the department continues to increase over the MTEF period from R7.3 billion in 2016/17 to R8 billion in 2018/19, an increase of 7 per cent, on average. This is mainly as a result of the province's increasing infrastructure investment.

### 6.3. Departmental receipts

TABLE 9.2: DEPARTMENTAL RECEIPTS: DEPARTMENT OF ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts	2 401 619	2 644 876	2 949 662	2 987 393	2 987 393	3 180 635	3 142 737	3 299 874	3 491 267
Motor vehicle licenses	2 401 619	2 644 876	2 949 662	2 987 393	2 987 393	3 180 635	3 142 737	3 299 874	3 491 267
Sales of goods and services other than capital assets	53 711	55 661	53 937	67 993	67 993	67 993	71 597	75 176	79 537
Interest, dividends and rent on land	133	38	28	50	50	50	55	60	63
Sales of capital assets	10 162	5 983							
Transactions in financial assets and liabilities	1 226	885	2 236	1 500	1 500	1 500	1 500	1 500	1 587
<b>Total departmental receipts</b>	<b>2 466 851</b>	<b>2 707 443</b>	<b>3 005 863</b>	<b>3 056 936</b>	<b>3 056 936</b>	<b>3 250 178</b>	<b>3 215 889</b>	<b>3 376 610</b>	<b>3 572 454</b>

As reflected in table 9.2 above, the bulk of the department's revenues is derives from Tax receipts (Motor Vehicle Licence). Revenue in this category is expected to grow over the MTEF as a result of annual increases in tariffs. The increases in the past were from R2.5 billion in 2012/13, R2.7 billion in 2013/14 and R2.8 billion in 2014/15 to R3.1 billion in the 2015/2016 financial year. The revenue is expected to increase further over the MTEF from R3.2 billion in 2016/17 to R3.6 billion in 2018/19. In concluding the estimates, the following factors were taken into account, namely:

- The Consumer Price Inflation Index (CPIX);
- Vehicle population;

- Direct cost expected to be paid from the revenue account;
- Interest and penalties expected to be received;
- Previous revenues collected; and
- Trends in the motor industry in the country.

The increase of motor vehicle licences from 2012/13 to 2018/19 of the MTEF can be attributed to the growth in vehicle population and higher than anticipated application of new and, renewal of motor vehicle licences. This department is the major contributor to the Provincial Revenue Fund (PRF) and as a result, accounts for over half of GPG own revenue. In generating this revenue, the department is also liable for direct charges: this includes amounts that are deducted from revenue collected to reimburse the primary collectors/agents of that revenue, on behalf of the department.

Sale of goods and services, other than capital assets, consists of motor vehicle registration, sale of personalised and specific number plates, registration of classification of vehicles such as abnormal loads and special vehicles, as well as applications for learners and drivers licences. Additional to this revenue, is the sale of tender documents. Revenue from this source grew from R54 million in 2012/13 to R63 million in the 2014/15 financial year. The trend continues, growing to R68 million in 2015/16 due to higher than anticipated sales of documents. The increase from R72 million in 2016/17 to R80 million in the last year of the MTEF, can be attributed to inflationary increments.

Interest, dividends and rent on land mainly consists of items such as interest on staff debts. The fluctuating trend can be attributed to the difficulty in accurately projecting for these items, due to their uncertain nature. During 2015/16, income from this source declined to R50 000 from R723 000 in 2014/15 and then increased to R55 000 in 2016/17 to R63 000 over the MTEF.

The department also collects revenue from transactions in financial assets and liabilities, which consists of fees for recovery of debts. The fluctuations over the seven years under review, can be attributed to the difficulty in budgeting for this item due to its uncertain nature. The expenditure is expected to remain constant over the MTEF at R1.5 million.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

Guidelines for the compensation budget for the 2016 MTEF, were based on the latest wage agreement within the public sector and also take into account the CPIX inflation rate, over that period. The following have been taken into account when determining personnel budgets for the new MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary cost, including improvements to conditions of service (ICS) adjustments, from 1 July (Levels 1 – 12) and January (senior management) each year;
- Salary increases for people with scarce skills;
- Grades and levels of staff;
- Increased take up of benefits such as medical aid and homeowners allowance;
- Contract employees;
- Overtime;
- Merit bonuses;
- Pension fund contributions, thirteenth cheque, all linked to the basic salary cost (increases at the same rate);
- Medical aid contributions which normally increase more rapidly than inflation;
- Homeowners allowance which changes with the interest rate; and
- Skills development

In relation to the infrastructure projects that are yet to commence, the budget assumptions made are based on previous experience in running infrastructure projects, as well as the anticipated magnitude of the project. The final budget figures are confirmed post the awarding of the tender.

### 7.2. Programme summary

TABLE 9.3: SUMMARY OF PAYMENTS AND ESTIMATES: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	180 069	197 786	271 476	317 637	309 110	309 761	317 797	304 576	325 896
2. Transport Infrastructure	1 797 355	1 673 919	2 096 198	2 259 326	2 197 685	2 200 435	2 552 176	2 720 081	2 846 045
3. Transport Operations	1 808 238	1 847 366	1 986 669	2 186 195	2 148 764	2 133 122	2 298 425	2 453 180	2 520 447

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
4. Transport Regulation	180 533	222 160	205 993	281 343	264 591	260 322	299 217	233 310	296 514
5. Gautrain	1 598 711	1 424 943	1 311 748	1 561 451	1 561 451	1 561 451	1 832 089	1 923 694	2 035 268
<b>Total payments and estimates</b>	<b>5 564 906</b>	<b>5 366 174</b>	<b>5 872 084</b>	<b>6 605 952</b>	<b>6 481 601</b>	<b>6 465 091</b>	<b>7 299 704</b>	<b>7 634 841</b>	<b>8 024 170</b>

The services rendered by the department are categorised under five programme, which are largely aligned to the uniform budget and programme structure as approved by the transport sector. The table above indicates expenditure outcomes and budget allocations as categorised by the departmental programmes. The audited outcomes were less than R6 billion in each of the financial years and were very stable. Over the MTEF, the allocation increases from R7.3 billion in 2016/17 to R8 billion in 2018/19. This is mainly due to inflationary increases in the departmental infrastructure allocation, and to Gautrain and the conditional grants.

**Programme 1: Administration** shows a significant increase from R180 million in 2012/13 to R271 million in the 2014/15 financial year due to the increase in discretionary allocation that allowed the department to deal with operational issues, neglected in previous financial years, as a result of the low resource base. However, the decision was made to decentralise budget for items such as telephones, IT, property payments and operating leases from Corporate Services. This is the reason for the budget not growing from the 2015/16 financial year, and the average marginal growth over the MTEF.

**Programme 2: Transport Infrastructure** increase over the seven-year period are specifically related to the department's investment in the provincial road network, housed under Goods and Services and Buildings and other Fixed Structures. The increase in this programme is attributed mainly to the Provincial Roads Maintenance Grant (PRMG) and to provincial earmarked infrastructure allocations for upgrading and additions, maintenance, and refurbishment and rehabilitation of roads and to the funding of projects that are at design implementation stage. This programme forms the core function of the department. Expenditure for the programme amounted to R1.8 billion, R1.7 billion and R2 billion in the financial years 2012/13, 2013/14 and 2014/15, respectively. The expenditure in the 2015/16 financial year will be in line with the allocation and the Department will effect shifts between the projects to ensure that the budget and expenditure is aligned correctly. Over the MTEF, the budget for this programme continues to grow from R2.6 billion in 2016/17 to R2.8 billion in the last year of the MTEF, the increase relates to the department's investment in the provincial road network

**Programme 3: Transport Operations** show a significant increase from 2012/13 onward due to the North-West Star allocation relating to the payment of bus subsidies through demarcated contracts. This is reflected against Transfers and Subsidies to public corporations and private enterprise. The increase over the MTEF is due to the growth of this allocation as well as the Public Transport Operations Grant (PTOG). The expenditure within this programme varies over a seven-year period from R1.8 billion in 2012/13 to R2 billion in 2014/15. The budget increases from R2.3 billion in 2016/17, R2.4 billion in 2017/18 to R2.5 billion in 2018/19. These increases are mainly to account for inflation.

**Programme 4** reflects an increase in expenditure from R180 million in 2012/13 to R206 million in 2014/15. This was accounted for by slow spending on the infrastructure allocations for the DLTCs and TOLABs within the province. The increase in the budget for 2015/16 is as a result of the allocation for the Computerised Learners Licence Testing (CLLTs) and the Agency Fee Review projects that will be conducted in that financial year. In relation to the MTEF, the programme experienced cuts as a result of the Department's budget cuts in the operational budget, also the majority of the infrastructure projects will be reaching finality in 2016/17 and identification and land proclamations for new DLTC's need to be finalised first, before resources can be allocated.

**Programme 5** allocations decreased between 2013/14 and 2014/15 from R1.4 billion to R1.3 billion as those were the amounts agreed to in line with the concession agreement. Expenditure is expected to grow over the MTEF from R1.8 billion in 2016/17, to R1.9 billion in 2017/18 and R2 billion in 2018/19. This is mainly for maintenance and capacitation of the current system.

### 7.3. Summary of economic classification

TABLE 9.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 339 796</b>	<b>1 321 952</b>	<b>1 339 452</b>	<b>1 618 541</b>	<b>1 571 200</b>	<b>1 568 577</b>	<b>1 825 192</b>	<b>1 885 886</b>	<b>2 227 886</b>
Compensation of employees	437 039	472 100	488 559	693 032	548 968	548 968	631 320	647 972	702 514
Goods and services	897 125	849 465	850 666	925 009	1 021 732	1 019 109	1 193 502	1 237 594	1 525 112

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Interest and rent on land	5 632	387	227	500	500	500	370	320	260
<b>Transfers and subsidies to:</b>	<b>3 291 759</b>	<b>3 180 677</b>	<b>3 470 779</b>	<b>3 572 802</b>	<b>3 591 921</b>	<b>3 592 402</b>	<b>4 025 902</b>	<b>4 245 925</b>	<b>4 469 364</b>
Provinces and municipalities	5 344	783	1 256	2 200	1 606	1 606	2 500	2 000	3 000
Departmental agencies and accounts	1 598 711	1 424 943	1 311 748	1 561 451	1 561 451	1 561 451	1 832 089	1 923 694	2 035 268
Public corporations and private enterprises	1 685 711	1 750 973	1 900 024	2 005 048	2 024 761	2 024 761	2 186 420	2 315 535	2 425 546
Households	1 993	3 978	257 751	4 103	4 103	4 584	4 893	4 696	5 550
<b>Payments for capital assets</b>	<b>932 399</b>	<b>843 291</b>	<b>1 001 973</b>	<b>1 414 609</b>	<b>1 318 480</b>	<b>1 303 928</b>	<b>1 448 610</b>	<b>1 503 030</b>	<b>1 326 920</b>
Buildings and other fixed structures	918 806	832 298	938 410	1 348 489	1 256 998	1 241 900	1 413 961	1 472 902	1 293 797
Machinery and equipment	9 032	9 900	63 299	58 320	58 382	58 928	31 849	27 228	30 123
Software and other intangible assets	4 561	1 093	264	7 800	3 100	3 100	2 800	2 900	3 000
<b>Payments for financial assets</b>	<b>952</b>	<b>20 254</b>	<b>59 880</b>			<b>184</b>			
<b>Total economic classification</b>	<b>5 564 906</b>	<b>5 366 174</b>	<b>5 872 084</b>	<b>6 605 952</b>	<b>6 481 601</b>	<b>6 465 091</b>	<b>7 299 704</b>	<b>7 634 841</b>	<b>8 024 170</b>

Compensation of employees has increased steadily, from R437 million in 2012/13 to R489 million in 2014/15, as a result of the annual improvements of conditions of service (ICS) increases. Over the MTEF, the allocation for compensation increases moderately from R631 million in 2016/17 to R703 million in 2018/19. The department will be undertaking a detailed review of the current organisational structure in order to focus on the full implementation of the Infrastructure Development Management System (IDMS) over the MTEF. The adoption of IDMS will allow the department to align the compensation of employees' budget over the MTEF to infrastructure service delivery and will also assist the department to effectively manage the overall wage bill, without negatively impacting on service delivery.

The department's goods and services expenditure decreased to R849 million in 2013/14 from R897 million in 2012/13 and increased to R851 million in 2014/15, as a result of Standard Chart of Accounts (SCOA) changes to the infrastructure allocations that removed infrastructure expenditure from the goods and services item. Over the MTEF, the budget increases because the majority of the infrastructure allocation will allow the province to continue to invest in the maintenance of routes that are alternative to those that are tolled, within the province, to ensure that they do not deteriorate, as a result of high usage.

The total transfers and subsidies item consists mainly of the allocation for the Gautrain project as well as the Public Transport Operations Grant (PTOG). The amount against the departmental agencies and accounts, relates to payments made in respect of the Gautrain. This is mainly for maintenance and capacitation of the current system. Expenditure continues to grow over the seven-year period from R1.8 billion in 2016/17 to R1.9 billion in 2017/18 and to R2 billion in the last year of the MTEF, due to inflationary increases. The amounts against public corporations and private enterprises relate to transfers to the public transport operators, including the North West Star contracts the allocation continues to grow over MTEF from R2.2 billion in 2016/17 to R2.4 billion in 2018/19, and the changes in the allocation are mainly inflationary, in line with the allocations from the National Department of Transport.

The payment for capital assets is for capital infrastructure projects, capital operational requirements and software licenses due on IT systems, within the department. The increases over the MTEF are as a result of the province's increased infrastructure investment. The department's capital assets expenditure decreased from R843 million in 2013/14 from R919 million in 2012/13 and increased to R1.3 billion in 2014/15, as a result of the increasing focus on capital rehabilitation projects on the provincial roads network. Over the MTEF, the allocation grows from R1.4 billion in 2016/17; to R1.5 billion in 2017/18 and then decrease to R1.3 billion in 2018/19 and the fluctuations in the budget are attributed to the differing projects' life-cycles within the entire infrastructure programme.

#### 7.4. Infrastructure payments

##### 7.4.1. Departmental infrastructure payments

Please refer to the 2016 Estimates of Capital Expenditure (ECE)

##### 7.4.2 Departmental Public-Private-Partnership (PPP) projects

N/A

### 7.5.1. Transfers to public entities

TABLE 9.5: SUMMARY OF DEPARTMENTAL TRANSFER TO PUBLIC ENTITIES: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Gauteng Management Agency	1 598 711	1 424 943	1 311 748	1 561 451	1 561 451	1 561 451	1 832 089	1 923 693	2 035 268
<b>Total departmental transfers</b>	<b>1 598 711</b>	<b>1 424 943</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 832 089</b>	<b>1 923 693</b>	<b>2 035 268</b>

Total payments to Gautrain have been for the operational maintenance since the 2012/13 financial year, as well as the payments due as per the patronage guarantee. Feasibility studies are underway to investigate the possibilities of implementing the second phase of the project, and it is expected that the results thereof, will be available towards the end of the 2016/17 financial year. However, it is to be noted that this will be budget permitting.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide the department with overall management and administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

#### Programme objectives

- To render advisory, Parliamentary, secretarial, administrative and office support services to the MEC;
- To provide overall management of and support to the Department; and
- To manage personnel, procurement, finance, administration and related support services.

TABLE 9.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The MEC	6 935	6 971	7 905	13 224	9 400	9 400	10 758	11 213	12 035
2. Management Of The Department	24 987	10 338	11 858	25 033	19 330	19 330	20 411	22 091	29 825
3. Corporate Support	148 147	179 516	250 446	274 668	275 668	278 670	280 935	265 116	277 463
4. Departmental Strategy		961	1 267	4 712	4 712	2 361	5 693	6 156	6 573
<b>Total payments and estimates</b>	<b>180 069</b>	<b>197 786</b>	<b>271 476</b>	<b>317 637</b>	<b>309 110</b>	<b>309 761</b>	<b>317 797</b>	<b>304 576</b>	<b>325 896</b>

TABLE 9.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>176 073</b>	<b>192 533</b>	<b>203 629</b>	<b>293 257</b>	<b>282 919</b>	<b>283 570</b>	<b>300 396</b>	<b>292 387</b>	<b>313 465</b>
Compensation of employees	106 782	114 707	124 169	151 522	142 995	145 869	161 542	164 936	173 328
Goods and services	69 026	77 770	79 451	141 605	139 794	137 571	138 754	127 371	140 077
Interest and rent on land	265	56	9	130	130	130	100	80	60
<b>Transfers and subsidies to:</b>	<b>262</b>	<b>667</b>	<b>345</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>550</b>
Provinces and municipalities	75		4						
Households	187	667	341	500	500	500	500	500	550
<b>Payments for capital assets</b>	<b>3 510</b>	<b>4 495</b>	<b>7 909</b>	<b>23 880</b>	<b>25 691</b>	<b>25 691</b>	<b>16 901</b>	<b>11 689</b>	<b>11 881</b>
Buildings and other fixed structures			27	3 000	3 000	3 000			
Machinery and equipment	3 254	4 442	7 618	14 880	21 691	21 691	15 901	10 589	10 681
Software and other intangible assets	256	53	264	6 000	1 000	1 000	1 000	1 100	1 200
<b>Payments for financial assets</b>	<b>224</b>	<b>91</b>	<b>59 593</b>						
<b>Total economic classification</b>	<b>180 069</b>	<b>197 786</b>	<b>271 476</b>	<b>317 637</b>	<b>309 110</b>	<b>309 761</b>	<b>317 797</b>	<b>304 576</b>	<b>325 896</b>

The sub-programmes within this programme are administrative in nature; therefore the allocations are funded from the equitable share portion of the departmental allocation. The spending within the MEC's office has slightly increased from

2012/13 to 2013/14 financial years. This programme then grows with inflation from 2015/16 to the end of the MTEF period. The Management sub-programme is made up of the HOD's office support, Risk Management, anti-fraud and corruption and mandated war room unit. However, from 2015/16 financial year to the end of the MTEF period, the budget increases exponentially. This is to allow the unit to capacitate the sub-units.

A strategic decision was made within the department to decentralise budgeting for items such as telephones, part of property payments for all employees and software licenses from Corporate Services to the core directorates. The budget then stabilises over the MTEF and grows only with inflationary increases. Departmental Strategy's expenditure and allocation are very low because the unit is very small and mainly needs budget for salaries and basic operational requirements only.

Compensation of employees increased slightly from R107 million in 2012/13 to R115 million in 2013/14. The allocation then further increases to R151 million in 2015/16, with this trend continuing to growth to R162 million in 2016/17, R165 million in 2017/18 and R173 million in the last year of the MTEF. The increases are as a result of improvements in the Improvement of Conditions of Service (ICS).

Goods and services budget increased from R69 million in 2012/13 to R79 million in 2014/15 financial years. This was for the operational requirements of the units within the programme. Expenditure increases to R142 million in 2015/16 because of the centralisation of budget and expenditure, and the increase in the total allocation for operational budget that has allowed the department to fund issues such as the maintenance of the department's priorities. The increases over the MTEF from R139 million to R140 million are mainly inflationary.

Transfers and subsidies to Households caters mainly for pension benefits, leave gratuities and injury on duty claims. All these items are very difficult to budget for, however, over the years the expenditure has been steady. The budget going forward is estimated to be constant at R500 000 as is difficult to accurately project for this item due to their uncertain nature and the department will make budget shifts as and when they are required to clear any over-spending, should it occur.

Payment for capital assets reflects a decrease during 2014/15 and 2015/16, from R25.7 million to R16.9 million because the structure was not fully funded hence the provision of equipment was not done during the said period for the appointment of new staff. The software and intangible assets item is for the software licenses that the department pays annually to different service providers. This has remained stable through the years. The allocation was shifted to this item from the 2014/15 financial year as a result of SCOA changes. Previously it was paid for from goods and services.

## PROGRAMME 2: TRANSPORT INFRASTRUCTURE

### Programme description

To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, which supports and facilitates social empowerment and economic growth.

### Programme objectives

- Provide for planning and co-ordination towards the formulation of provincial transport policies and statutory plans;
- Plan integrated modal transport facilities and systems for all modes of transport including non-motorised transport;
- Promote and improve safety on transport infrastructure
- Facilitate the provision of road safety audits on all roads and transport infrastructure to ensure safe traffic and people movement;
- Provide data collection services and research to provide management information systems for the provincial road network;
- Provide design of road and transport infrastructure including all necessary support functions such as environmental impact assessments, traffic impact assessments, surveys, expropriations, material investigations and testing;
- Develop new roads and reconstruct, upgrade and rehabilitate road and transport infrastructure; and
- Effectively maintain road and transport infrastructure.

TABLE 9.8: SUMMARY OF PAYMENTS AND ESTIMATES: TRANSPORT INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Infrastructure Planning	45 342	34 702	33 156	65 023	52 248	45 966	72 924	74 300	78 567
2. Infrastructure Design	106 691	129 533	98 038	231 676	161 751	162 963	230 298	252 526	154 357
3. Construction	293 396	409 078	902 122	1 135 031	1 046 287	1 047 754	1 161 626	1 243 660	1 177 616
4. Maintenance	1 305 916	1 061 276	782 757	767 735	882 459	888 812	1 029 504	1 091 744	1 372 708
5. Programme Support Infrastructure	46 010	39 330	280 125	59 861	54 940	54 940	57 824	57 851	62 797
<b>Total payments and estimates</b>	<b>1 797 355</b>	<b>1 673 919</b>	<b>2 096 198</b>	<b>2 259 326</b>	<b>2 197 685</b>	<b>2 200 435</b>	<b>2 552 176</b>	<b>2 720 081</b>	<b>2 846 045</b>



TABLE 9.9: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>949 541</b>	<b>906 889</b>	<b>933 081</b>	<b>1 030 642</b>	<b>1 040 764</b>	<b>1 043 330</b>	<b>1 296 683</b>	<b>1 379 704</b>	<b>1 673 353</b>
Compensation of employees	222 246	233 117	226 994	335 672	241 260	243 826	346 727	358 696	389 030
Goods and services	722 058	673 723	705 872	694 890	799 424	799 424	949 886	1 020 948	1 284 273
Interest and rent on land	5 237	49	215	80	80	80	70	60	50
<b>Transfers and subsidies to:</b>	<b>7 888</b>	<b>3 883</b>	<b>258 134</b>	<b>5 623</b>	<b>5 029</b>	<b>5 029</b>	<b>6 701</b>	<b>6 001</b>	<b>7 780</b>
Provinces and municipalities	5 258	783	1 252	2 200	1 606	1 606	2 500	2 000	3 000
Public corporations and private enterprises	845								
Households	1 785	3 100	256 882	3 423	3 423	3 423	4 201	4 001	4 780
<b>Payments for capital assets</b>	<b>839 220</b>	<b>748 455</b>	<b>904 705</b>	<b>1 223 061</b>	<b>1 151 892</b>	<b>1 151 892</b>	<b>1 248 792</b>	<b>1 334 376</b>	<b>1 164 912</b>
Buildings and other fixed structures	836 565	745 047	851 823	1 182 021	1 123 301	1 123 301	1 241 590	1 326 736	1 156 522
Machinery and equipment	2 210	3 140	52 882	41 040	28 591	28 591	7 202	7 640	8 390
Software and other intangible assets	445	268							
<b>Payments for financial assets</b>	<b>706</b>	<b>14 692</b>	<b>278</b>			<b>184</b>			
<b>Total economic classification</b>	<b>1 797 355</b>	<b>1 673 919</b>	<b>2 096 198</b>	<b>2 259 326</b>	<b>2 197 685</b>	<b>2 200 435</b>	<b>2 552 176</b>	<b>2 720 081</b>	<b>2 846 045</b>

The allocation for this programme includes the PRMG and provincial earmarked infrastructure allocations, which form the core of this programme and of the Department.

### Infrastructure Planning

The unit is responsible for the infrastructure planning, which includes the route determinations, modelling centre and the freight databank. The unit was not fully funded during the 2012/13 to 2013/14 financial years, and expenditure was thus low in those years. The unit's compensation of employees item was also fully funded after the organisational structure was approved in 2012. During the 2015/16 financial year, the budget was adjusted as a result of both the infrastructure projects. Over the MTEF, the budget remains stable.

### Infrastructure Design

The unit is responsible for the design projects for the road infrastructure projects. The increase in expenditure from 2011/12 to 2012/13 financial years was as a result of the changes in the infrastructure allocations and the compensation of employees, post the approval of the organisational structure. Over the MTEF, the budget remains stable - the full list of projects is available within the ECE.

### Construction

The unit is responsible for the construction, upgrade and management of strategic transport infrastructure that integrates non-motorised transport facilities. The expenditure remained low from 2012/13 to 2013/14 financial years as a result of the fact that the focus was on maintenance of the provincial roads network rather than constructing new roads. This was also necessitated by the low infrastructure resources that were allocated in those financial years. Over the MTEF, the budget is higher than previously, as a result of the increasing investment in capital rehabilitation road infrastructure within the province.

### Maintenance

The unit is responsible for the maintenance of roads within the province. The expenditure was high from 2012/13 to 2013/14 financial years as a result of the province's focus on maintenance of the provincial network rather than the construction of new roads.

The compensation of employees increases steadily from R222 million in 2012/13 to R233 million in 2013/14; this was as a result of vacancies that occurred during that period. In 2014/15 the allocations increased in order to cater for the ICS. Over the MTEF, it increases from R346 million in 2016/17 to R389 million in 2018/19, as a result of the improvements in the conditions of service (ICS).

The programme's goods and services budget decreased to R674 million in 2013/14 from R722 million in 2012/13 and increased to R707 million in 2014/15 financial year. This was as a result of high infrastructure spending in 2014/15 for all the infrastructure units. The allocation then decreases to R695 million during 2015/16 as a result of shifting all the rehabilitation projects from Maintenance to construction.

The items used for transfers and subsidies are for the payments of licensing fees for the construction fleet as well as households, which is for pension benefits, leave gratuities and all injury on duty claims. The licensing fees are funded from infrastructure and are budgeted fully each financial year.

The household items, however, are very difficult to budget for. The budget going forward is set at R4.2 million to R4.8 million in the last year of the MTEF and the department will make budget shifts as and when they are required to clear any over-spending should it occur. The very high increase in the household item in the 2014/15 financial year was for the payment of the legal liabilities that were due in that financial year.

The capital items are mainly for the infrastructure allocations, and the full list thereof is available in the ECE. The increases are based on the allocations per project, the project life-cycles as well as the need analysis of infrastructure within the province. The allocation increases from R1.2 billion in 2016/17, R1.3 billion in 2017/18 and a slight decrease in 2018/2019 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME2: TRANSPORT INFRASTRUCTURE

Performance measures	Estimated Annual Targets		
	2016/17	2016/18	2018/19
Number of designs completed.	23 Designs completed	21 Designs completed	18 Designs completed
Number of m2 of surfaced roads upgraded:	187 165.00 m <sup>2</sup>	568 320.00 m <sup>2</sup>	269 360.00m <sup>2</sup>
Number of kilometres of gravel roads upgraded to surfaced roads.	6km	6.5km	12.4km
Number of m2 of surfaced roads rehabilitated	645 502.00m2	996 706 m2	506 752.00m2
Number of m2 of surfaced roads resealed.	380 000m2	400 000m2	420 000m2
Number of kilometres of gravel roads re-gravelled	80.09km	82km	84km
Number of m <sup>2</sup> of blacktop patching	134 000m2	145 000m2	150 000m2
Number of kilometres of gravel roads bladed	1 388km	1 388km	1 388km

### PROGRAMME 3: TRANSPORT OPERATIONS

#### Programme description

- To plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, CBOs, NGOs and the private sector in order to enhance the mobility of all communities, particularly those currently without, or with limited, access.

#### Programme objectives

- Management of integrated land transport contracts to provide mobility to commuters; and
- Manage, co-ordinate and facilitate transport safety and compliance in all modes with related legislation, regulations and policies through pro-active and reactive tactics and strategies.

TABLE 9.10: SUMMARY OF PAYMENTS AND ESTIMATES: TRANSPORT OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Public Transport Services	1 805 145	1 842 137	1 974 799	2 169 084	2 136 374	2 120 894	2 283 945	2 439 347	2 504 967
2. Programme Support Operations	3 093	5 229	11 870	17 111	12 390	12 228	14 480	13 833	15 480
<b>Total payments and estimates</b>	<b>1 808 238</b>	<b>1 847 366</b>	<b>1 986 669</b>	<b>2 186 195</b>	<b>2 148 764</b>	<b>2 133 122</b>	<b>2 298 425</b>	<b>2 453 180</b>	<b>2 520 447</b>

TABLE 9.11: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>59 480</b>	<b>40 151</b>	<b>46 589</b>	<b>76 439</b>	<b>55 314</b>	<b>54 370</b>	<b>64 385</b>	<b>59 295</b>	<b>62 136</b>
Compensation of employees	18 383	18 604	22 103	45 689	24 564	24 020	28 575	29 575	32 106
Goods and services	41 097	21 547	24 486	30 750	30 750	30 350	35 810	29 720	30 030
<b>Transfers and subsidies to:</b>	<b>1 684 051</b>	<b>1 750 999</b>	<b>1 900 024</b>	<b>2 005 168</b>	<b>2 024 881</b>	<b>2 024 881</b>	<b>2 186 550</b>	<b>2 315 665</b>	<b>2 425 696</b>
Public corporations and private enterprises	1 684 021	1 750 973	1 900 024	2 005 048	2 024 761	2 024 761	2 186 420	2 315 535	2 425 546
Households	30	26		120	120	120	130	130	150
<b>Payments for capital assets</b>	<b>64 690</b>	<b>50 768</b>	<b>40 056</b>	<b>104 588</b>	<b>68 569</b>	<b>53 871</b>	<b>47 490</b>	<b>78 220</b>	<b>32 615</b>
Buildings and other fixed structures	64 591	50 768	39 012	104 268	68 249	53 151	45 850	76 340	30 635
Machinery and equipment	99		1 044	320	320	720	1 640	1 880	1 980
<b>Payments for financial assets</b>	<b>17</b>	<b>5 448</b>							
<b>Total economic classification</b>	<b>1 808 238</b>	<b>1 847 366</b>	<b>1 986 669</b>	<b>2 186 195</b>	<b>2 148 764</b>	<b>2 133 122</b>	<b>2 298 425</b>	<b>2 453 180</b>	<b>2 520 447</b>

The PTOG and the North West Star demarcation contracts are funded within this programme, which explains the high budget and expenditure in the tables above. These are both captured under Transfer payment. The expenditure has been growing steadily, though minimally, because of inflationary adjustments to the PTOG.

Expenditure within compensation of employees slightly increase from the 2012/13 to 2014/15 financial years from R18 million to R22 million because of the approved organisational structure and the effort to fill it. The increase in the 2015/16 financial year to R46 million was in line with the requirements of the unit as per the revised organisational structure. The increase to R29 million in 2016/17; R30 million in 2017/18; and R32 million in the last year of the MTEF, is only in relation to the ICS.

The programme's goods and services expenditure reduces drastically between 2012/13 and 2013/14 from R41 million to R22 million, and increase to R24 million in 2014/15. This is as a result of the SCOA changes that required that the infrastructure budget be allocated to the capital assets item. From 2012/13 expenditure within goods and services therefore, only relates to operational expenditure, which includes the monitoring of the public transport operators aligned to the PTOG. As a result of budgetary constraints, the amount then remains low, amounting to R36 million in 2016/17; R30 million in 2017/18; and R30 million in the last year of the MTEF.

The department's PTOG and the North West Star are both allocated within the Transfers and Subsidies item within this programme, and there are the regular operational items of the department, i.e. the household item. Expenditure increases slightly in 2012/13 and 2013/14 from R1.7 billion to R1.8 billion and then increases slightly again in 2014/15 to R1.9 billion. The budget continues to grow in 2015/16 to R2 billion, and over the MTEF, from R2.2 billion in the first year of the MTEF to R2.3 billion in 2017/18 and R2.4 billion in 2018/19. These increases are inflationary in nature.

The infrastructure budget and expenditure is within capital assets, specifically the buildings and other fixed structures item. Infrastructure projects are within the ECE, which provides more details, however, the NMT, Shovakalula and the public transfer facilities projects are within this programme.

The infrastructure budget and expenditure is within the capital assets, specifically the buildings and other fixed structures item. The infrastructure projects are within the ECE, which provides more detail, however, the Non-Motorised Transport (NMT), Shovakalula and the Public Transfer Facilities projects are within this programme. Over the MTEF, allocations grow from R46 million in 2016/17; to R76 million in 2017/18 and then decrease to R30 million in the last year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: TRANSPORT OPERATIONS

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
West Rand bus subsidisation project implemented by 2018	Project Implementation Plan approved.	West Rand bus subsidisation project implemented.	
Number of routes subsidised	3 130 (Non-cumulative)	3 130 (Non-cumulative)	3 130 (Non-cumulative)
Number of kilometres subsidised	99 931 969.72	99 931 969.72	99 931 969.72
Number of trips subsidised	1 780 318	1 780 318	1 780 318

### PROGRAMME 4: TRANSPORT REGULATION

#### Programme description

- To ensure the provision of a safe environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education and awareness programmes and registration and licensing of vehicles and drivers.

#### Programme objectives

- To monitor and control registration and licensing of all motor vehicles and to render services regarding the administration of applications in terms of the National Road Traffic Act (Act 93 of 1996);
- To implement laws and regulations relating to vehicle registration and licensing, vehicle fitness testing and driver fitness testing; and
- To manage, approve and control registration of transport operators and issue all licenses and permits required in terms of legislation.

TABLE 9.12: SUMMARY OF PAYMENTS AND ESTIMATES : TRANSPORT REGULATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Transport Administration And Licensing	127 433	165 314	161 897	198 038	194 286	198 426	221 053	149 474	192 122
2. Operator License And Permits	53 100	56 846	44 096	83 305	70 305	61 896	78 164	83 836	104 392
<b>Total payments and estimates</b>	<b>180 533</b>	<b>222 160</b>	<b>205 993</b>	<b>281 343</b>	<b>264 591</b>	<b>260 322</b>	<b>299 217</b>	<b>233 310</b>	<b>296 514</b>

TABLE 9.13: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT REGULATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>154 879</b>	<b>182 379</b>	<b>156 153</b>	<b>218 203</b>	<b>192 203</b>	<b>187 307</b>	<b>163 728</b>	<b>154 500</b>	<b>178 932</b>
Compensation of employees	89 628	105 672	115 293	160 149	140 149	135 253	94 476	94 765	108 050
Goods and services	65 121	76 425	40 857	57 764	51 764	51 764	69 052	59 555	70 732
Interest and rent on land	130	282	3	290	290	290	200	180	150
<b>Transfers and subsidies to:</b>	<b>552</b>	<b>185</b>	<b>528</b>	<b>60</b>	<b>60</b>	<b>541</b>	<b>62</b>	<b>65</b>	<b>70</b>
Provinces and municipalities	12								
Households	540	185	528	60	60	541	62	65	70
<b>Payments for capital assets</b>	<b>24 979</b>	<b>39 573</b>	<b>49 303</b>	<b>63 080</b>	<b>72 328</b>	<b>72 474</b>	<b>135 427</b>	<b>78 745</b>	<b>117 512</b>
Buildings and other fixed structures	17 650	36 483	47 548	59 200	62 448	62 448	126 521	69 826	106 640
Machinery and equipment	3 469	2 318	1 755	2 080	7 780	7 926	7 106	7 119	9 072
Software and other intangible assets	3 860	772		1 800	2 100	2 100	1 800	1 800	1 800
<b>Payments for financial assets</b>	<b>123</b>	<b>23</b>	<b>9</b>						
<b>Total economic classification</b>	<b>180 533</b>	<b>222 160</b>	<b>205 993</b>	<b>281 343</b>	<b>264 591</b>	<b>260 322</b>	<b>299 217</b>	<b>233 310</b>	<b>296 514</b>

The budget for the TOLAB and DLTC infrastructure projects is located within this programme, together with the allocations for licensing and registration functions. The audited outcome within this programme increased marginally from R181 million in the 2012/13 financial year to R206 million in 2014/15. Over the MTEF, the allocation increases from R299 million in 2016/17 to R296 million in 2018/19.

Expenditure within compensation of employees was steady from 2012/13 when it amounted to R90 million growing to R106 million in the 2013/14 financial year with appointments made on junior examiners and senior examiners, during that time. The increase in the 2013/14 financial year to R106 million is to allow the unit to fill the revised organisational structure.

The decrease to R94 million in 2016/17 was caused by the reduction in the overall departmental budget for compensation of employees over the MTEF; an increase of R95 million in 2017/18; and R108 million in 2018/19 as a result of inflationary increases on the reduced 2016/17 budget. The majority of the vacant posts were filled in the past two years and it is anticipated that the IDMS project will further assist in that regard.

This programme is responsible for the DLTCs and the TOLABS. The expenditure within goods and services from 2012/13 therefore, only relates to operational expenditure, and these are high because the department has to maintain the DLTCs constructed/upgraded as part of the infrastructure programme. An earmarked allocation was made to the department strictly for this purpose, thus alleviating the pressure on the department's discretionary allocation. Expenditure trends over the MTEF are increase slowly ranging from R69 million in 2016/17; R60 million in 2017/18; and R70 million in 2018/19.

The infrastructure budget and expenditure is within capital assets, specifically the buildings and other fixed structures item. Over the MTEF, TOLABs expenditure fluctuates from R35 million in 2016/17 to R58 million in 2017/18 and R25 million in 2018/19, the DLTC projects expenditure also fluctuates from R67 million in 2016/17 to R37 million in 2017/18 and R25 million in 2018/19. The department will only allocate funds for new DLTCs in the latter years, post the identification and proclamation of the land. There is an allocation of R25 million, R12.9 million and R10.990 million in the 2016/17, 2017/18 and 2018/19 financial years, respectively, for the refurbishment of the Zwartkop training centre to be revamped and turned into a fully-fledged training centre.

**SERVICE DELIVERY MEASURES****PROGRAMME 4: TRANSPORT OPERATION**

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Establishment of DLTCs	1 Sebokeng	1	1
Number of TOLABs constructed by 2019	1 Tshwane	-	1
Number of compliance inspections conducted	125	130	135
Number of permits/operating license issued by 2019	9 500	9 200	9 700
Number of permits converted to operating licenses by 2019	5 000	6 500	6 500

**PROGRAMME 5: GAUTRAIN****Programme description**

To plan, design and construct the Rapid Rail Link and ensure efficient management and implementation of the Gautrain.

Management of the concession agreement will remain one of the most important functions of the Gautrain Management Agency (GMA). The agreement was concluded between the province, through the Department of Roads and Transport, on the one hand and the concessionaire on the other for the design, construction and operation of the railway line for the Gautrain Rapid Rail Project.

The agreement was concluded in terms of Treasury Regulation 16 as a public-private partnership (PPP) on the basis that the concessionaire will perform the institutional function of the province for the design, construction and operation of the railway line, acquiring the use of the land on which the railway line is established and the use of the railway line itself when constructed.

**Programme objectives**

- Manage the concession agreement;
- Manage the project's finances, financial securities, insurance, socio-economic development objectives, assets and the maintenance thereof;
- Liaise and exchange information with the three spheres of government, interested and affected parties, institutions and professional bodies in South Africa and other countries;
- Enhance integration with the province's public transport system;
- Monitor government policies and legislation;
- Perform duties assigned by the Railway Safety Regulator;
- Protect the rail reserve and provincial transport infrastructure involved in the project in terms of the Gauteng Transport Infrastructure Act; and
- Establish and operate information and management systems.

TABLE 9.14: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Gautrain	1 598 711	1 424 943	1 311 748	1 561 451	1 561 451	1 561 451	1 832 089	1 923 694	2 035 268
<b>Total payments and estimates</b>	<b>1 598 711</b>	<b>1 424 943</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 832 089</b>	<b>1 923 694</b>	<b>2 035 268</b>

TABLE 9.15: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Transfers and subsidies to:	1 598 711	1 424 943	1 311 748	1 561 451	1 561 451	1 561 451	1 832 089	1 923 694	2 035 268
Departmental agencies and accounts	1 598 711	1 424 943	1 311 748	1 561 451	1 561 451	1 561 451	1 832 089	1 923 694	2 035 268
<b>Total economic classification</b>	<b>1 598 711</b>	<b>1 424 943</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 832 089</b>	<b>1 923 694</b>	<b>2 035 268</b>

Total payments for the programme decreased from R1.4 billion in 2013/14 to R1.3 billion in 2014/15. This is because the construction phase of the Gautrain was already finalised. However over the MTEF, the allocation grows from R1.8 billion in 2016/17; to R1.9 billion in 2017/18; and R2 billion in 2018/19, mainly for the operational phase of the project

## 9. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 9.16: PERSONNEL NUMBERS AND COSTS

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	243	273	308	352	352	352	352
2. Transport Infrastructure	1 032	1 007	1 025	1 023	1 025	1 025	1 025
3. Transport Operations	51	51	59	59	59	59	59
4. Transport Regulation	336	382	396	448	448	448	448
5. Gautrain							
Direct charges							
<b>Total provincial personnel numbers</b>	<b>1 662</b>	<b>1 713</b>	<b>1 788</b>	<b>1 882</b>	<b>1 884</b>	<b>1 884</b>	<b>1 884</b>
Total provincial personnel cost (R thousand)	437 039	472 101	488 559	548 968	631 320	647 972	702 514
Unit cost (R thousand)	263	276	273	292	335	344	373

Table 9.16 below reflects the organisational structure of the department was approved in 2012, which meant that there were recalculations and realignments of the posts within the entire organisation. This resulted in the total number of posts reducing drastically from 2 283 to 1 662. This approved structure has been revised within most of the units since the approval and this will result in the annual changes as per the table.

The allocated budget for compensation of employees will not be adequate for all the posts in the structure, therefore the department will continue to fill the structure piecemeal until it is fully implemented. It should, however, be noted that the department may maintain a vacancy rate of about 10 per cent of the total posts in the organisational structure throughout all the units.



TABLE 9.18: INFORMATION OF TRAINING: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of personnel trained	739	739	1 800	700	700	700	700	700	741
<i>of which</i>									
Male	636	636	900	450	450	450	450	450	476
Female	103	103	900	250	250	250	250	250	265
Number of training opportunities	50	50	60	80	80	80	90	95	101
<i>of which</i>									
Tertiary	50	50	60	80	80	80	90	95	101
Number of bursaries offered	11	53	60	80	80	80	100	100	106
Number of interns appointed	72	72	10	30	30	30	35	35	37
Number of learnerships appointed	148	148	10	30	30	30	35	35	37

TABLE 9.19: PAYMENTS ON TRAINING: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	6 388	168	3 210	2 573	2 573	2 573	2 802	2 823	2 986
Subsistence and travel	175	68	500	300	300	300	420	441	467
Payments on tuition	6 213	100	2 710	2 273	2 273	2 273	2 382	2 382	2 520
2. Transport Infrastructure	1 788	152	2 420	5 535	5 535	5 535	5 862	5 890	6 232
Subsistence and travel	1 788	52	300	500	500	500	560	588	622
Payments on tuition		100	2 120	5 035	5 035	5 035	5 302	5 302	5 609
3. Transport Operations	537	124	720	805	805	805	862	869	919
Subsistence and travel	14	24	100	120	120	120	140	147	156
Payments on tuition	523	100	620	685	685	685	722	722	764
4. Transport Regulation		120	1 250	2 622	2 622	2 622	2 770	2 782	2 943
Subsistence and travel		20	250	220	220	220	240	252	267
Payments on tuition		100	1 000	2 402	2 402	2 402	2 530	2 530	2 676
<b>Total payments on training</b>	<b>8 713</b>	<b>564</b>	<b>7 600</b>	<b>11 535</b>	<b>11 535</b>	<b>11 535</b>	<b>12 295</b>	<b>12 363</b>	<b>13 080</b>

The department conducted a number of formal and accredited programmes in ensuring skill development applied within the department. This includes awarding bursaries to both internal and external in order to build capacity and improve efficiency and effectiveness. The department continued to provide internship programme to youth graduates country wide, in line with government's drive to achieve the aspirations of a development state. The budget for training is centralised in programme one under corporate services for better coordination and management. The increase in external bursaries over the MTEF is based on potential student's graduates.

## 9.2. Reconciliation of structural changes

No changes to the programme structure.



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

TABLE 9.20: SPECIFICATION OF RECEIPTS: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>	<b>2 401 619</b>	<b>2 644 876</b>	<b>2 949 662</b>	<b>2 987 393</b>	<b>2 987 393</b>	<b>3 180 635</b>	<b>3 142 737</b>	<b>3 299 874</b>	<b>3 491 267</b>
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences	2 401 619	2 644 876	2 949 662	2 987 393	2 987 393	3 180 635	3 142 737	3 299 874	3 491 267
<b>Sales of goods and services other than capital assets</b>	<b>53 711</b>	<b>55 661</b>	<b>53 937</b>	<b>67 993</b>	<b>67 993</b>	<b>67 993</b>	<b>71 597</b>	<b>75 176</b>	<b>79 537</b>
Sale of goods and services produced by department (excluding capital assets)	53 711	55 661	53 937	67 993	67 993	67 993	71 597	75 176	79 537
Sales by market establishments	53 711	55 661	53 937	67 993	67 993	67 993	71 597	75 176	79 537
<b>Transfers received from:</b>									
Other governmental units									
Households and non-profit institutions									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>133</b>	<b>38</b>	<b>28</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>63</b>
Interest	133	38	28	50	50	50	55	60	63
Dividends									
Rent on land									
<b>Sales of capital assets</b>	<b>10 162</b>	<b>5 983</b>							
Land and sub-soil assets									
Other capital assets	10 162	5 983							
<b>Transactions in financial assets and liabilities</b>	<b>1 226</b>	<b>885</b>	<b>2 236</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 587</b>
<b>Total departmental receipts</b>	<b>2 466 851</b>	<b>2 707 443</b>	<b>3 005 863</b>	<b>3 056 936</b>	<b>3 056 936</b>	<b>3 250 178</b>	<b>3 215 889</b>	<b>3 376 610</b>	<b>3 572 454</b>

TABLE 9.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>176 073</b>	<b>192 533</b>	<b>203 629</b>	<b>293 257</b>	<b>282 919</b>	<b>283 570</b>	<b>300 396</b>	<b>292 387</b>	<b>313 465</b>
Compensation of employees	106 782	114 707	124 169	151 522	142 995	145 869	161 542	164 936	173 328
Salaries and wages	94 796	102 097	110 204	100 448	125 008	127 893	149 189	152 019	159 900
Social contributions	11 986	12 610	13 965	51 074	17 987	17 976	12 353	12 917	13 428
Goods and services	69 026	77 770	79 451	141 605	139 794	137 571	138 754	127 371	140 077
Administrative fees	431	514	555	492	452	452	434	434	450
Advertising	3 603	8 064	3 881	6 185	6 145	6 187	6 602	6 702	7 230
Minor assets	32	28	1 123	721	725	725	200	200	200
Audit cost: External	3 762	5 834	5 432	6 000	6 000	6 000	6 000	6 000	7 000
Bursaries: Employees	780	130	562	1 900	1 900	1 900	2 300	2 300	2 500
Catering: Departmental activities	534	335	797	2 956	3 319	3 384	2 845	2 905	3 167
Communication (G&S)	18 347	12 252	13 957	23 200	23 520	23 526	13 600	12 900	13 700
Computer services	5 765	7 468	6 335	9 600	8 900	8 900	13 200	10 400	10 300
Consultants and professional services: Business and advisory services	2 616	3 483	1 809	7 000	5 080	5 080	7 300	6 600	6 880
Consultants and professional services: Infrastructure and planning	5			2 000	1 700	1 700	8 600	5 700	4 750
Consultants and professional services: Legal costs	2 253	1 747	3 751	3 000	3 300	3 300	6 000	5 000	7 000
Contractors	450	313	4 006	9 346	7 846	7 846	5 700	6 400	8 100
Agency and support / outsourced services	2 030	186							

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<i>Entertainment</i>									
<i>Fleet services (including government motor transport)</i>	3	10 297	3 555	8 600	7 847	7 847	5 400	5 180	5 740
<i>Housing</i>									
<i>Inventory: Clothing material and accessories</i>			22		150	150			
<i>Inventory: Farming supplies</i>			76						
<i>Inventory: Food and food supplies</i>	59	3							
<i>Inventory: Fuel, oil and gas</i>			206						
<i>Inventory: Materials and supplies</i>	371	3	254	2 200	2 000	2 000	2 000	500	
<i>Inventory: Medical supplies</i>			426						
<i>Inventory: Other supplies</i>			831	1 800	1 800	1 800			
<i>Consumable supplies</i>	43	237	1 614		2 528	2 531			
<i>Consumable: Stationery, printing and office supplies</i>	2 825	4 483	3 484	6 880	6 688	6 688	7 350	7 330	7 830
<i>Operating leases</i>	1 308	2 365	648	1 000	1 000	1 000	500	500	500
<i>Property payments</i>	16 165	14 815	17 851	27 000	27 000	27 000	25 000	24 000	26 000
<i>Transport provided: Departmental activity</i>	82	95	705	110	230	512	120	140	140
<i>Travel and subsistence</i>	2 926	1 573	1 198	6 970	7 109	6 187	7 780	6 680	7 980
<i>Training and development</i>	675	1 375	4 261	10 395	10 395	9 395	12 923	13 000	15 010
<i>Operating payments</i>	2 921		39			57			
<i>Venues and facilities</i>	1 040	2 170	2 068	4 250	4 145	3 389	4 900	4 500	5 600
<i>Rental and hiring</i>			5		15	15			
Interest and rent on land	265	56	9	130	130	130	100	80	60
Interest	265	56	9	130	130		100	80	60
Rent on land						130			
<b>Transfers and subsidies</b>	<b>262</b>	<b>667</b>	<b>345</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>550</b>
Provinces and municipalities	75		4						
Provinces			4						
Provincial Revenue Funds									
Provincial agencies and funds			4						
Municipalities	75								
Municipalities									
Municipal agencies and funds	75								
Non-profit institutions									
Households	187	667	341	500	500	500	500	500	550
Social benefits	124					500			
Other transfers to households	63	667	341	500	500		500	500	550
<b>Payments for capital assets</b>	<b>3 510</b>	<b>4 495</b>	<b>7 909</b>	<b>23 880</b>	<b>25 691</b>	<b>25 691</b>	<b>16 901</b>	<b>11 689</b>	<b>11 881</b>
Buildings and other fixed structures			27	3 000	3 000	3 000			
Buildings						3 000			
Other fixed structures			27	3 000	3 000				
Machinery and equipment	3 254	4 442	7 618	14 880	21 691	21 691	15 901	10 589	10 681
Transport equipment			703			722	3 600	3 420	3 760
Other machinery and equipment	3 254	4 442	6 915	14 880	21 691	20 969	12 301	7 169	6 921
Heritage Assets									
Software and other intangible assets	256	53	264	6 000	1 000	1 000	1 000	1 100	1 200
<b>Payments for financial assets</b>	<b>224</b>	<b>91</b>	<b>59 593</b>						
<b>Total economic classification</b>	<b>180 069</b>	<b>197 786</b>	<b>271 476</b>	<b>317 637</b>	<b>309 110</b>	<b>309 761</b>	<b>317 797</b>	<b>304 576</b>	<b>325 896</b>

TABLE 9.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>949 541</b>	<b>906 889</b>	<b>933 081</b>	<b>1 030 642</b>	<b>1 040 764</b>	<b>1 043 330</b>	<b>1 296 683</b>	<b>1 379 704</b>	<b>1 673 353</b>
Compensation of employees	222 246	233 117	226 994	335 672	241 260	243 826	346 727	358 696	389 030
Salaries and wages	190 819	200 759	194 190	254 839	191 727	206 449	320 322	330 739	356 689
Social contributions	31 427	32 358	32 804	80 833	49 533	37 377	26 405	27 957	32 341
Goods and services	722 058	673 723	705 872	694 890	799 424	799 424	949 886	1 020 948	1 284 273
Administrative fees	99	118	260	194	531	561	200	200	225
Advertising	733	3 935	3 245	8 250	5 301	5 733	9 290	10 295	10 845
Minor assets	174	48	197	260	320	320			
Catering: Departmental activities	23	60	87	204	234	173	185	175	200
Communication (G&S)	1 928	2 534	39		19	19	5 800	5 600	5 800
Computer services	2 063	83	78						
Consultants and professional services: Business and advisory services	1 996			3 300	2 250	1 900	4 000	3 000	2 000
Consultants and professional services: Infrastructure and planning	30 157	5 616	9 685	12 555	17 555	17 555	18 077	16 862	20 160
Consultants and professional services: Laboratory services		175	66	50	50	138	100	120	150
Consultants and professional services: Legal costs	1 941	6 070	5 157	6 250	6 250	6 162	4 400	3 500	4 500
Contractors	606 940	532 570	664 270	628 431	731 205	731 205	880 434	953 809	1 211 183
Agency and support / outsourced services	343		7						
Fleet services (including government motor transport)	22 944	28 373	1 304	8 100	6 425	6 425	5 208	5 220	5 835
Inventory: Clothing material and accessories		1 595			150	150			
Inventory: Farming supplies									
Inventory: Food and food supplies	6	2							
Inventory: Fuel, oil and gas	249	145	47		315	315			
Inventory: Materials and supplies	19 027	66 548	795		500	500			
Inventory: Medical supplies	4								
Consumable supplies	8 131	55	26		1 000	1 000			
Consumable: Stationery, printing and office supplies	1 116	1 691	993	1 056	1 079	1 229	707	707	915
Operating leases	3 346								
Property payments	6 553	13 356	11 764	15 000	15 000	15 000	9 900	10 380	10 850
Travel and subsistence	10 286	10 124	7 681	11 070	11 070	10 869	11 410	10 900	11 410
Training and development	199	617	168						
Operating payments	3 795		3						
Venues and facilities	5	8		170	170	170	175	180	200
Rental and hiring									
Interest and rent on land	5 237	49	215	80	80	80	70	60	50
Interest	5 237	49	215	80	80		70	60	50
Rent on land						80			
<b>Transfers and subsidies</b>	<b>7 888</b>	<b>3 883</b>	<b>258 134</b>	<b>5 623</b>	<b>5 029</b>	<b>5 029</b>	<b>6 701</b>	<b>6 001</b>	<b>7 780</b>
Provinces and municipalities	5 258	783	1 252	2 200	1 606	1 606	2 500	2 000	3 000
Provinces	5 258	783							
Provincial Revenue Funds									
Provincial agencies and funds	5 258	783							
Municipalities			1 252	2 200	1 606	1 606	2 500	2 000	3 000
Municipalities			1 252	2 200	1 606	1 606	2 500	2 000	3 000
Public corporations and private enterprises	845								
Private enterprises	845								
Subsidies on production									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Other transfers	845								
Non-profit institutions									
Households	1 785	3 100	256 882	3 423	3 423	3 423	4 201	4 001	4 780
Social benefits	- 248	3 019							
Other transfers to households	2 033	81	256 882	3 423	3 423	3 423	4 201	4 001	4 780
<b>Payments for capital assets</b>	<b>839 220</b>	<b>748 455</b>	<b>904 705</b>	<b>1 223 061</b>	<b>1 151 892</b>	<b>1 151 892</b>	<b>1 248 792</b>	<b>1 334 376</b>	<b>1 164 912</b>
Buildings and other fixed structures	836 565	745 047	851 823	1 182 021	1 123 301	1 123 301	1 241 590	1 326 736	1 156 522
Buildings		22							
Other fixed structures	836 565	745 025	851 823	1 182 021	1 123 301	1 123 301	1 241 590	1 326 736	1 156 522
Machinery and equipment	2 210	3 140	52 882	41 040	28 591	28 591	7 202	7 640	8 390
Transport equipment			348	40 000	24 611	24 961	3 472	3 480	3 890
Other machinery and equipment	2 210	3 140	52 534	1 040	3 980	3 630	3 730	4 160	4 500
Heritage Assets									
Software and other intangible assets	445	268							
<b>Payments for financial assets</b>	<b>706</b>	<b>14 692</b>	<b>278</b>			<b>184</b>			
<b>Total economic classification</b>	<b>1 797 355</b>	<b>1 673 919</b>	<b>2 096 198</b>	<b>2 259 326</b>	<b>2 197 685</b>	<b>2 200 435</b>	<b>2 552 176</b>	<b>2 720 081</b>	<b>2 846 045</b>

TABLE 9.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>59 480</b>	<b>40 151</b>	<b>46 589</b>	<b>76 439</b>	<b>55 314</b>	<b>54 370</b>	<b>64 385</b>	<b>59 295</b>	<b>62 136</b>
Compensation of employees	18 383	18 604	22 103	45 689	24 564	24 020	28 575	29 575	32 106
Salaries and wages	18 089	16 211	19 224	36 136	20 511	20 654	24 621	25 391	27 488
Social contributions	294	2 393	2 879	9 553	4 053	3 366	3 954	4 184	4 618
Goods and services	41 097	21 547	24 486	30 750	30 750	30 350	35 810	29 720	30 030
Administrative fees						59			
Advertising	48	244	718	800	800	741	900	950	1 000
Minor assets	6		8	80	80	80			
Catering: Departmental activities		1		40	40	540	50	50	60
Communication (G&S)	15	10					1 500	1 300	1 500
Consultants and professional services: Business and advisory services	14 028	18 805	15 624	21 000	21 000	20 729	26 000	21 000	20 000
Consultants and professional services: Legal costs	25 993	720	6 930	5 000	5 000	4 500	4 000	3 000	4 000
Fleet services (including government motor transport)		714	248	1 500	1 500	1 100	960	1 020	1 020
Inventory: Food and food supplies	1								
Inventory: Materials and supplies	1	1							
Consumable supplies			2						
Consumable: Stationery, printing and office supplies	83	117	69	400	400	400	400	400	450
Travel and subsistence	662	902	887	1 800	1 800	2 071	1 850	1 850	1 850
Training and development	260	10							
Operating payments									
Venues and facilities		23		130	130	130	150	150	150
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>	<b>1 684 051</b>	<b>1 750 999</b>	<b>1 900 024</b>	<b>2 005 168</b>	<b>2 024 881</b>	<b>2 024 881</b>	<b>2 186 550</b>	<b>2 315 665</b>	<b>2 425 696</b>
Provinces and municipalities									
Public corporations and private enterprises	1 684 021	1 750 973	1 900 024	2 005 048	2 024 761	2 024 761	2 186 420	2 315 535	2 425 546
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises	1 684 021	1 750 973	1 900 024	2 005 048	2 024 761	2 024 761	2 186 420	2 315 535	2 425 546
Subsidies on production									
Other transfers	1 684 021	1 750 973	1 900 024	2 005 048	2 024 761	2 024 761	2 186 420	2 315 535	2 425 546
Non-profit institutions									
Households	30	26		120	120	120	130	130	150
Social benefits				120	120	120	130	130	150
Other transfers to households	30	26							
<b>Payments for capital assets</b>	<b>64 690</b>	<b>50 768</b>	<b>40 056</b>	<b>104 588</b>	<b>68 569</b>	<b>53 871</b>	<b>47 490</b>	<b>78 220</b>	<b>32 615</b>
Buildings and other fixed structures	64 591	50 768	39 012	104 268	68 249	53 151	45 850	76 340	30 635
Buildings									
Other fixed structures	64 591	50 768	39 012	104 268	68 249	53 151	45 850	76 340	30 635
Machinery and equipment	99		1 044	320	320	720	1 640	1 880	1 980
Transport equipment			464			400	640	680	680
Other machinery and equipment	99		580	320	320	320	1 000	1 200	1 300
Heritage Assets									
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>17</b>	<b>5 448</b>							
<b>Total economic classification</b>	<b>1 808 238</b>	<b>1 847 366</b>	<b>1 986 669</b>	<b>2 186 195</b>	<b>2 148 764</b>	<b>2 133 122</b>	<b>2 298 425</b>	<b>2 453 180</b>	<b>2 520 447</b>

TABLE 9.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT REGULATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>154 879</b>	<b>182 379</b>	<b>156 153</b>	<b>218 203</b>	<b>192 203</b>	<b>187 307</b>	<b>163 728</b>	<b>154 500</b>	<b>178 932</b>
Compensation of employees	89 628	105 672	115 293	160 149	140 149	135 253	94 476	94 765	108 050
Salaries and wages	81 839	91 690	99 408	123 390	103 390	116 276	79 972	80 257	92 015
Social contributions	7 789	13 982	15 885	36 759	36 759	18 977	14 504	14 508	16 035
Goods and services	65 121	76 425	40 857	57 764	51 764	51 764	69 052	59 555	70 732
Administrative fees			16	14	31	31	16	16	20
Advertising	572	1 469	509	2 300	1 950	1 553	2 400	2 400	2 600
Minor assets	295	138	514	270	253	270			
Catering: Departmental activities	89	99	10	200	200	237	100	100	100
Communication (G&S)	830	1 073	24	1 100	450	450	4 300	4 100	4 300
Computer services	281	5 048	466	14 300	800	800	10 400	2 400	4 000
Consultants and professional services: Business and advisory services	24 040	21 074	1 659	2 000	8 900	1 987			
Consultants and professional services: Infrastructure and planning	162								
Consultants and professional services: Legal costs	397	1 126	1 461	1 800	1 500	713	2 000	2 000	2 000
Contractors	436	2 383	984	1 500	1 500	7 500	2 518	2 820	2 820

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Agency and support / outsourced services	306	260	224	2 500	2 500	2 500	2 000	2 140	2 140
Entertainment	1								
Fleet services (including government motor transport)	155	7 910	5 732	4 780	3 180	3 180	4 060	3 854	4 274
Housing									
Inventory: Clothing material and accessories			23						
Inventory: Food and food supplies	5	5							
Inventory: Materials and supplies	23	196	36						
Inventory: Other supplies							14 300	11 700	16 600
Consumable supplies		343	344		300	300			
Consumable: Stationery, printing and office supplies	11 551	10 889	13 034	10 100	13 300	14 768	2 200	2 100	2 600
Operating leases	11 733	6 079	7 919	10 900	10 900	10 900	19 030	19 795	23 148
Property payments	8 663	17 118	6 044	4 100	4 100	4 546	4 018	4 420	4 420
Travel and subsistence	747	939	844	1 650	1 650	1 723	1 560	1 560	1 560
Training and development	465	62							
Operating payments	4 355	151	61			56			
Venues and facilities	15	63	953	250	250	250	150	150	150
Rental and hiring									
Interest and rent on land	130	282	3	290	290	290	200	180	150
Interest	130	282	1	290	290		200	180	150
Rent on land			2			290			
<b>Transfers and subsidies</b>	<b>552</b>	<b>185</b>	<b>528</b>	<b>60</b>	<b>60</b>	<b>541</b>	<b>62</b>	<b>65</b>	<b>70</b>
Provinces and municipalities	12								
Provinces	12								
Provincial Revenue Funds	12								
Non-profit institutions									
Households	540	185	528	60	60	541	62	65	70
Social benefits	120					84			
Other transfers to households	420	185	528	60	60	457	62	65	70
<b>Payments for capital assets</b>	<b>24 979</b>	<b>39 573</b>	<b>49 303</b>	<b>63 080</b>	<b>72 328</b>	<b>72 474</b>	<b>135 427</b>	<b>78 745</b>	<b>117 512</b>
Buildings and other fixed structures	17 650	36 483	47 548	59 200	62 448	62 448	126 521	69 826	106 640
Buildings									
Other fixed structures	17 650	36 483	47 548	59 200	62 448	62 448	126 521	69 826	106 640
Machinery and equipment	3 469	2 318	1 755	2 080	7 780	7 926	7 106	7 119	9 072
Transport equipment			1 037			5 838	1 240	1 000	1 280
Other machinery and equipment	3 469	2 318	718	2 080	7 780	2 088	5 866	6 119	7 792
Heritage Assets									
Software and other intangible assets	3 860	772		1 800	2 100	2 100	1 800	1 800	1 800
<b>Payments for financial assets</b>	<b>123</b>	<b>23</b>	<b>9</b>						
<b>Total economic classification</b>	<b>180 533</b>	<b>222 160</b>	<b>205 993</b>	<b>281 343</b>	<b>264 591</b>	<b>260 322</b>	<b>299 217</b>	<b>233 310</b>	<b>296 514</b>

TABLE 9.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>									
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services									
Administrative fees									
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>1 598 711</b>	<b>1 424 943</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 832 089</b>	<b>1 923 694</b>	<b>2 035 268</b>
Provinces and municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	1 598 711	1 424 943	1 311 748	1 561 451	1 561 451	1 561 451	1 832 089	1 923 694	2 035 268
Social security funds									
Provide list of entities receiving transfers	1 598 711	1 424 943	1 311 748	1 561 451	1 561 451	1 561 451	1 832 089	1 923 694	2 035 268
Higher education institutions									
Other transfers to households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 598 711</b>	<b>1 424 943</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 561 451</b>	<b>1 832 089</b>	<b>1 923 694</b>	<b>2 035 268</b>





# VOTE 10

## DEPARTMENT OF COMMUNITY SAFETY

To be appropriated by vote in 2016/17	R652 880 000
Responsible MEC	MEC for Community Safety
Administering Department	Department of Community Safety
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To ensure that DCS Gauteng is a Province where people feel and are safe.

#### Mission

To be an innovative, effective and proactive department that ensures the safety of communities through:

- Improving the Quality of Policing;
- Deepening Meaningful Community Participation;
- Enhancing Social Crime Prevention;
- Fostering Integrity;
- Initiating and Sustaining Sound and Supportive Institutional Arrangements;
- Promoting Pedestrian Safety;
- Intensifying Traffic Law Enforcement, and
- Creating a Safer Road Environment.

#### Strategic Goals

The department exercises its powers and performs its duties and functions, in pursuit of the following strategic goals:

- Improved co-operative and corporate governance as well as institutional performance;
- Effective, efficient and community orientated policing;
- Reduction in levels of social crime; and
- Reduction in road fatalities.

#### Core functions and responsibilities

The core functions and responsibilities of the department are:

- To monitor police conduct by overseeing the effectiveness and efficiency of the province's law enforcement agencies;
- To promote good relations between the police and communities;
- To assess the effectiveness of visible policing;
- To liaise with the Minister of Police with respect to crime and policing in the province;
- To record and investigate public complaints alleging police inefficiency;
- To mobilise all communities in the fight against crime;
- To promote social crime prevention through partnerships and other appropriate interventions; and
- To reduce road fatalities.

## Main services

The services provided by the department are informed by its constitutional and legislative mandates, indicated above. These are shown in the table below.

Main services	Brief analysis of the demands	Expected changes in the services
Monitoring police conduct	In a democracy, the populace will always demand that their police service should be effective against crime and that they should police them professionally. Where members of the police service violate the people's rights, enshrined in the Constitution, such violations must be reported to the department for investigation or referral to relevant institutions such as the Independent Police Investigative Directorate (IPID).	The IPID Act, 2011 places an obligation on the Department, inter alia, to monitor police compliance with the Domestic Violence Act, 1998.
Overseeing the effectiveness and efficiency of the province's law enforcement agencies	Section 206 (3) of the Constitution entitles the Department to render this service. It is imperative that the quality of policing be improved. The Department does this primarily through the police oversight function.	The promulgation of the new Civilian Secretariat for Police Service Act, 2011 expanded the mandate of the Department.
Promotion of good relations between the police and the community	In a democratic society such as ours, it is accepted that the police are the people and the people the police. No police service can thus be effective unless it enjoys community support	No major changes are expected.
Assessment of the effectiveness of visible policing	It is generally accepted that police visibility is a formidable deterrent to crime. Section 206 (3) (d) of the Constitution entitles the Department to perform this function. The implementation of the sector policing strategies and plans by police management requires vigorous monitoring, evaluation and reporting.	Given the need to cover all police stations each year to obtain a fuller provincial picture, changes to the current organisation structure are envisaged.
Liaison with the Minister of Police	This is a political responsibility carried out by the Member of the Executive Council through the Ministerial Executive Committee established in terms of section 27 of the Civilian Secretariat for Police Service Act, 2011.	No major changes are expected.
Community mobilisation against crime	The crime challenge affects all communities in the province without regard to affluence. It is thus important for the Department, led by the political head, to mobilise communities against the scourge in a bid to encourage them to take charge of the safety and security interests, of course within the legal parameters.	No major changes are expected.
Promotion of road safety for reductions in road accidents and fatalities	The high number of road accidents and resultant fatalities is unacceptable. Road crashes kill about 1.3 million people globally each year, which translates into 3500 people per day. 90% of deaths and serious injuries related to road accidents occur in low to middle income countries, such as South Africa, costing their collective economies an estimated US\$ 100 billion each year.	No major changes are expected.

## National Development Plan

The NDP is not just a vision but a long-term strategic plan with the following four broad objectives:

- To provide overarching goals to be achieved in 2009;
- To build consensus on key obstacles and specific actions to be undertaken;
- To provide a common framework for detailed planning; and
- To create a basis for making choices about how best to utilize limited resources.

The NDP offers a long term strategic perspective for creating a developmental state committed to fighting the triple scourge of poverty, unemployment and inequality. It presents a three-pronged strategy that focuses on social and economic transformation and human centered development. It sees safety as being the central bedrock on which these are founded.

The NDP characterizes crime as a scourge that undermines the social fabric of the country, which impedes the democratic drive to create a better life for all. It also views crime as being destabilizing and a threat to safety and security. It recognizes that crime negatively affects economic growth because it leads to poor perceptions of personnel safety. This threatens investment and deters job creation.

Taking its cue from the NDP, the DCS highlights the need to professionalise the police service and to increase officers' crime prevention skills, and improve recruitment practices and training. Social crime prevention initiatives and community mobilisation efforts must be stepped up.

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

The budget reflects support for the transformation, modernisation and re-industrialisation agenda of the new administration. It is aligned to the following pillars of the Ten Pillar programme:

- Accelerated Social Transformation;
- Transformation of the State and Governance;
- Modernisation of the Public service; and
- Radical Economic Transformation.

### **Accelerated Social Transformation**

The department's contribution to social transformation will be carried out in a number of ways. It will identify new initiatives to strengthen Police oversight and to intensify existing social crime initiatives such as violence against women and children (VAWAC). It will continue with the mobilisation of communities against crime by conducting social mobilization campaigns. It will enhance the Oversight Model on Law Enforcement Agencies other than the South African Police Service, such as the three Metropolitan Police department's operating within the province. It will assist the police with the reduction in violent crimes, also known as trio crimes.

The department will endeavor to reduce corruption within the Law Enforcement Agencies. It will refocus the community policing forums (CPF's) as agents of oversight, by re-training and capacitating them. It will allow them to play a role in community-based intelligence. It will strengthen the involvement of ward councilors in policing by supporting and monitoring the Community Safety Forums (CSFs).

The department will continue to facilitate the reduction in the province's road accident fatalities. It will manage taxi violence more effectively by establishing provincial taxi violence task teams as and when the need arises. It will focus on traffic law enforcement and road safety education.

### **Transformation of the state and governance**

The department's contribution to the transformation of the state and governance will be done through; Intensification of BATHO PELE principles in the department by way of various interventions and awareness programmes. The intensification of accountability interventions will be done through full scale implementation of enterprise risk management models, budget monitoring sessions, and timeous and accurate reporting to relevant authorities, and through the establishment of the integrity office to fight fraud and corruption.

### **Modernisation of the public service**

The department will contribute to the modernization of the public service through the improvement of the existing complaints management system in order to enhance its capabilities; and to support a fully integrated command center and an onboard E-NATIS system in all the traffic management vehicles.

### **Radical economic transformation**

The department contributes to radical economic transformation through intensifying its affirmative procurement processes and procuring from co-operatives and other types of township enterprises. Adhering to the 30 day payment which will allow these businesses to flourish and grow. It will be open to innovative ways to contribute to job creation in partnership with other programmes such as the EPWP.

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

The main external activities and events relevant to budget decisions are:

- The implementation of the Civilian Secretariat for Police Service Act, 2011 (Act no. 2 of 2011) and the Independent Police Investigative Directorate Act, 2011 (Act no. 1 of 2011);
- The demands of the Road Traffic Management Corporation (RTMC), especially in relation to the implementation of the Administrative adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998); and; draft Road Traffic Law Enforcement Code (NRTLEC);
- Programmes targeting violence against women and children;
- Enhancement of conviction rates through support in the provision of forensic capacity;
- Enhancement of oversight capability to ensure more effective policing; and
- Enhancement of social crime prevention initiatives.

### **Acts, Rules and Regulations**

The department derives its mandate chiefly from the following pieces of legislation and policies:

- The South African Constitution;
- The Civilian Secretariat for Police Service Act, 2011 (Act No. 2 of 2011);
- The Independent Police Investigative Directorate Act (IPID), 2011 (Act No. 1 of 2011);
- The National Land Transport Act, 2009 (Act No. 5 of 2009);
- Public Services Act Amendment Act 30 Of 2007;
- Inter-governmental Relations Framework Act 13 of 2005;
- The Gauteng Transport Framework Revision Act, 2002 (Act No. 8 of 2002);
- Promotion of Access to Information Act (PAIA) (Act No 2 of 2000);
- Road Traffic Management Corporation (RTMC) Act , 1999 Act No. 20 of 1999);
- Public Finance Management Act 1 of 1999;
- Administrative Adjudication of Road Traffic Offences (AARTO) Act, 1998 (Act No. 46 of 1998);
- The White Paper on Safety and Security, 1998;
- The Gauteng White Paper on Transport Policy, 1997;
- The National Crime Prevention Strategy, 1996;
- The White Paper on National Transport Policy, 1996;
- The National Road Traffic Act, 1996 (Act No. 93 of 1996);
- The Labour Relations Act (Act No 66 of 1995);
- The South African Police Service (SAPS) Act No. 68 of 1995 as amended; and
- The National Road Safety Act, 1972 (Act No. 9 of 1972).

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)**

### **Accelerated Social transformation**

#### **Output 1: Reduction in priority crimes**

##### **Monitored and Evaluation**

The department intensified its efforts with respect to its responsibility to oversee the law enforcement agencies as part of its constitutional mandate. In addition the department continued to carry its work as prescribed by the Constitution and the Civilian Secretariat for Police Service Act, monitoring of Co-Created Policing Strategy, Detective 10 Point Plan and conducted docket 1 200 audits.

#### **Output 2: Reduction in crimes against women and children**

The department, in partnership with the department of Social Development, implemented the social crime strategy and the plan for the management of victims of sexual assault and domestic violence as well as VAWAC Strategy and awareness sessions relating for vulnerable groups.

#### **Output 3: Social crime prevention**

The department continued with Substance Abuse prevention program which is aimed at assisting and encouraging more young people to access benefits from government services.

### **Accelerated Social Transformation and Radical Economic Transformation**

#### **Community Police Relations**

The department continued with its program of deploying Patrollers at schools, Cradle of Humankind, Dinokeng Game Reserve, Metrorail and Transnet in an attempt to ensure job creation initiatives persist. Provincial Board, Cluster Boards and CPFs were also supported by providing guidance that is necessary for their proper functioning as the law dictates. These are legislated structures required by the law to maintain and strengthen good relations between the police and the community in the fight against crime and lawlessness.

#### **Output 4: Crime perception management**

Public engagements continued through *Izimbizo*, outreach programmes and marketing activities. The primary focus during these *Izimbizo* was the creation of awareness around provincial and departmental programmes and services as well as on the profiling of safety-related issues. The media strategy remained an area of strategic focus as the Department endeavoured to mobilise communities and internal employees to encourage a sustainable safety ambassadorship.

### **Transformation of state and governance**

**Output 5: Effectiveness and integration of the criminal justice system**

The Criminal Justice Co-ordinating Committee continued with the provision of strategic direction to the Provincial Joint Operational Intelligence Structure (PROVJOINT) which is the operational arm; and this assisted in ensuring the effectiveness and integration of the criminal justice system.

**Output 6: Reduction in corruption**

The department also dedicated its focus on the implementation of the Anti-Corruption strategies adopted by the Provincial Government as part of its arsenal in the battle against fraud and corruption relating to the province's law enforcement agencies.

**Accelerated Social Transformation and Modernisation of Public Service****Output 7: Reduction in road fatalities**

According to the traffic fatality statistics about 60 per cent of fatalities are pedestrians, 30 per cent for moving violations and 10 per cent is for un-roadworthy vehicles. In order to address the above-mentioned problem, the department embarked on the following key priority areas:

- Implementation of Gauteng Safety Strategy with more focus on pedestrian safety;
- Implementation of zero-tolerance moving violations blitzes through redirection of resources; and,
- Conducting high-impact operations for public transport and freight; and
- Implementation of Turnaround Strategy for the Traffic Training College.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)****Accelerated Social Transformation****Output 1: Reduction in priority crimes****Monitoring and Evaluation**

The department will intensify its efforts with respect to its responsibility to oversee the law enforcement agencies as part of its constitutional mandate, further enhance the notion of robust oversight and continue to turn around poor performing police stations in the province. To this end, 141 police stations will be selected annually for intensive improvement with respect to resources and management.

The department will continue to carry out its work as prescribed by the Constitution and the Civilian Secretariat for Police Service Act. The department will intensify its efforts to conduct docket audits as a method to understand the generators of crime and thereby designing intervention which will address these issues.

Work will continue on monitoring SAPS compliance with the Domestic Violence Act. Furthermore, the department will monitor the implementation of the Independent Police Investigative Directorate (IPID) recommendations.

**Output 2: Reduction in crimes against women and children**

The department is working in collaboration with The University of Cape Town, and will train forensic social workers to heighten the conviction rates for victims of crime. Furthermore, the department is planning to open a new one stop centre for victims of sexual offences and domestic violence (Ikhaya Lethemba) as well as expand of Regional Victim offices (RVO)'s. Ikhaya Lethemba services will be driven to ensure that there is a positive impact on conviction rates.

**Output 3: Social crime prevention**

The department will strengthen the youth safety programme by establishing and recruiting more youths to youth desk structures at institutions of higher learning. The department has strengthened and intensified the Substance Abuse Programme and will continue to encourage more young people to access and benefit from this service and also to implement intervention programmes for youth in conflict with the law.

The department has a constitutional responsibility to promote good relations between the police and the community. In achieving these objectives the department will strengthen the social movement against crime by continuing to support and assess CPFs, Cluster Boards and Provincial Boards as well as giving impetus to community structures engaged in the fight against crime.

The department will continue to deploy Patrollers at schools, regional traffic offices and Ikhaya Lethemba. The department will further mobilise local business fora to deal with the challenges of crime facing small businesses such as taverns, shebeens, spaza shops and hawkers.

## **Accelerated Social Transformation and Radical Economic Transformation**

### **Output 4: Crime perception management**

The department will continue with public engagements through outreach programmes and marketing activities. The primary focus during these outreach programmes will be on the creation of awareness around provincial and departmental programmes and services as well as on the profiling of safety-related issues.

DCS will embark on a public relations exercise to promote services offered at Ikhaya Lethemba, Traffic Training Colleges, and also improve awareness campaigns on services rendered by the LEAs within the province.

### **Transformation of the state and governance**

#### **Output 5: Effectiveness and integration of the criminal justice system**

Since the establishment of the Criminal Justice Co-ordinating Committee in 2012 with the National Prosecuting Authority, SAPS, Independent Police Investigative Directorate and State Security Agency three Sub-Committees were established to deal with Trio crimes, Domestic Violence, Violence Against Women and Children and Substance abuse.

#### **Output 6: Reduction in corruption**

It is envisaged that the department will continue to ensure a dedicated focus on the implementation of the Anti-Corruption strategies adopted by the provincial government as part of its arsenal in the battle against fraud and corruption relating to the province's LEA's. The Fraud and Anti-Corruption unit is functioning and one of the main responsibilities is to conduct training in the department in order to create awareness. The primary focus will remain on the Drivers Licence Testing Centres and Vehicle Testing Stations across the province.

## **Accelerated Social Transformation and Modernisation of the Public Service**

### **Output 7: Reduction in road fatalities**

This programme is responsible for the provision of effective road safety education, traffic law enforcement and crime combating and prevention. The programme intends reducing road traffic fatalities by 10 per cent in the 2016/17 Financial Year by implementing targeted road safety and law enforcement operations.

Realising that pedestrians are by far the most vulnerable category of road users. The departmental Road Safety Officers will prioritise communities in and around potential and statistically identified hazardous locations.

Gross overloading of freight and public passenger transport does not only cause severe damage to the road network surface but also contributes to mechanical failure of vehicle technical parts such as brakes. As a result, concerted efforts will be made to ensure compliance with the law.

The safe transportation of learners remains a key priority of this department. In order to achieve this objective, all learner transport vehicles in the province will be subjected to thorough fitness inspection operations at the nearest Vehicle Testing Stations.

## **4. REPRIORITISATION**

The department reprioritised an amount of R19 million to supplement the budget for priority interventions including Violence against Women and Children (VAWAC) in order to increase awareness. A total amount of R 1.2 million has been reprioritised towards the community policing forums (CPFs) that plays a vital role in promoting the safety of communities.

## **5. PROCUREMENT**

The department will continue to strengthen supply chain management around the area of asset management through increasing capacity and continuous training. One of the key focus areas of the SCM unit for the 2016/17 financial year is to improve fleet management in the department in order to realise savings. The Township Economic Revitalization Strategy will be implemented for the major procurement projects to assist small businesses.

The major procurement to be undertaken during the 2016/17 financial year by the department relates to the provision of catering services at Ikhaya Lethemba and uniform for traffic law enforcement officers. Other procurement to be undertaken relates to the maintenance of the buildings and rental park homes.

## 6. RECEIPTS AND FINANCING

### 6.1. Summary of receipts

TABLE 10.1: SUMMARY OF RECEIPTS: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	436 798	496 292	649 510	620 807	734 735	734 735	651 080	677 003	718 047
Conditional grants Social Sector EPWP Intergraded grant		645		1 345	1 345	1 345	1 800		
<b>Total receipts</b>	<b>436 798</b>	<b>496 937</b>	<b>649 510</b>	<b>622 152</b>	<b>736 080</b>	<b>736 080</b>	<b>652 880</b>	<b>677 003</b>	<b>718 047</b>

The department is mainly funded through equitable share, as reflected in the table above. From 2012/13 fiscal period to 2014/15 the amount appropriated increased by R213 million from R436.7 million to R649.5 million. The growth in the budget for the period 2012/13 to 2014/15 is mainly attributable to the implementation of road safety awareness campaigns.

For the 2015/16 fiscal period the main budget, amounts to R622.1 million, with funding earmarked for Improvement in Conditions of Service (ICS), the implementation of the Civilian Secretariat for Police, substance abuse by youth and Violence against Women and Children (VAWAC). During the 2016/17 financial year, R1.8 million is allocated for the social sector EPWP incentive conditional grant to drive job creation through the patroller programme. The equitable share has increased by R30 million from R620.8 million in 2015/16 to R651 million in 2016/17 and the increase is primarily attributable to inflationary related adjustments and additional funding for road safety awareness campaigns.

Over the 2016 medium term, the departmental budget continues to grow annually by inflationary related adjustments averaging 5 per cent per annum, totalling to R652 million in 2016/17, R677 million in 2017/18 and R718 million in the 2018/19 financial year.

### 6.2. Departmental receipts

TABLE 10.2: SUMMARY OF RECEIPTS: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
Sales of goods and services other than capital assets	6 431	9 769	7 944	4 250	4 250	4 804	5 593	6 991	8 739
Transfers received									
Fines, penalties and forfeits	11 635	14 775	18 108	10 405	10 405	23 749	13 695	17 119	21 398
Interest, dividends and rent on land	4	4	3			14			
Sales of capital assets									
Transactions in financial assets and liabilities	2 542	5 304	16 700	432	432	4 998	569	711	889
<b>Total departmental receipts</b>	<b>20 612</b>	<b>29 852</b>	<b>42 755</b>	<b>15 087</b>	<b>15 087</b>	<b>33 595</b>	<b>19 857</b>	<b>24 821</b>	<b>31 027</b>

The department generates revenue from two sources, the Boekenhoutkloof Traffic Training College as income is received from trainees for course fees, accommodation and meals offered, and through the collection of traffic fines the latter being the largest contributor to the total revenue collected. Other revenue is received under transactions in financial assets and liabilities represent recovery of debt written off previously.



Fines contributed the most revenue with R18 million towards the total collected revenue. Financial transactions in assets and liabilities contributed R16.7 million and this revenue item consists mainly of debt recovered from previous years' as well as transactions made to other institutions. Sales of goods and services other than capital assets contributed R7.9 million and this revenue source consists mainly of sales of goods at the Boekenhoutskloof Traffic Training College.

The department budgeted to collect revenue of R19.8 million in 2016/17, gradually increasing to R24.8 million in 2017/18 and further increasing to R31 million in the 2018/19 financial year. Revenue is expected to increase by 25 per cent from 2016/17 to the 2018/19 financial year. The increase is attributable to the new proposed revenue streams that will be implemented during the 2016/17 fiscal period taking into consideration the annual price escalations (CPI) index. The increase in traffic fines is attributable to the tight implementation of traffic regulations against traffic offenders.

The department is working on the implementation of the following proposed revenue streams.

- Traffic escort of abnormal loads;
- Escort of sporting events;
- Road closure during film shooting on the highways;
- Accreditation of the college to issue PRDP's;
- Storage fee for impounded vehicles;
- Use of weighbridge at the college;
- Fingerprint services.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The following key assumptions were taken into account in formulating the 2016 MTEF estimates:

- The annual updating of policing needs and priorities for the province;
- The monitoring of the police service strategy to reduce crime and improve detective services;
- The continuation of the patroller programme and community police forums;
- The implementation of the Gauteng rural safety plan;
- The establishment of the Civilian Secretariat Act;
- The implementation of the Domestic Violence Act;
- The implementation of the Provincial Social Crime Prevention Strategy, School Safety Programme and Sectoral, Integrity and the GPG Anti-Corruption Strategies.

### 7.2. Programme summary

TABLE 10.3: SUMMARY OF PAYMENTS AND ESTIMATES: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Administration	56 784	75 176	77 150	85 927	99 767	88 775	95 742	101 049	106 910
2. Civilian Oversight	96 187	131 714	156 322	189 330	194 130	145 298	201 351	201 520	213 208
3. Traffic Management	261 691	286 591	396 134	346 895	442 183	502 007	355 787	374 434	397 929
<b>Total payments and estimates</b>	<b>414 662</b>	<b>493 481</b>	<b>629 606</b>	<b>622 152</b>	<b>736 080</b>	<b>736 080</b>	<b>652 880</b>	<b>677 003</b>	<b>718 047</b>

### 7.3. Summary of economic classification

TABLE 10.4: SUMMARY OF ECONOMIC CLASSIFICATION: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>378 274</b>	<b>468 070</b>	<b>549 292</b>	<b>607 574</b>	<b>610 276</b>	<b>628 502</b>	<b>631 476</b>	<b>652 314</b>	<b>691 927</b>
Compensation of employees	252 299	319 775	356 292	418 149	418 149	411 537	459 176	477 994	505 717
Goods and services	125 956	148 266	192 911	189 425	192 127	216 908	172 299	174 321	186 209
Interest and rent on land	19	29	89			57			
<b>Transfers and subsidies</b>	<b>455</b>	<b>2 770</b>	<b>7 225</b>	<b>738</b>	<b>50 971</b>	<b>51 823</b>	<b>5 610</b>	<b>5 935</b>	<b>6 279</b>
Provinces and municipalities		175	383			351	1 575	911	964

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Departmental agencies and accounts		4							
Public corporations and private enterprises							1 240	1 312	1 388
Non-profit institutions			6 001		50 000	50 000	1 800	1 904	2 014
Households	455	2 591	841	738	971	1 472	995	1 808	1 913
<b>Payments for capital assets</b>	<b>35 828</b>	<b>22 560</b>	<b>73 081</b>	<b>13 840</b>	<b>74 767</b>	<b>55 702</b>	<b>15 794</b>	<b>18 753</b>	<b>19 841</b>
Buildings and other fixed structures			88	1 000	1 000				
Machinery and equipment	35 828	22 560	72 983	12 840	73 767	55 702	15 794	18 754	19 842
Heritage Assets									
Software and other intangible assets			10						
<b>Payments for financial assets</b>	<b>105</b>	<b>81</b>	<b>8</b>		<b>66</b>	<b>53</b>			
<b>Total economic classification</b>	<b>414 662</b>	<b>493 481</b>	<b>629 606</b>	<b>622 152</b>	<b>736 080</b>	<b>736 080</b>	<b>652 880</b>	<b>677 003</b>	<b>718 047</b>

The actual spending for the three year period, increased by R214.9 million from R414.7 million for 2012/13 to a total of R629.6 million for the 2014/15 financial year. Expenditure on personnel for the period of 2012/13 to 2014/15 increased by 41 per cent, due to salary related costs in line with the relevant wage agreements, the filling of the vacant positions and the payment of overtime for increased police visibility during the festive season. The expenditure recorded under goods and services for the period, 2012/13 to 2014/15 increased by 53 per cent due to increases in the usage of fuel as a result of the larger fleet size as well as other operational costs. On capital expenditure, the department's spending increased from R36 million in 2012/13 to the R73 million spend in 2014/15 as a result of the payments for fleet services and the acquisition of fleet for increased police visibility.

The department's main budget has increased from R622.2 million in the 2015/16 financial year to R652.9 million in the 2016/17 financial year, an increase of R30.7 million, largely due to the R25 million allocated towards additional road safety awareness campaigns to support the reduction of road fatalities.

The compensation of employees' budget continues to grow by 10 per cent over the 2016 MTEF period from R418 million in the 2015/16 to R459 million in the 2016/17 financial year. This is due to ICS, the anticipated increase in the structure of the Civilian Secretariat for Police Service, the payment of the stipends for recruits at the Traffic Training College as part of the contribution to the Tshepo 500 000 project and the recruitment of traffic law enforcement officers. The budget for goods and services over the 2016 MTEF increases by 8 per cent from R172 million in 2016/17 to R186 million in the 2018/19 financial year to supplement for priorities such VAWAC and social crime prevention strategies.

#### 7.4. Infrastructure payments

##### 7.4.1. Departmental Infrastructure payments

N/A

##### 7.4.2. Departmental Public-Private Partnership (PPP) projects

N/A

#### 7.5. Transfers

##### 7.5.1. Transfers to other entities

N/A

##### 7.5.1. Transfers to Local government

N/A

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The aim of the Administration programme is to provide strategic direction and to support the organisation through administrative support. The programme supports the Office of the MEC and the HOD to exercise their powers and perform their duties and functions in keeping with the constitutional and legislative mandate of the department.

#### Programme objectives

The programme performs its functions in pursuit of the following objectives:

- To provide a range of strategic organisational transformation, business improvement and governance process to the department;
- To provide effective and efficient inter-governmental relations management support to the department;
- To provide integrated risk management support to the department;
- To effectively and efficiently manage expenditure ;
- To report timeously and accurately on the department finances;
- To implement an effective and efficient demand management, acquisition, provision and asset management system and processes;
- To recruit, develop and retain appropriate and sufficiently skilled staff;
- To provide safe, secure record keeping and facility management for the department;
- To provide security services;
- To provide cost effective integrated IT management services to the department; and
- To provide general legal advisory and litigation services as well as specific policy related services to the department.

TABLE 10.5: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The MEC	7 048	7 361	6 483	7 670	7 670	6 632	8 352	8 882	9 397
2. Office Of The HOD	13 828	24 072	11 446	23 544	23 877	18 773	17 185	17 819	18 853
3. Financial Management	13 106	8 770	18 626	17 408	21 768	23 892	19 728	20 082	21 247
4. Corporate Services	22 802	34 973	40 595	37 305	46 452	39 478	50 477	54 266	57 414
<b>Total payments and estimates</b>	<b>56 784</b>	<b>75 176</b>	<b>77 150</b>	<b>85 927</b>	<b>99 767</b>	<b>88 775</b>	<b>95 742</b>	<b>101 049</b>	<b>106 910</b>

TABLE 10.6: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>54 586</b>	<b>71 218</b>	<b>75 069</b>	<b>84 530</b>	<b>98 233</b>	<b>87 340</b>	<b>94 239</b>	<b>99 337</b>	<b>105 099</b>
Compensation of employees	36 663	50 000	56 405	62 082	72 762	64 692	71 433	73 235	77 483
Goods and services	17 904	21 218	18 644	22 448	25 471	22 592	22 807	26 102	27 616
Interest and rent on land	19		20			56			
<b>Transfers and subsidies</b>		<b>1 804</b>	<b>266</b>		<b>2</b>	<b>293</b>	<b>18</b>	<b>19</b>	<b>20</b>
Provinces and municipalities		16	222			251			
Departmental agencies and accounts									
Public corporations and private enterprises									
Non-profit institutions									
Households		1 788	44		2	42	18	19	20
<b>Payments for capital assets</b>	<b>2 180</b>	<b>2 153</b>	<b>1 815</b>	<b>1 397</b>	<b>1 532</b>	<b>1 142</b>	<b>1 485</b>	<b>1 693</b>	<b>1 791</b>
Buildings and other fixed structures									
Machinery and equipment	2 180	2 153	1 805	1 397	1 532	1 142	1 485	1 693	1 791
Software and other intangible assets			10						
<b>Payments for financial assets</b>	<b>18</b>	<b>1</b>							
<b>Total economic classification</b>	<b>56 784</b>	<b>75 176</b>	<b>77 150</b>	<b>85 927</b>	<b>99 767</b>	<b>88 775</b>	<b>95 742</b>	<b>101 049</b>	<b>106 910</b>

The actual spending for the period 2012/13 to 2014/15 increases from by 36 per cent from R56.8 million to R77.2 million in the 2014/15 financial year due to compensation of employees. Compensation of employees increased by 54 per cent or by R19.8 million from R36.7 million in 2012/13 to R56.4 million in 2014/15.

Goods and services increased by 4 per cent, from R17.9 million in 2012/13 to R18.6 million in 2014/15. The increase is mainly as a result of inflationary adjustments. Payments on capital assets remain fairly constant over the years at an average of R2 million per annum.

In the main budget of the 2015/16 financial year, the programme budget amounts to R85.9 million, escalating by R8.8 million when compared with the 2014/15 audited spending of R77.1 million. The increase is to enable the programme to continue rendering the required administrative support to the entire department.

The budget for payments on capital assets amounts to R1.4 million for the 2016/17 financial year, the amount is allocated for upgrading information technology infrastructure as well as payment for fleet services. The increase of R9.4 million in compensation of employees for the 2016/17 is due to salary related costs which is a carry-through of the centralization of Information Communication Technology (ICT) function in the department.

Over the 2016 medium term, the departmental budget continues to grow annually by inflationary related adjustment averaging 6 per cent totalling R95.7 million in 2016/17; R101 million in 2017/18 and R106.9 million in the 2018/19 financial year.

## **PROGRAMME 2: CIVILIAN OVERSIGHT**

### **Programme description**

The central aim of the programme is to contribute towards improved police performance by overseeing the effectiveness and efficiency of the province's law enforcement agencies, which includes receiving reports from these agencies. The programme is also responsible for the determination of policing needs and priorities for the province to give effect to the provisions of section 206 (1) of the Constitution. Research into a variety of policing matters is conducted through this programme to make a positive contribution in the decision-making processes of the department. In a nutshell, the programme takes responsibility for the performance of the functions of a Provincial Secretariat for Police, which is established in keeping with the dictates of section 16 of the Civilian Secretariat for Police Service Act, 2011 (Act No. 2 of 2011).

Furthermore, the programme aims to promote the safety of all communities in the province through the provision of education and awareness programmes relevant to crime prevention. It is also the responsibility of the programme to coordinate social crime prevention initiatives in the province, particularly focussing on the prevention of violence against women and children. In addition, the programme aims to enhance the empowerment of victims across the province, through the provision of a package of services such as counselling and medico-legal services at Ikhaya Lethemba, the province's flagship project in the battle against domestic violence and crimes against the most vulnerable members of our society.

Furthermore, the programme aims to give effect to the constitutional mandate of the department on the promotion of good relations between the police and the community. Communities are also mobilised through this programme, especially against the abuse of drugs and other dependence-producing substances by young people.

### **Programme objectives**

The programme performs its functions in pursuit of the following objectives:

- To conduct accurate, reliable and relevant qualitative and quantitative research;
- To monitor and evaluate police performance;
- To facilitate the improvement of police conduct;
- To accept and temporarily house and to support victims;
- To provide volunteer based victim support services at police station level throughout the province;
- To monitor the performance and functionality of community police relations;
- To promote youth safety;
- To promote school safety;
- To implement VAWAC preventative programmes;
- To implement alcohol and drug abuse prevention programmes;
- To mainstream social crime prevention;
- To mainstream social crime prevention programmes; and
- To increase awareness through outreach programmes, internal communication, marketing and media exposure.

Table 10.7 : SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: CIVILIAN OVERSIGHT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Programme Support	3 331	3 661	4 028	4 040	5 062	5 300	8 662	9 332	9 873
2. Policy And Research	5 569	6 081	21 531	8 063	9 241	8 672	8 550	8 943	9 462
3. Monitoring And Evaluation	9 735	9 495	26 545	47 841	40 641	34 147	33 500	35 847	37 926
4. Safety Promotion	44 761	70 966	71 531	88 809	88 609	65 084	107 141	102 417	108 357
5. Community Police Relations	32 791	41 511	32 687	40 577	50 577	32 095	43 498	44 981	47 590
<b>Total payments and estimates</b>	<b>96 187</b>	<b>131 714</b>	<b>156 322</b>	<b>189 330</b>	<b>194 130</b>	<b>145 298</b>	<b>201 351</b>	<b>201 520</b>	<b>213 208</b>

TABLE 10.8: SUMMARY OF ECONOMIC CLASSIFICATION: CIVILIAN OVERSIGHT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>92 859</b>	<b>129 657</b>	<b>139 235</b>	<b>184 856</b>	<b>175 564</b>	<b>128 895</b>	<b>197 579</b>	<b>196 608</b>	<b>208 011</b>
Compensation of employees	35 344	55 033	63 558	97 544	90 544	68 009	92 528	88 957	94 117
Goods and services	57 515	74 595	75 677	87 312	85 020	60 886	105 051	107 650	113 894
Interest and rent on land		29							
<b>Transfers and subsidies</b>	<b>29</b>	<b>4</b>	<b>12</b>			<b>93</b>	<b>1 800</b>	<b>1 904</b>	<b>2 014</b>
Provinces and municipalities		4	1						
Departmental agencies and accounts									
Non-profit institutions			1				1 800	1 904	2 014
Households	29		10			93			
<b>Payments for capital assets</b>	<b>3 273</b>	<b>2 035</b>	<b>17 075</b>	<b>4 474</b>	<b>18 516</b>	<b>16 273</b>	<b>1 971</b>	<b>3 008</b>	<b>3 183</b>
Buildings and other fixed structures				1 000	1 000				
Machinery and equipment	3 273	2 035	17 075	3 474	17 516	16 273	1 971	3 008	3 183
Heritage Assets									
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>26</b>	<b>18</b>			<b>50</b>	<b>37</b>			
<b>Total economic classification</b>	<b>96 187</b>	<b>131 714</b>	<b>156 322</b>	<b>189 330</b>	<b>194 130</b>	<b>145 298</b>	<b>201 351</b>	<b>201 520</b>	<b>213 208</b>

The audited spending for the three year period from 2012/13 to 2014/15 increased by R60.1 million from R96.2 million for 2012/13 to a total of R156.3 million for the 2014/15 financial year due to the filling of vacancies and the usage of fleet services for establishment of the Secretariat for Police.

Expenditure on personnel for the period 2012/13 to 2014/15 increased by 80 per cent or R28.2 million, the main contributing factors to the increase in compensation of employees' is the cost of living adjustment and the establishment of the Civilian Secretariat of Police.

The goods and services budget increased by R18.2 million or 32 per cent from R57.5 million in 2012/13 to R75.7 million in 2014/15. On capital expenditure the department spent R22.3 million from 2012/13 to 2014/15 financial year and this is mainly as a result of the acquisition of a new fleet for the traffic management unit.

The goods and services budget has increased by R17.7 million from R87.3 million in the 2015/16 financial year to R105 million in 2016/17 and this is due to anticipated maintenance for buildings and catering services for the victims of domestic violence housed at shelters.

Over the 2016 medium term, the amount appropriated to the programme increased by an average of 3 per cent with the baselines at R201.3 million in 2016/17, R201.5 million in the 2017/18 and R213.2 million in the 2018/19 financial year. There is a minimal increase in the 2016/17 and 2017/18 financial years due to the implementation of cost containment measures and the expected decrease in contract workers.

The allocation for compensation of employees' increased by R1.6 million from R92.5 million for 2016/17 to R94.1 million for the 2018/19 financial year, while goods and services increased by R8.8 million from R105.1 million for 2016/17 to R113.9

million for the 2018/19 financial year to sustain services delivered in the programme.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: CIVILIAN OVERSIGHT

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of research reports	5	5	5
Number of police stations monitored and evaluated in line with existing policing strategies, policies and instructions (G-COPS, Detective 10 Point Plan, Sector Policing)	141	141	141
Number of reports on the implementation of National Monitoring Tool (NMT) recommendations compiled	4	4	4
Number of Domestic Violence Act (DVA) Compliance reports compiled	4	4	4
Number of management reports compiled on service delivery complaints against SAPS	4	4	4

### PROGRAMME 3: TRAFFIC MANAGEMENT

#### Programme description

The main aim of the programme is to promote road safety and to contribute towards the reduction in the number of road crashes and resultant fatalities. The programme also takes responsibility for the enhancement of road-user knowledge, skills and attitude as well as road traffic incident management. It is also the responsibility of the programme to provide training to traffic officers from other law enforcement agencies in the province, inclusive of the provision of basic traffic training to newly-appointed traffic learners. The Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998) is implemented and/or administered by the Department through this programme and in conjunction with the Road Traffic Management Corporation (RTMC).

#### Programme objectives

The programme performs its functions in pursuit of the following objectives:

- To reduce road fatalities in Gauteng;
- To provide quality traffic management training; and
- To increase road user compliance to the rules of the road.

Table 10.9: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: TRAFFIC MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Gds Alloc Intell Trnsprt Sys	403		1 753	8 640					
2. Management	1 615	1 466	4 936	1 630	1 630	2 036	1 373	1 457	1 542
3. Public Transport Inspection	36 601	33 373	39 491	35 377	35 795	37 802	38 747	41 372	43 772
4. Road Safety Education	12 327	14 291	15 887	17 076	16 131	14 813	17 899	19 533	20 666
5. Road Safety Project	26 702	26 745	31 033	25 644	26 253	34 654	28 100	29 943	31 680
6. Special Services	20 450	25 062	14 298	24 137	13 280	19 725	31 931	32 995	34 909
7. Traffic Law Enforcement	144 716	160 722	249 534	201 473	322 490	356 602	202 481	212 098	226 178
8. Training Traffic College	18 877	24 932	39 202	32 918	26 604	36 375	35 255	37 036	39 184
<b>Total payments and estimates</b>	<b>261 691</b>	<b>286 591</b>	<b>396 134</b>	<b>346 895</b>	<b>442 183</b>	<b>502 007</b>	<b>355 787</b>	<b>374 434</b>	<b>397 929</b>

TABLE 10.10: SUMMARY OF ECONOMIC CLASSIFICATION: TRAFFIC MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>230 829</b>	<b>267 195</b>	<b>334 988</b>	<b>338 188</b>	<b>336 479</b>	<b>412 267</b>	<b>339 657</b>	<b>356 370</b>	<b>378 817</b>
Compensation of employees	180 292	214 742	236 329	258 523	254 843	278 836	295 215	315 801	334 117
Goods and services	50 537	52 453	98 590	79 665	81 636	133 430	44 442	40 569	44 700
Interest and rent on land			69			1			
<b>Transfers and subsidies</b>	<b>426</b>	<b>962</b>	<b>6 947</b>	<b>738</b>	<b>50 969</b>	<b>51 437</b>	<b>3 792</b>	<b>4 012</b>	<b>4 245</b>
Provinces and municipalities		155	160			100	1 575	911	964
Departmental agencies and accounts		4							
Public corporations and private enterprises							1 240	1 312	1 388

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Non-profit institutions			6 000		50 000	50 000			
Households	426	803	787	738	969	1 337	977	1 789	1 893
<b>Payments for capital assets</b>	<b>30 375</b>	<b>18 372</b>	<b>54 191</b>	<b>7 969</b>	<b>54 719</b>	<b>38 287</b>	<b>12 338</b>	<b>14 053</b>	<b>14 868</b>
Buildings and other fixed structures			88						
Machinery and equipment	30 375	18 372	54 103	7 969	54 719	38 287	12 338	14 053	14 868
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>61</b>	<b>62</b>	<b>8</b>		<b>16</b>	<b>16</b>			
<b>Total economic classification</b>	<b>261 691</b>	<b>286 591</b>	<b>396 134</b>	<b>346 895</b>	<b>442 183</b>	<b>502 007</b>	<b>355 787</b>	<b>374 434</b>	<b>397 929</b>

The actual expenditure for the three year period from 2012/13 to 2014/15 increased by R134.4 million from R261.7 million for 2012/13 to R396.1 million for the 2014/15 financial year. Expenditure on personnel for the period 2012/13 to 2014/15 increased by R56 million or 31 per cent. The main contributing factor to the increase in compensation is the filling of the vacant positions and the cost of living adjustment. The goods and services budget increased by R48.1 million from R50.5 million in 2012/13 to R98.6 million in 2014/15 due to the acquisition of additional fleet.

On capital expenditure the increase is R23.7 million from R30.4 million 2012/13 to R54.1 million in 2014/15; this is mainly as a result of the acquisition of fleet to improve police visibility.

For the 2015/16 financial year, the main budget of the unit is R346.9 million which is a decrease of R49.2 million, when compared with the audited expenditure of R396.1 million in the 2014/15 financial year. The allocation for compensation of employees' has increased by R36.7 million to R295.2 million in the 2016/17 financial year. In turn, expenditure on goods and services decreased by R35.2million, from R79.6 million in 2015/16; to R44.4 million in 2016/17. The decrease in expenditure for goods and services is as a result of implementing the cost containment measures.

In 2015/16, the budget for capital assets was adjusted downwards due to a decline in fleet investment to settle outstanding accruals for fleet services under goods and services.

The budget increases from R346.9 million main budget in the 2015/16 financial year to R355.7 million in the 2016/17 financial year, an increase of R8.8 million. Compensation of employees increased by 14 per cent from R258.5 million in 2015/16 main budget to R295 million in 2016/17 as a result of capacitating the unit to ensure improvement in traffic law enforcement. In addition, 200 intern traffic officers and 400 traffic warders are going to be trained and will be absorbed in the 2016/17 fiscal year. To address funding constraints that hampered the successful Turnaround Strategy, the department will be partnering with the RTMC to accelerate its implementation.

The allocation for goods and services decreased by 44 per cent from R79.6 million in 2015/16 main budget to R44.4 million in 2016/17 financial year. The transfers and subsidies budget has increased from R738 000 in 2015/16 main budget to R3.7 million in 2016/17 to cover the cost for municipal services and injury on duty.

Over the 2016 medium term, the amount appropriated to the Traffic Management unit increased by 11.8 per cent with the baselines at R355.8 million in 2016/17 and R397.9 million in the 2018/19 financial year to sustain the delivery of services.

The 2016 MTEF allocation for compensation of employees increased by R38.9 million from R295.2 million in 2016/17 to R334.1 million in the 2018/19 financial year, while goods and services increased from R44.4 million in 2016/17 to R44.7 million in the 2018/19 financial year. The increase will assist the programme to deliver on its mandate, being to reduce road fatalities in Gauteng, to provide traffic training and to increase road user compliance to the rules of the road. In addition, the department is planning to increase visibility of police in the Province.

**SERVICE DELIVERY MEASURES****PROGRAMME 3: TRAFFIC MANAGEMENT**

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of speed law enforcement operations conducted	10 000	12 000	14 000
Number of vehicles weighed for overloading	160 000	180 000	200 000
Number of drunken Driving operations Conducted	1000	1050	1100
Number of road side check point operations conducted	10 000	12 000	14 000

**9. OTHER PROGRAMME INFORMATION****9.1. Personnel numbers and costs****Table 10.11 : PERSONNEL NUMBERS AND COSTS : DEPARTMENT OF COMMUNITY SAFETY**

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	142	208	236	227	245	223	223
2. Civilian Oversight	119	292	299	301	305	299	299
3. Traffic Management	677	1 128	959	1 011	907	907	907
<b>Total provincial personnel numbers</b>	<b>938</b>	<b>1 628</b>	<b>1 494</b>	<b>1 539</b>	<b>1 457</b>	<b>1 429</b>	<b>1 429</b>
Total provincial personnel cost (R thousand)	252 299	319 775	356 292	411 537	459 177	477 992	505 715
Unit cost (R thousand)	269	196	238	267	315	334	354

The table above depicts the breakdown of the total personnel head count against the corresponding compensation of employees' expenditure and estimated personnel costs over the 2016 medium term period. The total head count decrease from 1 539 in 2015/16 to 1 457 in 2016/17 as a result of the termination of contracts. In relation to the Civilian Secretariat Act, the department will make appointments to fully establish the Civilian Secretariat function which involves a great deal of monitoring and evaluation, thus requiring additional capacity. However, after the establishment of the Civilian Secretariat, the personnel head count is expected to remain unchanged over the medium term at 1 429.



Table 10.12 : Summary of departmental personnel numbers and costs by component

R thousands	Actual				Revised estimate			Medium-term expenditure estimate			Average annual growth over MTEF											
	2012/13		2013/14		2014/15		2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19			
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total	
Salary level																						
1 – 6	450	673	621	741	149 696	740	1	741	158 591	627	168 925	621	179 479	621	179 479	621	179 479	621	(5.7%)	6.2%	35.7%	
7 – 10	408	456	484	448	183 412	448	1	448	199 915	477	206 135	511	218 957	511	218 957	511	218 957	511	4.5%	6.1%	43.6%	
11 – 12	52	65	58	59	36 352	59	1	60	34 330	61	39 164	58	39 688	58	39 688	58	39 688	58	(1.1%)	3%	8.3%	
13 – 16	26	26	28	28	23 129	28		28	25 789	30	28 588	28	30 527	28	30 527	28	30 527	28	(7%)	9.7%	5.9%	
Other	2	408	303	262	18 948	262		262	40 552	262	35 180	211	37 064	211	37 064	211	37 064	211	(7%)	25.1%	6.5%	
<b>Total</b>	<b>938</b>	<b>1 628</b>	<b>1 494</b>	<b>1 537</b>	<b>411 537</b>	<b>1 537</b>	<b>2</b>	<b>1 539</b>	<b>459 177</b>	<b>1 457</b>	<b>477 992</b>	<b>1 429</b>	<b>505 715</b>	<b>1 429</b>	<b>505 715</b>	<b>1 429</b>	<b>505 715</b>	<b>1 429</b>	<b>-2.4%</b>	<b>7.1%</b>	<b>100%</b>	
<b>Programme</b>																						
1. Administration	142	36 663	236	227	64 692	227		227	71 434	245	73 235	223	77 482	223	77 482	223	77 482	223	(0.6%)	6.2%	15.4%	
2. Civilian Oversight	119	35 344	299	299	68 009	299	2	301	92 528	305	88 956	299	94 115	299	94 115	299	94 115	299	(0.2%)	11.4%	18%	
3. Traffic Management	677	180 292	959	1 011	278 836	1 011		1 011	295 215	907	315 801	907	334 118	907	334 118	907	334 118	907	(3.6%)	6.2%	66.6%	
<b>Total</b>	<b>938</b>	<b>252 299</b>	<b>1 494</b>	<b>1 537</b>	<b>411 537</b>	<b>1 537</b>	<b>2 0</b>	<b>1 539</b>	<b>459 177 0</b>	<b>1 457</b>	<b>477 991 5</b>	<b>1 429</b>	<b>505 715</b>	<b>1 429</b>	<b>505 715</b>	<b>1 429</b>	<b>505 715</b>	<b>1 429</b>	<b>(2.4%)</b>	<b>7.1%</b>	<b>100%</b>	
<b>Employee dispensation classification</b>																						
Professional Nurses, Staff Nurses and Nursing Assistants				10	319	10		20	341	10	366	10	387	10	387	10	387	10	(20.6%)	6.7%	5.1%	
Legal Professionals				4	282	4		8	288	4	308	4	326	4	326	4	326	4	(20.6%)	5%	4.3%	
Social Services Professions				3	321	3		6	322	3	344	3	364	3	364	3	364	3	(20.6%)	4.3%	4.9%	
Medical and related professionals				1	74	1		2	75	1	80	1	84	1	84	1	84	1	(20.6%)	4.3%	11%	
Others such as interns, EPWP, learner ships				544	4 285	544		1 088	4 285	245	6 280	245	7 371	245	7 371	245	7 371	245	(39.2%)	19.8%	84%	
<b>Total</b>				<b>562</b>	<b>5 281</b>	<b>562</b>		<b>1 124</b>	<b>6 263</b>	<b>263</b>	<b>7 378</b>	<b>263</b>	<b>8 532</b>	<b>263</b>	<b>8 532</b>	<b>263</b>	<b>8 532</b>	<b>263</b>	<b>(38.4%)</b>	<b>17.3%</b>	<b>100%</b>	

## 9.2 Training

Table 10.13 : PAYMENTS ON TRAINING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>1. Administration</b>	<b>1 853</b>	<b>2 127</b>	<b>2 219</b>	<b>4 268</b>	<b>4 268</b>	<b>4 077</b>	<b>3 140</b>	<b>3 539</b>	<b>3 728</b>
Subsistence and travel	1 207	1 098	1 296	3 223	3 223	3 223	1 977	2 076	2 180
Payments on tuition	646	1 029	923	1 045	1 045	854	1 163	1 463	1 548
<b>2. Civilian Oversight</b>	<b>2 071</b>	<b>2 314</b>	<b>2 321</b>	<b>2 494</b>	<b>2 494</b>	<b>2 494</b>	<b>2 754</b>	<b>2 702</b>	<b>2 837</b>
Subsistence and travel	2 071	2 314	2 321	2 494	2 494	2 494	2 754	2 702	2 837
<b>3. Traffic Management</b>	<b>802</b>	<b>365</b>	<b>1 051</b>	<b>1 008</b>	<b>1 008</b>	<b>1 008</b>	<b>1 065</b>	<b>1 118</b>	<b>1 174</b>
Subsistence and travel	802	365	1 051	1 008	1 008	1 008	1 065	1 118	1 174
<b>Total payments on training</b>	<b>4 726</b>	<b>4 806</b>	<b>5 591</b>	<b>7 770</b>	<b>7 770</b>	<b>7 579</b>	<b>6 959</b>	<b>7 359</b>	<b>7 739</b>

The department develops a Workplace Skills Plan (WSP) annually which is informed by the performance development plans of the staff members. The WSP ensures a constant supply of skilled employees and further to ensure that there is continuity in the development of employees on the latest trends in their particular functions.

The training offered in the department varies from Skills Programmes, Short Courses and Bursaries, which addresses the skills needs. Furthermore, the training is extended to unemployed graduates in a form of Internship Programme.

Table 10.14 : INFORMATION ON TRAINING: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Number of personnel trained	604	628	626	700	700	700	800	800	800
<i>of which</i>									
Male	289	329	283	320	320	320	350	350	350
Female	315	299	343	380	380	380	450	450	450
Number of training opportunities	20	25	24	20	20	20	20	25	27
<i>of which</i>									
Tertiary	5	6	5	5	5	5	5	5	7
Workshops	15	14	14	15	15	15	15	20	20
Other		5	5						
Number of bursaries offered	87	92	89	89	89	89			
Number of interns appointed	31	28	45	45	45	45	54	54	54
Number of days spent on training	949	690	690	350	350	350	900	900	900

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

TABLE 10.15: SPECIFICATION OF RECEIPTS: COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Tax receipts</b>									
Casino taxes									
<b>Sales of goods and services other than capital assets</b>	<b>6 431</b>	<b>9 769</b>	<b>7 944</b>	<b>4 250</b>	<b>4 250</b>	<b>4 804</b>	<b>5 593</b>	<b>6 991</b>	<b>8 739</b>
Sale of goods and services produced by department (excluding capital assets)	6 431	9 769	7 944	4 250	4 250	4 804	5 593	6 991	8 739
Sales by market establishments	1 496	1 523	1 405	1 225	1 225	1 225	1 612	2 015	2 519
Administrative fees									
Other sales	4 935	8 246	6 539	3 025	3 025	3 579	3 981	4 976	6 220
Of which									
Health patient fees	961	1 530	1 409	194	194	748	255	319	398
Other (Specify)	184	204	220	204	204	204	269	336	420
Other (Specify)	2 785	3 436	3 319	2 002	2 002	2 002	2 635	3 294	4 117
Other (Specify)	1 005	3 076	1 591	625	625	625	822	1 028	1 284
<b>Fines, penalties and forfeits</b>	<b>11 635</b>	<b>14 775</b>	<b>18 108</b>	<b>10 405</b>	<b>10 405</b>	<b>23 749</b>	<b>13 695</b>	<b>17 119</b>	<b>21 398</b>
<b>Interest, dividends and rent on land</b>	<b>4</b>	<b>4</b>	<b>3</b>			<b>14</b>			
Interest	4	4	3			14			
Rent on land									
<b>Sales of capital assets</b>									
Other capital assets									
<b>Transactions in financial assets and liabilities</b>	<b>2 542</b>	<b>5 304</b>	<b>16 700</b>	<b>432</b>	<b>432</b>	<b>4 998</b>	<b>569</b>	<b>711</b>	<b>889</b>
<b>Total departmental receipts</b>	<b>20 612</b>	<b>29 852</b>	<b>42 755</b>	<b>15 087</b>	<b>15 087</b>	<b>33 565</b>	<b>19 857</b>	<b>24 821</b>	<b>31 027</b>

TABLE 10.16: PAYMENYS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>54 586</b>	<b>71 218</b>	<b>75 069</b>	<b>84 530</b>	<b>98 233</b>	<b>87 340</b>	<b>94 239</b>	<b>99 337</b>	<b>105 099</b>
Compensation of employees	36 663	50 000	56 405	62 082	72 762	64 692	71 433	73 235	77 483
Salaries and wages	36 663	50 000	56 405	56 901	65 781	57 866	64 487	66 278	70 123
Social contributions				5 181	6 981	6 826	6 946	6 957	7 360
Goods and services	17 904	21 218	18 644	22 448	25 471	22 592	22 807	26 102	27 616
Administrative fees	63	106	118	94	94	87	115	121	128
Advertising	439	466	254	240	240	97	317	334	353
Minor Assets	106	400	129			9	100	105	111
Audit cost: External	2 644	3 211	3 181	988	5 194	3 627	2 850	3 563	3 769
Bursaries: Employees	646	1 029	923	1 045	1 045	746	1 000	1 463	1 548
Catering: Departmental activities	69	278	204	318	328	85	110	81	86

TABLE 10.16: PAYMENYS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Communication (G&S)	2 562	1 840	2 654	2 075	2 075	4 834	1 528	2 432	2 573
Computer services	972	1 983	1 817	2 300	2 750	2 047	3 101	3 281	3 472
Consultants and professional services: Business and advisory services	661	2 060	1 224	1 827	164	487	999	1 005	1 063
Consultants and professional services: Legal costs	1 274	1 148	727	419	1 705	1 712	170	179	189
Contractors	367	61	757	3 332	1 812	1 831	957	1 013	1 072
Agency and support /o outsourced services	504	141	264	340	340	632	3 171	4 424	4 681
Fleet services (including government motor transport)	58	386	435	1 119	1 282	633	903	960	1 015
Inventory: Clothing material and accessories			5				25	26	28
Inventory: Food and food supplies	7	182		94	99	2	18	20	22
Inventory: Fuel, oil and gas	21	7		246	216	12			
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	26	6	92		5	6			
Inventory: Medical supplies			60						
Inventory: Other supplies							8		
Consumable supplies	160	159	635	570	1010	1 171	828	731	773
Consumable: Stationery, printing and office supplies	1 005	1 075	1 363	1 440	1 340	971	696	741	784
Operating leases	496	668	772	2 121	2 121	1 976	2 004	2 119	2 242
Property payments	86	284	348		1 190	300			
Travel and subsistence	1 907	2 549	665	1 989	952	842	1 766	1 074	1 136
Training and development	578	728	818	1 381	1 381	297	1 601	324	343
Operating payments	2 506	99	21		2	15	80	54	57
Venues and facilities	747	1 994	490	510	126	24	459	2 052	2 171
Rental and hiring		358	688			149			
Interest and rent on land	19		20			56			
Interest	19					56			
Rent on land			20						
<b>Transfers and subsidies</b>		<b>1 804</b>	<b>266</b>		<b>2</b>	<b>293</b>	<b>18</b>	<b>19</b>	<b>20</b>
Provinces and municipalities		16	222			251			
Provinces		16	222			251			
Provincial Revenue Funds									

TABLE 10.16: PAYMENYS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Provincial agencies and funds		16	222			251			
Public corporations									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households		1 788	44		2	42	18	19	20
Social benefits		1 788	44		2	42	18	19	20
Other transfers to households									
<b>Payments for capital assets</b>	<b>2 180</b>	<b>2 153</b>	<b>1 815</b>	<b>1 397</b>	<b>1 532</b>	<b>1 142</b>	<b>1 485</b>	<b>1 693</b>	<b>1 791</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	2 180	2 153	1 805	1 397	1 532	1 142	1 485	1 693	1 791
Transport equipment	891		1 805		135	863			
Other machinery and equipment	1 289	2 153		1 397	1 397	279	1 485	1 693	1 791
<b>Payments for financial assets</b>	<b>18</b>	<b>1</b>							
<b>Total economic classification</b>	<b>56 784</b>	<b>75 176</b>	<b>77 150</b>	<b>85 927</b>	<b>99 767</b>	<b>88 775</b>	<b>95 742</b>	<b>101 049</b>	<b>106 910</b>

TABLE 10.17: PAYMENYS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CIVILIAN OVERSIGHT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>92 859</b>	<b>129 657</b>	<b>139 235</b>	<b>184 856</b>	<b>175 564</b>	<b>128 895</b>	<b>197 579</b>	<b>196 608</b>	<b>208 011</b>
Compensation of employees	35 344	55 033	63 558	97 544	90 544	68 009	92 528	88 957	94 117
Salaries and wages	35 344	55 033	63 558	92 077	84 728	62 252	84 178	80 046	84 689
Social contributions				5 467	5 816	5 757	8 351	8 911	9 428
Goods and services	57 515	74 595	75 677	87 312	85 020	60 886	105 051	107 650	113 894
Administrative fees	399	1	16			147			
Advertising	5 042	7 441	9 884	4 646	7 014	8 197	5 174	5 474	5 792
Minor Assets	53	809	65	183	148	65	602	635	672
Audit cost: External									
Bursaries: Employees		7	21						
Catering: Departmental activities	4 921	8 322	10 051	7 128	7 078	4 420	13 686	10 042	10 624
Communication (G&S)	1 377	1 153	1 755	2 460	1 960	1 034	1 604	1 675	1 772
Computer services				200	200		775	820	868
Consultants and professional services: Business and advisory services	826	1 478	851	16 886	150	27	8 918	9 435	9 983

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<i>Consultants and professional services: Infrastructure and planning</i>				1 000					
<i>Consultants and professional services: Laboratory services</i>				100					
<i>Consultants and professional services: Scientific and technological services</i>				1 200					
<i>Consultants and professional services: Legal costs</i>									
<i>Contractors</i>	8 148	8 716	18 623	3 862	6 046	6 494	1 500	1 587	1 679
<i>Agency and support / outsourced services</i>	7 512	15 919	7 953	7 738	5 957	3 290	15 083	13 615	14 405
<i>Fleet services (including government motor transport)</i>		3 814	5 740	6 669	18 842	11 444	5 450	6 083	6 436
<i>Housing</i>									
<i>Inventory: Clothing material and accessories</i>		1 071	798	400	10 000	10 000	5 600	5 925	6 269
<i>Inventory: Farming supplies</i>		17	45						
<i>Inventory: Food and food supplies</i>	69	106	260		8	109	1 200	1 270	1 344
<i>Inventory: Fuel, oil and gas</i>	2	1	1	3 297	19	48	240	254	269
<i>Inventory: Learner and teacher support material</i>		1		1 172	800	193	400	423	448
<i>Inventory: Materials and supplies</i>	653	383	229	543	543	240	500	529	560
<i>Inventory: Medical supplies</i>	87	59	82	203	203	11	360	381	403
<i>Inventory: Medicine</i>			40				160	169	179
<i>Inventory: Other supplies</i>		4	2	10			600	635	671
<i>Consumable supplies</i>	2 795	791	506	3 280	4 201	1 551	600	984	1 041
<i>Consumable: Stationery, printing and office supplies</i>	775	1 266	2 016	2 007	2 007	924	3 860	5 236	5 540
<i>Operating leases</i>	1 260	30		4 196	4 196		1 302	254	269
<i>Property payments</i>	851	2 721	2 869	2 000	2 000	5 924	560	944	999
<i>Transport provided: Departmental activity</i>	45								
<i>Travel and subsistence</i>	6 360	6 042	1 283	6 929	6 353	1 013	5 545	5 870	6 210
<i>Training and development</i>	2 171	2 486	1 728	5 279	1 655	1 033	9 570	10 125	10 713
<i>Operating payments</i>	9 037	475	330	1 833	129	129	1		
<i>Venues and facilities</i>	5 132	10 815	4 702	3 892	3 232	1 624	17 872	21 168	22 395
<i>Rental and hiring</i>		667	5 827		2 280	2 969	3 889	4 116	4 355
Interest and rent on land		29							
Interest		29							
Rent on land									
<b>Transfers and subsidies</b>	<b>29</b>	<b>4</b>	<b>12</b>			<b>93</b>	<b>1 800</b>	<b>1 904</b>	<b>2 014</b>
Provinces and municipalities		4	1						
Provinces		4	1						

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Provincial Revenue Funds		2							
Provincial agencies and funds		2	1						
Non-profit institutions			1				1 800	1 904	2 014
Households	29		10			93			
Social benefits	29		10			93			
Other transfers to households									
<b>Payments for capital assets</b>	<b>3 273</b>	<b>2 035</b>	<b>17 075</b>	<b>4 474</b>	<b>18 516</b>	<b>16 273</b>	<b>1 971</b>	<b>3 008</b>	<b>3 183</b>
Buildings and other fixed structures				1 000	1 000				
Machinery and equipment	3 273	2 035	17 075				1 971	3 008	3 183
Transport equipment	2 264		17 075					1 904	2 014
Other machinery and equipment	1 009	2 035		1 974	14 330	9	1 971	1 104	1 168
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>26</b>	<b>18</b>			<b>50</b>	<b>37</b>			
<b>Total economic classification</b>	<b>96 187</b>	<b>131 714</b>	<b>156 322</b>	<b>189 330</b>	<b>194 130</b>	<b>145 298</b>	<b>201 351</b>	<b>201 520</b>	<b>213 208</b>

TABLE 10.18: PAYMENYS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRAFFIC MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>230 829</b>	<b>267 195</b>	<b>334 988</b>	<b>338 188</b>	<b>336 479</b>	<b>412 267</b>	<b>339 657</b>	<b>356 370</b>	<b>378 817</b>
Compensation of employees	180 292	214 742	236 329	258 523	254 843	278 836	295 215	315 801	334 117
Salaries and wages	180 292	214 742	236 329	216 696	212 958	240 280	244 681	261 417	276 579
Social contributions				41 827	41 885	38 556	50 534	54 384	57 538
Goods and services	50 537	52 453	98 590	79 665	81 636	133 430	44 442	40 569	44 700
Administrative fees	41	381	78		6	7	315	333	352
Advertising	458	1 703	839	500	228				
Minor Assets	395	418	743		30	586			
Audit cost: External									
Bursaries: Employees	2								
Catering: Departmental activities	37	292	266	77	179	131	2 955	2 636	2 789
Communication (G&S)	1 340	1 339	2 017	2 348	2 113	1 389	1 633	1 690	1 789
Computer services	400		709	4 960					
Contractors	1 142	1 098	12 049	16 882	2 502	2 605	3 246	3 435	3 635
Agency and support / outsourced services	2 471	1 335	8 054	6 404	1 280	2 576	588	622	658
Fleet services (including government motor transport)	274	8 499	16 735	21 929	43 147	78 525	3 175	11 458	12 123
Inventory: Clothing material and accessories		1 104	1 212	1 029	1 152	1 675	4 353	161	170
Inventory: Food and food supplies	6		619		552	1 515			
Inventory: Fuel, oil and gas	216	317	8	54	2	17			



R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<i>Inventory: Learner and teacher support material</i>					284	356	560	593	627
<i>Inventory: Materials and supplies</i>	378	433	460	21	176	182	325	344	364
<i>Inventory: Medical supplies</i>	56	41	168	5	215	169	35	37	39
<i>Inventory: Other supplies</i>			28	418	264		750	794	840
<i>Consumable supplies</i>	2 849	3 358	6 694	335	415	834	1 215	1 284	1 358
<i>Consumable: Stationery, printing and office supplies</i>	396	608	2 317	2 145	881	1 251	1 033	1 093	1 156
<i>Operating leases</i>	24 718	19 887	37 204	10 713	16 803	32 760	13 469	6 242	8 383
<i>Property payments</i>	2 186	5 442	1 011	2 141	2 141	2 441	636	673	712
<i>Travel and subsistence</i>	9 557	5 707	6 417	8 818	8 426	5 421	9 125	8 082	8 551
<i>Training and development</i>	546	468	568	556	416	531	830	878	929
<i>Operating payments</i>	2 594		19						
<i>Venues and facilities</i>	475	23	37	330	324				
<i>Rental and hiring</i>			338		100	459	199	211	223
Interest and rent on land			69			1			
Interest			69			1			
Rent on land									
<b>Transfers and subsidies</b>	<b>426</b>	<b>962</b>	<b>6 947</b>	<b>738</b>	<b>50 969</b>	<b>51 437</b>	<b>3 792</b>	<b>4 012</b>	<b>4 245</b>
Provinces and municipalities		155	160			100	1 575	911	964
Provinces		155	160				130	144	152
Provincial Revenue Funds									
Provincial agencies and funds		155	160				130	144	152
Municipalities						100	1 445	767	811
Municipalities									
Municipal agencies and funds						100	1 445	767	811
Departmental agencies and accounts		4							
Social security funds									
Provide list of entities receiving transfers		4							
Public corporations and private enterprises							1 240	1 312	1 388
Private enterprises							1 240	1 312	1 388
Other transfers							1 240	1 312	1 388
Non-profit institutions			6 000		50 000	50 000			
Households	426	803	787	738	969	1 337	977	1 789	1 893
Social benefits	426	803	787	738	969	1 187	977	1 789	1 893
Other transfers to households						150			
<b>Payments for capital assets</b>	<b>30 375</b>	<b>18 372</b>	<b>54 191</b>	<b>7 969</b>	<b>54 719</b>	<b>38 287</b>	<b>12 338</b>	<b>14 053</b>	<b>14 868</b>
Buildings and other fixed structures			88						
Buildings			88						
Other fixed structures									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Machinery and equipment	30 375	18 372	54 103	7 969	54 719	38 287	12 338	14 053	14 868
Transport equipment	30 049		54 103	7 619	50 441	37 678	12 338	14 053	14 868
Other machinery and equipment	326	18 372		350	4 278	609			
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>61</b>	<b>62</b>	<b>8</b>		<b>16</b>	<b>16</b>			
<b>Total economic classification</b>	<b>261 691</b>	<b>286 591</b>	<b>396 134</b>	<b>346 895</b>	<b>442 183</b>	<b>502 007</b>	<b>355 787</b>	<b>374 434</b>	<b>397 929</b>

TABLE 10.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL SECTOR EPWP INTERGRATED GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>645</b>			<b>1 345</b>			<b>1 800</b>		
Compensation of employees							1 800		
Salaries and wages									
Social contributions									
Goods and services	645								
Contractors	645			1 345					
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>645</b>			<b>1 345</b>			<b>1 800</b>		



# VOTE 11

## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

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To be appropriated by vote in 2016/17	R 777 853 000
Responsible MEC	MEC for Agriculture and Rural Development
Administering Department	Department of Agriculture and Rural Development
Accounting Officer	Head of Department

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### 1. OVERVIEW

#### Vision

An economically transformed agricultural sector including agro-processing and sustainable environmental management for healthy, food secure, developed rural and urban communities in Gauteng.

#### Mission

To radically modernize and transform agriculture, environment and rural development by:

- Promoting environmental protection and management;
- Expanding access to agricultural opportunities;
- Expand the agro-processing and marketing support;
- Maximising food security;
- Up-scaling rural development;
- Promoting the One Health System; and
- Supporting sustainable livelihoods and communities.

#### Values

Developing synergies and working towards a common goal. The values of the GDARD include:

- Integrity;
- Commitment;
- Accountability;
- Respect;
- Empowerment ;
- Team orientation;
- Trendsetting and;
- Responsiveness.

#### Strategic goals

- A modernised and transformed agriculture sector increasing food security, economic inclusion and equality
- Sustainable natural resource management
- Enhance the capacity of the GDARD to implement projects effectively

#### Core functions and responsibilities

The mandate of the department is derived from the Constitution of the Republic of South Africa:

- Ensuring an environment that supports human well-being;
- Conservation of the environment;
- Provision of sufficient food and water;
- Animal disease control, management of abattoirs; and
- Provision of veterinary services in the province.

#### Main services

The department's focus is to firmly harness and maximise the economic potential of the agricultural sector and ensure food security for all. This was identified as one of the province's eleven key economic sectors. Nationally, the sector is set to create a million jobs by 2030. The department will ensure that the sector is involved with all interventions to radically

transform, modernise and reindustrialise Gauteng.

Specific activities include:

- Facilitate market access and integration of smallholder farmers, rural enterprises and cooperatives into the food supply chain;
- Expand Agriculture primary production through crop massification programme across the value chains in order to increase the volume of production;
- Create an interactive electronic platform for exchange of market information and interaction between role players across various value chains;
- Drive transformation agenda that seeks to reindustrialise and modernise agricultural value chains;
- Establishment of Incubation farm and programme for both Agro-processing and primary agriculture;
- Development of structured capacity building and mentorship programme for farmers to deal with current realities;
- Form strategic partnership and alliances to reindustrialise the province's agricultural sector through escalation of investment in the Agro-processing industry;
- Encouraging the establishment of individual homestead or backyard gardens to serve, mainly, the province's resource-poor communities. The target groups include the elderly, the unemployed, women, youth, and people with disabilities and HIV/AIDS affected/infected households;
- The ecological management of six provincial nature reserves with associated communities living nearby the reserves and parks programmes Community-based Natural Resource Management, and Environmental Education;
- Issuing nature conservation permits for live games, hunting and fishing licences to the general public, traders and hunters;
- Conducting ecological research in order to provide decision-support to all internal and external stakeholders in the province;
- The development of provincial spatial planning tools such as the Provincial Conservation Plan and bioregional plans;
- Issuing of environmental authorisations in terms of the National Environmental Management Act (NEMA) (No. 107 of 1998); and
- Issuing of certificates for the export of animals and animal products.
- 
- The operational areas of environmental management for which the department is responsible are air quality management, waste management, environmental impact management and conservation and sustainable use of biodiversity. The department's strategic approach and its location within the economic sub-committee, changes the interpretation of its environmental management and protection mandate to include a focus on supporting and facilitating:
- Energy security, including and through the energy mix;
- Sustainable development of green and environmentally friendly and sustainable technologies and processes;
- Eco-tourism;
- Increased participation by previously disadvantaged individuals and communities in environmental management and protection; and
- A proactive role for the sector in radically transforming, modernising and reindustrialising Gauteng's economy.

### Ten Pillar Programme of Transformation, Modernisation and Reindustrialisation

The Gauteng Provincial Government identified Provincial Pillars which contribute to radical socio-economic transformation. Based on the department's strategic approach, it responds to six of these Pillars. Several of the pronouncements on actions and interventions fall within the GDARD's core functions and areas of responsibility of agriculture, environmental management and rural development, as highlighted in the table below.

#### PROVINCIAL PILLARS AND POLICY IMPERATIVES/ACTIONS, AND THE GDARD'S RESPONSES

PROVINCIAL PILLARS	POLICY IMPERATIVES/ACTIONS
<ul style="list-style-type: none"> <li>• Pillar 1 - Radical economic transformation</li> <li>• Pillar 2 - Decisive spatial transformation</li> <li>• Pillar 4 - Transformation of the state and governance</li> <li>• Pillar 5 - Modernisation of the public service</li> <li>• Pillar 6 - Modernisation of the economy</li> <li>• Pillar 9 - Re-industrialisation of Gauteng Province</li> </ul>	<ul style="list-style-type: none"> <li>• Addressing structural problems (high unemployment, casualisation of labour, income inequalities and exclusion of the majority of the black population).</li> <li>• Increase investment in the agriculture and agribusiness sector through public private partnerships</li> <li>• Investing in skills, research, innovation and economic infrastructure.</li> <li>• Revitalising and mainstreaming township economies e.g. through the production of food for schools and hospitals.</li> <li>• Support growth and development, and unlock the job creation and economic inclusion potential of key economic sectors e.g. through facilitating participation of SMMEs and township entrepreneurs in these sectors.</li> <li>• Fast-track the development of new industries that will usher Gauteng into an innovation-driven, knowledge-based, smart and green economy. The potential for Gauteng to be the key driver of new sectors such as mineral beneficiation and agro-processing is also to be enhanced.</li> <li>• Work with the Mayors of metros and districts and with the private sector, within the National Policy Framework, to develop a plan for the healthy energy mix (with emphasis on smart and green energy solutions)</li> <li>• Facilitate market access and unblock agricultural potential, especially for smallholder farmers</li> <li>• Expand the agro-processing and marketing support capacity to agribusinesses, smallholder farmers and cooperatives</li> <li>• Take radical steps to transform the spatial configuration and landscape of Gauteng province through better and co-ordinated land use management and spatial development.</li> <li>• Implement a comprehensive and integrated EPWP and CWP that will create over one million job opportunities within a period of five years.</li> </ul>

### External activities and events relevant to budget decisions

The Gauteng Province is the smallest of South Africa's nine provinces with 1.5 per cent of land size; however it is at the centre of the economy. The province is the most populous in South Africa. As a result, Gauteng is highly urbanised, comprising of three large metropolitan areas where high population densities occur. However, the outer regions of the province, such as the Sedibeng and West Rand districts offer large areas of land where agricultural activities are undertaken. Given the high levels of urbanisation, there is limited land available for agricultural activities, with only 20 per cent of land in Gauteng covered by irrigated and rain fed commercial agriculture. As a result, the agricultural sector shows fairly low levels of production and makes less than half a percent contribution to the Gross Value Added (GVA) of the province. Gauteng also makes one of the smallest contributions to the South African agricultural sector. The key agricultural activities include the production of commodities such as maize, vegetables, poultry and beef. Although the Gauteng Province is not traditionally a key agricultural production region, however much of the South Africa's agro-processing activities takes place in the province, due to the central location and its well-established industrial and infrastructure networks. The sector is not adequately transformed and fully inclusive; neither is the industry performing to its full potential as a driver for economic growth, job creation and development.

At present, the development context for agricultural and agro-processing is characterized by:

- Limited land availability and high levels of competition from non-agricultural land uses, due to continued urbanization and development pressures;
- Poor access of many households to nutritious food, due to poor purchasing power, inadequate and unstable food supplies; and weak food emergency management systems which affects food security;
- An environment where climate change and natural resource degradation is placing pressure on agricultural production outputs and sustainability;
- High competing demands on already constrained water resources, including competition from industrial, mining and residential water users;
- Dominance of large commercial enterprises, with limited participation of smallholder enterprises in agriculture and agro-processing activities;
- High agricultural input costs including feed, energy, fuel, infrastructure, technologies, limited skills and poor access to information and technologies which constrains the viability of smallholder agricultural activities;
- An aging farming fraternity with limited entry into the agricultural space by the youth that could affect future agricultural productivity, output and food security; and
- Poor economic infrastructure, de-industrialization and under-investment in rural and township regions of the province constraining the inclusion of these regions in mainstreaming economic activities.

The constraints highlighted above require dedicated intervention to enable the expansion of the agricultural value-chain as the basis for economic development and growth in the Province.

The Medium Term Strategic Framework (MTSF) outlines key priorities and programmes to give effect to the Ten Pillar Programme of radical transformation, modernisation and reindustrialisation. Amongst the 10 pillars provided there is a need to radically transform and reindustrialise Gauteng province through agriculture and agro-processing. The development of key and new economic sectors that have the potential to address the twin policy imperatives of creating decent employment and greater economic inclusion also become priority for the department. These sectors include finance, automotive industry manufacturing, agro-processing and biotechnology, ICT, tourism, pharmaceuticals, creative industries and construction and Gauteng is the major hub of agribusiness in South Africa and plays a key role in national food security.

The agro-processing industry is part of the revitalisation of the township economies and aims to build township economies by supporting the development of township enterprises, cooperatives, food producers, processors that produce and process goods that meet the township need. The province hosts the headquarters of most commercial agricultural and food companies, offering a concentration of Agro-processing infrastructure plants, horticulture and livestock and markets such as fresh fruit and vegetables. The agricultural potential of the Gauteng City Region is, to a large extent, in the secondary agricultural sector without neglecting the primary agricultural sector. The Agricultural Economic Services is responsible to provide support to various farmers in the province; this is coupled with the development of smallholder farmers including new market entrants and agro-processing initiatives. The Gauteng agro-processing sector has particularly strong linkages both up- and down-stream and is one of the largest manufacturing sectors in the economy.

1. Gauteng is committed to ensuring a brighter future for all its inhabitants, and aims to enhance competitiveness and encourage inclusive and sustainable growth. To achieve this, the local economy needs to grow, compete and create more jobs, particularly for those who have been historically disadvantaged. This implies a focus on competitiveness; enterprises that are able to thrive in competitive markets; and locations which sustain employment at the local level.

The growing demand for agricultural services, following the world-wide economic downturn, puts pressure on capacity within the sector. The limited availability and access to financial resources by smallholder farmers further exacerbate these pressures. This is especially critical as prices of agricultural inputs such as fuel, electricity, labour, fertilizers and seeds have significantly increased. This leads to a potential decline in farm incomes and there is a need for structured and focused

intervention to support farmers and to ensure the long-term sustainability and transformation of the sector. Empowering farmers through agricultural programmes such as the Comprehensive Agricultural Support Programme (CASP), the Micro Agricultural Financial Institutions of South Africa (MAFISA) scheme and Letsema/Ilima will ensure that the sector continues to fulfil its role in ensuring food security and creating jobs. Agro-processing development is linked to pillar nine re-industrialisation of the Gauteng province which sets out the strategic direction towards elevating the contribution of the Agricultural and agro processing sectors to the overall growth and development of the provincial economy. The increased demand for household food security due to the socio-economic impact of in-migration into the province means that the rollout of household, urban agriculture including community food gardens particularly still remains a priority of the Department.

A Performance of Veterinary Services (PVS) review and follow up gap analysis by the World Organisation for Animal Health, identified a number of vulnerabilities in South Africa's veterinary services. These could not only put South Africa's exports of animal and animal products in jeopardy but, also place the livestock sector at risk for major outbreaks of diseases. It will require additional resources and new operational mechanisms to overcome these vulnerabilities and outbreaks of diseases. Compulsory community service for newly qualified veterinarians to be introduced during the 2016/17 financial year and these 17 veterinarians will be allocated to the department and used to realise the new national Primary Animal Health Policy within the province for the coming years.

As a result of a High Court decision on the Performing Animals Act and the inclusion of animal welfare in the World Organisation for Animal Health, which places the responsibility for welfare in the hands of veterinary services, the mandate for welfare is now vested with veterinary services countrywide. Some major importing countries may also soon include animal welfare conditions and certification for the export of animals and animal products. This new mandate will require additional capacity as a result of an increasing demand for coordinated veterinary certification and export facilitation services, especially to ensure markets for smallholder farmers.

While Gauteng may not be rural by conventional standards, it does have relatively rural and semi-urban areas that require attention. An estimated four per cent of the province is classified rural and thus requires rural development interventions. Rural development is the responsibility of every department and person, with GDARD playing the coordinating role. The department has facilitated the signing of the Rural Social Compact Plan. This is a pact by stakeholders, including organised labour, organised agriculture and government to work together to improve the livelihoods of people and communities in the rural areas.

As a result of the transfer of the air quality licensing function to the province, and the promulgation of the Waste Act (No. 59 of 2008), the department carries out additional environmental compliance and monitoring functions.

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

- NEMA EIA Regulations, 2014 (Government Notice R982 of December 2014) and Listing Notice 1, 2 and 3;
- NEMA EIA Regulations (Government Notice R546 of June 2010) and Listing Notice 1, 2 and 3;
- National Environmental Management: Waste Act, 2008 (Act 59 of 2008);
- National Environmental Management: Air Quality Act, 2004 (Act 39 of 2004);
- Gauteng Waste Information Regulations, 2004;
- Gauteng Health Care Waste Management Regulations, 2004;
- National Environment Management: Biodiversity Act, 2003 (Act 10 of 2004);
- National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003);
- Disaster Management Act, (Act 57 of 2002);
- Animal Identification Act, (Act 6 of 2002);
- Meat Safety Act, 2000 (Act 40 of 2000);
- National Heritage Resources Act, 1999 (Act 25 of 1999);
- World Heritage Convention Act, 1999 (Act 49 of 1999);
- Gauteng Noise Control Regulations, 1999;
- National Environment Management Act, 1998 (Act 107 of 1998);
- National Water Act, 1998 (Act 36 of 1998);
- Medicines and Related Substances Act, (Act 90 of 1997);
- Agriculture Products Standards Act, 1990 (Act 1990);
- Environment Conservation Act, 1989 (Act 73 of 1989);
- Animal Diseases Act, 1984 (Act 35 of 1984);
- Endangered and Rare Species of Fauna and Flora, (1984);
- Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983);
- Perishable Products Export Control Act, 1983 (Act 9 of 1983);
- Nature Conservation Ordinance, 1983 (Ordinance 12 of 1983);
- Gauteng Nature Conservation Regulations, (1983);
- Veterinary and Para-Veterinary Professions Act, 1982 (Act 19 of 1982);

- Plant Breeders' Rights Act, 1976 (Act 15 of 1976);
- Plant Improvement Act, 1976 (Act 53 of 1976);
- Hazardous Substances Act, 1973 (Act 15 of 1973);
- Subdivision of Agricultural Land Act, 1970 (Act 10 of 1970);
- Animal Protection Act, (Act 71 of 1962);
- Stock Theft Act, (Act 57 of 1959);
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act 36 of 1947); and
- Performing Animals Protection Act, (Act 24 of 1935).

### **Policy directives**

- Land and Agrarian Reform Programme (LARP);
- National Comprehensive Rural Development Programme (CRDP),(2009);
- Gauteng Air Quality Management Plan (2008);
- National Biodiversity Strategy and Action Plan;
- National Waste Management Strategy;
- Land Care guidelines;
- Expanded Public Works Programme (EPWP) guidelines;
- Industrial Policy Action Plan (IPAP) ;
- National Development Plan (NDP)
- New Growth Path (NGP) ;
- Agricultural Policy Action Plan ( APAP); and
- Comprehensive Agricultural Support Program (CASP).

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)**

### **Radical Economic Transformation and Reindustrialisation of Gauteng Province**

#### **Production inputs support and infrastructure**

GDARD has committed to establish the milling plants in Gauteng in conjunction with Department of Trade and Industry (DTI). Phase 1 of the milling plants have been completed in Randfontein. Phase 2 of the milling facility commenced with site establishment and clearance for a milling warehouse and staff hall. More than 75 casual jobs have already been created through this major intervention and the training is scheduled to start in February 2016. The last major commitment is an agro-processing project in Sedibeng to establish barley production in Gauteng, this is a winter crop and planting that usually takes place around May to early June and in warmer areas and can stretch until mid-July 2016 . A total of 32 farmers across regions of Gauteng were profiled for the barley production.

To date, 15 small businesses owned by emerging farmers have been registered and were supported with production inputs. 5 multi-year agro-processing projects were initiated. The architectural building plans and other statutory studies were concluded, this include geo-tech, town planning processes. A concrete palisade fence was erected to secure the project site while the site was also cleared as part of the preparations to install hydroponic tunnels at De Deur Green House project. The Randfontein Milling project was completed while the Vereeniging Fresh Produce will be completed by the end of the 2015/16 financial year. More than 86 smallholders' farmers in the province were trained on food safety and quality control, to capacitate them to ensure Hazard Analysis and Critical Control Points (HACCP) in collaboration with Pick n Pay. The following partnerships were established to advance this objective namely Pick n Pay; Department of Agriculture Forest and Fisheries (DAFF), and South African Bureau of Standards (SABS). 25 coops received support in the form of on and off farm infrastructure, production inputs and training and capacity building. A total of 60 farmers received production inputs in the form of maize, poultry and piggery in the current year.

#### **Agricultural technical and Extension advisory support**

GDARD through the Farmer Support and Development directorate is committed to support farmers of all classes and levels with a focus on high impact projects. The projects are piggery, poultry layers and broilers, and grain production, red meat and high value medicinal plants. A total of 60 smallholder producers received support in the form of on-farm infrastructure and production inputs as procurement of on farm infrastructure; and production inputs are unfolding to ensure that they engage in meaningful and productive farming. A total of 2 267 hectares of maize were harvested from the crop planted in the last production season. It must be noted that the bulk of the planted area is destroyed due to the ongoing drought. The disaster relief unit is working closely with the affected farmers. A total of 500 smallholder farmers were supported with agricultural advice whilst 400 smallholder and 99 small-holder farmers received non-accredited and accredited training respectively.

#### **Research and Development**

Branch Agriculture continued implementing research projects through collaborations with universities, the Agricultural



Research Council (ARC) and Council for Scientific and Industrial Research (CSIR). These research projects will be implemented in the fourth quarter as per plan. The Biotech Science Park incubated 5 SMMEs and Biotech companies were supported. The department continues to support the incubation work undertaken at The Biotech Science Park in collaboration with eGoliBio Life Sciences Incubator.

### **Drought interventions from the department**

As a result of extreme weather conditions, climate change and variability, events that the Gauteng province has experienced during the 2015/2016 summer season due to El Nino event, smallholder farmers have been put under huge pressure and have become more vulnerable to both unfavorable weather conditions and economic climate. The prevailing weather events resulted in more farmers failing to cultivate the land and livestock farmers were compelled to sell the livestock. Against this backdrop, the GDARD procures livestock feeds as part of the drought relief programme, and will continue with this intervention in 2016/2017. The GDARD utilized equitable share to procure total mixed ration feed. It further utilized grants funds to procure livestock feed and installed water infrastructure such as borehole, earth dam de-silting and water tanks. Furthermore, the department has conducted seven farmers' awareness campaigns wherein a total of 1 200 farmers reached throughout the province. The agricultural disaster risk management awareness campaigns were focused on the following: agricultural disaster risk management scope, animal production, early warning and advisory services, post disaster recovery and rehabilitation, disaster response and recovery, drought management, crop management, livestock and pasture management and seasonal weather forecast.

### **Land under cultivation**

The department reviews application for subdivision of land as well as for change of land use from agricultural land to other uses. Ten hectares of agricultural land was protected through ensuring that subdivision does not impact agricultural land negatively.

### **Agri-parks**

The Agriparks is a programme that is focusing on provision of complete agricultural value chain infrastructure from production to processing. The holistic infrastructure established ranges from production infrastructure such as hydroponics tunnel infrastructure, packaging and processing infrastructure as well as an administration block which includes staff hall, workshop and ablution facilities. The key objectives are to:

- Optimize agri-food value chain input and output linkages into Gauteng GDP;
- Integrate and optimize contribution of agri-tourism and eco-tourism in the agri-food value chain of the province;
- Strive for sustainable development through balanced land use which incorporates the mandate of natural resource protection;
- Promote the production of high value and economically sustainable agricultural commodities like baby vegetables; and
- GDARD is working with the department of Rural Development and Land Reform (DRDLR) to establish two Mega Agriparks with the West Rand Mega-agri-park to be established in Brandvlei, west of Randfontein town, and the Sedibeng Mega Agripark to be established in Doornkuil, in the Midvaal Local municipality area.

The provincial established agriparks will serve as satellite agri-parks which will be linked in terms of supply of produce to the mega-agri-parks. The four agriparks, in the process of being established, will be specifically focused on horticultural commodities. The department continues with the maintenance and expansion of agri-parks such as Tarlton agri-park which was severely damaged during a storm in the 2014/15 financial year. Repairs were concluded within the stipulated time and the infrastructure is in good condition.

The department has furthermore maintained the following agri-parks: Soshanguve agripark, Rooiwal agripark and, Onverwacht and Tarlton by 2015/16.

### **Equity schemes**

GDARD has identified four companies that will enter into equity partnerships with their respective workers. Due diligence is complete for the United Egg Packers. Other equity schemes being facilitated with due diligence concluded in the current financial year.

### **Agro processing**

GDARD has finalized the Gauteng Agro processing Strategy (2015-2019) and the Gauteng City Region Agri-Food Transformation and Development Strategy.

The implementation of the 2015 Agro processing Summit Resolutions has commenced with the Reindustrialization of the Agricultural Sector in Gauteng as follows:

- Revitalization of the Vereeniging Fresh Produce market (VFPM) is being finalised hence the refurbishment of the various facilities at the VFPM is in progress. Completion of Phase 1 is targeted for March 2016;
- Barley Project .The production of the barley forms part of the Grain Development Programme. Barley will be used to

produce malt, which in turn will be taken to the Heineken and SAB plants to produce alcoholic products like beer. Thirty two farmers have been profiled and the barley cultivar trials have commenced in Emfuleni in partnership with Private sector;

- A total of 53 farmers have received maize production inputs and barley production inputs. Delivery of irrigation equipment (pivot irrigation for both maize and barley) is underway so as to ensure optimum yields;
- The De Deur Vegetable pack-house in Midvaal is currently under construction and the construction of the concrete palisade fence is complete. Goal is to ensure community enterprise development through agricultural development. The project is further aimed at alleviating poverty within the community of De-Deur through sustainable job creation, food production, and entrepreneurship development. It will also have administration block and hydroponic tunnels;
- The building of the Sunflower processing plant in Cullinan is progress commenced with foundation, silos and the warehouse upgrade;
- The establishment of the Randfontein maize milling plant is in progress , fencing, site clearance and security guard house has been completed and phase 2 is in progress completion is expected by end May 2016 ;and
- The beef abattoir in Ekandustria is being upgraded to be Global Gap compliant and to be used as export facility for small scale livestock farmers around the Tshwane Area.

### **Veterinary export licenses**

Veterinary Services continues to roll out mobile veterinary clinical services across the province, thereby bringing sustainable, affordable services to emerging livestock farmers and poorest townships. Two movable poultry abattoirs and one mobile red meat abattoir were constructed. These abattoirs will help to decrease costs and improve market access to small livestock farmers. They will also assist in formalizing the informal poultry slaughter sector, allowing for further entrepreneurial development around the value chain, whilst decreasing foodborne disease. Furthermore, the Nguni project, a joint project with the Industrial Development Corporation (IDC), which supplies high quality Nguni cattle on a loan basis to beneficiaries, is complete. The Trust has finalized applications for three new applicants. Already two projects are fully compliant with requirements.

### **Decisive spatial Transformation and Modernisation of human settlements and urban development**

#### **Management of Gauteng Provincial Nature Reserves and People and Parks Programme**

A total of 2 267 hectares were rehabilitated to improve agricultural production through alien plant removal and soil conservation advisory services. A total of 341 work opportunities were created as at third quarter from Conservation Agriculture, Junior Land Care and Working on Fire. Furthermore, a total of 341 green jobs were created on the six Gauteng provincial nature reserves in fire management projects, removal of alien clearing programmes and day-to-day maintenance activities on the Nature Reserves. Communities surrounding the nature reserves benefited from the community-based Natural Resource Management thatch grass harvesting programme.

#### **Environmental Awareness interventions**

A total of 77 environmental awareness sessions were conducted with communities, youth and school groups, whilst 22 of these awareness activities were through conservation.

#### **Biodiversity Permits**

A total of 8 657 biodiversity permits to keep, import and export game products and plants, hunt game were issued, that facilitated the sustainable use of wildlife resources in Gauteng Province. This sustainable use of wildlife resources stimulated the economy via the pet shops, zoos and hunting farms.

#### **Accelerated social transformation**

The department has managed to assist communities by developing:

- 7 962 backyard gardens or homestead gardens
- 15 community food gardens

And supporting 14 school food gardens in coordination with the communications branch, the department has developed the guiding document on Food Security Campaigns and it is being communicated through the Inter-Government Relations (IGR) forum and also being implemented. As part of the Gauteng Rural Social Compact Plan, GDARD has assisted African Famers Association of South Africa (AFASA) with gazebo, tables and chairs that will be used during their farmer member market days. AFASA is one of the signatories of the Gauteng Rural Social Compact Plan.

#### **Bontle ke Botho (BkB)**

The 2015/16 financial year served as a foundation for the intensification of BKB. This included a number of clean-up campaigns, rehabilitation of illegal dumping sites and support to the recycling buyback centres. The department had started to rollout Bontle ke Botho clean up relay at city of Tshwane during the course of the fourth quarter. The department's continuous work with municipalities and consultations through the Inter-Governmental Relations (IGR) processes has revealed that there are a number of good waste management and greening initiatives that are currently underway in wards and schools. The consultations also revealed that municipalities are also using both waste management and greening

projects to create temporary jobs for community members.

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

#### Radical economic transformation and Reindustrialisation of Gauteng province

Over the 2016 MTEF, the department will focus on maximizing the economic potential of the agriculture sector which was identified as one of 11 key economic sectors in Gauteng. The Gauteng economy was originally founded on mining, but the province has since incorporated other industries, such as agriculture, to stimulate the economy.

The department will contribute to the pillar through the following major projects to be implemented in 2016/17:

- Particular emphasis will be placed on increased grain production in support: this entails providing production inputs as well as agro-processing infrastructure throughout the maize belt;
- Pursue an incubation model to capacitate and skill 40 smallholder farmers per year over the coming years. The Incubation model involves an acceleration form of learning in equipping new farmers on farming skills and the business aspect of the farm;
- Increased maize production to support the milling plants. One of the milling plants will be used for the grain and animal feed export programme;
- Vegetable and fruit processing facilities. This includes irrigation and production input support so that there is enough produce to support the facilities such as the Vereeniging and the Springs Fresh Produce Markets;
- Abattoirs for beef, poultry and pork including mobile abattoirs;
- Provision of vegetable packaging facilities to SMMEs in Townships and peri-urban areas; and
- Market linkages and securing contracts for 20 agricultural cooperatives to supply GPG institutions and big retailers with fresh produce.

#### Agricultural technical and Extension advisory support

The Farmer Support and Development directorate will focus on projects with high impact regarding job creation and the return on investment. The projects will be linked to the Agricultural Policy Action Plan (APAP) policy document in terms of the prioritized enterprises like piggery, poultry layers and broilers, and grain production, red meat and high value medicinal plants. Support with infrastructure projects will be distributed evenly in all the corridors and will cover highly productive farming areas, the support will be aimed at ensuring that projects are sustainable.

The Agricultural Policy Action Plan (APAP) seeks to translate the high-level responses offered in the Integrated Growth and Development Policy for Agriculture, Forestry and Fisheries into tangible, concrete steps. APAP is planned over a five-year period and will be updated on an annual basis. Aligning itself with the National Development Plan (NDP) and Industrial Policy Action Plan (IPAP), APAP seeks to assist in the achievement of decent employment through Comprehensive Rural Development and Food Security.

Training and capacity building is key to enhance the knowledge base of all levels of farmers. This will be achieved through extension and advisory services, accredited and non-accredited training to all classes and levels of farmers.

- A total of 180 smallholder producers will receive support in the form of on-farm infrastructure and production inputs to ensure that they engage in meaningful and productive farming.
- 600 hectares of highly productive land will be cultivated for food production in communal areas and land reform projects to increase productivity.
- A total of 2 200 smallholder farmers and 40 commercial farmers will be supported with agricultural advice and be trained in accredited and non-accredited training.
- Farmers will be encouraged to farm sustainably and to contribute to the increase in food production.

The department will continue to concentrate on agro-processing infrastructure plant, horticulture, livestock and markets such as fresh fruit and vegetable markets. Increasing the participation of smallholder farming enterprises in agri-enterprises has the potential to enhance sustainability and profitability of farming operations. Emerging and new farmers entering the sector will be supported with on-farm infrastructure and agricultural production inputs as well as training and skills development.

There is a need to enhance and improve service delivery especially to smallholder farmers and new entrants based on their needs as determined through stakeholder engagements, farm visits and Extension advisory services. This could be enhanced by strengthening collaboration with commodity organisations and creating relationships with sources of financial and technical expertise. The aim is to ensure that a broad range of farmers can access support through existing commodity networks. GDARD will initiate research into innovative technologies that can increase yields and reduce costs. The department will further assist with information packaging, technical communication, and technology transfer and resource utilisation services, including spatial analysis support and decision-making support tools. Current services will be expanded to ensure support through business plan development and evaluations, market analysis and information dissemination,

economic viability studies, entrepreneurship development, value adding to products and assistance with market research and the provision of veterinary export certification services.

The AgriBEE Sector Charter, which affects the sector in which GDARD serves, will be aligned with the B-BBEE codes of good practice which have five elements instead of the current seven, the reduction of the elements could result in some agricultural companies dropping on their current B-BBEE Level. A number of engagements will be required with the stakeholders to familiarise themselves with the changes. GDARD will continue to partner with the National Departments of Agriculture, Forestry and Fisheries to increase the number of workers who are owners of agri-businesses through AgriBEE/Farmworker Equity Scheme projects. Therefore, In line with the policy of local procurement, GDARD will continue to ensure that SMMEs in the rural nodes benefit from preferential procurement opportunities offered by various government departments through enterprise development opportunities awareness sessions, in partnership with other GPG departments and agencies.

There will be a further extension and rolling out of mobile abattoirs services throughout the province to supply veterinary services to previously non-serviced areas especially to emerging small scale farmers and township areas. This enhancement with the full operationalisation of mobile abattoirs should allow the department to make a major impact on the emerging livestock sector and township revitalisation throughout the province.

Sustainable resource management is largely driven by the implementation of the EPWP and provides for removing waste from rivers, rehabilitating wetlands, burning firebreaks and removing alien vegetation. It is also responsible for implementing the National Land Care programme which covers Community-Based Natural Resource Management (CBNRM) projects, tree and shrub planting and school and learners Camps, Provincial Land Care Awards and coordination of Environmental events.

### **Growth and transformation of the sector**

Developing the agricultural sector is vitally important in order to achieve maximum impact of growth and sustainability, economic inclusion and job creation potential of the agricultural sector. The department plans to achieve these through focused research for adapting to climate change, research for market access. The department will also focus on improved production technology and infrastructure, coordination of services, regulatory issues and access to finance. An important aspect of market access is the ability to meet the stringent and complex requirements laid down by the importers of South Africa's agricultural products. The GDARD will respond to this by continuing to monitor animal and plant diseases, It will also assist new market with market intelligence and product differentiation.

The department will commission a study into alternative niche crops. This will inform technical research to be conducted, technical advisors' knowledge and the advice to be given to farmers. There will be particular emphasis on linking agriculture and food security to revitalising and modernising township economies. Issues to be explored will include:

- Vertical integration opportunities;
  - Increasing movement from tariffs to non-tariff barriers to protect markets abroad;
  - Increasing competition in the domestic market from producers abroad;
  - The effects on trade of the increased high standards set by importing countries, and their expectations in relation to issues such as social responsibility and animal welfare;
  - Responding to dumping and the import of cheap food;
  - Understanding and supporting export drives by specific industries;
  - The need for affordable food in a context of increasing poverty and high food prices. It is important to protect agricultural land, but provision must also be made for nature conservation, biodiversity, tourism and urban development;
- Infrastructure issues that can negatively affect the agricultural sector, these are: Toll roads which affect farmer profitability through additional costs; and the deterioration of the rail infrastructure that requires farmers to use expensive road transport such as trucks.

### **Building the capacity of the sector**

There are some skill shortages in the province's agricultural sector. This will be addressed through the comprehensive Gauteng Agricultural Skills Development Strategy (GASDS), the Provincial Agricultural Education and Training Forum (PAETF) and steering committee in partnership with various stakeholders such as research institutions, universities, external service providers and private sector partners. The PAETF will also provide feedback and make recommendations to the National Agricultural Education and Training Forum (NAETF). The need to improve extension services skills will be addressed by implementing the national Norms and Standards for Extension and Advisory Services in Agriculture and the Extension Revitalisation Programme. This programme focuses on recruitment, training and provision of bursaries, information and communication technology, visibility, accountability and improved image and professionalism. In Gauteng, there will be a particular focus on the rollout of the Digital green book, smart pen technology, a technical information system established for extension officers that allows officers to sign farmers' contracts of projects online, this will enhance the efficient and effectiveness for Extension Officers as well as the visibility at a community and farm level.

### **Decisive spatial transformation and Modernisation of human settlements and urban development**

## Environmental Management

Environmental protection management needs and challenges of the province are:

- Constraints in enforcing environmental compliance such as cases being delayed, lack of adequate knowledge to prosecute on environmental crimes and lack of holding facilities to keep confiscated dangerous animals;
- Stopping illegal imports and exports of endangered species;
- Human informal settlements mushrooming in the most sensitive areas;
- Threat of high potential agricultural land being used for development;
- The destruction of Gauteng's ecosystems and wetlands;
- The high level of air and waste pollution; and
- The constitutional split of functions and autonomous mandate amongst the spheres of government to regulate environment leads to overlapping mandates fragmentation and duplication of efforts.

The GDARD will address these by:

- Providing support and capacity;
- Financing the sector;
- Promoting compliance and strengthening enforcement;
- Improving environmental information for decision-making;
- Communication and awareness;
- Performing regulatory functions in collaboration with local government entities; and
- Monitoring of adherence to environmental regulations and by-laws.

Climate change and related activities in terms of environmental management which the GDARD will focus on includes:

- **Climate Change Mitigation:** To reduce greenhouse gas emissions and improve air quality management. This includes measures to promote energy efficiency, renewable energy production, and to reduce the burning of fossil fuels;
- **Water Resource Management:** To improve agricultural, industrial, commercial and household water use efficiency, planning and management;
- **Pollution and Waste Management:** To improve pollution and waste planning and management;
- **Biodiversity Management:** To improve biodiversity planning, management and conservation;
- **Land-Use Management and Agriculture:** To ensure the optimal and wise management use of land, including the utilisation of land and natural resources for productive purposes, taking into consideration conservation imperatives and preventing the fragmentation of land.

The Bontle ke Botho (BkB) Campaign has been conceptualised within the context of the ten-pillar Transformation, Modernisation and Reindustrialisation programme and Township Economic Revitalisation (TER) programme. In response to the provincial priorities and global action programme (GAP), which was adopted as the follow-up to the decade of Education for Sustainable Development (ESD) which ended in 2014, the Bontle ke Botho Campaign shall be intensified in every ward and school through the acceleration of sustainable solutions at local level by scaling up practical ESD programmes. A six departmental pillars approach shall be adopted.

- **Pillar 1: Education and awareness.** The department will ensure that community members at all levels including school learners gain the necessary knowledge, skills, attitude and values that enable them to participate meaningfully in addressing complex environmental issues in their communities. A number of ward-based education and awareness activities on waste management and greening shall be implemented. They include door-to-door campaigns, stakeholder information sessions, advertising, roadshows, school green camps and debates.
- **Pillar 2: Mobilisation.** A mass mobilisation approach strategy shall be adopted to intensify the campaign. The intention of this approach is to engage and motivate a wide range of stakeholders at all levels to support and participate in the protection of the environment.
- **Pillar 3: Partnerships.** GDARD shall work with partners at all levels for the implementation of the BkB campaign to ensure its sustainability. Each category of partners shall be involved in the campaign based on their strengths, expertise and their overall influence to the successful implementation of the campaign.
- **Pillar 4: Job creation.** The department shall focus on a number of temporary jobs that will be created through the BkB programme. A total of 225 unemployed youth drawn from all municipalities that need attention in terms of waste management and greening shall be prioritised through the introduction of a Gauteng Green Cadets Programme. The programme will be implemented in line with the pillars of the Gauteng Tshepo 500 000, the aim being to mobilise and empower youth to ensure their meaningful participation in the protection of the environment. Youth participating in the programme will receive a stipend. The functions and activities of the Green cadets will involve clearing and rehabilitating illegal dumping sites, recycling activities, landscaping, managing of open spaces, clean-up and door-to-door campaigns.
- **Pillar 5: Modernisation of the public service.** Cleaning and greening will utilise a number of sustainable waste management and greening projects. Projects will include separation at source project, rehabilitating illegal dumping sites, and management of open spaces, a series of clean-up campaigns and tree planting.
- **Pillar 6: Modernisation of the economy.** The National Environmental Management Act, 1998 (NEMA) established the

Environmental Management Inspectorate (EMI network) in 2005 to enforce infringements of constitutional environmental rights enshrined in the constitution. Activities shall include designating local municipality officials as EMI's, development of admission of guilt fines and site inspections.

In addition to the ward-based and school-based activities, the BKB competition will be continued. The competition has categories for schools, youth, wards and NGOs/CBOs, communities and schools will win prizes through which the existing projects will be improved and where possible, new ones be initiated.

## **Accelerated social transformation**

### **Food Security**

Food security is achieved when people are able to access enough food to meet their daily food needs. Food may be acquired from own production and market place. The department encourages communities to grow their own food through community, schools and backyard gardens. Food secure households need to have access to stable sources of food supply or incomes to purchase food, this assumes:

- Production of enough food;
- Access, acquisition and entitlement to purchase food;
- That food is safe to consume;
- Utilisation is efficient; and
- Preferences and cultural prohibitions are respected.

A total of 14 000 households will grow their own food through the support of homestead gardens. The aim will be to ensure that affordable and diverse food is available at all times. 80 school food gardens and 80 community food gardens will be developed to ensure the contribution to school food gardens is enhanced and that diverse food is available and affordable.

GDARD will continue to work with the four existing rural nodes of Kwa-Sokhulumi, Hekpoort, Bantu Bonke/Mamello and Devon, to ensure that they have functional stakeholders. This will assist local people to participate in and monitor their own development and the department will continue to coordinate rural development in the province. The department has requested all GPG departments to provide the Medium Term Strategy Framework (MTSF) with rural development targets for 2016/17 financial year. The targets will be monitored through the GPG quarterly rural development steering committee engagements. The Comprehensive Rural Development Programme (CRDP) will be expanded by declaring additional rural nodes in 2016/17. The declaration of a node puts the area in the spotlight and attracts stakeholders to provide services. It is expected that 10 GPG departments will provide services to the rural nodes in line with their mandates and rural learners will receive career guidance to ensure that they are well-informed about subject and career choices.

The department will continue to assist the signatories of the Gauteng Rural Social compact Plan the National African Farmers Union (NAFU), African Farmers Association of South Africa (AFASA), Agri-Gauteng, Food and Allied Workers Union (FAWU), Women in Agriculture and Rural Development (WARD) and Youth in Agriculture and Rural Development (YARD) to implement their social cohesion projects. Some of the projects will expand previous support, such as the goat kraal project for YARD in Kwa-Sokhulumi.

### **Capacity of GDARD to deliver**

The department will strengthen collaborative efforts between all key government departments including Rural Development and Land Reform; Water Affairs; Agriculture; Forestry and Fisheries; Social Development; Environmental Affairs; Health and Social Development; and Education, and with municipalities. The department will develop more integrated approach to service delivery, with a redefinition of services to farmers and farm workers so that client expectations can be managed well. Also needed is a clearer definition of extension within the context of the Extension Revitalisation Programme.

The GDARD will also carry out the following actions:

- Review the organisational structure so that roles and responsibilities are allocated appropriately and issues of human resource capacity are properly addressed;
- Improve internal working processes, management styles and templates including automating and centralising internal processes and creating an electronic document management system (EDMS);
- Introduce automated systems for environmental impact assessments (EIAs);
- Strengthen and capacitate the M&E department and ensure proper evaluation and monitoring of internal and external projects;
- Collaborate with other government structures and departments for improved effectiveness; and
- Work to ensure that GDARD's potential to contribute to the province's economy is widely recognised.

## 4. REPRIORITISATION

The department conducted a reprioritisation exercise over the 2016 MTEF to ease budget pressure. This exercise was implemented by identifying savings from non-essential items and through the implementation of cost containment. The compensation of employee's budget was reprioritised within programmes over the MTEF to align the budget to the organisational structure and filling of critical vacant posts.

An amount of R20 million in 2016/17 have been shifted from non-essential items such as catering, venues and facilities and operating leases to priority items to achieve value for-money in government performance by funding key projects such as agro-processing and the Maize Belt Project. An amount of R39 million was also shifted within Programme 2 in both 2016/17 and 2017/18 from Transfers and subsidies to Goods and services due to change of methodology to deliver the projects. As such, the removal of alien vegetation project, implementation of the Permaculture, indigenous ornamental and food crops will be implemented through normal departmental tender process. The department further reprioritized 20 per cent of Comprehensive Agricultural Support Programme (CASP) and Ilima /Letsema grants towards the drought relief scheme for the purpose of water supply to support agriculture production these includes drilling of boreholes, providing water tanks to the farmers.

## 5. PROCUREMENT

It is anticipated that Terms of Reference for 2016/17 projects will be finalized by the end of the current financial year. This will help the department to start the procurement process early and therefore to carry out its plans and projects on time. The Departmental Acquisition Committee (DAC) has been replaced by the Bid Adjudication Committee (BAC). This meets each week, reducing the time taken to approve procurement and tenders. A multiyear contract such as agro-processing infrastructure, farmers' production inputs, Agri-parks has been arranged in order to FastTrack the procurement process in the outer years.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 11.1: SUMMARY OF RECEIPTS:DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	428 301	463 510	535 858	593 655	698 208	670 290	659 075	726 214	751 966
Conditional grants	87 587	80 188	88 144	113 732	113 732	113 732	118 778	125 839	134 245
Comprehensive Agricultural Support Programme Grant	60 474	55 880	60 693	82 454	82 454	82 454	85 079	93 063	98 568
Ilima / Letsema Project Grant	17 221	17 538	19 641	24 234	24 234	24 234	26 061	27 673	30 278
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 961	6 163	4 748	4 601	4 601	4 601	4 802	5 103	5 399
Expanded Public Works Programme Incentive Grant for Provinces	3 931	607	2 454	2 443	2 443	2 443	2 836		
<b>Total receipts</b>	<b>515 888</b>	<b>543 698</b>	<b>624 002</b>	<b>707 387</b>	<b>811 940</b>	<b>784 022</b>	<b>777 853</b>	<b>852 053</b>	<b>886 211</b>

The equitable share allocation grows from R428 million in 2012/13 to R464 million in 2014/15. An additional funding of R104 million was received during the 2015/16 adjustment budget, this increase made provision for drought relief to farmers, operational costs for mobile abattoir, Bontle ke Botho, community services and primary animal health care as well as correction of personnel budget baseline. The additional funding also made provision for the implementation of the capex projects.

Over the MTEF, the allocation amounts to R659 million in 2016/17 which augments to R752 million in 2018/19, this can be attributable to an additional funding of R33 million over the 2016 MTEF for improvement in condition of service on personnel cost. Furthermore, an amount of R45 million was received over the MTEF to eradicate maintenance backlog in the

departmental nature reserves whilst R40 million is allocated for effective implementation of nature reserve management

plans in order to boost eco-tourism in the province. Bontle ke Botho (BKB) campaigns has been allocated R35 million over the 2016 MTEF for creating a clean city region, clearing and rehabilitation of illegal dumping sites, establishment of nursery's and tree planting.

Over the MTEF, the allocation amounts to R777.8 million, R852 million and R886.2 million in 2016/17, 2017/18 and 2018/19 respectively. The increased allocation will cater for agri-parks and milling plants, agro-processing and agriculture as well as the extension officers.

Over the MTEF period, conditional grants have increased from R87 million in 2012/13 to R134 million in 2018/19 financial year. Funds are allocated to assist the department to introduce intervention and ensure food security in the province through programmes such as Siyazondla which households, school and community organizations are provided with production inputs such as livestock and markets such as fresh fruit and vegetable to grow their own food, and to provide assistance in the form of on and farm infrastructure.

## 6.2 Departmental receipts

TABLE 11.2: DEPARTMENTAL RECEIPTS: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Sales of goods and services other than capital assets	671	743	1 765	1 850	1 850	5 813	8 140	8 554	8 989
Fines, penalties and forfeits							6 468	6 791	7 131
Interest, dividends and rent on land	80		4	4	4	11	5	6	6
Transactions in financial assets and liabilities	1 355	287	329			286	200	240	260
<b>Total departmental receipts</b>	<b>2 106</b>	<b>1 030</b>	<b>2 098</b>	<b>1 854</b>	<b>1 854</b>	<b>6 110</b>	<b>14 813</b>	<b>15 591</b>	<b>16 386</b>

Revenue collected amounts to R2.1 million in 2012/13 and R2 million in 2014/15. The increase was due to a once-off debt recovery from suppliers. In 2015/16, revenue is anticipated to have been R1.8 million. Over the 2016 Medium Term Revenue Framework (MTRF) the department estimates to collect R14.8 million in 2016/17 and R16.3 million in 2018/19.

The huge increase in projection for the MTRF period was due to the closing of the Cost Recovery Trading Entity (CRTE) on the 31st of October 2015. The CRTE revenue will now be disclosed under GDARD with effect 1 August 2015. The revenue accounted now by GDARD include entrance and accommodation fees collected in the nature reserves, collecting fines for non-compliance with environmental and conservation legislation and veterinary services collecting revenue from issuing import and export certificates. The department will continue generating own receipts from parking fees, fees charged for access cards issued to employees, environmental application fees and interest on debt. The contribution to total revenue of interest, dividends and rent on land is limited and is projected to remain relatively constant over the 2016 MTRF.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

When compiling the 2016 MTEF budget, the department considered the following factors:

- Improving alignment with the province's TMR vision for the next three years;
- Improving alignment with government's policy priorities as stated in the NDP, the 2014-2019 MTSF, provincial government plans and plans of the sector and institutions;
- Basic salary costs including annual improvement in conditions of service adjustments;
- Items linked to rates of increase in basic salary costs: pension fund contributions, thirteenth cheque and overtime;
- Medical aid contributions, which normally increase more rapidly than inflation;
- Homeowners allowance, which changes in line with interest rates;
- Skills development levies;
- Implementation of cost containment;
- Reprioritization within programmes and items; and
- Additional Funding to the baseline.

### 7.2 Programme summary

TABLE 11.3: SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	143 517	155 615	158 456	166 732	174 919	176 733	181 196	190 516	206 561
2. Agriculture And Rural Development	243 637	253 150	302 991	377 189	431 785	410 359	379 368	413 569	417 087



R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
3. Environmental Affairs	128 734	134 933	153 575	163 466	205 236	196 930	217 289	247 968	262 564
<b>Total payments and estimates</b>	<b>515 888</b>	<b>543 698</b>	<b>615 022</b>	<b>707 387</b>	<b>811 940</b>	<b>784 022</b>	<b>777 853</b>	<b>852 053</b>	<b>886 211</b>

TABLE 11.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>460 343</b>	<b>493 122</b>	<b>539 036</b>	<b>648 989</b>	<b>729 608</b>	<b>710 481</b>	<b>717 548</b>	<b>822 092</b>	<b>841 203</b>
Compensation of employees	267 441	291 624	330 853	354 462	379 178	381 241	409 708	424 069	444 098
Goods and services	192 888	201 491	208 179	294 527	350 430	329 240	307 840	398 022	397 104
Interest and rent on land	14	7	4						
<b>Transfers and subsidies to:</b>	<b>30 806</b>	<b>38 791</b>	<b>58 652</b>	<b>30 275</b>	<b>26 245</b>	<b>26 853</b>	<b>18 090</b>	<b>10 721</b>	<b>11 342</b>
Provinces and municipalities	6 185	7 325	12 234	10 984	9 816	9 816			
Departmental agencies and accounts	4 343	6 056	11 365	9 616	6 324	6 324	12 847	5 061	5 354
Higher education institutions	3 797	3 156	2 570	3 806	3 806	3 806	4 210	5 001	5 291
Public corporations and private enterprises	16 422	21 645	31 734	5 273	5 703	5 703	400		
Households	59	609	749	596	596	1 204	633	659	697
<b>Payments for capital assets</b>	<b>23 984</b>	<b>11 760</b>	<b>17 326</b>	<b>28 123</b>	<b>56 087</b>	<b>46 683</b>	<b>42 214</b>	<b>19 241</b>	<b>33 666</b>
Buildings and other fixed structures	8 600	5 838	6 231	10 950	20 892	11 097	30 839	9 100	22 938
Machinery and equipment	14 791	5 922	10 893	17 173	33 195	33 586	11 060	10 141	10 729
Software and other intangible assets	593		202		2 000	2 000	315		
<b>Payments for financial assets</b>	<b>755</b>	<b>25</b>	<b>8</b>			<b>5</b>			
<b>Total economic classification</b>	<b>515 888</b>	<b>543 698</b>	<b>615 022</b>	<b>707 387</b>	<b>811 940</b>	<b>784 022</b>	<b>777 853</b>	<b>852 053</b>	<b>886 211</b>

The table above reflects departmental expenditure and reprioritized budget estimates at programme and economic classification level over the 2016 MTEF period. The expenditure increased from R515 million in 2012/13 financial year to R615 million in 2014/15 in line with the provincial function shift. During the 2012/13 adjustment budget, the procurement function was decentralised in the province and staff migrated from eGovernment to the GDARD and other provincial departments. In the same year, the department decentralised most of its overhead cost from Administration programme to the department's other two programmes. The main reason for this was to prevent the Administration allocation being inflated by the other programmes' overhead costs.

In 2015/16 financial year, the budget increased significantly to R812 million, the increase is mainly from the additional funding received which amounted to R104 million during the 2015/16 Adjustment Budget. This made provision for drought relief to farmers, operational costs for mobile abattoir, Bontle ke Botho, community services and primary animal health care as well as correction of personnel budget baseline. The additional funding also made provision for the implementation of the capex projects.

Over the 2016 MTEF period, the allocation grows from R777 million in 2016/17 to R886 million in the 2018/2019 financial year, the increase is mainly to cater for improvement in the condition of service, carry through effect of additional funding to the department in 2015/16 such as Bontle ke Botho (BKB) campaigns and the effective implementation of management plans.

The Agriculture and Rural Development Programme receives the largest share of the budget to fund, amongst other priorities, the permanent appointment of extension officers to support and assists farmers with mechanisation inputs; and maintenance of mobile abattoirs, agro- processing, Agri-parks and milling plants. Conditional grants under this programme are allocated to farmer support in the form of infrastructure, production inputs and flood relief; for clearing alien vegetation from agricultural land; and for extension services for farmers. The Environmental Affairs programme receives the second largest share. It carries out biodiversity programmes on nature reserves; reviews and approves environmental impact assessments (EIAs); implements waste management activities; and carries out programmes for cleaning and greening the province and thus improving the sustainable use of the environment.

The total expenditure for goods and services increased considerable from R192 million in 2012/13 to R208 million in 2014/15. In the 2015/16 financial year, the allocation for goods and services amounted to R350 million, this upward trend is attributable to the additional funding received during the 2015/16 Adjustment Budget.

Over the 2016 MTEF, the budget decreased to R321 million in 2016/17 before increasing to R393 million in 2018/19. The main reason for the decrease in 2016/17 is the once off allocation to correct GDARD base line allocation, also no additional allocation was granted to the Bontle ke Botho, however an amount of R17 million is allocated in the 2017/2018 financial year.

Transfers to higher education institutions amounted to R3.8 million in 2015/16 and further increased to R5.2 million in 2018/19, with more funds allocated to priority research projects and implementation of the biotechnology strategy.

Under departmental agencies and accounts, R3.1 million will be transferred in 2016/17 to the Agricultural Research Council (ARC) for research agenda projects and R9 million to National Agriculture Marketing Council for development of Agriculture Information Management System. Over the MTEF the transfer to the South African National Biodiversity Institution (SANBI) for wetlands rehabilitation will be discontinued, the department will implement the same project through departmental tender processes.

Transfers to households relate to injury on duty payments. The allocation fluctuates since leave gratuity pay-outs are demand driven. It amounted to R59 000 in 2012/13 and increased to R749 000 in 2014/15. Over the 2016 MTEF, the allocation is decentralised and increases to R641 000 in 2016/17 and R697 000 in the outer years.

The allocation for machinery and equipment fluctuates significantly from R14.8 million in 2012/13 to R33 million in 2015/16, the increase was attributable to the department relocating to a new office building and procuring equipment as part of the tools of trade for personnel. The allocation of R11 million in 2016/17 is lower because of the change in policy priorities.

## 1.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the 2016 Estimates of Capital Expenditure (ECE)

### 7.4.2 Departmental Public-Private-Partnership (PPP) projects

N/A

## 1.4 Transfers

### 7.5.1 Transfers to public entities

N/A

### 7.5.2 Transfers to other entities

N/A

## 7.3 Transfers to local government

TABLE 11.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Category A	3 000	4 025	4 051	3 503	3 503	3 503			
Category B	3 185	3 300	6 215	1 993	1 993	1 993			
Category C			1 968	5 488	5 488	5 488			
<b>Total departmental transfers</b>	<b>6 185</b>	<b>7 325</b>	<b>12 234</b>	<b>10 984</b>	<b>10 984</b>	<b>10 984</b>			

Transfers to municipalities amounted to R6.1 million in 2012/13 to R12 million in 2014/15. In 2015/16, the budget for transfers to local government is R10.9 million for River clean up and removal of waste, reeds and grass from the river. A large part of this grant is transferred to municipalities to create jobs using labour intensive methods. The transfer is withdrawn over the 2016 MTEF and projects which were previously implemented by municipalities on behalf of GDARD will be implemented by the department.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

This programme provides all the corporate support services required by the department's Programme 2: Agriculture and Rural Development and Programme 3: Environment. It responds directly to strategic outcome oriented goal 3 on Enhanced Capacity of the GDARD to implement effectively, and indirectly to Goals 1 and 2 which is: A modernised and transformed agricultural sector increasing food security, economic inclusion and equality, and "Sustainable Natural Resource Management.

The purpose of the programme is to provide leadership, management, efficient and effective M & E, policy and research co-ordination and security and risk management, financial management, HR management and development, facilities management services, professional legal services and enforcement services, communication and awareness as well as knowledge and project management services to the department in response to Outcome 12. The programme's aim is an efficient, effective and development-oriented public service and empowered, fair and inclusive citizenship, through the following strategic objectives which are in line with the department's five Year Strategic Plan.

### Programme objectives

- Ensuring effective and efficient governance;
- Provision of effective Planning, Monitoring & Evaluation, Policy and Research Co-ordination and Security and Risk Management;
- Provision of Sound and Compliant Financial Management;
- Provision of effective Human Resource Management;
- Transformation within GDARD through mainstreaming of women, youth and persons with disabilities;
- Provision of sound and reliable Legal Advice and Support;
- Promote and facilitate effective communications between GDARD and people of Gauteng; and
- Provision of Information and Communication Technology Support and Services.

### Key policies, priorities and outputs

- Institutionalise long term planning;
- Forge a disciplined, people-centred and professional public service;
- Empower citizens to play a role in developing and building an ethical public service;
- Implement a less hierarchical approach;
- Improve the skills of public servants;
- Strengthen procurement processes;
- Pay suppliers promptly;
- Customise and adapt the IT system to specific areas of service delivery; and
- Revitalise the Batho Pele programme and implement the Public Service Charter.

TABLE 11.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The MEC	6 176	6 795	5 744	5 480	6 780	6 780	5 766	6 055	6 406
2. Senior Management	28 728	34 791	34 576	36 658	43 158	43 316	25 987	26 521	28 059
3. Corporate Services	64 936	64 157	92 418	72 090	72 415	69 816	74 604	78 624	81 980
4. Financial Management	43 677	49 872	25 718	52 504	52 566	56 821	74 839	79 316	90 116
<b>Total payments and estimates</b>	<b>143 517</b>	<b>155 615</b>	<b>158 456</b>	<b>166 732</b>	<b>174 919</b>	<b>176 733</b>	<b>181 196</b>	<b>190 516</b>	<b>206 561</b>

TABLE 11.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate 2015/16	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>135 907</b>	<b>149 229</b>	<b>151 855</b>	<b>161 907</b>	<b>169 095</b>	<b>170 761</b>	<b>176 314</b>	<b>185 624</b>	<b>201 385</b>
Compensation of employees	81 509	87 892	96 350	105 038	108 430	106 395	113 273	118 083	123 032
Goods and services	54 384	61 330	55 501	56 869	60 665	64 366	63 041	67 540	78 353
Interest and rent on land	14	7	4						
<b>Transfers and subsidies to:</b>	<b>59</b>	<b>1 505</b>	<b>1 718</b>	<b>1 502</b>	<b>797</b>	<b>940</b>	<b>1 176</b>	<b>1 222</b>	<b>1 293</b>
Departmental agencies and accounts		896	969	906	734	734	962	1 002	1 060
Households	59	609	749	596	63	206	214	220	233
<b>Payments for capital assets</b>	<b>6 796</b>	<b>4 856</b>	<b>4 875</b>	<b>3 323</b>	<b>5 027</b>	<b>5 027</b>	<b>3 706</b>	<b>3 670</b>	<b>3 883</b>
Buildings and other fixed structures			226		72	147			
Machinery and equipment	6 203	4 856	4 447	3 323	4 955	4 880	3 706	3 670	3 883
Software and other intangible assets	593		202						
<b>Payments for financial assets</b>	<b>755</b>	<b>25</b>	<b>8</b>			<b>5</b>			
<b>Total economic classification</b>	<b>143 517</b>	<b>155 615</b>	<b>158 456</b>	<b>166 732</b>	<b>174 919</b>	<b>176 733</b>	<b>181 196</b>	<b>190 516</b>	<b>206 561</b>

The table above shows the budget and expenditure for Administration increased from R143 million in 2012/13 to R158 million in 2014/15 as a result of the decentralisation of the procurement function in the province, which resulted in the migration of staff from the province's Department of Finance to GDARD and other provincial departments. During 2013/14 the programme budget was adjusted upwards to enable the filling of critical vacancies under Corporate Services. In 2015/16 financial year, the budget is R174 million and increases to R181 million in 2016/17 to accommodate cost of living increases in compensation of employees and the adjustment budget carry through mainly for security services in the department. This is in line with the increases approved by National Treasury relating to cost of living and annual increases in goods and services. The sub-programme that particularly influences expenditure is Corporate Services, which provides enabling services to the department. The programme budget increases to R190 million in 2017/18 and R206 million in 2018/19.

The compensation of employees budget was R81 million in 2012/13 and R96 million in 2014/15. During the 2015/16 adjusted appropriation, it increases to R108 million due to upgrade of salary levels 1 and 2. The allocation further increases from R113 million during 2016/17 before increasing to R123 million in 2018/19 to cater for cost of living adjustments to personnel.

The goods and services budget declined from R61 million in 2013/14 to R55.5 million in 2014/15, as the department decentralised the budget to where costs are incurred in the programme, this relates to property payments, lease payments and overheads telephone, cell phone and photocopier charges associated with the various programmes. The budget is R60.6 million in 2015/16; R63 million in 2016/17; and R78 million in 2018/19.

Under departmental agencies and accounts, in 2016/17 a skills levy of R962 000 will be transferred to sector education and training authorities (SETAs). The figure increases to R1 million in the outer year of the 2016 MTEF. The transfer to SETA was only allocated in the 2013/14 financial year because of the new DPSA directive on the use of the skills development levies to build employee capacity and external talent management initiatives. Internal training needs are identified through the performance management and development process, and are aligned to strategic priorities. They are incorporated into workplace skills plans which are submitted to PSETA for endorsement. The plan is implemented on an annual basis.

Transfers to households relate to injury on duty payments. The allocation fluctuates since leave gratuity pay-outs are demand driven. Over the 2016 MTEF, the allocation increases to R233 000 for 2018/19. The allocation is reduced due to decentralisation to other programmes.

Payments for capital assets increased from R4.9 million in 2014/15 to R5 million in 2015/16 due to the once-off acquisition of machinery and equipment and the improvement of information technology facilities. The allocation for 2016/17 is R3.7 million before increasing slightly to R3.8 million for 2018/19. This is due to planned replacement of old furniture and labour saving devices.

## **PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT**

### **Programme description**

This programme area is responsible for two of the major mandate areas of the GDARD, which is development of agriculture and development of rural areas. Based on the new strategic direction for the fifth term of governance, greater emphasis will be placed on the economic growth and development elements of both mandate areas. The programme and its three strategic objectives described below respond directly to the GDARD's Strategic Outcome Oriented Goal 1, a modernised and transformed agricultural sector increasing food security, economic inclusion and equality. It contributes to Goal 2 on Sustainable Natural Resource Management and indirectly to Goal 3 on enhanced capacity of the GDARD to implement effectively.

The programme aims to optimise the contribution of sustainable agriculture to the equitable development of all communities in the province, by enhancing food security, income, employment and the quality of life; and to control and manage health risks of animal origin by ensuring healthy livestock production and the availability and affordability of healthy high quality food and animal products, thus stimulating economic growth and contributing to poverty alleviation and international trade.

### **Programme objectives**

- Enable and support transformation of the agriculture sector to actively contribute to economic growth, inclusion, equality and the creation of decent work;
- Sustainable agriculture reform with a thriving small and large farming sector;
- Boost food security for all and ensure the sustainability thereof;
- Improved access to affordable and diverse food;
- Improved rural services to support livelihoods;
- Ensure comprehensive socio-economic development in Gauteng's rural areas;
- Improved employment opportunities and economic livelihoods; and
- Institutional arrangements that support rural development.

**Key policies, priorities and outputs**

- To support sustainable development and management of community environmental and some agricultural resources, implement the EPWP environment and culture sector and provide agricultural support services to some farmers;
- To provide extension and advisory services, sustainable agricultural development support to smallholder and commercial farmers, provision of agricultural infrastructure support coordination and support to households for the purpose of food security;
- To provide increased Agri-Business support through entrepreneurial development, marketing services, value adding, production and resource economics;
- Ensure both healthy animals and supply of safe, healthy and wholesome food of animal origin by reducing levels of animal disease and negligible occurrence of zoonotic diseases;
- Provide a veterinary export certification service to livestock and food processing industries as well as the adoption of SABS approved animal welfare practices on Gauteng farms, abattoirs and places of performing animals;
- To provide expert, needs-based research and technology transfer services; and
- To support and coordinate development programmes in rural areas by all stakeholders.

**TABLE 11.8: SUMMARY OF PAYMENTS AND ESTIMATES: AGRICULTURE AND RURAL DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Sustainable Resource Management	29 217	30 157	36 190	36 968	36 968	36 968	39 244	38 228	39 745
2. Farmer Support & Development	116 272	114 670	140 860	161 312	172 673	169 240	176 665	186 639	198 575
3. Veterinary Services	46 901	53 584	60 612	72 770	93 373	94 478	85 767	87 221	91 780
4. Research & Technology Development Services	25 475	22 673	33 172	53 581	73 611	54 401	39 699	41 865	44 293
5. Agricultural Economics Services	22 323	26 601	24 539	44 750	44 752	44 864	29 771	50 984	33 560
6. Rural Development Coordination	3 449	5 465	7 618	7 808	10 408	10 408	8 222	8 633	9 133
<b>Total payments and estimates</b>	<b>243 637</b>	<b>253 150</b>	<b>302 991</b>	<b>377 189</b>	<b>431 785</b>	<b>410 359</b>	<b>379 368</b>	<b>413 569</b>	<b>417 087</b>

**TABLE 11.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: AGRICULTURE AND RURAL DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>204 302</b>	<b>216 333</b>	<b>243 656</b>	<b>334 566</b>	<b>382 497</b>	<b>359 890</b>	<b>354 994</b>	<b>397 794</b>	<b>400 397</b>
Compensation of employees	90 640	105 328	122 763	128 151	143 225	141 824	150 056	155 589	163 412
Goods and services	113 662	111 005	120 893	206 415	239 272	218 066	204 937	242 205	236 985
<b>Transfers and subsidies to:</b>	<b>30 747</b>	<b>35 861</b>	<b>54 524</b>	<b>28 773</b>	<b>25 093</b>	<b>25 414</b>	<b>16 705</b>	<b>9 305</b>	<b>9 844</b>
Provinces and municipalities	6 185	5 900	9 824	10 984	9 816	9 816			
Departmental agencies and accounts	4 343	5 160	10 396	8 710	5 590	5 590	11 885	4 059	4 294
Higher education institutions	3 797	3 156	2 570	3 806	3 806	3 806	4 210	5 001	5 291
Public corporations and private enterprises	16 422	21 645	31 734	5 273	5 703	5 703	400		
Households					178	499	210	245	259
<b>Payments for capital assets</b>	<b>8 588</b>	<b>956</b>	<b>4 811</b>	<b>13 850</b>	<b>24 195</b>	<b>25 055</b>	<b>7 669</b>	<b>6 471</b>	<b>6 846</b>
Machinery and equipment	8 588	956	4 811	13 850	22 195	23 055	7 354	6 471	6 846
Software and other intangible assets					2 000	2 000	315		
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>243 637</b>	<b>253 150</b>	<b>302 991</b>	<b>377 189</b>	<b>431 785</b>	<b>410 359</b>	<b>379 368</b>	<b>413 569</b>	<b>417 087</b>

The programme's expenditure increased from R244 million to R303 million between the 2012/13 and 2014/15 financial years, due to an increase in funding for agriculture, agro-processing, veterinary services and rural development projects. In 2015/16, the budget increases significantly to R431 million, representing an increase of 42 per cent. The increase was due to a once-off allocation for mobile abattoirs, Agri-parks and milling plants in the 2015/16 Adjustment budget. The allocation is R379 million in 2016/17 and increases to R417 million in 2018/19. The increase in the budget is mainly to boost food security for all and ensure sustainability thereof, to enable and support transformation of the agriculture sector to actively participate in economic growth.

A substantial portion of the budget is assigned to Farmer Support and Development sub-programme, which implements the plans associated with the CASP and Ilima/Letsema conditional grants. Key projects under these two conditional grants are land and agrarian reform; provision of on- and off-farm infrastructure; food security; the Gauteng Farmer Settlement Programme (GFSP); and agricultural cooperatives which include piggery, poultry and maize production.

The budget under Farmer Support and Development grows from R177 million to R199 million between 2016/17 and 2018/19 financial years due to additional allocations for permanently appointed extension officers; projects associated with the Extension Recovery Plan; land reform; and provision of disaster relief assistance to farmers.

The sub-programme Veterinary services expenditure increased from R47 million to R61 million between 2012/13 and 2014/15 financial years. The budget of the sub-programme is R86 million in 2016/17 and R92 million in 2018/19, these funds will assist with ensuring that whole and healthy foods of animal origin are provided to consumers through services including veterinary certification, laboratory diagnostic services, abattoir audits and monitoring, and animal health regulatory control.

Sustainable Resource Management is largely driven by implementation of the EPWP and provides for removing waste from rivers, rehabilitating wetlands, burning firebreaks and removing alien vegetation. Implementation of the National Land Care programme is limited to community-based natural resource management projects, tree and shrub planting and Junior Land Care rather than Land Care support to farmers. The allocation to Sustainable Resource Management increases from R29.2 million to R39.2 million from 2012/13 to 2016/17 financial year. The augmented allocation will make provision for the implementation of removal of alien vegetation which results in job creation.

The expenditure of the Sub programme Research and Technology Development and Support was R25 million in 2012/13 and R33 million in 2014/15 for the establishment of agricultural hubs. The budget is R73 million in 2015/16, and the sub-programme received a once off allocation of R20 million to establish Agri-parks in Eikenhof and Khutsong in order to contribute to job creation. The allocation amounts to R39 million 2016/17 and increases to R44 million in 2018/19 to promote agricultural technology and science.

The budget for the sub-programme Agricultural Economics comprises of earmarked allocation for Agro-processing, the expenditure was R22.3 million in 2012/13 and R44.7 million in 2015/16 to provide for agro-processing infrastructure such as plant, horticulture, livestock and agricultural cooperatives. The budget decreases to R29.7 million in 2016/17 due to once-off allocation of milling plants received during 2015/16.

GDARD has allocated R26.6 million from agro-processing earmarked allocations to initiate renovations and upgrading of the various market facilities including upgrading of Vereeniging fresh produce market to comply with food safety standards and create new market opportunities for the farmers. The programme offers agricultural economic advice and financial support to farmers, processors and agri-businesses.

The programme's expenditure on compensation of employees amounted to R90.6 million in 2012/13 and increased to R122.7 million in 2014/15. The budget is R143 million in 2015/16, and this increased to R150 million and R163 million in 2016/17 and 2018/19 respectively, to cater for cost of living adjustments, filling critical vacant posts and permanent appointment of extension officers.

Goods and services expenditure was R114 million in 2012/13 and was increased to R239 million in 2015/16. This represents an increase of 50 per cent as compared to 2014/15 allocation. The increase was due to once off allocation for mobile abattoirs to support meat processing in townships and to establish Agri-parks in Eikenhof and Khutsong to contribute to job creation. The budget grows from R202 million in 2016/17 to R232 in 2018/19 to boost food security for all and ensure sustainability.

The budget for transfers to higher education institutions amounted to R3.8 million in 2015/16. It increases to R5 million in 2017/18 to fund priority research projects and the implementation of the biotechnology strategy. The transfer to departmental agencies is R11.8 million in 2016/17 and is disaggregated as follows: R2.8 million to be transferred to the ARC to fund research agenda projects; and R9 million to National Agriculture Marketing Council for the development of an Agriculture Information Management System.

The department had withdrawn the transfer to municipalities for the maintenance of mechanization inputs such as tractors and Rand Water foundation in 2016/17 due to change of methodology for implementing the projects. These projects will be done through departmental tender process.

The expenditure on machinery and equipment fluctuates, decreasing from R8 million in 2012/13 to R4 million in 2014/15 and increasing to R22 million in 2015/16. The 2016/17 budget is R6 million and R6 million in the outer years of the MTEF. The budget is mainly to fund mechanization input costs thus contributing to food security and job creation in the province.

**SERVICE DELIVERY MEASURES****PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT**

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of hectares protected/rehabilitated to improve agricultural production	800	800	800
Number of green jobs created (through Land Care)	100	90	80
Number of hectares of agricultural land protected through guiding subdivision/rezoning/change of agricultural land use	10	10	10
Number of Disaster Relief Schemes managed	1	1	1
Number of disaster risk reduction programmes managed	4	4	4
Number of agricultural infrastructure established	2 (RTDS contribution)	2 (RTDS contribution)	2 (RTDS contribution)
Number of smallholder producers receiving support	180	200	200
Number of women farmers supported	60	80	80
Number of smallholder producers supported with agricultural advice	2 200	2 260	2 260
Number of households benefiting from agricultural food security initiatives	14 000	16 000	16 000
Number of hectares cultivated for food production in communal areas and land reform projects	600	650	650
Number of individual homestead gardens supported	14 000	16 000	16 000
Number of school food gardens supported	80	85	85
Number of community food gardens supported	80	85	85
Number of women benefitting from community food gardens	800	850	850
Number of participants trained in agricultural skills development programmes	600	650	650
Number of smallholder farmers trained	2 000	2 200	2 200
Number of commercial farmers trained	40	40	40
Number of epidemiological units visited for veterinary interventions	7 000	3 700	3 700
Number of Primary Animal Health Care (PAHC) veterinary interventions to small scale farmers (animal identification, vaccinations, basic treatment, skills transfer)	30 000	30 000	30 000
Number of mobile Veterinary services in Townships (basic treatments, vaccinations, sterilisations and awareness)	40 000	40 000	40 000
Number of animal health regulatory veterinary interventions with emerging and commercial farmers (livestock and pet regulatory vaccinations, field samples collected, inspections conducted, movement documents processes for diseases control purposes)	120 000	145 000	148 000
Percentage completion of Aquaculture Programme	Phase 2: Strategy roll out	Phase 3 Strategy roll out	Phase 4: strategy roll out
Percentage completion of the Nguni Project	Phase 3 implementation	Phase 4 implementation	Phase 5 implementation
Number of clients serviced for animal and animal products export control	7 000	7 000	7 000
Number of Export Value Reports providing Amount and Rand Value (Tonnage/Quantities) information of animal and animal products	1	1	1
Percentage level of abattoir compliance to meat safety legislation	80%	83%	85%
Number of Mobile Slaughter facilities established	2	3	8
Number of Mobile Slaughter facilities established	4	6	8
Number of tests performed the quality of which meets the ISO 17025 standard and OIE requirements	60 000	60 000	60 000
Number of Farmers accredited with HACCP scheme	35	40	50
Number of clients who have benefitted from Agriculture economic advice provided	105	110	120
Number of Agri-businesses supported with agricultural economic services to access markets	35	40	50
Number of Vegetables agro-processing infrastructure projects implemented/initiated (multi-year)	2	3	4
Number of Herbs and Essential Oils agro-processing infrastructure projects implemented/initiated (multi-year)	1	1	1
Number of Maize Milling agro-processing infrastructure projects implemented/initiated (multi-year)	1	1	1
Number of sunflower oil extraction agro-processing infrastructure projects implemented/initiated (multi-year)	1	1	1
Number of agro-processing infrastructure facilities implemented/initiated – soya bean processing for animal and human consumption (multi-year)	1	1	1
Number of agro-processing infrastructure facilities implemented/initiated – abattoirs (multi-year)	1	1	1
Number of agro-processing infrastructure facilities implemented/initiated - hides tanning (multi-year)	-	1	-
Number of famers accredited with Global GAP (Good Agricultural Practice)	30	35	40
Number of farmers in the Maize Triangle supported	50	55	60
Number of farmers supported with Barley production inputs	40	45	50

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of women benefiting from agro-processing	25	30	35
Number of agricultural economic information responses provided	405	410	420
Number of economic reports compiled	6	8	10
Number of Research and technology development projects implemented to improve agricultural production	10	12	12
Number of SMME and Biotech Companies supported with Business Incubation (Incl. BioFundi Awards)	6	6	6
Number of Research presentations made nationally or internationally	40	40	40
Number of Agri-Expos organised	3	3	3
Number of smallholder farmers attending Agri-Expos	800	800	800
Number of Farmers trained in water saving technologies	80	80	80
Number of Scientific papers published nationally or internationally	5	5	5
Number of research infrastructure managed	1	1	1
Number of Hectares worked by GDARD tractors	2 500	2 500	2 500
Number of Agri-parks established	2	2	2
Number of Agri-parks maintained	6	8	10
Number of women benefiting from Agri-parks	5	5	5
Number of Farm Plans developed	80	80	80
Number of Functional Council of Stakeholders	4	4	4
Number of Projects implemented with signatories of Gauteng Rural Social Compact Plan (NAFU, AFASA, AGRIGAUTENG, FAWU, WARD AND YARD) to support social cohesion	5	5	5
Number of MEC-Industry AgriBEE Indaba/State of AgriBEE	1	1	1
Number of AgriBEE/FWES Projects/ transactions supported	3	3	3

### PROGRAMME 3: ENVIRONMENTAL AFFAIRS

#### Programme description

This programme is responsible for the sustainable development mandate area of the GDARD, i.e. protection and management of Gauteng's natural and environmental resources and ecosystems. Based on the new strategic direction for the fifth term of governance, greater emphasis will be placed on economic growth and development elements e.g. eco-tourism, development of alternate energy sources/supply to provide long term energy security, waste management and the development of green technologies and processes.

The programme promotes equitable and sustainable use of ecosystems, goods and services and contributes to economic development by managing biodiversity and its components, processes, habitats and functions. The programme also ensures that the province implements the principles of integrated waste management; promotes sustainable development and quality of life by ensuring acceptable ambient air quality and sustainable mining practices; and manages hazardous chemicals and industrial related activities.

#### Programme objectives

- Protect and manage Gauteng's natural resources and environment;
- Support sustainable development including waste management, recycling and the development and utilisation of green technologies and processes; and
- Boost energy security through the development of suitable energy mix solutions.

#### Key policies, priorities and outputs

- To develop policies and programmes that will contribute to the reduction of negative environmental footprint of developments;
- To minimise and mitigate environmental impact through inspections, criminal and administrative enforcement actions, raising awareness to foster environmental compliance;
- To contribute to: South Africa's pledge to reduce carbon intensity by reducing emissions by 35 per cent in 2020 and 43 per cent in 2025; and built an environment that is low carbon, energy efficient and minimises waste.
- To ensure that the ecosystems are sustained through an increase in the conservation estate, the protection of biomes and endangered species, restoration of degraded land and sustainable exploitation of natural resources; and
- To enable effective environmental institutional and governance mechanisms to create an enabling environment for stakeholders to contribute to sustainable development; and that creates an EPWP environment and culture sector work opportunities.



TABLE 11.10: SUMMARY OF PAYMENTS AND ESTIMATES: ENVIRONMENTAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Environmental Policy, Planning And Coordination	10 478	17 285	13 350	15 555	15 555	17 350	17 432	20 630	21 827
2.Compliance And Enforcement	28 111	33 572	34 804	37 340	42 257	42 257	41 067	45 696	47 380
3. Environmental Quality Management	27 192	29 891	34 982	35 011	55 484	55 253	42 005	60 153	61 577
4. Biodiversity Management	62 953	54 185	70 439	75 560	91 940	82 070	116 785	121 489	131 780
<b>Total payments and estimates</b>	<b>128 734</b>	<b>134 933</b>	<b>153 575</b>	<b>163 466</b>	<b>205 236</b>	<b>196 930</b>	<b>217 289</b>	<b>247 968</b>	<b>262 564</b>

TABLE 11.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ENVIRONMENTAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>120 134</b>	<b>127 560</b>	<b>143 525</b>	<b>152 516</b>	<b>178 016</b>	<b>179 830</b>	<b>186 241</b>	<b>238 674</b>	<b>239 421</b>
Compensation of employees	95 292	98 404	111 740	121 273	127 523	133 022	146 379	150 398	157 655
Goods and services	24 842	29 156	31 785	31 243	50 493	46 808	39 862	88 276	81 766
Interest and rent on land									
<b>Transfers and subsidies to:</b>		<b>1 425</b>	<b>2 410</b>		<b>355</b>	<b>499</b>	<b>209</b>	<b>194</b>	<b>205</b>
Provinces and municipalities		1 425	2 410						
Households					355	499	209	194	205
<b>Payments for capital assets</b>	<b>8 600</b>	<b>5 948</b>	<b>7 640</b>	<b>10 950</b>	<b>26 865</b>	<b>16 601</b>	<b>30 839</b>	<b>9 100</b>	<b>22 938</b>
Buildings and other fixed structures	8 600	5 838	6 005	10 950	20 820	10 950	30 839	9 100	22 938
Machinery and equipment		110	1 635		6 045	5 651			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>128 734</b>	<b>134 933</b>	<b>153 575</b>	<b>163 466</b>	<b>205 236</b>	<b>196 930</b>	<b>217 289</b>	<b>247 968</b>	<b>262 564</b>

Sustainable use of natural resources in agriculture; promote sustainable livelihoods; protect and enhance environmental assets and natural resources; protected biodiversity are funded within this programme which explains the high budget and expenditure in the table above. The programme's expenditure increased from R129 million in 2012/13 to R155 million in 2014/15. The budget over the 2016 MTEF grows steadily from R217 million in 2016/17 to R262 million in 2018/19, to fund priority projects such as the development of a climate change strategy; projects related to the expansion of protected areas; issuing of biodiversity permits; and a review of nature conservation ordinances.

The expenditure on goods and services was R24.8 million and R31.7 million in 2014/15. The budget shows significant growth from R56 million in 2016/17 to R88 million in 2017/18, the increase is due to the additional funding of R40 million for the effective implementation of nature reserves management plans. The department further receives additional budget of R35 million in 2017/18 and 2018/19 for Bontle ke Botho campaign for creating a clean city region, clearing and rehabilitation of illegal dumping sites, establishment of nursery and tree planting.

The expenditure for buildings and other fixed structure was R8.6 million and R6 million between 2012/13 and 2014/15. Over the 2016 MTEF, the budget is R15 million in 2016/17, R9 million and R23 million in 2017/18 and 2018/19 respectively due to additional funding of R45 million to eradicate maintenance backlog in departmental nature reserves.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: ENVIRONMENTAL AFFAIRS

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of inter-governmental sector tools reviewed (IDPs)	12	12	12
Number of legislative tools developed	1	1	-
Number of environmental research projects undertaken (research and development electronic EIA System)	1	1	1
Number of functional environmental information management systems	3	3	3
Number of enforcement actions finalised for non-compliance with environmental legislation	110	125	125
Number of compliance inspections conducted	110	125	125
Number of S24G applications received	250	250	250
Number of S24G fines paid	10	10	10
Number of received S24G applications finalized	15	10	10

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of designated Environmental Management Inspections (EMI) in provincial departments and local government	8	8	8
Percentage of EIA Applications finalised within legislated timeframes	100%	100%	100%
Percentage of waste licence applications finalised within legislated timeframes	85%	85%	90%
Number of Waste management co-ops assisted with registration with the DTI in the priority townships	10	10	10
Number of Recycling Facilities and Buy-back centres supported with recycling equipment	6	9	12
Number of Waste Management Recycling Co-operatives in townships trained	10	10	10
Number of Waste Certificates issued	200	200	200
Number of Health Care Waste Approvals issued	20	30	40
Number of reports on percentage of waste diverted from landfill	4	4	4
Number of monitoring reports issued on cleanliness levels of municipalities	15	18	20
Percentage of atmospheric emission licences with complete applications issued within legislated timeframes	100%	100%	100%
Number of homes in 50 townships provided with alternative energy	10 000	12 000	14 000
Percentage of facilities with Atmospheric licences reporting to the National Atmospheric Emissions Inventory System (NAES)	50%	60%	70%
Number of designated organs of state with approved and implemented AQMPs	1	2	2
Number of municipalities supported to develop air quality monitoring infrastructure	2	3	5
Number of industries reporting their GHG emissions	1	1	1
Number of hectares in the conservation estate	73 756	73 756	73 756
Number of Permits issued within legislated timeframes	7 800	8 000	8000
Percentage of area of state managed protected areas with a METT score above 67	83%	83%	83%
Number of work opportunities created through environmental programmes	486	456	436
Number of EPWP FTE jobs created	160	150	140
Number of environmental awareness activities conducted	99	94	89
Number of quality environmental education resources materials developed	1	1	1

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

TABLE 11.12: PERSONNEL NUMBERS AND COST

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019
1. Administration	233	233	261	282	282	282	282
2. Agriculture And Rural Development	310	310	333	343	343	343	343
3. Environmental Affairs	361	361	310	344	344	344	344
<b>Total provincial personnel numbers</b>	<b>904</b>	<b>904</b>	<b>904</b>	<b>969</b>	<b>969</b>	<b>969</b>	<b>969</b>
Total provincial personnel cost (R thousand)	267 441	291 624	330 853	381 241	409 708	424 069	444 098
Unit cost (R thousand)	296	323	366	393	423	438	458

TABLE 11.13: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

R thousands	Actual				Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF					
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% of Total
Salary level																	
1 – 6	173	28 517	173	27 270	176	27 818	106	65	171	29 446	171	33 639	171	32 034		2.8%	7.6%
7 – 10	594	155 036	594	176 899	581	201 568	547	27	574	232 429	574	239 201	574	247 388		4.1%	56.5%
11 – 12	96	58 848	96	64 007	105	69 920	113		113	74 083	113	77 719	113	85 227		7.5%	18.5%
13 – 16	41	34 828	41	37 640	42	41 034	42	1	43	39 517	43	46 094	43	49 524		7.8%	10.8%
Other		9 635		9 966		12 357	68		68	25 870	68	28 361	68	29 925		7.3%	6.6%
<b>Total</b>	<b>904</b>	<b>286 864</b>	<b>904</b>	<b>315 782</b>	<b>904</b>	<b>352 697</b>	<b>876</b>	<b>93</b>	<b>969</b>	<b>409 708</b>	<b>969</b>	<b>422 069</b>	<b>969</b>	<b>444 098</b>		<b>5.2%</b>	<b>100.0%</b>
<b>Programme</b>																	
1. Administration	233	81 509	233	87 892	261	96 350	217	65	282	110 493	282	118 083	282	123 032		3.6%	28.1%
2. Agriculture And Rural Development	310	90 640	310	105 328	333	122 763	315	28	343	143 225	343	155 589	343	163 412		4.5%	37.0%
3. Environmental Affairs	361	95 292	361	98 404	310	111 740	344		344	146 379	344	150 398	344	157 655		7.3%	34.9%
<b>Total</b>	<b>904</b>	<b>267 441</b>	<b>904</b>	<b>291 624</b>	<b>904</b>	<b>330 853</b>	<b>876</b>	<b>93 0</b>	<b>969</b>	<b>409 708</b>	<b>969</b>	<b>424 070</b>	<b>969</b>	<b>444 099</b>		<b>5.2%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																	
Public Service Act appointees not covered by OSDs							756	22	778	301 206	778	334 898	778	361 149		6.2%	79.3%
Legal Professionals Engineering Professions and related occupations							3		3	1 896	3	2 649	3	2 278		6.3%	0.5%
<b>Total</b>							188		188	76 076	188	87 478	188	90 607		6.0%	20.2%
<b>Total</b>							<b>947</b>	<b>22</b>	<b>969</b>	<b>379 178</b>	<b>969</b>	<b>425 025</b>	<b>969</b>	<b>454 034</b>		<b>6.2%</b>	<b>100.0%</b>

Personnel costs increased from R267 million in 2012/13 to R292 million in the 2014/15 financial year. This is due to a number of critical posts that were filled such as the Agricultural advisors. Over the MTEF, the compensation budget allocation will increase due to the implementation of the upgrade of salary levels 1 and levels 2, appointment of infrastructure officials, permanent appointment of extension officers and the general annual improvement of conditions of service.

## 9.2 Training

TABLE 11.14: PAYMENTS ON TRAINING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	6 519	6 909	5 579	3 805	3 805	3 805	3 594	4 439	4 696
Payments on tuition	6 519	6 909	5 579	3 805	3 805	3 805	3 594	4 439	4 696
<b>Total payments on training</b>	<b>6 519</b>	<b>6 909</b>	<b>5 579</b>	<b>3 805</b>	<b>3 805</b>	<b>3 805</b>	<b>3 594</b>	<b>4 439</b>	<b>4 696</b>

The decrease in the training allocation from 2013/14 to 2014/15 resulted from the implementation of the DPSA directive on utilisation of training budgets in the public service and the review of the distribution of the branch allocation. To enable effective monitoring and reporting, the training budget is centralised in Programme 1 under the Sub-programme: Corporate Services. The department provides bursaries to internal employees and externally to members of the community in relation to scarce occupations and continued formal development. In 2013/14, R6.9 million was spent on skills development initiatives to build internal and external capacity. The department identifies training needs through the performance management process, and then addresses these gaps through workplace skills plans. These are submitted to PSETA for endorsement.

Implementation of the workplace skills plans is cascaded into the DPSA's Human resources development implementation plan which provides the action plan about how these activities will unfold. To assist with scarce skills development, the department conducts career awareness sessions at venues such as communities, schools and higher education institutions. Financial assistance in the form of bursaries is granted to deserving applicants, and workplace exposure/internships are provided to assist graduates with their workplace readiness. Collaborative internship projects have been implemented with the Ekurhuleni municipality and FoodBev SETA respectively. These projects will continue in the financial year 2016/17, this will allow the department to increase the target on internships or alternatively allocate the funds for priority skills development projects.

TABLE 11.15: INFORMATION ON TRAINING: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of personnel trained	901	901	711	675	675	675	675	675	714
<i>of which</i>									
Male	414	414	327	310	310	310	310	310	328
Female	487	487	384	365	365	365	365	365	386
Number of training opportunities	176	176	194	176	176	176	176	176	186
<i>of which</i>									
Tertiary	150	150	169	146	146	146	146	146	154
Workshops	20	20	20	20	20	20	20	20	21
Seminars	6	6	5	10	10	10	10	10	11
Number of bursaries offered	42	42	38	38	38	38	40	40	40
Number of interns appointed	48	48	40	40	40	40	45	45	45
Number of days spent on training	3	3	5	5	5	5	4	4	4

The table reflects allocation for training for the department is related to bursaries, workshops and seminars to employees to increase capacity in the department, also provides information about persons trained and to be trained, their gender profile and the number of bursaries awarded internally and externally. Development opportunities are provided in line with individual officials' development plans and with the performance management and development system. The department assists officials through implementation of the bursary scheme.

In the 2014/15 financial year, the department made a concerted effort to meet and exceed the provincial target of 5 per cent of the establishment on internship programmes. This target will be maintained and partnerships established to assist with funding future programmes. The department continues to assist officials with further development of knowledge within their respective areas of competence through the implementation of the bursary scheme.

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

TABLE 11.16: SPECIFICATION OF RECEIPTS: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>671</b>	<b>743</b>	<b>1 765</b>	<b>1 850</b>	<b>1 850</b>	<b>5 813</b>	<b>8 140</b>	<b>8 554</b>	<b>8 989</b>
Sale of goods and services produced by department (excluding capital assets)	671	743	1 765	1 850	1 850	5 813	8 140	8 554	8 989
Other sales	671	743	1 765	1 850	1 850	5 813	8 140	8 554	8 989
Of which									
Health patient fees	671	743	787	1 050	1 050	4 399	1 103	1 158	1 216
Other (Specify)			978	800	800	893	850	900	952
Other (Specify)						521	2 012	2 112	2 218
Other (Specify)							4 175	4 384	4 603
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>							<b>6 468</b>	<b>6 791</b>	<b>7 131</b>
<b>Interest, dividends and rent on land</b>	<b>80</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>5</b>	<b>6</b>	<b>6</b>
Interest	80		4	4	4	11	5	6	6
<b>Sales of capital assets</b>									
<b>Transactions in financial assets and liabilities</b>	<b>1 355</b>	<b>287</b>	<b>329</b>			<b>286</b>	<b>200</b>	<b>240</b>	<b>260</b>
<b>Total departmental receipts</b>	<b>2 106</b>	<b>1 030</b>	<b>2 098</b>	<b>1 854</b>	<b>1 854</b>	<b>6 110</b>	<b>14 813</b>	<b>15 591</b>	<b>16 386</b>

TABLE 11.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>135 907</b>	<b>149 229</b>	<b>151 855</b>	<b>161 907</b>	<b>169 095</b>	<b>170 761</b>	<b>176 314</b>	<b>185 624</b>	<b>201 385</b>
Compensation of employees	81 509	87 892	96 350	105 038	108 430	106 395	113 273	118 083	123 032
Salaries and wages	70 809	79 192	84 510	89 879	92 541	92 325	98 190	100 780	104 725
Social contributions	10 700	8 700	11 840	15 159	15 889	14 070	15 083	17 303	18 307
Goods and services	54 384	61 330	55 501	56 869	60 665	64 366	63 041	67 540	78 353
Administrative fees	247	(371)	676	260	377	377	321	283	299
Advertising	5 803	1 574	1 417	2 119	1 597	1 597	2 050	1 618	1 712
Minor Assets	71	47	711	16	131	268		18	19
Audit cost: External	2 895	4 048	4 215	3 778	3 778	3 778	2 800	4 174	4 416
Bursaries: Employees	820	947	708	1 020	1 223	1 223	643	1 128	1 193
Catering: Departmental activities	579	1 579	728	1 254	1 069	969	1 217	987	1 044
Communication (G&S)	2 208	4 029	3 088	2 526	2 666	6 704	2 273	2 796	2 959
Computer services	5 760	4 954	5 475	6 756	7 033	5 733	8 363	7 466	7 899
Consultants and professional services: Business and advisory services	815	1 194	1 425	1 033	1 162	1 062	1 361	1 142	1 209
Consultants and professional services: Legal costs	1 020	1 168	1 097	1 884	1 452	1 123	2 178	2 083	2 204
Contractors	1 389	681	665	1 294	780	1 137	3 583	1 431	1 514
Agency and support / outsourced services	121	149	91	267	195	195	85	295	312
Entertainment	106	604	115						
Fleet services (including government motor transport)	1 974	3 551	2 693	2 923	1 377	1 377	2 186	2 969	3 141
Inventory: Clothing material and accessories		597	74	35	35	103	120	38	40
Inventory: Farming supplies		161	3			1			
Inventory: Food and food supplies	20	549	39	257	54	55	2	85	90
Inventory: Fuel, oil and gas	3 650	5 211	4 857	2 161	1 760	3 604	64	3 178	3 363
Inventory: Learner and teacher support material				36	36	36		40	43
Inventory: Materials and supplies	64	172	427	229	391	473	15	253	268
Inventory: Medical supplies					36	36			

TABLE 11.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Inventory: Other supplies		4					70		
Consumable supplies	101	329	224	518	734	735	824	573	606
Consumable: Stationery, printing and office supplies	1 330	1 112	3 167	2 171	2 909	3 611	2 761	2 383	2 521
Operating leases	4 238	(7 138)	2 706	2 857	2 922	781	2 006	2 165	2 035
Property payments	12 696	27 479	13 998	13 615	19 111	19 838	21 359	22 437	30 892
Travel and subsistence	3 895	4 364	3 195	4 303	4 751	4 697	5 388	3 837	4 059
Training and development	1 826	512	938	1 922	1 942	1 942	1 088	3 226	3 413
Operating payments	1 728	2 716	1 171	2 428	1 841	1 671	1 395	2 125	2 244
Venues and facilities	1 028	1 187	1 598	1 207	1 298	1 235	889	810	857
Rental and hiring		(79)			5	5			
Interest and rent on land	14	7	4						
Interest	14	7	4						
<b>Transfers and subsidies</b>	<b>59</b>	<b>1 505</b>	<b>1 718</b>	<b>1 502</b>	<b>797</b>	<b>940</b>	<b>1 176</b>	<b>1 222</b>	<b>1 293</b>
Departmental agencies and accounts		896	969	906	734	734	962	1 002	1 060
Provide list of entities receiving transfers		896	969	906	734	734	962	1 002	1 060
Households	59	609	749	596	63	206	214	220	233
Social benefits	59	609	749	596	63	206	214	220	233
<b>Payments for capital assets</b>	<b>6 796</b>	<b>4 856</b>	<b>4 875</b>	<b>3 323</b>	<b>5 027</b>	<b>5 027</b>	<b>3 706</b>	<b>3 670</b>	<b>3 883</b>
Buildings and other fixed structures			226		72	147			
Buildings			226						
Other fixed structures					72	147			
Machinery and equipment	6 203	4 856	4 447	3 323	4 955	4 880	3 706	3 670	3 883
Transport equipment	2 643			1 651	1 651	1 576	1 860	1 821	1 926
Other machinery and equipment	3 560	4 856	4 447	1 672	3 304	3 304	1 846	1 849	1 957
Software and other intangible assets	593		202						
<b>Payments for financial assets</b>	<b>755</b>	<b>25</b>	<b>8</b>			<b>5</b>			
<b>Total economic classification</b>	<b>143 517</b>	<b>155 615</b>	<b>158 456</b>	<b>166 732</b>	<b>174 919</b>	<b>176 733</b>	<b>181 196</b>	<b>190 516</b>	<b>206 561</b>

TABLE 11.18: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>204 302</b>	<b>216 333</b>	<b>243 656</b>	<b>334 566</b>	<b>382 497</b>	<b>359 890</b>	<b>354 994</b>	<b>397 794</b>	<b>400 397</b>
Compensation of employees	90 640	105 328	122 763	128 151	143 225	141 824	150 056	155 589	163 412
Salaries and wages	78 931	105 328	107 120	110 978	122 041	123 683	131 066	133 650	140 201
Social contributions	11 709		15 643	17 173	21 184	18 141	18 990	21 939	23 211
Goods and services	113 662	111 005	120 893	206 415	239 272	218 066	204 937	242 205	236 985
Administrative fees	37	417	558	152	361	433	60	157	166
Advertising	1 035	457	652	423	1 322	1 082	308	407	430
Minor Assets	218	175	53	1 036	948	744	626	1 141	1 208
Audit cost: External				60	60	60	80	66	70
Bursaries: Employees			42	37	37	37		41	43
Catering: Departmental activities	1 292	1 662	1 321	5 491	2 373	2 452	1 270	1 275	1 349
Communication (G&S)	2 666	2 756	2 836	3 012	2 657	2 657	2 946	3 276	3 466
Computer services	784						120	400	423
Consultants and professional services: Business and advisory services	255	263	361		2 100	2 137	400		
Consultants and professional services: Infrastructure and planning	15 068	7 278	14 931	14 652	12 264	12 266	21 647	14 028	14 841
Consultants and professional services: Laboratory services	651	132	46			127		713	754
Contractors	5 910	1 839	492	3 961	9 484	7 182	8 553	4 379	4 635
Agency and support / outsourced services	10	193	6			410			

TABLE 11.18: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Entertainment		340	7	1		1		1	1
Fleet services (including government motor transport)				40	40	40	40	44	47
Inventory: Clothing material and accessories	1 835	496	1 173	923	553	553	508	829	876
Inventory: Farming supplies	49 924	58 326	62 457	123 607	159 170	139 819	109 550	149 824	139 244
Inventory: Food and food supplies	58	465	44	5	90	116	117	6	6
Inventory: Fuel, oil and gas	3	5	60	1 625	609	609	2 145	3 046	3 223
Inventory: Materials and supplies	380	1 837	631	1 505	2 000	2 059	1 670	2 520	2 666
Inventory: Medical supplies	211	28	1 696	385	1 826	1 862	3 692	3 286	3 476
Inventory: Medicine	2 328	1 407	1 646	4 084	6 285	6 285	15 020	13 605	14 395
Consumable supplies		1 586	1 620	3 494	1 441	2 454	1 776	3 553	3 759
Consumable: Stationery, printing and office supplies	676	73	1 280	1 206	1 706	1 706	693	1 331	1 409
Operating leases	6 756	6 156	3 474	5 422	3 596	3 471	2 785	6 418	6 790
Property payments	3 535	1 701	1 500	3 414	2 214	2 214	2 067	3 624	3 835
Travel and subsistence	11 752	14 967	14 910	17 721	17 714	17 001	17 038	16 739	17 711
Training and development	1 220	924	1 858	3 835	1 955	2 013	7 374	5 354	5 665
Operating payments	1 685	1 588	2 637	4 389	4 758	4 731	2 813	4 357	4 610
Venues and facilities	5 373	5 934	4 602	5 935	3 709	3 504	1 639	1 784	1 887
Rental and hiring						41			
<b>Transfers and subsidies</b>	<b>30 747</b>	<b>35 861</b>	<b>54 524</b>	<b>28 773</b>	<b>25 093</b>	<b>25 414</b>	<b>16 705</b>	<b>9 305</b>	<b>9 844</b>
Provinces and municipalities	6 185	5 900	9 824	10 984	9 816	9 816			
Municipalities	6 185	5 900	9 824	10 984	9 816	9 816			
Municipalities	6 185	5 900	9 824	10 984	9 816	9 816			
Departmental agencies and accounts	4 343	5 160	10 396	8 710	5 590	5 590	11 885	4 059	4 294
Provide list of entities receiving transfers	4 343	5 160	10 396	8 710	5 590	5 590	11 885	4 059	4 294
Higher education institutions	3 797	3 156	2 570	3 806	3 806	3 806	4 210	5 001	5 291
Public corporations and private enterprises	16 422	21 645	31 734	5 273	5 703	5 703	400		
Public corporations	16 422	21 645	31 734	5 273	5 703	5 703	400		
Other transfers	16 422	21 645	31 734	5 273	5 703	5 703	400		
Households					178	499	210	245	259
Social benefits					178	499	210	245	259
<b>Payments for capital assets</b>	<b>8 588</b>	<b>956</b>	<b>4 811</b>	<b>13 850</b>	<b>24 195</b>	<b>25 055</b>	<b>7 669</b>	<b>6 471</b>	<b>6 846</b>
Machinery and equipment	8 588	956	4 811	13 850	22 195	23 055	7 354	6 471	6 846
Transport equipment				8 000	8 000	12 002			
Other machinery and equipment	8 588	956	4 811	5 850	14 195	11 053	7 354	6 471	6 846
Software and other intangible assets					2 000	2 000	315		
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>243 637</b>	<b>253 150</b>	<b>302 991</b>	<b>377 189</b>	<b>431 785</b>	<b>410 359</b>	<b>379 368</b>	<b>413 569</b>	<b>417 087</b>

TABLE 11.19: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ENVIRONMENTAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>120 134</b>	<b>127 560</b>	<b>143 525</b>	<b>152 516</b>	<b>178 016</b>	<b>179 830</b>	<b>186 241</b>	<b>238 674</b>	<b>239 421</b>
Compensation of employees	95 292	98 404	111 740	121 273	127 523	133 022	146 379	150 398	157 655
Salaries and wages	82 179	98 404	97 693	107 856	112 581	116 085	126 427	131 648	137 818
Social contributions	13 113		14 047	13 417	14 942	16 937	19 952	18 749	19 837
Goods and services	24 842	29 156	31 785	31 243	50 493	46 808	39 862	88 276	81 766
Administrative fees		80	101	15	33	67	33	17	18
Advertising	468	537	1 041	579	8 824	8 848	1 520	8 482	8 974
Minor Assets	262	310	157	413	454	454	51	401	425



R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Catering: Departmental activities	163	223	443	506	890	899	596	504	533
Communication (G&S)	1 019	1 184	1 775	2 534	1 971	1 352	2 336	1 703	1 802
Computer services	1 117	14	28		7	7			
Consultants and professional services: Business and advisory services	320	5 425	1 638	2 277	2 277	2 277	1 515	2 524	2 671
Consultants and professional services: Infrastructure and planning	6					180			
Consultants and professional services: Scientific and technological services								20 000	20 000
Contractors	2 455	1 529	2 927	5 531	4 574	5 609	14 091	24 437	16 949
Agency and support / outsourced services	12	52	5						
Entertainment			176	30	30	30		33	35
Fleet services (including government motor transport)	741			100	73	73			
Inventory: Clothing material and accessories	621	462	853	500	6 722	4 728	687	5 053	5 346
Inventory: Farming supplies	673	1 211	2 211	6 471	10 740	6 965	4 817	9 692	8 689
Inventory: Food and food supplies	1	17	1						
Inventory: Fuel, oil and gas	155	21	325	572	1 246	886		640	677
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	1 184	591	1 388	913	914	990	1	1 009	1 068
Inventory: Medical supplies	42								
Inventory: Medicine	55	30	1	122	122	122		135	143
Inventory: Other supplies						300			
Consumable supplies	1 974	3 829	4 078	1 336	322	355	482	1 098	1 162
Consumable: Stationery, printing and office supplies	78	481	16	1	1	93	20	112	118
Operating leases	1 610	982	1 070	2 637	1 146	665	655	2 772	2 933
Property payments	4 779	5 868	6 090	1 255	3 033	4 540	4 804	2 365	2 502
Transport provided: Departmental activity	174								
Travel and subsistence	5 922	4 995	5 933	3 871	5 159	5 359	6 717	5 768	6 103
Training and development	22	55		275	706	706	400	138	146
Operating payments	499	260	500	695	829	846	337	768	813
Venues and facilities	461	921	971	610	390	390	680	624	660
Rental and hiring	29	79	57		30	67	120		
Interest and rent on land									
<b>Transfers and subsidies</b>		<b>1 425</b>	<b>2 410</b>		<b>355</b>	<b>499</b>	<b>209</b>	<b>194</b>	<b>205</b>
Provinces and municipalities		1 425	2 410						
Municipalities		1 425	2 410						
Municipalities		1 425	2 410						
Households					355	499	209	194	205
Social benefits					355	499	209	194	205
<b>Payments for capital assets</b>	<b>8 600</b>	<b>5 948</b>	<b>7 640</b>	<b>10 950</b>	<b>26 865</b>	<b>16 601</b>	<b>30 839</b>	<b>9 100</b>	<b>22 938</b>
Buildings and other fixed structures	8 600	5 838	6 005	10 950	20 820	10 950	30 839	9 100	22 938
Buildings	8 600	5 838	6 005	10 950	20 820	10 950	30 769	9 100	22 938
Other fixed structures							70		
Machinery and equipment		110	1 635		6 045	5 651			
Transport equipment						1 005			
Other machinery and equipment		110	1 635		6 045	4 646			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>128 734</b>	<b>134 933</b>	<b>153 575</b>	<b>163 466</b>	<b>205 236</b>	<b>196 930</b>	<b>217 289</b>	<b>247 968</b>	<b>262 564</b>

# VOTE 12

## DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

To be appropriated by vote in 2016/17	R821 059 000
Responsible MEC	MEC for Sport, Arts, Culture and Recreation
Administering Department	Department of Sport, Arts, Culture and Recreation
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

“An active, creative and modernised Gauteng City Region (GCR) contributing to sustainable economic growth and social cohesion.”

#### Mission

In pursuit of the above vision, the Department of Sport, Arts, Culture and Recreation (DSACR) will work integratively to create an enabling environment towards radical economic and accelerated social transformation for sporting, artistic, and cultural excellence through:

- Facilitating talent identification and development in partnership with key stakeholders;
- Positioning the business of sport and creative industries as catalysts for sustainable economic growth;
- Modernisation of the economy through the bidding for and hosting of major sporting and cultural events;
- Providing universal access to sport, arts, cultural activities, library, archival services and facilities; and
- Identifying, promoting and preserving heritage.

#### Strategic Goals

- Transformed and modernised sport and a cultural landscape which contributes to social cohesion and nation building;
- Gauteng economically transformed through creative industries and the business of sport;
- Develop, transform, promote, modernise sustainable library, information and archival services; and
- Capable and activist administration which contributes to a modern developmental state in order to promote good governance.

#### Core functions and responsibilities

The core mandate of DSACR is to ensure access to, increased participation in and transformation of the sport, arts, culture and recreation sectors through radical economic and accelerated social transformation that benefits all in the province, promoting nation building and social cohesion.

#### Main services

The following are the department's main services:

- Support the development of safe and secure communities through the implementation of integrated and sustainable recreation programmes at community level;
- Promote sustainable livelihood for artists, crafters and sports people;
- Develop young sporting and artistic talent to take its rightful place in competitive sport and in mainstream arts and culture events;
- Build the Gauteng Carnival into a world class event that will contribute to the Growth and Development Strategy of the province and pillars of radical transformation;
- Implement School Sport Mass Participation Programmes in schools across Gauteng in partnership with GDE and other strategic partners;
- Develop, transform, promote, modernise a sustainable library, information and archival services
- Attract opportunities for the sporting, artistic and cultural sectors to stage major events and tournaments in Gauteng; and
- Promote nation building and deepen democracy through the commemoration of national days, celebration of heroes and heroines of the liberation struggle, as well the development of heritage sites and monuments.

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

In the second phase of transition, as articulated by the mandate of the fifth administration, the department's programmes are characterised by radical economic and accelerated social transformation as part of the ten-pillar programme aimed at radically transforming, modernising and re-industrialising Gauteng over the next five to 15 years.

In order to radically change the structure of the economy and unlock the potential of different sectors, the department's programme will contribute towards the following priorities:

- Revitalise and build township economies – through creative industries and support of township businesses through procurement/support of sport equipment and attire.
- Support the development of key new and existing projects/programmes that have the potential to address the twin policy imperatives of creating decent employment and greater economic inclusion. The support will be through the Information and Communications Technology (ICT) sector, such as the digitalisation of archives and libraries; tourism including the heritage liberation route, creative industries; construction of archive centre, monuments and libraries.
- Expanding youth employment through the Expanded Public Works Programme (EPWP), school sport assistants, water safety instructors, cultural officers and library assistants in all the planned interventions.
- Significantly up-scale skills development for the GCR economy in partnership with industry, through the training of educators and volunteers to implement sport, water safety instructors, bursaries for library science, archival and record management, visual and performing arts.

#### **To accelerate social and economic transformation the following key priorities will be implemented:**

The National Development Plan (NDP) locates sport and recreation as well as arts and culture at the nucleus of well-being and social cohesion. In the National Sports Plan, sport is a cross-cutting factor that relates to proposals in the chapters on education, health and nation building. To realise the NDP's transformative Vision 2030 of participation in sporting codes, DSACR will expand opportunities for participation in sports and recreation by providing a favourable environment for sport development in the province. In addition, the department will use art and culture to foster values and facilitate dialogue and healing, thus restoring pride among African, Indian and Coloured South Africans. The production of art work and stories that facilitate healing, nation building and dialogue will be supported and encouraged. To do this, the following will be implemented:

- Build a united province and promote social cohesion, leveraging sport and creative talent to expand inclusive economic opportunities, transform social relations and address social ills like xenophobia, racism, sexism, etc. For example programmes such as the Gauteng Carnival, Social Cohesion Dialogues, celebration and commemoration of liberation struggle icons to promote social cohesion.
- Consolidate gains in education to further improve the quality of education through the construction and operationalisation of community and modular libraries; to inculcate the culture of reading and deepening knowledge through implementation of Born to Read, debates, public speaking and recreational reading programmes.
- Promotion of healthy lifestyles through sport, arts, culture, recreation and library services such as indigenous games, Siyadlala Games and Community Recreational Programmes targeting children, youth, People with Disabilities (PWD) and the elderly.
- Transform spatial development patterns; ensure decent living conditions and sustainable human settlements through the construction of community libraries, provincial archives, monuments, and sport and recreation facilities such as Mabaleng Sports fields.
- Expand community-based sport and cultural amenities across the City Region. This includes, construction of heritage sites such as Wonderboom Valley Monument, the Workers Monument and the Women's Monument which will be completed in June and officially opened during women's month in August 2016. Operation Mabaleng sport facilities will be constructed in 10 communities across Gauteng.
- Ensure effective measures to promote arts and culture which include: provision of financial and ICT support to artists; enabling the creation of work opportunities and expressing national creativity, while opening space for vibrant debate; supporting income-smoothing for artists in a special unemployment insurance scheme and evaluating funding models for such initiatives; developing sectorial determination legislation frameworks to protect arts-sector employees.
- Strengthen collaboration between local government and the province, to enhance integrated planning and service delivery through political and technical IGRs, and cluster/hub programmes.

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

Rapid population growth is one of the factors that present challenges in programme implementation. Migration within and from outside the province is one of the key events that impact on the work of the department, and is thus relevant to budget decisions. The inward migration from other provinces and neighbouring countries is particularly critical as it shapes the province's demographics. According to Statistics South Africa 2014 (Quality of life survey), provincial population growth is estimated at 3.5% and this does not necessarily translate to a concurrent budgetary increase. As such, it has a huge impact on programme planning and service delivery levels. The reduction in government spending over the Medium Term Expenditure Framework that has resulted from current economic challenges poses a challenge to service delivery over this period.

**Acts, rules and regulations****Cultural affairs:**

- Gauteng Heritage Resources Regulations (Jan 2003, Notice 103 of 2003, Volume 9, No 4);
- National Heritage Resources Act, 1999 (Act No. 25 of 1999);
- National Heritage Council Act, 1999 (Act No. 11 of 1999);
- South African Geographical Names Council Act, 1998 (Act No. 118 of 1998);
- Cultural Institutions Act, 1998 (Act No. 119 of 1998);
- Culture Promotion Amendment Act, 1998 (Act No. 59 of 1998);
- Gauteng Arts and Culture Council Act (Act No. 11 of 1998);
- National Arts Council Act, 1997 (Act No. 56 of 1997);
- National Film and Video Foundation Act, 1997 (Act No. 73 of 1997);
- Pan South African Language Board Act, 1995 as amended (PANSALB) (Act No. 59 of 1995); and
- Heraldry Act, 1962 (Act No. 18 of 1962).

**Sports and recreation:**

- National Sport and Recreational Act (No. 110 of 1998, as amended in 2007).

**Libraries, information and archival services:**

- The Gauteng Library and Museum Service Ordinance (1982), as amended by the Gauteng General Law Amendment Act (Act 4 of 2005);
- National Council for Library and Information Services Act (Act No. 6 of 2001);
- National Library for the Blind Act (Act No. 91 of 1998);
- The Legal Deposit Act (Act no. 54 of 1997); and
- National Archives and Record Services of South Africa Act (Act No. 43 of 1996).

**Generic national good governance legislation**

- Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)
- Public Service Act, 1994, as amended;
- Broad Based Black Economic Empowerment Act, 2003;
- Public Service Regulations, 2001, as amended;
- Promotion of Access to Information Act, 2000;
- Promotion of Administrative Justice Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Public Finance Management Act (PFMA), 1999;
- Employment Equity Act, 1998;
- Skills Development Act, 1998;
- Basic Conditions of Employment Act, 1997;
- South African Qualifications Authority Act, 1995;
- Labour Relations Act, 1995, as amended;
- Occupational Health and Safety Act, 1993;
- Companies Act, 1973; and
- Building Regulations.

**2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015 /16)****Accelerated social transformation****Output 1: Improved quality basic education through School Sport**

The department works in consultation with the Gauteng Department of Education (GDE) on the improvement of school sport. The Lead Schools Netball Festival was held on 26 June 2015 for 15 primary schools; and on 27 June 2015 for 15 secondary schools. A total of 1 142 girls participated in both tournaments. The Farm and Rural Schools' festival took place on 6 November 2015 at Sedibeng; and learners participated in football, volleyball, netball as well as chess.

**Output 2: Gauteng Schools' Carnival**

The theme of the annual Gauteng Schools Carnival was to build the visual and performing arts skills of learners, as well as to promote social cohesion and nation building across races, the event took place on Heritage Day on 24 September 2015. The theme for the year was linked to celebrating and creating awareness on the Freedom Charter, hence the theme "Celebrating 60 years of the Freedom Charter - South Africa belongs to all who live in it" which also promoted anti-xenophobia. A total of 6 000 learners' participated in the 7km long parade which commenced from the Pilditch Stadium to the Union Buildings.

A further 143 schools participated in arts and culture programmes; with 35 schools identified by GDE to implement schools arts and culture programmes falling under the performing arts genres of dance, music and drama. This programme is

facilitated by arts practitioners from 35 identified schools. The programme provides support for the intrinsic value of developing cultural literacy and teaches artistic skills and techniques critical to holistic development.

### **Output 3: Recreational Siyadlala Hub Programme**

The department hosted various recreational programmes which enhanced active participation by communities, impacting on healthy life style and physical wellbeing. The programmes implemented include Active Ageing, Aerobics, Big Walk/Fun Walk, Gymnaestrada, Indigenous Games and the Hub Tournament. A total of 108 194 people actively participated in organised active recreation events.

### **Output 4: National/Significant Days commemorative events**

To promote social cohesion and nation building, the department successfully hosted the following five significant days.

Freedom Day was commemorated on 27 April 2015 at the Union Buildings in Tshwane and Youth Day (including the celebration of the anniversary of the Freedom Charter) commemorated on 16 June 2015. These programmes were implemented in close collaboration with stakeholders such as the local municipalities, Department of Arts and Culture, National Youth Development Agency, Freedom Park, South African National Defence Force (SANDF), Presidency and Office of the Premier. Mandela Day was held on 18 July 2015 in Kagiso on the West Rand in partnership with the Department of Basic Education. National Women's Day was commemorated on 9 August 2015 in Sasolburg which forms part of the programme to honour liberation struggle heroes and heroines.

As part of repositioning commemoration of national days, this year's Heritage Day was celebrated through the Gauteng Carnival. The Gauteng Carnival which brings together different sectors of society to celebrate our cultural diversity, continues to grow. This year, the Carnival attracted more than 30 000 participants and spectators, and created an estimated 3000 jobs.

Three National Symbols Awareness Campaigns to foster constitutional values were implemented through the distribution of 5 250 hand-held national flags and 600 National Identity booklets aimed at promoting and reinforcing national identity and symbols.

### **Output 5: Promote social cohesion through Heritage**

Through the development of the Gauteng Chapter of the National Liberation Heritage Route, 100 sites have been identified, of these 15 have been researched and 10 graded. All these will be declared either as provincial or national heritage sites depending on the assigned level of grading. A total of four heroes and heroines were commemorated namely, Bertha Gxowa through the unveiling of her statue, David Bopape through the declaration of his grave, as well as Selope Thema and Dolly Rathebe. In addition, the Mandela Remembrance Walk aimed at celebrating and honouring the political history and legacy of the former president which is strongly entrenched in the City of Tshwane. A total of 15 000 people participated in the walk that maps the heritage route in Tshwane.

The Department developed and supported the following three Heritage monuments during the 2015/2016 financial year: the Kagiso Memorial, the Women's Living Monument and the Fort Wonderboom Monument. The Women's Living Monument, is an eternal and living tribute to the role of women in the liberation struggle and will be unveiled during Women's Month in August 2016.

The Gauteng Province's Language Bill was certified by the state Law Advisors in December 2015. The Bill was translated into three South African official languages (IsiZulu, Sepedi and Afrikaans). The Bill was submitted to the Provincial Legislature for further processing and approval. This Bill provides for the regulation and monitoring of the use of official languages for government purposes in the province.

### **Output 6: Social Cohesion**

The Provincial Social Cohesion Strategy was presented at both the Political and Technical Inter-Governmental Relations Fora. In order to solicit inputs from broad-based stakeholders on this strategy, consultation workshops were hosted in Ekurhuleni, Tshwane, Sedibeng, West Rand and Johannesburg municipalities. The inputs and recommendations received from these consultations will be incorporated into the Provincial Social Cohesion Strategy and thereafter an implementation plan and the strategy will be presented to EXCO for approval.

### **Output 7: Youth Camp**

The Provincial Youth Camp was hosted at Camp Discovery in Hammanskraal from 4 – 10 October 2015 with a total of 250 youth attending the camp.

## **Radical economic transformation**

### **Output 1: Music**

The department hosted six Puisano Live Music Showcases, during which thirty bands participated and showcased their talents. This programme is aimed at identification and nurturing of musical talent in townships. A total of 158 emerging artists were given an opportunity to showcase their talent.

**Output 2: Filming**

The department entered into three partnerships with local production companies aimed at distributing local filmed content. These included, SA Great Movies (Broadcast distribution), Anaconda (Township DVD mass activations and Commuter TV) and broadcasting content in taxis. A total of six productions were also supported and funded by the Gauteng Film Commission. Six projects were implemented which were aimed at supporting the distribution of local filmed content through partnerships and the department reached 1 825 audiences through this initiative. A total of 250 temporary jobs were directly created in the sector through production support. These partnerships promoted Gauteng as a film destination and created opportunities for jobs, thus accelerating economic transformation.

**Modernisation of human settlements and urban development decisive spatial transformation****Output: Funding for Municipal library services**

The department entered into partnerships with 21 municipalities and concluded business plans on the operationalisation of the libraries. Funds will be transferred in line with the business plans to support community access to library services. Furthermore, a total of 130 library materials were procured and three online subscriptions for libraries were renewed to enhance the services offered by the libraries.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)****Accelerated social transformation****Output 1: Improved Quality Basic Education through School Sport**

The department implements the School Sport Mass Participation Programme in partnership with the GDE. This will be done in accordance with the directives from the national government and focus will remain on schools in need. A total of 16 schools sport structures will be supported in the coming financial year. Training programmes for 32 sport assistants and 450 educators will be conducted to improve the standard of school sport, whilst at the same time working to ensure continuity of the programme at schools. Other events will include Winter Games, Learners with Special Education Needs (LSEN), Sports Programmes and Summer Games. The Learn to Swim Programme will continue to be implemented, as well as the technical and material support to 60 schools in athletics and netball will continue in the 2016/17 financial year.

**Output 2: Arts in School**

The Arts in Schools Strategy will be implemented in partnership with GDE and the Department of Arts and Culture, with an emphasis on art focused schools. The department will coordinate and facilitate the implementation of arts (performing and/or visual) and culture programmes in 140 schools. Arts and Culture programmes (dance, drama, visual arts and music) will be introduced to more schools thus allowing the identified number learners to participate in the annual Gauteng Carnival. Furthermore, the department awards bursaries aimed at assisting students interested in furthering their studies in the Arts field.

**Output 3: Recreational Siyadlala Hub Programme**

The Mass Participation Programme will be implemented in decentralised hubs located within the communities of Gauteng to provide an opportunity for community members to embrace a healthy and active lifestyle. These Programmes will include Indigenous Games, Gymnaestrada, Aerobics and Fun Run/Walks Programmes. The Active Ageing Programme will be introduced to more old age homes in the province in support of long and healthy life styles, in partnership with the Department of Social Development and Health.

**Output 4: Theatre and Dance Programmes**

The department will continue to support three emerging theatres and the Dance Umbrella through hosting of auditions for theatre and dance where talent can be identified with the aim to develop it further. The comedy and poetry programmes will be implemented in the coming financial year. This will also encourage communities to live active healthy lifestyles.

**Output 5: Creative Arts Programme**

The Creative Arts programme will be implemented in various arts and culture areas through Mass Participation programmes across the province, and will include dance, drama, visual arts and music.

**Output 6: National/Significant Days commemorative events**

The department will work closely with strategic partners to continue to host, co-host and/or commemorate six National/Significant Day events to promote accelerated social transformation in the province. These significant days include: Freedom Day, the Youth Day commemoration which will include the 40<sup>th</sup> anniversary of June 16; Mandela Day, the Women's Month celebration in August including the 60<sup>th</sup> anniversary of Women's Day, Heritage Day on 24 September will be celebrated with a Carnival; as well as the Human Rights Day in March 2017.

The department will, in the coming financial year, commemorate the heroes and heroines of the liberation struggle such as

Rev. George Wauchope, Francis Baard and Sibongile Mkhabela; and this will include the Mandela Remembrance Walk which is hosted on an annual basis.

#### **Output 7: Heritage resources**

In the 2016/2017 financial year, SACR will conduct an audit of monuments and statues in the Province. The construction of the Women's Living Monument will be completed in June 2016; and the official opening will be done in August 2016 (during Women's Month). Three monuments will be supported (Kagiso Memorial, Women's Living and Boipatong Monuments). DSACR will identify, grade, preserve, protect and promote the heritage resources, in partnership with strategic role-players, including National and Local Government, the South African Heritage Resources Agency (SAHRA) and the Provincial Heritage Resource Agency of Gauteng (PHRA-G). Geographical names will be identified, processed and renamed if necessary.

#### **Output 8: Youth Camps**

One Youth camp will be hosted with 250 youth participants in partnership with other role-players to provide youth at risk with valuable life skills. The primary objective is to develop the youth and empower them with requisite values, and knowledge that can assist them to become responsible, conscious citizens and to strengthen their sense of patriotism, cultural diversity and National Identity. This will be done with the aim to contribute to creating safer and more secure communities.

### **Radical economic transformation**

#### **Output 1: Craft Hubs Centres**

The department will explore all opportunities to implement the Craft Strategy to such an extent that crafters and other related industries will gain maximum benefit from the programmes offered. In addition to the four Craft Hubs (Mogale City, Sedibeng, Tshwane and Ekurhuleni), the department will establish new Craft hubs in Rural areas. This will assist communities to create a sustainable livelihoods for themselves, for the benefit of the province. The focus is to facilitate and improve access to various Regional Market Platforms (Soweto Expo, Sea Expo, and Ekurhuleni Trade Fair) to display their talents and skills. The department is aiming at improving skills levels by designing a mentorship programme, improving enterprise development, improving product development and linking heritage sites and museums.

#### **Output 2: Music**

The department will explore all opportunities to implement the Music Strategy focusing on Puisano Live Music auditions and showcases. It will enable them to create sustainable livelihoods for themselves and to have access to various platforms to display their talents and skills for the benefit of the province.

#### **Output 3: Film**

The Gauteng Film Commission will continue to create an enabling environment for all role-players in the sector to ensure that individuals, organisations and companies benefit from filming in Gauteng. It will actively market Gauteng as a niche market for filming.

#### **Output 4: Financial Aid**

The department will provide funding for municipal libraries, in accordance with the directives from Department of Arts and Culture. It will also provide funding to individuals, organisations and companies in the sport, arts and culture sectors whose missions are aligned to Radical Economic Transformation.

#### **Output 5: Major events**

The province will continue to bid for and host national and international sport, arts and culture events through strategic partnerships according to approved agreements. The department will continue leveraging opportunities, supporting and coordinating the attraction of major arts and culture events to be staged for the benefit of Gauteng.

### **Modernisation of the economy**

#### **Output 1: Host Major Events**

In order to radically change the structure of the economy and unlock the potential of different sectors, the following key priorities will be implemented. Hosting of major and significant sport and arts events which contribute to revitalisation and building of township economies by supporting the development of township enterprises and SMME's that will produce goods and services (sport equipment and attire) that meet the needs of township residents.

### **Modernisation of human settlements and urban development decisive spatial transformation**

#### **Output 2: Library Services**

The department will continue to support municipal library services through funding and provide library materials such as books and furniture to operationalise these new libraries. The department will monitor 11 municipalities for compliance to the Gauteng Public Library and Information Act. To promote equal access to people with disabilities, one workstation for

visually impaired individuals will be established in Mogale City. The Mzansi Online project will be implemented in 14 libraries and 11 libraries will be financially supported by the department.

### Output 3: Provincial Archives Centre

The construction of the Provincial Archives Centre is underway and will be in operation in the next financial year. A total of 20 Registry Inspections will be conducted, and records managers will be trained to improve library, information and archival services.

## Transformation of the state and governance

### Output 1: Sport Development

The Sport Development Plan for Gauteng will be rolled out, assisting with the targeted approach to sports development. Capacity building and training programmes for coaches, technical officials, and administrators will be conducted. The department will continue to host the Gauteng Sport Awards; and support 160 clubs, 27 hubs and 450 schools with equipment and attire.

## 4. REPRIORITISATION

The department will continue to implement sound fiscal discipline and continue to review its operations to identify cost savings while implementing cost-cutting measures and redirecting resources towards essential services. This leads to reprioritisation based on programme goals and objectives. The department's budget is based on the reprioritisation process and aligning the strategic plan of the department with the mandate of the provincial and national government.

The following are the main areas of reprioritisation:

- An amount of R3 million caters for the commemoration of heroes and heroines of the liberation struggle, including the Mandela Remembrance Walk which will be hosted on an annual basis in this term of office.
- An amount of R6 million was reprioritised to strengthen the Arts and Culture Mass Participation Programme which comprises Theatre, Poetry, Dance and Choral Music.
- The department reprioritised R2 million to promote awareness of all indigenous languages.
- The department reprioritised R11 million through the implementation of cost-cutting measures to employ the 106 auxiliary support workers who have been on contract for a year in order to address personnel shortage in Hubs for delivery of sport and recreation, as well as arts and culture programmes in the communities. This move aims to improve service delivery in communities through active participation.

## 5. PROCUREMENT

The department requires that all its projects and programmes align with procurement plans and budgets, this undertaking has to be complied with for the effective and efficient running of the department. The procurement plans enable the department to comply with government guidelines, policies and regulations for effective execution of the core principles of behaviour in procurement known as the Five Pillars of Procurement. We strive to be the best performing unit in the province. The department will continue to ensure that the procurement of services is done in a timely manner and supports the drive by the Gauteng Province to support township economies and improve the quality of lives.

The department's major procurement plan will entail the printing, mass mobilisation and transportation tenders relating to coordination of sport, arts, cultural and recreational events.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 12.1: SUMMARY OF RECEIPTS: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	306 263	368 120	438 305	539 477	539 458	539 458	552 412	637 942	647 614
Conditional grants	132 375	156 072	225 103	248 557	255 466	255 466	268 647	281 694	297 650
<i>Community Library Services Grant</i>	56 763	66 470	125 608	155 693	162 602	162 602	163 339	174 740	184 619
<i>Mass Participation and Sport Development Grant</i>	74 612	88 269	94 915	89 864	89 864	89 864	101 084	106 954	113 031



TABLE 12.1: SUMMARY OF RECEIPTS: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<i>Expanded Public Works Programme Integrated Grant for Provinces</i>			2 000	2 000	2 000	2 000	2 024		
<i>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</i>	1 000	1 333	2 580	1 000	1 000	1 000	2 200		
<b>Total receipts</b>	<b>438 638</b>	<b>524 192</b>	<b>663 408</b>	<b>788 034</b>	<b>794 924</b>	<b>794 924</b>	<b>821 059</b>	<b>919 636</b>	<b>945 264</b>

Total receipts consists of provincial equitable share and national conditional grants. The provincial equitable share increased from R306.2 million to R438.3 million, an increase of 43 per cent. The increase over the years was due to the once-off allocation for the construction of the Provincial Archives Centre, the Women's Monument and annual inflationary growth.

The national conditional grants are composed of the Community Library Services Grant, the Mass Participation and Sport Development Grant, the EPWP Integrated Grant and the Social Sector EPWP Incentive Grant to drive job creation. The receipts for conditional grants increased by 70 per cent from R132.4 million in 2012/13 to R225.1 million in 2014/15, due to an increase in allocation for the construction of community libraries and to strengthen support for social cohesion and increase mass participation in sport and recreation activities.

The Community Library Services Grant receipts increased by 125 per cent from R55.8 million 2012/13 to R125.6 million in 2014/15 which was due to an increase in the allocation for the building of new libraries.

The Mass Participation and Sport Development Grant receipts increased by 27 per cent from R74.6 million in 2012/13 to R94.9 million in 2014/15 due to an increase in sport and recreation activities.

The 2016 MTEF allocation for equitable share increased by 17 per cent from R552.4 million in 2016/17 to R647.6 million in 2018/19. The conditional grants allocations increases by 11 per cent from R268.6 million in 2016/17 to R297.6 million in the 2018/19 financial year for the building of new libraries and to strengthen transformation within communities and social cohesion.

## 6.2 Departmental receipts

TABLE 12.2 : SUMMARY OF DEPARTMENTAL RECEIPTS: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts									
Casino taxes									
Motor vehicle licences									
Sales of goods and services other than capital assets	94	168	265	237	237	249	242	247	262
Fines, penalties and forfeits	1								
Interest, dividends and rent on land	3	30	4	12	12	161	13	14	14
Transactions in financial assets and liabilities	86	115	164	60	60	205	65	68	72
<b>Total departmental receipts</b>	<b>184</b>	<b>313</b>	<b>433</b>	<b>309</b>	<b>309</b>	<b>615</b>	<b>320</b>	<b>329</b>	<b>348</b>

The department's revenue generating capacities are limited; as a result revenue collected consists mainly of parking fees for officials, recoveries of expenditure or payments with regards to claims for recovery of goods or services. Other revenue sources include miscellaneous interest from debt recoveries and commission received for collection of insurance premiums. The department increased its collection by 135 per cent from R184 000 in 2012/13 to R433 000 in 2014/15, due to revenue collection of debts recovery and interest earned. The 2016 MTEF total departmental own receipts will increase by 9 per cent from R320 000 in 2015/16 to R348 000 in 2018/19.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The key assumption underpinning this budget is that the reprioritisation process during the 2016 MTEF will align the strategic plan of the department with the mandate of the provincial government and their intended provincial outcomes.

The department has budgeted for a 7.2 per cent increase in compensation of employees for the 2016 MTEF and the assumption is based on the projected Consumer Price Inflation (CPI). The following elements have been taken into account when determining personnel and other economic classifications for the 2016 MTEF:

- Number of staff;
- Basic salary cost including improvements of conditions of service adjustment from the 1st April each year;
- Increase of benefits such as medical aid and home owners; allowance based on bargaining council agreements;
- Inflation related items such as goods and services based on headline CPI projections; and
- Provision for upgrading of infrastructure facilities including libraries.

### 7.2 Programme summary

TABLE 12.3 : SUMMARY OF PAYMENTS AND ESTIMATES: SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	86 844	119 330	118 856	101 597	109 071	132 307	114 001	116 119	121 589
2. Cultural Affairs	86 973	99 167	104 751	97 112	120 932	117 312	189 757	193 471	197 864
3. Library And Archives Services	68 016	109 032	230 052	377 120	344 914	341 706	274 007	359 153	345 195
4. Sport and Recreation	192 192	192 073	188 947	212 205	220 007	203 599	243 294	250 892	280 615
<b>Total payments and estimates</b>	<b>434 025</b>	<b>519 602</b>	<b>642 606</b>	<b>788 034</b>	<b>794 924</b>	<b>794 924</b>	<b>821 059</b>	<b>919 636</b>	<b>945 264</b>

### 7.3. Summary of economic classification

TABLE 12.4: SUMMARY OF ECONOMIC CLASSIFICATION: SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>321 786</b>	<b>339 378</b>	<b>361 838</b>	<b>382 077</b>	<b>399 080</b>	<b>398 408</b>	<b>485 578</b>	<b>541 782</b>	<b>582 099</b>
Compensation of employees	109 238	143 333	174 633	184 440	188 440	188 440	239 300	254 425	269 687
Goods and services	212 548	196 045	187 205	197 637	210 640	209 968	246 278	287 358	312 412
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>81 485</b>	<b>90 369</b>	<b>106 291</b>	<b>159 107</b>	<b>146 916</b>	<b>147 311</b>	<b>170 684</b>	<b>196 793</b>	<b>201 314</b>
Provinces and municipalities	37 287	37 488	55 666	117 143	99 479	99 715	117 138	134 149	135 136
Departmental agencies and accounts	23 453	21 563	24 747	25 993	25 993	25 993	27 397	28 766	30 434
Higher education institutions	437								
Non-profit institutions	19 648	30 629	24 832	15 808	20 029	20 149	24 406	33 228	34 985
Households	660	689	1 046	163	1 415	1 454	1 743	650	759
<b>Payments for capital assets</b>	<b>30 738</b>	<b>89 710</b>	<b>174 477</b>	<b>246 850</b>	<b>248 899</b>	<b>248 842</b>	<b>164 797</b>	<b>181 060</b>	<b>161 851</b>
Buildings and other fixed structures	22 789	79 448	167 696	237 350	224 883	224 769	153 096	140 992	126 646
Machinery and equipment	7 949	10 262	6 538	9 500	23 856	23 913	11 701	40 068	35 205
Software and other intangible assets			243		160	160			
<b>Payments for financial assets</b>	<b>16</b>	<b>145</b>			<b>29</b>	<b>363</b>			
<b>Total economic classification</b>	<b>434 025</b>	<b>519 602</b>	<b>642 606</b>	<b>788 034</b>	<b>794 924</b>	<b>794 924</b>	<b>821 059</b>	<b>919 636</b>	<b>945 264</b>

The department's expenditure increased from R434 million in 2012/13 to R642.6 million in 2014/15, an increase of 48 per cent due to additional expenses relating to the Women's Living Monument, refurbishment of the Bob van Reenen stadium and infrastructure projects. The significant increase from 2013/14 to the 2014/15 financial year of R123 million, is due to the construction of the Provincial Archives Centre.

The expenditure on compensation of employees increased by 60 per cent from R109.2 million in 2012/13 to R174.6 million in 2014/15 largely due to the personnel migration of staff from the Gauteng Department of e-Government and a once-off

expenditure of R20 million to fill critical posts. Goods and services decreased by 12 per cent from R212.5 million in 2012/13 to R187.2 million in 2014/15 due to implementation of cost cutting measures.

Expenditure on transfers and subsidies increased by 30 per cent from R81.5 million in 2012/13 to R106.2 million in 2014/15 due to an increase in provincial municipal transfers and an increase in financial assistance to non-profit institutions.

The department's total allocation increased by 4 per cent from R788 million in 2015/16 main budget to R821 million in 2016/17. The increase is due to additional funding for bidding and hosting of three signature events, which are the Arnold Games, Under 17 Future Champions and the Southern Sunshine Tour. The aim is to strengthen support for competitive sport and to increase nation building and social cohesion. Contributing to the increase, an additional amount of R23 million has been allocated in 2016/17 carrying through over the 2017/18 and 2018/19 financial years. This is to ensure that monuments and hubs such as the Women's Living Monument, the Kagiso Monument, and the Boipatong Memorial and Youth Centre are operational.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the 2016 Estimates of Capital Expenditure (ECE).

#### 1.1.2 Departmental Public-Private-Partnership (PPP) projects

N/A

## 7.5 Transfers

### 7.5.1. Transfers to public entities

N/A

### 7.5.2. Transfers to other entities

TABLE 12.5 : SUMMARY OF DEPARTMENTAL TRANSFERS TO ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Gauteng Film Commission	23 453	21 563	24 747	25 993	25 993	25 993	27 397	28 767	30 435
<b>Total departmental transfers</b>	<b>23 453</b>	<b>21 563</b>	<b>24 747</b>	<b>25 993</b>	<b>25 993</b>	<b>25 993</b>	<b>27 397</b>	<b>28 767</b>	<b>30 435</b>

The expenditure of the Gauteng Film Commission (GFC) increased by 5 per cent from R23.5 million in 2012/13 to R24.7 million in 2014/15 due to inflation adjustments. The 2016 MTEF allocation increased by 11 per cent from R27.4 million in 2016/17 to R30.4 million in 2018/19. The GFC seeks to strengthen development and support in the film and TV industry through employment opportunities as well as industry training and developmental programmes.

### 7.5.3. Transfers to local government

TABLE 12.6 : SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Category A	14 837	15 688	19 173	27 184	39 251	39 487	40 120	49 131	48 118
Category B	21 950	21 000	35 993	91 002	57 725	57 725	74 218	82 218	84 218
Category C	500	800	500	1 205	2 503	2 503	2 800	2 800	2 800
<b>Total departmental transfers to Local Government</b>	<b>37 287</b>	<b>37 488</b>	<b>55 666</b>	<b>119 391</b>	<b>99 479</b>	<b>99 715</b>	<b>117 138</b>	<b>134 149</b>	<b>135 136</b>

This expenditure increased by 33 per cent from R37.3 million in 2012/13 to R55.7 million in 2014/15 due to increases in transfers to Category A and B municipalities to operate libraries.

The expenditure to Category A municipalities increased by 24 per cent from R14.8 million in the 2012/13 to R19.5 million in 2014/15. The expenditure to Category B increased by 40 per cent from R21.9 million in 2012/13 to R35.9 million in 2014/15. These increases were due to funding the operationalisation of newly constructed libraries.

The allocation to transfers decreased by 2 per cent from R119.3 million in the 2015/16 main budget to R117.1 million in 2016/17. This is as a result of the department making provision for the construction of new libraries.

Over the 2016 MTEF period, the allocation increase by 15 per cent from R117.1 million in 2016/17 to R135.1 million in 2018/19 to make provision for the operationalisation and digitalisation of the libraries.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The aim of the programme is to provide political and strategic direction and also to support the core programmes in their efforts to carry out the department's mandate. It also supports the co-ordination of the provincial commemoration of the national days in Gauteng. Furthermore, the development, upgrading, management and refurbishment of sport, arts, culture and library facilities in collaboration with local and national government, the private sector and communities.

#### Programme Objectives

Provide innovative and integrated strategic support services.

TABLE 12.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office of the MEC	5 876	5 904	6 956	5 961	6 890	10 713	6 338	6 568	7 501
2. Corporate Services	80 968	113 426	111 900	95 636	102 181	121 594	107 663	109 551	114 088
<b>Total payments and estimates</b>	<b>86 844</b>	<b>119 330</b>	<b>118 856</b>	<b>101 597</b>	<b>109 071</b>	<b>132 307</b>	<b>114 001</b>	<b>116 119</b>	<b>121 589</b>

TABLE 12.8 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>79 557</b>	<b>110 165</b>	<b>115 434</b>	<b>99 369</b>	<b>105 375</b>	<b>128 017</b>	<b>111 706</b>	<b>113 637</b>	<b>119 146</b>
Compensation of employees	50 392	62 585	80 898	68 420	70 119	85 355	77 305	77 202	81 794
Goods and services	29 165	47 580	34 536	30 949	35 256	42 662	34 401	36 435	37 352
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>200</b>	<b>377</b>	<b>396</b>	<b>136</b>	<b>680</b>	<b>686</b>	<b>143</b>	<b>150</b>	<b>159</b>
Provinces and municipalities									
Households	200	377	396	136	680	686	143	150	159
<b>Payments for capital assets</b>	<b>7 085</b>	<b>8 734</b>	<b>3 026</b>	<b>2 092</b>	<b>2 996</b>	<b>3 546</b>	<b>2 152</b>	<b>2 332</b>	<b>2 284</b>
Buildings and other fixed structures			326						
Machinery and equipment	7 085	8 734	2 457	2 092	2 996	3 546	2 152	2 332	2 284
Software and other intangible assets			243						
<b>Payments for financial assets</b>	<b>2</b>	<b>54</b>			<b>20</b>	<b>58</b>			
<b>Total economic classification</b>	<b>86 844</b>	<b>119 330</b>	<b>118 856</b>	<b>101 597</b>	<b>109 071</b>	<b>132 307</b>	<b>114 001</b>	<b>116 119</b>	<b>121 589</b>

The expenditure for this programme increased by 37 per cent from R86.8 million in 2012/13 to R118.9 million in 2014/15.

Expenditure on compensation of employees increased by 61 per cent from R50.4 million in 2012/13 to R81.8 million in 2014/15 due to increase cost of living adjustments and other salary related costs as well as the filling of vacancies in line with the recruitment plan. Goods and services expenditure increased by 15 per cent from R29.2 million in 2012/13 to R34.5 million in 2014/15.

Transfers and subsidies increased by 98 per cent from R200 000 in 2012/13 to R396 000 in 2014/15 due to an increase in leave gratuity. The 2016 MTEF allocation to transfers and subsidies increase by 10 per cent from R143 000 in 2016/17 to R159 000 in 2018/19 to make provision for leave gratuity.

Payments for capital assets decreased by 58 per cent from R7.1 million in 2012/13 to R3 million in 2014/15 due to decentralisation of provision made for ICT machinery and equipment. The 2016 MTEF allocation for capital assets increased by 5 per cent from R2.2 million in 2016/17 to R2.3 million in 2018/19 to make provision for equipment to be provided to newly appointed staff.

The 2016 MTEF allocation increased by 7 per cent from R114 million in 2016/17 to R121.5 million in 2018/19 to ensure that good governance is enhanced and services delivery is improved. The increase to the 2016 MTEF allocation for goods and

services of 8 per cent from R34.4 million in 2016/17 to R37.3 million in 2018/19 is due to inflationary adjustments.

## PROGRAMME 2: CULTURAL AFFAIRS

### Programme description

The aim of the Cultural Affairs programme is to identify, develop, support, promote, preserve and protect arts and heritage resources in the province. In so doing, the programme contributes to the following DSACR strategic goals:

- To enhance the implementation of integrated and sustainable sport, arts, culture and recreation programmes; and
- Gauteng economically transformed through creative industries and the business of sport.

### Programme Objectives

- Reposition and retain Gauteng as the home of creative industries through intensified talent identification development and nurturing in arts and culture;
- Cultivate, facilitate and enhance a conducive environment which will allow Gauteng to excel in the creative industries;
- Host and retain major events through vigorous marketing and bidding which will contribute to sustainable economic growth and opportunities;
- Accelerate transformation of the provincial heritage landscape by identifying, preserving, protecting and promotion of provincial Heritage Resources; and
- Promote multilingualism to redress the past linguistic imbalances or intolerances.

TABLE 12.9 : SUMMARY OF PAYMENTS AND ESTIMATES: CULTURAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Management	3 178	5 667	4 600	6 232	6 232	6 528	6 708	7 279	7 766
2. Arts & Culture	67 747	68 027	64 805	60 904	73 756	69 586	105 264	99 617	104 280
3. Heritage Resource Services	15 879	25 198	34 691	26 425	39 040	39 294	75 501	82 873	81 862
4. Language Services	169	275	655	3 551	1 904	1 904	2 284	3 703	3 957
<b>Total payments and estimates</b>	<b>86 973</b>	<b>99 167</b>	<b>104 751</b>	<b>97 112</b>	<b>120 932</b>	<b>117 312</b>	<b>189 757</b>	<b>193 471</b>	<b>197 864</b>

TABLE 12.10 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CULTURAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>47 174</b>	<b>62 759</b>	<b>69 963</b>	<b>65 090</b>	<b>78 331</b>	<b>74 753</b>	<b>117 884</b>	<b>149 235</b>	<b>151 189</b>
Compensation of employees	10 613	14 927	18 512	24 540	24 607	20 987	49 818	50 032	50 926
Goods and services	36 561	47 832	51 451	40 550	53 724	53 766	68 066	99 202	100 263
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>39 773</b>	<b>36 349</b>	<b>34 685</b>	<b>29 493</b>	<b>37 572</b>	<b>37 605</b>	<b>39 157</b>	<b>40 971</b>	<b>43 220</b>
Provinces and municipalities									
Departmental agencies and accounts	23 453	21 563	24 747	25 993	25 993	25 993	27 397	28 766	30 434
Higher education institutions									
Non-profit institutions	15 956	14 777	9 934	3 500	11 521	11 521	11 760	12 205	12 786
Households	364	9	4		58	91			
<b>Payments for capital assets</b>	<b>26</b>	<b>5</b>	<b>103</b>	<b>2 529</b>	<b>5 029</b>	<b>4 658</b>	<b>32 716</b>	<b>3 266</b>	<b>3 455</b>
Buildings and other fixed structures					2 500	2 386	30 000		
Machinery and equipment	26	5	103	2 529	2 529	2 272	2 716	3 266	3 455
Software and other intangible assets									
<b>Payments for financial assets</b>		<b>54</b>				<b>296</b>			
<b>Total economic classification</b>	<b>86 973</b>	<b>99 167</b>	<b>104 751</b>	<b>97 112</b>	<b>120 932</b>	<b>117 312</b>	<b>189 757</b>	<b>193 471</b>	<b>197 864</b>

Total expenditure increased by 20 per cent from R86.9 million in 2012/13 to R104.7 million in 2014/15 due to an increase in arts and cultural projects and the increase in allocation for transfer to the Gauteng Film Commission.

The expenditure for compensation of employees increased by 75 per cent from R10.6 million in 2012/13 to R18.5 million in 2014/15 due to the filling of posts in line with the recruitment plan. Goods and services increased by 14.8 per cent from R36.6 million in 2012/13 to R51.4 million in 2014/15 due to the movement of commemorative days from Programme 1: Administration.

The 2016 MTEF allocation increased by 95 per cent from R97.1 million in 2015/16 main budget to R189.7 million in 2016/17, due to funding for the operation of monuments and the completion of the Women's' Living Monument. The up-scaling of National Commemorative Days and increasing support and coordinating of major arts and culture events, such as the Gauteng Carnival and music festivals, also contributes to this significant increase in allocation.

The increase in compensation of employees of R25.3 million from R24.5 million in 2015/16 main budget to R49.8 million in 2016/17 is as a result of the permanent appointment of contract workers and the realignment of staff in hubs from Programme 4: Sport and Recreation, who provide services for cultural activities.

The transfers and subsidies allocation increased by R8.2 million from R3.5 million in 2015/16 main budget to R11.7 million in 2016/17 as a result of enhanced implementation of various arts and culture mass participation programmes across the province.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: CULTURAL AFFAIRS

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>2.1. ARTS AND CULTURE</b>			
<b>National Performance Measure Indicators</b>			
Number of EPWP job opportunities created	3 044	3 244	3 544
Number of community organisations supported through Grant-in-Aid	100	100	150
<b>Provincial Performance Measure Indicators</b>			
Number of arts and culture bursaries awarded	50	100	150
Annual Gauteng Carnival Hosted	1	1	1
Number of craft hubs implementing Product and Enterprise Development Programmes	5	6	7
Number of Market Access initiative implemented	3	4	5
Number of arts and culture events supported (signature, local and community)	10	10	10
<b>National Indicators</b>			
<b>2.2 HERITAGE</b>			
Number of national and historical days celebrated	6	6	6
	3	3	3
Number of national symbols and orders promotional interventions conducted			
Museum legislation developed, approved and implemented	Museum legislation promulgated	Museum norms and standards developed	Museum norms and standards implemented
Number of heroes and heroines of the liberation struggle commemorated	3	3	3
Number of Geographical Names Systems Advocacy Campaigns conducted	2	2	2
Number of heritage monuments supported	3	3	3
<b>2.3 LANGUAGE SERVICES</b>			
<b>National Performance Measure Indicators</b>			
Number of multilingualism campaigns conducted	4	4	4
<b>2.4 GAUTENG FILM COMMISSION</b>			
<b>Provincial Performance Measures Indicators</b>			
Number of temporary jobs directly created in the sector	381	330	330
Number of productions supported	12	12	12
Number of individuals trained in the film industry	187	266	266
Number of audiences reached through exhibition of local content	1000	1000	1000
Number of film production permits facilitated	165	165	165

### PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES

#### Programme description

The purpose of the programme is to establish and maintain community libraries which will in turn provide access to knowledge, resources and services to meet the needs of individuals and groups for education, information and personal development.

#### Programme objectives

- Expand and recapitalise community-based library, sport and cultural facilities;
- Modernise libraries in terms of technological transformation;
- Inculcate the culture of reading in order to enhance knowledge;

- Transform and modernise the governance of library and information services through relevant legislation; norms and standards; regulations and bylaws; and
- Collect and preserve the knowledge base and providing access to Gauteng archival records.

TABLE 12.11 : SUMMARY OF PAYMENTS AND ESTIMATES: LIBRARY AND ARCHIVES SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Management	947	1 031	1 190	1 443	1 443	1 443	1 554	1 595	1 801
2. Library Services	66 601	87 193	138 417	185 397	208 365	205 157	194 847	309 976	296 418
3. Archives	468	20 808	90 445	190 280	135 106	135 106	77 606	47 582	46 976
<b>Total payments and estimates</b>	<b>68 016</b>	<b>109 032</b>	<b>230 052</b>	<b>377 120</b>	<b>344 914</b>	<b>341 706</b>	<b>274 007</b>	<b>359 153</b>	<b>345 195</b>

TABLE 12.12 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LIBRARY AND ARCHIVES SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>7 934</b>	<b>6 205</b>	<b>7 767</b>	<b>21 978</b>	<b>25 083</b>	<b>21 875</b>	<b>28 143</b>	<b>50 724</b>	<b>55 171</b>
Compensation of employees	2 826	3 701	5 129	12 373	12 805	9 597	15 618	22 504	22 629
Goods and services	5 108	2 504	2 638	9 605	12 278	12 278	12 525	28 220	32 542
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>37 287</b>	<b>37 638</b>	<b>55 804</b>	<b>117 170</b>	<b>99 506</b>	<b>99 742</b>	<b>119 488</b>	<b>135 399</b>	<b>136 486</b>
Provinces and municipalities	37 287	37 488	55 666	117 143	99 479	99 715	117 138	134 149	135 136
Departmental agencies and accounts									
Non-profit institutions							750	750	750
Households		150	138	27	27	27	1 600	500	600
<b>Payments for capital assets</b>	<b>22 795</b>	<b>65 184</b>	<b>166 481</b>	<b>237 972</b>	<b>220 316</b>	<b>220 080</b>	<b>126 376</b>	<b>173 030</b>	<b>153 539</b>
Buildings and other fixed structures	22 789	64 180	164 147	235 400	204 383	204 383	121 096	140 992	126 646
Machinery and equipment	6	1 004	2 334	2 572	15 773	15 537	5 280	32 038	26 893
Software and other intangible assets					160	160			
<b>Payments for financial assets</b>		<b>5</b>			<b>9</b>	<b>9</b>			
<b>Total economic classification</b>	<b>68 016</b>	<b>109 032</b>	<b>230 052</b>	<b>377 120</b>	<b>344 914</b>	<b>341 706</b>	<b>274 007</b>	<b>359 153</b>	<b>345 195</b>

Programme expenditure increased by R162 million from R68 million in 2012/13 to R230 million in 2014/15 due to increase in conditional grant and an allocation for the building of a Provincial Archive Centre.

Compensation of employees' expenditure increased by 82 per cent from R2.8 million in 2012/13 to R5.1 million in 2014/15 due to the appointment of staff and cost of living adjustments.

Expenditure on transfers and subsidies increased by 18.5 per cent from R37.3 million in 2012/13 to R55.8 million in 2014/15 due for the operationalization of libraries. Payments for capital assets increased by R143.7 million from R22.8 million in 2012/13 to R166.5 million in 2014/15 due to the construction of the Provincial Archives Centre and the building of libraries.

The total programme allocation decreased by 27 per cent from R377 million in 2015/16 main to R274 million in 2016/17 due to the completion of the Provincial Archive Centre. The 2016 MTEF allocation to compensation of employees increased by 45 per cent from R15.6 million in 2016/17 to R22.6 million in 2018/19 due to the appointment of staff for the operationalisation of the Provincial Archives Centre. The allocation to transfers and subsidies increased by 15 per cent from R117 million in 2016/17 to R135 million in 2018/19 for the operationalisation and the digital modernisation of libraries.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>National Performance Measure Indicators</b>			
Number of library materials (books) procured	130	140	150
Number of new library built	3	6	6

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of libraries upgraded	2	2	2
Number of library community outreach programmes conducted	4	4	4
<b>Provincial Performance Measure Indicators</b>			
Number of subscriptions for electronic services and resources procured	5	6	6
Number of Municipalities financially supported to provide Library Services	11	11	11
Number of workstations for visually impaired individuals established in libraries	1	2	2
<b>3.2. ARCHIVES</b>			
<b>Provincial Performance Measure Indicators</b>			
Number of archives community outreach programmes conducted	2	2	2
Number of registry inspections conducted	20	22	24
Archives centre established and operationalised	Archives Centre completed and operationalised	Archives Centre operational	Archives Centre operational

## PROGRAMME 4: SPORT AND RECREATION

### Programme description

The aim of this programme is to promote sport, including school sport, recreation, facilitate talent identification; and promote sport development and high performance to make Gauteng the home of champions. It is also responsible for ensuring the effective and efficient co-ordination of preparations for hosting major events in the Gauteng Province and other special projects.

### Programme Objectives

- Reposition and retain Gauteng as the Home of Champions through intensified talent identification, development and nurturing in sport toward excellence;
- Transform and promote socially inclusive sport and recreational programmes ;
- Expand community-based library, sport and cultural facilities; and
- Create a competitive edge that will enhance Gauteng as a cornerstone for business in sport to contribute to sustainable economic growth and opportunities.

### Key Policies, Priorities and Outputs

National Sport Plan

TABLE 12.13 : SUMMARY OF PAYMENTS AND ESTIMATES: SPORT AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Management	4 994	5 744	6 312	6 546	6 800	7 559	9 007	7 231	8 054
2. Sport	100 388	78 421	68 861	56 954	57 076	54 682	100 478	95 847	109 938
3. Recreation	49 308	68 261	72 351	105 000	115 553	100 780	86 933	94 007	103 848
4. School Sport	37 502	39 647	41 423	43 705	40 578	40 578	46 876	53 808	58 775
<b>Total payments and estimates</b>	<b>192 192</b>	<b>192 073</b>	<b>188 947</b>	<b>212 205</b>	<b>220 007</b>	<b>203 599</b>	<b>243 294</b>	<b>250 892</b>	<b>280 615</b>

TABLE 12.14 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SPORT AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>187 121</b>	<b>160 249</b>	<b>168 674</b>	<b>195 640</b>	<b>190 291</b>	<b>173 763</b>	<b>227 845</b>	<b>228 187</b>	<b>256 593</b>
Compensation of employees	45 407	62 120	70 094	79 107	80 909	72 501	96 559	104 686	114 338
Goods and services	141 714	98 129	98 580	116 533	109 382	101 262	131 286	123 500	142 255
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>4 225</b>	<b>16 005</b>	<b>15 406</b>	<b>12 308</b>	<b>9 158</b>	<b>9 278</b>	<b>11 896</b>	<b>20 273</b>	<b>21 449</b>
Provinces and municipalities									
Higher education institutions	437			12 308	8 508	8 628	11 896	20 273	21 449
Non-profit institutions	3 692	15 852	14 898						
Households	96	153	508		650	650			



TABLE 12.14 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SPORT AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Payments for capital assets</b>	<b>832</b>	<b>15 787</b>	<b>4 867</b>	<b>4 257</b>	<b>20 558</b>	<b>20 558</b>	<b>3 553</b>	<b>2 432</b>	<b>2 573</b>
Buildings and other fixed structures		15 268	3 223	1 950	18 000	18 000	2 000		
Machinery and equipment	832	519	1 644	2 307	2 558	2 558	1 553	2 432	2 573
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>14</b>	<b>32</b>							
<b>Total economic classification</b>	<b>192 192</b>	<b>192 073</b>	<b>188 947</b>	<b>212 205</b>	<b>220 007</b>	<b>203 599</b>	<b>243 294</b>	<b>250 892</b>	<b>280 615</b>

The decrease in expenditure of 2 per cent from R192.2 million in 2012/13 to R188.9 million in 2014/15 is due to once-off expenditure relating to specific major sporting events during 2012/13, such as the South African Open Championship and the Sports Academy.

The expenditure on compensation of employees increased by 37 per cent from R45.4 million in 2012/13 to R62.1 million in 2013/14 as a result of the realignment of the personnel budget in the department.

Expenditure on goods and services decreased by 30 per cent from R141.7 million in 2012/13 to R98.5 million in 2014/15 due to the hosting of competitive sporting events, such as the Gauteng Challenge and the Soweto Marathon. Expenditure on transfers and subsidies increased by R11.2 million from R4.2 million in 2012/13 to R15.4 million in 2014/15 due to increased support to non-profit institutions for the strengthening of sporting code activities and the development of upcoming athletes.

Expenditure on payments for capital assets decreased by R14.9 million from R832 000 in 2012/13 to R15.8 million in 2013/14 due to an increased allocation for the upgrading of sporting facilities in communities.

The 2016 MTEF budget increases by 15 per cent from R243.3 million in 2016/17 to R280.6 million in 2018/19 due to the allocation from bidding and hosting to fund competitive sport. The allocation to compensation of employees increases by 18 per cent from R96.5 million in 2016/17 to R114.3 million in 2018/19 due to the permanent appointment of contract workers in the hubs and inflationary related adjustments.

The 2016 MTEF allocation to transfers and subsidies increased by R9.5 million from R11.9 million in 2016/17 to R21.4 million in 2018/19 to support the sporting federations for strengthening various sporting codes such as tennis, cricket and netball.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: SPORT AND RECREATION

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>4.1 SPORTS DEVELOPMENT</b>			
<b>National Performance Measure Indicators</b>			
Number of clubs provided with equipment and/or attire as per the established norms and standards.	160	160	160
Number of Sport Academies supported	5(1 Provincial and 4 regional)	6	6
Number of athletes supported by the sport academies	1500	1600	1700
Number of people trained as part of the club development programme	550	550	600
Number of local leagues staged to foster club development	35	37	40
<b>Provincial Performance Measure Indicators</b>			
Number of people participating in the learn to swim Programme	2800	3 000	3200
Number of sport and recreation projects implemented by sport councils	7	7	7

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Annual Gauteng Sports Awards hosted	1	1	1
<b>4.2. COMPETITIVE SPORT</b>			
Number of sport events supported	8	8	8
<b>4.3. RECREATION</b>			
Number of people trained as part of community sport	350	360	370
Number of hubs provided with equipment and/or attire as per the established norms and standards.	27	27	27
Number of people actively participating in organized active recreation events	312 000	312 000	312 000
Minister's Outreach programme facilitated and coordinated	1	1	1
Number of youth attending Youth Camps	250	250	250
<b>4.4 SCHOOL SPORTS</b>			
<b>National Performance Measure Indicators</b>			
Number of educators and volunteers trained to deliver school sport programmes	350 educators and 35 volunteers trained	500	500
Number of schools provided with equipment and/or attire as per the established norms and standards.	350	350	350
Number of learners participating in school sport tournaments at a district level	13 820	14 000	14 500
Number of contract workers appointed to deliver school sport programmes	35	37	37

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and cost

TABLE 12.15 : PERSONNEL NUMBERS AND COSTS: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019
1. Administration	130	158	224	256	248	248	248
2. Cultural Affairs	32	53	105	109	108	108	108
3. Library And Archives Services	9	19	16	17	17	17	17
4. Sport And Recreation	396	466	279	284	292	292	292
Direct charges							
<b>Total provincial personnel numbers</b>	<b>567</b>	<b>696</b>	<b>624</b>	<b>666</b>	<b>665</b>	<b>665</b>	<b>665</b>
Total provincial personnel cost (R thousand)	109 238	143 333	174 633	188 440	239 300	254 425	269 687
Unit cost (R thousand)	193	206	280	283	360	383	406

The department shows a steady increase in compensation of employees due to ongoing capacitation of the department to ensure that the department caters for the growing mandate of the Gauteng Region. There is ongoing clean-up of the department's structure and alignment of personnel to ensure good governance and compliance to relevant legislation. The recruitment towards administration posts will be kept to a minimum without compromising the quality of support to the department.

The personnel headcount shows an increase of 10 per cent from 567 in 2012/13 to 624 in 2014/15 due to appointment of staff in line with the recruitment plan. The increase in cost from R109.2 million in 2012/13 to R174.6 million in 2014/15 is due to the yearly increment and the appointment of staff.

The 2016 MTEF personnel headcount remains the same at 665 due to the fact that the new organisational structure has not yet been approved. The department is making a conscious effort to curb administration costs and as such, administration personnel numbers are reduced in 2016/17. Recruitment will be aimed at ensuring that the department continues to deliver on its core programmes.

TABLE 12.16: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF								
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19						
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total				
Salary level																					
1 – 6	87		86		95		95		189		17 309		189		189		44 285	36.8%	25.8%	14.5%	
7 – 10	206		247		256		273		273		87 550		273		273		128 702	13.7%	0.6%	47.9%	
11 – 12	44		44		48		51		52		37 137		52		52		41 491	3.8%	1.9%	16.0%	
13 – 16	30		37		33		34		36		36 623		36		36		37 311	0.6%	(18.6%)	15.3%	
Other	200		282		192		213		115		9 821		115		115		17 898	22.1%	(0.1%)	6.2%	
<b>Total</b>	<b>567</b>		<b>696</b>		<b>624</b>		<b>666</b>		<b>665</b>		<b>188 440</b>		<b>665</b>		<b>665</b>		<b>269 687</b>	<b>12.7%</b>	<b>(0.1%)</b>	<b>100.0%</b>	
<b>Programme</b>																					
1. Administration	130	50 392	158	62 585	224	80 898	224	256	248	77 305	248	93 753	248	77 202	248	81 794	81 794	(4.4%)	(1.1%)	35.5%	
2. Cultural Affairs	32	10 613	53	14 927	105	18 512	105	109	108	49 818	108	18 676	108	50 032	108	50 926	50 926	39.7%	(0.3%)	16.8%	
3. Library And Archives Services	9	2 826	19	3 701	16	5 129	17	17	17	15 618	17	7 473	17	22 504	17	22 629	22 629	44.7%	0.9%	7.4%	
4. Sport And Recreation	396	45 407	466	62 120	279	70 094	257	284	292	96 559	292	68 538	292	104 686	292	114 338	114 338	18.6%	(0.1%)	40.4%	
Direct charges																					
<b>Total</b>	<b>567</b>	<b>109 238</b>	<b>696</b>	<b>143 333</b>	<b>624</b>	<b>174 633</b>	<b>593</b>	<b>666</b>	<b>665</b>	<b>239 300</b>	<b>665</b>	<b>188 440</b>	<b>665</b>	<b>254 425</b>	<b>665</b>	<b>269 687</b>	<b>269 687</b>	<b>12.7%</b>	<b>(0.1%)</b>	<b>100.0%</b>	
<b>Employee dispensation classification</b>																					
Public Service Act appointees not covered by OSDs																					
Public Service Act appointees still to be covered by OSDs																					
Professional Nurses, Staff Nurses and Nursing Assistants																					
Legal Professionals																					
Social Services Professions																					
Engineering Professions and related occupations																					
Medical and related professionals																					
Therapeutic, Diagnostic and other related Allied Health Professionals																					
Educators and related professionals																					
Others such as interns, EPWP, learnerships, etc																					
<b>Total</b>																					

The department is in the process of aligning personnel, deploying more staff to core programmes and getting a new organisational structure approved. The processes that the department is engaging with will result in a decrease in personnel in Programme 1 and capacitating the core programmes. The proposed new organisational structure may result in less senior management, contrary to the current staff complement.

## 9.2 Training

TABLE 12.17 : PAYMENTS ON TRAINING: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>997</b>	<b>1 045</b>	<b>1 101</b>	<b>1 200</b>	<b>1 200</b>	<b>1 200</b>	<b>1 280</b>	<b>1 300</b>	<b>1 375</b>
Subsistence and travel									
Payments on tuition	997	1 045	1 101	1 200	1 200	1 200	1 280	1 300	1 375
Other									
<b>2. Cultural Affairs</b>	<b>230</b>	<b>243</b>	<b>256</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>480</b>	<b>540</b>	<b>560</b>
Subsistence and travel									
Payments on tuition	230	243	256	260	260	260	480	540	560
Other									
<b>3. Library And Archives Services</b>	<b>45</b>	<b>47</b>	<b>50</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>50</b>	<b>104</b>	<b>120</b>
Subsistence and travel									
Payments on tuition	45	47	50	60	60	60	50	104	120
Other									
<b>4. Sport And Recreation</b>	<b>287</b>	<b>296</b>	<b>312</b>	<b>320</b>	<b>320</b>	<b>320</b>	<b>583</b>	<b>600</b>	<b>642</b>
Subsistence and travel									
Payments on tuition	287	296	312	320	320	320	583	600	642
Other									
<b>Total payments on training</b>	<b>1 559</b>	<b>1 631</b>	<b>1 719</b>	<b>1 840</b>	<b>1 840</b>	<b>1 840</b>	<b>2 393</b>	<b>2 544</b>	<b>2 697</b>

The department continues to build capacity and improve the efficiency and effectiveness of staff members by encouraging participation in skills development programmes, management development programmes and bursary opportunities. In line with the priority of government to build the capacity of the state and to operate as a developmental state, the department continues to provide internship, learnership and bursary opportunities to young people in the province. The allocation for the 2016 MTEF increased by 13 per cent from R2.3 million in 2016/17 to R2.6 million in 2018/19 intended for capacity building and skills development as per the departmental work skill plan.

TABLE 12.18 : INFORMATION ON TRAINING: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff	567	696	696	666	666	666	665	665	665
Number of personnel trained	310	310	310	310	310	310	350	368	389
<i>of which</i>									
Male	130	130	130	130	130	130	150	158	167
Female	180	180	180	180	180	180	200	210	222
Number of training opportunities	82	82	82	82	82	82	78	82	87
<i>of which</i>									
Tertiary	45	45	45	45	45	45	40	42	44
Workshops	30	30	30	30	30	30	30	32	33
Seminars	2	2	2	2	2	2	5	5	6
Other	5	5	5	5	5	5	3	3	3
Number of bursaries offered	75	75	75	75	75	75	40	42	44
Number of interns appointed	50	50	50	50	50	50	50	58	61
Number of learnerships appointed	100	100	100	100	100	100	30	32	33
Number of days spent on training	100	100	100	100	100	100	100	105	111

## 9.3 Reconciliation of structural changes

N/A

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

TABLE 12.19: SPECIFICATION OF RECEIPTS: SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Tax receipts</b>									
Casino taxes									
Motor vehicle licences									
<b>Sales of goods and services other than capital assets</b>	<b>94</b>	<b>168</b>	<b>265</b>	<b>237</b>	<b>237</b>	<b>249</b>	<b>242</b>	<b>247</b>	<b>262</b>
Sale of goods and services produced by department (excluding capital assets)	94	168	265	237	237	249	242	247	262
Sales by market establishments	42	110	221	192	192	192	195	198	209
Administrative fees	52	58	44	45	45	57	47	49	52
<i>Of which</i>									
<i>Other (Specify)</i>									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
Households and non-profit institutions									
<b>Fines, penalties and forfeits</b>	<b>1</b>								
<b>Interest, dividends and rent on land</b>	<b>3</b>	<b>30</b>	<b>4</b>	<b>12</b>	<b>12</b>	<b>161</b>	<b>13</b>	<b>14</b>	<b>14</b>
Interest	3	30	4	12	12	161	13	14	14
<b>Sales of capital assets</b>									
<b>Transactions in financial assets and liabilities</b>	<b>86</b>	<b>115</b>	<b>164</b>	<b>60</b>	<b>60</b>	<b>205</b>	<b>65</b>	<b>68</b>	<b>72</b>
<b>Total departmental receipts</b>	<b>184</b>	<b>313</b>	<b>433</b>	<b>309</b>	<b>309</b>	<b>615</b>	<b>320</b>	<b>329</b>	<b>348</b>

TABLE 12.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>79 557</b>	<b>110 165</b>	<b>115 434</b>	<b>99 369</b>	<b>105 375</b>	<b>128 017</b>	<b>111 706</b>	<b>113 637</b>	<b>119 146</b>
Compensation of employees	50 392	62 585	80 898	68 420	70 119	85 355	77 305	77 202	81 794
Salaries and wages	50 392	62 585	71 660	58 885	60 584	74 659	67 436	67 053	70 397
Social contributions			9 238	9 535	9 535	10 696	9 869	10 149	11 397
Goods and services	29 165	47 580	34 536	30 949	35 256	42 662	34 401	36 435	37 352
<i>Administrative fees</i>	41	41	44	40	44	48	46	33	39
<i>Advertising</i>	1 766	1 984	1 619	1 365	804	535	1 290	1 341	1 419
<i>Minor Assets</i>	50	160	51	509	509	223	988	595	631
<i>Audit cost: External</i>	2 184	2 155	2 776	1 529	5 315	6 277	2 967	4 323	2 817
<i>Bursaries: Employees</i>	290	528	250	445	1 489	1 150	1 014	446	472
<i>Catering: Departmental activities</i>	273	493	402	381	323	331	401	462	489
<i>Communication (G&amp;S)</i>	2 739	4 304	2 515	2 107	2 592	2 527	3 092	2 743	2 406
<i>Computer services</i>	1 294	6 401	247	1 609	996	1 316	1 590	582	1 828
<i>Consultants and professional services: Business and advisory services</i>	381	530	252	1 522				2 216	2 345
<i>Consultants and professional services: Legal costs</i>	628	873	373	1 835	1 185	2 477	2 207	2 531	1 963
<i>Contractors</i>	105	726	3 014	2 943	4 079	4 086	982	1 490	984
<i>Agency and support / outsourced services</i>	6 447	10 877	5 761	1 758	3 541	4 675	2 948	2 959	2 298
<i>Entertainment</i>				21				22	23
<i>Fleet services (including government motor transport)</i>		1 902	2 032	2 319	851	811	2 632	1 365	2 686

TABLE 12.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<i>Housing</i>									
<i>Inventory: Clothing material and accessories</i>		29	1			11			
<i>Inventory: Food and food supplies</i>	222	235	285						
<i>Inventory: Learner and teacher support material</i>				2	2				
<i>Inventory: Materials and supplies</i>	286	62	624	5	61	290			
<i>Inventory: Medical supplies</i>				23	5	5	16	18	19
<i>Consumable supplies</i>	10	38	105	768	312	394	229	239	253
<i>Consumable: Stationery, printing and office supplies</i>	1 646	2 036	1 680	3 568	1 408	2 869	2 251	1 079	1 901
<i>Operating leases</i>	1 215	28		909			257	318	336
<i>Property payments</i>	2 811	4 248	3 002	2 490	3 553	4 586	4 264	5 117	6 140
<i>Transport provided: Departmental activity</i>	295	382	371		200	307			
<i>Travel and subsistence</i>	3 094	3 754	1 629	1 403	2 273	3 560	2 512	3 597	3 056
<i>Training and development</i>	824	976	2 216	1 637	2 159	2 603	1 212	1 301	1 377
<i>Operating payments</i>	760	2 464	3 448	404	1 509	1 449	2 098	989	1 046
<i>Venues and facilities</i>	1 804	2 354	1 839	1 357	2 046	2 132	1 405	2 670	2 825
<i>Rental and hiring</i>									
<i>Interest and rent on land</i>									
<b>Transfers and subsidies</b>	<b>200</b>	<b>377</b>	<b>396</b>	<b>136</b>	<b>680</b>	<b>686</b>	<b>143</b>	<b>150</b>	<b>159</b>
Provinces and municipalities									
Provinces									
Municipalities									
Households	200	377	396	136	680	686	143	150	159
Social benefits						52			
Other transfers to households	200	377	396	136	680	634	143	150	159
<b>Payments for capital assets</b>	<b>7 085</b>	<b>8 734</b>	<b>3 026</b>	<b>2 092</b>	<b>2 996</b>	<b>3 546</b>	<b>2 152</b>	<b>2 332</b>	<b>2 284</b>
Buildings and other fixed structures			326						
Buildings			326						
Machinery and equipment	7 085	8 734	2 457	2 092	2 996	3 546	2 152	2 332	2 284
Transport equipment						858			
Other machinery and equipment	7 085	8 734	2 457	2 092	2 996	2 688	2 152	2 332	2 284
Software and other intangible assets			243						
<b>Payments for financial assets</b>	<b>2</b>	<b>54</b>			<b>20</b>	<b>58</b>			
<b>Total economic classification</b>	<b>86 844</b>	<b>119 330</b>	<b>118 856</b>	<b>101 597</b>	<b>109 071</b>	<b>132 307</b>	<b>114 001</b>	<b>116 119</b>	<b>121 589</b>

TABLE 12.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CULTURAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>47 174</b>	<b>62 759</b>	<b>69 963</b>	<b>65 090</b>	<b>78 331</b>	<b>74 753</b>	<b>117 884</b>	<b>149 235</b>	<b>151 189</b>
Compensation of employees	10 613	14 927	18 512	24 540	24 607	20 987	49 818	50 032	50 926
Salaries and wages	10 613	14 927	16 924	19 666	19 400	18 798	43 275	43 645	44 183
Social contributions			1 588	4 874	5 207	2 189	6 543	6 387	6 743
Goods and services	36 561	47 832	51 451	40 550	53 724	53 766	68 066	99 202	100 263
<i>Administrative fees</i>	5	130				7			
<i>Advertising</i>	3 878	3 278	4 521	5 484	4 175	3 100	2 991	5 028	4 265
<i>Minor Assets</i>	2	4	2	23	23	23	55	57	61

TABLE 12.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CULTURAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<i>Catering: Departmental activities</i>	2 832	5 255	6 289	5 148	5 245	4 586	7 302	2 227	2 357
<i>Communication (G&amp;S)</i>	233	199	208	399	447	447	460	483	1 007
<i>Consultants and professional services: Business and advisory services</i>	538	850	554	97	377	404			
<i>Consultants and professional services: Legal costs</i>	108			20	20	20	30	40	97
<i>Contractors</i>	8 008	9 899	11 835	13 350	9 791	10 371	14 122	25 584	25 615
<i>Agency and support / outsourced services</i>	13 812	18 193	16 978	9 470	21 258	22 197	26 291	46 009	35 473
<i>Fleet services (including government motor transport)</i>			15						
<i>Inventory: Materials and supplies</i>		1							
<i>Inventory: Medical supplies</i>		1							
<i>Consumable supplies</i>	4		400	12	347	353	214	15	16
<i>Consumable: Stationery, printing and office supplies</i>	33	14	1	47	317	361	929	760	1 067
<i>Operating leases</i>	686				1 863	1 392	733		
<i>Property payments</i>	5	66			3 573	1 729	4 288	5 145	16 937
<i>Transport provided: Departmental activity</i>	2 845	5 121	8 191	2 551	2 151	4 009	4 157	5 722	5 689
<i>Travel and subsistence</i>	896	1 856	1 181	1 053	1 053	1 205	1 711	2 527	1 916
<i>Training and development</i>	34	7	112	392	192	183	280	294	282
<i>Operating payments</i>	377	74	336	309	697	1 076	1 868	2 997	2 089
<i>Venues and facilities</i>	2 265	2 884	828	2 195	2 195	2 303	2 635	2 314	3 393
<i>Rental and hiring</i>									
<i>Interest and rent on land</i>									
<b>Transfers and subsidies</b>	<b>39 773</b>	<b>36 349</b>	<b>34 685</b>	<b>29 493</b>	<b>37 572</b>	<b>37 605</b>	<b>39 157</b>	<b>40 971</b>	<b>43 220</b>
Provinces and municipalities									
Departmental agencies and accounts	23 453	21 563	24 747	25 993	25 993	25 993	27 397	28 766	30 434
Provide list of entities receiving transfers	23 453	21 563	24 747	25 993	25 993	25 993	27 397	28 766	30 434
Non-profit institutions	15 956	14 777	9 934	3 500	11 521	11 521	11 760	12 205	12 786
Households	364	9	4		58	91			
Social benefits	364	9			58	91			
Other transfers to households			4						
<b>Payments for capital assets</b>	<b>26</b>	<b>5</b>	<b>103</b>	<b>2 529</b>	<b>5 029</b>	<b>4 658</b>	<b>32 716</b>	<b>3 266</b>	<b>3 455</b>
Buildings and other fixed structures					2 500	2 386	30 000		
Buildings					2 500	2 386			
Other fixed structures							30 000		
Machinery and equipment	26	5	103	2 529	2 529	2 272	2 716	3 266	3 455
Transport equipment						39			
Other machinery and equipment	26	5	103	2 529	2 529	2 233	2 716	3 266	3 455
Software and other intangible assets									
<b>Payments for financial assets</b>		<b>54</b>				<b>296</b>			
<b>Total economic classification</b>	<b>86 973</b>	<b>99 167</b>	<b>104 751</b>	<b>97 112</b>	<b>120 932</b>	<b>117 312</b>	<b>189 757</b>	<b>193 471</b>	<b>197 864</b>

TABLE 12.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LIBRARY AND ARCHIVES SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>7 934</b>	<b>6 205</b>	<b>7 767</b>	<b>21 978</b>	<b>25 083</b>	<b>21 875</b>	<b>28 143</b>	<b>50 724</b>	<b>55 171</b>
Compensation of employees	2 826	3 701	5 129	12 373	12 805	9 597	15 618	22 504	22 629



TABLE 12.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LIBRARY AND ARCHIVES SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Salaries and wages	2 826	3 701	4 509	11 025	11 427	8 405	13 888	20 220	20 361
Social contributions			620	1 348	1 378	1 192	1 730	2 284	2 268
Goods and services	5 108	2 504	2 638	9 605	12 278	12 278	12 525	28 220	32 542
<i>Administrative fees</i>	133	33	26	18	14	38	67	90	88
<i>Advertising</i>	387	471	226	396	613	613	68	478	505
<i>Minor Assets</i>	142	161	294	386	3 331	3 331	2 986	3 221	11 980
<i>Catering: Departmental activities</i>	98	185	122	498	383	383	209	301	319
<i>Communication (G&amp;S)</i>	32	45	52	57	57	57	60	581	615
<i>Computer services</i>	50	54	58	82	82	98	86	90	96
<i>Consultants and professional services: Business and advisory services</i>			174						
<i>Consultants and professional services: Legal costs</i>			140						
<i>Contractors</i>				4 241	2 661	2 661	2 008	10 677	4 233
<i>Agency and support / outsourced services</i>	1 337	371	755	567	2 854	2 854	3 008	1 871	2 479
<i>Entertainment</i>									
<i>Fleet services (including government motor transport)</i>			30		15	15		1 000	1 058
<i>Inventory: Learner and teacher support material</i>	45	261	60	2 046	998	998	3 159	3 401	3 519
<i>Inventory: Other supplies</i>									500
<i>Consumable supplies</i>				65	65	51	68	117	124
<i>Consumable: Stationery, printing and office supplies</i>	40	1	38	167	67	70	176	1 685	760
<i>Property payments</i>								2 000	2 400
<i>Transport provided: Departmental activity</i>		(3)	6		50	50			
<i>Travel and subsistence</i>	82	93	89	247	254	342	250	766	1 810
<i>Training and development</i>	96			52	46	46	55	65	69
<i>Operating payments</i>	2 602	677	413	783	622	505	325	1 878	1 986
<i>Venues and facilities</i>	64	155	155		166	166			
<i>Rental and hiring</i>									
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>37 287</b>	<b>37 638</b>	<b>55 804</b>	<b>117 170</b>	<b>99 506</b>	<b>99 742</b>	<b>119 488</b>	<b>135 399</b>	<b>136 486</b>
Provinces and municipalities	37 287	37 488	55 666	117 143	99 479	99 715	117 138	134 149	135 136
Municipalities	37 287	37 488	55 666	117 143	99 479	99 715	117 138	134 149	135 136
Municipalities	37 287	37 488	55 666	117 143	99 479	99 715	117 138	134 149	135 136
Municipal agencies and funds									
Non-profit institutions							750	750	750
Households		150	138	27	27	27	1 600	500	600
Social benefits		150	138	27	27	27	100		
Other transfers to households							1 500	500	600
<b>Payments for capital assets</b>	<b>22 795</b>	<b>65 184</b>	<b>166 481</b>	<b>237 972</b>	<b>220 316</b>	<b>220 080</b>	<b>126 376</b>	<b>173 030</b>	<b>153 539</b>
Buildings and other fixed structures	22 789	64 180	164 147	235 400	204 383	204 383	121 096	140 992	126 646
Buildings	22 789	64 180							
Other fixed structures			164 147	235 400	204 383	204 383	121 096	140 992	126 646
Machinery and equipment	6	1 004	2 334	2 572	15 773	15 537	5 280	32 038	26 893
Transport equipment						56			
Other machinery and equipment	6	1 004	2 334	2 572	15 773	15 481	5 280	32 038	26 893
Software and other intangible assets					160	160			
<b>Payments for financial assets</b>		<b>5</b>			<b>9</b>	<b>9</b>			
<b>Total economic classification</b>	<b>68 016</b>	<b>109 032</b>	<b>230 052</b>	<b>377 120</b>	<b>344 914</b>	<b>341 706</b>	<b>274 007</b>	<b>359 153</b>	<b>345 195</b>

TABLE 12.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SPORT AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>187 121</b>	<b>160 249</b>	<b>168 674</b>	<b>195 640</b>	<b>190 291</b>	<b>173 763</b>	<b>227 845</b>	<b>228 187</b>	<b>256 593</b>
Compensation of employees	45 407	62 120	70 094	79 107	80 909	72 501	96 559	104 686	114 338
Salaries and wages	41 480	62 120	61 856	67 669	69 471	63 198	86 822	91 379	99 109
Social contributions	3 927		8 238	11 438	11 438	9 303	9 737	13 307	15 229
Goods and services	141 714	98 129	98 580	116 533	109 382	101 262	131 286	123 500	142 255
Administrative fees	252	348	124	18	18	18			
Advertising	7 654	3 361	2 777	14 749	5 544	4 653	3 898	2 876	3 043
Minor Assets	191	21	4	324	315	283	71	964	1 020
Bursaries: Employees				60	60	60	100	92	97
Catering: Departmental activities	3 329	5 474	2 412	6 646	5 935	5 104	2 933	8 483	8 975
Communication (G&S)	1 577	1 452	1 467	1 028	2 577	2 495	960	1 302	1 377
Computer services		255		1 000	1 000				
Contractors	61 867	30 291	37 867	23 603	29 738	27 984	60 857	51 134	59 135
Agency and support / outsourced services	15 599	10 865	14 318	24 135	10 456	10 339	17 835	10 931	17 547
Fleet services (including government motor transport)		810	979	845	1 000	894	1 009	379	401
Inventory: Clothing material and accessories		37							
Inventory: Food and food supplies	8	38							
Inventory: Materials and supplies		16 006	17 143	9 935	18 081	17 004	13 625	13 486	16 030
Consumable supplies	14 587	6	95	23	9	45	264	64	68
Consumable: Stationery, printing and office supplies	149	122	28	455	435	458	441	493	522
Operating leases	431	46	829	700	441	441	886	739	782
Property payments	568	611	741	2 820	220	220	264	2 455	380
Transport provided: Departmental activity	4 060	8 750	9 191	9 155	11 655	10 984	9 929	12 084	13 169
Travel and subsistence	2 898	2 698	2 203	5 576	5 117	5 082	4 897	4 792	5 579
Training and development	52	714	196	734	734	631	361	453	479
Operating payments	12 208	662	1 017	4 850	4 767	3 268	1 322	996	2 136
Venues and facilities	16 284	15 562	7 189	9 877	11 280	11 299	11 634	11 777	11 515
Rental and hiring									
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>4 225</b>	<b>16 005</b>	<b>15 406</b>	<b>12 308</b>	<b>9 158</b>	<b>9 278</b>	<b>11 896</b>	<b>20 273</b>	<b>21 449</b>
Higher education institutions	437								
Non-profit institutions	3 692	15 852	14 898	12 308	8 508	8 628	11 896	20 273	21 449
Households	96	153	508		650	650			
Social benefits	96	153	323		650	650			
Other transfers to households			185						
<b>Payments for capital assets</b>	<b>832</b>	<b>15 787</b>	<b>4 867</b>	<b>4 257</b>	<b>20 558</b>	<b>20 558</b>	<b>3 553</b>	<b>2 432</b>	<b>2 573</b>
Buildings and other fixed structures		15 268	3 223	1 950	18 000	18 000	2 000		
Buildings		15 268	3 223		18 000	18 000	2 000		
Other fixed structures				1 950					
Machinery and equipment	832	519	1 644	2 307	2 558	2 558	1 553	2 432	2 573
Transport equipment				550	791	1 342	517	229	242
Other machinery and equipment	832	519	1 644	1 757	1 767	1 216	1 036	2 203	2 331
Heritage Assets									
<b>Payments for financial assets</b>	<b>14</b>	<b>32</b>							
<b>Total economic classification</b>	<b>192 192</b>	<b>192 073</b>	<b>188 947</b>	<b>212 205</b>	<b>220 007</b>	<b>203 599</b>	<b>243 294</b>	<b>250 892</b>	<b>280 615</b>

TABLE 12.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COMMUNITY LIBRARY SERVICES GRANT (LIBRARY AND ARCHIVE SERVICES)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>4 754</b>	<b>1 215</b>	<b>1 856</b>	<b>3 716</b>	<b>4 780</b>	<b>4 780</b>	<b>8 235</b>	<b>9 210</b>	<b>10 224</b>
Compensation of employees	300	400	903	1 100	1 200	1 200	3 000	2 848	3 500
Salaries and wages	261	356	799	970	1 040	1 040	2 670	1 068	3 115
Social contributions	39	44	104	130	160	160	330	352	385
Goods and services	4 454	815	764	2 616	3 580	3 580	5 235	6 362	6 724
Administrative fees	40		22						
Advertising	415	205	119	361	361	361	600	634	897
Minor Assets	300		14		450	450	1 119	1 000	
Audit cost: External									
Bursaries: Employees									
Catering: Departmental activities	105	51	70	200	200	200	200	211	226
Communication (G&S)							500		
Computer services							1 000		
Contractors				1 697	2 126	2 126			
Agency and support / outsourced services	1 627	240	341	124	124	124	750	2 243	2 611
Fleet services (including government motor transport)			30		15	15			
Inventory: Learner and teacher support material			60						
Inventory: Other supplies									
Consumable supplies		10	12	65	65	65	66	89	204
Consumable: Stationery, printing and office supplies									
Travel and subsistence	75		29		70	70			
Training and development	30	103		46	46	46	350	370	396
Operating payments	1 862	205		123	123	123	650	1 815	2 390
Venues and facilities			67						
Rental and hiring									
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>30 285</b>	<b>19 588</b>	<b>39 855</b>	<b>104 977</b>	<b>85 581</b>	<b>85 581</b>	<b>98 788</b>	<b>98 788</b>	<b>98 788</b>
Provincial and local	30 285	19 588	39 855	104 977	85 581	85 581	97 538	97 538	97 538
Provinces									
Municipalities	30 285	19 588	39 850	104 977	85 581	85 581	97 538	97 538	97 538
Municipal bank accounts	30 285	19 588	39 850	104 977	85 581	85 581	97 538	97 538	97 538
Municipal agencies and funds									
Public corporations and private enterprises									
Other transfers							1 250	1 250	1 250
Non-profit institutions							750	750	750
Households							500	500	500
Social benefits			5						
<b>Payments for capital assets</b>	<b>21 723</b>	<b>42 667</b>	<b>74 499</b>	<b>47 000</b>	<b>73 241</b>	<b>73 241</b>	<b>56 316</b>	<b>66 742</b>	<b>75 607</b>
Buildings and other fixed structures	21 723	41 100	72 733	47 000	70 570	70 570	51 316	62 992	66 646
Buildings and other fixed structures	21 723	41 100	72 733	47 000	70 570	70 570	51 316	62 992	66 646
Machinery and equipment		1 567	1 766		2 671	2 671	5 000	3 750	8 961
Transport equipment			28						
Other machinery and equipment		1 567	1 738		2 671	2 671	5 000	3 750	8 961
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>56 762</b>	<b>63 470</b>	<b>116 021</b>	<b>155 693</b>	<b>163 602</b>	<b>163 602</b>	<b>163 339</b>	<b>174 740</b>	<b>184 619</b>

TABLE 12.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MASS SPORT AND RECREATION PARTICIPATION PROGRAMME CONDITIONAL GRANT (SPORT AND RECREATION)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>74 130</b>	<b>77 590</b>	<b>83 051</b>	<b>78 553</b>	<b>82 327</b>	<b>82 327</b>	<b>92 606</b>	<b>97 984</b>	<b>121 874</b>
Compensation of employees	4 436	10 420	8 721	8 710	8 783	8 783	9 880	10 453	13 002
Salaries and wages	3 859	9 843	7 915	7 752	7 851	7 851	8 831	9 344	11 622

**TABLE 12.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MASS SPORT AND RECREATION PARTICIPATION PROGRAMME CONDITIONAL GRANT (SPORT AND RECREATION)**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
	Social contributions	577	577	806	958	932	932	1 048	1 109
Goods and services	69 679	67 170	74 330	69 843	73 544	73 544	82 726	87 530	108 872
Administrative fees	201	212	124		4	4	4	5	6
Advertising	3 673	3 155	2 376	1 499	3 225	3 225	3 628	3 838	4 774
Minor Assets	175	100			90	90	101	107	133
Catering: Departmental activities	3 600	4 660	2 068	2 467	3 669	3 669	4 127	4 367	5 431
Communication (G&S)	865	1 148	1 333	916	1 920	1 920	2 160	2 285	2 842
Computer services									
Contractors	2 855	8 909	20 738	19 276	16 946	16 946	19 062	20 169	25 086
Agency and support / outsourced services	16 948	12 121	13 615	8 266	8 664	8 664	9 746	10 312	12 826
Entertainment									
Fleet services (including government motor transport)		792	979	168	200	200	225	238	296
Housing									
Inventory: Food and food supplies	54	39							
Inventory: Fuel, oil and gas		43							
Inventory: Learner and teacher support material									
Inventory: Materials and supplies		11 520	16 685	15 844	18 081	18 081	20 339	21 520	26 766
Inventory: Medical supplies	120								
Consumable supplies	15 242	100	66	90	1	1	1	1	1
Consumable: Stationery, printing and office supplies	447	1 111	28	300	420	420	472	500	622
Lease payments	612	530							
Property payments	110	554	63						
Transport provided: Departmental activity	3 860	6 198	8 893	8 953	8 709	8 709	9 796	10 365	12 892
Travel and subsistence	3 143	2 888	730	1 706	1 479	1 479	1 664	1 760	2 189
Training and development	56	88		280	514	514	578	612	761
Operating expenditure	11 412	494	185						
Venues and facilities	6 306	12 508	6 447	10 078	9 622	9 622	10 823	11 452	14 244
Rental and hiring									
Interest and rent on land	15								
Interest	15								
<b>Transfers and subsidies</b>		<b>10 332</b>	<b>9 941</b>	<b>10 881</b>	<b>7 256</b>	<b>7 256</b>	<b>8 162</b>	<b>8 636</b>	<b>10 741</b>
Non-profit institutions		10 332	9 941	10 881	6 756	6 756	8 162	8 636	10 741
Households					500	500			
Social benefits					500	500			
<b>Payments for capital assets</b>	<b>482</b>	<b>347</b>	<b>1 593</b>	<b>430</b>	<b>281</b>	<b>281</b>	<b>316</b>	<b>334</b>	<b>416</b>
Buildings and other fixed structures									
Machinery and equipment	482	347	1 593	430	281	281	316	334	416
Transport equipment	213		1 118		171	171	192	204	253
Other machinery and equipment	269	347	475	430	110	110	124	131	163
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>74 612</b>	<b>88 269</b>	<b>94 585</b>	<b>89 864</b>	<b>89 864</b>	<b>89 864</b>	<b>101 084</b>	<b>106 954</b>	<b>133 031</b>

**TABLE 12.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR PROVINCES (CULTURAL AFFAIRS)**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
	<b>Current payments</b>			<b>1 897</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 024</b>	
Compensation of employees			1 897	2 000	1 300	1 300	2 024		
Salaries and wages			1 897	1 780	1 157	1 157	1 801		
Social contributions				220	143	143	223		
Goods and services					700	700			
Advertising					100	100			
Contractors					500	500			

**TABLE 12.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR PROVINCES (CULTURAL AFFAIRS)**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<i>Consumable supplies</i>					100	100			
Interest and rent on land									
<b>Transfers and subsidies</b>									
Provincial and local									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>			<b>1 897</b>		<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 024</b>	

**TABLE 12.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME INCENTIVE GRANT FOR PROVINCES**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>		<b>1 333</b>	<b>2 502</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>2 200</b>		
Compensation of employees		1 067	2 306	1 000	1 000	1 000	2 095		
Salaries and wages		1 067	2 305	890	890	890	2 074		
Social contributions			1	110	110	110	21		
Goods and services		266	196				105		
<i>Advertising</i>		55	178				80		
<i>Communication (G&amp;S)</i>		50							
<i>Inventory: Materials and supplies</i>		60							
<i>Consumable: Stationery, printing and office supplies</i>		10							
<i>Transport provided: Departmental activity</i>		25							
<i>Travel and subsistence</i>			18				25		
<i>Training and development</i>		66							
Operating payments									
<b>Transfers and subsidies</b>									
Provincial and local									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>1 333</b>	<b>2 502</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>2 200</b>		

**TABLE 12.28: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: SPORT ARTS CULTURE AND RECREATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Category A</b>	<b>14 837</b>	<b>15 688</b>	<b>19 173</b>	<b>27 184</b>	<b>39 251</b>	<b>39 487</b>	<b>40 120</b>	<b>49 131</b>	<b>48 118</b>
Ekurhuleni Metro	2 775	3 700	5 200	8 023	9 239	9 239	12 000	14 000	14 000
City of Johannesburg	6 872	7 888	9 690	11 338	17 072	17 072	16 120	18 120	18 120
City of Tshwane	5 190	4 100	4 283	7 823	12 940	13 176	12 000	17 011	15 998
<b>Category B</b>	<b>21 950</b>	<b>21 000</b>	<b>35 993</b>	<b>91 002</b>	<b>57 725</b>	<b>57 725</b>	<b>74 218</b>	<b>82 218</b>	<b>84 218</b>
Emfuleni	1 730	800	4 690	14 686	9 225	9 225	11 300	13 300	14 300
Midvaal	3 940	2 600	4 080	11 686	6 700	6 700	8 300	8 300	8 300
Lesedi	2 770	4 050	5 158	11 686	6 700	6 700	8 670	8 670	8 670
Mogale City	4 770	4 125	8 502	14 686	12 700	12 700	15 200	17 200	17 200
Randfontein	2 820	2 700	3 854	11 886	6 300	6 300	9 600	11 600	12 100
Westonaria	2 240	2 700	3 864	11 886	6 700	6 700	9 726	9 726	9 726
Merafong City	3 680	4 025	5 845	14 486	9 400	9 400	11 422	13 422	13 922
<b>Category C</b>	<b>500</b>	<b>800</b>	<b>500</b>	<b>1 205</b>	<b>2 503</b>	<b>2 503</b>	<b>2 800</b>	<b>2 800</b>	<b>2 800</b>
West Rand District Municipality	500	800	500	1 205	2 503	2 503	2 800	2 800	2 800
<b>Total transfers to municipalities</b>	<b>37 287</b>	<b>37 488</b>	<b>55 666</b>	<b>119 391</b>	<b>99 479</b>	<b>99 715</b>	<b>117 138</b>	<b>134 149</b>	<b>135 136</b>

# VOTE 13

## DEPARTMENT OF e-GOVERNMENT

To be appropriated by Vote in 2016/17	R1 216 132 000
Responsible MEC for e-Government	MEC for e-Government
Administering Department	Department of e-Government
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

Aconnected Gauteng City-Region that leverages technology to provide quality services to citizens.

#### Mission

To realize the intent of a connected government through:

- Provision of relevant technologies, standards and governance;
- Creation of an environment of collaboration between key stakeholders; and
- Facilitation of the evolution of the Gauteng City-Region (GCR) service delivery.

#### Strategic objectives

The key strategic objectives of the department are:

- To ensure efficient administration and management of the Department of e-Government (e-Gov);
- To build an enabling Information Communication Technology (ICT) infrastructure for the GCR connected government;
- To create the enabling platform and support services to enable GCR entities to design, develop and deliver e-Government Services;
- To establish a GCR e-Government governance structure to drive priorities, policies, standards and regulations;
- To promote the usage of e-Government services (citizens, business and government entities); and
- To stimulate the ICT economy through facilitating incubation and innovation as well as encouraging public private partnerships for the development and rollout of e-Government services.

#### Core functions and responsibilities

- To roll out the Gauteng Broadband Network (GBN);
- To develop and maintain all provincial government owned ICT infrastructure;
- To develop and maintain applications, networks and services;
- To improve and provide customer driven HR services;
- To implement e-Recruitment solution for job seekers; and
- To deploy HR systems in the province.

#### Main services

The main services of the department relate to:

- Providing universal access to broadband (as defined by the national broadband policy) for citizens, business as well as government institutions;
- Building the network infrastructure and information super-highway to encourage the development of advanced workforce with better ICT skills;
- Enhancing economic productivity through ICT infrastructure development in order to lower the cost of doing business and increase connectivity for companies especially small, medium and micro enterprises (SMMEs);
- Improving service delivery by providing high quality ICT services through e-government; and
- Building capability and improve the quality of service and client experience in the provision of human resource services; these are executed through improving efficiency through the automation of transactional services.

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

- Public Administrative and Management Act 11 of 2014;
- Treasury Regulations 2005 and Delegations;
- Electronic Communications Act, 2005;
- Municipal Finance Management Act, 2004;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Broad-Based Black Economic Empowerment Act, 2003;
- Government Employees Pension Law Amendment Act 35 of 2003;
- The Tender Board Repeal Act, 2002;
- Municipality Systems Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- National Skills development Act of 1998;
- Basic Conditions of Employment Act, 1997;
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997);
- Public Service Laws Amendment Act, 1997;
- Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996);
- The Constitution of the Republic of South Africa, 1996;
- The National Archives Act, 1996;
- Development Facilitation Act, 1995;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995;
- Public Service Act, 1994 Regulations and Delegations; and
- Division of Revenue Act.

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

The mandate of the Department of e-Government is to continue transforming how the Gauteng Provincial Government (GPG) manages its ICT infrastructure, in order to better support the delivery of programmes and services to citizens of Gauteng. More specifically, e-Gov is tasked to maintain and improve IT service delivery, generate savings and implement government-wide solutions that are modern, reliable and secure. This will result in the transformation of the state and governance and ultimately the modernisation of the public service.

In order to achieve this noble intent, the adopted GCR-wide e-Government strategy will continue to form an overarching implementation framework which will improve linkages and integration amongst the city region governments and their departments. It will also improve access by citizens to government services particularly those who live in townships and informal settlements over time. By linking more Thusong Centres, schools and clinics in these historically marginalised areas, the department will also open up possibilities to launch the township economy into the digital age.

The five strategic pillars driving the vision of the Department of e-Government are underpinned by clear purpose statements, strategic objectives as well as measurable objectives.

**Pillar 1: Enabling ICT infrastructure** – To contribute to the improvement of government efficiencies, save government and citizen's time and money through the rollout of the high-speed broadband network that will connect Thusong centres, economic zones, hospitals, clinics and schools across the province.

**Pillar 2: Enabling infrastructure** – This digitisation will assist in improving back office efficiencies by automating business processes in various aspects of service delivery, such as paper based services, business intelligence capability and disaster recovery.

**Pillar 3: Governance structures** – The e-Gov political coordinating committee will drive the implementation of an up to date e-Gov strategy and ensure that all ICT initiatives in GPG are compliant in this regard. It will also ensure synergy with the provincial ICT standards, and facilitate the coordination between all spheres of government in the province.

**Pillar 4: Usage of e-Gov services by citizens, business and government entities** - To build trusted relationships with e-Governance users by creating awareness, providing education and effective delivery of services through GCR e-Gov.

**Pillar 5: ICT industry stimulation** – Ensure that the work of e-Gov supports the Gauteng economy by promoting entrepreneurship through broadband.

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

The compilation of the department's budget has been informed by the provincial ten-pillar programme of transformation, modernisation and re-industrialisation. Changes in demand for connectivity in the context of the Gauteng City-Region impacts on the service delivery of e-Gov and therefore on that financial resources that will be required to match service delivery with the demand. This based on that the key activity of the department is to maintain and improve ICT service delivery and to implement government-wide solutions that are modern, reliable and secure.

### **National Development Plan**

The National Development Plan (NDP) Vision 2030 is an overarching plan which derives from the constitutional imperatives and clearly sets out the development trajectory of the country. The need for a broadband remains a priority in the country as a whole. The national broadband policy gives expression to South Africa's vision in the NDP of a "seamless information infrastructure by 2030 that will underpin a dynamic and connected vibrant information society and a knowledge economy that is inclusive, equitable and prosperous." The Department of e-Government will promote digital inclusion by connecting citizens to a high-speed broadband through the Thusong centres located in townships across the province and finally to act as an economic enabler by ensuring that priority townships and economic regeneration zones have access to high-speed broadband.

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)**

The Gauteng Provincial Government established the e-Gov in 2015/16 to improve service delivery, modernise the public service and stimulate the province's knowledge-based economy. It was established after the province had reallocated the transversal human resource functions of Organisational Structure Development and Labour Relations to the Office of the Premier (OoP) and the transversal functions of internal audit, forensic audit and procurement to the Gauteng Provincial Treasury (GPT).

During the year under review, the e-Gov made a significant contribution to the concept of creating a connected government. Central to the provincial programme of Transformation, Modernisation and Re-industrialisation (TMR) and the Gauteng's public sector in particular, is the innovation associated with the digitisation of government services. This approach aims at harnessing ICT to deliver initiatives in the context of e-Gov and modernising the delivery of public services. This is being achieved by consolidating back-end systems and processes to bring about better front-end service delivery. To this end, the Executive Council adopted a five-year GCR-wide e-Government strategy in February 2015.

To make the online government services secure, the establishment of the Development and Validation (DAV) centre was identified as solution. E-Gov therefore set a target to complete the DAV centre by 2015. This target was duly achieved in 2015/16 after completing the provision of the hardware infrastructure in the centre. The purpose of the centre, which is responsible for the development and validation of innovative technologies, is to track and collect innovative solutions, proposals and experiences with particular attention on approaches and methods that can be easily integrated in the ICT lifecycle and can reduce the gap between research and practice.

With regard to the connecting government buildings to another electronically, the department had set in its strategic plan a target of constructing eight core sites. The core sites are distribution nodes from which it is possible to start the connection to other government buildings. The department achieved this target in 2015/16 when it completed the construction of two core sites to increase the total number of core sites constructed to eight. These two sites are in Steve Biko Hospital and in Sedibeng District Municipality. The other six core sites that were complete by the end of the 2014/15 financial year are in Chris Hani Baragwanath Hospital, 75 Fox Street, 82 Grayston Drive, the West Rand District Offices in Randfontein, Teraco in Kempton Park for internet and Telkom for the government Data Centre.

The rollout of the GBN is an ongoing initiative to increase the penetration and coverage of the connectivity network across the GCR. 148 sites were provided with high-speed connectivity in 2015/16. The contribution of the GBN to the smart schools in the province is the migration of 55 digital schools to the GBN during the financial year.

The initiatives to improve the back office efficiencies by automating business processes in various aspects of service delivery resulted in the Human Resource Management function rolling out the electronic Performance Management Development System (E-PMDS) to two GPG departments (namely: the Department of Roads and Transport; and the Department of Infrastructure Development) during the period under review. The E-PMDS is an electronic tool that replaces the paper-based system for implementing the provincial PMDS policy.



### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

The e-Gov will implement a newly-adopted five-year GCR-wide e-Government strategy to carry out its mandate during 2016/17 and beyond. The implementation of the strategy will improve linkages and integration amongst the city-region governments and departments to increase access of citizens to government services.

The objectives of the Gauteng City-Region wide e-Government strategy are:

- To build the infrastructure for connected government e-Gov is guided by the National Broadband Policy 2013 – South Africa Connect, which provides a national framework for the implementation of affordable broadband giving expression to the NDP goal of achieving universal access to broadband by 2030.
- To create an enabling platform and support services to allow GCR entities to deliver e-Gov services. This seeks to achieve interoperability, reusability and eradication of duplication of applications within the GCR. This will also offer the City Region the possibility of benefiting from collective buying power bargain and skills sharing.
- To establish a GCR e-Gov governance structure to drive priorities, policies, standards and regulations.
- To promote usage of e-Gov services amongst citizens, businesses and government entities.
- To stimulate the ICT economy by encouraging public private partnerships for the development and roll-out of e-Gov.

To achieve the set objectives, department will establish appropriate, collaborative partnerships to build durable and productive township ICT businesses to mainstream and revitalise the township economy, and to generate inclusive growth and improve the quality of life in these areas. The department will create an enabling environment through network connectivity focusing on government to government, government to business, government to citizens to deliver e-services that are planned to make the overall service delivery efficient and effective.

The rollout of the Gauteng Broadband Network is an ongoing initiative that is anticipated to be finalized by 2019. The GBN rollout involves collaboration with municipalities as 1600 kilometres of fibre optic transmission network will run throughout Johannesburg, Tshwane, Ekurhuleni, Sedibeng and the West Rand municipalities. In addition, the e-Gov will continue to partner with the Department of Education in the piloting of the smart classroom programme by providing high-speed broadband connectivity to some designated schools.

The department will continue to focus on providing citizens with easy access to government services. It will provide a platform for the multi-channel communication to facilitate interactions with customers. The multi-channel communication includes telephony, electronic mails, cellphone short service services (sms), walk-in centres and kiosks.

With regard to the initiatives to improve the back office efficiencies by automating human resource functions, it is planned that the GPG departments with SAP-based E-PMDS to go live on automated PMDS and GPG departments with SAP-based Employee Self-Service (SAP ESS) to go live on automated termination services (HR21 and HR24). Overall, e-Gov targets to reach 98 percent of network availability for the broadband and access points to ensure that the ICT platform supports service delivery.

### 4. REPRIORITISATION

The department reprioritised the budget baselines to fund mainly the new organisational structure. The review of the organisational structure took place to reposition the department to carry out its ICT-focused mandate appropriately. This review includes consultations with the Department of Public Services and Administration during the 2015/16 financial year.

### 5. PROCUREMENT

There are no plans for major procurement for the 2016/17 financial year given that major procurement for the GBN project happened in the previous financial years.

The department, however, has plans to improve the Supply Chain Management (SCM) function over the 2016 MTEF period. The e-Gov plans to improve control over the entire SCM value chain by locating within the department the function of requesting quotes and proposals from service providers. This will enable the department to fully and solely account for the financial resources at its disposal and all related activities that derive from the resources allocated to the department. The department is in a process of capacitating the SCM unit with the necessary skills, competencies and personnel to perform this function in-house.

### 6.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 13.1 : SUMMARY OF RECEIPTS: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	1 146 155	1 105 853	1 255 320	1 171 505	1 178 803	1 178 945	1 216 132	1 271 158	1 077 693
<b>Total receipts</b>	<b>1 146 155</b>	<b>1 105 853</b>	<b>1 255 320</b>	<b>1 171 505</b>	<b>1 178 803</b>	<b>1 178 945</b>	<b>1 216 132</b>	<b>1 271 158</b>	<b>1 077 693</b>

The department is funded through the equitable share. The allocation increased from R1.1 billion in 2012/13 to R1.2 billion in 2014/15 largely driven by funds related to ICT services in the province. The budgets during the outcome years were adjusted downward retrospectively due to a transfer of functions to the OoP and the GPT. The Organisational Structure Development function and the Employee Relations function were transferred to the transversal human resource function in the OoP and the GPG Hotline function moved to the provincial service delivery war room in the OoP. The OoP received the human resource functions relating to the Organisational Structure Development, Employee Relations and GPG Hotline which form part of the provincial war room. The functions of Internal Audit and Transversal Procurement moved to the GPT.

The main appropriation in 2015/16 increases from R1.171 billion to R1.179 billion during the adjustment budget process due mainly to approved rollover of funds from 2014/15 to complete the department's projects. Also included in the adjustments is R1.3 million budget that was reallocated to the OoP and GPT to complete the transfer of functions by transferring the balance of the budget for the capital requirements in respect of the migrated posts.

The allocation for 2016/17 amounts to R1.2 billion and subsequently decrease to R1 billion in 2018/19. The decrease in the budget is caused by a decrease in the allocation for the GBN as the project nears the end and is caused by budget cuts applied nation-wide in the budget for 2017/18 and 2018/19.

### 6.2 Departmental receipts

TABLE 13.2 : SUMMARY OF DEPARTMENTAL RECEIPTS COLLECTION: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets	1 313	953	850	744	744	744	751	759	763
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land			41	15	10	10	10	11	12
Sales of capital assets									
Transactions in financial assets and liabilities	1 042	416	1 285	160	160	1 009	155	150	151
<b>Total departmental receipts</b>	<b>2 355</b>	<b>1 410</b>	<b>2 150</b>	<b>914</b>	<b>914</b>	<b>1 763</b>	<b>917</b>	<b>921</b>	<b>926</b>

The revenue sources for the department are the gym, parking fees, fees charged on the issue of tender documents and commission earned on third-party payments for insurance premiums paid on behalf of department's employees.

A decrease in the staff complement over the years is major cause of reducing revenue collection in the department. The department's revenue decreases from R2.4 million in 2012/13 to R2.2 million in 2014/15. It reduces further to R914 000 in 2015/16 and R917 000 in 2016/17. The revenue is projected to increase from R921 000 in 2017/18 to R926 000 in 2018/19.

A decrease in the staff complement was caused by the initiatives of the province to improve efficiencies in service delivery. This trend started with the decentralisation of the departments-specific procurement function from the e-Gov to other provincial departments in 2013/14. It continued when the department was repositioned to focus more on ICT delivery; this resulted in the migration of human resource function to the OoP and the migration of the provincial audit, forensic audit and transversal procurement to GPT in the recent financial years. Overall, this trend reduces revenue collection.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The 2016 MTEF budget is informed by the e-Gov Strategic Plan, Annual Performance Plan, the provincial outcomes and the GPG Programme of Action (POA). The key assumptions underpinning the budget are:

- Provision for annual salary adjustments at 7.2 per cent average projected CPI of 6.2 percent plus 1 per cent for 2016/17; 5.8 percentage average projected CPI plus 1 per cent for 2017/18; 5.8 percent for 2018/19.
- Provision for provincial priorities including the Gauteng Broadband Network and GPG ICT infrastructure maintenance and support.

### 7.2 Programme summary

TABLE 13.3 : SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	138 315	244 527	125 760	193 185	179 912	180 032	225 760	234 275	244 956
2. Policy Planning, Strategy Development and Support Service	11 211	15 119	555 110	288 762	322 129	322 129	413 618	437 331	185 544
3. Solutions, Systems and Operations	969 102	764 638	534 152	689 558	676 762	676 784	552 220	573 442	619 809
4. Regulations, Compliance and Public Relations							24 534	26 110	27 384
<b>Total payments and estimates</b>	<b>1 118 628</b>	<b>1 024 284</b>	<b>1 215 022</b>	<b>1 171 505</b>	<b>1 178 803</b>	<b>1 178 945</b>	<b>1 216 132</b>	<b>1 271 158</b>	<b>1 077 693</b>

### 7.3 Summary of economic classification

TABLE 13.4 : SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>1 019 000</b>	<b>1 011 506</b>	<b>768 080</b>	<b>1 160 925</b>	<b>1 022 905</b>	<b>951 034</b>	<b>1 191 308</b>	<b>1 248 747</b>	<b>1 063 248</b>
Compensation of employees	220 276	245 369	252 933	343 540	301 464	301 453	503 991	536 347	562 800
Goods and services	798 724	766 137	515 147	817 385	721 441	649 581	687 317	712 400	500 449
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>223</b>	<b>388</b>	<b>2 032</b>	<b>525</b>	<b>525</b>	<b>667</b>	<b>550</b>	<b>577</b>	<b>610</b>
Departmental agencies and accounts			1 589						
Public corporations and private enterprises		5							
Households	223	383	443	525	525	667	550	577	610
<b>Payments for capital assets</b>	<b>99 060</b>	<b>11 343</b>	<b>444 910</b>	<b>10 055</b>	<b>155 373</b>	<b>226 906</b>	<b>24 274</b>	<b>21 834</b>	<b>13 834</b>
Buildings and other fixed structures									
Machinery and equipment	16 079	10 708	320 882	55	47 869	119 389	7 874	10 434	7 434
Software and other intangible assets	82 981	635	124 028	10 000	107 504	107 517	16 400	11 400	6 400
<b>Payments for financial assets</b>	<b>345</b>	<b>1 047</b>				<b>338</b>			
<b>Total economic classification</b>	<b>1 118 628</b>	<b>1 024 284</b>	<b>1 215 022</b>	<b>1 171 505</b>	<b>1 178 803</b>	<b>1 178 945</b>	<b>1 216 132</b>	<b>1 271 158</b>	<b>1 077 693</b>

The department's budget fluctuates between R1.1 billion and R1.3 billion during the seven-year period under review. Between 2012/13 and 2013/14, the budget decreases by R100 million and subsequently increases to R1.2 billion in 2014/15. From 2015/16 budget decreases from R1.2 billion to R1.1 billion over the MTEF mainly decrease due to reverse migration of some procurement functions to other GPG departments. Furthermore, the last wave of the migration of functions from the department to the OoP and GPT significantly reduces department's budget. The biggest reduction occurs in the outer year of the 2016 MTEF, i.e., during 2018/19 due to the decrease of earmarked provincial allocation for the rollout of the GBN.

Compensation of employees increased from R220.2 million in 2012/13 to R252.9 million in 2014/15. It increases further to over R300 million in 2015/16. It is set to increase from R504 million in 2016/17 to R562.8 million in 2018/19. Factors contributing to this increase include the restructuring of the ICT services programme to enhance its position to execute department core mandate of e-governance. On the main, these factors relate to the creation of two branches, which will give effect to the creation and provisioning of the capacity, skills and competence required to carry out the day to day activities, the filling of funded vacant and critical posts, estimates of notch progression annual performance bonuses provisions, as regulated by the DPSA and required by the National Treasury. The average increase in compensation over the 2016 MTEF is reflective of the annual cost-of-living adjustments, consistent with projected changes in CPI index.

Goods and services decrease from R798.7 million in 2012/13 to R500.4 million in 2018/19. This trend is informed by the following factors: expiry of the e-learning project, a reverse migration of some procurement and HR functions to other GPG departments, expiry of the connectivity contract, the 2018/19 lower allocation for the GBN and implementation of cost-cutting measures, as contained in the National Practice of 2014/15 on Cost Containment Measures.

The main cost drivers under goods and services are the payments for professional services under the GBN project, the maintenance and support services for the provincial government's ICT infrastructure, e-mail as a service, the fully managed data centre and SITA.

Payments for capital assets increased from R16.1 million in 2012/13 to R320.9 million in 2014/15 to fund the capital requirements for the rollout of GBN in the province and to replace the department's out-of-warranty computer equipment, including servers. During the 2015/16 financial year the department also incurred capital expenditure to renew some of the expired software licences, as seen from the revised estimates for capital expenditure in 2015/16 and subsequently R7.4 million in 2018/19.

Over and above, provision has been made for departmental operational costs, such as utilities, building maintenance and other administrative costs. The bulk of the e-Gov allocation is on maintenance of the provincial ICT in accordance with the department's primary strategic objective of providing a modern, reliable and secure ICT infrastructure of GPG as the custodian and catalyst of e-governance in the province.

Transfers and subsidies to households relate to the payment for leave gratuities for employees exiting public services.

#### 7.4 Infrastructure payments

N/A

##### 7.4.1 Departmental infrastructure payments

N/A

##### 7.4.2

N/A

#### 7.5 Transfers

##### 7.5.1 Transfers to public entities

N/A

##### 7.5.2 Transfers to other entities

TABLE 13.5 : SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Departmental Agencies and Accounts			1 589						
<b>Total departmental transfers</b>			<b>1 589</b>						

The department transferred R1.6 million to the Public Sector Education Training Agency (PSETA) for the skills development requirements as per the directive from Department Public Services Administration.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide executive leadership, oversight and accountability and corporate support services.

#### Programme objectives

To efficiently manage the Department of e-Government through executive steer and accountability, and the execution of corporate support services supported by effective reporting, risk management and compliance practices.

TABLE 13.6 : SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
2. Risk Management	1 721	2 992	2 747	3 507	3 156	3 156	6 267	6 696	7 088
3. Office of The CFO	47 032	150 981	31 832	44 152	47 154	47 192	56 979	59 834	62 586
4. Corporate Services	86 867	85 947	87 832	139 410	124 662	124 602	154 655	159 423	166 579
<b>Total payments and estimates</b>	<b>138 315</b>	<b>244 527</b>	<b>125 760</b>	<b>193 185</b>	<b>179 912</b>	<b>180 032</b>	<b>225 760</b>	<b>234 275</b>	<b>244 956</b>

TABLE 13.7 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Compensation of employees	62 531	71 719	73 909	103 796	87 152	87 141	145 481	154 667	161 955
Goods and services	66 889	168 059	47 901	88 809	92 194	91 636	79 289	79 031	82 391
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>88</b>	<b>132</b>	<b>1 752</b>	<b>525</b>	<b>321</b>	<b>441</b>	<b>550</b>	<b>577</b>	<b>610</b>
Departmental agencies and accounts			1 589						
Public corporations and private enterprises		5							
Households	88	127	163	525	321	441	550	577	610
<b>Payments for capital assets</b>	<b>8 662</b>	<b>3 581</b>	<b>2 198</b>	<b>55</b>	<b>245</b>	<b>760</b>	<b>440</b>		
Buildings and other fixed structures									
Machinery and equipment	8 567	2 946	2 198	55	245	747	440		
Software and other intangible assets	95	635				13			
<b>Payments for financial assets</b>	<b>145</b>	<b>1 036</b>				<b>54</b>			
<b>Total economic classification</b>	<b>138 315</b>	<b>244 527</b>	<b>125 760</b>	<b>193 185</b>	<b>179 912</b>	<b>180 032</b>	<b>225 760</b>	<b>234 275</b>	<b>244 956</b>

Expenditure increases from R138.3 million in 2012/13 to R245 million in 2018/19. The main factors contributing to the allocation increase on Programme Administration's share of the vote are the result of the structural change that saw the Documents and Records Management Centre (DMC) being placed under Corporate Services from the ICT Services programme; furthermore the provisions for building and facilities, utilities, communication costs, office automation, shared and common items such as stationery and printing have collectively contributed to the overall increase of budget.

Spending on compensation of employees increased steadily from R62.5 million in 2012/13 to R73.9 million in 2014/15. It is projected that R87.1 million will be spent in 2015/16. The provision for personnel spending increases from R145.5 million in 2016/17 to R161.9 million in 2018/19. The factors contributing to the upwards trend in the compensation of employees include the provisions for the department's internship programme and annual performance bonuses under the HR unit in the Corporate Services programme, as required by the DPSA and National Treasury. The increase in the estimates of expenditure on compensation of employees are reflective of the recruitment drive being carried out to fill all funded and critical posts.

Goods and services increase from R67 million in 2012/13 to a projected R82 million in 2018/19. The budget caters for the

centralisation of departmental shared items in this programme. The centralised items include office automation, external audit services, lease payments, fleet management, communication and printing services, staff development and training, municipal service costs and property payments.

Provision for transfers and subsidies relating to leave gratuities and injuries on duty are centralised under the Administration programme. This budget is reallocated to other programmes accordingly to defray expenditure incurred during the financial year.

## PROGRAMME 2: e-GOVERNMENT POLICY PLANNING, STRATEGY DEVELOPMENT AND SUPPORT SERVICES

### Programme description

To establish governance structures.

### Programme objectives

To establish a GCR e-Government governance structure that drives and enables priorities, policies, standards and regulations through approved frameworks.

TABLE 13.8 : SUMMARY OF PAYMENTS AND ESTIMATES: POLICY PLANNING, STRATEGY DEVELOPMENT & SUPPORT SERVICE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Policy Planning Programme Support							1 797	1 912	2 005
2. ICT Architecture	1 370	1 010	8 048	27 232	25 599	25 599	32 290	26 738	22 276
3. Program Management	5 974	4 500	6 912				16 708	18 261	18 609
4. Innovation Platforms	3 867	4 000	3 762				13 332	14 256	14 952
5. BN Connectivity		5 609	536 388	261 530	296 530	296 530	349 491	376 164	127 702
<b>Total payments and estimates</b>	<b>11 211</b>	<b>15 119</b>	<b>555 110</b>	<b>288 762</b>	<b>322 129</b>	<b>322 129</b>	<b>413 618</b>	<b>437 331</b>	<b>185 544</b>

TABLE 13.9 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: POLICY PLANNING, STRATEGY DEVELOPMENT & SUPPORT SERVICE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Compensation of employees	11 211	12 455	18 625	30 468	21 884	24 168	70 192	74 798	78 700
Goods and services		2 654	111 489	248 294	272 745	270 461	328 426	352 533	101 844
Interest and rent on land									
<b>Transfers and subsidies to:</b>			<b>61</b>						
Households			61						
<b>Payments for capital assets</b>			<b>424 935</b>	<b>10 000</b>	<b>27 500</b>	<b>27 500</b>	<b>15 000</b>	<b>10 000</b>	<b>5 000</b>
Machinery and equipment			300 907		17 500	27 500			
Software and other intangible assets			124 028	10 000	10 000		15 000	10 000	5 000
<b>Payments for financial assets</b>			<b>10</b>						
<b>Total economic classification</b>	<b>11 211</b>	<b>15 119</b>	<b>555 110</b>	<b>288 762</b>	<b>322 129</b>	<b>322 129</b>	<b>413 618</b>	<b>437 331</b>	<b>185 544</b>

Expenditure increased sharply from R11.2 million to R555.1 million in the outer years this increase attributable to payment of capital assets for ICT development. In the 2015/16 budget adjusted to R322.1 million and further increase to R413.6 million and subsequently decrease to R185.5 million.

Spending on compensation of employee increases from R11.2 million to R78.8 million over the seven years period with the significant increase over the MTEF period driven largely by the overhaul of departmental structure to support e-Gov mandate. The budget reduces from R30.5 million to R21.9 million during the 2015/16 budget adjustment process when the department redirected unutilized funds for vacant posts to fund the additional requirements of GBN project.

Expenditure on goods and services increases from R111.4 million in 2014/15 to R272.7 million adjusted budget in 2015/16 due to implementation GBN project subsequently increase to R328.4 million in 2016/17 and R352.5 million in 2017/18 before decrease to R101.8 million due to completion of the same project. The budget increases from R248.3 million to R272.7 million during the 2015/16 budget adjustment process when the department reallocated the unutilized personnel budget to fund the additional requirements of GBN project and the establishment of the GBN Network Operation Centre.

The design, rollout and implementation of the GBN project is one of the programme's key mandates. GBN has three key objectives: firstly to improve government efficiency and to save government and citizens time and money; secondly to promote digital inclusion by connecting citizens to high-speed broadband initially, through the Thusong Centres located in townships across the province, and finally to act as an economic enabler by ensuring that priority townships and economic regeneration zones have access to high speed broad band.

By the end of the 2014/15 financial year, six core sites had been built and connected. The core sites mentioned are: Chris Hani Baragwanath Hospital, 75 Fox Street, 82 Grayston Drive, the West Rand District Offices in Randfontein, Teraco in Kempton Park for internet and Telkom for the government Data Centre. The core sites are distribution nodes from which it is possible to start connection to other government buildings. Voice and data services will be the first applications available to 130 000 GPG employees: data services were made available by the end of the 2014/15 financial year and the provision of voice services scheduled for 2015/16.

Additional funding is allocated for more sites that will be connected over the 2016 MTEF period. It is planned that 300 sites will be connected in 2016/17. The number of sites increases to 800 in 2017/18 and 850 in 2018/19.

A significant amount of the ICT programme's budget was allocated for capital expenditure during the 2014/15 financial year. Out of R424.9 million spent in 2014/15, approximately R300 million related to the cost of building the broadband core network. The allocation of resources and the priority given to the ICT programme were guided by the principled approach that seeks to ensure that limited resources are utilised efficiently and geared towards capital investment as opposed to consumption expenditures, i.e. the rollout of the broadband and the digitization of the back office functions and allocating resources core items that support mandate of e-Gov.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: POLICY PLANNING, STRATEGIC DEVELOPMENT AND SUPPORT SERVICES

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
GCR e-Government Governance Framework approved	Governance Framework approved	Governance Framework reviewed	Governance Framework reviewed
Number of GCR e-Government Communities of Practice (COP) established	3 COPs implemented	4 COPs implemented	5 COPs implemented
GCR e-Government Forum's ToR finalised	GCR e-Government Forum Terms of Reference approved and finalised	GCR e-Government Forum Terms of Reference reviewed	GCR e-Government Forum Terms of Reference reviewed
GCR e-Government legal framework approved	Legal framework approved	Reviewed legal framework	Reviewed legal framework
GCR e-Government regulatory and policy framework approved	Regulatory and policy framework defined and implemented	Reviewed regulatory and policy Framework	Regulatory and policy framework
GCR e-Government architecture framework approved	Architecture framework approved	Reviewed architecture framework	Reviewed architecture framework
e-Government architecture blueprint approved	GCR e-Government architecture blueprint approved	GCR e-Government architecture blueprint updated	GCR e-Government architecture blueprint updated
GCR e-Government Information Security Framework approved	GCR e-Government Information Security Framework approved	Review Information Security Framework	Information Security Framework approved
GCR e- Government Monitoring and Evaluation Framework approved	GCR e-Government Monitoring and Evaluation Framework approved	Review Monitoring and Evaluation Framework	Review Monitoring and Evaluation Framework

### PROGRAMME 3: e-GOVERNMENT SOLUTIONS, SYSTEMS AND OPERATIONS

#### Programme description

To enable ICT structures built and common GCR services built according to a standardised method.

#### Programme objectives

- To ensure that the ICT infrastructure required for the GCR connected government exists, and is enabled by an upgraded core network and maintained network availability, allowing GCR entities to be connected to the private cloud.
- To ensure that the common technology platform is designed and rolled out, allowing third party integration; to ensure that support services are designed and rolled out, enabling GCR entities to deliver e-Government Services.

TABLE 13.10 : SUMMARY OF PAYMENTS AND ESTIMATES: SOLUTIONS, SYSTEMS AND OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
2. Operations Management	204 172	210 997	228 996	278 830	301 597	298 968	256 038	254 499	268 440
3. Applications	680 230	458 016	204 964	299 504	271 569	271 423	123 436	135 004	158 344
4. Infrastructure Management							43 629	46 494	48 995
5. Business Automation Processes	83 591	94 625	97 087	111 224	103 596	106 393	127 059	135 255	141 733
<b>Total payments and estimates</b>	<b>969 102</b>	<b>764 638</b>	<b>534 152</b>	<b>689 558</b>	<b>676 762</b>	<b>676 784</b>	<b>552 220</b>	<b>573 442</b>	<b>619 809</b>

TABLE 13.11 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOLUTIONS, SYSTEMS AND OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Compensation of employees	146 534	161 195	160 399	209 276	192 428	190 144	263 784	280 772	294 761
Goods and services	731 835	595 424	355 757	480 282	356 502	287 484	279 602	280 836	316 214
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>135</b>	<b>256</b>	<b>219</b>		<b>204</b>	<b>226</b>			
Households	135	256	219		204	226			
<b>Payments for capital assets</b>	<b>90 398</b>	<b>7 762</b>	<b>17 777</b>		<b>127 628</b>	<b>198 646</b>	<b>8 834</b>	<b>11 834</b>	<b>8 834</b>
Buildings and other fixed structures									
Machinery and equipment	7 512	7 762	17 777		30 124	91 142	7 434	10 434	7 434
Software and other intangible assets	82 886				97 504	107 504	1 400	1 400	1 400
<b>Payments for financial assets</b>	<b>200</b>	<b>1</b>				<b>284</b>			
<b>Total economic classification</b>	<b>969 102</b>	<b>764 638</b>	<b>534 152</b>	<b>689 558</b>	<b>676 762</b>	<b>676 784</b>	<b>552 220</b>	<b>573 442</b>	<b>619 809</b>

This programme is the ICT operations nerve centre for the department as it provides support to enables delivery of e-government services. Compensation of employees increases over the seven-year period under review from R146.5 million in 2012/13 to R294.8 million in 2018/19. Excluding the impact of the restructuring referred to above, the increase in the budget over the MTEF provides for the annual salary adjustments as per the prescribed rates for salary increases in the public sector.

The budget for goods and services decreases from R731.8 million in 2012/13 to R316.2 million in 2018/19. Historically, a major portion of the total budget for goods and services was allocated for three main cost drivers, namely: the e-learning project, computer services and license support and maintenance. However, as from 2014/15, the budget provides for the implementation of the digitisation of the back office support (including the digitisation of provincial HR functions); maintenance of the GPG ICT infrastructure; licence support and maintenance; fully managed data centre; email management and archiving solution; information security operations; costs relating to the Professional Jobs Centre in Maponya Mall; and the debt management solutions.

In a quest to automate the manual HR processes, the department will continue to roll out the EPMDs system. The performance management and development system will be extended to two GPG departments that are already on a SAP-based Employee Self-Service (SAP ESS) and continue to roll out automated termination services in departments that are SAP ESS enabled. The Maponya Mall Professional Job Centre will continue to create access to the available GPG vacancies of up to 9 000 job seekers. The Department will avail GPG vacancies to the communities through the launch of mobile recruitment campaigns. Employee Wellness Programme will issue an annual GPG Employment Health and Wellness Programme (EHWP) trend analysis in an effort to improve employee wellness. The department will pursue the 20 percent reduction of the GPG recoverable debtors' book in the new financial year 2016/17.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: SOLUTIONS, SYSTEMS AND OPERATIONS

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of G2C sites connected (Thusong Centres and libraries)	13	13	13
Number of G2B sites connected (Economic zones, iKasi Labs, mLabs)	4	2	1
Number of G2G sites connected (departments and agencies)	283	785	786



Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Number of core networks upgraded		4	4
% of network availability for broadband and access points	98% Availability	98% Availability	98% Availability
Number of entities connected to private cloud	Additional 5 departments	2 Agencies	1 Municipalities 3 Agencies
Number of entities assessed for cloud readiness	8 Agencies assessed	2 municipalities	-
% Common technology platform implemented	100% Common technology platform implemented	Maintain and improve common technology platform	Maintain and improve common technology platform
Number of third parties integrated into common technology platform	1	3	5
Number of third party datasets accessible	Access to 1 third party data sets	Access to 3 third party data sets	Access to 5 third party sets
Number of open dataset available/ exposed	Access to 1 third party database	Open data phase 1	Open data phase 2
Common service framework designed	Common service framework designed	Common service framework reviewed	Common service framework reviewed
Number of digital services catalogued	3 Digital services	10 Digital services	15 Digital services
Service prototyping framework defined	Service prototyping framework defined	Service prototyping framework reviewed	Service prototyping framework reviewed
Number of digital services prototyped	2 Digital services prototyped	6 Digital services prototyped	10 Digital services prototyped
% Projects completed on time, budget within scope	Projects completed per plan	Projects completed per plan	Projects completed per plan
CoE satisfaction survey report	CoE satisfaction survey report	CoE satisfaction survey report	CoE satisfaction survey report
Number of GPG departments with SAP E-PMDS to go live on automated PMDS	3 Automated SAP ESS enabled E-PMDS rolled out to GPG departments	3 Automated SAP ESS enabled E-PMDS rolled out to GPG departments	2 Automated SAP ESS enabled E-PMDS rolled out to GPG departments
Number of GPG departments with SAP ESS to go live on automated termination services (HR21 and HR24)	2 SAP ESS enabled automated termination system rolled out to GPG departments	2 SAP ESS enabled automated termination system rolled out to GPG departments	Maintenance and support

## PROGRAMME 4: e-GOVERNMENT REGULATIONS, COMPLIANCE AND PUBLIC RELATIONS

### Programme description

Usage of e-Government services (citizens, businesses and government entities)

### Programme objectives

- To promote usage of e-Government services (citizens, businesses and government entities).
- To stimulate the ICT economy through facilitating incubation and innovation as well as encouraging public private partnerships for the development and rollout of e-Government services.

TABLE 13.12 : SUMMARY OF PAYMENTS AND ESTIMATES: REGULATIONS, COMPLIANCE AND PUBLIC RELATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Regulations Programme Support							1 784	1 896	1 986
2. Regulations and Compliance							11 375	12 107	12 699
3. Public Relations and Oversight							11 375	12 107	12 699
Total payments and estimates							24 534	26 110	27 384

TABLE 13.13 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: REGULATIONS, COMPLIANCE &amp; PUBLIC RELATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Compensation of employees							24 534	26 110	27 384
Goods and services									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts									
<b>Payments for capital assets</b>									
Machinery and equipment									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>							<b>24 534</b>	<b>26 110</b>	<b>27 384</b>

Programme 4: Regulations, Compliance and Public Relations is a newly-created programme within the Department of e-Government. The budget allocated for the programme caters for personnel requirements. It increases from R24.5 million in 2016/17 to R27.4 million in 2018/19. It provides for the acquisition of human capital, competencies and skills required for this new programme to operate efficiently.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: REGULATIONS, COMPLIANCE AND PUBLIC RELATIONS

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
GCR e-Government CRM Framework approved	Approved GCR e-Government CRM Framework by 30 June 2016	Reviewed GCR e-Government CRM Framework by 30 June 2017	Reviewed GCR e-Government CRM Framework by 30 June 2018
% of Change and transformation management activities completed per plan	100%	100%	100%
Number of registered users (citizens, business, employees, government)	21 620	22 720	22 838
Number of public surveys	2	2	2
% incentive uptake	10% Incentives offered taken up	10% Incentives offered taken up	10% Incentives offered taken up

## 9. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 13.14 : PERSONNEL NUMBERS AND COSTS BY PROGRAMME

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	259	259	261	302	330	330	330
2. Policy Planning, Strategy Development and Support Services	24	24	24	24	105	105	105
3. Solutions, Systems and Operations	333	333	275	296	377	377	377
4. Regulations, Compliance and Public Relations					42	42	42
Direct charges							
<b>Total provincial personnel numbers</b>	<b>616</b>	<b>616</b>	<b>560</b>	<b>622</b>	<b>896</b>	<b>896</b>	<b>896</b>
Total provincial personnel cost (R thousand)	220 276	245 369	252 933	301 453	503 991	536 347	562 800
Unit cost (R thousand)	358	398	452	485	562	599	628

TABLE 13.15 : SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

	Actual				Revised estimate		Medium-term expenditure estimate				Average annual growth over MTEF						
	2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19				
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total			
Salary level																	
1 - 6	222	36 281	208	39 596	225	225	46 155	226	50 646	226	53 964	226	57 162	0.1%	7.4%	11.2%	
7 - 10	296	101 837	259	121 093	293	293	124 597	442	166 503	442	177 958	442	187 978	14.7%	14.7%	35.0%	
11 - 12	70	52 345	65	59 598	72	72	46 769	144	90 777	144	96 947	144	102 569	26.0%	29.9%	17.6%	
13 - 16	28	29 813	28	32 643	32	32	30 465	84	86 723	84	92 608	84	98 276	37.9%	47.8%	15.8%	
Other							53 467		109 342		114 870		116 815		29.8%	20.4%	
Total	616	220 276	560	252 930	622	622	301 453	896	503 991	896	536 347	896	562 800	12.9%	23.1%	100.0%	
Programme																	
1. Administration	259	62 531	261	73 909	302	302	152 290	330	236 238	330	250 451	330	260 390	3%	19.6%	47.3%	
2. Policy Planning, Strategy Development and Support Services	24	11 211	24	18 625	24	24	30 468	105	65 169	105	69 584	105	73 573	63.6%	34.2%	12.4%	
3. Solutions, Systems and Operations	333	146 534	275	160 399	296	296	118 695	377	156 640	377	167 272	377	177 023	8.4%	14.3%	33.1%	
4. Regulations, Compliance and Public Relations								42	22 972	42	24 520	42	25 907			3.6%	
Direct charges																	
Total	616	220 276	560	252 933	622	622	301 453	896	503 991	896	536 347	896	562 800	12.9%	23.0%	100.0%	

The organisational structure of the department is being reviewed by the DPSA for approval. The new organisational structure will be phased in over the MTEF, with full implemented set for 2018/19. The implementation period of the structure is aligned with the strategic mandate and the service delivery model to bring about the TMR of the province. To achieve the goals of the modernisation of the public service, the Provincial Executive Council adopted a five-year GCR-wide e-government strategy. The core function of the new structure is expanded and elevated to 3 branches that serve the broader GCR Policy Planning; Strategy Development and Support Services; Solutions, Systems and Operations; and Regulations, Compliance and Public Relations. The support function (i.e. administration block) serves as a support to the core (i.e. ICT).

Personnel numbers decrease from 616 to 560 in 2014/15 and then increase to 622 in 2015/16. The fluctuation is caused by the re-engineering of the department to focus on the ICT services, which involved the migration of functions such procurement, audit services and human resources to the provincial departments to improve efficiency in the provincial service delivery. The staff complement increases to 896 as from 2016/17 due to an increase in the junior management positions (293 to 442) and middle management positions (72 to 144).

## 9.2 Training

TABLE 13.16 : PAYMENTS ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>1 899</b>	<b>1 648</b>	<b>3 155</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 300</b>	<b>2 415</b>	<b>2 136</b>
Subsistence and travel									
Payments on tuition	1 899	1 648	3 155	2 000	2 000	2 000	2 300	2 415	2 136
Other									
<b>Total payments on training</b>	<b>1 899</b>	<b>1 648</b>	<b>3 155</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 300</b>	<b>2 415</b>	<b>2 136</b>

The accumulated training costs amounted to R6.7 million between 2012/13 and 2014/15. The number of training opportunities increased 486 in 2012/13 to 776 in 2014/15. This trend explains the highest spending on training of R3.1 million in 2014/15 versus R1.9 million spent in 2012/13 and R1.6 million spent in 2013/14.

During 2015/16, the department continues to invest in skills development by allocating R2 million for training. The budget allocated for training ranges between R2.1 million and R2.4 million over the MTEF period in which training opportunities set to increase from 900 to 1000.

TABLE 13.17 : INFORMATION ON TRAINING: e-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of personnel trained	283	820	535	600	628	628	668	711	758
of which									
Male	108	380	215	200	362	362	389	418	450
Female	175	440	320	400	266	266	279	293	308
Number of training opportunities	486	562	776	900	946	1 000	900	946	1 000
of which									
Tertiary	173	320	227	350	368	389	350	368	389
Workshops	90	150	128	100	105	111	100	105	111
Seminars	38	40	56	50	53	56	50	53	56
Other	185	52	365	400	420	444	400	420	444
Number of bursaries offered	171	266	227	70	80	90	75	80	85
Number of interns appointed	40	40	40	45	42	44	40	42	44
Number of learnerships appointed			40	45	45	45	40	42	44
Number of days spent on training									

The core mandate of the department requires the provision and acquisition of skills for personnel that will enable competitive sustainability towards the vision of a 'Connected Gauteng City Region'.

The number of staff members trained increases from 535 in 2014/15 to 600 in 2015/16 and it set to increase further to 758 in 2018/19. Changes in personnel trained move in tandem with training opportunities, which increase from 776 in 2014/15 to 1 000 in 2018/19. Training is offered in the form of tertiary studies, workshops and seminars to support continues skills development.

The youth benefit from skills development opportunities in the department through the internship programme and the learnership programme. Each of these programmes offer training and skill development to a minimum of 40 young persons per annum. Therefore, a minimum of 80 young adults gain skills development from these programmes per annum.

The most important intervention is an uncompromising investment in human capital as it is the key resource for the delivery of services to the GPG departments and the community of Gauteng at large. This will be done by ensuring, amongst others, the alignment of Human Resource Development Strategy to the strategies of the provincial and national government. Sustainability of the relevant governance structures is key to the needs analysis and the development of the required skills.

Additional to the above, the department is committed to the broader objectives of ensuring the realisation of participation in key positions by members of designated groups, with major emphasis to the advancement of people with disabilities, ensuring women and youth empowerment. This will be realised through a multi-approach to development within the prescripts of the National Skills development Act of 1998.

## 1.2. Reconciliation of structural changes

TABLE 13.18 : RECONCILIATION OF STRUCTURAL CHANGES: e-GOVERNMENT

2015/16		2016/17	
Programmes	R'000	Programmes	R'000
		<b>1. Administration</b>	<b>225 760</b>
		1. Office of the HOD	7 859
		2. Risk Management	6 267
		3. Office Of The CFO	56 979
		4. Corporate Services	154 655
		<b>2. Policy Planning, Strategy Development and Support Service</b>	<b>413 618</b>
		1. Policy Planning Programme Support	1 797
		2. ICT Architecture	32 290
		3. Program Management	16 708
		4. Innovation Platforms	13 332
		5. BN Connectivity	349 491
		<b>3. Solutions, Systems and Operations</b>	<b>552 220</b>
		1. Operations Programme Support	2 058
		2. Operations Management	256 038
		3. Applications	123 436
		4. Infrastructure Management	43 629
		5. Business Automation Processes	127 059
		<b>4. Regulations, Compliance and Public Relations</b>	<b>24 534</b>
		1. Regulations Programme Support	1 784
		2. Regulations and Compliance	11 375
		3. Public Relations and Oversight	11 375
<b>Total</b>			<b>1 216 132</b>

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

TABLE 13.19: SPECIFICATION OF RECEIPTS: e-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised Estimates	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Tax receipts</b>									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
<b>Sales of goods and services other than capital assets</b>	<b>1 313</b>	<b>953</b>	<b>850</b>	<b>744</b>	<b>744</b>	<b>744</b>	<b>515</b>	<b>516</b>	<b>546</b>
Sale of goods and services produced by department (excluding capital assets)	1 313	953	850	744	744	744	515	516	546
Sales by market establishments	1 313	953	850	744	744	744	515	516	546
Administrative fees									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
Households and non-profit institutions									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>		<b>41</b>	<b>15</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
Interest		41	15	10	10	10	11	12	13
<b>Sales of capital assets</b>									
<b>Transactions in financial assets and liabilities</b>	<b>1 042</b>	<b>416</b>	<b>1 285</b>	<b>160</b>	<b>160</b>	<b>1 009</b>	<b>255</b>	<b>300</b>	<b>317</b>
<b>Total departmental receipts</b>	<b>2 355</b>	<b>1 410</b>	<b>2 150</b>	<b>914</b>	<b>914</b>	<b>1 763</b>	<b>781</b>	<b>828</b>	<b>876</b>

TABLE 13.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Adjusted appropriation	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>129 420</b>	<b>239 778</b>	<b>121 810</b>	<b>192 605</b>	<b>179 346</b>	<b>178 777</b>	<b>224 770</b>	<b>233 698</b>	<b>244 345</b>
Compensation of employees	62 531	71 719	73 909	103 796	87 152	87 141	145 481	154 667	161 955
Salaries and wages	46 088	71 157	63 521	91 172	76 086	76 075	129 738	137 820	144 023
Social contributions	16 443	562	10 388	12 624	11 066	11 066	15 743	16 847	17 932
Goods and services	66 889	168 059	47 901	88 809	92 194	91 636	79 289	79 031	82 391
Administrative fees	114	155	456	226	1 490	1 636	1 038	1 095	1 149
Advertising	534	1 295	634	460	1 770	1 775	2 045	2 040	2 043
Minor assets	503	46	225		1 524	1 544			
Audit cost: External	3 639	4 989	5 536	5 753	5 753	5 753	6 075	6 409	6 729
Bursaries: Employees	1 620	2 038	1 733	581	881	881	1 880	2 066	2 193
Catering: Departmental activities	82	194	46	133	88	84	84	87	89
Communication (G&S)	1 433	1 244	1 753	1 198	927	979	607	609	609
Computer services	15 053	123 486	128	12	415	415	13	14	15
Consultants and professional services: Business and advisory services	1 116	2 651	1 944	4 250	2 101	2 101	398	421	442
Consultants and professional services: Legal costs	3 448	2 771	1 380	3 785	2 779	2 779	2 951	3 122	3 303
Contractors	466	656	1 005	11 121	14 788	11 281	10 987	11 034	11 078
Fleet services (including government motor transport)		1 532	429	2 448	605	605	2 586	2 727	2 864
Inventory: Farming supplies									
Inventory: Food and food supplies	60								

TABLE 13.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Adjusted appropriation	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Inventory: Fuel, oil and gas	11								
Inventory: Learner and teacher support material	–								
Inventory: Materials and supplies	54								
Consumable supplies	197	519	95	387	728	728	320	339	365
Consumable: Stationery, printing and office supplies	1 725	1 520	1 591	637	637	637	613	645	678
Operating leases	5 869	4 633	5 098	4 923	9 533	9 533	9 176	8 733	9 233
Property payments	25 246	15 483	19 743	48 249	42 165	41 827	35 423	34 326	36 318
Transport provided: Departmental activity									
Travel and subsistence	2 302	2 103	1 658	1 627	1 299	1 571	1 548	1 645	1 570
Training and development	1 899	1 648	3 152	1 050	1 539	1 539	1 834	1 952	2 065
Operating payments	90	43	192	468	529	531	567	591	436
Venues and facilities	1 428	1 053	1 103	1 501	2 643	5 437	1 145	1 176	1 212
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>88</b>	<b>132</b>	<b>1 752</b>	<b>525</b>	<b>321</b>	<b>441</b>	<b>550</b>	<b>577</b>	<b>610</b>
Provinces and municipalities									
Departmental agencies and accounts			1 589						
Social security funds			–						
Provide list of entities receiving transfers			1 589						
Higher education institutions									
Public corporations and private enterprises		5							
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises		5							
Subsidies on production		5							
Other transfers									
Non-profit institutions									
Households	88	127	163	525	321	441	550	577	610
Social benefits	88	127	163	525	321	441	550	577	610
Other transfers to households									
<b>Payments for capital assets</b>	<b>8 662</b>	<b>3 581</b>	<b>2 198</b>	<b>55</b>	<b>245</b>	<b>760</b>	<b>440</b>		
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	8 567	2 946	2 198	55	245	747	440		
Transport equipment			1 587						
Other machinery and equipment	8 567	2 946	611	55	245	747	440		
Software and other intangible assets	95	635				13			



TABLE 13.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Adjusted appropriation	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Payments for financial assets	145	1 036				54			
<b>Total economic classification</b>	<b>138 315</b>	<b>244 527</b>	<b>125 760</b>	<b>193 185</b>	<b>179 912</b>	<b>179 890</b>	<b>225 760</b>	<b>234 275</b>	<b>244 956</b>

TABLE 13.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: POLICY PLANNING, STRATEGY DEVELOPMENT &amp; SUPPORT SERVICE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>11 211</b>	<b>15 109</b>	<b>130 114</b>	<b>278 762</b>	<b>294 629</b>	<b>294 629</b>	<b>398 618</b>	<b>427 331</b>	<b>180 544</b>
Compensation of employees	11 211	12 455	18 625	30 468	21 884	24 168	70 192	74 798	78 700
Salaries and wages	9 000	12 455	17 396	27 885	20 293	22 577	65 252	69 511	73 076
Social contributions	2 211		1 229	2 583	1 591	1 591	4 940	5 287	5 624
Goods and services		2 654	111 489	248 294	272 745	270 461	328 426	352 533	101 844
Administrative fees									
Advertising									
Minor assets			1	100	237	237	223	253	265
Communication (G&S)				40	40	40		803	303
Computer services		119	101 420	240 434	265 330	262 864	326 990	350 737	100 499
Consultants and professional services: Business and advisory services		178	6 525	4 029	2 977	3 821	1 089	599	629
Contractors		1 601	2 135	533	1 067	534			
Consumable: Stationery, printing and office supplies			48						
Operating leases		756	1 359	1 779	1 779	1 790			
Property payments				797	797	798			
Transport provided: Departmental activity									
Travel and subsistence				419	420	294			
Training and development				50	18	21	34	40	41
Operating payments			1	43	10	10	90	101	107
Venues and facilities				70	70	52			
Rent on land									
<b>Transfers and subsidies</b>			<b>61</b>						
Households			61						
Social benefits			61						
Other transfers to households									
<b>Payments for capital assets</b>			<b>424 935</b>	<b>10 000</b>	<b>27 500</b>	<b>27 500</b>	<b>15 000</b>	<b>10 000</b>	<b>5 000</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment			300 907		17 500	27 500			
Transport equipment									
Other machinery and equipment			300 907		17 500	27 500			
Software and other intangible assets			124 028	10 000	10 000		15 000	10 000	5 000
<b>Payments for financial assets</b>			<b>10</b>						
<b>Total economic classification</b>	<b>11 211</b>	<b>15 119</b>	<b>555 110</b>	<b>288 762</b>	<b>322 129</b>	<b>322 129</b>	<b>413 618</b>	<b>437 331</b>	<b>185 544</b>

TABLE 13.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOLUTIONS, SYSTEMS AND OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>878 369</b>	<b>756 619</b>	<b>516 156</b>	<b>689 558</b>	<b>548 930</b>	<b>477 628</b>	<b>543 386</b>	<b>561 608</b>	<b>610 975</b>
Compensation of employees	146 534	161 195	160 399	209 276	192 428	190 144	263 784	280 772	294 761
Salaries and wages	136 890	161 195	139 520	181 620	167 287	165 003	234 679	249 620	261 596
Social contributions	9 644		20 879	27 656	25 141	25 141	29 105	31 152	33 165
Goods and services	731 835	595 424	355 757	480 282	356 502	287 484	279 602	280 836	316 214
Administrative fees		29	36	166	166	166	196	196	196
Advertising	244	44			25	25	25	25	25
Minor assets	414	46	1 572		8	299			
Catering:									
Departmental activities	38	2	6	10	21	21	10	10	10
Communication (G&S)	2 325	5 937	5 423	5 223	6 879	6 863	7 129	7 136	7 521
Computer services	131 248	559 148	319 242	422 905	313 966	245 983	245 098	235 008	268 254
Consultants and professional services:									
Business and advisory services	581 438	3 525		844	3 523	3 204			
Contractors	5 588	4 549	4 846	6 480	760	1 725	1 598	2 609	2 733
Entertainment	2								
Inventory: Materials and supplies	1								
Consumable supplies		6	31		29	65	31	33	34
Consumable: Stationery, printing and office supplies		10	30						
Operating leases	8 495	19 974	22 386	42 024	28 475	26 552	22 879	32 886	34 529
Property payments			235	30	87	86	71	75	78
Transport provided: Departmental activity									
Travel and subsistence	1		1	80	57	1			
Training and development									
Operating payments	2 035	2 123	1 949	2 335	2 291	2 279	2 370	2 663	2 639
Venues and facilities	8	31		185	177	177	195	195	195
Rental and hiring					38	38			
<b>Transfers and subsidies</b>	<b>135</b>	<b>256</b>	<b>219</b>		<b>204</b>	<b>226</b>			
Households	135	256	219		204	226			
Social benefits	135	256	219		204	226			
Other transfers to households									
<b>Payments for capital assets</b>	<b>90 398</b>	<b>7 762</b>	<b>17 777</b>		<b>127 628</b>	<b>198 646</b>	<b>8 834</b>	<b>11 834</b>	<b>8 834</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	7 512	7 762	17 777	10 000	30 124	91 142	7 434	10 434	7 434
Transport equipment									
Other machinery and equipment	7 512	7 762	17 777		30 124	91 142	7 434	10 434	7 434
Software and other intangible assets	82 886				97 504	107 504	1 400	1 400	1 400
<b>Payments for financial assets</b>	<b>200</b>	<b>1</b>				<b>284</b>			
<b>Total economic classification</b>	<b>969 102</b>	<b>764 638</b>	<b>534 152</b>	<b>689 558</b>	<b>676 762</b>	<b>676 784</b>	<b>552 220</b>	<b>573 442</b>	<b>619 809</b>

TABLE 13.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: REGULATIONS, COMPLIANCE AND PUBLIC RELATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>							<b>24 534</b>	<b>26 110</b>	<b>27 384</b>
Compensation of employees							24 534	26 110	27 384
Salaries and wages							22 954	24 416	25 577
Social contributions							1 580	1 694	1 807
Goods and services									
Administrative fees									
Advertising									
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Households									
Social benefits									
Other transfers to households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>							<b>24 534</b>	<b>26 110</b>	<b>27 384</b>

# VOTE 14

## GAUTENG PROVINCIAL TREASURY

To be appropriated by vote in 2016/17	R607 394 000
Responsible MEC	MEC for Finance
Administering Department	Gauteng Provincial Treasury
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To provide strategic leadership in financial and fiscal matters to ensure sustainable and inclusive social and economic development of the people of Gauteng so that all may enjoy value-for-money services of the highest quality.

#### Mission

We are an activist Treasury that enables and promotes quality service delivery for the citizens of Gauteng through:

- Sustainable financing and funding that ensures developmentally focused allocation of resources and innovative revenue generation;
- Efficient cash management that ensures sustainable liquidity levels in the province;
- Effective financial management and reporting that ensures responsible stewardship and transparent resource utilization and expenditure; and
- A well-structured governance framework that ensures accountability, transparency and fiscal discipline in line with statutory obligations.

#### Strategic goals

The strategic objectives for the department are:

- To promote better planning and budgeting synergy across all spheres of government in the province;
- To ensure balanced budgeting and sustainable funding for legislative mandates and strategic priorities of the province;
- To ensure approved financial resources are spent efficiently, effectively and economically across the province;
- To support all departments, entities and municipalities to achieve unqualified audits;
- To promote accountable and transparent financial governance in the province; and
- To ensure statutory obligations are met and that decision-makers facilitate appropriate interventions.

#### Core functions and responsibilities

The functions or powers of the Gauteng Provincial Treasury (GPT) are described in both the Public Finance Management Act (PFMA), 1999 and the Municipal Finance Management Act, 2003 (Act No 56 of 2003). These can be summarized as follows:

- To manage the budget allocation for the Gauteng Provincial Government (GPG);
- To ensure the instilling of fiscal discipline and corporate governance in the Province;
- To ensure proper cash management;
- To ensure the effective and efficient utilization of resources (that is, value for money and compliance with all relevant legislations);
- To develop, implement and monitor compliance with corporate governance norms and standards relating to provincial and local governments; and
- To ensure adequate financial accountability.

#### Overview of the main services

The mandate of the Gauteng Provincial Treasury is to promote good governance by providing stewardship on all financial

matters in the province and to ensure that provincial budgets and budgetary processes promote transparency, accountability and the effective financial management of GPG.

The role of GPT is to ensure that strategies are funded through projects and other initiatives that are aligned to the provincial priorities and the principles of Batho Pele. The department aims to eliminate irregular and fruitless expenditure and allocate resources in line with the Gauteng Provincial Ten-Pillar Programme.

The key focus areas over the MTEF are to explore alternative funding sources and other own revenue streams to supplement the fiscus; improve planning synergies between the different spheres of government in order to ensure efficiency in the planning and budgeting processes to ensure that the limited fiscus is spent on provincial priorities; eliminating wastage of resources and enhance transparency and accountability by enhancing investigations through the introduction of business intelligent tools that have digital forensics capabilities to detect and prevent fraud; and also monitor contract management in the province to ensure that services are rendered timeously and in a cost effective manner.

The provincial ten-pillar programme of transformation, modernisation and re-industrialisation will continue to be one of guiding framework for resource allocation in the province. The GPT will strive to improve efficiency in the government machinery and processes through interventions such as cash management and in-year-monitoring processes in order to improve operational efficiencies and the quality and credibility of data; stabilization of the GPG wage bill and improvement on the delivery on infrastructure projects in order to stimulate economic growth and contribute towards job creation.

The department will also continue to lead the reform of the public procurement system, with the open tender process being rolled out to more projects in all departments. The 30 day payment of suppliers is an important provincial priority and the 2016/17 financial year will unfold during a time when there is a huge improvement in the payment of government service providers. The introduction of an e-invoicing system has resulted in the majority of provincial departments paying over 90% of their invoices within the 30 day period, with the average number of days from invoice receipt to payment date in the province being less than 20 days.

### **National Development Plan**

The National Development Plan (NDP) envisions a South Africa where everyone feels free; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by ability, education and hard work. The realisation of such a society will require transformation of the economy and focused efforts to build the country's capabilities. The main challenge has been unevenness in capacity that leads to uneven performance in local, provincial and national government.

Part of building the country's capabilities includes the work described in Chapter 13 of the NDP where it is indicated that there is a need to build the capability of the state to play a developmental and transformative role.

In alignment with the need to build a capable state, the department has aligned its objectives with the provincial transformation, modernisation and re-industrialisation programme. The department supports this strategic provincial programme through the pillar relating to the transformation of the state and governance. This pillar is aligned to Chapter 13 of the NDP.

Under this pillar, the department aims to develop systems and interventions to ensure effective financial management in the province. Parts of the interventions in this regard are providing support to departments and municipalities to achieve unqualified audits, elimination of wastage and monitoring of cost containment in the province. Another important aspect of measures the department has undertaken in this regard is ensuring that government plans and budgets are synergised to ensure that local and provincial departments achieve alignment of plans.

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

The global and South African economic situation impacts on the national revenue that is shared amongst the different spheres of government. The prevailing unfavourable economic situation limits the revenue allocated to the province and a further allocation of budgets to provincial departments. Particularly over the 2016 MTEF, the national government implemented the budget cuts on all government budgets to stabilize the national debt situation. This necessitated the implementation of budget cuts on the baselines of provincial departments accordingly.

### **Act, rules and regulations**

- Division of Revenue Act (DORA), 2008;
- Treasury Regulations 2005 and Delegations;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Municipal Finance Management Act, 2004;
- Broad-Based Black Economic Empowerment Act, 2003;
- The Tender Board Repeal Act, 2002;

- Unemployment Insurance Contributions Act, 4 of 2002
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- Municipality Systems Act (2000) and Development Facilitation Act(1995);
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- Skills Development Act, 1998 (Act 97 of 1998)
- Basic Conditions of Employment Act, 1997;
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997);
- Public Service Laws Amendment Act, 1997;
- Government Employees Pension Law 21 of 1996.
- The National Archives Act, 1996;
- Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996);
- The Constitution of the Republic of South Africa, 1996;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995; and
- Public Service Act, 1994 Regulations and Delegations.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2014/15)

The generic structure which was adopted by the GPT in the 2014/15 financial year is currently being implemented. The new structure has seen the migration of Gauteng Audit Services (GAS), Forensic Services and Procurement Services from the former Gauteng Department of Finance to the Gauteng Provincial Treasury. Part of the focus during this financial year is to strengthen the capacity of GAS to achieve its objectives and be in a position to impact positively the Gauteng Provincial Government through the improvement of the risk control environment in the province. In this regard, recruitment processes have been initiated to fill vacant posts in the Programme. The department is currently repositioning the Forensic Services to be a proactive fraud and corruption combating unit that focuses on prevention and detection.

The department continued to support the three provincial TMR pillars for which it is responsible in 2015/16. Progress made is stated below.

### **Pillar 1: Radical economic transformation**

The department is leveraging public procurement to promote economic transformation. In this regard, the GPT aims to expand the GPG procurement from township enterprises and to increase the number of suppliers registered on the GPG supplier database through the supplier development initiatives to.

The department played a key role in the implementation of the Township Economy Revitalisation Strategy. In this regard, the province procured goods and services valued no less than R620 million from the township enterprises which translates to 6 percent of GPG procurement spend in 2015/16. The drive to increase the number of township enterprises registered on the GPG supplier database resulted in registration of a minimum of 3 646 during the year under review. The GPT has played an active supporting role to Gauteng Department of Economic Development in driving the radical economic transformation of township enterprises and re-industrialisation of the Gauteng province by ensuring that township enterprises, co-operatives and SMMEs registered on the government service provider database are compliant with the regulatory requirements to enable them to do business with government. This has been done through the GPT providing training sessions on “How to tender for government business”. Part of ensuring expansion of procurement to township enterprises is to ensure that these businesses are able to be sustainable in their operations by ensuring that they are paid within 30 days. The department has maintained a 100% performance in this regard so far this financial year and continues to monitor the performance of the other departments.

### **GPG Pillar 4: Transformation of State and Governance**

The department supports the GPG transformation of state and governance pillar through ensuring that there is sustainable funding of TMR priorities and the department implements interventions to improve on effective financial management in the province.

Regarding interventions to improve financial management, the province recorded an improved audit outcome in respect 2014/15 financial year audit that was concluded in 2015/16. The highlight of the audit outcome includes unqualified audit report in 13 provincial departments and in 14 out of 15 entities. The GPT’s interventions such as the financial statements review, risk management and follow-ups on previous audit findings contributed to this achievement.

The drive to sustain funding of provincial priorities is supported by the implementation of the provincial revenue enhancement strategy. The strategy aims at improving the collection of provincial own revenue to supplement the national funding received by the province. In this regard, the province recorded a minimum of 16 percent over-collection versus the 2015/16 target.

To deal with incidents of fraud and corruption, the department initiated processes to enhance transparency and accountability by improving fraud and corruption prevention and detection capabilities for the province. The SAP upgrade that is underway will assist the department to monitor contract management. With regard to transparent tender processes, the successful piloting of the open tender process in the previous financial year paved a way for improving transparency of government procurement. The province has identified and the projects with value exceeding R50 million that will be procured through the open tender process.

The department is in the process of enhancing investigations through the introduction of business intelligent tools that have digital forensics capabilities to detect and prevent fraud and also monitor contract management in the province to ensure that services are rendered timeously and in a cost effective manner. All officials with financial and procurement duties are vetted.

Through the Municipal Financial Hands-On Support Programme (MFHSP) the department has continued to support municipalities to improve financial management and to monitor implementation of audit findings to ensure better audit outcomes for municipalities.

#### **GPG Pillar 5: Modernisation of the Public Service**

Strengthening financial management in the province is one of the GPT's key focus areas. In support of this pillar, the department is involved in the automation of systems and back-office digitisation and transformation to improve service delivery. The department has built institutional capacity and enhanced transparency in government accounting and procurement processes as measures to combat corruption and fraud. Progress made so far includes the upgrade of SAP to monitor contract management.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)**

The department will continue to support the implementation of the provincial TMR programme in 2016/17. It will also contribute the priority areas of the Gauteng City-Region.

The department will contribute indirectly towards eight priority areas that are critical in institutionalizing the Gauteng City Region (GCR). It will also contribute directly towards these four areas:

- Revitalising and mainstreaming of the township economy and development of SMMEs and cooperatives through active industrial incentives and transformative procurement policy that promotes the growth of township-based manufacturing and services;
- Investing massively in catalytic infrastructure to facilitate spatial transformation across the five development corridors of the GCR – public transport, energy, water sanitation, broadband and open green spaces;
- Intervening through different programmes to address the challenging situation of youth unemployment; and
- Advocating an Accountable and Clean government through the implementation of the Open Tender System as well as building an active citizenry by engaging communities during the Ntirhisano Programme and Service Delivery War Room initiatives.

#### **Pillar 1: Radical Economic Transformation**

GPT will continue to support provincial initiatives in driving the radical economic transformation of the provincial economy including the township economy and re-industrialisation of the province by ensuring that township enterprises, co-operatives and SMMEs are registered on the government service provider database and are compliant with the regulatory requirements in order for them to do business with the government.

The department will in 2016/17 implement measures to improve the market share for the local content and township enterprises. This will be achieved through monitoring on SAP of the spending on designated sectors and identification of suppliers for development into designated economic sectors.

The department will support Township Economic Revitalisation (TER) through:

- Monitoring and evaluation of Phase 1 GPG procurement;
- Implementation of Phase 2 Procurement Strategy; and
- Reviewing the process on transversal contract.

Phase 1 of the TER focused on increasing procurement from township enterprises, increasing awareness of market access for township enterprises and growing the GPG supplier database through targeted drives for the registration of new township suppliers. The department is in the process of developing Phase 2 of the procurement strategy in support of township economies. Through phase 2, preferential procurement will be emphasised where sectoral and product targets are set for township enterprises. The department will implement supplier development initiatives and promote incubation of developing suppliers to ensure that they become sustainable. Private sector participation will be encouraged to provide enterprise development, skills transfer and access to funding and strategic collaborations in implementing government projects.

#### **Pillar 4: Transformation of state and governance**

In order to ensure continued efficiency in planning and budgeting processes, GPT will ensure that the available limited resources are spent on provincial priorities in line with the TMR programme and the wastage of resources is eliminated. Furthermore, the department will continue to improve planning and spending synergy between provincial and local government as well as with state enterprises that are engaged in significant capital projects in the Province. To achieve this synergy in government planning and programmes, the GPT will continue to work with the Gauteng Planning Division, the Department of Cooperative Governance and Traditional Affairs and local municipalities to develop an integrated planning framework to inform resource allocation and efficiency as well as process improvement.

The department has made strides in the improvement of financial management in the province and will continue to provide structural training to provincial departments, entities and local municipalities. The audit outcomes from the 2015/16 financial year will have been assessed and improvement plans put in place. A tracking system will be implemented in order to ensure implementation of recommendations by the Auditor-General (AG) and thus reduce recurring audit findings.

The department will work with municipalities to turn around their financial distress through revenue enhancement, prioritisation of payment to local municipalities and review of municipal procedures for credit and debt control to support and guide improvement.

#### **Pillar 5: Modernization of the public service**

Strengthening financial management in the province is one of the GPT's key focus areas. This is important in ensuring that resources are used to support provincial priorities, thereby optimizing service delivery. The department will build institutional capacity and enhance transparency in government accounting and procurement processes as measures to combat corruption and fraud.

The department will continue with the SAIPA Learnership Programme and Work Experience Placement Programme where interns will be given an opportunity to learn practical work skills and therefore contribute to the Tshepo 500 000 Programme.

## **4. REPRIORITISATION**

GPT performed the reprioritisation exercise to identify savings that will be utilised to fund spending plan over MTEF. The baselines for goods and services in core programmes were reprioritised. Savings were realised through identifying more cost effective ways of service delivery and reducing funds allocated for non-core items and computer services projects.

The identified savings were redirected to fund the rollout the infrastructure capacity building for provincial departments and municipalities, the development of GPG Procurement Hub to facilitate the open tender process and probity audits on all tenders above R50 million. The overall service delivery will not be negatively affected by the budget reprioritisation.

## **5. PROCUREMENT**

The major procure plans funded in the 2016 MTEF budget are stated below.

#### **Infrastructure Delivery Management System**

The GPT will roll out the Infrastructure Delivery Management System in the Province. The rollout entails the provision of training and technical support to infrastructure departments to build capacity for planning and implementing infrastructure projects in the province.

#### **Capacitation of the Provincial Forensic Audits Unit**

In line with the provision of the Gauteng Province Anti-Corruption strategy the Provincial Forensic Audit is mandated to investigate all fraud and corruption impacting or having the potential to impact on Gauteng Provincial Government. The appointment of service provider will assist the department to swiftly attend to allegations of fraud and corruption.



### Management System for use by the Provincial Forensic Audits

It is a requisite of this mandate therefore that the Gauteng Provincial Government must have a single repository on matters related to fraud and corruption and that this repository (in the form of a Case management System) is hosted by the Provincial Forensic Audit at the GPT.

### Automated Fraud Detection system

The system will enable the GPT a seamless querying ability across the numerous operational database on interest both Gauteng Provincial and National Government as well privately owned.

## 6. REVENUE AND FINANCING

### 6.1 Summary of receipts

TABLE 14.1: SUMMARY OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	346 475	429 905	482 881	584 362	609 271	609 271	607 394	633 536	671 944
Conditional grants									
<b>Total receipts</b>	<b>346 475</b>	<b>429 905</b>	<b>482 881</b>	<b>584 362</b>	<b>609 271</b>	<b>609 271</b>	<b>607 394</b>	<b>633 536</b>	<b>671 944</b>

The Provincial Treasury is funded through equitable share. Funds allocated to the Provincial Treasury during the period under review cater for personnel requirements, printing of GPT publications, provision of support to departments and municipalities, infrastructure capacity building programme, transfers to the Gauteng Funding Agency, Health Intervention Programme, Identification Verification System rollout project, Operation Clean Audit and the transfer of functions from the former Department of Finance.

A trend of funding during the period under review indicates that the establishment of the Gauteng Fund in 2012/13 increased the allocations to the GPT in that financial year. The allocations increased further when the GPT received funding for the Health Intervention Programme in 2013/14. Funding for this intervention programme continued until 2014/15.

The realignment of functions in the province to improve efficiency in the service delivery began in 2014/15 in which functions were transferred between the GPT and the former Department of Finance. The function shift continued in 2015/16 and resulted in the GPT receiving more functions, namely: Gauteng Audit Services, Provincial Forensic Audit Services and transversal procurement. The GPT also established the Provincial Supply Chain Management function in 2015/16 which increased the budget allocation.

The new GPT configuration and the planned intervention such as core programmes capacity building programmes, business intelligence projects will see the allocations increase from R607.4 million to R671.9 million over the 2016 MTEF period.

### 6.2 Departmental receipts

TABLE 14.2: DEPARTMENTAL RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets	175	235	338	222	595	632	1 000	1 050	1 111
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	187 570	247 283	481 451	88 000	400 000	445 334	150 000	200 000	250 000
Sales of capital assets									
Transactions in financial assets and liabilities	66	375	477	395	395	425	415	436	461
<b>Total departmental receipts</b>	<b>187 811</b>	<b>247 893</b>	<b>482 266</b>	<b>88 617</b>	<b>400 990</b>	<b>446 361</b>	<b>151 415</b>	<b>201 486</b>	<b>251 572</b>

The GPT major source of revenue for the GPT is the interest earned on favourable cash balances. The interest revenue is supplemented by parking fees charged to staff members and by recovery of debts from the previous years.

The interest revenue forms 99 percent of the total revenue collected in each financial year. The interest revenue increases from R187.6 million in 2012/13 to R481.4 million in 2014/15. The upward trend in the interest income collection continues in 2015/16. As a result, the budget for this revenue increases to R400 million during the adjustment budget process. The interest revenue budget is set conservatively given that an increased spending in the province would reduce the cash balances and result in lower interest revenue earned. For this reason, the budget increases from R88 million in 2015/16 to R150 million in 2016/17 and to R250 million in 2018/19.

The other revenue sources, particularly the parking fees, increase gradually from R175 000 to R311 000 between 2012/13 and 2014/15. As the staff complement increased in 2015/16 after a transfer of functions from the former Gauteng Department of Finance, the amount collected from this revenue source increased significantly such that the budget was adjusted from R222 000 to R595 000. The budget is set to increase further to over R1 million over the MTEF.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The 2016 Medium Term Expenditure Framework (MTEF) budget is informed by the Gauteng Provincial Treasury's Strategic Plan, Annual Performance Plan, the provincial outcomes and the Gauteng Provincial Government's programme of action (POA). Provision for annual salary adjustments are made as follows: 7.2 percent in 2016/17; 6.8 percent in 2017/18; 5.8 percent in 2018/19. Provision has also been made for notch progression, performance bonuses, increase on housing allowances and employer's medical aid contributions

### 7.2 Programme summary

TABLE 14.3: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	59 768	79 876	92 037	111 528	120 853	120 853	121 342	127 198	134 575
2. Sustainable Fiscal Resource Management	100 757	109 128	139 420	183 781	194 500	194 500	149 645	157 729	168 540
3. Financial Governance	54 318	102 359	110 501	98 608	128 478	128 478	128 028	134 928	142 754
4. Supply Chain Management	65 002	58 311	59 200	86 592	58 907	58 907	91 537	94 379	99 853
5. Municipal Financial Governance	17 958	27 526	28 525	30 097	32 777	32 777	36 303	35 872	37 952
6. Gauteng Audit Services	48 672	52 705	53 198	73 756	73 756	73 756	80 539	83 430	88 269
<b>Total payments and estimates</b>	<b>346 475</b>	<b>429 905</b>	<b>482 881</b>	<b>584 362</b>	<b>609 271</b>	<b>609 271</b>	<b>607 394</b>	<b>633 536</b>	<b>671 944</b>

### 7.3 Summary of economic classification

TABLE 14.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>294 558</b>	<b>375 064</b>	<b>402 551</b>	<b>513 184</b>	<b>481 973</b>	<b>481 831</b>	<b>552 102</b>	<b>575 449</b>	<b>610 488</b>
Compensation of employees	257 114	291 210	332 918	417 813	391 434	391 292	453 362	471 808	500 836
Goods and services	37 444	83 854	69 633	95 371	90 539	90 539	98 741	103 642	109 653
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>50 244</b>	<b>51 119</b>	<b>76 944</b>	<b>70 225</b>	<b>120 604</b>	<b>120 746</b>	<b>52 888</b>	<b>55 533</b>	<b>58 754</b>
Provinces and municipalities									
Departmental agencies and accounts	50 000	50 000	75 000	70 000	120 000	120 000	52 650	55 283	58 489
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Households	244	1 119	1 944	225	604	746	238	250	265
<b>Payments for capital assets</b>	<b>1 573</b>	<b>3 718</b>	<b>3 262</b>	<b>953</b>	<b>6 694</b>	<b>6 694</b>	<b>2 404</b>	<b>2 554</b>	<b>2 702</b>
Buildings and other fixed structures									
Machinery and equipment	1 559	3 557	2 970	953	6 694	6 694	2 404	2 554	2 702
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	14	161	292						
<b>Payments for financial assets</b>	<b>100</b>	<b>4</b>	<b>124</b>						
<b>Total economic classification</b>	<b>346 475</b>	<b>429 905</b>	<b>482 881</b>	<b>584 362</b>	<b>609 271</b>	<b>609 271</b>	<b>607 394</b>	<b>633 536</b>	<b>671 944</b>

In the 2015/16 financial year, the GPT was reconfigured to align to the generic structure prescribed for Provincial Treasuries. The department has created new specialized and focused programmes, also taking over functions that from the former Gauteng Department of Finance. This has impacted both the outcomes and the 2016/17 MTEF period which are inclusive of the adopted functions.

Spending increased from R429.9 million in 2013/14 to R482.8 million in 2014/15. The increased spending and in allocation was due to the Health intervention programme during 2013/14 and 2014/15 financial years. The allocation further increased from R584.4 million main appropriation to R609.3 million adjusted appropriation in the 2015/16 financial year. In 2016 MTEF period the allocation increases further to R607.4 million peaking at R671.9 million in the 2018/19 outer year.

Compensation of employees increased during the period under review, particularly between financial years 2013/14 and 2014/15 where the outcome had been R291.2 million in the 2013/14 financial year, R375 million in the 2014/15 financial year and the budget further increased to R417.8 million in the 2015/16 financial year. This was due to higher than expected salary adjustment and also the cost to re-establish GPT as a stand-alone department. The budget continues to grow in the 2016 MTEF period, R453.4 million in 2016/17 to R471.8 million in 2017/18 and R500.8 million in 2018/19 which corresponds with the departmental plans to fully implement the approved structure and to align the GPT as closely as possible with the uniform budget structure. Provision for notch progression and annual performance bonuses has been made.

Goods and services expenditure amounted to R83.8 million in 2013/14 financial year, the main appropriation increased to R70 million in 2014/15, the increase is inclusive of the R30 million allocations to the Health Intervention project. The allocation decreased by R34 million to R95.4 million in the 2015/16 financial year, this mainly due to the end of the Health Intervention Project

Over the MTEF the department is funding various key projects, such as the establishment of the Procurement Hub for facilitation of the Open Tender Process, Independent Assurance Providers for the Open Tender Process, Infrastructure Delivery Performance Management, and Forensic Audit Information Systems. The department will continue to strengthen their initiatives in support of the Operation Clean Audit such as the Municipal Advisor hands on support programme and various trainings on GRAP and Modified Cash Standard to GPG Departments and entities. The 2016 MTEF period goods and services estimate indicates the amount of R98.7 million in 2016/17, R103.6 million in 2017/18 and R109.7 million in 2018/19.

The Gauteng Fund Agency has been re-established as a government component of the Gauteng Provincial Treasury and will be known as the Gauteng Infrastructure Funding Agency. The Transfers and Subsidies to the Agency over the MTEF period are as follows R53 million in 2016/17 financial year, R55 million in 2017/18 financial year and R58 million in the 2018/19 financial year.

The Payment for Capital assets is mainly to fund tools of trade for the officials to perform their functions efficiently and effectively. The resourcing is based on a structured IT equipment refresh process which is informed by the economic useful life of the various IT assets and warranties. The allocation over the MTEF period will be as follows R2.4 million in the 2016/17; R2.6 million for 2017/18 and R2.7 million for the 2018/19 financial year.

#### 7.4 Infrastructure payments

N/A

**7.4.1 Departmental Infrastructure payments**

N/A

**7.4.2 Departmental Public – Private Partnerships (PPP) projects**

N/A

**7.5 Transfers****7.5.1 Transfers to public entities**

N/A

**7.5.2 Transfers to other entities****14.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO DEPARTMENTAL AGENCIES**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Gauteng Infrastructure Funding Agency	50 000	50 000	75 000	70 000	70 000	70 000	52 650	55 283	58 489
<b>Total departmental transfers</b>	<b>50 000</b>	<b>50 000</b>	<b>75 000</b>	<b>70 000</b>	<b>70 000</b>	<b>70 000</b>	<b>52 650</b>	<b>55 283</b>	<b>58 489</b>

During the 2014/15 financial year, the budget for Gauteng Infrastructure Funding Agency increased from R50 million to R75 million due to the re-establishment of the agency and the provision for the project preparation facility. Over the MTEF, the allocation for GIFA increases from R52.6 million to R58.5 million to ensure a sustainable pipeline of strategic infrastructure projects that are catalysts for socio-economic development in the province.

**7.5.3. Transfers to local government**

N/A

**8. PROGRAMME DESCRIPTION****PROGRAMME 1: ADMINISTRATION****Programme purpose**

The programme aims to provide effective leadership, management and administrative support to the Treasury Programmes as well as the Member of the Executive Council and the Head of Treasury. This is done in fulfilment of the mission and mandate of the Treasury.

**Programme objectives**

To ensure statutory obligations are met and that decision makers facilitate appropriate interventions.

**TABLE 14.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Office of the MEC	6 385	7 033	6 470	7 719	7 671	7 217	8 269	8 677	9 180
2. Office of the HOD	6 607	10 314	14 692	15 523	15 452	16 316	16 790	17 514	18 530
3. Corporate Management	29 891	41 855	52 534	64 241	68 497	68 316	70 936	74 425	78 742
4. Financial Management Services (CFO)	16 885	20 674	18 341	24 045	29 233	29 004	25 347	26 582	28 124
<b>Total payments and estimates</b>	<b>59 768</b>	<b>79 876</b>	<b>92 037</b>	<b>111 528</b>	<b>120 853</b>	<b>120 853</b>	<b>121 342</b>	<b>127 197</b>	<b>134 575</b>

**TABLE 14.7: SUMMARY OF PAYMENTS BY ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>58 195</b>	<b>77 006</b>	<b>88 524</b>	<b>110 350</b>	<b>113 854</b>	<b>113 854</b>	<b>120 101</b>	<b>125 894</b>	<b>133 196</b>
Compensation of employees	32 629	44 926	62 021	73 160	73 080	73 080	78 863	82 619	87 411
Goods and services	25 566	32 080	26 503	37 190	40 774	40 774	41 238	43 275	45 785

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Interest and rent on land									
<b>Transfers and subsidies to:</b>		<b>75</b>	<b>1 499</b>	<b>225</b>	<b>305</b>	<b>305</b>	<b>238</b>	<b>250</b>	<b>265</b>
Provinces and municipalities									
Non-profit institutions									
Households		75	1 499	225	305	305	238	250	265
<b>Payments for capital assets</b>	<b>1 573</b>	<b>2 795</b>	<b>2 006</b>	<b>953</b>	<b>6 694</b>	<b>6 694</b>	<b>1 004</b>	<b>1 054</b>	<b>1 115</b>
Buildings and other fixed structures									
Machinery and equipment	1 559	2 774	1 731	953	6 694	6 694	1 004	1 054	1 115
Heritage Assets									
Software and other intangible assets	14	21	275						
<b>Payments for financial assets</b>			<b>8</b>						
<b>Total economic classification</b>	<b>59 768</b>	<b>79 876</b>	<b>92 037</b>	<b>111 528</b>	<b>120 853</b>	<b>120 853</b>	<b>121 342</b>	<b>127 198</b>	<b>134 575</b>

The expenditure for Administration increased from R59.8 million in 2012/13 to R79.9 million in 2013/14. The expenditure further increase to R92million in the 2014/15 financial year. The main appropriation increased to R111.5 million which is a R19.4million increase when compared to the previous year expenditure. Over the MTEF period the allocation continues to increase from R121.3 million in the 2016/17 financial year to R134.6 million in 2018/19 financial year.

The growth in Administration is indicative of the departments increase in size where the full structure makes a provision for 1091 officials and the migrated function from e-Government. This means administration needed to increase its capacity to support the growth in the number of officials and functions.

The main costs drivers in good services are utilities, external audit, lease payments, communication and property payments. The department also has various project earmarked and catered for under goods and services, the hosting of network servers externally, IT equipment refreshing programme, Corporate Performance and Evaluation information systems, Disaster recovery site establishment.

Compensation of employee spending increases from R32.6 million in 2012/13 financial year; R44.9 million in 2013/14 and R62 million in 2014/15. Over the MTEF period the personnel budget increases from R83 million in 2016/17 to 87 million in 2018/19. This increase is due to the establishment of capacity to support the growth in the department in terms of personnel and functions, other contributions to the increase include the annual cost of living salary increases, notch progressions and personnel related costs such as performance bonus and service bonus.

Over the MTEF, spending for payments for capital assets is expected to stay within the baseline at average allocation of R1 million per financial year. The estimated allocation being R1 million for 2016/17; 2017/18, 2018/19 financial years respectively.

## PROGRAMME 1: ADMINISTRATION

### SERVICE DELIVERY MEASURES: ADMINISTRATION

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters
% of external audit report recommendations implemented before next audit cycle	100%	100%	100%
% of supplier payments paid within 30 days after receipt of final and correct invoice	100%	100%	100%
% compliance with regulatory and legislated reporting requirements as per the compliance dashboard	100%	100%	100%

**PROGRAMME 2: SUSTAINABLE FISCAL RESOURCES MANAGEMENT****Programme purpose**

To ensure the effective and efficient administration of fiscal resources in provincial institutions

**Programme Objectives:**

- To promote better planning, budgeting and resourcing synergy across all spheres of government in the province;
- To ensure government programmes are adequately resourced within the tight fiscal envelope; and
- To ensure approved financial resources are spent efficiently, effectively and economically across the province.

**TABLE 14.8: SUMMARY OF PAYMENTS AND ESTIMATES: SUSTAINABLE FISCAL RESOURCES MANAGEMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1.Programme Support/ Office of the DDG	52 867	55 911	79 280	102 810	125 480	125 480	59 166	62 123	65 726
2.Budget Management	10 959	12 406	13 355	22 127	14 446	15 090	21 483	22 570	23 879
3.Economic and Fiscal Policy Oversight	7 610	8 058	9 383	11 193	11 693	11 572	12 058	12 651	13 385
4.Infrastructure Management	2 984	3 114	3 288	8 159	11 389	10 479	27 734	29 905	31 640
5.Financial Asset and Liabilities Management	15 416	16 962	18 836	21 846	13 846	13 967	12 040	12 425	13 146
6.Public Finance	10 921	12 677	15 278	17 646	17 646	17 912	17 164	18 054	20 764
<b>Total payments and estimates</b>	<b>100 757</b>	<b>109 128</b>	<b>139 420</b>	<b>183 781</b>	<b>194 500</b>	<b>194 500</b>	<b>149 645</b>	<b>157 729</b>	<b>168 540</b>

**TABLE 14.9: SUMMARY OF PAYMENTS AND ESTIMATES: SUSTAINABLE RESOURCES MANAGEMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>50 727</b>	<b>59 088</b>	<b>64 270</b>	<b>113 781</b>	<b>74 420</b>	<b>74 299</b>	<b>95 595</b>	<b>100 946</b>	<b>108 464</b>
Compensation of employees	47 986	53 562	59 773	80 381	63 120	62 999	71 629	75 392	81 427
Goods and services	2 741	5 526	4 497	33 400	11 300	11 300	23 966	25 555	27 037
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>50 030</b>	<b>50 040</b>	<b>75 150</b>	<b>70 000</b>	<b>120 080</b>	<b>120 201</b>	<b>52 650</b>	<b>55 283</b>	<b>58 489</b>
Provinces and municipalities									
Departmental agencies and accounts	50 000	50 000	75 000	70 000	120 000	120 000	52 650	55 283	58 489
Non-profit institutions									
Households	30	40	150		80	201			
<b>Payments for capital assets</b>							<b>1 400</b>	<b>1 500</b>	<b>1 587</b>
Buildings and other fixed structures									
Machinery and equipment							1 400	1 500	1 587
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>100 757</b>	<b>109 128</b>	<b>139 420</b>	<b>183 781</b>	<b>194 500</b>	<b>194 500</b>	<b>149 645</b>	<b>157 729</b>	<b>168 540</b>

In the 2015/16 financial year the Sustainable Fiscal Resource Management Programme was one of the programmes affected by the re-configuration of the GPT. The programme received Financial Asset and Liability Management and Infrastructure Management as new functions and is also expected to provide specialized capacity in the areas of Data Management and Public Private Partnerships.

The spending for Sustainable Fiscal Resource Management increased from R100.7 million in 2012/13 financial year to R109.1 million in the 2013/2014 financial year. In the MTEF period the allocation is as follows; R149.6 million in the 2016/17 financial year, R157.7 million in the 2017/18 financial year and R168.5 million in the 2018/19 financial year. Spending focus over MTEF period will be on catering for the additional capacity in infrastructure management.

Compensation of employees increased from R48 million in 2012/13 financial year to R53.6 million in 2013/14 financial year. It further increased from R59.7 million in the 2014/15 financial year to R80.4 million in the 2015/16 financial year. In the MTEF period the allocation is as follows; R71.6 million in the 2016/17 financial year, R75.4 million in the 2017/18 financial year and R81.4 million in the 2018/19 financial year. The increase in the budget will cater for the additional capacity in infrastructure management, data management and public private partnerships.

Goods and services expenditure was at R2.7 million for 2012/13. There was an increase of R3 million in expenditure to R5.5 million in the 2013/14 financial year and 2014/15 financial year the goods and services expenditure was R29.4 million. In the MTEF period the allocation is as follows; R24 million in the 2016/17 financial year, R25.6 million in the 2017/18 financial year and R27 million in the 2018/19 financial year. The main cost drivers under this programme are capacity building projects, Infrastructure delivery management system in the province, system development projects as well as the printing of provincial publications such as PERO, SERO, MTBPS, and EPRE.

Transfers and subsidies to Gauteng Infrastructure Funding Agency (GIFA) over the MTEF is at R52.7 million for the 2016/17 financial year, it further increases to R58.5 million in 2018/19.

Over the MTEF period the programme introduce the payment for capital assets amounting to R1.4 million 2016/17, R1.5 million for 2017/18 and R1.6 million for 2018/19.

## PROGRAMME 2: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

### SERVICE DELIVERY MEASURE: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>BUDGET MANAGEMENT</b>			
Number of engagements conducted with GPG departments on the alignment of budgets to Provincial Plan	14 MTEC sessions held and key MTEC resolutions prepared	14 MTEC sessions held and key MTEC resolutions prepared	14 MTEC sessions held and key MTEC resolutions prepared
	15 Budget Fora held	15 Budget Fora held	15 Budget Fora held
Number of budgets tabled according to the prescribed timeframes	1 credible MTEF budget that resources the 10 pillars tabled	1 credible MTEF budget that resources the 10 pillars tabled	1 credible MTEF budget that resources the 10 pillars tabled
	1 credible Adjustment budget that resources the 10 pillars tabled	1 credible Adjustment budget that resources the 10 pillars tabled	1 credible Adjustment budget that resources the 10 pillars tabled
Number of strategic projects resourced from the fiscus (game changers)	2	2	2
% variance between projections and actuals	Actual transfer payments should not exceed the quarterly projections by 7%	Actual transfer payments should not exceed the quarterly projections by 5%	Actual transfer payments should not exceed the quarterly projections by 5%
Roll out automated IYM	Automated IYM rolled out to departments	N/A	N/A

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Economic &amp; Fiscal Policy Oversight</b>			
Average % increase in own revenue collection	10%	12%	12%
Publish the SERO at Legislature according to the prescribed timeframes	SERO published in Q4	SERO published in Q4	SERO published in Q4
Table MTBPS at Legislature according to the prescribed timeframes	MTBPS tabled in Q3	MTBPS tabled in Q3	MTBPS tabled in Q3

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Infrastructure Management</b>			
Number of budgets tabled according to the prescribed timeframes	1 budget for infrastructure table as per the provincial budget timeline	1 budget for infrastructure table as per the provincial budget timeline	1 budget for infrastructure table as per the provincial budget timeline
% spent on infrastructure allocation	95%	95%	95%
Number of local municipalities with provincial infrastructure plans aligned to the Gauteng Infrastructure Master Plan	2	2	2

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
Develop draft guideline for infrastructure projects	Conduct legislative compliance on draft guideline for infrastructure projects	Contract management guideline for infrastructure projects approved	Contract management guideline for infrastructure projects implemented
Number of procurement processes for infrastructure tenders completed by Q4 of the preceding year	All procurement processes for infrastructure tenders completed by Q4 of the preceding year	All procurement processes for infrastructure tenders completed by Q4 of the preceding year	All procurement processes for infrastructure tenders completed by Q4 of the preceding year

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Financial Asset Management</b>			
<b>Provincial Revenue Fund</b>			
Unqualified audit opinion with no other matters for the Provincial Revenue Fund	Unqualified audit opinion with no other matters maintained	Unqualified audit opinion with no other matters maintained	Unqualified audit opinion with no other matters maintained

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Financial Asset Management</b>			
<b>Cash Management</b>			
Monthly cash-outflow for departments doesn't exceed the provincial revenue streams	Ensure disbursement for departments should not exceed appropriated funds	Ensure disbursement for departments should not exceed appropriated funds	Ensure disbursement for departments should not exceed appropriated funds
Number of departments with ring-fenced funds for compensation of employees, conditional grants, critical services, municipalities and infrastructure (provincial equitable share)	All	All	All

Performance measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Public Finance</b>			
Number of budget bilaterals conducted	1	1	1
Number of annual budget assessments for identified key programmes / departments conducted	DED budget assessed	3 entities budgets assessed	3 entities budgets assessed
% of GPG wage bill against budget	60%	60%	60%
% spent on conditional grants allocation	95%	98%	99%
Develop a value for money framework	VFM framework implemented in 3 departments	VFM framework implemented in 4 departments	VFM framework implemented in 4 departments
% reduction of non-core line item budgets per annum	10%	10%	10%

### PROGRAMME 3: FINANCIAL GOVERNANCE

#### Programme purpose

The programme aims to promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in PFMA compliant institutions.

#### Programme Objectives

- To reduce fraud and corruption and promote clean government across the province; and
- To support all departments, entities and municipalities to achieve unqualified audits.



TABLE 14.10: SUMMARY OF PAYMENTS AND ESTIMATES: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Programme Support/ Office of the DDG	1 746	28 986	32 613	3 464	15 851	15 762	4 315	4 619	4 887
2. Provincial Accounting Services	26 105	30 896	30 992	37 147	37 277	38 632	53 597	56 870	60 168
3. Provincial Forensic Audits	10 177	14 341	14 848	19 194	23 094	21 965	23 171	25 394	26 867
4. Transversal Internal Audit and Risk Management	7 587	10 377	11 822	14 704	14 691	14 614	16 797	17 597	18 618
5. Compliance	3 300	6 075	12 564	13 699	15 633	15 634	6 949	7 296	7 719
6. Financial Information Management Systems	5 403	11 684	7 662	10 400	21 932	21 871	23 200	23 152	24 495
<b>Total payments and estimates</b>	<b>54 318</b>	<b>102 359</b>	<b>110 501</b>	<b>98 608</b>	<b>128 478</b>	<b>128 478</b>	<b>128 028</b>	<b>134 928</b>	<b>142 754</b>

TABLE 14.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>54 252</b>	<b>100 557</b>	<b>109 161</b>	<b>98 608</b>	<b>128 329</b>	<b>128 422</b>	<b>128 028</b>	<b>134 928</b>	<b>142 754</b>
Compensation of employees	50 934	64 490	74 651	86 364	105 415	105 507	116 097	122 399	129 498
Goods and services	3 318	36 067	34 510	12 244	22 914	22 915	11 931	12 529	13 256
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>66</b>	<b>879</b>	<b>112</b>		<b>149</b>	<b>56</b>			
Provinces and municipalities									
Non-profit institutions									
Households	66	879	112		149	56			
<b>Payments for capital assets</b>		<b>923</b>	<b>1 228</b>						
Buildings and other fixed structures									
Machinery and equipment		783	1 228						
Software and other intangible assets		140							
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>54 318</b>	<b>102 359</b>	<b>110 501</b>	<b>98 608</b>	<b>128 478</b>	<b>128 478</b>	<b>128 028</b>	<b>134 928</b>	<b>142 754</b>

In the 2015/16 financial year the Financial Governance Programme was one of the programmes affected by the re-configuration of the GPT. The programme received Provincial Forensic Audit, Accounting Services and has additional capacity in the areas of Compliance and Financial Business Systems. The outcomes (historical expenditure) and 2016 MTEF is inclusive of the new functions.

Spending for Financial Governance increases from R54.3 million in 2012/13 financial year to R102.4 million in the 2013/14 and R110.5 million in the 2014/15 financial year. The main factor in the increasing trend was the R70 million allocation to the Health Intervention Project in between the 2013/14 and 2014/15 financial years. In 2015/16 financial the budget allocation is R98.6 million. For the MTEF period the financial governance allocation is R128 million in 2016/17; R134.9 million in 2017/18 financial year and R142.8 million in 2018/19 financial year. The main factors contributing to the increase in the budget over the MTEF is the allocation of additional funding for compensation of employees to increase the ongoing Accounting Services Support to the Departments and Entities, various systems development/enhancements projects as a commitment to modernizing the public service for effective service delivery; Forensic Lab establishment, Forensic Audit Information System and GRAP/ Modified Cash Standard training for department and entities.

Compensation of employee spending increases from R50.9 million in 2012/13 financial year to R64.5 million in the 2013/14 financial year. The budget increases from R74.7 million in the 2014/15 financial year to R129.5 million in the 2018/19 financial year. The increases in compensation of employees is due to filling of critical positions as per reconfiguration to align to generic structures prescribe for Provincial Treasuries and salaries settlements that been above the inflation over the period as well as notch progressions

Spending on goods and services stood at R3.3 million in 2012/13 financial years. The average increase in expenditure during the 2013/14 and 2014/15 financial years was R35.2 million; this spending reflects spending on the Municipal Hands on Support Programme. funding allocated The 2016 MTEF period sees a significant drop in the budget allocation under goods and services due to the Health Intervention project which ended in 2014/15 The allocation for the MTEF period being,

R11.9 million in 2016/17, R12.5 million in 2017/18 and R13.3 million for 2018/19. Spending focus over MTEF will be on Forensic Lab establishment, forensic audit information system, P-Card software licenses and GRAP/ Modified Cash Standard training for department and entities.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: FINANCIAL GOVERNANCE

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Provincial Accounting Services</b>			
<b>Financial Accounting</b>			
% of audit recommendations implemented by entities and departments before the next audit cycle	90%	95%	95%
Number of departments and public entities receiving structured targeted training for financial reporting	All departments and entities	All departments and entities	All departments and entities
Number of departments and entities with unqualified audit outcomes	14 departments	All departments and entities	All departments and entities
	All GPG entities		

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Provincial Forensic Audits</b>			
% of recommendations implemented from forensic investigations within the agreed timelines	80%	90%	100%
% of recommendations implemented from detection reviews within the agreed timelines	80%	90%	100%
% of action plans implemented from the fraud prevention plans within the agreed timelines	80%	90%	100%

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Transversal Internal Audit &amp; Risk Management</b>			
Develop and manage a risk profile for departments	Risk profile for all departments developed by 31 March 2017	Update Risk profiles for all departments and develop Risk profiles for 2 municipalities by 31 March 2018	Update Risk profiles for all departments and entities and develop Risk profile for all delegated municipalities by 31 March 2019
Number of departments engaged prior to final submission of APPs to assess the risks	All (14) departments engaged prior to final submission of APP to assess the risk	All departments engaged prior to final submission of APP to assess the risk	All departments engaged prior to final submission of APP to assess the risk
% Implementation of action plans	80% Implementation of action plans	90% Implementation of action plans	100% Implementation of action plans

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Financial Information Management Systems</b>			
Number of departments with BI tool to track and trace accruals, commitments and irregular expenditure deployed	Deploy the tool to remaining departments (10)	N/A	N/A

### PROGRAMME 4 : PROVINCIAL SUPPLY CHAIN MANAGEMENT & MOVEABLE ASSET MANAGEMENT

#### Programme Purpose

To promote and enforce transparency and effective Supply Chain Management in the province.

#### Programme objectives

- To reduce fraud and corruption and promote clean governance across the province; and
- To ensure that service providers are registered and paid timeously.

TABLE 14.12: SUMMARY OF PAYMENTS AND ESTIMATES: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Programme Support/ Office of the DDG	2 303	2 347	3 159	11 490	12 814	11 867	20 047	20 822	22 030
2.SCM Policy, Norms and Standards				7 000			10 000	10 500	11 109
3.Governance, Compliance, Monitoring and Evaluation				3 200	1 200		4 836	3 570	3 777
4. SCM Client Support				29 120	4 501		31 025	32 576	34 466
5. Strategic Procurement				7 373			7 868	8 261	8 741
6.Transversal Contract Management				16 642			17 761	18 649	19 731
7. Movable Asset Management				3 000	4 600	3 203			
8. Procurement Services	62 699	55 964	56 041	8 767	35 792	43 837			
<b>Total payments and estimates</b>	<b>65 002</b>	<b>58 311</b>	<b>59 200</b>	<b>86 592</b>	<b>58 907</b>	<b>58 907</b>	<b>91 537</b>	<b>94 379</b>	<b>99 853</b>

TABLE 14.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>64 926</b>	<b>58 228</b>	<b>59 058</b>	<b>86 592</b>	<b>58 907</b>	<b>58 830</b>	<b>91 537</b>	<b>94 379</b>	<b>99 853</b>
Compensation of employees	63 051	56 132	57 798	80 457	50 438	50 361	77 013	79 276	83 874
Goods and services	1 875	2 096	1 260	6 135	8 469	8 469	14 524	15 103	15 979
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>19</b>	<b>79</b>	<b>9</b>			<b>77</b>			
Provinces and municipalities									
Households	19	79	9			77			
<b>Payments for capital assets</b>			<b>17</b>						
Buildings and other fixed structures									
Software and other intangible assets			17						
<b>Payments for financial assets</b>	<b>57</b>	<b>4</b>	<b>116</b>						
<b>Total economic classification</b>	<b>65 002</b>	<b>58 311</b>	<b>59 200</b>	<b>86 592</b>	<b>58 907</b>	<b>58 907</b>	<b>91 537</b>	<b>94 379</b>	<b>99 853</b>

In 2015/16 financial year the Supply Chain Management was established as new programme in the Gauteng Provincial Treasury. This was part of the re-configuration of the GPT as mentioned earlier. It is made up of the former GDF Procurement Services Functions and GPT SCM oversight functions. Specialist capacity has been added in the areas of SCM governance, SCM compliance monitoring and evaluation.

The expenditure amounted to R65 million in the 2012/13 financial year; the average decrease in expenditure for the 2013/14 and 2014/15 financial years is R58.6 million. The allocation over the MTEF is as follows: R91.5 million in the 2016/17 financial year, R94.4 million in the 2017/18 financial year and R99.9 million in the 2018/19 financial year. The main contributor to the increase in the budget being the additional capacity to be added in the areas of SCM governance, SCM compliance monitoring and evaluation and the procurement of services for facilitation of the open tender process, procurement hub and procurement system content catalogue.

Compensation of Employees expenditure amounted to R63 million in the 2012/13. The expenditure decreased to R56.1 million in the 2013/14 financial year. The budget increased from R58.8 million in the 2014/15 financial year to R80.5 million in the 2015/16 financial year. The allocation over the MTEF is as follows: R77 million for the 2016/17 financial year, R79.2 million for the 2017/18 financial year and R83.9 million for the 2018/19 financial year. The main contributor to the increase in the budget being the additional capacity to be added in the areas of SCM governance, SCM compliance monitoring and evaluation.

Good and Services expenditure was R1.9 million in the 2012/13 and 2013/14 financial year. The budget in the 2014/15 financial year was R2.8 million and increased to R8.5 million 2015/16 financial year. The allocation over the MTEF is as follows; R14.5 million for the 2016/17 financial year and increases to R15.1 million in 2017/18 and R16 million 2018/19. The main focus will be services procured for facilitation of the open tender process, procurement hub and procurement system content catalogue.

**PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT****SERVICE DELIVERY MEASURES**

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>Provincial Supply Chain Management</b>			
Implementation of the contract management guideline in the remaining Departments, Municipalities and Entities	Contract Management guideline in the remaining Departments, Municipalities and entities implemented	Monitoring & reporting performance of Contract Management	Enhance Contract management performance
Implementation of Open Tender process	Open Tender process implemented to all Departments, 1 Municipality & 2 Public Entities for projects >R50 million and ready to advertise in the first 3 quarters	Open Tender process implemented to 14 Departments, 2 Municipality & 7 Public Entities for projects >R50 million and ready to advertise in the first 3 quarters	Open Tender Process implemented in all departments, entities and municipalities.
Implement a functional procurement hub	Approved Concept document ToR / Business case for the GPG Procurement Hub (Precinct)  Approved Implementation plan for the GPG Procurement Hub (Precinct)  Conversion and Refurbishment of the GPT Auditorium into an interim adjudication venue for the GPG Procurement Hub	Establishment of the Procurement Hub	Fully functional GPG Procurement Hub launched
Implementation of SCM Compliance Framework	Approved SCM Compliance framework implemented in all departments	Implement SCM Compliance Framework in departments; 2 entities 1 municipality	Reduction of SCM Non-compliance incidents by 10% from previous financial year
Implement phase II and phase III of TER strategy	Implementation of the TER phase II Pillars / interventions:  1. Preferential Procurement - engagements with NT to review and amend SCM regulations for TER  2. Supplier development - facilitate supplier development and incubation  3. Strategic sourcing - develop strategic sourcing methodologies for TER  4. Private sector participation and partnerships	Implementation of the TER phase II Pillars / interventions:  1. Preferential Procurement,  2. Supplier development,  3. Strategic sourcing,  4. Private sector participation and partnerships	Impact assessment of TER strategies
Increase spend on registered Township suppliers	Procurement spend increased on registered Township suppliers from 12% to 18%	Procurement spend increased on registered Township suppliers from 18% to 24%	Procurement spend increased on registered Township suppliers from 24% to 30%
Increase % procurement spend on township suppliers in the developmental corridors	Procurement spend increased in Developmental corridors, targets:  Central: 26.5%  Northern: 27%  Eastern: 26.5%  Southern: 10%  Western: 10%	Procurement spend increased in Developmental Corridors, targets:  Central: 28.1%  Northern: 28.6%  Eastern: 28.1%  Southern: 10.3%  Western: 10.2%	Procurement spend increased in Developmental Corridors, targets:  Central: 29.8%  Northern: 30.3%  Eastern: 29.8%  Southern: 10.6%  Western: 10.5%
Increase the number of Township suppliers in the GPG centralized database	Increase the number of Gauteng Township suppliers in the centralized database from 5000 to 6000	Increase the number of Gauteng Township suppliers in the centralized database from 6000 to 7000	Increase the number of Gauteng Township suppliers in the centralized database from 7000 to 8000
Increase the number of Township suppliers in the Southern and Western corridors (Sedibeng & West Rand regions)	Increase the number of Township suppliers in the Southern and Western corridors (Sedibeng & West Rand regions) from 800 to 1200	Increase the number of Township suppliers in the Southern and Western corridors (Sedibeng & West Rand regions) from 1200 to 1500	Increase the number of Township suppliers in the Southern and Western corridors (Sedibeng & West Rand regions) from 1500 to 1650

**PROGRAMME 5 : MUNICIPAL FINANCIAL GOVERNANCE****Programme Purpose**

The programme aims to ensure effective and efficient management in Municipalities and Municipal Entities and coordinate the provisioning of capacity building.

## Programme Objectives

- To support all municipalities to achieve unqualified audits; and
- To ensure responsiveness of Municipal IDPs to the inclusion and implementation of the TMR.

TABLE 14.14: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: MUNICIPAL FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Programme Support/ Office of the DDG	17 958	27 526	28 525	2 899	32 777	32 777	5 374	5 543	5 864
2. Local Government Financial Services				10 879			12 305	12 133	12 837
3. Municipal Accounting and Asset Management				10 879			12 249	12 127	12 830
4. Municipal Compliance and Financial Management Support				5 440			6 375	6 069	6 421
<b>Total payments and estimates</b>	<b>17 958</b>	<b>27 526</b>	<b>28 525</b>	<b>30 097</b>	<b>32 777</b>	<b>32 777</b>	<b>36 303</b>	<b>35 872</b>	<b>37 952</b>

TABLE 14.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MUNICIPAL FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>17 946</b>	<b>27 526</b>	<b>28 387</b>	<b>30 097</b>	<b>32 777</b>	<b>32 753</b>	<b>36 303</b>	<b>35 872</b>	<b>37 952</b>
Compensation of employees	17 309	20 061	27 681	29 298	31 298	31 275	35 129	34 639	36 648
Goods and services	637	7 465	706	799	1 479	1 478	1 173	1 232	1 304
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>12</b>		<b>96</b>			<b>24</b>			
Provinces and municipalities									
Non-profit institutions									
Households	12		138			24			
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>17 958</b>	<b>27 526</b>	<b>28 525</b>	<b>30 097</b>	<b>32 777</b>	<b>32 777</b>	<b>36 303</b>	<b>35 872</b>	<b>37 952</b>

In the 2015/16 financial year the Municipal Finance Governance was established as new programme in the Gauteng Provincial Treasury. This was also one of the programmes created after re-configuration of the GPT as mentioned earlier. This function existed in GPT as Local Government Financial Services.

The expenditure for Municipal Finance Governance was R18 million in the 2012/13 financial year, increased to R27.5 million in the 2013/14 financial year and increased to R28.5 million in the 2014/15 financial year. The increase in allocation was mainly to fund the Municipal Hands on Support Programme in the designated municipalities. Spending for the 2015/16 financial year is R32.8 million. The allocation for the programme over the MTEF period is as follows: R36.3million in 2016/17 financial year, R35.9 million in the 2017/18 financial year and R38 million in 2018/19 financial year.

Expenditure on compensation of employees amounted R17.3 million in 2012/13 financial year and increased to R20.1 million by the 2013/14 financial year with a further increase to R27.5 million in the 2014/15 financial year. The budget for the 2015/16 financial amounts to R31.3 million. The increase in allocation between 2014/15 – 2015/16 was mainly to fund the Municipal Advisor Programme. The allocation over the MTEF period is as follows: R35.1 million in the 2016/17 financial year, R34.7 million in the 2017/18 financial year and R36.7 million in the 2018/19 financial year. The gradual increase in allocation caters for the repositioning of the function as a stand-alone specialized function and annual cost of living adjustment, notch progression and performance bonus.

Goods and services expenditure amounted to R637 000 in the 2012/13 financial year and the budget increased to R7.5 million in 2013/14. This was to fund various interventions at municipalities. The allocation for goods and services for the programme over the MTEF is as follows: R1.2 million in the 2016/17, R1.2 million in 2017/18 and R1.3 million in the 2018/19

financial year. The main cost drivers in the programme include the printing of gazettes, travel expenditure to municipalities, software licenses, training and development.

## PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

### SERVICE DELIVERY MEASURES

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
<b>MUNICIPAL FINANCIAL GOVERNANCE</b>			
Number of local municipalities with draft budget assessments conducted to check alignment to IDP's	8	8	8
Number of local municipalities final budget assessments conducted	8	8	8
Number of local municipalities with unqualified audit opinions for the financial year under review	Maintain all unqualified audit outcomes for the financial year under review	All local municipalities with unqualified audit outcomes for the financial year under review	All local municipalities with unqualified audit outcomes for the financial year under review
	70% of audit recommendations on AFS and Accounting standards implemented by local municipalities before the next audit cycle	95% of audit recommendations on AFS and Accounting standards implemented by local municipalities before the next audit cycle	95% of audit recommendations on AFS and Accounting standards implemented by local municipalities before the next audit cycle
% reduction of provincial government debt	30%	50%	100%
% utilisation of funds in line with the conditions framework gazetted and transferred to municipalities	75%	80%	90%
% Implementation of Municipal Financial Hands-On Support Programme (MFHSP) 2 Support Plan with key focus on municipal budgets, financial management and audit support develop targets for implementation cycle	80%	90%	100%
Conduct Municipal Fiscal Responsiveness assessment	Municipal Fiscal Responsiveness assessment conducted	Municipal Fiscal Responsiveness assessment conducted	Municipal Fiscal Responsiveness assessment conducted

## PROGRAMME 6 : GAUTENG AUDIT SERVICES

### Programme purpose:

To enhance transparency, good governance and a clean government through strengthening the internal control and regulatory environment in the province

### Programme objectives

To support all departments, entities and municipalities to achieve clean audits.

TABLE 14.16: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG AUDIT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Programme Support/ Office of the DDG	2 269	1 910	3 768	7 302	7 174	7 390	7 980	7 890	8 348
2. Risk and Compliance Audit Services (Cluster 1; 2 & 3)	17 398	15 136	14 194	16 881	16 904	16 969	25 377	26 446	27 980
3. Risk and Compliance Audit Services (Cluster 4; 5 & 6)	11 638	16 569	17 824	23 375	23 375	23 394	25 487	26 559	28 099
4. Performance and Computer Audit Services	13 438	14 204	12 913	19 815	19 920	19 901	21 693	22 535	23 842
5. Audit Centre of Excellence	3 929	4 886	4 499	6 383	6 383	6 102	–	–	–
<b>Total payments and estimates</b>	<b>48 672</b>	<b>52 705</b>	<b>53 198</b>	<b>73 756</b>	<b>73 756</b>	<b>73 756</b>	<b>80 539</b>	<b>83 430</b>	<b>88 269</b>

TABLE 14.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>48 512</b>	<b>52 659</b>	<b>50 994</b>	<b>73 756</b>	<b>73 686</b>	<b>73 673</b>	<b>80 539</b>	<b>83 430</b>	<b>88 269</b>
Compensation of employees	45 205	52 039	50 994	68 153	68 083	68 070	74 630	77 483	81 977
Goods and services	3 307	620	2 157	5 603	5 603	5 603	5 909	5 947	6 292
Interest and rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies to:</b>	<b>117</b>	<b>46</b>	<b>36</b>		<b>70</b>	<b>83</b>			
Provinces and municipalities									
Households	117	46	36		70	83			
<b>Payments for capital assets</b>			<b>11</b>						
Buildings and other fixed structures									
Machinery and equipment									
Software and other intangible assets			11						
<b>Payments for financial assets</b>	<b>43</b>								
<b>Total economic classification</b>	<b>48 672</b>	<b>52 705</b>	<b>53 198</b>	<b>73 756</b>	<b>73 756</b>	<b>73 756</b>	<b>80 539</b>	<b>83 430</b>	<b>88 269</b>

In the 2015/16 financial year the Gauteng Audit Services was migrated as a function from e-Government to GPT. Thus it is a new programme in the GPT. This was also part of the re-configuration of the GPT as mentioned earlier.

Inclusive in the historical expenditure from 2012/13-2014-15 are the figures that are inclusive of the GAS function which migrated from the former Gauteng Department of Finance now known as e-Government to GPT. More than 95 percent of the GAS budget lies under compensation of employees. Due to the scarce skills in the audit industry in general, priority has been directed toward ensuring the adequate capacitation of the Programme in order to execute its provincial obligations, primary of which is to contribute towards the achievement of clean audits in the Province. Whilst the Programme has historically relied on external audit services, the decision to desist from the use of consultants resulted in the shifting of funds away from goods and services into compensation to enable the Programme to be sufficiently capacitated in this regard.

The GAS compensation budget increases from R45 million in 2012/13 to R82 million in 2018/19. The trend is consistent with the need to fully capacitate the Programme by filling critical vacant posts. Although the effort to fill vacant posts in the Programme was accelerated in 2012/13, resulting in the decrease in vacancy rate in the programme, the competition with the private sector for the scarce audit skills has resulted in a regression. Of the total staff establishment of 138 posts, 104 posts were active as of 1 July 2014, with the number of vacancies doubling from 17 to 34 posts. The programme is actively recruiting in the audit market and adopting various strategies to attract and retain audit talent.

Goods and services under this programme consist mainly of provisions for specialised audits which are sourced externally leading to the use of consultants. The goods and services budget increases from R3 million in 2012/13 to just R6 million in 2018/19. This pattern is in keeping with both the departmental decision to move away from the use of consultants, and give priority to building sufficient capacity within in order to execute the Programme's audit functions in the province.

## PROGRAMME 6: GAUTENG AUDIT SERVICES

### SERVICE DELIVERY MEASURES

Performance Measures	Estimated Annual Targets		
	2016/17	2017/18	2018/19
% implementation of internal audit plans (risk based)		90%	90%
% implementation of internal audit recommendations by depts. and entities through monitoring and assistance by GAS	65%	75%	90%
% of AG significant findings (Findings causing audit qualification) followed-up by Internal Audit	100%	100%	100%

## 9. OTHER PROGRAMME INFORMATION

TABLE 14.18 PERSONNEL NUMBERS AND COSTS: GAUTENG PROVINCIAL TREASURY

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	120	175	226	192	241	241	264
2. Sustainable Fiscal Resource Management	69	72	80	86	88	88	111

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
3. Financial Governance	92	101	258	233	255	255	278
4. Supply Chain Management				136	130	130	153
5. Municipal Financial Governance				51	72	72	72
6. Gauteng Audit Services	109	135	103	98	166	166	190
<b>Total provincial personnel numbers</b>	<b>390</b>	<b>483</b>	<b>667</b>	<b>796</b>	<b>952</b>	<b>952</b>	<b>1 068</b>
Total provincial personnel cost (R thousand)	257 114	291 210	332 919	391 292	453 362	471 808	500 836
Unit cost (R thousand)	659	603	499	492	476	496	469



TABLE 14.19. SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF				
	2012/13		2013/14		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 – 6	32	8 587	70	17 197	148	21 824	120	52	172	35 543	175	41 331	175	56 837	0.6%	16.9%	9.8%
7 – 10	209	47 659	252	62 168	324	78 913	394		394	181 888	487	220 914	557	220 079	12.2%	6.6%	45.7%
11 – 12	90	30 186	99	12 533	128	61 138	126		126	76 417	165	97 813	211	95 327	18.8%	7.6%	19.8%
13 – 16	59	36 785	62	45 062	67	53 701	104		104	93 800	125	111 750	125	128 593	6.3%	11.1%	24.5%
Other						3 644										-100.0%	0.3%
<b>Total</b>	<b>390</b>	<b>123 217</b>	<b>483</b>	<b>136 960</b>	<b>667</b>	<b>215 576</b>	<b>744</b>	<b>52</b>	<b>796</b>	<b>391 292</b>	<b>952</b>	<b>471 808</b>	<b>1 068</b>	<b>500 836</b>	<b>10.3%</b>	<b>8.6%</b>	<b>100.0%</b>
<b>Programme</b>																	
1. Administration	120	32 629	175	44 926	226	62 021	140	52	192	73 080	241	99 093	264	97 646	11.2%	10.1%	19.7%
2. Sustainable Fiscal Resource Management	69	47 986	72	53 562	80	59 773	86		86	62 999	88	51 411	111	59 347	8.9%	-2.0%	13.1%
3. Financial Governance	92	50 934	101	64 490	258	74 651	233		233	105 507	255	110 938	278	125 538	6.1%	6.0%	25.6%
4. Supply Chain Management		63 051		56 132		57 798	136		136	50 361	130	66 059	153	75 459	4.0%	14.4%	14.3%
5. Municipal Financial Governance		17 309		20 061		27 681	51		51	31 275	72	39 613	72	44 170	12.2%	12.2%	8.4%
6. Gauteng Audit Services	109	45 205	135	52 039	103	50 994	98		98	68 070	166	91 117	190	98 676	24.7%	13.2%	18.9%
Direct charges																	
<b>Total</b>	<b>390</b>	<b>257 114</b>	<b>483</b>	<b>291 210</b>	<b>667</b>	<b>332 918</b>	<b>744</b>	<b>52.0</b>	<b>796</b>	<b>391 292</b>	<b>952</b>	<b>453 362.0</b>	<b>1 068</b>	<b>500 836</b>	<b>10.3%</b>	<b>8.6%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																	
Public Service Act appointees not covered by OSDs							53		53	3 542	55	3 186	55	4 073	1.2%	4.8%	100.0%
Others such as interns, EPWP, learnerships, etc							<b>53</b>		<b>53</b>	<b>3 542</b>	<b>55</b>	<b>3 186</b>	<b>55</b>	<b>4 073</b>	<b>1.2%</b>	<b>4.8%</b>	<b>100.0%</b>
<b>Total</b>							<b>53</b>		<b>53</b>	<b>3 542</b>	<b>55</b>	<b>3 186</b>	<b>55</b>	<b>4 073</b>	<b>1.2%</b>	<b>4.8%</b>	<b>100.0%</b>

The human resource component of the Treasury maintains a consistent pattern throughout the period under review, in both personnel numbers and cost. The increases in cost over the period are mainly a reflection of projected compensation adjustments in keeping with the cost of living. The increases in cost over the MTEF for part-time/contract workers are mainly a reflection of projected compensation adjustments in keeping with the cost of living. The increase in personnel between 2015/16 to 2016/17 indicates the department's plans to fully capacitate in order to full fill its mandate.

## 9.2 Training

TABLE 14.20: PAYMENTS ON TRAINING: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>1 119</b>	<b>3 199</b>	<b>1 337</b>	<b>560</b>	<b>560</b>	<b>1 711</b>	<b>501</b>	<b>526</b>	<b>557</b>
Subsistence and travel									
Payments on tuition	1 119	3 199	1 337	560	560	1 711	501	526	557
Other									
<b>2. Sustainable Fiscal Resource Management</b>	<b>1 344</b>	<b>268</b>	<b>525</b>	<b>428</b>	<b>428</b>	<b>364</b>	<b>451</b>	<b>473</b>	<b>500</b>
Subsistence and travel	574								
Payments on tuition	770	268	525	428	428	364	451	473	500
Other									
<b>3. Financial Governance</b>	<b>1 175</b>	<b>3 776</b>	<b>1 399</b>	<b>3 090</b>	<b>3 090</b>	<b>1 885</b>	<b>3 659</b>	<b>3 872</b>	<b>4 097</b>
Subsistence and travel	573								
Payments on tuition	602	3 776	226	650	650	290	489	513	543
Other			1 173	2 440	2 440	1 595	3 170	3 359	3 554
<b>4. Provincial Supply Chain and Movable Asset Management</b>			<b>495</b>	<b>1 229</b>	<b>1 229</b>	<b>929</b>	<b>1 303</b>	<b>1 369</b>	<b>1 448</b>
Subsistence and travel									
Payments on tuition			495	1 229	1 229	929	1 303	1 369	1 448
Other									
<b>5. Municipal Financial Governance</b>		<b>167</b>							
Subsistence and travel									
Payments on tuition		167							
Other									
<b>6. Gauteng Audit Services</b>				<b>682</b>	<b>682</b>		<b>729</b>	<b>775</b>	<b>820</b>
Subsistence and travel									
Payments on tuition				682	682		729	775	820
Other									
<b>Total payments on training</b>	<b>3 638</b>	<b>7 410</b>	<b>3 756</b>	<b>5 989</b>	<b>5 989</b>	<b>4 889</b>	<b>6 643</b>	<b>7 015</b>	<b>7 422</b>

TABLE 14.21: INFORMATION ON TRAINING: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff									
Number of personnel trained	271	366	350	450	450	450	500	525	555
of which									
Male	115	148	140	160	160	160	180	189	200
Female	156	218	210	290	290	290	320	336	355
Number of training opportunities	271	333	490	600	600	600	710	746	789
of which									
Tertiary	98	150	250	300	300	300	350	368	389
Workshops	173	153	200	250	250	250	300	315	333

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Seminars		30	40	50	50	50	60	63	67
Other									
Number of bursaries offered	98	150	173	200	200	200	200	210	222
Number of interns appointed	46	26	35	40	40	40	45	50	53
Number of learnerships appointed	40	18	18	20	20	20	25	26	28
Number of days spent on training									

The transformation of GPT requires a continuous and an uncompromising acquisition of the required skills. A lifelong learning is a vital mind set for a learning organisation that needs to thrive in the 21<sup>st</sup> Century moreover with essential response to the service requests of the people of Gauteng. The department recognizes that it's most important asset is its employees, and this asset will need to be managed to ensure the continued success of the department.

The department will achieve this through the implementation of meaningful skills programs, internships and learnership programs. To maintain the productivity, well-being and motivation of employees within the rapidly changing environment, GPT must underpin these changes with adequate, appropriate and supportive development and training opportunities.

Training interventions will focus on improving the generic and functional skills of employees, which includes seminars and workshops. All training interventions will be in line with the approved Workplace Skills Plan, as well as the individual Personal Development Plans (PDPs) which form part of the performance management and development system.

The department is continuously committed to addressing skills shortages and scares skills, and aims to appoint at least 8 per cent of the staff establishment as interns each financial year. This exceeds the mandated 5 per cent. In implementing the above-mentioned programmes, the department is contributing towards halving poverty, creating jobs, youth development and ultimately addressing skills shortages in the country. Interns and learners are appointed additional to the staff establishment, and must therefore be budgeted for.

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

TABLE 14.22: SPECIFICATIONS OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
Casino taxes									
Motor vehicle licences									
<b>Sales of goods and services other than capital assets</b>	<b>175</b>	<b>235</b>	<b>338</b>	<b>222</b>	<b>595</b>	<b>632</b>	<b>1 000</b>	<b>1 050</b>	<b>1 111</b>
Sale of goods and services produced by department (excluding capital assets)	175	235	338	222	595	632	1 000	1 050	1 111
Sales by market establishments	175	235	338	222	595	632	1 000	1 050	1 111
Administrative fees									
Other sales									
<i>Of which</i>									
<i>Health patient fees</i>	175								
<i>Other (Specify)</i>									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
Other governmental units									
Households and non-profit institutions									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>187 570</b>	<b>247 283</b>	<b>481 451</b>	<b>88 000</b>	<b>400 000</b>	<b>445 334</b>	<b>150 000</b>	<b>200 000</b>	<b>250 000</b>
Interest	187 570	247 283	481 045	88 000	400 000	445 334	150 000	200 000	250 000
Dividends									
Rent on land									
<b>Sales of capital assets</b>									
Land and sub-soil assets									
Other capital assets									
<b>Transactions in financial assets and liabilities</b>	<b>66</b>	<b>375</b>	<b>477</b>	<b>395</b>	<b>395</b>	<b>425</b>	<b>415</b>	<b>436</b>	<b>461</b>
<b>Total departmental receipts</b>	<b>187 811</b>	<b>247 893</b>	<b>482 266</b>	<b>88 617</b>	<b>400 990</b>	<b>446 391</b>	<b>151 415</b>	<b>201 486</b>	<b>251 572</b>

TABLE 14.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>58 195</b>	<b>77 006</b>	<b>88 524</b>	<b>110 350</b>	<b>113 854</b>	<b>113 854</b>	<b>120 101</b>	<b>125 894</b>	<b>133 196</b>
Compensation of employees	32 629	44 926	62 021	73 160	73 080	73 080	78 863	82 619	87 411
Salaries and wages	26 103	35 941	62 021	59 888	59 808	61 302	63 680	66 709	70 578
Social contributions	6 526	8 985		13 272	13 272	11 778	15 183	15 910	16 832
Goods and services	25 566	32 080	26 503	37 190	40 774	40 774	41 238	43 275	45 785
<i>Administrative fees</i>	105	116	46	284	100	103	262	246	260
<i>Advertising</i>	2	1 284	2 114	1 257	1 577	1 577	1 067	1 108	1 172
<i>Minor assets</i>	1 013	195	67	270	373	474	232	244	258
<i>Audit cost: External</i>	2 260	1 082	1 738	2 311	2 236	2 236	3 116	3 631	3 842
<i>Bursaries: Employees</i>	759	1 217	1 218	1 550	1 550	1 550	1 535	1 612	1 705

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<i>Catering:</i>									
<i>Departmental activities</i>	630	1 580	170	437	323	351	265	371	392
<i>Communication (G&amp;S)</i>	1 489	1 835	1 999	5 169	5 111	4 990	4 698	4 601	4 868
<i>Computer services</i>	5	283	1 802	3 697	3 760	3 562	3 896	4 091	4 328
<i>Consultants and professional services: Business and advisory services</i>	613	1 302	723	1 026	1 176	1 176	1 738	1 744	1 845
<i>Consultants and professional services: Legal costs</i>	7		67	926	926	926	27	28	30
<i>Contractors</i>	248	5 597	1 298	3 108	2 244	2 245	2 361	2 478	2 622
<i>Agency and support / outsourced services</i>	32								
<i>Entertainment</i>	27			35					
<i>Fleet services (including government motor transport)</i>	30	1 452	668	1 452	1 960	600			
<i>Inventory: Food and food supplies</i>	94								
<i>Inventory: Fuel, oil and gas</i>	59						38	45	48
<i>Inventory: Materials and supplies</i>	15								
<i>Consumable supplies</i>	146	797	338	603	691	691	598	623	659
<i>Consumable: Stationery, printing and office supplies</i>	844	1 051	1 054	1 310	2 121	2 121	1 241	1 328	1 405
<i>Operating leases</i>	582	1 443	2 494	1 014	1 658	3 100	4 043	4 255	4 502
<i>Property payments</i>	9 978	4 291	7 924	6 864	9 548	9 548	9 575	10 101	10 687
<i>Travel and subsistence</i>	3 576	3 391	278	2 010	2 224	2 328	2 025	2 121	2 244
<i>Training and development</i>	1 119	3 199	1 337	560	1 060	1 060	2 293	2 355	2 491
<i>Operating payments</i>	256	539	411	728	669	669	751	570	603
<i>Venues and facilities</i>	1 677	1 426	757	2 579	1 467	1 467	1 476	1 723	1 823
<i>Rental and hiring</i>									
<i>Interest and rent on land</i>									
<i>Interest</i>									
<i>Rent on land</i>									
<b>Transfers and subsidies</b>		<b>75</b>	<b>1 499</b>	<b>225</b>	<b>305</b>	<b>305</b>	<b>238</b>	<b>250</b>	<b>265</b>
<i>Provinces and municipalities</i>									
<i>Households</i>		75	1 499	225	305	305	238	250	265
<i>Social benefits</i>		75	1 499		80	146			
<i>Other transfers to households</i>				225	225	159	238	250	265
<b>Payments for capital assets</b>	<b>1 573</b>	<b>2 795</b>	<b>2 006</b>	<b>953</b>	<b>6 694</b>	<b>6 694</b>	<b>1 004</b>	<b>1 054</b>	<b>1 115</b>
<i>Buildings and other fixed structures</i>									
<i>Buildings</i>									
<i>Other fixed structures</i>									
<i>Machinery and equipment</i>	1 559	2 774	1 731	953	6 694	6 694	1 004	1 054	1 115
<i>Transport equipment</i>									
<i>Other machinery and equipment</i>	1 559	2 774	1 731	953	6 694	6 694	1 004	1 054	1 115
<i>Heritage Assets</i>									
<i>Software and other intangible assets</i>	14	21	275						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Payments for financial assets			8						
<b>Total economic classification</b>	<b>59 768</b>	<b>79 876</b>	<b>92 037</b>	<b>111 528</b>	<b>120 853</b>	<b>120 853</b>	<b>121 342</b>	<b>127 198</b>	<b>134 575</b>

TABLE 14.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>50 727</b>	<b>59 088</b>	<b>64 270</b>	<b>113 781</b>	<b>74 420</b>	<b>74 299</b>	<b>95 595</b>	<b>100 946</b>	<b>108 464</b>
Compensation of employees	47 986	53 562	59 773	80 381	63 120	62 999	71 629	75 392	81 427
Salaries and wages	38 389	42 580	59 773	68 658	54 248	55 365	61 165	64 549	69 849
Social contributions	9 597	10 982		11 723	8 872	7 634	10 464	10 843	11 578
Goods and services	2 741	5 526	4 497	33 400	11 300	11 300	23 966	25 555	27 037
Administrative fees			7		3	4	5	6	6
Advertising	596	1 124	361	462	462	462	486	511	540
Audit cost: External			560	692	692	692	745	785	831
Catering: Departmental activities		44	29	260	297	297	269	232	246
Computer services				20 318	538	538			
Consultants and professional services: Business and advisory services	100	1 427	906	810	5 537	5 515	19 033	20 399	21 583
Consultants and professional services: Legal costs	49	917	593	6 502	2	2			
Contractors				100	90	90			
Consumable supplies					30	30			
Consumable: Stationery, printing and office supplies	570	542	632	647	727	727	660	693	733
Travel and subsistence	301	106	227	1 370	320	320	589	667	706
Training and development	770	268	525	428	1 028	1 028	451	522	553
Operating payments	173	1 098	657	987	1 350	1 371	1 261	1 327	1 404
Venues and facilities	182			824	224	224	468	411	435
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>50 030</b>	<b>50 040</b>	<b>75 150</b>	<b>70 000</b>	<b>120 080</b>	<b>120 201</b>	<b>52 650</b>	<b>55 283</b>	<b>58 489</b>
Provinces and municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	50 000	50 000	75 000	70 000	120 000	120 000	52 650	55 283	58 489
Social security funds									
Provide list of entities receiving transfers	50 000	50 000	75 000	70 000	120 000	120 000	52 650	55 283	58 489
Higher education institutions									
Households	30	40	150		80	201			
Social benefits	30	40	150		80	201			
Other transfers to households									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Payments for capital assets</b>							<b>1 400</b>	<b>1 500</b>	<b>1 587</b>
Buildings and other fixed structures									
Machinery and equipment							1 400	1 500	1 587
Transport equipment									
Other machinery and equipment							1 400	1 500	1 587
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>100 757</b>	<b>109 128</b>	<b>139 420</b>	<b>183 781</b>	<b>194 500</b>	<b>194 500</b>	<b>149 645</b>	<b>157 729</b>	<b>168 540</b>

TABLE 14.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>54 252</b>	<b>100 557</b>	<b>109 161</b>	<b>98 608</b>	<b>128 329</b>	<b>128 422</b>	<b>128 028</b>	<b>134 928</b>	<b>142 754</b>
Compensation of employees	50 934	64 490	74 651	86 364	105 415	105 507	116 097	122 399	129 498
Salaries and wages	49 814	51 592	74 651	76 040	92 848	92 142	98 888	104 234	110 279
Social contributions	1 120	12 898		10 324	12 567	13 365	17 209	18 165	19 218
Goods and services	3 318	36 067	34 510	12 244	22 914	22 915	11 931	12 529	13 256
Administrative fees			6	10	3	2	11	12	12
Advertising			94				94		
Minor assets		2	18						
Audit cost: External	1 098	1 082	581	615	615	607	664	697	738
Bursaries: Employees	6								
Catering: Departmental activities			175	240	237	233	200	220	233
Communication (G&S)				129					
Computer services	719	2 828	634	458	1 028	1 026	2 718	2 781	2 942
Consultants and professional services: Business and advisory services	655	27 980	31 066	6 158	18 489	18 338	5 340	5 729	6 061
Consultants and professional services: Legal costs	114								
Contractors			7						
Agency and support / outsourced services		58							
Fleet services (including government motor transport)				24					
Consumable supplies			4						
Consumable: Stationery, printing and office supplies	15	10	2	41	4	4	3	3	3
Operating leases				41					
Travel and subsistence	86	160	208	462	183	199	477	508	538
Training and development	602	3 776	1 399	3 090	2 104	2 255	1 867	1 995	2 111



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<i>Operating payments</i>	23	171	270	502	149	149	157	165	175
<i>Venues and facilities</i>			46	474	102	102	400	420	444
<i>Rental and hiring</i>									
<i>Interest and rent on land</i>									
<i>Interest</i>									
<i>Rent on land</i>									
<b>Transfers and subsidies</b>	<b>66</b>	<b>879</b>	<b>112</b>		<b>149</b>	<b>56</b>			
Provinces and municipalities									
Non-profit institutions									
Households	66	879	112		149	56			
Social benefits	66	879	112		149	56			
Other transfers to households									
<b>Payments for capital assets</b>		<b>923</b>	<b>1 228</b>						
Buildings and other fixed structures									
Machinery and equipment		783	1 228						
Transport equipment									
Other machinery and equipment		783	1 228						
Heritage Assets									
Software and other intangible assets		140							
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>54 318</b>	<b>102 359</b>	<b>110 501</b>	<b>98 608</b>	<b>128 478</b>	<b>128 478</b>	<b>128 028</b>	<b>134 928</b>	<b>142 754</b>

TABLE 14.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN &amp; MOVEABLE ASSETS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>64 926</b>	<b>58 228</b>	<b>59 058</b>	<b>86 592</b>	<b>58 907</b>	<b>58 830</b>	<b>91 537</b>	<b>94 379</b>	<b>99 853</b>
Compensation of employees	63 051	56 132	57 798	80 457	50 438	50 361	77 013	79 276	83 874
Salaries and wages	54 320	44 906	57 798	65 412	36 885	43 190	66 240	68 745	72 733
Social contributions	8 731	11 226		15 045	13 553	7 171	10 773	10 531	11 142
Goods and services	1 875	2 096	1 260	6 135	8 469	8 469	14 524	15 103	15 979
<i>Administrative fees</i>		165	1						
<i>Advertising</i>	175	195	286	259	259	259	269	283	299
<i>Catering: Departmental activities</i>				32	32	32	4	5	6
<i>Communication (G&amp;S)</i>				366					
<i>Computer services</i>				1 703	1 703	1 703			
<i>Consultants and professional services: Business and advisory services</i>	1 683	1 700	277	1 219	5 080	5 013	12 555	13 033	13 789
<i>Contractors</i>		2	1						
<i>Fleet services (including government motor transport)</i>				97					

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<i>Inventory: Materials and supplies</i>	5								
<i>Consumable supplies</i>		2							
<i>Consumable: Stationery, printing and office supplies</i>				183	103	103			
<i>Operating leases</i>				639					
<i>Travel and subsistence</i>		8	20	113	63	63	83	88	93
<i>Training and development</i>			495	1 229	1 229	1 229	1 303	1 369	1 448
<i>Operating payments</i>	12	1	180	95			99	104	110
<i>Venues and facilities</i>		23		200		67	211	221	234
<i>Rental and hiring</i>									
<i>Interest and rent on land</i>									
<i>Interest</i>									
<i>Rent on land</i>									
<b>Transfers and subsidies</b>	<b>19</b>	<b>79</b>	<b>9</b>			<b>77</b>			
<i>Provinces and municipalities</i>									
<i>Households</i>	19	79	9			77			
<i>Social benefits</i>	19	79	9			77			
<i>Other transfers to households</i>									
<b>Payments for capital assets</b>			<b>17</b>						
<i>Buildings and other fixed structures</i>									
<i>Software and other intangible assets</i>			17						
<b>Payments for financial assets</b>	<b>57</b>	<b>4</b>	<b>116</b>						
<b>Total economic classification</b>	<b>65 002</b>	<b>58 311</b>	<b>59 200</b>	<b>86 592</b>	<b>58 907</b>	<b>58 907</b>	<b>91 537</b>	<b>94 379</b>	<b>99 853</b>

TABLE 14.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: MUNICIPAL FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>17 946</b>	<b>27 526</b>	<b>28 387</b>	<b>30 097</b>	<b>32 777</b>	<b>32 753</b>	<b>36 303</b>	<b>35 872</b>	<b>37 952</b>
<i>Compensation of employees</i>	17 309	20 061	27 681	29 298	31 298	31 275	35 129	34 639	36 648
<i>Salaries and wages</i>	13 847	16 049	27 681	25 250	27 250	28 332	30 020	30 115	31 862
<i>Social contributions</i>	3 462	4 012		4 048	4 048	2 943	5 109	4 524	4 787
<i>Goods and services</i>	637	7 465	706	799	1 479	1 478	1 173	1 232	1 304
<i>Administrative fees</i>						2			
<i>Advertising</i>	73	116							
<i>Catering: Departmental activities</i>					30	47	74	80	85
<i>Communication (G&amp;S)</i>									
<i>Computer services</i>		79	99	137	317	217	518	565	598
<i>Consultants and professional services: Business and advisory services</i>		6 621			500	500			
<i>Consumable supplies</i>			1						
<i>Consumable: Stationery, printing and office supplies</i>	219	132	375	279	279	278	220	228	242
<i>Travel and subsistence</i>	345	336	231	383	353	377	361	358	379

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<i>Training and development</i>		167							
<i>Operating payments</i>		14				57			
<i>Rental and hiring</i>									
<i>Interest and rent on land</i>									
<i>Interest</i>									
<i>Rent on land</i>									
<b>Transfers and subsidies</b>	<b>12</b>	<b>138</b>				<b>24</b>			
<i>Provinces and municipalities</i>									
<i>Households</i>	12	138				24			
<i>Social benefits</i>	12	138				24			
<i>Other transfers to households</i>									
<b>Payments for capital assets</b>									
<i>Buildings and other fixed structures</i>									
<i>Software and other intangible assets</i>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>17 958</b>	<b>27 526</b>	<b>28 525</b>	<b>30 097</b>	<b>32 777</b>	<b>32 777</b>	<b>36 303</b>	<b>35 872</b>	<b>37 952</b>

TABLE 14.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>48 512</b>	<b>52 659</b>	<b>53 151</b>	<b>73 756</b>	<b>73 686</b>	<b>73 673</b>	<b>80 539</b>	<b>83 430</b>	<b>88 269</b>
<i>Compensation of employees</i>	45 205	52 039	50 994	68 153	68 083	68 070	74 630	77 483	81 977
<i>Salaries and wages</i>	39 949	41 631	50 994	60 160	60 090	60 290	65 703	68 589	72 567
<i>Social contributions</i>	5 256	10 408		7 993	7 993	7 780	8 927	8 894	9 410
<i>Goods and services</i>	3 307	620	2 157	5 603	5 603	5 603	5 909	5 947	6 292
<i>Administrative fees</i>			1			1			
<i>Communication (G&amp;S)</i>				579					
<i>Computer services</i>	2 477	255		470	470	470	501	526	557
<i>Consultants and professional services: Business and advisory services</i>	732	263	2 036	2 924	4 288	4 288	4 387	4 334	4 585
<i>Fleet services (including government motor transport)</i>				70					
<i>Consumable supplies</i>		2							
<i>Consumable: Stationery, printing and office supplies</i>				121					
<i>Operating leases</i>				479					
<i>Travel and subsistence</i>				93	163	174	98	108	114
<i>Training and development</i>				682	682	670	729	775	820
<i>Operating payments</i>	98	100	120	185			194	204	216
<i>Rental and hiring</i>									
<i>Interest and rent on land</i>									
<i>Interest</i>									
<i>Rent on land</i>									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Transfers and subsidies</b>	<b>117</b>	<b>46</b>	<b>36</b>		<b>70</b>	<b>83</b>			
Provinces and municipalities									
Households	117	46	36		70	83			
Social benefits	117	46	36		70	83			
Other transfers to households									
<b>Payments for capital assets</b>			<b>11</b>						
Buildings and other fixed structures									
Machinery and equipment			11						
Transport equipment									
Other machinery and equipment			11						
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>43</b>								
<b>Total economic classification</b>	<b>48 672</b>	<b>52 705</b>	<b>53 198</b>	<b>73 756</b>	<b>73 756</b>	<b>73 756</b>	<b>80 539</b>	<b>83 430</b>	<b>88 269</b>



# VOTE 15

## DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

To be appropriated by vote in 2016/17	R 2 564 853 000
Responsible MEC	MEC for Infrastructure Development
Administering Department	Department of Infrastructure Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

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

#### Mission

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

#### Strategic Goals

- Optimise state assets for economic development and supporting entrepreneurs.
- Empowering communities through job creation in partnership with the public and private sector
- Accelerate Service Delivery
- Integrated Planning
- Sustainable infrastructure
- Organisational development for building state capacity

#### Core functions and responsibilities

- Implementation of Social Infrastructure
- Skills Development
- Community Participation
- Capital Project Management
- Maintenance Services
- Provincial Property Management

#### Main services

Our mandate is to develop and maintain socio-economic infrastructure that enables all of the province's people to have access to social services by:

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

## Ten Pillar programme of Transformation, Modernisation and Reindustrialisation

### Pillar 1: Radical economic transformation

Over the next five years, Gauteng Provincial Government (GPG) is determined to revitalise and mainstream the township economy by supporting the development of township enterprises, co-operatives and SMMEs that will produce goods and services that meet the needs of Gauteng township residents.

The provincial government has identified key sectors that have the potential to address the twin policy imperatives of creating decent employment and greater economic inclusion. These sectors include finance, automotive industry, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction and real estate. The promotion of new SMMEs and township enterprises will also be brought into these key sectors of the economy.

The Department, through the Extended Public Works Programme (EPWP), will coordinate the creation of work opportunities within the GPG. This will include creation of work opportunities for 60 660 Women, 60 660 for Youth and 2 205 for People with Disabilities.

The Department will further coordinate the creation of 500 000 decent sustainable jobs through Gauteng Tshepo 500 000 initiatives. This programme will aim to address the following:

- The decline in entrepreneurial activity in South Africa;
- Forge economic inclusion of youth, women and people with disabilities through inspiring wider economic activities;
- Address the need to redefine the entrepreneurial space and inculcate values of being an entrepreneur;
- To shift from the short term focus of job creation towards economic participation; and
- Bring in skills training and development to graduates and give them opportunities to gain working experience.

Furthermore, about 3 200 young people will participate in the National Youth Service (NYS) and Zivuseni Reloaded Programme. In an effort to empower emerging contractors for economic growth, the Department will train 20 contractors with a grading of CIDB level 1-3, as well as 100 Military Veterans will be empowered with accredited skills and training.

Additionally, the Department will look to contribute towards the revitalisation of Gauteng Township economies by:

- Procuring 75% South African manufactured technologies and goods, with an emphasis on procuring from SMMEs. To enable this procurement practice, the Department will institute a 30% SMME Beneficiation condition in all procurement processes;
- Refurbishing old government buildings, in partnership with the private sector/SMMEs, for mutual revenue generation benefit and leveraging these buildings to furnish the service delivery needs of the township communities;
- Availing land that is not immediately required for service delivery infrastructure for new revenue generating opportunities for the private sector and SMMEs;
- Mobilising its external communication capability to engage in social facilitation that enables the promotion of SMME's participation in revenue generating opportunities;
- Provision of skills development opportunities for unemployed youth through Artisan Training, Internships, Bursaries and Learnerships; and
- Partner with Public Works sector to establish and conduct a CIDB1 contractor incubator. GDID will identify 20 companies to be loaded into the term contractors' database and incubated to qualify as CIDB 4.

### Pillar 3: Accelerated social transformation

Economic and spatial transformation must be underpinned by, and support an accelerated programme of social transformation at the centre of which is raising the living standards and quality of life of all the people of Gauteng. At the centre of Gauteng's social transformation is our determination to improve the quality of education and healthcare, provide social protection to the vulnerable, in particular women and children and, eradicate poverty and build social cohesion and social solidarity.

The Department will continue to contribute to this pillar by implementing the construction of education infrastructure projects. To this effect, 124 education projects have been handed over to GDID for implementation. This includes construction of 17 new schools, one boarding facility, 83 Restorative Repairs, five Grade R Classrooms, 15 Fencing projects and three septic tanks.

The Department will continue with its interventions to stabilise the health infrastructure. To this effect, renewal and replacement of electromechanical equipment, such as statutory boilers, chillers, lifts, generators and laundries in various health institutions, will continue in the 2015/16 financial year. Furthermore, the Department will complete the construction of 97 health infrastructure projects. This includes four conditional assessments (IDMS Gate 4), 39 detailed designs (Gate 6) and 54 projects in construction (IDMS Gate 7). To prolong the life of health infrastructure and keep equipment in a functional state, the Department will continue with maintenance of all equipment at various health institutions.

To enable swift delivery of infrastructure projects to reduce poverty, inequality and unemployment, the Department will look to:

- Develop infrastructure based on proven prototype designs;
- Implement and enforce the use of the IDMS planning model;
- Provision of skills and systems to build health and education infrastructure;
- Play a pivotal role in skills development and training of local communities during implementation and maintenance of infrastructure projects;
- Provide for incubation through the implementation of the PPP projects;
- Ensure inclusion of unemployed youth; built environment graduates in SMME and private partnership development refurbishments and new development projects; and
- Utilisation of state assets to promote communication ownership of national buildings.

#### **Pillar 4: Transformation of the state and governance**

The second phase of our transition to a national democratic society needs public representatives, public servants and leaders from other sectors, who will remain true to the values of loyal service to the people.

The department of Infrastructure Development is the custodian of a significant portion of immovable assets vested in the provincial government. As a key priority towards addressing negative audit findings, the compilation of a compliant baseline Immovable Asset Register is of paramount importance. To achieve this, the department has established a project management office through the appointment of a service provider to manage the verification and updating of the Immovable Asset Register. The Department commits to finalise the vesting process of the 2 481 immovable assets and update the Immovable Asset Register, in accordance with the mandatory requirements of National Treasury.

The Department will further complete 14 U-AMP's and one Customised Asset Management Portfolio will be submitted to the relevant Treasury in accordance with Government Immovable Asset Management Act (19 of 2007) (GIAMA). The Department also takes into account to deliver on 2 000 condition assessments conducted on state-owned buildings, two GPG owned property refurbishments for government service delivery imperatives. In addition, four old government properties refurbished, in partnership with the private sector or SMMEs, for revenue generation purposes, as well as 70 Market Related Rental (MRR) leases will be concluded to ensure market related rentals.

Additionally, the Department will continue to put the citizens of Gauteng first through community outreach and sectoral engagements. Feedback will be collected from the citizens through deployment of stakeholder officials to Municipal "War Rooms" to ensure resolution of infrastructure service delivery challenges and these will be supplemented by quarterly IGR engagement sessions with all relevant stakeholders.

The department realised that in order to optimise the delivery of public infrastructure in Gauteng, it needs to put in operation the Infrastructure Delivery Management System (IDMS) to ensure the department has adequate capacity to manage the delivery of infrastructure projects in an efficient and effective manner. IDMS will enable standardised and consistent delivery of infrastructure projects, contributing to reduced turnaround times in conjunction with developed infrastructure prototypes.

Key to transforming state and governance, the department will:

- Protect the efforts for optimised service delivery by engaging in continuous vetting of staff and service providers to eradicate fraud and corruption;
- Manage employment equity and affirmative action through internal recruitment and skills development processes;
- Award bursaries to internal staff, as part of skills development and capacitation and unemployed youth to further their education and their career paths;
- Provide internship opportunities to young graduates;
- Appointment of learners on structured learnership programmes, leading to formally recognised qualifications in critical and scarce skills;
- Implementation of accurate market related rentals (MRR) for leased properties; and
- Ensure optimal utilisation of state properties through the implementation of space and cost norms.

The department will ensure that all officials put the citizens of this Province first, in accordance with Batho Pele principles and the GPG Public Servants' Pledge. It will promote and support greater access to information, openness and transparency through the roll-out of a Batho Pele advocacy campaign throughout the regions. This will be aimed at the officials to re-ignite their commitment to serve the citizens of Gauteng through the effective and efficient implementation of departmental programmes and projects. Further to this, the Department will also publish and distribute its Annual Citizens Report, as well as host information sessions for the public to share departmental information. Officials will also be trained on Batho Pele Change Management Engagements to improve the organisational culture and the attitudes of officials in the execution of their duties. The Department will also participate in the National and Continental Public Service events, such as Africa Public Service Day and Public Service Month.



### **Pillar 5: Modernisation of public service**

Government cannot talk about radical socio-economic transformation without fundamentally changing the way state institutions relate to society.

Part of the radical shift in government involves how it deals with and eradicate corruption among public officials and public servants, including the private sector. Gauteng government will introduce measures to strengthen the integrity of public institutions and public processes so that fraud and corruption are prevented and detected early in the value chain, to prevent losses. It is not enough to just talk about fighting corruption.

The department will continue to leverage the operations of IDMS to broadly realign its structure across people, process and technology and enable the delivery of effective and efficient infrastructure development. In effect, the department will leverage IDMS to ensure the department's functions are underpinned by transparency and integrity by ensuring that all service delivery related activities are performed through automated processes that provide audit trails.

Continued innovation is viewed by the Department as a key enabler for radically shifting government's ability to provide effective service delivery to all Gauteng citizens. The Department will implement the E-Maintenance (with the target of resolving minor defects in 24 hours and major defects in seven days), Project Eye, SAP and a document management system that will ensure transparency in all business dealings.

To support Gauteng citizens and enable staff further, the Department will be fostering transparency and accessibility to the Department's services through innovative and electronic communication avenues including:

- Print and electronic publications;
- Interactive websites;
- Social media presence;
- Outreach Information Education and Communication (IEC) products aligned to revenue collection in accordance with GPG CI; and
- Provision of both human and capital resources to support Provincial War Rooms.

The Management Performance Assessment Tool (MPAT) is one of several initiatives to improve the performance and service delivery of the Department. MPAT is a structured, evidence-based approach to the assessment of management practices. Underpinning MPAT is the logic that improve management practices and is key to improving government performance and service delivery. As such during the 2015/16 financial year. The GDID undertakes and commits to improve on the overall scores for its Key performance standards related to:

- Strategic Management;
- Governance and Accountability;
- Human Resources Management; and
- Financial Management.

The greater improvement on these key performance standards will pave the way for the GDID to attain the set target of a clean audit by the 2016/17 financial year.

The department will initiate to root out fraud and corruption at all possible levels, all be it through fraud prevention and anti-corruption awareness sessions. In addition hereto, the GDID will develop a fraud and prevention plan which will be cascaded to all staff as part of this awareness session. All senior managers will be expected to disclose and submit their financial interest in accordance with Public Service Requirements.

### **Pillar 6: Modernisation of the economy**

The provincial government has identified key sectors that have the potential to address the twin policy imperatives of creating decent employment and greater economic inclusion. These sectors include finance, automotive industry, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction and real estate.

The department has identified its key initiatives to deliver on the stated objectives, as follows:

- Design and construct facilities incorporating energy efficient aspects. Six hospitals have been identified to have trigon/cogen plants installed in the 2015/16 financial year. The Department will also convert 13 coal boilers to gas and supply the gas for 24 dual fired boilers;
- The Green Technologies Unit, in partnership with the maintenance, will embark on the replacement of inefficient lighting systems with more efficient LED lighting. The target for 2015/16 financial year is 65 200. In addition there are 76 health institutions targeted for the installation of rooftop solar Photovoltaic
- Proactively identify opportunities to implement water conservation systems;
- GDID will design and implement smart schools with state-of-the-art infrastructure. In addition, the department will convert existing schools to Smart Schools; and

- GDID will create and implement township supplier database, listing all the manufacturing, construction and real estate companies that are resident in the township.

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

The department plays a pivotal role in the establishment and provision of social infrastructural resources for the province. Developing and maintaining good working relationships with client departments is important in accomplishing this. During the planning processes, the 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 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 profile surveys relating to engineers, architects, project managers and quantity surveyors to ensure adequate numbers of people in professional fields relate to the infrastructure.

The newly developed 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 – most recent date first**

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

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2015/16)**

### **Pillar 1: Radical economic transformation**

#### **Output 1: Comprehensive and integrated EPWP programme**

The Gauteng province created 37 270 work opportunities through departments and municipalities. Work opportunities created include 14 037 for women, 52 336 for youth, and 37 for people with disabilities. The work opportunities created by municipalities across all sectors 17 434. Social sector aims to drive a sphere of social policy dedicated to human development and improving the quality of life in the areas on education, health and welfare. In the period under review, the sector created 12 475 work opportunities. This sector aims to promote the use of labour-intensive methods in the construction and maintenance of public infrastructure. In the period under review, the sector created 6 867 work opportunities.

### **Pillar 3: Accelerated social transformation**

#### **Output 1: Construct Education/Health and Other Infrastructure Projects**

The 2015/16 Departmental milestones recorded to date in terms of infrastructure delivery involves; the construction of

education, health and other departmental projects. Success was seen in the completion of 56 education projects. There are currently Education Infrastructure projects under construction. Furthermore, a total of 50 project close-out documentations were reviewed. There were 38 projects that were completed within the agreed time period and 56 within the agreed budget. As part of flagship projects; the Kagiso Memorial Park and Sports Centre was established to promote and encourage youth development and participation in sports. Currently, the construction project is 80% complete. Furthermore, the Women's Living Monument construction project is in progress and currently 77 per cent complete. Both these projects are scheduled for completion in this current financial period.

The Department managed to complete the construction of three new schools at; Doornkop Primary School, Lufhereng; Soshanguve East Secondary School and Chief Albert Luthuli no.2 Primary School and restorative repairs at 38 schools. Those schools are; Lenasia South Secondary School, Lenasia South; Mamellong Comprehensive School, Tsakane Ext 1; Holy Trinity School, Winterveldt; Endicot Primary School, Springs; Westbury Secondary School, Westbury; Thutolore Secondary School, Meadowlands; Alberton High School, Alberton; Moriting Primary School at Moriting, Tembisa; Paul Mosaka Primary School, Pimville; Elsie Ngidi Primary School, Chiawelo; Mondeor Primary School. Mondeor; Filadelfia LSEN School, Soshanguve; Phelindaba Primary, Mamelodi; Daliwonga Secondary, Orlando Soweto; Carlton Jones High School, Carltonville; Siphwe Primary School, Tembisa; Hoërskool De Wigers, Lynnwood; Winnie Madikizela Mandela Training Centre, Senaoane; Athlolang Primary School, Kagiso; Brixton Primary School, Brixton; Hoërskool Centurion, Centurion; Laerskool AG Visser, Heidelberg; Shalimar Ridge Primary School, Shalimar Ridge; Broederstroom Primary School, Flora Park; Thuthukani Tswelopele Primary School, Pinetown; Modiselle Primary School, Ga-rankuwa; Eldorado Park Secondary School, Eldorado Park; Motsweding Primary School, Saulsville; Sizwile LSEN School, Dobsonville; Vuwani Primary School, Chiawelo; Pumla LSEN School, Orlando West; Enkangala Primary School, Daveyton; Westerlig Primary School, Danville; Boksburg High School, Boksburg; HTS Springs, Springs; Jeppe High Preparatory School, Jeppestown; Laerskool Danie Theron, Kibler Park and Fred Clark Primary School in Dube.

Safety in schools is of paramount importance. As such, palisade fencing was erected at Mamelodi Teachers' College in Mamelodi; Dr. Monare Primary School, Mamelodi West; Rosina Sedibane Sports, Laudium

Pulamadibogo, Soshanguve; Tebogwane Secondary School, Ga-rankuwa; Nick Mpshe Secondary School, Pretoria; Duduza Primary School, Duduza; Dzata Primary School, Meadowlands; Itemogele Primary School, Protea Glen; Sivelile Primary School, Meadowlands; Thuto Kitso Secondary School, Kokosi; Forest High School, Forest Hill, BoteboTsebo Secondary School, Sebokeng; Sharpville ABET Centre, Sharpville and Barrage Farm Primary School, Barrage.

With regards to health, there has been the supply, installation, commissioning and testing of the new chiller plant and associated air handling units at the Pretoria West Hospital. Three further projects completed are, the renovations of the psychiatric Ward at Tembisa Memorial Hospital, upgrade and rehabilitation of Ward 16 at Sterkfontein Psychiatric Hospital and fencing at Khayalami Hospital.

Other projects completed on behalf of other client departments include; the emergency HV electrical work at the Walter Sisulu CYCC, repair of sewer pumps at Dr Fabian and Florence Robeiro, restoratives repairs at the Kareekloof nature reserve and Mabopane Licence and Testing centre, lift installations at the Imbumba house in 75 Fox street, renovations at the Roodeplaat training Centre, the Construction of the new community centre at Sokhulumi Multi-purpose community centre and the Construction and renovations at the Temba DLTC.

#### **Pillar 4: Transformation of State Governance**

In addition to the Kopanong precinct there are other properties that have been identified through the Immovable asset register project. Condition assessments on the residential properties have been completed and many are in poor condition. The challenge with the residential properties is that they were never intended for income generating purposes and many of the tenants have not taken leases for commercial gain. This coupled with the budgetary constraints implies that the Department had to digest these realities and craft a co-operative response.

This has led to standardisation of the residential leases where the lessee assumed more of the maintenance responsibility, and the lessor adjusts the market related rental in recognition of the additional cost and risk assumed by the lessee. Thus far the lease has been well received and compares favourably with other provincial leases such as the Western Cape.

The following buildings have been recognised as having potential for refurbishment.

- 28 Ontdekkers Road, Roodepoort – this is an industrial building used to manufacture pallets.
- Sloane Street Bryanston – this property is being used for entertainment and hospitality. Minor refurbishments and a more market competitive lease may enhance the potential for rental revenue
- Corner Murray and Dyson Roads, Wadeville, Germiston is another commercial property that is vacant.

#### **Pillar 5: Modernisation of public service**

The templates for the Custodian Asset Management Plans (C-AMP) have been concluded and include a schedule of strategic requirements, accommodation occupied, projects and budget allocation. The document has been assessed through internal quality control procedures and work-shopped with GDID stakeholders in two occasions. The document is estimated to be at 80 per cent completion stage as it is awaiting sign-off. There are 11 User Asset Management Plans (U-AMPS) that have been completed to date. The Department has received more applications for leases in relation to residential properties. This has resulted in 58 leases been signed for market-related rentals.

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2016/17)

#### Pillar 1: Radical economic transformation

##### Output name: Implementation of the NYS and the Zivuseni Reloaded Programme

The Department will continue to coordinate the creation of 6 500 work opportunities for both NYS and Zivuseni reloaded projects. Furthermore, the department will create 2 543 full time equivalents job opportunities.

In an effort to empower emerging contractors for economic growth, the Department will train 20 contractors with a grading of CIDB level III, as well as 100 Military Veterans will be empowered with accredited skills and training.

Additionally, the Department will look to contribute towards the revitalisation of Gauteng Township economies by:

- Procuring 75 per cent South African manufactured technologies and goods, with an emphasis on procuring from SMMEs. To enable this procurement practice, the department will institute a 30% SMME beneficiation condition in all procurement processes;
- Refurbishing old government buildings in partnership with the private sector/SMMEs for mutual revenue generation benefit and leveraging these buildings to furnish the service delivery needs of the township communities;
- Availing land that is not immediately required for service delivery infrastructure for new revenue generating opportunities for the private sector and SMMEs;
- Mobilising its external communications capability to engage in social facilitation that enables the promotion of SMMEs participation in revenue generating opportunities;
- Provision of skills development opportunities for unemployed youth through Artisan Training, Internships, Bursaries and Learnerships; and

#### Pillar 3: Accelerated social transformation

For the 2016/17 financial year, the department plans to ensure that 108 infrastructure design projects are ready for tender. Out of the projects ready for tender, 68 will emanate from Education infrastructure, 27 from Health infrastructure and 13 from other departments. 65 of those capital infrastructure projects will be completed within the contract period and 89 completed within agreed budget thus, contributing to the realisation to radically transform the Gauteng Economy. The department plans to complete the construction of six new schools, eight smart classrooms and four palisade fencing projects. Nokuthula LSEN School is another flagship project that consists of a boarding school for learners with special needs. The site is located between Lombardy and Alexandra Township. The facility is designed to maximize the potential of learners and is the first of its kind in the province. The facility is designed to accommodate 550 learners with 80 boarders. It comprises classrooms, sporting facilities, administration block, orthopaedic block, boarding facilities and heavy vocational (trade workshops). The site was handed over on the 5th March 2015 and the project is expected to be completed on 23rd May 2017. Construction progress is currently at 30 per cent.

#### Pillar 4: Transformation of the state and governance

In transforming the state and governance, the Department will complete one User-Asset Management Plan and one Customised Asset Management Portfolio to be submitted to the relevant Treasury in accordance with Government Immovable Asset Management Act. The department also aims to collect R22 million in revenue for the 2016/17 financial year. A further six properties will be leased out for commercial purposes within the private sector, including SMMEs for revenue generation as well as 75 MRR leases concluded at market-related rentals.

#### Pillar 5: Modernisation of public service

The Management Performance Assessment Tool (MPAT) is one of several initiatives to improve the performance and service delivery of the Department. MPAT is a structured, evidence-based approach to the assessment of management practices. Underpinning MPAT is the logic that improved management practices will improve government performance and service delivery. As such, during the 2016/17 financial year, the GDID undertakes to reach its MPAT score threshold of four and commits to improve the key performance standards related to:

- Strategic Management;
- Governance and Accountability;
- Human Resources Management; and
- Financial Management.

The department will have initiatives to root out fraud and corruption at all possible levels; this will be through fraud prevention and anti-corruption awareness sessions. In addition hereto, the GDID will develop a fraud and prevention plan which will be cascaded to all staff as part of the awareness session. All senior managers will be expected to disclose and submit their financial interest in accordance with Public Service Requirements.

### **Pillar 6: Modernisation of the Economy**

The Department will continue to prioritise the green agenda projects within GPG buildings as a method of promoting energy saving.

Key initiatives to deliver on the stated objectives include:

- Three coal boilers will be converted to gas
- 10 boilers supplied with gas
- 10 institutions to be installed with solar panels

Six tri-generation and cogeneration plants in compliance with Treasury Regulation Systems in health institutions

## **4. REPRIORITISATION**

The department continues to review its operations to identify cost savings and eliminate inefficiencies. These savings will assist the department to continue to reprioritise planning and funds toward achievement of the transformation, modernisation and reindustrialisation (TMR) programme. The department will continue to implement cost containment measures and to reduce spending obligations on non-core items. The department is paying more attention to cheaper alternative technologies, including prioritising the green agenda in GPG buildings. In addition, over the 2016 MTEF, funds will continue to be reprioritised towards programmes and outputs where delivery and efficiency gains are high.

The province prioritised the establishment of the Infrastructure Delivery Management System (IDMS) to improve the delivery of infrastructure to stimulate economic growth. Infrastructure Development allocation includes the tools of the trade for personnel who will be employed in the IDMS.

The department has reprioritised the budget to align itself to the National Treasury's instructions of ensuring reduction in utilising consultants as well as other administrative costs. The allocated budget will show a 15% reduction for key focus items identified by the National Treasury. Another factor is the over commitment of the department and a further reason why it is critical to cut costs and settle long outstanding debts and accruals. This is due to the negative impact accruals have on the budget with reduced allocated funds for that year's deliverables. The budget for the 2016/17 financial year has been allocated to fund current commitments which are expected to be completed during the 2016/17 financial year with minimal budget allocated for new commitments.

## **5. PROCUREMENT**

Accounting officers of departments and constitutional institutions must submit a procurement plan to the relevant treasury by 30 April of each year, containing all planned procurement for the financial year in respect of goods, works and/or services which exceed R500 000 (all applicable taxes included). Treasury has also recently communicated that procurement plans must be submitted on 30 January 2016 which have since been submitted.

The Department has filled 34 posts during the 2015/6 financial year at a cost of R14.1 million. The filing of posts thus far has contributed positively towards the improved performance with Supply Chain management especially in the fields of Education and Health Infrastructure. Demand planning is already underway; bid execution plans are being prepared to ensure that the timelines agreed upon during procurement planning are achieved. However; there are still many challenges with time delivery projects. These include:

- Late confirmations of projects and associated budgets by clients
- Land related issues that have a bearing on the start of the projects

Changing priorities in relation to the departmental client needs such as Education and Health amongst others. The Department deals with such challenges in the following manner:

- Forging integrated planning to ensure that projects included in the plan are what is actually required
- All projects included in the plan; are those whose land issues have been resolved
- All projects in the plan must be budgeted for
- Monthly meetings with business units to track progress against the plan

## 6. RECEIPTS AND FINANCING

### 6.1. Summary of receipts

TABLE 15.1: SUMMARY OF RECEIPTS: DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	1 369 550	1 529 044	1 880 117	2 041 493	2 404 609	2 404 609	2 547 686	2 686 747	2 848 650
Conditional grants	1 502	3 037	5 511	9 205	9 205	9 205	17 167		
<i>Expanded Public Works Programme Incentive Grant for Provinces</i>	1 502	3 037	5 511	9 205	9 205	9 205	17 167		
<b>Total receipts</b>	<b>1 371 052</b>	<b>1 532 081</b>	<b>1 885 628</b>	<b>2 050 698</b>	<b>2 413 814</b>	<b>2 413 814</b>	<b>2 564 853</b>	<b>2 686 747</b>	<b>2 848 650</b>

Departmental receipts increase from R1.3 billion in 2012/13 to R1.9 billion in the 2014/15 financial year. The allocation in the main appropriation amounts to R2.1 billion in the 2015/16 financial year. Over the MTEF the department's allocation will increase from R2.6 billion in 2016/17 to R2.8 billion in the 2018/19 financial year.

The department was allocated the Expanded Public Works Programme (EPWP) Integrated Grant for Provinces from 2012/13 to 2016/17. The department receives an amount of R17.2 million against this grant in 2016/17 which will continue to be used to fund the payment of stipends to the National Youth Service (NYS) beneficiaries. There is no allocation for the two outer years of the MTEF at this stage, as it is dependent on performance of the project and the terms of the outcomes achieved, in line with the set objectives.

### 6.3. Departmental receipts

TABLE 15.2: SUMMARY OF DEPARTMENTAL RECEIPTS: DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts									
Sales of goods and services other than capital assets	13 545	16 184	18 203	20 440	20 440	20 440	22 410	23 531	24 895
Interest, dividends and rent on land	43	(5)	27			28			
Transactions in financial assets and liabilities	1 467	1 576	795	560	560	1 438	590	619	655
<b>Total departmental receipts</b>	<b>15 055</b>	<b>17 755</b>	<b>18 845</b>	<b>21 000</b>	<b>21 000</b>	<b>21 906</b>	<b>23 000</b>	<b>24 150</b>	<b>25 550</b>

The department generates income from the sales of tender documents to service providers who are interested in doing business with the department to implement infrastructure projects. Revenue is also generated from leasing of commercial and residential properties and granting access to the Roodeplaat dam for camping and fishing.

The revenue is estimated to increase from R18.8 million in the 2014/15 financial year to R21 million in the 2015/16 financial year. As at the end of the third quarter, the department is anticipating to collect more than the projections. Over the MTEF, revenue is projected to increase from R23 million in 2016/17 to R25.5 million in 2018/19 financial year which represent approximately 4 percent per annum. The increase is minimal due to the issues that the department is experiencing with regards to collection of market related rentals (MRR). The department is currently engaging communities where the properties are to try and find an amicable way to resolve this matter.

With regards to increases in revenue collection, the department is still struggling to implement the Market Related Rentals (MRR) in most of its properties due to their current state. Most of the properties require refurbishment in order to be on a par where MRR can be charged. The department is continuously underfunded which makes it difficult to refurbish. There are various needs on state owned building which requires extensive rehabilitation. To list but a few of those, repairs to roofs, water reticulations, repainting etc. can be viewed as minimal items that requires upgrades.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The department will continue to provide for the infrastructure needs of the province as mandated by the provincial administration. In this regard new schools will be built, refurbishments and rehabilitation to existing buildings be completed and day-to-day maintenance be conducted on state-owned buildings

The following elements have been taken into account when determining budgets for the 2016/17 MTEF:

#### Personnel:

Over the MTEF, personnel costs will increase by 7.2 per cent in 2016/17; by 6.8 per cent in 2017/18 and by 5.8 per cent in the 2018/19 financial year.

- The recruitment of scarce skilled personnel over the 2016/17 MTEF is viewed as part of the important elements taken into consideration for improvement of performance within the organization. Key projects that are funded relates to IDMS allocation over the MTEF which intends on providing benefits to OSD employees
- Improvement in the Condition of services (ICS adjustments) for all salary related transactions.

#### Goods and services:

The consumer price index (CPI) inflation projection will be used for all non-personnel items over the MTEF. For the 2016/17 financial year, it will be 6.2 per cent, 5.8 per cent in 2017/18 and 5.8 per cent in the 2018/19 financial year.

- As part of the Departmental cost containment implementation process, the goods and services allocation is reducing over the MTEF. Part of the items that reflect budget reduction, relates to advertising, catering, administrative fees and operating payments amongst other things.

#### Key projects for implementation:

- Additional funding relating to EPWP training; and
- Funding relating to E- maintenance within the organization.

## 7.2. Programme summary

TABLE 15.3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	198 309	205 289	313 650	437 834	442 834	460 084	419 596	371 021	365 400
2. Public Works Infrastructure	1 035 397	1 051 669	1 210 060	1 244 095	1 672 878	1 725 699	1 806 922	1 872 540	2 013 449
3. Expanded Public Works Programme	174 637	272 533	302 865	368 769	298 102	228 031	338 335	443 186	469 800
<b>Total payments and estimates</b>	<b>1 408 343</b>	<b>1 529 491</b>	<b>1 826 575</b>	<b>2 050 698</b>	<b>2 413 814</b>	<b>2 413 814</b>	<b>2 564 853</b>	<b>2 686 747</b>	<b>2 848 650</b>

## 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 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>968 915</b>	<b>1 068 663</b>	<b>1 295 482</b>	<b>1 474 312</b>	<b>1 468 571</b>	<b>1 504 097</b>	<b>1 638 307</b>	<b>1 791 639</b>	<b>1 832 677</b>
Compensation of employees	448 790	551 709	570 760	746 450	706 450	668 166	833 204	926 963	1 009 991
Goods and services	519 463	514 375	724 156	727 062	761 321	830 523	803 750	863 958	821 926
Interest and rent on land	662	2 579	566	800	800	5 408	1 353	719	761
<b>Transfers and subsidies to:</b>	<b>317 894</b>	<b>314 785</b>	<b>306 210</b>	<b>333 534</b>	<b>684 509</b>	<b>684 145</b>	<b>727 921</b>	<b>763 571</b>	<b>807 857</b>
Provinces and municipalities	309 511	308 686	300 646	327 094	679 069	679 070	718 544	757 462	801 394
Departmental agencies and accounts	129		2	1	1	1	1	3	4
Households	8 254	6 099	5 562	6 439	5 439	5 074	9 376	6 105	6 459
<b>Payments for capital assets</b>	<b>90 558</b>	<b>145 495</b>	<b>219 732</b>	<b>242 852</b>	<b>260 734</b>	<b>225 310</b>	<b>198 625</b>	<b>131 538</b>	<b>208 116</b>
Buildings and other fixed structures	66 589	114 584	193 548	225 286	5 217 168	181 744	169 825	109 136	183 308
Machinery and equipment	23 969	30 911	25 687	13 566	43 566	43 566	28 800	13 557	15 450
Software and other intangible assets			497	4 000				8 845	9 358
<b>Payments for financial assets</b>	<b>30 976</b>	<b>548</b>	<b>5 151</b>			<b>262</b>			
<b>Total economic classification</b>	<b>1 408 343</b>	<b>1 529 491</b>	<b>1 826 575</b>	<b>2 050 698</b>	<b>2 413 814</b>	<b>2 413 814</b>	<b>2 564 853</b>	<b>2 686 747</b>	<b>2 848 650</b>

The department's budget has increased significantly from the expenditure incurred in 2013/14 to 2014/15 by approximately 19 per cent due to the allocation of R150 million for the IDMS implementation and R100 million for the Women's Living Monument. The budget allocated for the 2015/16 financial year for IDMS is R200 million and for 2016/17 is R250 million. These funds are used to fill critical posts that will enable the department to fulfil its mandate to better serve the client departments and also to procure tools of trade for those employees to perform their jobs more efficiently.

The budget over the MTEF will increase from R2.6 billion to R2.8 billion which is approximately 4 percent per annum. The Public Works programme is the core programme of the department which houses the Health, Education and the Immovable Asset Management. This programme constitutes approximately 71 percent of the department's budget.

Compensation of employees has increased significantly due to the filling of posts subsequent to the approval of the structure. Over the MTEF, the budget will increase by approximately 7 percent per annum.

Goods and services allocation decrease over the MTEF from R803.7 million in 2016/17 financial year to R821.9 million in 2018/19. This amount include the EPWP training, tools of trade for all the new appointments, maintenance turn-around strategy leases, utilities, travelling and subsistence allowance, etc.

Transfers and subsidies constitute approximately 28 percent of the budget allocated to the department and these funds are paid to municipalities for rates and taxes. The other amount is allocated for the leave gratuity and the non-employees' bursaries.

Payment for capital assets includes the allocation for the Precinct refurbishments, and the Women's Living Monument which is anticipated to be completed during the 2016/17 financial year. The department has also allocated funding for acquisition of furniture, equipment and computers for new members of staff.

## 7.4 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

The budget allocated for the Transaction Advisor in the 2016/17 financial year is only R8 million which will be utilised to pay for retention costs. This relates to the Kopanong Precinct (PPP) project during the 2016/17 financial year and no budget has been allocated over the MTEF. The allocation of funds for the MTEF is dependent on the approval of project stages in line with Chapter 16 section 16.5 of the Treasury Regulation.

## 7.5 Transfers

### 7.5.1. Transfers to public entities

N/A

### 7.5.2. Transfers to other entities

N/A

### 7.5.3. Transfers to local government

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Category A	269 138	272 847	244 565	266 832	498 832	498 832	615 938	647 532	681 285
Category B	40 365	35 840	56 111	50 601	150 601	150 600	102 606	109 930	120 109
Category C				9 627	29 637	29 637			
Unallocated		(1)							
<b>Total departmental transfers</b>	<b>309 503</b>	<b>308 686</b>	<b>300 676</b>	<b>327 059</b>	<b>679 069</b>	<b>679 069</b>	<b>718 544</b>	<b>757 462</b>	<b>801 394</b>

Transfers in the Department of Infrastructure Development constitute the devolution of rates and taxes and households which relates to bursaries of non-employees and the leave gratuity paid employees who leave the department.

The transfer to local government constitutes the payments of utilities for schools and other buildings that are devolved to the department. Expenditure has been the same for the 2012/13 and 2013/14 period at R309 million per annum which then decreased to R301 million in the 2014/15 financial year. The expenditure for the 2014/15 financial year constituted approximately 99 percent of the allocated budget.

The department has seen an increase in the expenditure of rates and taxes over the years, which has resulted in invoices being accrued to the following financial year due to the number of claims submitted by the municipalities. In the 2015/16 financial year there was a projected overspending of over R300 million but during the adjustment, the department was



allocated additional funding of R352 million. The department is continuously investigating the claims received from the municipalities to ensure that they are for the devolved properties only.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1:

#### Programme description

The purpose of this Programme is to provide strategic leadership to the Department and to support the core programmes in their efforts to implement the mandate of the Department. This includes the provision of strategic and operational support services for the MEC and the HOD, provision of Financial Management and Supply Chain Management services, provision of Corporate Support Services including Human Resource Management, Information Systems Management, Internal and External Communications, Strategic Planning and Monitoring and Evaluation as well as Legal Services and Security Management, and the provision of Internal Audit and Organisational Risk Management services.

#### Programme objectives

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	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Office Of The MEC	12 419	12 794	10 695	8 158	8 158	11 316	8 770	9 548	10 102
2. Corporate Support	168 451	179 604	292 217	423 594	428 594	440 390	401 447	349 827	342 976
3. Management Of The Department	17 439	12 891	10 738	6 082	6 082	8 378	9 379	11 646	12 322
<b>Total payments and estimates</b>	<b>198 309</b>	<b>205 289</b>	<b>313 650</b>	<b>437 834</b>	<b>442 834</b>	<b>460 084</b>	<b>419 596</b>	<b>371 021</b>	<b>365 400</b>

TABLE 15.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>181 980</b>	<b>182 067</b>	<b>287 418</b>	<b>416 238</b>	<b>415 238</b>	<b>432 814</b>	<b>383 242</b>	<b>344 193</b>	<b>335 908</b>
Compensation of employees	84 610	84 336	117 485	172 019	162 019	153 247	167 044	176 506	184 708
Goods and services	97 139	97 715	169 513	243 719	252 719	274 459	215 198	167 355	150 850
Interest and rent on land	231	16	420	500	500	5 108	1 000	332	351
<b>Transfers and subsidies to:</b>	<b>6 433</b>	<b>3 189</b>	<b>2 735</b>	<b>4 030</b>	<b>4 030</b>	<b>3 442</b>	<b>7 554</b>	<b>4 427</b>	<b>4 684</b>
Provinces and municipalities	1			10	10	10			
Departmental agencies and accounts	128								
Households	6 304	3 189	2 735	4 020	4 020	3 432	7 554	4 427	4 684
<b>Payments for capital assets</b>	<b>9 436</b>	<b>20 033</b>	<b>23 346</b>	<b>17 566</b>	<b>23 566</b>	<b>23 566</b>	<b>28 800</b>	<b>22 402</b>	<b>24 808</b>
Buildings and other fixed structures									
Machinery and equipment	9 436	20 033	22 849	13 566	23 566	23 566	28 800	13 557	15 450
Software and other intangible assets			497	4 000				8 845	9 358
<b>Payments for financial assets</b>	<b>460</b>		<b>151</b>			<b>262</b>			
<b>Total economic classification</b>	<b>198 309</b>	<b>205 289</b>	<b>313 650</b>	<b>437 834</b>	<b>442 834</b>	<b>460 084</b>	<b>419 596</b>	<b>371 021</b>	<b>365 400</b>

The expenditure has increased from R198 million in 2012/13 to R314 million in 2014/15. In 2015/16 the allocation increased to R437.8 million but was increased to R442.8 million during the adjustment period due to the allocation of additional funding for the acquisition of tools of trade. The budget allocated over the MTEF will decrease from R419.5 million in 2016/17 to R365 million in 2018/19 financial year. The reduction in the budget relates to the approved new structure which has seen a number of post in relation to Administration as a programme abolished as they were no longer in line with the new structure and no longer informed by the needs of the Department. These posts in the main related to the erstwhile entities such as Impophoma, Emoyeni, etc.

Compensation of employees has increased from R84 million in 2012/13 to R117 million in the 2014/15 financial year and again to R162 million in the 2015/16 financial year due to the allocation of funds for filling of all vacant posts in Supply Chain Management (SCM) that are IDMS related. Over the MTEF, the budget increases from R167 million in the 2016/17 financial year to R 184.7 million in the 2018/19 financial year.

Goods and services have increased from R 97.1 million in 2012/13 to R 169 million in the 2014/15 financial year. The operational budget relating to goods and services will decrease from R252.7 million in the 2015/16 financial year to R150.8 million in the 2018/19 financial year, in line with the IDMS implementation project in 2015/16.

Households include the allocation for bursaries for non-employees and leave gratuities. The bursaries to non-employees are issued every second year to allow for the proper monitoring of performance of beneficiaries. The budget will increase from R4 million in the 2015/16 financial year to R7.5 million in the 2016/17 financial year.

Payments for Capital assets: the department allocated a budget amounting to R23.6 million allocated in 2015/16 for the provision of furniture and equipment for personnel. This allocation increases to R28.8 million in 2016/17 and decreases to R24.8 million in 2018/19. The increase denotes a 19 per cent adjustment in 2016/17 financial year. This in effect is in line with the provision of funds allocated to the Department for filling of critical posts over the 2016/17 MTEF. Reason for budgetary decrease in 2018/19 implies to lesser new resources required for personnel.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Performance measures	Estimated Annual targets		
	2016/17	2017/18	2018/19
Amount of revenue collected	R22 million	R23 million	R25 million
10% vacancy rate maintenance	Maintain 10% vacancy rate	Maintain 10% vacancy rate	Maintain 10% vacancy rate
Amount paid in rates and user fees to Municipalities and Departments	R360 million	R378 million	R396 million
Number of Intern contracts managed	115	130	130
Percentage procurement allocated to SMMEs	30%	30%	30%

### PROGRAMME 2:

#### Programme Description

This programme is responsible for providing the core services that are mandated to the department. This includes being the only implementer of infrastructure and maintenance projects on behalf of all GPG Departments. Maintenance projects include renovations, refurbishments and upgradings'. In the case of the Provincial Department of Health, it also includes the implementation of day-to-day, routine/preventative and emergency maintenance at all Health Facilities in the Province with the exception of Jubilee Hospital and Odi Hospital that is maintained by the Provincial Department of Health.

The GDID manages the construction procurement projects for Provincial departments and issues framework/term contracts for day-to-day, routine/preventative maintenance, when required, for all Provincial departments. This also includes the maintenance and estate management services provided for shared offices, the Premiers residence and offices used by GDID itself. It is also a user of immovable assets in terms of immovable assets being utilised by GDID.

#### Programme Objectives

To manage immovable assets of the GPG as the Provincial Custodian. It manages and plans for effective and efficient utilisation of immovable assets, management of leases, estates and payment of creditors for allocated areas, management of acquisition and disposal of immovable properties and facilitation of property development.

TABLE 15.8: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Construction	69 428	60 980	74 650	104 076	330 717	330 778	319 521	285 348	324 843
2. Maintenance	327 234	347 212	335 451	409 809	409 870	410 476	405 938	506 933	541 738
3. Immovable Asset Management	638 735	643 477	799 959	730 210	932 291	984 445	1 081 462	1 080 259	1 146 868
<b>Total payments and estimates</b>	<b>1 035 397</b>	<b>1 051 669</b>	<b>1 210 060</b>	<b>1 244 095</b>	<b>1 672 878</b>	<b>1 725 699</b>	<b>1 806 922</b>	<b>1 872 540</b>	<b>2 013 449</b>

TABLE 15.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main Appropriation	Adjusted Appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>668 645</b>	<b>700 428</b>	<b>808 556</b>	<b>795 825</b>	<b>755 331</b>	<b>847 138</b>	<b>916 835</b>	<b>1 004 371</b>	<b>1 027 085</b>
Compensation of employees	345 030	390 051	385 896	481 493	451 493	445 851	482 510	537 810	598 980
Goods and services	323 366	307 814	422 514	314 032	303 538	400 987	434 025	466 229	427 754
Interest and rent on land	249	2 563	146	300	300	300	300	332	351
<b>Transfers and subsidies to:</b>	<b>311 426</b>	<b>311 582</b>	<b>303 399</b>	<b>329 404</b>	<b>680 379</b>	<b>680 638</b>	<b>720 262</b>	<b>759 034</b>	<b>803 057</b>
Provinces and municipalities	309 510	308 686	300 646	327 084	679 059	679 060	718 544	757 462	801 394
Departmental agencies and accounts	1		2	1	1	1	1	3	4
Households	1 915	2 896	2 751	2 319	1 319	1 577	1 717	1 568	1 659
<b>Payments for capital assets</b>	<b>55 326</b>	<b>39 659</b>	<b>98 105</b>	<b>118 866</b>	<b>237 168</b>	<b>197 923</b>	<b>169 825</b>	<b>109 136</b>	<b>183 308</b>
Buildings and other fixed structures	41 091	28 934	95 267	118 866	217 168	177 923	169 825	109 136	183 308
Machinery and equipment	14 235	10 725	2 838		20 000	20 000			
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 035 397</b>	<b>1 051 669</b>	<b>1 210 060</b>	<b>1 244 095</b>	<b>1 672 878</b>	<b>1 725 699</b>	<b>1 806 922</b>	<b>1 872 540</b>	<b>2 013 449</b>

Expenditure on this programme over the prior financial years has increased from R1 billion in 2012/13 to R1.2 billion in 2014/15. Even though the increase may seem minimal, the department has seen improvements in the manner in which the infrastructure projects are being implemented. The Gauteng Treasury has increased the allocation of rates and taxes to take care of the accruals that are always carried over every financial year due to insufficient funding. Over the MTEF, the allocation for the programme will increase from R1.8 billion in 2016/17 to R2.0 billion in 2018/19 which represent approximately a 4 percent increase per annum.

The department has seen an increase in the appointments of registered engineers and technical staff over the 2014/15 financial year. From the 225 officials appointed, approximately 85 percent are technical engineers. The department is anticipating a reduction in the payment of overtime but an increase in subsistence and travel claims due to site visits and management of projects. Compensation will increase from R482.5 million in 2016/17 to R598.9 million in the 2018/19 financial year. During the 2016/17 financial year, the department was allocated an amount of R26.8 million for capacity building within the infrastructure branch. This will enable the department to improve on its service delivery mandate.

Goods and services in this branch constitute the operational costs like protective clothing, stationery, travelling costs and rental of vehicles from g-Fleet. The maintenance turn-around strategy was allocated an amount of R11.6 million in the 2016/17 financial year and this will grow to R12.9 million in the 2018/19 financial year, representing a 5.4 per cent increase per annum. The goods and services have increased from R323 million in 2012/13 to R422.5 million in 2014/15 and further decreased to R303.5 million in 2015/16. Over MTEF, the allocation increase from R434 million in 2016/17 and then decrease to R427.8 million in the 2018/19 financial year. In the allocation for goods and services, the leases and utilities are also included.

Devolution of rates and taxes expenditure in 2012/13 financial year was R309.5 million and decreased to R308.6 million in 2013/14 to R300.6 million in the 2014/15 financial year, but the department has spent approximately 99 percent of the budget allocated. During the adjustment budget period, the allocation for rates and taxes increased significantly from R327 million to R679 million. This is due to the accruals that are carried through every financial year due to insufficient funding. Over the MTEF, the allocation will increase from R718.5 million in 2016/17 to R801.4 million in 2018/19.

Payment for capital assets has increased from R55 million in 2012/13 to R119 in the 2015/16 financial year. The function of infrastructure implementation and management has been shifted to the Education and other branches together with the funding. During the adjustment budget process in the 2015/16 financial year, the entire budget for infrastructure was shifted to this branch, together with the expenditure that was incurred in the programmes that carried these projects before adjustments. Over the MTEF, the allocation will fluctuate from R169.8 million in 2016/17 financial year to R109.1 million in 2017/18 financial year and then increase to R183.3 million in 2018/19 financial year.

## SERVICE DELIVERY MEASURES

## PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Performance measures	Estimated Annual targets		
	2016/17	2017/18	2018/19
<b>Design Planning</b>			
Number of infrastructure designs ready for tender	108	20	10
<b>Construction</b>			
Number of capital infrastructure projects completed within the agreed period	65	71	8
Number of capital infrastructure projects completed within agreed budget	88	98	8
Number of planned maintenance projects awarded	170	TBC	TBC
Number of planned maintenance projects completed within the agreed contract period	156	120	172
Number of planned maintenance projects completed within agreed budget.	114	136	153
<b>Immovable Assets</b>			
Number of immovable assets verified in the Immovable Asset Register (IAR) in accordance with the mandatory requirements of National Treasury	7 000	7 000	7 000
Number of condition assessments conducted on state owned buildings	2 000	2 000	2 000
Number of Market related Rental leases concluded for residential properties	75	75	75

## PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

## Programme Description

The purpose of Expanded Public Works Programme (EPWP) is to manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme. The EPWP is a nationwide programme aimed at the reorientation of the public sector spending in favour of projects that create more work opportunities.

## Programme Objectives

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 15.10: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome`			Main Appropriation	Adjusted Appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Programme Support CBP	113 991	101 873	132 218	123 398	156 651	137 024	128 098	216 654	233 396
2. Community Development	60 646	170 660	170 647	245 371	141 451	91 007	210 237	226 532	236 404
<b>Total payments and estimates</b>	<b>174 637</b>	<b>272 533</b>	<b>302 865</b>	<b>368 769</b>	<b>298 102</b>	<b>228 031</b>	<b>338 335</b>	<b>443 186</b>	<b>469 800</b>

TABLE 15.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>118 290</b>	<b>186 168</b>	<b>199 508</b>	<b>262 249</b>	<b>298 002</b>	<b>224 145</b>	<b>338 230</b>	<b>443 076</b>	<b>469 684</b>
Compensation of employees	19 150	77 322	67 379	92 938	92 938	69 068	183 650	212 647	226 303
Goods and services	98 958	108 846	132 129	169 311	205 064	155 077	154 528	230 374	243 322
Interest and rent on land	182						53	55	59
<b>Transfers and subsidies to:</b>	<b>35</b>	<b>14</b>	<b>76</b>	<b>100</b>	<b>100</b>	<b>65</b>	<b>105</b>	<b>110</b>	<b>117</b>
Provinces and municipalities									
Households	35	14	76	100	100	65	105	110	117

R thousand	Outcome			Main Appropriation	Adjusted Appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Payments for capital assets</b>	<b>25 796</b>	<b>85 803</b>	<b>98 281</b>	<b>106 420</b>		<b>3 821</b>			
Buildings and other fixed structures	25 498	85 650	98 281	106 420		3 821			
Machinery and equipment	298	153							
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>30 516</b>	<b>548</b>	<b>5 000</b>						
<b>Total economic classification</b>	<b>174 637</b>	<b>272 533</b>	<b>302 865</b>	<b>368 769</b>	<b>298 102</b>	<b>228 031</b>	<b>338 335</b>	<b>443 186</b>	<b>469 800</b>

The department implemented a project called Zivuseni during November 2013 which has recruited approximately 3 000 beneficiaries per annum. This programme is in addition to the Department's NYS programme and has recruited about 2 500 beneficiaries. These beneficiaries are placed in a number of projects implemented by the department on behalf of the client departments. This initiative is contributing to the provision of training to the youth in the province. These beneficiaries are paid stipends on a monthly basis which fluctuates according to their attendance. An amount of R17.2 million has been allocated for the Incentive grant stipends for training the NYS students.

Compensation of employees: the budget increase for the year 2016/17 amounting to R183.7 million is allocated as a result of the expenditure incurred on the programme and relating to payments to NYS and Zivuseni beneficiaries. As at end of February 2016 actual expenditure amounted to R109 million which basically depicts projected overspending by year end. The increase in budget allocation for 2016/17 relates to the estimates of payments made during the year 2015/16. The department plans to recruit similar numbers of beneficiaries over the 2016/17 financial year.

Within goods and services allocation the department has appointed a service provider to assist in establishing a proper monitoring process on their attendance. Another service provider was appointed for the ICT training and other small training projects have been implemented during the 2015/16 financial year. The ICT training budget budget amounts to R11.5 million which will entail training and placement for jobs to 500 beneficiaries during the 2015/16 financial year and overlapping into 2016/17 financial year.

Total expenditure in the prior years has increased from R175 million in the 2012/13 financial year and increases to R302.9 million in 2014/15 financial year. Over the MTEF the budget will increase from R338.3 million in 2016/17 to R469.8 million in 2018/19 financial year. This allocation includes the funding for training, National Youth Service (NYS) stipends and compensation of employees.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Performance measures	Estimated Annual targets		
	2016/17	2017/18	18/19
Number of EPWP work opportunities created by GDID	6 500	6 500	6 500
Number of Full Time Equivalents (FTE's) created by GDID	2 543	2 543	2 543
Number of public bodies reporting on EPWP targets within the province	19	19	19
Number of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the Province (4 sectors Infrastructure, Social, Environment & Non-State)	4	4	4
Number of Beneficiary Empowerment Intervention	3	3	3

## 9. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 15.12: PERSONNEL NUMBERS AND COSTS BY PROGRAMME

Personnel numbers	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	As at 31 March 2018	As at 31 March 2019
1. Administration	262	270	312	265	374	386	386
2. Public Works Infrastructure	1 849	2 006	1 677	1 662	2 027	2 057	2 057
3. Expanded Public Works Programme Direct charges	68	120	48	29	76	78	78
<b>Total provincial personnel numbers</b>	<b>2 179</b>	<b>2 396</b>	<b>2 037</b>	<b>1 956</b>	<b>2 477</b>	<b>2 521</b>	<b>2 521</b>
Total provincial personnel cost (R thousand)	448 790	551 709	570 760	668 166	833 204	926 963	1 009 990
Unit cost (R thousand)	206	230	280	342	336	368	401

Through the implementation of the IDMS programme, the department has seen an increase of approximately 225 new intake in the 2014/15 financial year. This figure excludes the number of resignations and deaths. But this intake has been beneficial to the department engineers and technical staff which is critical for the maintenance and construction of infrastructure in the province. This staff will enable the department to deliver on its mandate and efficiently serving its clients.

TABLE 15.13: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: INFRASTRUCTURE DEVELOPMENT

R thousands	Revised estimate										Average annual growth over MTEF							
	Actual		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19					
	2012/13	2013/14	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total			
<b>Salary level</b>																		
1-6	1 543	1 617	1 363		1 313		1 313	200 519	1 437	222 181	1 479	259 039	1 506	271 049	4 7%	10 6%	28 0%	
7-10	427	525	470		422		422	227 028	591	289 334	667	333 764	685	350 458	17 5%	15 6%	35 0%	
11-12	146	189	152		158		158	125 908	193	161 069	206	179 002	222	220 265	12 0%	20 5%	20 2%	
13-16	63	65	52		56		56	63 782	69	74 317	74	82 565	78	91 416	11 7%	12 7%	9 1%	
Other								50 929		86 303		72 593		76 803		14 7%	7 7%	
<b>Total</b>	<b>2 179</b>	<b>2 396</b>	<b>2 037</b>		<b>1 949</b>		<b>1 949</b>	<b>668 166</b>	<b>2 290</b>	<b>833 204</b>	<b>2 426</b>	<b>926 963</b>	<b>2 491</b>	<b>1 009 990</b>	<b>8 5%</b>	<b>14 8%</b>	<b>100 0%</b>	
<b>Programme</b>																		
1. Administration	262	270	312		258		258	153 247	307	167 044	319	176 506	319	184 708	7 3%	6 4%	19 7%	
2. Public Works Infrastructure	1 849	2 006	1 677		1 662		1 662	445 851	1 887	482 510	1 972	537 810	2 028	598 980	6 9%	10 3%	60 8%	
3. Expanded Public Works Programme	68	120	48		29		29	69 068	96	183 650	135	212 647	144	226 302	70 6%	48 5%	19 5%	
Direct charges																		
<b>Total</b>	<b>2 179</b>	<b>2 396</b>	<b>2 037</b>		<b>1 949</b>		<b>1 949</b>	<b>668 166</b>	<b>2 290</b>	<b>833 204</b>	<b>2 426</b>	<b>926 962</b>	<b>2 491</b>	<b>1 009 990</b>	<b>8 5%</b>	<b>14 8%</b>	<b>100 0%</b>	

## 9.2. Training

TABLE 15.14: PAYMENTS ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>1. Administration</b>	<b>5 665</b>	<b>7 555</b>	<b>5 652</b>	<b>5 969</b>	<b>6 782</b>	<b>6 782</b>	<b>5 934</b>	<b>6 528</b>	<b>7 181</b>
Subsistence and travel									
Payments on tuition	900	1 900	1 760	1 859	2 112	2 112	1 848	2 033	2 236
Other	4 765	5 655	3 892	4 110	4 670	4 670	4 086	4 495	4 945
<b>2. Public Works Infrastructure</b>	<b>5 812</b>	<b>6 869</b>	<b>8 305</b>	<b>8 770</b>	<b>9 966</b>	<b>9 966</b>	<b>8 720</b>	<b>9 592</b>	<b>10 551</b>
Subsistence and travel									
Payments on tuition	3 997	2 419	4 400	4 646	5 280	5 280	4 620	5 082	5 590
Other	1 815	4 450	3 905	4 124	4 686	4 686	4 100	4 510	4 961
<b>3. Expanded Public Works Programme</b>	<b>184</b>	<b>81</b>	<b>5 885</b>	<b>6 238</b>	<b>7 062</b>	<b>7 062</b>	<b>6 173</b>	<b>6 790</b>	<b>7 469</b>
Subsistence and travel									
Payments on tuition	30	81	165	198	198	198	173	190	209
Other	154		5 720	6 040	6 864	6 864	6 000	6 600	7 260
<b>Total payments on training</b>	<b>11 661</b>	<b>14 505</b>	<b>19 842</b>	<b>20 977</b>	<b>23 810</b>	<b>23 810</b>	<b>20 827</b>	<b>22 910</b>	<b>25 201</b>

TABLE 15.15: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Number of staff									
Number of personnel trained	1 717	1 878	1 310	1 410	1 410	810	1 510	1 610	1 710
<i>of which</i>									
Male	951	985	603	635	649	49	695	741	787
Female	766	893	707	775	761	761	815	869	923
Number of training opportunities	1 469	1 464	1 040	1 070	1 070	1 070	1 490	1 310	1 350
<i>of which</i>									
Tertiary	64	55	60	70	70	70	80	80	70
Workshops	1 405	44	328	334	334	334	470	410	426
Seminars		74	326	333	333	333	470	410	426
Other		1 291	326	333	333	333	470	410	428
Number of bursaries offered	139	223	100	170	150	150	100	100	150
Number of interns appointed	53	98	110	80	120	120	130	120	120
Number of learnerships appointed	56	93	60	90	70	70	80	80	90
Number of days spent on training									

The department's HRD unit heads the training and development of employees to enable them to efficiently perform their duties and improve the performance of the department. The new intake generates costs such as the tools of trade, training and provision of transport to the technical staff which will have an impact on the training costs and budget.

Funding allocated for compensation of employees during the 2016/17 financial year will see to the employment of more than 2 500 employees in the organization. Training during this year will result in spending amounting to R20.8 million which represents training towards 1 510 employees. For the 2017/18, the budget allocation increases with 9 percent increase to R22.9 million. This will take care of training needs for 1 610 employees. During the outer year of the 2016/17 MTEF, 1 710 employees will be trained with a budget allocation of R25 million.

## 9.3. Reconciliation of structural changes

N/A



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

TABLE 15.16: SPECIFICATION OF RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>13 545</b>	<b>16 184</b>	<b>18 023</b>	<b>20 440</b>	<b>20 440</b>	<b>20 440</b>	<b>22 410</b>	<b>23 531</b>	<b>24 895</b>
Sale of goods and services produced by department (excluding capital assets)	13 545	16 184	18 023	20 440	20 440	20 440	22 410	23 531	24 895
Sales by market establishments	13 545	16 184	18 023	20 440	20 440	20 440	22 410	23 531	24 895
<b>Interest, dividends and rent on land</b>	<b>43</b>	<b>(5)</b>	<b>27</b>			<b>28</b>			
Dividends	43	(5)	27			28			
<b>Transactions in financial assets and liabilities</b>	<b>1 467</b>	<b>1 576</b>	<b>795</b>	<b>560</b>	<b>560</b>	<b>1 438</b>	<b>590</b>	<b>619</b>	<b>655</b>
<b>Total departmental receipts</b>	<b>15 055</b>	<b>17 755</b>	<b>18 845</b>	<b>21 000</b>	<b>21 000</b>	<b>21 906</b>	<b>23 000</b>	<b>24 150</b>	<b>25 550</b>

TABLE 15.17: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>181 980</b>	<b>182 067</b>	<b>287 418</b>	<b>416 238</b>	<b>415 238</b>	<b>432 814</b>	<b>383 242</b>	<b>344 193</b>	<b>335 908</b>
Compensation of employees	84 610	84 336	117 485	172 019	162 019	153 247	167 044	176 506	184 708
Salaries and wages	75 195	84 336	117 485	149 560	139 560	137 177	148 710	155 909	162 915
Social contributions	9 415			22 459	22 459	16 070	18 334	20 598	21 792
Goods and services	97 139	97 715	169 513	243 719	252 719	274 459	215 197	167 355	150 850
Administrative fees	97	686	180	306	306	306	406	143	110
Advertising	2 187	5 265	8 940	9 230	11 630	8 980	9 230	7 061	7 046
Minor assets	505	1 081	853	1 888	488	490	1 388	705	745
Audit cost: External	5 912	7 451	7 717	10 000	11 000	7 165	15 000	7 702	8 200
Bursaries: Employees	1 128	1 648	3 929	2 807	2 807	2 807	3 500	2 788	2 949
Catering: Departmental activities	1 520	2 917	6 728	1 100	5 200	7 707	1 500	1 587	1 442
Communication (G&S)	1 114	6 930	3 294	8 589	8 589	8 589	2 204	7 276	7 150
Computer services	3 247	3 202	5 904	4 200	4 700	11 999	5 700	4 535	4 078
Consultants and professional services: Business and advisory services	3 730	10 335	10 187	3 360	13 360	21 730	12 830	6 695	6 024
Consultants and professional services: Legal costs	13 885	26 084	29 593	21 000	26 000	41 291	21 000	19 735	15 086
Contractors		19		1 380	1 080	10	1 809		
Agency and support / outsourced services	7 151	1 706	60 456	134 300	124 400	124 400	104 209	67 739	57 726
Entertainment	53						(9)	23	24
Fleet services (including government motor transport)	37	33	915	2 585	5 485	6 674	4 095	1 324	1 400
Inventory: Clothing material and accessories		45	38	207	207		130		
Inventory: Food and food supplies	133		161	150	150	65	130	264	279
Inventory: Fuel, oil and gas	44		47					64	68
Inventory: Learner and teacher support material	3					1		25	27
Inventory: Materials and supplies	1 364	14	8			4		250	265
Inventory: Medical supplies			13						
Consumable supplies	43	2 012	1 737	642	342	545	1 720	7	8
Consumable: Stationery, printing and office supplies	6 928	5 304	5 492	6 072	7 472	13 003	12 863	7 369	6 645
Operating leases	30 479	1 386	2 157	4 000	4 000	2 504	3 000	9 136	10 164
Property payments	37					1 988			
Transport provided: Departmental activity	27		55	400	300	760	300	37	39
Travel and subsistence	7 892	10 311	5 530	7 609	6 709	1 991	4 492	9 482	6 584
Training and development	4 085	6 476	7 646	15 000	15 000	10 023	9 000	12 000	13 500
Operating payments	4 088	816	663	700	700	191	200	800	700
Venues and facilities	1 450	3 994	7 270	8 194	2 794	1 236	500	609	590
Interest and rent on land	231	16	420	500	500	5 108	1 000	332	351

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Interest	231	16		500	500	5 108	1 000	332	351
Rent on land			420						
<b>Transfers and subsidies</b>	<b>6 433</b>	<b>3 189</b>	<b>2 735</b>	<b>4 030</b>	<b>4 030</b>	<b>3 442</b>	<b>7 554</b>	<b>4 427</b>	<b>4 684</b>
Provinces and municipalities	1			10	10	10			
Provinces	1			10	10	10			
Provincial Revenue Funds									
Provincial agencies and funds	1			10	10	10			
Departmental agencies and accounts	128								
Provide list of entities receiving transfers	128								
Households	6 304	3 189	2 735	4 020	4 020	3 432	7 554	4 427	4 684
Social benefits	2 369		1 031	1 000	1 000	412	1 054	1 107	1 171
Other transfers to households	3 935	3 189	1 704	3 020	3 020	3 020	6 500	3 320	3 513
<b>Payments for capital assets</b>	<b>9 436</b>	<b>20 033</b>	<b>23 346</b>	<b>17 566</b>	<b>23 566</b>	<b>23 566</b>	<b>28 800</b>	<b>22 402</b>	<b>24 808</b>
Machinery and equipment	9 436	20 033	22 849	13 566	23 566	23 566	28 800	13 557	15 450
Transport equipment									
Other machinery and equipment	9 436	20 033	22 849	13 566	23 566	23 566	28 800	13 557	15 450
Software and other intangible assets			497	4 000				8 845	9 358
<b>Payments for financial assets</b>	<b>460</b>		<b>151</b>			<b>262</b>			
<b>Total economic classification</b>	<b>198 309</b>	<b>205 289</b>	<b>313 650</b>	<b>437 834</b>	<b>442 834</b>	<b>460 084</b>	<b>419 596</b>	<b>371 021</b>	<b>365 400</b>

TABLE 15.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main Appropriation	Adjusted Appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>668 645</b>	<b>700 428</b>	<b>808 556</b>	<b>795 825</b>	<b>755 331</b>	<b>847 138</b>	<b>916 835</b>	<b>1 004 371</b>	<b>1 027 085</b>
Compensation of employees	345 030	390 051	385 896	481 493	451 493	445 851	482 510	537 810	598 980
Salaries and wages	304 592	390 051	385 896	442 477	412 477	394 845	433 152	492 683	551 236
Social contributions	40 438			39 016	39 016	51 006	49 358	45 126	47 744
Goods and services	323 366	307 814	422 514	314 032	303 538	400 987	434 025	466 229	427 754
Administrative fees	1	(2)		148	148	148			
Advertising	2 422	3 448	2 319			86	(1)		
Minor assets	33	3 458	66	4 337	4 337	785	4 453	7 192	8 909
Bursaries: Employees		127							
Catering: Departmental activities	36	47	19			5			
Communication (G&S)	2 689	4 025	6 434	2 007	2 007	3 156	4 999	3 851	1 522
Computer services	1 129	97	258			7		3 138	3 320
Consultants and professional services: Business and advisory services	1 066		12 402			19 109		(1)	4 807
Consultants and professional services: Legal costs	119		10 451				30 000		
Contractors	24 608	24 548	33 441	17 900	100	101			
Agency and support / outsourced services	38 781	6 328	71 894	47 025	72 025	55 197	45 000		
Entertainment		41	62						
Fleet services (including government motor transport)		35	4 192	5 604	6 929	31 408	12 700	16 857	19 500
Housing									
Inventory: Clothing material and accessories		933	985	900	900	6 294			
Inventory: Food and food supplies	40		136			31		1	1
Inventory: Fuel, oil and gas	5		1	2	2				
Inventory: Learner and teacher support material	8								
Inventory: Materials and supplies	1 128	253	72			242	(1)		

R thousand	Outcome			Main Appropriation	Adjusted Appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<i>Inventories: Medical supplies</i>			13			172			
<i>Consumable supplies</i>	2 851	1 036	885	2 994	2 994	2 384	6 300	3 693	3 929
<i>Consumable: Stationery, printing and office supplies</i>	1 861	1 796	2 068	1 747	1 747	3 611	3 800	2 688	2 859
<i>Operating leases</i>	133 701	142 033	189 848	162 459	111 706	157 480	210 000	201 392	212 855
<i>Property payments</i>	82 058	89 440	70 510	62 618	94 352	111 535	109 475	217 591	166 196
<i>Transport provided: Departmental activity</i>	2								
<i>Travel and subsistence</i>	30 436	29 806	15 951	6 191	6 191	8 440	7 300	8 908	3 077
<i>Training and development</i>		3							
<i>Operating payments</i>	392	22	507			760	1	919	780
<i>Venues and facilities</i>		340		100	100	36			
<i>Interest and rent on land</i>	249	2 563	146	300	300	300	300	332	351
<i>Interest</i>	249	2 563		300	300		300	332	351
<i>Rent on land</i>			146			300			
<b>Transfers and subsidies</b>	<b>311 426</b>	<b>311 582</b>	<b>303 399</b>	<b>329 404</b>	<b>680 379</b>	<b>680 638</b>	<b>720 262</b>	<b>759 034</b>	<b>803 057</b>
Provinces and municipalities	309 510	308 686	300 646	327 084	679 059	679 060	718 544	757 462	801 394
Provinces	8			25		1			
Provincial Revenue Funds									
Provincial agencies and funds	8			25		1			
Municipalities	309 502	308 686	300 646	327 059	679 059	679 059	718 544	757 462	801 394
Municipalities	309 502	308 686	300 646	327 059	679 059	679 059	718 544	757 462	801 394
Municipal agencies and funds									
Departmental agencies and accounts	1		2	1	1	1	1	3	4
Social security funds									
Provide list of entities receiving transfers	1		2	1	1	1	1	3	4
Households	1 915	2 896	2 751	2 319	1 319	1 577	1 717	1 568	1 659
Social benefits	1 882		2 751	2 319	1 319	1 577	1 717	1 568	1 659
Other transfers to households	33	2 896							
<b>Payments for capital assets</b>	<b>55 326</b>	<b>39 659</b>	<b>98 105</b>	<b>118 866</b>	<b>237 168</b>	<b>197 923</b>	<b>169 825</b>	<b>109 136</b>	<b>183 308</b>
Buildings and other fixed structures	41 091	28 934	95 267	118 866	217 168	177 923	169 825	109 136	183 308
Buildings	41 091	28 934	95 267	118 866	217 168	177 923	169 825	109 136	183 308
Other fixed structures									
Machinery and equipment	14 235	10 725	2 838		20 000	20 000			
Transport equipment									
Other machinery and equipment	14 235	10 725	2 838		20 000	20 000			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 035 397</b>	<b>1 051 669</b>	<b>1 210 060</b>	<b>1 244 095</b>	<b>1 672 878</b>	<b>1 725 699</b>	<b>1 806 922</b>	<b>1 872 540</b>	<b>2 013 449</b>

TABLE 15.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION :EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>118 290</b>	<b>186 168</b>	<b>199 508</b>	<b>262 249</b>	<b>298 002</b>	<b>224 145</b>	<b>338 229</b>	<b>443 076</b>	<b>469 684</b>
Compensation of employees	19 150	77 322	67 379	92 938	92 938	69 068	183 650	212 647	226 303
Salaries and wages	17 855	77 322	64 414	87 820	87 820	66 170	163 021	198 587	209 427
Social contributions	1 295		2 965	5 117	5 117	2 898	20 628	14 060	16 876
Goods and services	98 958	108 846	132 129	169 311	205 064	155 077	154 527	230 374	243 322
Administrative fees			700						
Advertising	203	1 753		371	371	748			
Minor assets						16			
Bursaries: Employees		9							
Catering: Departmental activities	161	1 040	990	200	200	227			
Communication (G&S)	145	1 120	1 951		109	855			
Consultants and professional services: Business and advisory services	2 617		9 659					5 301	5 208
Consultants and professional services: Legal costs		13 740	2 305						
Contractors									
Agency and support / outsourced services	77 003	80 060	110 796	139 570	172 823	125 492	131 225	220 632	233 428
Fleet services (including government motor transport)			139	2 240	4 688	3 200	4 000		
Inventory: Clothing material and accessories		2 216	142	6 000	6 000	6 312			
Inventory: Food and food supplies	52								
Inventory: Materials and supplies	8	6 906	4 162						
Consumable supplies	302	5		2 550	2 550	2 478	16 302	1 069	1 131
Consumable: Stationery,printing and office supplies	308	41	156	1 200	1 200	760	2 000	1 909	2 008
Property payments		90							
Transport provided: Departmental activity						243			
Travel and subsistence	1 582	1 844	1 101	1 680	1 623	1 436	1 000	1 462	1 547
Training and development	144	22		15 000	15 000	13 050			
Operating payments	16 337		24						
Venues and facilities	96		4	500	257	260			
Rental and hiring									
Interest and rent on land	182						53	55	59
Interest	182						53	55	59
Rent on land									
<b>Transfers and subsidies</b>	<b>35</b>	<b>14</b>	<b>76</b>	<b>100</b>	<b>100</b>	<b>65</b>	<b>105</b>	<b>110</b>	<b>117</b>
Non-profit institutions									
Households	35	14	76	100	100	65	105	110	117
Social benefits	35		76	100	100	65	105	110	117
Other transfers to households		14							
<b>Payments for capital assets</b>	<b>25 796</b>	<b>85 803</b>	<b>98 281</b>	<b>106 420</b>		<b>3 821</b>			
Buildings and other fixed structures	25 498	85 650	98 281	106 420		3 821			
Buildings	25 498	85 650	98 281	106 420		3 821			
Other fixed structures									
Machinery and equipment	298	153							
Transport equipment									
Other machinery and equipment	298	153							
<b>Payments for financial assets</b>	<b>30 516</b>	<b>548</b>	<b>5 000</b>						
<b>Total economic classification</b>	<b>174 637</b>	<b>272 533</b>	<b>302 865</b>	<b>368 769</b>	<b>298 102</b>	<b>228 031</b>	<b>338 335</b>	<b>443 186</b>	<b>469 800</b>

## Contact Information

**Physical Address:**  
75 Fox Street, Imbumba House,  
Johannesburg

**Postal Address:**  
Private Bag X12,  
Marshalltown,  
Johannesburg,  
2107

**Switchboard:**  
011 227 9000

**Website Address:**  
[www.treasury.gpg.gov.za](http://www.treasury.gpg.gov.za)

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