

# VOTE 14

## Public Works

Operational budget	R1 683 339 205
MEC remuneration	R 1 977 795
Total amount to be appropriated	R1 685 317 000
Responsible MEC	MEC for Human Settlements and Public Works
Administering department	Public Works
Accounting officer	Head: Public Works

### 1. Overview

#### Vision

The department's vision is: *An inclusive economy through sustainable infrastructure development and property management.*

#### Mission statement

The department's mission is: *To improve the life of the people in KZN through sustainable infrastructure development and property management.*

#### Strategic objectives

**Strategic policy direction:** The Department of Public Works (DOPW) was restructured to be a capable implementing agent of choice for the client departments requiring building infrastructure services and property management such as office accommodation. The department has a responsibility to deliver on certain key social issues in consultation with the client departments. The department does not only deliver social infrastructure such as schools, clinics and hospitals, but it also co-ordinates the provincial infrastructure cluster. These are the core business functions of the department which are in line with the outcome based strategic goals and objectives in the 5-year strategic plan (2015-2020) of the department.

#### Core functions

In carrying out its mandate, the department undertakes the following core functions:

- The acquisition of public buildings and land.
- The construction of public buildings, involving the physical erection or major improvements in respect of infrastructure in the building environment.
- The maintenance of public buildings and land, including performing the necessary work to keep the required level of operation and the payment of property rates.
- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

#### Legislative mandate

Within the broad statutory mandates of government institutions, the following mandates guide the department's core functions:

- Constitution of the Republic of South Africa (No. 108 of 1996)
- Public Service Act (No. 30 of 2007)
- Public Finance Management Act (No. 1 of 1999, as amended) and the Treasury Regulations

- Government Immovable Asset Management Act (No. 19 of 2007)
- Local Government: Municipal Rates Act (No. 6 of 2004)
- Construction Industry Development Board Act (No. 38 of 2000)
- National Building Regulations and Building Standards Act (No. 103 of 1977)
- Occupational Health and Safety Act (No. 85 of 1993)
- State Land Disposal Act (No. 48 of 1961)
- Prevention of Eviction from and Unlawful Occupation of Land Act (No. 19 of 1998)
- KwaZulu-Natal Land Administration Act (No. 3 of 2003)
- KwaZulu-Natal Heritage Act (No. 10 of 1997)
- Broad Based Black Economic Empowerment Act (No. 53 of 2004)
- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1995)
- Skills Development Act (No. 97 of 1998)
- Basic Conditions of Employment Act (No. 75 of 1997)
- Intergovernmental Relations Framework Act (No. 13 of 2005)
- Preferential Procurement Policy Framework Act (No. 5 of 2000)
- Cross-Boundary Municipalities Laws Repeal and Related Matters Act, as amended (No. 8 of 2009)
- Council for the Built Environment Act (No. 43 of 2000)
- Engineering Profession Act (No. 46 of 2000)
- Architectural Profession Act (No. 44 of 2000)
- Quantity Surveying Profession Act (No. 49 of 2000)
- Project and Construction Management Professions Act (No. 48 of 2000)
- Occupational Injuries and Diseases Act (No. 130 of 1993)
- Deeds Registry Act (No. 47 of 1937)
- Expropriation Act (No. 63 of 1975)
- Environmental Act (No. 107 of 1998)
- Promotion of Administrative Justice Act (No. 53 of 2002)
- Promotion of Access to Information Act (No. 54 of 2006)
- Skills Development Qualification Act (No. 58 of 1995)
- KwaZulu-Natal Ingonyama Trust Amendment Act (No. 9 of 1997)
- South African Schools Act (No. 84 of 1996)
- Cross-boundary Municipalities Laws Repeal Related Matters Act (No. 23 of 2005)
- KwaZulu-Natal Planning and Development Act (No. 6 of 2008)

## **2. Review of the 2018/19 financial year**

Section 2 provides a review of 2018/19, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

### ***Delivery of building infrastructure and accommodation***

It was resolved that an infrastructure implementation plan for the province, which is in line with the IDMS processes, should be developed. The development of the plan will be driven by Provincial Treasury, with input from the department, and is anticipated to be finalised in the fourth quarter of 2018/19.

### ***Expanded Public Works Programme (EPWP)***

EPWP is a nationwide programme that aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. The department set targets of 6 000 work

opportunities and 600 Full-Time Equivalents (FTEs) for 2018/19. A total of 3 589 work opportunities and 703 FTEs were created from April 2018 to December 2018 against the third quarter targets of 4 000 work opportunities and 250 FTEs. However, the programme is still underway and it is envisaged that the set targets will be attained by year-end.

#### ***EPWP schools maintenance programme***

The EPWP schools maintenance programme commenced in May 2018. It is aimed at assisting poor, non-fee paying schools with basic maintenance of school grounds and buildings to ensure children are able to learn in conducive and clean environments. This is done through the employment of mostly youth beneficiaries at more than 1 500 schools in the province. These people are recruited through the OSS structures and assigned to schools identified by DOE.

The activities of the programme include basic technical maintenance of the schools and repairs to school infrastructure, repairs to door locks, painting, repairs to roof leakages and broken windows, school yard maintenance such as grass cutting, gardening, etc, cleaning of classrooms and offices, vegetable gardens, recycling, tree propagating, as well as waste collection and community development services.

The department implemented the EPWP schools maintenance programme across KZN, which created 2 972 work opportunities in 2018/19. A total of 185 unemployed youth were trained and thereafter deployed to schools. The training, which related to the plant production skills programme and took place in the uThukela district, covered a number of modules, such as how to:

- Manage soil fertility and plant nutrition.
- Monitor pests, diseases and weeds on crops.
- Monitor and co-ordinate the harvesting of agricultural products
- Assist in farm planning and layout for conservation and rainwater harvesting.

#### ***EPWP provincial co-ordination and monitoring***

The department continued with the provincial co-ordination and monitoring of the EPWP and supported 66 public bodies, made up of 54 municipalities and 12 provincial departments reporting on EPWP in 2018/19. The department also implemented three interventions to date against the target of four interventions, to assist public bodies. The interventions implemented were the EPWP DORA workshop, KZN EPWP *Indaba* and the EPWP focus week. The outstanding intervention will be implemented in the fourth quarter of 2018/19.

The department continued to have constant engagements with all participating provincial departments and municipalities to ensure that set targets are achieved. A number of strategies to optimise job creation in the province were agreed upon and adopted by all public bodies, and it is anticipated that more employment opportunities will be created.

#### ***Fixed asset register***

The department continued to enhance the immovable asset register to comply with revised National Treasury minimum requirements. This is an ongoing project.

#### ***Finalisation of R293 properties***

Over the years, the department has taken transfer of 890 state domestic facilities (SDFs) from various municipalities. In 2018/19, the transfer of 26 properties from uMhlathuze was finalised.

#### ***Surveying and sub-divisions of SDFs on tribal land and farms***

The project of surveying and sub-division remains a challenge to execute. This is due to limited human resources within the department. In an attempt to improvise, the department engaged with COGTA for secondment of land surveyors to assist. The approval for the secondment of only one land surveyor was obtained from the Accounting Officers of both departments.

#### ***Condition assessments***

The department undertook condition assessments of 194 facilities in 2018/19. The facilities assessed were 24 Road Traffic Inspectorate (RTI) offices for DOT and 170 primary and secondary school facilities for DOE. The assessments were done by a combined team from head office and the 11 district offices. Maintenance plans are in accordance with the National Education Infrastructure Management System (NEIMS) guidelines for schools and GIAMA guidelines for DOT facilities.

***Izandla Ziyagezana programme***

The department continued to contribute to the creation of sustainable jobs through the Izandla Ziyagezana programme. The department continued to employ 470 beneficiaries, of which eight had disabilities in 2017/18. In 2018/19, the department managed to recruit a further 11 beneficiaries living with disabilities. A further three new sites in the uMkhanyakude district were added, and this contributed positively to poverty alleviation.

***Administration: Internal capacity building***

The department awarded 33 external and 35 internal new bursaries for the 2018 academic year in professional disciplines – i.e. civil, electrical and mechanical engineering.

***KwaZulu-Natal Infrastructure Master Plan (KZN-IMP)***

The hosting environment for the consolidated data platform was initially planned to be located in the Nerve Centre hosted by OTP but there were challenges that resulted in delays in the preparation of the environment. A diligence review revealed that the optimum hosting environment is within the department and this is expected to be completed by February 2019.

Engagements with the Action Work Group (AWG) convenors and selected stakeholders to ensure the progressive maturity of the institutionalisation of the data collection for monitoring and co-ordinating programmes/projects were undertaken in the first three quarters of 2018/19, and further sessions are planned for the fourth quarter of 2018/19. Support and inputs were provided for built environment elements of the Provincial Spatial Development Framework review. Sections of the revision of the KZN-IMP document were finalised and presented to the Provincial Planning Commission (PPC). A further technical session has been requested by the PPC. The department will continue to register and capture catalytic projects for monitoring on a quarterly basis.

***Mayville conference centre dining facility***

The Mayville conference centre dining facility project was split into three projects, being the Mayville conference centre: acoustic treatment of iLembe hall, conference hall dining facility (tent), as well as conversion of an existing workshop to a dining facility. The tent project was stopped at the award stage due to high cost, and was thereafter suspended. The acoustic treatment of iLembe hall and the dining facility conversion are both at tender stage. There were delays in the first six months of 2018/19 due to amendments that had to be effected to ensure that the tender documents complied with departmental requirements. Both iLembe hall and the dining facility conversion project were awarded in December 2018 and site handover is planned for February 2019.

***KZN Entrepreneurial Development Centre***

There were delays in the KZN Entrepreneurial Development Centre project due to the appointment of a Safety Agent, as well as additional scope requirements, which resulted in the Southern region doing site visit research with other private institutions. This facility will consist of workshops and training rooms which will be used to provide various training and skills development services to small and medium business enterprises in the province. The KZN Entrepreneurial Development Centre project was approved in August 2018 and is anticipated to be at tender stage in February 2019. The budget for this project is R7.189 million, R6.088 million and R12.549 million for each year of the MTEF, and the project is anticipated to be completed in October 2021.

***New auditorium and conference centre in the Southern region***

The department was overwhelmed with the excessive bookings of the Mayville conference centre since its inception and could not meet all requests received to book the centre. As a result, the department decided to embark on providing another conference centre in Pietermaritzburg in order to mitigate these challenges, hence the new auditorium and conference centre project in the Southern region. This project is anticipated to be completed in August 2020.

### **3. Outlook for the 2019/20 financial year**

Section 3 looks at the key focus areas of 2019/20, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The bulk of the budget in Programme 2 is to cater for property rates, as well as continuing with the implementation of GIAMA and fixed asset register projects. The budget against Programme 3 largely caters for various

infrastructure projects such as the new administration wing in the uMgungundlovu district office, the Southern region auditorium, the KZN Entrepreneurial Development Centre in the uMgungundlovu district office, construction of the new iLembe district offices, the Mayville conference centre dining facility, Amawele building in Umlazi, Newcastle offices and upgrading of the Vryheid office workshops, as well as other projects including condition assessments of various properties and infrastructure.

***Delivery of building infrastructure and accommodation***

All infrastructure to be delivered will be planned and implemented in line with the IDMS processes. The department is also expected to roll out the implementation of the Infrastructure Progression Model Implementation Plan, as prescribed by National Treasury.

***Expanded Public Works Programme***

The department will continue to ensure that EPWP generates more work opportunities and FTEs towards creating sustainable jobs, which will contribute meaningfully to poverty alleviation. The programme will be extended to more beneficiaries with disabilities. The department has set a target of 6 000 work opportunities and 600 FTEs for 2019/20. The department has set a target of three beneficiary empowerment interventions through training in respect of this programme in 2019/20. These interventions include accredited and non-accredited training, and assisting beneficiaries in establishing co-operatives.

***EPWP schools maintenance programme***

The EPWP schools maintenance programme was originally established to benefit 4 000 beneficiaries in five district municipalities. It has since grown and intends to support more than 5 000 beneficiaries in over 2 000 schools across all eleven district municipalities in 2019/20.

***EPWP provincial co-ordination and monitoring***

The department will continue with the provincial co-ordination and monitoring of EPWP, including being a support function to provincial departments and municipalities. In order to achieve the provincial EPWP work opportunities targets, the department as the provincial co-ordinator of EPWP in the province, will ensure that a targeted number of 66 public bodies, which is made up of 54 municipalities and 12 provincial departments, are reporting on EPWP in 2019/20.

The department will also provide support to departments and municipalities to ensure that their set EPWP job creation targets are attained. The department will increase the interventions of the public bodies from four to eight interventions, including holding the EPWP DORA workshop and KZN EPWP *Indaba*, improved EPWP reporting system training, quarterly data quality sessions, an annual strategic planning session, EPWP focus week, district forums, etc. The department will begin to implement EPWP phase four in 2019/20, in line with the new targets for the phase that are currently still under review. The EPWP phase four entails the continuation of the EPWP programme with new five-year targets.

***Finalisation of R293 properties:***

The department will continue to attend to the transfer of R293 properties from the names of the municipalities to the name of the KZN provincial government. In 2019/20, the department plans to finalise transfers for the remaining three municipalities, namely eNdameni, Nkandla and the Big Five Hlabisa.

***Finalisation of surveying and sub-divisions of SDFs on tribal land and farms:***

The SDFs include schools, clinics, offices and hospitals built on tribal land or on farms not owned by government. This project aims to address the challenges in respect of SDFs built on land that is not surveyed or not sub-divided. The execution of this project remains a challenge, due to limited financial and human resources within the department. The department is currently engaging with COGTA for the secondment of further land surveyors, over and above the one that was seconded in 2018/19. The plan of action is being finalised between the departments.

***Condition assessments***

Condition assessments of 337 facilities are planned for 2019/20. These will comprise 12 DOT offices and 325 schools under DOE.

***Izandla Ziyagezana programme***

The department will continue to ensure that the Izandla Ziyagezana programme increases the number of beneficiaries with disabilities, through engaging with institutions that look after people with disabilities. The department will investigate the possibility of extending the programme to the cleaning of schools.

***KwaZulu-Natal Infrastructure Master Plan (KZN-IMP)***

The department will continue implementing the KZN-IMP utilising its Infrastructure Programme Management unit. The department will maintain and update the consolidated data relating to infrastructure on a virtual spatial platform, which will be hosted in a publicly accessible platform to assist decision makers. The department will undertake follow-up engagements with AWG convenors and selected stakeholders to ensure the progressive maturity of the institutionalisation of the data collection for monitoring and co-ordinating programmes/projects, including a review of the Provincial Spatial Development Framework. The department will continue to register and capture catalytic projects for monitoring on a quarterly basis, and will undertake an annual review of the KZN-IMP.

***Mayville conference centre dining facility***

In 2019/20, the acoustic treatment of iLembe hall and the conference hall dining facility projects will be at construction stage and is anticipated to be completed in 2019/20.

***KZN Entrepreneurial Development Centre***

In 2019/20, this project will be at construction stage and it is anticipated to be completed in 2020/21. This facility will consist of workshops and training rooms which will be used to provide various training and skills development services to small and medium business enterprises in the province.

***New auditorium and conference centre in the Southern region***

In 2019/20, this project will be at the final design stage, tender documentation and construction stage. The project is anticipated to be completed in 2020/21. This project consists of a main auditorium hall, seating approximately 700 people, as well as three breakaway rooms, seating 50 to 100 people.

## **4. Reprioritisation**

The department undertook reprioritisation across programmes and economic classifications over the MTEF. The net effect shows that funds were reprioritised, with carry-through costs, from Programme 1, *Goods and services* to Programme 3: Provision of Buildings, Structures and Equipment to cater for increasing marketing related costs and security services. The department also centralised the training and development budget under Programme 1, from Programmes 2 and 3.

## **5. Procurement**

The department will continue to develop and implement procurement plans for 2019/20 to ensure that the needs of the organisation are in line with the pillars underpinning the department's strategy, as well as the budget allocated to the department.

The major projects for DOPW for 2019/20 include capital infrastructure projects such as the completion of the new administration wing in the uMgungundlovu district office, the new iLembe district office, rehabilitation and refurbishment of an existing building to convert it to the new KZN Entrepreneurial Development Centre and the implementation of GIAMA projects, including condition assessments conducted on state owned buildings, property valuations, clearing of vacant sites, and provision of security services in respect of unutilised buildings.

## **6. Receipts and financing**

### **6.1 Summary of receipts**

Table 14.1 indicates the sources of funding for Vote 14 for the period 2015/16 to 2021/22. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces. The department's baseline has increased from R1.403 billion to R1.876 billion over the seven-year period, and shows a steady trend. The department receives R4.726 million in respect of the EPWP Integrated Grant for Provinces in 2019/20. There is no allocation for the two outer years of the MTEF, at this stage.

Table 14.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Equitable share	1 399 466	1 428 137	1 495 587	1 581 909	1 581 909	1 581 909	1 680 591	1 788 060	1 876 430
Conditional grants	3 056	4 471	6 588	6 023	6 023	6 023	4 726	-	-
EPWP Integrated Grant for Provinces	3 056	4 471	6 588	6 023	6 023	6 023	4 726	-	-
<b>Total receipts</b>	<b>1 402 522</b>	<b>1 432 608</b>	<b>1 502 175</b>	<b>1 587 932</b>	<b>1 587 932</b>	<b>1 587 932</b>	<b>1 685 317</b>	<b>1 788 060</b>	<b>1 876 430</b>
<b>Total payments</b>	<b>1 406 247</b>	<b>1 454 165</b>	<b>1 536 631</b>	<b>1 587 932</b>	<b>1 681 011</b>	<b>1 888 511</b>	<b>1 685 317</b>	<b>1 788 060</b>	<b>1 876 430</b>
Surplus/(Deficit) before financing	(3 725)	(21 557)	(34 456)	-	(93 079)	(300 579)	-	-	-
Financing									
of which									
Provincial roll-overs	-	974	5 866	-	1 079	1 079	-	-	-
Provincial cash resources	10 416	27 106	34 776	-	92 000	92 000	-	-	-
<b>Surplus/(Deficit) after financing</b>	<b>6 691</b>	<b>6 523</b>	<b>6 186</b>	<b>-</b>	<b>-</b>	<b>(207 500)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## In 2015/16:

- The department received provincial cash resources of R10.416 million as follows:
  - R9.934 million was suspended from 2013/14 for the Fixed Asset Management tool.
  - R482 000 for the Richmond Community Development programme was suspended from 2014/15.
- The department under-spent by R6.691 million mainly attributed to delays in appointing service providers for the GIAMA projects, and the KZN-IMP was under-spent due to delays in the finalisation of the tender process.

## In 2016/17:

- A roll-over of R974 000 was received for the KZN-IMP relating to the prior year's commitments.
- The department received provincial cash resources of R27.106 million, as follows:
  - R19.220 million for the above-budget 2016 wage adjustment.
  - R7.886 million for the development of the KZN-IMP.
- The 2016/17 budget was under-spent by R6.523 million, largely due to delays in filling posts.

## In 2017/18:

- The department received a roll-over of R5.866 million from 2016/17 relating to commitments associated with the development of the KZN-IMP.
- The department received provincial cash resources of R34.776 million, as follows:
  - R4.776 million for the Mayville conference centre for sound-proofing the main facility, and for the conversion of an existing building on the premises into a dining facility. This additional funding was once-off in 2017/18.
  - R30 million to assist with pressures in the payment of property rates. The pressures arose due to high increases in municipal rates by some municipalities, as well as the upgrading of various government buildings, which attract higher property rates.
- The department under-spent by R6.186 million in 2017/18, largely relating to specifically and exclusively appropriated funds in respect of GIAMA projects, the Fixed Asset Register, the Mayville conference centre dining facility, as well as KZN-IMP due to delays in the implementation of these projects. Also contributing was under-spending against capital infrastructure projects. Mitigating the under-spending to some extent was over-spending due to pressures in respect of property rates, as well as *Payments for financial assets* relating to thefts and losses, which were not budgeted for.

## In 2018/19:

- A roll-over of R1.079 million was received from 2017/18 relating to commitments associated with the development of the KZN-IMP.
- In the 2018/19 Adjusted Appropriation, the department received provincial cash resources of R92 million to assist with the pressures in the payment of property rates and in respect of outstanding government debt. In this regard, R43.500 million was allocated to settle the shortfall in respect of Section 14 schools relating to 2017 invoices and R48.500 million for outstanding government debts as at 31 March 2015.

- As per the December IYM, the department is projecting to over-spend its 2018/19 budget by R207.500 million due to spending pressures resulting from outstanding property rates for 2017/18, property rates for FET/TVET colleges, as well as the estimated shortfall in respect of 2018/19 property rates. As part of a turnaround plan, the department is currently engaging with the National Department of Public Works (NDOPW) to assist with the pressures in respect of property rates.

## 6.2 Departmental receipts collection

Table 14.2 reflects the estimated departmental receipts for Vote 14. The department is a service provider to other provincial departments, and it is therefore not a major revenue generating entity. The main sources of revenue are of a domestic nature and include housing rent, parking, etc. Details are provided in the *Annexure – Vote 14: Public Works*.

**Table 14.2 : Summary of departmental receipts collection**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and service other than capital assets	8 433	9 079	5 844	9 261	9 261	9 465	7 376	7 844	8 105
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	378	1 874	1 954	302	302	1 048	485	488	501
Sale of capital assets	2 697	3 781	720	1 215	1 215	2 628	1 500	630	677
Transactions in financial assets and liabilities	1 488	1 381	513	862	862	862	903	944	946
<b>Total</b>	<b>12 996</b>	<b>16 115</b>	<b>9 031</b>	<b>11 640</b>	<b>11 640</b>	<b>14 003</b>	<b>10 264</b>	<b>9 906</b>	<b>10 229</b>

*Sale of goods and services other than capital assets* comprises parking and state-owned property rentals, tender fees, as well as commission received on PERSAL deductions such as insurance premiums and garnishee orders. The high collection in 2015/16 and 2016/17 is mainly attributed to a payover received from SASSA on behalf of the department for the collection of rental for state accommodation from their employees. Revenue growth over the MTEF is largely inflationary.

*Interest, dividends and rent on land* relates mainly to interest earned on outstanding staff debts, interest from trust accounts, as well as the rental from Vodacom for the use of government land to install network towers. The substantial collection from 2016/17 to the 2018/19 Revised Estimate is due to interest received from the sale of St Aidan's Hospital, which is being held in an interest bearing trust account until the transfer of ownership and the conveyancing process is finalised. Furthermore, the high collection in the 2018/19 Revised Estimate includes interest recovered from staff debts and a prepaid annual rental from Vodacom for the use of government land where network towers are installed. The revenue budget grows slowly over the MTEF as a result of difficulty in budgeting for interest on staff debts.

*Sale of capital assets* relates to the sale of redundant motor vehicles, equipment, and the sale of land and buildings. The high revenue in 2015/16 and 2016/17 includes the sale of redundant motor vehicles and equipment. The 2016/17 collection includes land that was sold to the South African National Roads Agency Limited (SANRAL). The collection in 2017/18 relates to the sale of redundant motor vehicles. The bulk of the revenue collected in the 2018/19 Revised Estimate relates to the sale of land in Ulundi to the NDOPW. This amount also includes revenue from the sale of a residential building in Ulundi to a private organisation. Budgeting over the MTEF is in line with the planned disposal of motor vehicles.

*Transactions in financial assets and liabilities* relates to recoveries of outstanding staff debts from prior years, as well as recoveries from previous years' expenditure, such as over-payments to suppliers. A fluctuating trend is reflected from 2015/16 to 2018/19. The conservative budgeting over the MTEF is due to the uncertain nature of recovering debts from previous years.

## 6.3 Donor funding – Nil

## 7. Payment summary

This section reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 14: Public Works*.

### 7.1 Key assumptions

The following key assumptions have been used to determine the budget:

- In terms of National Treasury guidelines, departments should have catered for carry-through costs of the above-budget 2018 wage adjustment and an inflationary wage adjustment of 6.3, 6.5 and 6.5 per cent for each of the three years of the 2019/20 MTEF, respectively, as well as the 1.5 per cent pay progression. The department's *Compensation of employees* budget grows at a rate of 12.2, 8.6 and 6.2 per cent inclusive of the 1.5 per cent annual pay progression for each of the three years of the 2019/20 MTEF, respectively. This means that the budget largely provides for existing staff, as well as the filling of 60 critical vacant posts in 2019/20. The 6.2 per cent growth in the outer year is below National Treasury guidelines and will need to be reviewed in the next budget process.
- All inflation related increases are based on CPI projections.
- The updated cost-cutting measures, as re-issued by Provincial Treasury in 2018/19, will continue to be adhered to over the 2019/20 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.
- The capital budget is based on the department's infrastructure plan.

### 7.2 Additional provincial and equitable share allocations: 2017/18 to 2019/20 MTEF

Table 14.3 shows additional provincial and equitable share funding received over the 2017/18, 2018/19 and 2019/20 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2021/22) are based on the incremental percentage used in the 2019/20 MTEF.

**Table 14.3 : Summary of additional provincial and equitable share allocations for the 2017/18 to 2019/20 MTEF**

R thousand	2017/18	2018/19	2019/20	2020/21	2021/22
<b>2017/18 MTEF period</b>	<b>(3 343)</b>	<b>(9 086)</b>	<b>1 143</b>	<b>1 206</b>	<b>1 272</b>
Mayville Conference Centre - Dining facility	4 776	-	-	-	-
PES and Provincial Own Revenue reductions	(5 893)	(6 737)	(11 950)	(12 607)	(13 300)
Budget cuts to fund the remuneration of <i>Izinduna</i>	(2 226)	(2 349)	(2 478)	(2 614)	(2 758)
Additional funding from National Treasury	-	-	15 571	16 427	17 330
<b>2018/19 MTEF period</b>				<b>15 040</b>	<b>15 867</b>
Above-budget wage agreement				15 040	15 867
<b>2019/20 MTEF period</b>					
Budget cut for remuneration of public office bearers			(643)	(682)	(692)
<b>Total</b>	<b>(3 343)</b>	<b>(9 086)</b>	<b>500</b>	<b>15 564</b>	<b>16 447</b>

In 2017/18, the department received R4.776 million for the Mayville conference centre renovations, as mentioned. On the other hand, the department's baseline was reduced as follows:

- The department's PES allocation was reduced due to data updates of the PES formula, as well as fiscal framework reductions. As such, R5.893 million, with carry-through was reduced.
- The Provincial Executive Council determined that, in accordance with Presidential proclamations, the *Izinduna* must be remunerated, hence the budget was reduced by R2.226 million with carry-through.
- The department receives additional funding of R15.571 million with carry-through from National Treasury effective from 2019/20, which offset the budget cuts in 2017/18.

Over the 2018/19 MTEF, the department received additional funding of R15.040 million in 2020/21 with carry-through. This additional funding was allocated by National Treasury to provide for the above-budget wage agreement and was proportionately allocated to all 15 Votes.

Over the MTEF, the department's budget was further cut by R643 000, R682 000 and R692 000 in 2019/20, 2020/21 and 2021/22 respectively, in line with a determination made by the Honourable President for the remuneration of public office bearers. In this regard, the President announced that there

would be minimal or no annual salary increases in 2018/19 for public office bearers. In the case of provincial executives, Premiers, MECs and Speakers did not receive salary increases, while MPLs received a 2.5 per cent increase.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 14.3, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus, amounts of R25.481 million, R26.883 million and R28.362 million in 2019/20, 2020/21 and 2021/22, respectively, remain ring-fenced for this purpose.

### 7.3 Summary by programme and economic classification

Tables 14.4 and 14.5 provide a summary of the Vote's expenditure and budgeted estimates over the MTEF by programme and economic classification, respectively. The department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector. All programmes are different from the uniform structure except Programme 1 which largely conforms with the programme structure. The department will engage with National Treasury for approval to deviate from the budget structure upon finalisation of their structure. The budget shows steady growth over the 2019/20 MTEF.

**Table 14.4 : Summary of payments and estimates by programme: Public Works**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Administration	353 689	370 859	384 513	406 788	406 788	409 232	438 080	473 237	499 672
2. Property Management	637 046	661 556	700 814	683 593	775 593	995 593	722 248	763 009	801 688
3. Provision of Buildings, Structures and Equipment	415 512	421 750	451 304	497 551	498 630	483 686	524 989	551 814	575 070
<b>Total</b>	<b>1 406 247</b>	<b>1 454 165</b>	<b>1 536 631</b>	<b>1 587 932</b>	<b>1 681 011</b>	<b>1 888 511</b>	<b>1 685 317</b>	<b>1 788 060</b>	<b>1 876 430</b>

**Table 14.5 : Summary of payments and estimates by economic classification: Public Works**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>778 916</b>	<b>825 838</b>	<b>836 119</b>	<b>922 348</b>	<b>924 270</b>	<b>900 241</b>	<b>972 816</b>	<b>1 049 328</b>	<b>1 098 016</b>
Compensation of employees	537 353	583 373	581 342	666 946	651 719	637 414	715 107	776 628	824 446
Goods and services	241 563	242 462	254 776	255 402	272 551	262 827	257 709	272 700	273 570
Interest and rent on land	-	3	1	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>534 777</b>	<b>563 612</b>	<b>639 553</b>	<b>599 828</b>	<b>702 589</b>	<b>934 118</b>	<b>637 811</b>	<b>673 278</b>	<b>706 560</b>
Provinces and municipalities	524 828	553 579	627 881	594 712	690 934	918 934	629 201	663 675	696 594
Departmental agencies and accounts	480	396	415	488	517	512	590	638	658
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	34	88	95	-	95	95	-	-	-
Households	9 435	9 549	11 162	4 628	11 043	14 577	8 020	8 965	9 308
<b>Payments for capital assets</b>	<b>91 484</b>	<b>54 284</b>	<b>59 872</b>	<b>65 756</b>	<b>54 152</b>	<b>54 152</b>	<b>74 690</b>	<b>65 454</b>	<b>71 854</b>
Buildings and other fixed structures	73 207	32 872	39 546	46 049	34 445	32 151	54 466	46 130	51 897
Machinery and equipment	12 399	13 114	13 764	15 707	15 707	17 623	14 724	13 324	13 605
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 878	8 298	6 562	4 000	4 000	4 378	5 500	6 000	6 352
<b>Payments for financial assets</b>	<b>1 070</b>	<b>10 431</b>	<b>1 087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 406 247</b>	<b>1 454 165</b>	<b>1 536 631</b>	<b>1 587 932</b>	<b>1 681 011</b>	<b>1 888 511</b>	<b>1 685 317</b>	<b>1 788 060</b>	<b>1 876 430</b>

Programme 1: Administration reflects a slight increase in 2016/17 ascribed mainly to higher than anticipated software licence payments as a result of new users. The slight increase in 2017/18 was due to the purchase of new computer equipment for existing staff. The slight increase in the 2018/19 Revised Estimate is mainly due to staff exit costs, as well as higher than anticipated costs for telecommunication equipment. The budget over the MTEF shows steady growth.

Programme 2: Property Management reflects a slight increase in 2016/17 mainly attributed to the pressures in respect of the payment of property rates. The high spending in 2017/18 relates to increased property rates in the eThekweni region, as per the new valuation roll published in 2017. In the 2018/19 Adjusted Appropriation, additional funding of R92 million was allocated to address spending pressures in

respect of outstanding municipal property rates. Of this amount, R43.500 million was allocated for Section 14 schools relating to 2017 invoices and the balance of R48.500 million was in respect of government debt to municipalities as at March 2015. This explains the substantial increase in the 2018/19 Adjusted Appropriation and the 2018/19 Revised Estimate. The bulk of the MTEF budget caters for municipal property rates, as well as the implementation of GIAMA projects such as maintenance, the clearing of vacant sites, the provision of security services to unutilised buildings, as well as property valuations. The property valuations will result in pressures as the amounts charged by the municipalities exceed the budget. To mitigate this, the department is disposing of properties no longer needed.

Programme 3: Provision of Buildings, Structures and Equipment was slightly high in 2016/17, largely relating to various losses written off against thefts and losses. The significant increase in 2017/18 was mainly due to the shifting of expenditure in respect of GIAMA projects from Programme 2 for condition assessment valuations. The slight decrease in the 2018/19 Revised Estimate can be ascribed to lengthy recruitment processes in the filling of professional posts, as well as slower than anticipated progress on capital infrastructure projects, such as the new iLembe district office project due to slow progress by the contractor. Further to this, the slow spending was also due to the KZN Entrepreneurial Development Centre project, as a result of delays in approving designs, as well as the Legislature Assembly (LA) Complex building in Ulundi and urgent building-related emergency works, due to delays in awarding the contract. The budget over the MTEF caters mainly for infrastructure projects, as explained in Section 7.5.

The increasing trend against *Compensation of employees* from 2015/16 onward is influenced by the carry-through costs of the above-budget wage adjustments, as well as provision for improving infrastructure support. Also contributing was reprioritisation from other categories to cater for various posts. The low spending in 2017/18 was largely as a result of lengthy recruitment processes in the filling of posts and this also explains the decrease in the 2018/19 Adjusted Appropriation and Revised Estimate. Savings were moved mainly from Programme 1 to address pressures in respect of external bursaries, due to the strategic direction of funding more external female bursary holders studying towards qualifications in professional disciplines such as engineering, architecture and quantity surveying. Funding was also moved to cater for higher than anticipated staff exit costs. Further to this, savings were moved from Programme 3 to cater for spending pressures against *Goods and services* for the creation of an additional 1 710 EPWP beneficiary work opportunities and for continued work on the KZN-IMP, as well as to cater for increased costs against property payments relating to electricity and water for shared services in the North Coast region. The department receives additional funding in 2020/21 with carry-through to cater for the above-budget wage agreement. The department has budgeted for the inflationary wage adjustment in line with National Treasury guidelines except for the outer year, as well as for the filling of 60 critical vacant posts. Of these posts, 43 relate to improving infrastructure support in Programme 3. The department's *Compensation of employees* budget grows at a rate of 12.2, 8.6 and 6.2 per cent inclusive of the 1.5 per cent annual pay progression for each of the three years of the MTEF, as previously mentioned.

*Goods and services* in 2015/16 includes payments in respect of the Richmond Community Development programme and the completion of the KZN-IMP. In 2016/17, the increase relates to savings moved from *Compensation of employees* to cater mainly for increased costs of SITA datalines. The substantial increase in 2017/18 was mainly due to increased costs of current infrastructure projects. The increase in the 2018/19 Adjusted Appropriation was for the creation of an additional 1 710 EPWP beneficiary work opportunities, the continued development of the KZN-IMP, and for increased costs in property payments relating to electricity and water for shared services in the LA Complex building. The low spending in the 2018/19 Revised Estimate is mainly due to lower than anticipated costs as a result of cost-cutting by the department. The allocations in 2018/19 and 2019/20 include R6.023 million and R4.726 million respectively, in respect of the EPWP Integrated Grant for Provinces. The budget over the MTEF shows a steady trend. The low increase in 2021/22 is due to the completion of the Mayville conference centre projects, as well as the landscape project at the LA Complex building in Ulundi in 2020/21.

The spending against *Interest and rent on land* relates to interest on finance leases, as well as interest paid on overdue water and electricity accounts.

*Transfers and subsidies to: Provinces and municipalities* shows a fluctuating trend which relates to the payment of property rates. The high spending in 2017/18 was mainly in respect of property rates in the

eThekweni region due to increased property values as per the new valuation roll published in 2017. Additional funding of R92 million was allocated in the 2018/19 Adjusted Appropriation to address spending pressures relating to the payment of property rates. These pressures arose due to higher than anticipated increases in municipal rates, as well as the upgrading of various government buildings, which then attract higher property rates. The significantly high spending in the 2018/19 Revised Estimate is attributed to previous year debts in respect of property rates. This category increases steadily over the MTEF, and caters mainly for the payment of property rates, as well as motor vehicle licences.

The erratic trend against *Transfers and subsidies to: Departmental agencies and accounts* is largely driven by workmen's compensation payments, which are based on claims related to injuries on duty.

*Transfers and subsidies to: Non-profit institutions* relates to donations made to schools and war-rooms in respect of OSS and these are made by the Office of the MEC as per his discretion.

*Transfers and subsidies to: Households* caters for external bursaries, staff exit costs, as well as injury on duty costs and shows a fluctuating trend due to the unpredictable nature of these costs. The increase in 2017/18 was due to higher than anticipated staff exit costs. The increase in the 2018/19 Adjusted Appropriation was to address pressures in respect of external bursaries, due to the department's strategic direction of funding more external female bursary holders studying towards qualifications in professional disciplines such as engineering, architecture and quantity surveying. Further to this, funding was moved to cater for higher than anticipated staff exit costs. The substantially high spending in the 2018/19 Revised Estimate is mainly attributed to higher than anticipated staff exit costs and unanticipated increases in the number of external bursaries awarded to female students studying towards qualifications in the professional disciplines, as mentioned. The budget increases steadily over the MTEF.

*Buildings and other fixed structures* fluctuates over the seven years, as it is based on actual capital infrastructure requirements. The decrease in 2016/17 was due to slower than anticipated progress in respect of the upgrade to the Vryheid depot, as well as the shifting of funds from this category to *Goods and services* in respect of the maintenance of buildings. The high spending in 2017/18 was due to space planning in the Amawele building, as well as for the provision of a generator for the Midlands regional office. These projects were not budgeted for in 2017/18. The decrease in the 2018/19 Adjusted Appropriation is due to slower than anticipated progress, mainly attributed to poor contractor performance, exacerbated by design co-ordination issues and inclement weather, which collectively added to delays in respect of the Durban regional office, which was damaged by floods, as well as the new iLembe district office building. There were also delays in awarding various projects within the LA Complex building in Ulundi, due to delays encountered while trying to secure consultants for emergency work to be undertaken. Savings were also identified as a result of delays in the landscaping project at the LA Complex building, as well as the late awarding of electrical and mechanical contracts at this complex. This explains the slow spending in the 2018/19 Revised Estimate. The MTEF allocations provide for the completion of the new administration wing in the uMgungundlovu district office, the new iLembe district office, as well as the rehabilitation and refurbishment of an existing building into the new KZN Entrepreneurial Development Centre in the uMgungundlovu district, construction of the Southern region auditorium, construction of the new CBD office in Newcastle, the replacement of air-conditioning in the eThekweni region, refurbishment of the existing eThekweni regional office, the Mayville conference centre projects, upgrading of the carpenter workshop in Vryheid and the refurbishment of the Amawele building.

*Machinery and equipment* shows a slight increase in 2016/17 as a result of expenditure relating to telecommunications equipment for the new Tugela Ferry offices. The spending in 2017/18 caters for telecommunication and computer equipment for the department. The high spending in the 2018/19 Revised Estimate relates to the procurement of telecommunication equipment in respect of networking and information technology security switches. The fluctuating trend over the 2019/20 MTEF is in line with the department's actual requirements and provides for telephone network equipment and computer hardware.

*Software and other intangible assets* for 2018/19 and over the MTEF provides for the purchase of COGNOS user licences, Microsoft software licences and datalines.

The department wrote off various losses against *Payments for financial assets*.

## 7.4 Summary of conditional grant payments and estimates

Tables 14.6 and 14.7 relate to the summary of conditional grants receipts and payments. Note that the historical figures set out in Table 14.6 reflect actual expenditure per grant, and should not be compared to those reflected in Table 14.1, which represent the actual receipts for each grant. Further details are provided in the *Annexure – Vote 14: Public Works*. The department received funding for the EPWP Integrated Grant for Provinces. This grant is utilised for the EPWP maintenance programme. The department receives R4.726 million in 2019/20 and the allocation is performance based. The budget for this grant is allocated against *Goods and services* under training and development in Programme 3.

**Table 14.6 : Summary of conditional grants payments and estimates by name**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2018/19	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
EPWP Integrated Grant for Provinces	3 057	4 471	6 588	6 023	6 023	6 023	4 726	-	-
<b>Total</b>	<b>3 057</b>	<b>4 471</b>	<b>6 588</b>	<b>6 023</b>	<b>6 023</b>	<b>6 023</b>	<b>4 726</b>	<b>-</b>	<b>-</b>

**Table 14.7 : Summary of conditional grants payments and estimates by economic classification**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2018/19	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
<b>Current payments</b>	<b>3 057</b>	<b>4 471</b>	<b>6 588</b>	<b>6 023</b>	<b>6 023</b>	<b>6 023</b>	<b>4 726</b>	<b>-</b>	<b>-</b>
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	3 057	4 471	6 588	6 023	6 023	6 023	4 726	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3 057</b>	<b>4 471</b>	<b>6 588</b>	<b>6 023</b>	<b>6 023</b>	<b>6 023</b>	<b>4 726</b>	<b>-</b>	<b>-</b>

## 7.5 Summary of infrastructure payments and estimates

Table 14.8 presents a summary of infrastructure payments and estimates by category for the Vote. Detailed information on infrastructure is provided in the *2019/20 Estimates of Capital Expenditure*.

**Table 14.8 : Summary of infrastructure payments and estimates by category**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2018/19	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
<b>Existing infrastructure assets</b>	<b>73 501</b>	<b>45 512</b>	<b>58 600</b>	<b>42 106</b>	<b>37 312</b>	<b>42 784</b>	<b>39 767</b>	<b>51 913</b>	<b>44 664</b>
Maintenance and repair: Current	7 118	17 685	23 421	15 090	12 836	16 625	15 940	25 376	15 800
Upgrades and additions: Capital	51 385	21 349	28 035	12 064	12 064	17 010	9 500	8 346	7 815
Refurbishment and rehabilitation: Capital	14 998	6 478	7 144	14 952	12 412	9 149	14 327	18 191	21 049
<b>New infrastructure assets: Capital</b>	<b>6 824</b>	<b>5 045</b>	<b>4 367</b>	<b>19 033</b>	<b>9 969</b>	<b>5 992</b>	<b>30 639</b>	<b>19 593</b>	<b>23 033</b>
<b>Infrastructure transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
<b>Infrastructure: Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Infrastructure: Leases</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non infrastructure<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>80 325</b>	<b>50 557</b>	<b>62 967</b>	<b>61 139</b>	<b>47 281</b>	<b>48 776</b>	<b>70 406</b>	<b>71 506</b>	<b>67 697</b>
<i>Capital infrastructure</i>	73 207	32 872	39 546	46 049	34 445	32 151	54 466	46 130	51 897
<i>Current infrastructure</i>	7 118	17 685	23 421	15 090	12 836	16 625	15 940	25 376	15 800

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but it is included in the overall total

*Maintenance and repair: Current* shows a significant increase in 2016/17 which relates to the maintenance and repair of dilapidated buildings. The increase in 2017/18 was to cater for the higher than anticipated costs of unplanned day-to-day general repairs and maintenance work of dilapidated departmental buildings in the eThekweni region. The decrease in the 2018/19 Adjusted Appropriation is due to savings realised and moved within *Goods and services* to cater for increased costs against property payments relating to electricity and water for shared services in the LA Complex building. Funding was also moved to cater for increased costs related to protective clothing required for the creation of the additional 1 710 EPWP beneficiary work opportunities. The increased spending in the 2018/19 Revised Estimate is as a result of periodic maintenance contracts. The budget fluctuates over the MTEF due to planned general maintenance and repairs of buildings in the eThekweni region, the LA Complex building in Ulundi and the Alfred Duma offices in Ladysmith. The negative growth from 2020/21 to 2021/22 is due to the completion of the Mayville conference centre projects, as well as the landscape project in the LA Complex building in 2020/21.

*Upgrades and additions: Capital* fluctuates over the period. The 2015/16 spending was mainly ascribed to the head office, uThukela district office and Vryheid depot projects. The significant decrease in 2016/17 was due to delays in infrastructure projects such as the Vryheid depot, the provision of water tanks in the North Coast region and the completion of the head office project. The higher spending in 2017/18 relates to the finalisation of space planning in the Amawele building, as well as the provision of a generator for the Midlands regional office. The increase in the 2018/19 Revised Estimate relates to unanticipated spending on infrastructure projects. Over the MTEF, the budget is based on the department's actual capital requirements, and includes upgrades to the Vryheid carpenter workshop, Amawele building, as well as existing buildings in the eThekweni region.

*Refurbishment and rehabilitation: Capital* shows a significant decrease in 2016/17 which was due to reprioritisation to cater for current maintenance and repair of dilapidated buildings. The slight decrease in the 2018/19 Adjusted Appropriation is as a result of delays in awarding various projects within the LA Complex building, due to delays in the process encountered while trying to appoint specialised consultants for all work undertaken at this complex. The savings were moved to *Goods and services* to fund continued work on the KZN-IMP and this further explains the decrease in the 2018/19 Revised Estimate. The fluctuating trend over the MTEF mainly relates to new projects such as the rehabilitation and refurbishment of existing facilities in respect of the KZN Entrepreneurial Development Centre, water supply system and internal roads and parking facilities in the LA Complex, and the refurbishment of the Mayville conference centre projects in the eThekweni region.

The spending against *New infrastructure assets: Capital* in 2015/16 was due to reprioritisation undertaken from *Maintenance and repair: Current*, and *Upgrades and additions: Capital* to fund the construction of the uThukela and the new iLembe district offices, as well as the new canteen in the Southern region. The spending in 2016/17 was mainly attributed to drought relief initiatives. The slightly low spending in 2017/18 was mainly due to slower than anticipated progress in the finalisation of the subdivision and zoning of land in respect of the new iLembe district office. The decrease in the 2018/19 Adjusted Appropriation is due to savings realised as a result of the slow progress in the construction of the new eThekweni regional office building, as well as the new iLembe district office building. This further explains the decrease in the 2018/19 Revised Estimate. The fluctuating trend over the 2019/20 MTEF is based on the department's actual capital infrastructure requirements including continuing with the construction of the new iLembe district offices, the new administration wing in the uMgungundlovu district office, the new auditorium and conference centre in the Southern region and the construction of the new CBD offices in Newcastle.

## **7.6 Public Private Partnerships (PPPs) – Nil**

## **7.7 Transfers to public entities (listed i.t.o Schedule 3 of PFMA) and other entities – Nil**

## **7.8 Transfers to local government**

Tables 14.9 and 14.10 indicate transfers to local government.

The transfers are in respect of the payment of property rates to municipalities. Further details of these transfers per category are presented in *Annexure – Vote 14: Public Works*. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the tables. The amounts indicated as *Unallocated* relate to property rates for properties owned by the KZN provincial government, but located in other provinces.

Table 14.9 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
Category A	250 408	254 328	288 527	263 458	284 606	406 606	278 802	294 136	306 605
Category B	274 118	298 954	339 196	330 937	405 961	512 021	350 131	369 388	389 703
Category C	-	-	-	-	-	-	-	-	-
Unallocated	17	12	(2)	60	60	-	-	-	-
<b>Total</b>	<b>524 543</b>	<b>553 294</b>	<b>627 721</b>	<b>594 455</b>	<b>690 627</b>	<b>918 627</b>	<b>628 933</b>	<b>663 524</b>	<b>696 308</b>

Table 14.10 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
Property rates	Person. & Admin Related	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
<b>Total</b>		<b>524 543</b>	<b>553 294</b>	<b>627 721</b>	<b>594 455</b>	<b>690 627</b>	<b>918 627</b>	<b>628 933</b>	<b>663 524</b>	<b>696 308</b>

The spending in 2015/16 includes arrear payments of newly identified properties by municipalities in respect of property rates for the eThekweni Metro, uMgungundlovu, uThukela, uMzinyathi, Amajuba, Zululand, King Cetshwayo, iLembe and Harry Gwala District Municipalities. The slightly higher spending in 2016/17 is ascribed to arrear payments in respect of property rates for the eThekweni Metro, uMzinyathi, uMkhanyakude, Zululand, King Cetshwayo, iLembe, Amajuba, and Harry Gwala District Municipalities. The significant increase in 2017/18 was due to pressures in respect of property rates in the eThekweni region, as mentioned previously.

Additional funding was allocated in the 2018/19 Adjusted Appropriation to address spending pressures relating to the payment of property rates. These pressures arose due to higher than anticipated increases in municipal property rates, as well as the upgrading of various government buildings, which then attract higher property rates. The substantially high spending in the 2018/19 Revised Estimate is attributed to previous year debts in respect of property rates. The department is currently engaging with the NDOPW, as this is an issue that also affects other provinces, to assist with the pressures in the payment of property rates over the MTEF. As such, provision for the payments of property rates increases at an inflationary rate over the MTEF. This will be reviewed in-year taking into account the outcome of the engagement with NDOPW.

## 7.9 Transfers and subsidies

Table 14.11 is a summary of *Transfers and subsidies* per programme. It should be noted that the amounts reflected against *Departmental agencies and accounts* under Programme 1 in the Adjusted Appropriation column in Table 14.11 do not balance to the same column in Table 14.14 of the 2018/19 *Adjustments Estimate of Provincial Revenue and Expenditure* due to an error made in respect of *Social security funds – Comp. Commissioner* and *Skills development levy* when preparing the Adjustments Estimate.

*Provinces and municipalities* in Programme 1 reflects the payment of motor vehicle licences.

*Departmental agencies and accounts* in all programmes relates to workmen's compensation, with no payments shown in the prior years due to no relevant incidents occurring. The allocation in Programme 1 also caters for the skills development levy transfer to PSETA.

Spending against *Non-profit institutions* under Programme 1 relates to donations made to schools and war-rooms in respect of OSS and these are made by the Office of the MEC as per his discretion. The budget over the MTEF will be reviewed in year.

**Table 14.11 : Summary of transfers and subsidies by programme and main category**

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2015/16	2016/17	2017/18	Appropriation	Appropriation	Estimate	2019/20	2020/21	2021/22
<b>1. Administration</b>	<b>6 731</b>	<b>5 894</b>	<b>8 365</b>	<b>4 164</b>	<b>8 647</b>	<b>10 957</b>	<b>7 620</b>	<b>7 763</b>	<b>8 326</b>
Provinces and municipalities	285	285	160	257	307	307	268	151	286
Motor vehicle licences	285	285	160	257	307	307	268	151	286
Departmental agencies and accounts	480	396	415	459	502	502	529	575	597
Social security funds - Comp. Commissioner	-	-	-	44	14	14	14	8	24
Skills development levy	480	396	415	415	488	488	515	567	573
Non-profit institutions	34	88	95	-	95	95	-	-	-
NPI: Donations and gifts	34	88	95	-	95	95	-	-	-
Households	5 932	5 125	7 695	3 448	7 743	10 053	6 823	7 037	7 443
Bursaries: Non employees	2 788	2 485	4 964	2 718	5 918	7 796	6 214	6 525	6 851
Staff exit costs	3 144	2 640	2 731	730	1 825	2 257	609	512	592
<b>2. Property Management</b>	<b>524 578</b>	<b>553 398</b>	<b>627 878</b>	<b>594 536</b>	<b>690 974</b>	<b>918 981</b>	<b>628 968</b>	<b>663 559</b>	<b>696 340</b>
Provinces and municipalities	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
Municipalities - Property rates	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
Departmental agencies and accounts	-	-	-	5	5	-	5	5	-
Social security funds - Comp. Commissioner	-	-	-	5	5	-	5	5	-
Households	35	104	157	76	342	354	30	30	32
Staff exit costs	35	104	157	76	342	354	30	30	32
<b>3. Provision of Buildings, Structures and Equipment</b>	<b>3 468</b>	<b>4 320</b>	<b>3 310</b>	<b>1 128</b>	<b>2 968</b>	<b>4 180</b>	<b>1 223</b>	<b>1 956</b>	<b>1 894</b>
Departmental agencies and accounts	-	-	-	24	10	10	56	58	61
Social security funds - Comp. Commissioner	-	-	-	24	10	10	56	58	61
Households	3 468	4 320	3 310	1 104	2 958	4 170	1 167	1 898	1 833
Staff exit costs	3 466	4 122	3 310	1 104	2 958	4 170	1 167	1 898	1 833
Injury on duty	2	198	-	-	-	-	-	-	-
<b>Total</b>	<b>534 777</b>	<b>563 612</b>	<b>639 553</b>	<b>599 828</b>	<b>702 589</b>	<b>934 118</b>	<b>637 811</b>	<b>673 278</b>	<b>706 560</b>

The fluctuating trend against *Households* in all programmes can be ascribed to unpredictable staff exit costs. The significant increase in 2017/18 is due to spending pressures as a result of the strategic decision to fund more bursaries. The significant increase in the 2018/19 Adjusted Appropriation and Revised Estimate is to address pressures in respect of external bursaries due to the strategic decision to fund more bursaries, as well as to provide for unanticipated staff exit costs. The budget over the MTEF increases steadily and includes an allocation for external bursaries, as well as a provision for staff exit costs.

The high amount against *Provinces and municipalities* in 2016/17 in respect of Programme 2 was due to arrear payments in respect of property rates, as mentioned previously. The pressures arose due to high increases in municipal rates by some municipalities, as well as the upgrading of various government buildings, which attract higher property rates. The high spending in 2017/18 and the 2018/19 Revised Estimate is mainly attributed to property rates in the eThekweni region due to increased values of property rates as per the new valuation roll published in 2017. The increase in the 2018/19 Adjusted Appropriation, and the substantial increase in the 2018/19 Revised Estimate, relate to higher than anticipated increases in property rates, as well as upgrading of various government buildings which attract higher property rates. The department could not adequately budget for the pressures due to limited available funding. The department received additional funding of R92 million in the Adjustments Estimate to assist with the property rates pressures. The department is still engaging with NDOPW to assist with the property rates pressures over the MTEF and the budget will be reviewed in-year, following the discussions.

## 8. Programme description

The services rendered by the department are categorised under three programmes, the details of which are provided below. The information for each programme is summarised in terms of sub-programmes and economic classification. As mentioned, the department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector. Programme 1 largely conforms to the uniform budget and programme structure, but Programmes 2 and 3 do not conform. Details according to the economic classification are given in the *Annexure – Vote 14: Public Works*.

### 8.1 Programme 1: Administration

The main objectives are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal

matters, security and logistics and effective communication and information management systems, render sound financial management services, risk management and supply chain management. Tables 14.12 and 14.13 summarise expenditure and budgeted estimates relating to Programme 1: Administration, for the financial years 2015/16 to 2021/22.

**Table 14.12 : Summary of payments and estimates by sub-programme: Administration**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
1. Minister Support	13 858	14 772	11 070	13 356	12 811	10 311	13 527	14 491	15 259
2. Management	339 831	356 087	373 443	393 432	393 977	398 921	424 553	458 746	484 413
<b>Total</b>	<b>353 689</b>	<b>370 859</b>	<b>384 513</b>	<b>406 788</b>	<b>406 788</b>	<b>409 232</b>	<b>438 080</b>	<b>473 237</b>	<b>499 672</b>

**Table 14.13 : Summary of payments and estimates by economic classification: Administration**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>329 527</b>	<b>344 810</b>	<b>355 776</b>	<b>384 678</b>	<b>380 195</b>	<b>378 035</b>	<b>411 399</b>	<b>446 762</b>	<b>471 651</b>
Compensation of employees	254 491	272 618	284 716	306 398	301 915	302 065	332 152	364 115	385 330
Goods and services	75 036	72 189	71 059	78 280	78 280	75 970	79 247	82 647	86 321
Interest and rent on land	-	3	1	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>6 731</b>	<b>5 894</b>	<b>8 365</b>	<b>4 164</b>	<b>8 647</b>	<b>10 957</b>	<b>7 620</b>	<b>7 763</b>	<b>8 326</b>
Provinces and municipalities	285	285	160	257	307	307	268	151	286
Departmental agencies and accounts	480	396	415	459	502	502	529	575	597
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	34	88	95	-	95	95	-	-	-
Households	5 932	5 125	7 695	3 448	7 743	10 053	6 823	7 037	7 443
<b>Payments for capital assets</b>	<b>17 431</b>	<b>20 109</b>	<b>20 238</b>	<b>17 946</b>	<b>17 946</b>	<b>20 240</b>	<b>19 061</b>	<b>18 712</b>	<b>19 695</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 553	11 811	13 676	13 946	13 946	15 862	13 561	12 712	13 343
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 878	8 298	6 562	4 000	4 000	4 378	5 500	6 000	6 352
<b>Payments for financial assets</b>	<b>-</b>	<b>46</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>353 689</b>	<b>370 859</b>	<b>384 513</b>	<b>406 788</b>	<b>406 788</b>	<b>409 232</b>	<b>438 080</b>	<b>473 237</b>	<b>499 672</b>

The sub-programme: Minister Support provides support including administrative, operations, protocol, security, parliamentary liaison and communication to the MEC. The department shares a joint ministry with Vote 8: Human Settlements. The budget over the 2019/20 MTEF provides for operational costs, as well as marketing costs mainly in respect of SABC media, newspaper advertisements costs, and printing costs. This sub-programme reflects steady growth over the MTEF.

The sub-programme: Management includes financial management services, risk management, SCM and corporate services. These units provide support and advice in terms of human resource practices, all legal matters, security and logistics, as well as communication and information management systems. This sub-programme shows steady growth over the MTEF.

With regard to *Compensation of employees*, the MTEF growth is at 10 per cent, 9.6 per cent and 5.8 per cent, which is slightly higher than the amount prescribed by National Treasury in 2019/20 and 2020/21 only, and includes the 1.5 per cent pay progression, which means that the department has effectively budgeted for the wage increment in 2019/20 and 2020/21. The 5.8 per cent growth in the outer year is below the growth prescribed by National Treasury and will need to be reviewed. Programme 1 receives additional funding of R7.052 million in 2020/21 to cater for the above-budget wage agreement, hence the high increase in that year. The department has adequately budgeted to fill 16 vacant posts in 2019/20 under Programme 1.

*Goods and services* caters for the operational costs for this programme, including computer services for SITA costs in respect of network maintenance, communication, fleet services cost for fuel and oil, repairs for departmental vehicles, agency and support/outsource services and the appointment of service providers to provide project management. In addition, this category includes the appointment of

consultants to assist the department in the preparation of their immovable asset register and financial statements, audit costs, as well as training and development. The MTEF caters for the above activities.

*Transfers and subsidies to: Provinces and municipalities* caters for motor vehicle licence fees.

*Transfers and subsidies to: Departmental agencies and accounts* caters for the skills development levy and workmen's compensation.

*Transfers and subsidies to: Non-profit institutions* relates to donations made to schools and war-rooms in respect of OSS and these are made by the Office of the MEC as per his discretion.

*Transfers and subsidies to: Households* provides for staff exit costs and external bursaries.

*Machinery and equipment* increases in the 2018/19 Revised Estimate, mainly due to telecommunication in respect of networking and information technology security switches. This explains the decrease over the MTEF, which provides for telecommunication and computer hardware equipment, as mentioned.

*Software and other intangible assets* provides for the purchase of COGNOS user licences, Microsoft software licences and datalines.

## 8.2 Programme 2: Property Management

The main purpose of Programme 2 is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, management, maintenance and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Programme 2 also includes the leasing of buildings. Tables 14.14 and 14.15 summarise payments and budgeted estimates from 2015/16 to 2021/22.

**Table 14.14 : Summary of payments and estimates by sub-programme: Property Management**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
1. Personnel and Admin Related	631 195	659 343	700 746	683 248	775 248	995 362	721 959	762 610	801 266
2. Hiring	5 609	2 115	28	-	-	-	-	-	-
3. Acquisition of Land, Control and Disposal	242	98	40	345	345	231	289	399	422
<b>Total</b>	<b>637 046</b>	<b>661 556</b>	<b>700 814</b>	<b>683 593</b>	<b>775 593</b>	<b>995 593</b>	<b>722 248</b>	<b>763 009</b>	<b>801 688</b>

**Table 14.15 : Summary of payments and estimates by economic classification: Property Management**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>112 416</b>	<b>107 623</b>	<b>72 936</b>	<b>88 820</b>	<b>84 382</b>	<b>76 375</b>	<b>93 230</b>	<b>99 450</b>	<b>105 348</b>
Compensation of employees	45 647	49 106	52 195	56 684	56 418	54 853	60 115	64 613	68 802
Goods and services	66 769	58 517	20 741	32 136	27 964	21 522	33 115	34 837	36 546
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>524 578</b>	<b>553 398</b>	<b>627 878</b>	<b>594 536</b>	<b>690 974</b>	<b>918 981</b>	<b>628 968</b>	<b>663 559</b>	<b>696 340</b>
Provinces and municipalities	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
Departmental agencies and accounts	-	-	-	5	5	-	5	5	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	35	104	157	76	342	354	30	30	32
<b>Payments for capital assets</b>	<b>52</b>	<b>44</b>	<b>-</b>	<b>237</b>	<b>237</b>	<b>237</b>	<b>50</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	52	44	-	237	237	237	50	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>637 046</b>	<b>661 556</b>	<b>700 814</b>	<b>683 593</b>	<b>775 593</b>	<b>995 593</b>	<b>722 248</b>	<b>763 009</b>	<b>801 688</b>

The sub-programme: Personnel and Admin Related provides for the management of immovable assets in terms of GIAMA and manages the payment of property rates. The MTEF allocations cater for property

rates, the Fixed Asset Register project, as well as the continued implementation of GIAMA projects including clearing of vacant sites, provision of security services to unutilised buildings, as well as property valuations. The department is engaging with the NDOPW to assist with spending pressures, as mentioned previously. This sub-programme shows steady growth over the 2019/20 MTEF.

The sub-programme: Hiring facilitates the provision of hired accommodation for the department. This sub-programme has no allocation over the MTEF due to the completion of the uMzinyathi district office in 2017/18. Currently, all office buildings are state-owned.

The sub-programme: Acquisition of Land, Control and Disposal manages property needs for provincial departments with respect to property acquisitions, disposal and lettings. The budget caters for business and advisory service costs incurred when acquiring or disposing of property.

*Compensation of employees* growth is at 9.6, 7.5 and 6.5 per cent over the MTEF, which is largely in line with the growth prescribed by National Treasury and the 1.5 per cent pay progression in 2019/20 and 2020/21 only. The department intends to fill one vacant post under Programme 2, which means that the department has effectively budgeted for salary increases for the existing staff and the filling of the vacant post in 2019/20 and 2020/21. Thereafter, the growth for this category will be reviewed by the department in 2021/22. It is noted that the department allocated R1.251 million to this programme in 2020/21, being a portion of the additional allocation for the above-budget wage agreement.

*Goods and services* includes the budget for the implementation of GIAMA projects such as property valuations, clearing of vacant sites, as well as the provision of security services to unutilised buildings. This category shows healthy growth over the MTEF.

*Transfers and subsidies to: Provinces and municipalities* relates to property rates to be paid to municipalities. The allocation over the MTEF does not cater for the increased pressure in the payment of property rates. However, the department is engaging with the NDOPW, as mentioned previously. This budget will be reviewed in-year to cater for these pressures, pending the outcome of the engagements.

*Transfers and subsidies to: Departmental agencies and accounts* is for the payment of workmen's compensation, and is linked to claims received.

*Transfers and subsidies to: Households* provides for staff exit costs.

*Machinery and equipment* in 2019/20 is linked to actual requirements in respect of computer equipment.

### Service delivery measures: Property Management

Table 14.16 reflects the service delivery measures for Programme 2. The department provided internal service delivery measures for Programme 2, which are a mix of sectoral and non-sectoral measures. It is noted that the targets are different from the 2018/19 *EPRE*, however, these targets were amended in the 2018/19 Adjustments Estimate to match the APP.

**Table 14.16 : Service delivery measures: Property Management**

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2018/19	2019/20	2020/21	2021/22
1. Effectively manage immovable assets in terms of GIAMA	• No. of immovable assets verified in the Immovable Asset Register in accordance with the mandatory requirements of National Treasury	1 022	191	200	200
	• User-Asset Management Plans completed and submitted to Provincial Treasury in accordance with GIAMA	1	-	-	-
	• Custodian Asset Management Plan completed and submitted to Provincial Treasury in accordance with GIAMA	1	-	-	-
	• No. of properties registered into the name of the KZN provincial government	228	237	200	200
	• % of total budget spent on approved property rates invoices from municipalities	100% (R594m)	100% (R629m)	100% (R664m)	100% (R696m)
2. Effectively provide accommodation needs for provincial departments	• No. of lease agreements concluded	120	80	100	100
	• No. of properties acquired	15	15	15	15

### 8.3 Programme 3: Provision of Buildings, Structures and Equipment

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services are:

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through the EPWP initiatives, as well as provincial co-ordination of EPWP.
- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Co-ordinating and aligning operational activities in line with municipal demarcations.

Tables 14.17 and 14.18 summarise payments and budgeted estimates relating to Programme 3 for the period 2015/16 to 2021/22.

**Table 14.17 : Summary of payments and estimates by sub-programme: Provision of Buildings, Structures and Equipment**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Personnel and Admin Related	335 187	361 664	387 335	436 383	451 320	434 806	454 552	480 275	507 338
2. Buildings and Structures	80 325	60 086	63 969	61 168	47 310	48 880	70 437	71 539	67 732
<b>Total</b>	<b>415 512</b>	<b>421 750</b>	<b>451 304</b>	<b>497 551</b>	<b>498 630</b>	<b>483 686</b>	<b>524 989</b>	<b>551 814</b>	<b>575 070</b>

**Table 14.18 : Summary of payments and estimates by economic classification: Provision of Buildings, Structures and Equipment**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
<b>Current payments</b>	<b>336 973</b>	<b>373 405</b>	<b>407 407</b>	<b>448 850</b>	<b>459 693</b>	<b>445 831</b>	<b>468 187</b>	<b>503 116</b>	<b>521 017</b>
Compensation of employees	237 215	261 649	244 431	303 864	293 386	280 496	322 840	347 900	370 314
Goods and services	99 758	111 756	162 976	144 986	166 307	165 335	145 347	155 216	150 703
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>3 468</b>	<b>4 320</b>	<b>3 310</b>	<b>1 128</b>	<b>2 968</b>	<b>4 180</b>	<b>1 223</b>	<b>1 956</b>	<b>1 894</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	24	10	10	56	58	61
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 468	4 320	3 310	1 104	2 958	4 170	1 167	1 898	1 833
<b>Payments for capital assets</b>	<b>74 001</b>	<b>34 131</b>	<b>39 634</b>	<b>47 573</b>	<b>35 969</b>	<b>33 675</b>	<b>55 579</b>	<b>46 742</b>	<b>52 159</b>
Buildings and other fixed structures	73 207	32 872	39 546	46 049	34 445	32 151	54 466	46 130	51 897
Machinery and equipment	794	1 259	88	1 524	1 524	1 524	1 113	612	262
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>1 070</b>	<b>9 894</b>	<b>953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>415 512</b>	<b>421 750</b>	<b>451 304</b>	<b>497 551</b>	<b>498 630</b>	<b>483 686</b>	<b>524 989</b>	<b>551 814</b>	<b>575 070</b>

The sub-programme: Personnel and Admin Related provides for the maintenance of the department's buildings and the maintenance of buildings to client specification, and includes the GIAMA conditional assessments budget. The MTEF allocations grow steadily and include the funds ring-fenced for improving infrastructure support. Also catered for is the EPWP maintenance programme, Youth Environmental Service programme and provincial co-ordination and monitoring of the EPWP.

The sub-programme: Buildings and Structures deals with the construction, upgrading or refurbishment of the department's capital infrastructure. The budget shows a fluctuating trend over the MTEF, as it is based on the department's actual capital infrastructure requirements, including new and carry-through costs of certain projects such as the construction of the new iLembe district office, the construction of the new administration wing in the uMgungundlovu district office, as well as the construction of the new auditorium and conference centre in the Southern region. It also caters for the refurbishment of an existing building into the KZN Entrepreneurial Development Centre in the uMgungundlovu district, construction of the new CBD office in Newcastle, the replacement of air-conditioning in the eThekweni region, the refurbishment of the existing eThekweni regional office and the Mayville conference centre projects, upgrading of the carpenter workshop in Vryheid, as well as the refurbishment of the Amawele building.

The department received once-off additional funding of R4.776 million in 2017/18 for the Mayville conference centre, and this project is anticipated to be completed in 2019/20, as mentioned.

The budget for *Compensation of employees* grows steadily at 15.1, 7.8 and 6.4 per cent for each of the three years of the 2019/20 MTEF, respectively. The allocation includes improving infrastructure support funding, where amounts of R25.481 million, R26.883 million and R28.630 million in 2019/20, 2020/21 and 2021/22 respectively, remain ring-fenced for this purpose. The department is planning to fill 43 posts, including professional posts related to infrastructure support. The programme receives additional funding of R6.737 million in 2020/21 to cater for the above-budget wage agreement.

*Goods and services* includes provision for the maintenance and repairs of the department's infrastructure. The department received R6.023 million for the EPWP Integrated Grant for Provinces in 2018/19 and R4.726 million in 2019/20. Provision is also made for the EPWP co-ordination programme, property payments for security services, and water and electricity costs. The negative growth from 2020/21 to 2021/22 is due to the completion of the Mayville conference centre projects, as well as the landscape project in the LA Complex building in Ulundi in 2020/21.

*Transfers and subsidies to: Departmental agencies and accounts* relates to workmen's compensation.

*Transfers and subsidies to: Households* is largely ascribed to staff exit costs.

*Buildings and other fixed structures* shows fluctuates over the MTEF, based on actual infrastructure requirements, and provides for the construction of the new iLembe district office, the new administration wing in the uMgungundlovu district office, the new auditorium and conference centre in the Southern region, as well as the refurbishment of an existing building into the KZN Entrepreneurial Development Centre in the uMgungundlovu district. It also caters for the construction of the new CBD office in Newcastle, the replacement of air-conditioning in the eThekweni region, the refurbishment of the existing eThekweni regional office, the Mayville conference centre projects, upgrading of the carpenter workshop in Vryheid, as well as the refurbishment of the Amawele building in Umlazi, as previously mentioned.

*Machinery and equipment* fluctuates, and this is based on requirements for both head office and districts. The high growth in 2018/19 is in line with the anticipated filling of posts and provision of computer equipment for new staff. The budget over the MTEF caters for the replacement of computer equipment.

### Service delivery measures: Provision of Buildings, Structures and Equipment

The department has provided several service delivery measures for Programme 3, which are a mix of sectoral and non-sectoral measures, reflected in Table 14.19.

**Table 14.19 : Service delivery measures: Provision of Buildings, Structures and Equipment**

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2018/19	2019/20	2020/21	2021/22
1. Effectively manage the operation of facilities in terms of GIAMA	• No. of condition assessments conducted on state owned buildings	194	337	151	243
2. Effective planning and implementation of infrastructure plans	• No. of infrastructure designs ready for tender	21	13	21	23
3. Timeous completion of capital and maintenance projects	• No. of capital infrastructure projects completed within agreed time period	33	24	35	40
	• No. of capital infrastructure projects completed within agreed budget	92	54	50	50
	• No. of planned maintenance projects completed within agreed contract period	16	15	35	40
	• No. of planned maintenance projects completed within agreed budget	29	32	35	40
	• No. of planned maintenance projects awarded	13	31	40	60
	• No. of EPWP work opportunities created by the provincial DOPW	6 000	6 000	6 000	6 000
4. Creation of work opportunities	• No. of FTEs created by the provincial DOPW	600	600	600	600
5. Creation of FTEs	• No. of public bodies reporting on EPWP targets within the province	66	66	66	66
6. Effective co-ordination of EPWP	• No. of work opportunities reported in the EPWP – reporting system by public bodies aligned to the approved EPWP Phase II business plan	191 423	195 000	190 000	205 000
	• No. of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the province	4	4	4	4
7. Effective empowerment of EPWP beneficiaries	• No. of beneficiary empowerment interventions	3	3	3	3

## 9. Other programme information

### 9.1 Personnel numbers and costs

Table 14.20 illustrates the detail of the department's approved establishment and personnel numbers and gives a breakdown of employee dispensation classification. The decline from 2015/16 to 2017/18 relates to delays in the filling of vacant critical posts, as well as the moratorium on the filling of non-critical posts. The department anticipates to fill 60 vacant OSD posts such as Engineers, Quantity Surveyors and other critical vacant posts in 2019/20. The *Compensation of employees* budget grows at 12.2, 8.6 and 6.2 per cent, inclusive of the 1.5 per cent annual pay progression, for each of the three years of the MTEF, respectively, and provides for existing staff, as well as the filling of 60 critical vacant posts. The growth in the outer year is below National Treasury guidelines and will be reviewed in the next budget process.

Table 14.20 : Summary of departmental personnel numbers and costs by component

R thousands	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF		
	2015/16		2016/17		2017/18		2018/19				2019/20		2020/21		2021/22		2018/19 - 2021/22		
	Pers nos <sup>1</sup>	Costs	Pers nos <sup>1</sup>	Costs	Pers nos <sup>1</sup>	Costs	Filled posts	Addit. posts	Pers nos <sup>1</sup>	Costs	Pers. growth rate	Costs growth rate	% Costs of Total						
<b>Salary level</b>																			
1 – 6	1 146	221 442	1 038	204 461	970	200 636	899	-	899	229 200	905	255 177	905	278 637	905	295 074	0.2%	8.8%	35.9%
7 – 10	512	212 918	534	214 141	501	230 571	532	-	532	245 894	545	274 827	545	301 462	545	320 657	0.8%	9.3%	38.8%
11 – 12	157	64 383	151	109 516	111	91 327	144	-	144	121 484	184	142 221	184	150 376	184	159 188	8.5%	9.4%	19.3%
13 – 16	29	36 986	31	33 240	28	31 526	30	-	30	37 370	31	39 252	31	42 336	31	45 513	1.1%	6.8%	5.6%
Other	8	1 624	6	22 015	96	27 282	52	-	52	3 466	52	3 630	52	3 817	52	4 014	0.0%	5.0%	0.5%
<b>Total</b>	<b>1 852</b>	<b>537 353</b>	<b>1 760</b>	<b>583 373</b>	<b>1 706</b>	<b>581 342</b>	<b>1 657</b>	<b>-</b>	<b>1 657</b>	<b>637 414</b>	<b>1 717</b>	<b>715 107</b>	<b>1 717</b>	<b>776 628</b>	<b>1 717</b>	<b>824 446</b>	<b>1.2%</b>	<b>9.0%</b>	<b>100.0%</b>
<b>Programme</b>																			
1. Administration	917	254 491	894	272 618	880	284 716	867	-	867	302 065	883	332 152	883	364 115	883	385 330	0.6%	8.5%	47.0%
2. Property Management	112	45 647	122	49 106	124	52 195	119	-	119	54 853	120	60 115	120	64 613	120	68 802	0.3%	7.8%	8.4%
3. Prov. of Buildings, Structures & Equip.	823	237 215	744	261 649	702	244 431	671	-	671	280 496	714	322 840	714	347 900	714	370 314	2.1%	9.7%	44.6%
<b>Total</b>	<b>1 852</b>	<b>537 353</b>	<b>1 760</b>	<b>583 373</b>	<b>1 706</b>	<b>581 342</b>	<b>1 657</b>	<b>-</b>	<b>1 657</b>	<b>637 414</b>	<b>1 717</b>	<b>715 107</b>	<b>1 717</b>	<b>776 628</b>	<b>1 717</b>	<b>824 446</b>	<b>1.2%</b>	<b>9.0%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																			
PSA appointees not covered by OSDs	1 802	508 816	1 710	546 103	1 609	523 271	1 560	-	1 560	574 184	1 619	647 577	1 619	704 506	1 619	747 420	1.2%	9.2%	90.5%
Legal Prof.	7	2 889	7	3 511	7	3 090	6	-	6	3 741	7	3 995	7	4 267	7	4 557	5.3%	6.8%	0.6%
Engineering Prof. and related occupations	43	25 648	43	33 759	90	54 981	91	-	91	59 489	91	63 534	91	67 855	91	72 469	0.0%	6.8%	8.9%
<b>Total</b>	<b>1 852</b>	<b>537 353</b>	<b>1 760</b>	<b>583 373</b>	<b>1 706</b>	<b>581 342</b>	<b>1 657</b>	<b>-</b>	<b>1 657</b>	<b>637 414</b>	<b>1 717</b>	<b>715 107</b>	<b>1 717</b>	<b>776 628</b>	<b>1 717</b>	<b>824 446</b>	<b>1.2%</b>	<b>9.0%</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 14.21 gives a summary of departmental spending and information on training per programme. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. The fluctuating trend from 2015/16 to 2017/18 was due to training and staff development costs. The budget increases at an inflationary rate over the MTEF. Training includes short courses for in-house staff, as well as internships. The table excludes the EPWP Integrated Grant for Provinces budget, hence the budget for Programme 3 is lower than the training and development figures in Tables 14.B and 14.E. It is also noted that the budget for Programme 1 includes external bursaries, hence it is higher than the training and development budget in Table 14.C.

Table 14.21 : Information on training: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
	2018/19						2019/20	2020/21	2021/22
Number of staff	1 852	1 760	1 706	1 657	1 657	1 657	1 717	1 717	1 717
Number of personnel trained	1 118	1 161	954	1 279	981	981	1 279	1 279	1 279
of which									
Male	614	447	516	650	420	420	650	650	650
Female	504	714	438	629	561	561	629	629	629
Number of training opportunities	41	34	74	55	118	118	92	92	92
of which									
Tertiary	14	15	15	20	69	69	57	57	57
Workshops	23	11	32	15	9	9	15	15	15
Seminars	2	3	17	10	2	2	10	10	10
Other	2	5	10	10	38	38	10	10	10
Number of bursaries offered	22	17	69	53	139	139	111	111	111
Number of interns appointed	30	83	37	42	14	14	42	42	42
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	819	2 431	560	1 500	307	307	307	307	307
<b>Payments on training by programme</b>									
1. Administration	5 490	4 711	7 809	6 577	9 795	9 467	14 556	15 345	15 677
2. Property Management	43	336	19	562	562	575	-	-	-
3. Provision of Buildings, Structures and Equipment	1 664	293	2 131	2 912	2 912	1 962	-	-	-
<b>Total</b>	<b>7 197</b>	<b>5 340</b>	<b>9 959</b>	<b>10 051</b>	<b>13 269</b>	<b>12 004</b>	<b>14 556</b>	<b>15 345</b>	<b>15 677</b>

## ANNEXURE – VOTE 14: PUBLIC WORKS

Table 14.A : Details of departmental receipts: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
<b>Tax receipts</b>	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
<b>Sale of goods and services other than capital assets</b>	<b>8 433</b>	<b>9 079</b>	<b>5 844</b>	<b>9 261</b>	<b>9 261</b>	<b>9 465</b>	<b>7 376</b>	<b>7 844</b>	<b>8 105</b>
Sale of goods and services produced by department (excluding capital assets)	8 426	8 921	5 791	9 258	9 258	9 258	7 373	7 841	8 102
Sale by market establishments	6 278	5 593	4 367	5 991	5 991	5 991	5 052	5 371	5 498
Administrative fees	-	-	-	-	-	1	-	-	-
Other sales	2 148	3 328	1 424	3 267	3 267	3 266	2 321	2 470	2 604
<i>Of which</i>									
<i>Commission</i>	517	522	532	673	673	680	674	674	674
<i>Tender documents</i>	1 617	2 792	883	2 579	2 579	2 579	1 632	1 781	1 895
<i>Replacement of security card</i>	2	2	1	2	2	2	2	2	2
<i>Transport fees</i>	12	12	8	13	13	5	13	13	13
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	7	158	53	3	3	207	3	3	3
<b>Transfers received from:</b>	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	-	-	-	-	-	-	-	-	-
<b>Interest, dividends and rent on land</b>	<b>378</b>	<b>1 874</b>	<b>1 954</b>	<b>302</b>	<b>302</b>	<b>1 048</b>	<b>485</b>	<b>488</b>	<b>501</b>
Interest	110	1 587	1 252	42	42	488	48	50	51
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	268	287	702	260	260	560	437	438	450
<b>Sale of capital assets</b>	<b>2 697</b>	<b>3 781</b>	<b>720</b>	<b>1 215</b>	<b>1 215</b>	<b>2 628</b>	<b>1 500</b>	<b>630</b>	<b>677</b>
Land and sub-soil assets	-	867	56	-	-	1 190	-	-	-
Other capital assets	2 697	2 914	664	1 215	1 215	1 438	1 500	630	677
<b>Transactions in financial assets and liabilities</b>	<b>1 488</b>	<b>1 381</b>	<b>513</b>	<b>862</b>	<b>862</b>	<b>862</b>	<b>903</b>	<b>944</b>	<b>946</b>
<b>Total</b>	<b>12 996</b>	<b>16 115</b>	<b>9 031</b>	<b>11 640</b>	<b>11 640</b>	<b>14 003</b>	<b>10 264</b>	<b>9 906</b>	<b>10 229</b>

Table 14.B : Payments and estimates by economic classification: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
<b>Current payments</b>	<b>778 916</b>	<b>825 838</b>	<b>836 119</b>	<b>922 348</b>	<b>924 270</b>	<b>900 241</b>	<b>972 816</b>	<b>1 049 328</b>	<b>1 098 016</b>
Compensation of employees	537 353	583 373	581 342	666 946	651 719	637 414	715 107	776 628	824 446
Salaries and wages	458 954	500 215	495 712	573 371	562 516	548 481	619 941	677 304	720 285
Social contributions	78 399	83 158	85 630	93 575	89 203	88 933	95 166	99 324	104 161
Goods and services	241 563	242 462	254 776	255 402	272 551	262 827	257 709	272 700	273 570
Administrative fees	1 016	1 062	1 295	1 004	2 103	2 492	1 491	1 545	1 605
Advertising	9 455	8 283	5 882	6 228	6 228	6 946	5 975	6 257	6 448
Minor assets	1 120	507	786	971	919	794	451	439	462
Audit cost: External	7 088	6 295	8 420	4 727	7 911	8 361	4 983	5 257	5 726
Bursaries: Employees	390	237	926	300	945	990	992	1 042	1 094
Catering: Departmental activities	983	1 376	557	411	447	471	514	545	553
Communication (G&S)	10 481	10 801	9 543	10 257	9 974	8 438	10 438	10 876	11 214
Computer services	22 738	21 079	23 600	28 375	24 203	23 885	30 073	31 852	33 399
Cons & prof serv: Business and advisory services	382	586	32 514	34 131	34 159	34 728	36 035	38 114	39 603
Infrastructure and planning	-	16	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 073	2 150	882	1 713	2 676	4 268	1 730	1 771	1 771
Contractors	8 849	20 621	914	17 043	1 823	1 569	1 808	1 912	2 273
Agency and support / outsourced services	63 428	50 680	24 036	21 504	19 527	16 148	16 591	16 693	18 017
Entertainment	197	157	42	124	124	39	126	134	134
Fleet services (including govt. motor transport)	9 403	11 946	11 897	12 802	12 919	13 068	13 090	13 649	14 006
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	3 544	4 223	4 359	5 319	6 242	5 412	5 154	5 399	5 598
Consumable: Stationery, printing and office supplies	3 432	3 874	2 934	5 134	5 069	4 273	4 944	5 182	5 400
Operating leases	3 474	3 813	4 280	4 670	4 682	4 797	4 715	4 970	5 168
Property payments	61 775	61 873	95 564	70 777	94 219	90 770	89 825	101 912	95 658
Transport provided: Departmental activity	507	607	48	-	117	159	-	-	-
Travel and subsistence	13 676	11 976	11 966	15 235	14 852	13 456	15 227	15 851	16 121
Training and development	9 580	15 471	12 505	12 641	21 005	19 039	11 561	7 211	7 159
Operating payments	2 869	2 003	1 515	1 725	2 096	2 358	1 801	1 893	1 958
Venues and facilities	-	53	-	179	179	152	45	48	47
Rental and hiring	6 103	2 773	311	132	132	259	140	148	156
Interest and rent on land	-	3	1	-	-	-	-	-	-
Interest	-	3	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>534 777</b>	<b>563 612</b>	<b>639 553</b>	<b>599 828</b>	<b>702 589</b>	<b>934 118</b>	<b>637 811</b>	<b>673 278</b>	<b>706 560</b>
Provinces and municipalities	524 828	553 579	627 881	594 712	690 934	918 934	629 201	663 675	696 594
Provinces	285	285	160	257	307	307	268	151	286
Provincial Revenue Funds	285	285	-	257	307	307	268	151	286
Provincial agencies and funds	-	-	160	-	-	-	-	-	-
Municipalities	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
Municipalities	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	480	396	415	488	517	512	590	638	658
Social security funds	-	-	-	73	29	24	75	71	85
Entities receiving transfers	480	396	415	415	488	488	515	567	573
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	34	88	95	-	95	95	-	-	-
Households	9 435	9 549	11 162	4 628	11 043	14 577	8 020	8 965	9 308
Social benefits	6 645	6 866	6 198	1 910	5 125	6 781	1 806	2 440	2 457
Other transfers to households	2 790	2 683	4 964	2 718	5 918	7 796	6 214	6 525	6 851
<b>Payments for capital assets</b>	<b>91 484</b>	<b>54 284</b>	<b>59 872</b>	<b>65 756</b>	<b>54 152</b>	<b>54 152</b>	<b>74 690</b>	<b>65 454</b>	<b>71 854</b>
Buildings and other fixed structures	73 207	32 872	39 546	46 049	34 445	32 151	54 466	46 130	51 897
Buildings	73 207	32 872	39 546	46 049	34 445	32 151	54 466	46 130	51 897
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12 399	13 114	13 764	15 707	15 707	17 623	14 724	13 324	13 605
Transport equipment	4 494	4 636	6 031	6 871	6 871	6 871	6 910	6 983	7 344
Other machinery and equipment	7 905	8 478	7 733	8 836	8 836	10 752	7 814	6 341	6 261
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 878	8 298	6 562	4 000	4 000	4 378	5 500	6 000	6 352
<b>Payments for financial assets</b>	<b>1 070</b>	<b>10 431</b>	<b>1 087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 406 247</b>	<b>1 454 165</b>	<b>1 536 631</b>	<b>1 587 932</b>	<b>1 681 011</b>	<b>1 888 511</b>	<b>1 685 317</b>	<b>1 788 060</b>	<b>1 876 430</b>

Table 14.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>329 527</b>	<b>344 810</b>	<b>355 776</b>	<b>384 678</b>	<b>380 195</b>	<b>378 035</b>	<b>411 399</b>	<b>446 762</b>	<b>471 651</b>
Compensation of employees	254 491	272 618	284 716	306 398	301 915	302 065	332 152	364 115	385 330
Salaries and wages	214 595	229 902	239 969	259 567	255 087	255 243	283 425	313 527	332 379
Social contributions	39 896	42 716	44 747	46 831	46 828	46 822	48 727	50 588	52 951
Goods and services	75 036	72 189	71 059	78 280	78 280	75 970	79 247	82 647	86 321
Administrative fees	234	380	230	127	1 148	1 498	326	336	343
Advertising	4 837	2 827	3 286	3 694	3 694	2 633	3 418	3 589	3 694
Minor assets	963	307	693	221	169	412	77	80	75
Audit cost: External	7 088	6 295	8 420	4 727	7 911	8 361	4 983	5 257	5 726
Bursaries: Employees	390	237	926	300	945	945	992	1 042	1 094
Catering: Departmental activities	679	1 100	428	191	227	186	194	204	211
Communication (G&S)	9 197	9 551	8 741	8 169	7 964	7 648	8 333	8 935	9 190
Computer services	20 716	19 077	19 875	20 463	20 463	20 041	21 564	22 842	23 962
Cons & prof serv: Business and advisory services	140	25	68	30	52	50	33	38	55
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	708	1 348	703	1 063	2 026	2 336	1 080	1 085	1 085
Contractors	1 591	2 088	672	1 650	1 520	1 287	1 674	1 605	1 963
Agency and support / outsourced services	3 428	2 558	898	6 796	1 200	224	2 056	1 672	2 105
Entertainment	148	113	42	124	124	39	126	134	134
Fleet services (including govt. motor transport)	6 334	8 327	8 376	9 364	9 481	9 710	9 664	10 057	10 303
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 203	1 414	1 591	1 349	1 386	1 270	1 243	1 299	1 302
Consumable: Stationery, printing and office supplies	2 943	3 258	2 487	4 273	4 208	3 784	4 061	4 264	4 458
Operating leases	2 836	3 064	3 632	3 908	3 920	3 893	3 957	4 174	4 336
Property payments	1 552	1 736	2 131	1 534	2 134	2 435	1 622	1 674	1 762
Transport provided: Departmental activity	507	498	48	-	117	159	-	-	-
Travel and subsistence	5 130	4 260	4 729	5 677	5 507	5 419	5 490	5 557	5 721
Training and development	1 888	1 652	1 593	3 144	2 444	1 619	6 835	7 211	7 159
Operating payments	2 068	1 567	1 216	1 430	1 594	1 866	1 474	1 544	1 596
Venues and facilities	-	53	-	46	46	19	45	48	47
Rental and hiring	456	454	274	-	-	136	-	-	-
Interest and rent on land	-	3	1	-	-	-	-	-	-
Interest	-	3	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>6 731</b>	<b>5 894</b>	<b>8 365</b>	<b>4 164</b>	<b>8 647</b>	<b>10 957</b>	<b>7 620</b>	<b>7 763</b>	<b>8 326</b>
Provinces and municipalities	285	285	160	257	307	307	268	151	286
Provinces	285	285	160	257	307	307	268	151	286
Provincial Revenue Funds	285	285	-	257	307	307	268	151	286
Provincial agencies and funds	-	-	160	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	480	396	415	459	502	502	529	575	597
Social security funds	-	-	-	44	14	14	14	8	24
Entities receiving transfers	480	396	415	415	488	488	515	567	573
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	34	88	95	-	95	95	-	-	-
Households	5 932	5 125	7 695	3 448	7 743	10 053	6 823	7 037	7 443
Social benefits	3 144	2 640	2 731	730	1 825	2 257	609	512	592
Other transfers to households	2 788	2 485	4 964	2 718	5 918	7 796	6 214	6 525	6 851
<b>Payments for capital assets</b>	<b>17 431</b>	<b>20 109</b>	<b>20 238</b>	<b>17 946</b>	<b>17 946</b>	<b>20 240</b>	<b>19 061</b>	<b>18 712</b>	<b>19 695</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 553	11 811	13 676	13 946	13 946	15 862	13 561	12 712	13 343
Transport equipment	4 494	4 636	6 031	6 871	6 871	6 871	6 910	6 983	7 344
Other machinery and equipment	7 059	7 175	7 645	7 075	7 075	8 991	6 651	5 729	5 999
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 878	8 298	6 562	4 000	4 000	4 378	5 500	6 000	6 352
Payments for financial assets	-	46	134	-	-	-	-	-	-
<b>Total</b>	<b>353 689</b>	<b>370 859</b>	<b>384 513</b>	<b>406 788</b>	<b>406 788</b>	<b>409 232</b>	<b>438 080</b>	<b>473 237</b>	<b>499 672</b>

**Table 14.D : Payments and estimates by economic classification: Property Management**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
<b>Current payments</b>	<b>112 416</b>	<b>107 623</b>	<b>72 936</b>	<b>88 820</b>	<b>84 382</b>	<b>76 375</b>	<b>93 230</b>	<b>99 450</b>	<b>105 348</b>
Compensation of employees	45 647	49 106	52 195	56 684	56 418	54 853	60 115	64 613	68 802
Salaries and wages	38 948	41 916	44 632	48 471	48 471	46 952	51 547	55 628	59 366
Social contributions	6 699	7 190	7 563	8 213	7 947	7 901	8 568	8 985	9 436
Goods and services	66 769	58 517	20 741	32 136	27 964	21 522	33 115	34 837	36 546
Administrative fees	765	654	907	866	878	898	966	1 007	1 058
Advertising	150	403	217	307	307	241	313	325	330
Minor assets	27	4	39	57	57	3	30	32	32
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	20	42	17	20	20	16	20	21	22
Communication (G&S)	221	213	210	503	491	141	521	367	367
Computer services	-	182	-	4 422	250	-	4 669	4 926	5 187
Cons & prof serv: Business and advisory services	242	561	75	342	348	242	284	394	417
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	365	780	179	650	650	1 932	650	686	686
Contractors	11	501	-	-	-	-	-	-	-
Agency and support / outsourced services	44 698	36 864	3 826	2 459	2 459	1 177	2 532	2 671	2 937
Entertainment	25	22	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	23	31	82	105	105	68	117	126	126
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	342	288	425	658	658	307	668	704	741
Consumable: Stationery, printing and office supplies	41	14	12	45	45	1	39	40	41
Operating leases	266	183	166	188	188	262	200	212	222
Property payments	11 994	13 603	13 285	18 926	18 926	14 085	20 025	21 128	22 254
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 740	1 641	1 234	1 984	1 960	1 511	2 039	2 154	2 080
Training and development	43	336	19	562	562	575	-	-	-
Operating payments	187	80	48	42	60	63	42	44	46
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	5 609	2 115	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>524 578</b>	<b>553 398</b>	<b>627 878</b>	<b>594 536</b>	<b>690 974</b>	<b>918 981</b>	<b>628 968</b>	<b>663 559</b>	<b>696 340</b>
Provinces and municipalities	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
Municipalities	524 543	553 294	627 721	594 455	690 627	918 627	628 933	663 524	696 308
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	5	5	-	5	5	-
Social security funds	-	-	-	5	5	-	5	5	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	35	104	157	76	342	354	30	30	32
Social benefits	35	104	157	76	342	354	30	30	32
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>52</b>	<b>44</b>	<b>-</b>	<b>237</b>	<b>237</b>	<b>237</b>	<b>50</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	52	44	-	237	237	237	50	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	52	44	-	237	237	237	50	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>637 046</b>	<b>661 556</b>	<b>700 814</b>	<b>683 593</b>	<b>775 593</b>	<b>995 593</b>	<b>722 248</b>	<b>763 009</b>	<b>801 688</b>

Table 14.E : Payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
<b>Current payments</b>	<b>336 973</b>	<b>373 405</b>	<b>407 407</b>	<b>448 850</b>	<b>459 693</b>	<b>445 831</b>	<b>468 187</b>	<b>503 116</b>	<b>521 017</b>
Compensation of employees	237 215	261 649	244 431	303 864	293 386	280 496	322 840	347 900	370 314
Salaries and wages	205 411	228 397	211 111	265 333	258 958	246 286	284 969	308 149	328 540
Social contributions	31 804	33 252	33 320	38 531	34 428	34 210	37 871	39 751	41 774
Goods and services	99 758	111 756	162 976	144 986	166 307	165 335	145 347	155 216	150 703
Administrative fees	17	28	158	11	77	96	199	202	204
Advertising	4 468	5 053	2 379	2 227	2 227	4 072	2 244	2 343	2 424
Minor assets	130	196	54	693	693	379	344	327	355
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	284	234	112	200	200	269	300	320	320
Communication (G&S)	1 063	1 037	592	1 585	1 519	649	1 584	1 574	1 657
Computer services	2 022	1 820	3 725	3 490	3 490	3 844	3 840	4 084	4 250
Cons & prof serv: Business and advisory services	-	-	32 371	33 759	33 759	34 436	35 718	37 682	39 131
Infrastructure and planning	-	16	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	22	-	-	-	-	-	-	-
Contractors	7 247	18 032	242	15 393	303	282	134	307	310
Agency and support / outsourced services	15 302	11 258	19 312	12 249	15 868	14 747	12 003	12 350	12 975
Entertainment	24	22	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	3 046	3 588	3 439	3 333	3 333	3 290	3 309	3 466	3 577
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 999	2 521	2 343	3 312	4 198	3 835	3 243	3 396	3 555
Consumable: Stationery, printing and office supplies	448	602	435	816	816	488	844	878	901
Operating leases	372	566	482	574	574	642	558	584	610
Property payments	48 229	46 534	80 148	50 317	73 159	74 250	68 178	79 110	71 642
Transport provided: Departmental activity	-	109	-	-	-	-	-	-	-
Travel and subsistence	6 806	6 075	6 003	7 574	7 385	6 526	7 698	8 140	8 320
Training and development	7 649	13 483	10 893	8 935	17 999	16 845	4 726	-	-
Operating payments	614	356	251	253	442	429	285	305	316
Venues and facilities	-	-	-	133	133	133	-	-	-
Rental and hiring	38	204	37	132	132	123	140	148	156
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 468</b>	<b>4 320</b>	<b>3 310</b>	<b>1 128</b>	<b>2 968</b>	<b>4 180</b>	<b>1 223</b>	<b>1 956</b>	<b>1 894</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	24	10	10	56	58	61
Social security funds	-	-	-	24	10	10	56	58	61
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 468	4 320	3 310	1 104	2 958	4 170	1 167	1 898	1 833
Social benefits	3 466	4 122	3 310	1 104	2 958	4 170	1 167	1 898	1 833
Other transfers to households	2	198	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>74 001</b>	<b>34 131</b>	<b>39 634</b>	<b>47 573</b>	<b>35 969</b>	<b>33 675</b>	<b>55 579</b>	<b>46 742</b>	<b>52 159</b>
Buildings and other fixed structures	73 207	32 872	39 546	46 049	34 445	32 151	54 466	46 130	51 897
Buildings	73 207	32 872	39 546	46 049	34 445	32 151	54 466	46 130	51 897
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	794	1 259	88	1 524	1 524	1 524	1 113	612	262
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	794	1 259	88	1 524	1 524	1 524	1 113	612	262
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>1 070</b>	<b>9 894</b>	<b>953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>415 512</b>	<b>421 750</b>	<b>451 304</b>	<b>497 551</b>	<b>498 630</b>	<b>483 686</b>	<b>524 989</b>	<b>551 814</b>	<b>575 070</b>

**Table 14.F : Payments and estimates by economic classification: Conditional grant (Programme 2: Property Management)**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>3 057</b>	<b>4 471</b>	<b>6 588</b>	<b>6 023</b>	<b>6 023</b>	<b>6 023</b>	<b>4 726</b>	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	3 057	4 471	6 588	6 023	6 023	6 023	4 726	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	3 057	4 471	6 588	6 023	6 023	6 023	4 726	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 057</b>	<b>4 471</b>	<b>6 588</b>	<b>6 023</b>	<b>6 023</b>	<b>6 023</b>	<b>4 726</b>	-	-

Table 14.G : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
<b>A KZN2000 eThekweni</b>	<b>250 408</b>	<b>254 328</b>	<b>288 527</b>	<b>263 458</b>	<b>284 606</b>	<b>406 606</b>	<b>278 802</b>	<b>294 136</b>	<b>306 605</b>
<b>Total: Ugu Municipalities</b>	<b>13 151</b>	<b>11 129</b>	<b>20 747</b>	<b>16 993</b>	<b>19 122</b>	<b>20 475</b>	<b>17 979</b>	<b>18 968</b>	<b>20 011</b>
B KZN212 uMdoni	4 321	2 504	3 806	3 401	3 718	6 581	3 598	3 796	4 005
B KZN213 uMzombe	2 486	1 955	1 770	4 121	4 705	5 577	4 360	4 600	4 853
B KZN214 uMuziwabantu	2 853	3 065	4 026	5 067	5 873	5 757	5 361	5 656	5 967
B KZN216 Ray Nkonyeni	3 491	3 605	11 145	4 404	4 826	2 560	4 660	4 916	5 186
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uMgungundlovu Municipalities</b>	<b>77 301</b>	<b>69 176</b>	<b>72 842</b>	<b>96 918</b>	<b>106 008</b>	<b>98 833</b>	<b>92 540</b>	<b>98 180</b>	<b>103 581</b>
B KZN221 uMshwathi	6 018	6 114	7 849	19 833	20 555	6 967	10 983	12 137	12 805
B KZN222 uMngeni	2 263	2 657	951	8 573	8 775	3 361	9 070	9 569	10 095
B KZN223 Mpofana	583	458	356	115	900	1 023	122	129	136
B KZN224 iMpindle	703	749	903	306	376	1 033	324	342	361
B KZN225 Msunduzi	66 854	58 282	61 646	67 337	72 185	84 857	71 243	75 161	79 295
B KZN226 Mkhambathini	429	455	535	693	833	777	733	773	816
B KZN227 Richmond	451	461	602	61	2 384	815	65	69	73
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uThukela Municipalities</b>	<b>36 914</b>	<b>34 059</b>	<b>42 511</b>	<b>45 684</b>	<b>47 225</b>	<b>63 212</b>	<b>48 333</b>	<b>50 991</b>	<b>53 795</b>
B KZN235 Okhahlamba	1 661	-	2 193	5 879	6 203	3 730	6 220	6 562	6 923
B KZN237 iNkosi Langalibalele	14 672	12 367	19 087	19 029	20 032	22 172	20 132	21 239	22 407
B KZN238 Alfred Duma	20 581	21 692	21 231	20 776	20 990	37 310	21 981	23 190	24 465
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uMzinyathi Municipalities</b>	<b>20 992</b>	<b>28 552</b>	<b>35 216</b>	<b>30 441</b>	<b>39 467</b>	<b>52 734</b>	<b>32 206</b>	<b>33 977</b>	<b>35 846</b>
B KZN241 eNdumeni	6 748	8 387	11 851	9 162	9 912	13 989	9 693	10 226	10 788
B KZN242 Nquthu	7 985	9 205	8 203	9 875	10 068	22 381	10 448	11 023	11 629
B KZN244 uMsinga	1 082	5 734	8 893	5 140	12 687	9 082	5 438	5 737	6 053
B KZN245 uMvoti	5 177	5 226	6 269	6 264	6 800	7 282	6 627	6 991	7 376
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Amajuba Municipalities</b>	<b>12 583</b>	<b>11 723</b>	<b>13 420</b>	<b>12 464</b>	<b>21 965</b>	<b>29 848</b>	<b>13 186</b>	<b>13 911</b>	<b>14 675</b>
B KZN252 Newcastle	4 892	3 546	4 109	4 778	4 818	14 650	5 055	5 333	5 626
B KZN253 eMadlangeni	1 941	2 005	2 156	3 005	9 022	6 325	3 179	3 354	3 538
B KZN254 Dannhauser	5 750	6 172	7 155	4 681	8 125	8 873	4 952	5 224	5 511
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Zululand Municipalities</b>	<b>39 365</b>	<b>51 826</b>	<b>48 140</b>	<b>43 928</b>	<b>54 821</b>	<b>73 519</b>	<b>46 476</b>	<b>49 032</b>	<b>51 729</b>
B KZN261 eDumbe	2 248	7 047	5 638	3 467	4 976	15 338	3 668	3 870	4 083
B KZN262 uPhongolo	2 901	3 272	3 305	3 702	5 243	6 206	3 917	4 132	4 359
B KZN263 Abaqulusi	7 260	8 467	7 981	7 349	9 076	9 707	7 775	8 203	8 654
B KZN265 Nongoma	6 507	7 775	7 204	6 124	7 932	10 372	6 479	6 835	7 211
B KZN266 Ulundi	20 449	25 265	24 012	23 286	27 594	31 896	24 637	25 992	27 422
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: uMkhanyakude Municipalities</b>	<b>19 267</b>	<b>23 051</b>	<b>22 658</b>	<b>26 429</b>	<b>33 430</b>	<b>39 083</b>	<b>27 961</b>	<b>29 498</b>	<b>31 121</b>
B KZN271 uMhlabuyalingana	8 156	10 062	9 874	11 982	11 982	13 355	12 677	13 374	14 110
B KZN272 Jozini	7 328	8 999	4 763	6 126	11 569	11 569	6 481	6 837	7 213
B KZN275 Mtubatuba	1 462	3 990	3 693	2 542	3 584	7 365	6 114	6 450	2 993
B KZN276 Big Five Hlabisa	2 321	-	4 328	5 779	6 295	6 794	2 689	2 837	6 805
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: King Cetshwayo Municipalities</b>	<b>28 740</b>	<b>33 230</b>	<b>40 450</b>	<b>27 316</b>	<b>38 236</b>	<b>71 024</b>	<b>38 902</b>	<b>40 491</b>	<b>42 718</b>
B KZN281 uMfolozi	94	166	2 569	572	604	6 428	605	638	673
B KZN282 uMhlathuze	14 938	14 321	16 574	13 420	14 758	21 949	24 199	24 980	26 354
B KZN284 uMlalazi	3 235	4 586	7 331	3 699	12 013	16 845	3 914	4 129	4 356
B KZN285 Mthonjaneni	-	399	334	2 889	3 106	3 713	3 057	3 225	3 402
B KZN286 Nkandla	10 473	13 758	13 642	6 736	7 755	22 089	7 127	7 519	7 933
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: iLembe Municipalities</b>	<b>11 531</b>	<b>20 516</b>	<b>23 760</b>	<b>17 561</b>	<b>24 305</b>	<b>34 771</b>	<b>18 579</b>	<b>19 601</b>	<b>20 678</b>
B KZN291 Mandeni	273	181	1 674	833	5 036	10 184	881	929	980
B KZN292 KwaDukuza	3 405	11 146	7 594	6 081	6 204	5 027	6 434	6 788	7 161
B KZN293 Ndwedwe	422	4 674	5 392	1 489	2 270	8 916	1 575	1 662	1 753
B KZN294 Maphumulo	7 431	4 515	9 100	9 158	10 795	10 644	9 689	10 222	10 784
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
<b>Total: Harry Gwala Municipalities</b>	<b>14 274</b>	<b>15 692</b>	<b>19 452</b>	<b>13 203</b>	<b>21 382</b>	<b>28 522</b>	<b>13 969</b>	<b>14 739</b>	<b>15 549</b>
B KZN433 Greater Kokstad	7 129	8 460	8 722	898	1 101	10 246	950	1 002	1 057
B KZN434 uBuhlebezwe	2 976	2 204	4 934	4 399	6 928	5 070	4 654	4 910	5 180
B KZN435 uMzimkhulu	3 003	3 243	2 662	4 534	6 150	4 548	4 797	5 063	5 341
B KZN436 Dr Nkosazana Dlamini Zuma	1 166	1 785	3 134	3 372	7 203	8 658	3 568	3 764	3 971
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
<b>Unallocated</b>	<b>17</b>	<b>12</b>	<b>(2)</b>	<b>60</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>524 543</b>	<b>553 294</b>	<b>627 721</b>	<b>594 455</b>	<b>690 627</b>	<b>918 627</b>	<b>628 933</b>	<b>663 524</b>	<b>696 308</b>