

# VOTE 15

## DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

To be appropriated by vote in 2020/21	R 3 291 681 000
Responsible MEC	MEC for Infrastructure Development
Administering Department	Department of Infrastructure Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

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

#### Mission

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

#### Strategic Goals

- Optimise state assets for economic development and supporting entrepreneurs;
- Empowering communities through job creation in partnership with the public and private sector;
- Accelerate service delivery;
- Integrated planning;
- Sustainable infrastructure; and
- Organisational development for building state capacity.

#### Core functions and responsibilities

- Implementation of social Infrastructure;
- Skills development;
- Community participation;
- Capital project management;
- Maintenance services; and
- Provincial property management.

#### Main services

Our mandate is to develop and maintain socio-economic infrastructure that enables all the province's people to have access to social services by:

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

#### Ten Pillar Programmes of Transformation, Modernisation and Reindustrialisation

The departments plan and initiatives are aligned to the outcomes planned for the Gauteng-City Region in terms of the Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation. The outcomes and initiatives planned under each pillar are provided below.

### **Pillar 1: Radical economic transformation**

The GPG is determined to revitalise and mainstream the township economy by supporting the development of township enterprises, co-operatives and Small, Medium and Micro Enterprises (SMME)s, that will produce goods and services that meet the needs of Gauteng township residents. As part of this, the focus will be on the reindustrialisation of the Gauteng economy through strategic infrastructure development. In terms of this outcome, the department has managed to ensure that 99.56 per cent of its procurement is spent on black-owned companies, while 22.55 per cent is spent on black-female-owned companies. Procurement spend on youth-owned companies is 2.77 per cent, while the amount spent on companies owned by the people with disability stands at 0.29 per cent.

The provincial government identified key sectors that have the potential to address the policy imperatives of creating decent employment and greater economic inclusion. These sectors include finance, the automotive industry, manufacturing, information and communication technology (ICT), tourism, pharmaceuticals, creative industries, construction and real estate. The promotion of new SMMEs and township enterprises will also be brought into these key sectors of the economy. The department attained a 88.8 per cent procurement allocation to SMMEs in the third quarter of this year owing to their high response rate. The total percentage procurement in terms of the Township Enterprise Revitalisation was at 32.3 per cent during the third quarter.

The department coordinated the creation of 3 768 job opportunities for the Zivuseni Reloaded Programme, and 1 755 for the National Youth Service (NYS) Skills Development Programme.

### **Pillar 3: Accelerated social transformation**

Economic and spatial transformation must be underpinned and supported by, an accelerated programme of social transformation, at the centre of which is raising the living standards and quality of life of all the people of Gauteng. At the centre of Gauteng's social transformation is our determination to improve the quality of education and healthcare; provide social protection to the vulnerable; in particular, women and children; eradicate poverty; and build social cohesion and solidarity.

Over the 2020 MTEF, the department will contribute to supporting this pillar by ensuring the swift delivery of social infrastructure projects. The intention being to reduce poverty, inequality and unemployment through the provision of infrastructure projects on behalf of client departments. This will be achieved by ensuring that 90 per cent of projects being implemented on behalf of the client departments, are implemented on time and within budget. In addition, the department will begin focusing on the quality of the projects managed, by ensuring that 95 per cent of projects are delivered with zero-defects. A key focus over the MTEF will also be the roll-out of the National Health Insurance (NHI) based clinics in selected regions in the province; as well as the improvement of the conditions of hospitals within the province to a level of above average functionality.

### **Pillar 4: Transformation of the state and governance**

The second phase of transition to a national democratic society needs public representatives, public servants, and leaders from other sectors who will remain true to the values of loyal service to the people.

The Gauteng Department of Infrastructure Development (GDID) is the custodian of a significant portion of immovable assets vested in the GPG. An appointed Service Provider has completed the process of verifying and updating the immovable asset register (IAR). The department has already verified 5 250 assets on the IAR in accordance with the mandatory requirements of National Treasury in the current financial year. Based on this and the newly approved Property Optimisation Strategy, the department is moving towards a new approach to deliver and manage high impact infrastructure in the Province.

The implementation of the National Treasury prescribed Infrastructure Delivery Management System (IDMS) model continues to be a catalyst - driving the introduction of a new strategy, organisational structure, systems and processes - that support the delivery and management of infrastructure within the department. The IDMS is a strategic framework, detailing the preferred method of implementing infrastructure projects in the province. In terms of the IDMS framework there are several processes and decision-gates through which approvals are obtained for the implementation of infrastructure and maintenance projects. The department has mapped all these key processes and trained relevant staff on the use of these processes.

### **Pillar 5: Modernisation of public service**

Government cannot talk about radical socio-economic transformation without fundamentally changing the way state institutions relate to society. Part of the radical shift in government, involves how it deals with, and eradicates corruption among public officials and public servants, including the private sector. GPG will introduce measures to strengthen the integrity of public institutions and public processes, so that fraud and corruption are prevented and detected early in the value chain to prevent losses.

In modernising the delivery of infrastructure, the department is fully operationalising the IDMS. This has taken place through aligning the department's organisational structure to the system, thereby putting it in an optimal position to implement and maintain infrastructure efficiently and effectively. Processes have been mapped that guide the implementation and maintenance of the department's infrastructure. To support the roll-out of the processes, the department employed ICT systems, including the Oracle Primavera P6 system to manage the CAPEX projects of the department. This is a best-in-class system, interlinked to other support systems such as the Oracle Unifier System and Oracle Business Intelligence (BI) System within the department.

The Unifier System enables the department to track and manage payment processes, while the Oracle (BI) system enables the monitoring and analysis of all projects through various high-level dashboards. Systems introduced to manage the immovable assets of the department include the "Archibus System" which has enabled digitisation of the Immovable Asset Register (IAR). These systems are housed at Lutsinga Infrastructure House - (established and launched by the DID) to provide an integrated view of project performance, that will enable better coordination and management of the portfolio of projects and properties on behalf of our client departments in the GCR. The Lutsinga Infrastructure House will do so by integrating the outputs of the internal systems, capabilities, and a dedicated operational team under one roof. These inputs can then be used to monitor; analyse; and manage key construction; perform maintenance; manage the EPWP and property portfolio management project; as well as pull portfolio-management-related progress reports.

#### **Pillar 6: Modernisation of the economy**

The provincial government identified key sectors that have the potential to address the policy imperatives of creating decent employment and greater economic inclusion. These sectors include finance; automotive industry; manufacturing; ICT; tourism; pharmaceuticals; creative industries; construction; and real estate.

The department identified its key initiatives to deliver on the stated objectives of the Green Agenda in the Province. In terms of this, various public private partnership (PPP) projects are in the pipeline - for the purpose of converting coal boilers to gas boilers; supplying gas to the boilers; installing trigon/cogen plants at health facilities; and installing solar rooftop panels.

#### **National Development Plan**

The TMR Programme of the GPG is aligned to the National Development Plan (NDP). As a result, all the above sections directly align to the NDP.

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

An Inter-Departmental Infrastructure Coordination process unit has been undertaken in an effort to coordinate infrastructure projects within the province. It should be noted that this portfolio requires strong support and coordination from all relevant stakeholders. The GDID will be the lead department in relation to the functionality of the unit. The establishment of this unit will have an implication for the budget from a human resources perspective, as well as the systems that will be utilised.

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

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

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2019/20)

### Pillar 1: Radical economic transformation

As a coordinating body on work opportunities, the department has an annual target to create 96 210 such opportunities across all sectors. Sectors have been briefed about their targets including all public bodies, that is, departments and municipalities. All public bodies have started reporting work opportunities created on the EPWP reporting system. Protocol agreements are not yet finalised by the National Department of Public Works and Infrastructure. Two Public Service Commission (PSC) meetings have been held to date together with the respective sector coordinating meetings. The challenges experienced during the reporting period are under-reporting of work opportunities by sectors and public bodies as well as spending of the EPWP incentive grant.

The GDID continues to work with the Office of the Premier (OOP) through Harambee and the private sector to ensure facilitation of permanent employment for National Youth Service and Zivuseni programme participants. With regards to progress towards the set targets, the Zivuseni programme has achieved 3 768 and the NYS Skills Development programme 1 755 during the third quarter.

### Pillar 3: Accelerated social transformation

The Department plans to implement varied education infrastructure programmes consisting of new smart schools; replacement schools; restorative repair to Grade R classrooms; smart schools conversion and special schools (schools for autism, Learners with Special Needs (LSEs)). Under these programmes, the department has projects at various stages (planning and design, tender, construction and final accounts). The roll-out of the above programmes increases access to education through the deployment of ICT technology; an improved learning environment; greater safety in learning spaces; and enhanced social cohesion amongst learners.

The Department put measures in place to implement various education infrastructure projects, which range through the construction of new schools; restorative repairs; fencing projects and others. In its commitment to the delivery of infrastructure projects within time, budget and good standards, the department has to date completed renovations and rehabilitations at Laerskool Vaal Riviere, George Mbilase Primary School, Westbury Secondary School, Amos Maphanga Secondary School and Aurora Girls High School. Further, completion of the Grade R classrooms at the Ivory Park Primary School was realised. Detailed designs were also completed for four renovation and rehabilitation projects: Refitlhilepele, Northcliff, Noordgesig and Felicitas LSEN School and are ready for tender. Close out documentation for **two projects** was completed for Westonaria and Lakeside Estate primary schools.

Four health projects were planned to have been completed to date. However, only Charlotte Maxeke Hospital Psychiatric Ward and construction of the new clinic at Dewagendrift were completed. Helen Joseph Hospital Psychiatric Ward, Khutsong and Greenspark Clinics are at different construction stages. The challenge at the Helen Joseph Psychiatric Ward is due to work stoppages emanating from labour and community unrest. The delays at Greenspark Clinic are as a result of additional work that was not part of the initial project scope during the tender stage. Progress at the Khutsong Clinic was disrupted due to non-payment hence the contractor abandoned the site.

The department has also completed three projects for the Gauteng Department of Sports, Art, Culture and Recreation (GDSACR). The Kokosi Community Library is one such project completed, as well as the construction of the Atteridgeville Community Library and Project Mabaleng.

### Pillar 4: Transformation of the state and governance

In an effort to ensure procurement spread to all critical designated groups, there has been a notable distribution of work towards firms owned by people with disabilities. Procurement spent is directed towards firms with military veterans, through maintenance appointments. Another critical achievement has been on the target for Township Economic Revitalisation where the plan was to allocate 28 per cent of total procurement and which achieved 32.32 per cent.

The departmental achievement on youth owned enterprises has been limited in the period under review due to low responses from the targeted group through the quotation process. The under-achievement on targeted groups will be addressed through sub-contracting as a tender condition, where bidders that do not comply with the subcontracting requirements will not be considered. The department will continue to encourage joint ventures with under-performing targeted groups.

### Pillar 5: Modernisation of the public service

Property management continues to be one of the key deliverables that the department is responsible for. To date, major work was done in relation to contravention notices, improvement notices and prohibition notices for 11 Diagonal Street. The major achievements include the completion of the following: appointment of safety representatives, purchase of evacuation chairs and first aid boxes, movement of files from the 11th and 12th floors to the first floor and the repairs of heating, ventilation and air conditioning (HVAC) at the third, fourth and fifth floors.

Tender documents relating to the procurement of service providers to maintain 8 precinct buildings were completed and are currently at Bid Specification Committee (BSC) level, while the documents relating to the resolution of oil dumped at 79

Spaarwater in Heidelberg were also submitted to the Bid Adjudication Committee(BAC) . At 75 Fox Street, the HVAC system was repaired, and service providers were appointed in 8 precinct buildings for mechanical, electrical and building procedures. The routine maintenance team is also maintaining the G-Fleet and Community Safety and Gauteng Department of Social Development (GDSD) buildings

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2020/21)

#### Pillar 1: Radical economic transformation

**Coordination of the reporting of EPWP work opportunities by GPG sectors:** The EPWP creates work opportunities in four sectors, namely: Infrastructure, non-State, Environment and Culture and Social, by:

- increasing the labour intensity of government-funded infrastructure projects;
- creating work opportunities through the Non-Profit Organisation programme and Community Work Programme;
- creating work opportunities in public environment and culture programmes; and
- creating work opportunities in public social programmes.

For the 2020/21 financial year, it is anticipated that 50 829 work opportunities will be reported by the infrastructure sectors in the province, 31 836 by the social sector, and 14 285 by the environment sector with a special focus on women, youth and people with disabilities as per the provincial target. As the coordinator of the programme in the Province, the GDID will continue to monitor the quality of the programme's delivery of infrastructure and services to the poor (including training), and it will encourage greater participation in the programme and community ownership of it. GDID's reporting captures the number of infrastructure jobs created by the provincial department on a monthly and quarterly basis, according to Gender, Youth and People with Disabilities (GEYODI).

**Coordination of the reporting of EPWP work opportunities by GPG departments and Gauteng Municipalities:** Provincial co-ordination of the EPWP function is a mandate of the GDID. The department will fulfil its programme coordination role through ensuring that all work opportunities created by GPG departments and Gauteng municipalities are well coordinated. beneficiary Empowerment Interventions are undertaken in the province. This will be achieved through a targeted 41 768 and 54 940 work opportunities to be reported by GPG departments and Gauteng municipalities respectively.

**Full Time Equivalents (FTEs) and skills development of EPWP beneficiaries:** For the 2020/21 Financial Year, the department will continue to report on the number of EPWP FTE employments created in Gauteng. To this end, the department has targeted 43 4521 EPWP FTE.

#### Pillar 2: Decisive Spatial Transformation

**Establishment of Kopanong Precinct:** The Kopanong Precinct development project remains a key project of the GPG that the department will implement over the medium term through a Public Private Partnership (PPP). The aim is to mobilise more than R10 billion in public and private investments in the regeneration of the Johannesburg CBD as the seat of the provincial government. The department prepared the procurement documentation for the project including the Request for Purchase (RFP). An advertisement was issued to request proposal for development of the Kopanong Precinct office accommodation for the GPG in the Johannesburg central business district through a PPP arrangement. The private party is expected to design, refurbish, contract, install, commission, operate, manage, maintain, build and finance the facilities on a whole cost of ownership life cycle over a period of thirty years. The project is divided into four clusters and each cluster will be procured as a separate project

#### Pillar 3: Accelerated social transformation

**Implementation of Education infrastructure projects:** GDID is the sole implementer of infrastructure and maintenance projects on behalf of the Gauteng Department of Education (GDE). The department's role in contributing to the provinces education value chain will continue to involve the provision of new education infrastructure - restorative repairs; Smart schools; replacement schools; and the subsequent maintenance thereof. Over the 2020 Medium Term Expenditure Framework (MTEF), the department intends, completing 26 projects currently under construction and also working on 28 additional projects under planning .

**Implementation of Health infrastructure projects:** The department is tasked with the provision of health infrastructure within the province over the 2020 MTEF; to assist in the provision of integrated health services in partnership with stakeholders; to contribute to the reduction of health vulnerability and the burden of disease in the province. In contributing to improving the health of residents in the province, the Gauteng Department of Health (GDoH) identified 98 projects for implementation over the 2020 MTEF. Of this list of projects, 61 are currently under construction, with an additional eight completed and ready for handover in the 2020/21 financial year. Included in the 98 projects are 25 projects still under planning. DID will continue to implement infrastructure projects within 85 per cent of the agreed time and budget, and 90 percent of acceptable quality standards over the MTEF. Given the national health mandate to roll out NHI , GDID will ensure systematically that hospitals and clinics within the GCR are built and maintained to meet existing and emerging demands. The health infrastructure projects planned for delivery in the 2020/21 financial year include: 7 new clinics (Kekanastad Clinic, Greenspark Clinic, Boikhutsong CDC, Khutsong South Clinic, Finetown Clinic, Mayibuye Clinic, Sebokeng Zone 17 Clinic), 1 community health centre



(Randfontein Clinic),<sup>1</sup> forensic pathology laboratories (Johannesburg Forensic Pathology Laboratory), 2 renovations and refurbishments (Helen Joseph Hospital Nurses Residence and Chris Hani Baragwanath - Emergency Refurbishment). The department will be implementing a total of 11 health infrastructure projects.

**Implementation of STARS infrastructure projects:** The STARS projects refers to all infrastructure projects undertaken for the departments of Social Development; Roads and Transport; Agriculture and Rural Development; Sports, Arts, Culture and Recreation; Community Safety; and the Infrastructure Department itself. However, these exclude the Department of Human Settlements, and the roadworks undertaken by the Gauteng Department of Roads and Transport. In the 2020/21 financial year, the department will be implementing 3 infrastructure projects (78 Fox, Old Reserve Bank and the Thusanong building) for refurbishment on behalf of GDID, 1 library (Impumelelo) on behalf of GDSACR, a Drivers Licence Testing Centre (DLTC) and initial planning for refurbishment of road maintenance camps (Heidelberg and Temba) on behalf of GDRT.

#### **Pillar 4: Transformation of state and governance**

##### **Leveraging procurement to benefit previously disadvantaged entities and individuals:**

Public procurement is a key instrument in the post-apartheid South African government's broad-based black economic empowerment (BBBEE) strategy, a legislative and policy framework aimed at reversing the country's legacy of injustice and inequality through pursuing a range of socio-economic objectives that favour the majority black population.

The department will channel procurement spend to BBBEE owned entities; black female owned entities; youth owned entities; people with disabilities and military veterans; and SMMEs, especially those from previously disadvantaged townships. The regulations allow the department to incorporate prequalification criteria or mandatory subcontracting, to empower the abovementioned designated groups as a condition of tender. This has given effect to the department's plans to mainstream these previously disadvantaged groups into the economy by targeting 82 per cent of procurement to be spent on black owned enterprises; 35 per cent on black female-owned enterprises; 5 per cent on people with disabilities owned enterprises; 23 per cent on youth-owned enterprises; 1 per cent on military veteran owned enterprises; 35 per cent on SMMEs and 29 per cent on township economic revitalisation (TER). Infrastructure-based programmes and projects continue to be a key catalyst for economic growth and development by leveraging public sector procurement processes to benefit previously disadvantaged individuals (PDIs). At the heart of addressing the challenges within the procurement/supply chain, management will continue strengthening the centralised procurement system to ensure that all invoices, without dispute, are paid within 30 days of receipt from service providers.

#### **Pillar 5: Modernisation of the Public Service**

**Updating and maintaining a compliant immovable asset register:** This involves identifying all registered provincial immovable assets, identifying relevant ownership records, determining custodianship of the immovable asset (IA), desktop and physical verification of the immovable assets, confirmation of the vesting (or ownership) of all state land, enhancing the state's immovable asset registers (IARs). The GDID is the custodian of a significant portion of the immovable assets vested with the provincial government. The compilation of a compliant baseline IAR is of paramount importance for addressing all negative audit findings. The department is committed to ensuring 80 per cent compliance on the IAR within the requirements of the Government Immovable Asset Management Act (GIAMA) per annum.

**Development of Infrastructure -Asset Management Plans and Custodian-Asset Management Plan:** GIAMA requires users and custodians to move from their current position of ad hoc infrastructure and property management towards more strategic immovable asset management. This is in line with meeting the primary objective of optimised immovable asset management required by government. The department commits to register and verify 8 279 immovable assets in the IAR, in accordance with the mandatory requirements of National Treasury. The department will further facilitate the completion of 14 Infrastructure Asset Management Plans (I-AMPs) by respective client departments in Gauteng, while developing one Custodian-Asset Management Plan (C-AMP), for submission to the Gauteng Treasury in accordance with the GIAMA Act.

#### **Pillar 7: Modernisation of Human Settlements and Urban Development:**

##### **Strengthening the implementation of Health maintenance:**

During the 2020/21 financial year, the department will focus on the implementation of health maintenance, which is to minimise minor breakdowns within 24 hours, major breakdowns within 7 days, as well as carry out major repairs within 365 days. This model will ensure that day-to-day issues and challenges related to maintenance are resolved as quickly and efficiently as possible. In addition, the e-maintenance system, an online maintenance system has been designed to report and log any maintenance issue via the maintenance reception at the facility; by SMS; on website, or through social media.

##### **Infrastructure maintenance:**

The department will further ensure that GPG has functional, reliable and compliant infrastructure through the effective management and timeous maintenance of facilities within its custodianship. The department plans to establish a fully-fledged facilities-management capability, forming part of the Maintenance Turn-Around Strategy, which will address poorly rated hospitals. This will assist the department in moving from reactive maintenance to proactive maintenance of health facilities. The department will focus on 10 prioritised hospitals namely Bheki Mlangeni Hospital, Jubilee Hospital, Mamelodi Hospital

(Excluding Gateway Clinic), Tambo Memorial Hospital, Tembisa Hospital, Edenvale Hospital, Dr George Mukhari Hospital, Kopanong Hospital, Sebokeng Hospital and Thelle Mogoerane Hospital.



## 4. REPRIORITISATION

The budget allocated for the 2020/21 financial year is R3.3 billion of which approximately 96 per cent ( R3.1 billion) is ring-fenced to the highest cost driver items, namely: Rates & taxes (33 per cent), compensation of employees ( 33 per cent), leases (12 per cent), Infrastructure ( 4 per cent) EPWP (8 per cent), Security services (3 per cent) and soft services (2 per cent) 54 per cent of the total budget is available for other operational costs.

National of Treasury has instructed budget cost cutting throughout all GPG departments due to the decline of economic growth which has a negative impact for the fiscus of the country and its regions. Therefore, the budgets of departments must respond to socio economic challenges. The department has implemented 5 per cent (R174 million) reduction for 2020/21, 6 per cent (R220 million) for 2021/22 and 7 per cent (R270 million) for 2022/23 financial year. These budget cuts were implemented through reprioritisation of the 7 above-mentioned cost drivers.

## 5. PROCUREMENT

Supply Chain remains a trajectory for service delivery, thus there have been consistent improvements in the area resulting from changes made or the introduction of new regulatory frameworks. The following are key initiatives and challenges noted within the Supply Chain Environment.

### Irregular expenditure

The department implemented guidelines and a procedure manual to assist with the early detection, timeous reporting, and prevention of irregular, unauthorized, fruitless and wasteful expenditure. Bid committees in conjunction with the Internal Control Unit are also instrumental in ensuring that no new irregular expenditure occurs on tenders. In addition, probity auditors for projects above R50 million will highlight any irregularities before the contracts are awarded. The 2018/19 audit report disclosed one additional finding relating to provision of business opportunities promoting local content. shows an improvement in the reporting of irregular expenditure.

### Achievements

The department continues to channel procurement towards targeted groups such as SMMEs, black-owned businesses, women, youth, people with disabilities and military veterans. In terms of compliance to the OHS Act; there has been steady progress over the past years and it is expected that an increasing number of state owned properties will comply to the basic requirements of the Act.

### Challenges

In terms of procurement targets, there was under-achievement regarding military veterans and people with disabilities although there has been a rigorous process of encouraging these groups to show interest in construction projects. The process of empowering companies of this type to compete for projects that are construction related has indicated that these groups not only require business opportunities but also support in terms of mentorship and skills development. Hence the department will be embarking on Contractor Incubator Programmes (CIPs) in collaboration with entities such as the IDT (Independent Development Trust).

The process of allocating a 30 per cent contracting threshold to SMMEs remains a challenge. Communities have very high expectations of business opportunities, and the collaboration of the management of these projects with ward councillors has in the past had a negative impact on project implementation on site. However, the department is working on improved processes which will also include screening systems for selecting and appointing sub- contractors.

### Strategies to address challenges

As Indicated above, firstly, the use of electronic systems that will promote recruitment, screening and appointment will be utilised during the 2020 MTEF. Secondly, the department will have signed Memorandums of Understanding (MOUs) with ward councillors for the improvement of processes which involve the appointment of SMMEs. Thirdly, mentorship and skills development through collaboration with state entities will ensure capacity building of contractors through CIP.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 15.1: SUMMARY OF DEPARTMENTAL RECEIPTS: DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Equitable share	2 546 440	3 005 269	3 019 184	3 441 962	3 401 108	3 401 107	3 270 518	3 424 649	3 490 520
Conditional grants	17 167	19 192	17 780	23 878	23 878	23 878	21 163		
Expanded Public Works Programme							21 163		
<b>Total receipts</b>	<b>2 563 607</b>	<b>3 024 461</b>	<b>3 036 964</b>	<b>3 465 840</b>	<b>3 424 986</b>	<b>3 424 985</b>	<b>3 291 681</b>	<b>3 424 649</b>	<b>3 490 520</b>

Departmental receipts increased from R2.6 billion in 2016/17 to R3 billion in 2017/18 and remained at R3 billion for the 2018/19 financial year. In the 2017/18 financial year, the department was allocated additional funding of R317 million to fund infrastructure projects and payment of property leases. In the current financial year, the department continues to provide adequate funding to fully provide for leases (including lease accruals).

Departmental receipts have increased from R3 billion in the 2018/19 financial year to R3.5 billion in the 2019/20 financial year. Over the 2020 MTEF, departmental receipts are expected to increase from R3.4 billion in 2020/21 to R3.9 billion in the 2022/23 financial year.

The conditional grant is not reflected over the MTEF due to the allocation being determined based on performance in the preceding year. The grant will decrease from R23.9 million in 2019/20 to R21.2 million in the 2020/21 financial year. This grant is allocated directly by National Public Works to assist the department in the EPWP programme.

### 6.2 Departmental receipts

TABLE 15.2: SUMMARY OF DEPARTMENTAL RECEIPTS: DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Sales of goods and services other than capital assets	18 855	16 480	24 895	26 289	26 289	26 289	27 735	29 260	30 664
Interest, dividends and rent on land	23	58				49			
Sales of capital assets		14 385							
Transactions in financial assets and liabilities	1 230	705	655	692	692	692	730	770	807
<b>Total departmental receipts</b>	<b>20 108</b>	<b>31 628</b>	<b>25 550</b>	<b>26 981</b>	<b>26 981</b>	<b>27 031</b>	<b>28 465</b>	<b>30 030</b>	<b>31 471</b>

The department's revenue collection has increased from R20.1 million in the 2016/17 financial year to R31.6 million in 2017/18. This increase was informed by an EXCO decision to sell non-core assets and other properties. The transfers were finalised in 2017/18. The 2018/19 expenditure outcome amounts to R25.6 million. Revenue over the 2020 MTEF is expected to increase from R28.5 million in 2020/21 to R31.5 million in the 2022/23 financial year.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The department will continue to provide for the infrastructure needs of the province as mandated by the provincial administration. The following elements have been considered when determining budgets for the 2020 MTEF:

**Personnel:** the department had factored in the cost of living adjustments agreements as published by the Department of Public Service and Administration (DPSA) for levels 1 to 12. The department used the average of 6.5 per cent for levels 13-16. A provision has also been made for 1.5 per cent pay progression and 6.5 per cent performance bonus. The housing allowance increases were also considered.

**Goods and services:**

The consumer price index (CPI) inflation projection will be used for all non-personnel items over the MTEF. For the 2020/21 financial year it will be 5.1 per cent, 5.0 per cent in 2021/22 and 4.8 per cent in the 2022/23 financial year. The CPI projections have decreased as compared to that of the previous MTEF, this is due to the decline in economic growth.

### 7.2 Programme summary

TABLE 15.3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Administration	449 445	336 158	334 162	338 631	338 631	338 631	378 382	421 978	414 792
2. Public Works Infrastructure	1 796 898	2 237 025	2 401 751	2 796 296	2 755 442	2 755 441	2 608 755	2 704 426	2 762 423
3. Expanded Public Works Programme	317 264	285 838	284 980	330 913	330 913	330 913	304 544	298 245	313 305
<b>Total payments and estimates</b>	<b>2 563 607</b>	<b>2 859 021</b>	<b>3 020 893</b>	<b>3 465 840</b>	<b>3 424 986</b>	<b>3 424 985</b>	<b>3 291 681</b>	<b>3 424 649</b>	<b>3 490 520</b>

### 7.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Current payments</b>	<b>1 667 259</b>	<b>2 028 512</b>	<b>1 997 233</b>	<b>2 187 215</b>	<b>2 119 011</b>	<b>2 117 057</b>	<b>2 086 817</b>	<b>2 211 407</b>	<b>2 210 231</b>
Compensation of employees	838 730	912 381	1 027 434	1 130 365	1 130 365	1 113 864	1 195 753	1 259 627	1 325 935
Goods and services	828 203	1 115 701	968 856	1 055 850	987 646	1 002 193	889 997	950 654	883 116
Interest and rent on land	326	430	943	1 000	1 000	1 000	1 067	1 126	1 180
<b>Transfers and subsidies to:</b>	<b>727 118</b>	<b>710 057</b>	<b>905 313</b>	<b>1 059 204</b>	<b>1 060 109</b>	<b>1 060 109</b>	<b>1 086 507</b>	<b>1 109 429</b>	<b>1 257 542</b>
Provinces and municipalities	717 417	703 868	901 401	1 054 375	1 054 375	1 054 375	1 082 931	1 106 181	1 254 138
Departmental agencies and accounts				4	4	4			
Households	9 701	6 189	3 912	4 825	5 730	5 730	3 576	3 248	3 404
<b>Payments for capital assets</b>	<b>152 035</b>	<b>117 156</b>	<b>114 033</b>	<b>219 421</b>	<b>245 866</b>	<b>247 646</b>	<b>118 357</b>	<b>103 813</b>	<b>22 747</b>
Buildings and other fixed structures	110 690	90 109	76 229	187 421	219 815	221 615	92 357	76 383	
Machinery and equipment	41 345	27 047	29 144	32 000	26 051	25 996	26 000	27 430	22 747
Software and other intangible assets			8 660			35			
<b>Payments for financial assets</b>	<b>17 195</b>	<b>3 296</b>	<b>4 314</b>			<b>173</b>			
<b>Total economic classification</b>	<b>2 563 607</b>	<b>2 859 021</b>	<b>3 020 893</b>	<b>3 465 840</b>	<b>3 424 986</b>	<b>3 424 985</b>	<b>3 291 681</b>	<b>3 424 649</b>	<b>3 490 520</b>

Over the years 2016/17 to 2018/19, the budget has been 100 per cent utilised. This reflects good management of the budget in the department. In the 2016/17 financial year R2.6 billion was spent (100 per cent) which constitutes the full budget allocated. In 2017/18 financial year R2.9 billion was spent. The amount significantly increased in the 2018/19 financial year to R3 billion spent with reduced accruals of R138 million compared to that of the previous financial year amounting to R177 million excluding rates and taxes accruals. Full provision has been made for rates and taxes in recent years and it has been fully utilised every financial year with consideration of accruals which are due to the different financial periods between the department and the municipalities.

The departmental budget over the 2020 MTEF will increase from R3.3 billion in the 2020/21 financial year to R3.5 billion in 2022/23. The budget will decrease by 5 percent from the 2019/20 financial year to 2020/21 financial year due to budget cuts implemented by the province.

Compensation of Employees' (CoE) budget has increased significantly because of the filling of critical posts over the years. Expenditure has increased from R839 million in 2016/17 to R1 billion in the 2018/19 financial year. A budget of R1.1 billion was allocated in the 2019/20 financial year. Over the 2020 MTEF the budget will be at R1.2 billion in 2020/21 and then increase to R1.3 billion in 2022/23. This represents a 5 per cent increase per annum. This allocation includes the NYS stipends budget as it is paid under compensation of employees.

Goods and services expenditure decreased from R1.1 billion in 2017/18 to R969 million in the 2018/19 financial year. This reduction was due to a decrease on accruals from R177 million (2017/18) to R138 million (2018/19). There was an increase in the allocation for the maintenance of government infrastructure, and property leases during the adjustment budget process. In the 2018/19 financial year, the budget for goods and services was adjusted down from R927 million to R925 million due to the shifting of infrastructure funds.

Transfers in the department constitute the devolution of rates and taxes, and household which is for bursaries for non-employees and the leave gratuity that is paid out when an employee leaves the department. The budget for transfers increases from R1.1 billion in 2020/21 to R1.3 billion in 2022/23. In 2018/19 the department fully depleted the allocated budget for rates and taxes there was additional funding of R100 million for rates and taxes to offset arrears.

The department experienced challenges with regards to the safety of its own buildings, triggered by the fire that took place at the Bank of Lisbon building. Therefore, funding was urgently required to ensure that all the buildings are compliant with the OHS Act. Additional funding was provided for the Bank of Lisbon disposal project amounting to R92 million which later required additional funding of R49 million resulting in a R141 million total project cost that was adjusted accordingly. To date the Bank of Lisbon has been successfully demolished the project is still on-going and is expected to be completed in the current financial year.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the 2020 Estimates of Capital Expenditure (ECE)

### 7.4.2 Departmental Public-Private-Partnership (PPP) projects

The Kopanong PPP project is still in the planning stage.

## 7.5 Transfers

### 7.5.1 Transfers to public entities

N/A

### 7.5.2 Transfers to other entities

N/A

### 7.5.3 Transfers to local government

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Category A	644 295	647 532	766 000	905 000	905 000	905 000	930 931	983 359	1 027 721
Category B	63 381	109 930	135 394	149 375	149 375	149 375	152 000	155 000	162 440
Category C	9 740								

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Unallocated	1	1							
Total departmental transfers	717 417	757 463	901 394	1 054 375	1 054 375	1 054 375	1 082 931	1 138 359	1 190 161

The department has seen a significant increase in the allocation for rates and taxes due to arrears over the years. The department is paying over R1 billion in rates and taxes and these figures are increased as and when properties are devolved to the GPG. Over the 2020 MTEF the budget will increase from R1.1 billion in 2020/21 to R1.2 billion in THE 2022/23 financial year which is an approximately 5 per cent increase per annum.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The purpose of this programme is to provide strategic leadership to the department and to support the core programmes in their efforts to implement the mandate of the department. This includes the provision of strategic and operational support services for the Member of the Executive Council (MEC) and the Head of Department (HOD), provision of Financial Management and Supply Chain Management (SCM) services, provision of Corporate Support Services including Human Resource Management, Information Systems Management, Internal and External Communications, Strategic Planning and Monitoring and Evaluation as well as Legal Services and Security Management, and the provision of Internal Audit and Organisational Risk Management services.

#### Programme objectives

The following are the programme specific objectives that will be the focus of the department over the next three years.

- Leveraging procurement to benefit historically disadvantaged entities and individuals;
- Improving human resource capacity and capability;
- Effective and sustainable management of departmental resources;
- Operationalisation of IDMS;
- Utilizing Information Technology, Innovation and Benchmarking to stay ahead of the Infrastructure Delivery Curve;
- Reducing the contingent liability of the department;
- Informing the review of norm and standards, and definition of policies for infrastructure delivery and property management; and
- Building the image and reputation of the department.

TABLE 15.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Office Of The Mec	9 330	8 851	9 034	7 168	10 168	9 560	7 562	7 978	8 360
2. Corporate Support	428 322	312 931	309 028	318 975	315 975	310 743	357 644	400 099	391 864
3. Management Of The Department	11 793	14 376	16 100	12 488	12 488	18 328	13 176	13 901	14 568
<b>Total payments and estimates</b>	<b>449 445</b>	<b>336 158</b>	<b>334 162</b>	<b>338 631</b>	<b>338 631</b>	<b>338 631</b>	<b>378 382</b>	<b>421 978</b>	<b>414 792</b>

TABLE 15.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Current payments</b>	<b>402 926</b>	<b>312 796</b>	<b>293 767</b>	<b>304 160</b>	<b>310 160</b>	<b>309 872</b>	<b>351 578</b>	<b>393 700</b>	<b>391 156</b>
Compensation of employees	184 058	203 019	200 105	206 668	206 668	223 745	284 164	304 290	325 223
Goods and services	218 723	109 643	93 546	96 992	102 992	85 627	66 875	88 841	65 337
Interest and rent on land	145	134	116	500	500	500	539	569	596
<b>Transfers and subsidies to:</b>	<b>6 378</b>	<b>3 595</b>	<b>1 862</b>	<b>2 471</b>	<b>2 471</b>	<b>2 770</b>	<b>804</b>	<b>848</b>	<b>889</b>
Provinces and municipalities									
Households	6 378	3 595	1 862	2 471	2 471	2 770	804	848	889
<b>Payments for capital assets</b>	<b>38 946</b>	<b>19 271</b>	<b>35 559</b>	<b>32 000</b>	<b>26 000</b>	<b>25 816</b>	<b>26 000</b>	<b>27 430</b>	<b>22 747</b>
Machinery and equipment	38 946	19 271	26 899	32 000	26 000	25 781	26 000	27 430	22 747
Software and other intangible assets			8 660			35			
<b>Payments for financial assets</b>	<b>1 195</b>	<b>496</b>	<b>2 974</b>			<b>173</b>			
<b>Total economic classification</b>	<b>449 445</b>	<b>336 158</b>	<b>334 162</b>	<b>338 631</b>	<b>338 631</b>	<b>338 631</b>	<b>378 382</b>	<b>421 978</b>	<b>414 792</b>

Expenditure has decreased from R336 million in 2017/18 to R334 million in the 2018/19 financial year due to strict cost containment measures and filling of posts to avoid the use of consultants. The budget allocated for the 2019/20 financial year has increased by just over one percent from the 2018/19 financial year because the department ensured that the core

functions are sufficiently funded to improve on service delivery. Over the 2020 MTEF the allocated budget will increase from R378 million in the 2020/21 financial year to R415 million in the 2022/23 financial year to fund tools of trade for the posts that will be filled.

Actual expenditure on compensation has increased over the years due to filling of posts to capacitate the department in line with the IDMS. The expenditure will increase from R200 million in 2018/19 financial to an estimated amount of R224 million in the 2019/20 financial year. Over the MTEF the allocated budget is R285 million in 2020/21 increasing to R325 million in 2022/23 financial year.

Goods and services expenditure decrease from R219 million in the 2016/17 financial year to R94 million in the 2018/19 financial year due to improved cost containment measures and decrease in use of consultants. Over the MTEF the allocated budget is R67 million in the 2020/21 financial year, R89 million in the 2021/22 and R65 million in the 2022/23 financial year.

Transfers and subsidies will decrease over the MTEF because the department will not be issuing any bursaries due to budget constraints.

The budget allocation for the payment for capital assets over the MTEF decreases from R32 million in the 2019/20 financial year, adjusted to R26 million in the Mid-year Adjustment Budget to R26 million again in 2020/21. This is also as a result of cost cutting measures and strict monitoring of cell phones. The department will improve on systems such as Primavera, Archibus and other software which will enhance business operations.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Amount of Revenue collected	24 million	24 million	24 million	24 million
Percentage of service provider's invoices without a dispute paid within 30 days from date of receipt of proper invoice	90%	90%	90%	90%
Percentage of management posts filled by women	50%	50%	50%	50%
Departmental vacancy rate in percentage	10%	10%	10%	10%



## PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

### Programme Description

This Public Works infrastructure Programme is responsible for providing the core services that are mandated to the department. This includes being the implementer of infrastructure and maintenance projects on behalf of all GPG departments. Maintenance projects include renovations, refurbishments and upgradings. In the case of GDOH, it also includes the implementation of day-to-day, routine/preventative and emergency maintenance at all Health Facilities in the province with the exception of Jubilee Hospital and Odi Hospital which are maintained by the GDOH.

The GDID manages the construction procurement projects for provincial departments and issues framework/term contracts for day-to-day, routine/preventative maintenance, when required, for all provincial departments. This includes the maintenance and estate management services provided for shared offices including the offices used by GDID.

The programme is also responsible for managing immovable assets of the GPG as the Provincial Custodian. It manages and plans for effective and efficient utilisation of immovable assets, management of leases, estates and payment of creditors for allocated areas, management of acquisition and disposal of immovable properties and facilitation of property development.

### Programme Objectives

The following are the programme specific objectives that will be the focus of the department over the next three years.

- Establishment of Kopanong Precinct;
- Implementation of Education, Health and STARS Infrastructure Projects;
- Adherence to the IDMS Delivery Process;
- Provide Research that informs leading practice and strategic thinking for the delivery of impactful and sustainable infrastructure;
- Value Optimisation of the Infrastructure Delivery Management System;
- Continuous Improvement and Monitoring of IDMS Business Processes and Systems;
- Provide Support for the Implementation of IDMS Process and Systems;
- Updating and maintaining a compliant immovable asset register;
- Property Management Optimisation Plan;
- Disposal of Non-core and Non-Strategic Assets;
- Acquisition and Disposal of Land;
- High-impact Precinct Development;
- Development of User-Asset Management Plans and Custodian-Asset Management Plan;
- Accelerated delivery of client projects through Lutsinga Infrastructure House; and
- Implementation of green technology solutions at GPG facilities.

TABLE 15.8: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Construction	282 419	353 187	272 010	331 304	368 100	368 098	255 346	254 949	187 713
2. Maintenance	475 361	552 653	610 123	668 722	691 072	691 073	642 370	681 452	712 360
3. Immovable Asset Management	1 039 118	1 331 185	1 519 618	1 796 270	1 696 270	1 696 270	1 711 039	1 768 025	1 862 350
<b>Total payments and estimates</b>	<b>1 796 898</b>	<b>2 237 025</b>	<b>2 401 751</b>	<b>2 796 296</b>	<b>2 755 442</b>	<b>2 755 441</b>	<b>2 608 755</b>	<b>2 704 426</b>	<b>2 762 423</b>

TABLE 15.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Current payments</b>	<b>963 188</b>	<b>1 433 200</b>	<b>1 418 568</b>	<b>1 552 258</b>	<b>1 478 559</b>	<b>1 476 893</b>	<b>1 430 895</b>	<b>1 519 673</b>	<b>1 505 991</b>
Compensation of employees	538 183	659 272	728 589	779 889	779 889	786 596	771 318	829 236	867 814
Goods and services	424 824	773 632	689 152	771 869	698 170	689 797	659 049	689 880	637 593
Interest and rent on land	181	296	827	500	500	500	528	557	584
<b>Transfers and subsidies to:</b>	<b>720 731</b>	<b>706 462</b>	<b>903 449</b>	<b>1 056 617</b>	<b>1 057 017</b>	<b>1 056 718</b>	<b>1 085 503</b>	<b>1 108 370</b>	<b>1 256 432</b>
Provinces and municipalities	717 417	703 868	901 401	1 054 375	1 054 375	1 054 375	1 082 931	1 106 181	1 254 138
Departmental agencies and accounts				4	4	4			
Households	3 314	2 594	2 048	2 238	2 638	2 339	2 572	2 189	2 294
<b>Payments for capital assets</b>	<b>112 979</b>	<b>97 363</b>	<b>78 394</b>	<b>187 421</b>	<b>219 866</b>	<b>221 830</b>	<b>92 357</b>	<b>76 383</b>	
Buildings and other fixed structures	110 690	90 109	76 229	187 421	219 815	221 615	92 357	76 383	
Machinery and equipment	2 289	7 254	2 165		51	215			
Software and other intangible assets									
<b>Payments for financial assets</b>			<b>1 340</b>						
<b>Total economic classification</b>	<b>1 796 898</b>	<b>2 237 025</b>	<b>2 401 751</b>	<b>2 796 296</b>	<b>2 755 442</b>	<b>2 755 441</b>	<b>2 608 755</b>	<b>2 704 426</b>	<b>2 762 423</b>

Expenditure on this programme over the prior financial years increased from R1.8 billion in 2016/17 to R2.4 billion in 2018/19. The department fully paid its allocated budget on rates and taxes and there was improvement on infrastructure spending as well. Expenditure for the 2017/18 financial year amounted to R2.2 billion, due to posts being filled, and increased payments on property leases and utilities. The department was allocated an amount of R2.8 billion for the 2019/20 financial year of which R1 billion of that is rates and taxes. Over the 2020 MTEF the budget will increase from R2.6 billion in 2020/21 to R2.8 billion in the 2022/23 financial year.

Additional funding of R200 million has been allocated to the department for the 2019/20 financial year, of which R100 million is for devolution of rates and taxes and the other R100 million for the Kopanong Precinct. However, of the R100 million for Facilities Management the department has to surrender R40.8 million and re-prioritise R59.2 million to other projects which are ready to be implemented this current financial year. This is due to delays in procurement and planning processes. The budget allocated to this programme constitutes approximately 80 per cent of the total budget allocated to the department. Programme 2: Public Works is the core programme and drives the mandate of the department.

Compensation of employees increased significantly over the years as the department prioritised filling of posts that are critical for delivery of infrastructure. The appointing of officials is in accordance with the Occupational Specific Dispensation (OSD) salary scales which is higher than the normal government pay grades. Over the 2020 MTEF, the department's allocated budget will increase from R771 million in 2020/21 to R868 million in 2022/23. This allocation will increase in line with the annual inflation rate.

Goods and services expenditure increased from R425 million in the 2016/17 financial year to R774 million in the 2017/18 financial year due to moving of all infrastructure projects from the Immovable Asset Management programme to the Construction programme due to the nature of the projects being implemented. Over the MTEF, the allocated budget will decrease from R659 million in 2020/21 to R638 million in the 2022/23 financial year.

Rates and taxes expenditure increased from R717 million in 2016/17 to R901 million in 2018/19 due to arrears over the prior years. This also led to additional funding being allocated to the department to reduce arrears. Over the MTEF, the budget will remain at R1 billion in 2020/21 and increase to R1.1 billion in 2021/22, this is due to budget cuts.

In 2019/20 an amount of R187 million was allocated which included R92 million for the Bank of Lisbon demolition project which was later adjusted to R141 million. The allocation is R92 million in 2020/21 and R76 million in 2021/22.

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

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Number of infrastructure designs ready for tender	25	12	7	7
Number of capital infrastructure projects completed within the agreed time period	32	37	19	19
Number of capital infrastructure projects completed within agreed budget	32	37	19	19
Number of planned maintenance projects completed within the agreed contract period	70	75	70	70
Number of planned maintenance projects completed within agreed budget.	70	75	70	70
Number of immovable assets verified in the Immovable Asset Register (IAR) in accordance with the mandatory requirements of National Treasury	7 000	7 000	7 000	7 000
Number of condition assessments conducted on state owned buildings	2	2	2	2

### PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

#### Programme Description

The purpose of Expanded Public Works Programme (EPWP) is to manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the EPWP. The EPWP is a nationwide programme aimed at the reorientation of the public-sector spending in favour of projects that create more work opportunities.

#### Programme Objectives

The following are the programme specific objectives that will be the focus of the Department over the next three years.

- Increasing Labour Intensive Construction Content in Projects;
- Coordination of Provincial implementation of EPWP Phase 3;
- Implementation of the NYS and the Zivuseni Reloaded Programme;
- Implementation of the Contractor Incubation Programmes and Enterprise Development Programme; and
- Development of a Cooperative Model of Development Framework.

TABLE 15.10: SUMMARY OF PAYMENTS AND ESTIMATES: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
1. Programme Support Cbp	190 218	54 457	66 557	80 691	83 712	149 832	188 122	193 872	203 922
2. Community Development	127 046	231 381	218 423	250 222	247 201	181 081	116 422	104 373	109 383
<b>Total payments and estimates</b>	<b>317 264</b>	<b>285 838</b>	<b>284 980</b>	<b>330 913</b>	<b>330 913</b>	<b>330 913</b>	<b>304 544</b>	<b>298 245</b>	<b>313 305</b>

TABLE 15.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Current payments</b>	<b>301 145</b>	<b>282 516</b>	<b>284 898</b>	<b>330 798</b>	<b>330 292</b>	<b>330 292</b>	<b>304 344</b>	<b>298 034</b>	<b>313 084</b>
Compensation of employees	116 489	50 090	98 740	143 808	143 808	103 523	140 271	126 101	132 898
Goods and services	184 656	232 426	186 158	186 990	186 484	226 769	164 073	171 933	180 186
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>9</b>	<b></b>	<b>2</b>	<b>116</b>	<b>621</b>	<b>621</b>	<b>200</b>	<b>211</b>	<b>221</b>
Provinces and municipalities									
Households	9		2	116	621	621	200	211	221
<b>Payments for capital assets</b>	<b>110</b>	<b>522</b>	<b>80</b>						
Buildings and other fixed structures									
Machinery and equipment	110	522	80						
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>16 000</b>	<b>2 800</b>							
<b>Total economic classification</b>	<b>317 264</b>	<b>285 838</b>	<b>284 980</b>	<b>330 914</b>	<b>330 913</b>	<b>330 913</b>	<b>304 544</b>	<b>298 245</b>	<b>313 305</b>

In the 2016/17 financial year the department spent R317 million which was reduced to R285 million in 2018/19. This amount was purely for the EPWP and excluded any infrastructure projects. The EPWP programme is allocated funding for job creation, community development, and training for beneficiaries participating in these programmes. In the previous financial years, the program expenditure has been fluctuating due to a lack of stability in the number of beneficiaries.

The department receives a conditional grant from the National Public Works which is used to job creation for the youth. This funding is based on the performance from the preceding years. Over the 2020 MTEF, the allocation will be based on the department's performance during the 2019/20 financial year and an amount of R21 million has been allocated.

The departments mandate has been elevated to include the coordination of the NYS programme within the province. Therefore; the departments focus will be to ensure recruitment and training of NYS beneficiaries throughout the province.

Compensation of employees includes the budget allocated for stipends paid to beneficiaries which has been increasing over the years. The department is targeting to recruit approximately 2500 beneficiaries per annum on the NYS programme. These beneficiaries will be allocated to the projects that are implemented by the department in the various corridors in the province. An amount of R86 million has been allocated for the 2020/21 financial year which will increase to R95 million in the 2022/23 financial year. This programme is also allocated funding to training and resource allocation to ensure effective implementation of the programme.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Programme performance measures	Estimated performance	Medium-term estimates		
	2019/20	2020/21	2021/22	2022/23
Number of EPWP work opportunities created by DID	7 000	7 000	7 000	7 000
Number of Full Time Equivalents (FTE's) created by DID	2 543	7 000	7 000	7 000
Number of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the Province (4 sectors Infrastructure, Social, Environment & Non-State)	4	7	7	7
Number of Beneficiary Empowerment Intervention	3	3	3	3

## **9. OTHER PROGRAMME INFORMATION**

### **9.1 Personnel numbers and costs**

TABLE 15.12: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

R thousands	Actual			Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF			
	2016/17	2017/18	2018/19	2019/20		2020/21		2021/22		2022/23		2019/20 - 2022/23		2019/20 - 2022/23	
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	Personnel growth rate	% Costs of Total
Salary level															
1 – 6	1 419	255 248	1 550	1 341	189 314	1 333	291 696	1 333	334 795	1 333	357 827	0%	7%	0%	26%
7 – 10	513	187 751	534	449	149 683	423	228 999	423	262 835	423	280 917	0%	7%	0%	21%
11 – 12	188	147 988	195	103	81 109	100	89 482	100	102 704	100	109 769	0%	7%	0%	8%
13 – 16	68	90 514	76	62	78 119	61	83 044	61	95 314	61	101 870	0%	7%	0%	8%
Other		155 470	229 302	740	543 717	895	437 143	738	463 980	738	475 550	(6)%	3%	(6)%	37%
<b>Total</b>	<b>2 188</b>	<b>836 971</b>	<b>2 355</b>	<b>2 695</b>	<b>1 041 942</b>	<b>2 658</b>	<b>1 130 365</b>	<b>2 655</b>	<b>1 259 627</b>	<b>2 655</b>	<b>1 325 935</b>	<b>(2)%</b>	<b>5%</b>	<b>(2)%</b>	<b>100%</b>
<b>Programme</b>															
1. Administration	321	184 058	365	406	200 105	544	265 119	442	304 291	401	325 224	(10)%	7%	(10)%	
2. Public Works Infrastructure	1 838	538 183	1 959	2 235	728 589	2 060	727 535	2 200	829 236	2 200	867 814	0%	6%	0%	65%
3. Expanded Public Works Programme	29	116 489	31	54	98 740	54	137 711	54	126 101	54	132 897	0%	(1)%	0%	11%
Direct charges												0%	0%	0%	0%
<b>Total</b>	<b>2 188</b>	<b>838 730</b>	<b>2 355</b>	<b>2 695</b>	<b>1 027 434</b>	<b>2 658</b>	<b>1 130 365</b>	<b>2 655</b>	<b>1 259 627</b>	<b>2 655</b>	<b>1 325 935</b>	<b>(2)%</b>	<b>5%</b>	<b>(2)%</b>	<b>100%</b>



The department is in the process of reviewing the structure to align it to the departments' elevated mandate. This process is ongoing and will be finalised during the 2020/21 financial year.

## 9.2 Training

TABLE 15.13: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Number of staff	2 188	2 355	2 695	2 812	2 812	2 812	2 696	2 655	2 655
Number of personnel trained	1 510	1 610	2 545	1 850	1 850	1 850	2 000	2 200	2 200
of which									
Male	695	741	1 173	995	995	995	1 070	1 185	1 185
Female	815	869	1 372	855	855	855	930	1 015	1 015
Number of training opportunities	1 490	1 230	2 198	1 167	1 167	1 167	1 281	1 593	1 593
of which									
Tertiary	80	80	18	70	70	70	80	90	90
Workshops	470	130	4	150	150	150	150	150	150
Seminars	470	110	34	150	150	150	100	150	150
Other	470	910	2 142	797	797	797	951	1 203	1 203
Number of bursaries offered	100	150	220	141	141	141	193	200	200
Number of interns appointed	130	130	17	162	162	162	143	117	117
Number of learnerships appointed	80	100	110	380	380	380	383	290	290
Number of days spent on training									
Payments on training by programme									
1. Administration	5 934	6 528	8 580	10 583	10 583	10 583	17 533	19 826	20 778
2. Public Works Infrastructure	8 720	9 592	16 793	17 355	17 355	17 355	26 798	32 973	34 556
3. Expanded Public Works Programme	6 173	6 790	513	8 887	8 887	8 887	9 776	10 753	11 269
Total payments on training	20 827	22 910	25 886	36 825	36 825	36 825	54 107	63 552	66 603

The department has prioritised the allocation of tools of trade and training to ensure efficiency in delivery of services .

## 9.3 Reconciliation of structural changes

N/A

## **ANNEXURE TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**

TABLE 15.14: SPECIFICATION OF RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>18 855</b>	<b>16 480</b>	<b>24 895</b>	<b>26 289</b>	<b>26 289</b>	<b>26 289</b>	<b>27 735</b>	<b>29 260</b>	<b>30 664</b>
Sale of goods and services produced by department (excluding capital assets)	18 855	16 480	24 895	26 289	26 289	26 289	27 735	29 260	30 664
Sales by market establishments	18 855	16 480	24 895	26 289	26 289	26 289	27 735	29 260	30 664
<b>Transfers received from:</b>						<b>1</b>			
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>23</b>	<b>58</b>				<b>49</b>			
Interest									
Dividends	23	58				49			
<b>Sales of capital assets</b>		<b>14 385</b>							
Other capital assets		14 385							
<b>Transactions in financial assets and liabilities</b>	<b>1 230</b>	<b>705</b>	<b>655</b>	<b>692</b>	<b>692</b>	<b>692</b>	<b>730</b>	<b>770</b>	<b>807</b>
<b>Total departmental receipts</b>	<b>20 108</b>	<b>31 628</b>	<b>25 550</b>	<b>26 981</b>	<b>26 981</b>	<b>27 031</b>	<b>28 465</b>	<b>30 030</b>	<b>31 471</b>

TABLE 15.15: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Current payments</b>	<b>1 667 259</b>	<b>2 028 512</b>	<b>1 997 233</b>	<b>2 187 215</b>	<b>2 119 011</b>	<b>2 117 057</b>	<b>2 086 817</b>	<b>2 211 407</b>	<b>2 210 231</b>
Compensation of employees	838 730	912 381	1 027 434	1 130 365	1 130 365	1 113 864	1 195 753	1 259 627	1 325 935
Salaries and wages	750 277	806 436	905 335	1 036 988	1 036 988	978 954	1 099 822	1 158 922	1 220 395
Social contributions	88 453	105 945	122 099	93 377	93 377	134 910	95 931	100 705	105 540
<b>Goods and services</b>	<b>828 203</b>	<b>1 115 701</b>	<b>968 856</b>	<b>1 055 850</b>	<b>987 646</b>	<b>1 002 193</b>	<b>889 997</b>	<b>950 654</b>	<b>883 116</b>
Administrative fees	230	158	131	300	300	300			
Advertising	5 016	5 127	1 902	3 300	3 300	676	1 000	2 165	2 269
Minor assets	1 919	400	185	2 700	2 650	2 349	1 739	1 780	1 866
Audit cost: External	5 582	6 591	9 123	11 000	11 000	6 308	11 605	12 243	10 563
Bursaries: Employees	1 833	7 606	2 250	4 400	4 400	1 417	1 000		
Catering: Departmental activities	2 199	1 269	378	700	721	693			
Communication (G&S)	13 924	15 078	15 000	10 100	10 141	9 064	1 800	8 844	3 269
Computer services	17 297	10 384	6 715	13 200	16 200	16 206	10 000	11 841	5 409
Consultants and professional services: Business and advisory services	28 185	19 109	3 213			3 143			
Legal services	44 618	51 774	40 668	32 000	32 000	34 517	10 000	29 037	14 253
Contractors	195	6	2	3 000	3 000	509	3 000	3 000	3 144
Agency and support / outsourced services	306 541	250 777	183 626	181 769	179 331	226 783	155 707	163 106	166 936
Entertainment									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Fleet services (including government motor transport)	29 699	26 502	30 041	38 195	40 609	41 995	33 717	37 364	38 157
Inventory: Clothing material and accessories	476	898	6 599	10 050	10 426	4 987	9 817	10 213	10 702
Inventory: Food and food supplies	9				57	59	159	168	176
Inventory: Fuel, oil and gas						10			
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	64	108	141		1	3			
Inventory: Medical supplies									
Inventory: Other supplies				400					
Consumable supplies	3 051	1 831	6 657	3 400	3 903	2 569	4 211	4 223	4 426
Consumable: Stationery, printing and office supplies	4 048	4 534	2 582	3 500	3 501	2 562	2 000	2 000	2 096
Operating leases	181 917	383 653	384 752	385 000	385 000	383 967	397 575	412 655	403 362
Property payments	158 141	307 761	251 121	326 794	253 546	245 214	219 957	222 669	187 234
Transport provided: Departmental activity	82	54	73	100	1 621	1 698	100	106	111
Travel and subsistence	12 091	13 754	14 184	14 190	14 117	12 688	17 412	17 547	18 389
Training and development	7 963	5 573	7 784	10 252	10 252	2 428	9 098	11 693	10 754
Operating payments	918	712	586	500	530	628	100		
Venues and facilities	2 205	2 042	1 143	1 000	1 040	1 420			
Interest and rent on land	326	430	943	1 000	1 000	1 000	1 067	1 126	1 180
Interest	326	430	943	1 000	1 000	1 000	1 067	1 126	1 180
Rent on land									
<b>Transfers and subsidies</b>	<b>727 118</b>	<b>710 057</b>	<b>905 313</b>	<b>1 059 204</b>	<b>1 060 109</b>	<b>1 060 109</b>	<b>1 086 507</b>	<b>1 109 429</b>	<b>1 257 542</b>
Provinces and municipalities	717 417	703 868	901 401	1 054 375	1 054 375	1 054 375	1 082 931	1 106 181	1 254 138
Provinces									
Provincial agencies and funds									
Municipalities	717 417	703 868	901 401	1 054 375	1 054 375	1 054 375	1 082 931	1 106 181	1 254 138
Municipalities	717 417	703 868	901 401	1 054 375	1 054 375	1 054 375	1 082 931	1 106 181	1 254 138
Departmental agencies and accounts				4	4	4			
Provide list of entities receiving transfers				4	4	4			
Households	9 701	6 189	3 912	4 825	5 730	5 730	3 576	3 248	3 404
Social benefits	3 947	2 848	2 340	3 198	4 103	4 526	2 915	2 551	2 674
Other transfers to households	5 754	3 341	1 572	1 627	1 627	1 204	661	697	730
<b>Payments for capital assets</b>	<b>152 035</b>	<b>117 156</b>	<b>114 033</b>	<b>219 421</b>	<b>245 866</b>	<b>247 646</b>	<b>118 357</b>	<b>103 813</b>	<b>22 747</b>
Buildings and other fixed structures	110 690	90 109	76 229	187 421	219 815	221 615	92 357	76 383	

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Buildings	110 690	90 109	76 229	187 421	219 815	221 615	92 357	76 383	
Machinery and equipment	41 345	27 047	29 144	32 000	26 051	25 996	26 000	27 430	22 747
Other machinery and equipment	41 345	21 904	25 846	32 000	26 051	25 996	26 000	27 430	22 747
Software and other intangible assets			8 660			35			
Payments for financial assets	17 195	3 296	4 314			173			
<b>Total economic classification</b>	<b>2 563 607</b>	<b>2 859 021</b>	<b>3 020 893</b>	<b>3 465 840</b>	<b>3 424 986</b>	<b>3 424 985</b>	<b>3 291 681</b>	<b>3 424 649</b>	<b>3 490 520</b>

TABLE 15.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Current payments</b>	<b>402 926</b>	<b>312 796</b>	<b>293 767</b>	<b>304 160</b>	<b>310 160</b>	<b>309 872</b>	<b>351 578</b>	<b>393 700</b>	<b>391 156</b>
Compensation of employees	184 058	203 019	200 105	206 668	206 668	223 745	284 164	304 290	325 223
Salaries and wages	162 358	179 909	174 478	183 655	183 655	198 678	253 756	276 172	295 755
Social contributions	21 700	23 110	25 627	23 013	23 013	25 067	30 408	28 118	29 468
Goods and services	218 723	109 643	93 546	96 992	102 992	85 627	66 875	88 841	65 337
Administrative fees	230	158	131	200	200	200			
Advertising	4 502	5 070	1 902	3 300	3 300	676	1 000	2 165	2 269
Minor assets	1 168	115	137	500	500	93	528	557	584
Audit cost: External	5 582	6 591	9 123	11 000	11 000	6 308	11 605	12 243	10 563
Bursaries: Employees	1 833	7 606	2 250	4 400	4 400	1 417	1 000		
Catering: Departmental activities	2 012	1 185	296	500	508	478			
Communication (G&S)	2 781	12 127	13 419	7 000	7 000	5 883	1 800	8 844	3 269
Computer services	17 289	10 372	6 697	13 000	16 000	16 006	10 000	11 841	5 409
Consultants and professional services: Business and advisory services	23 911	4 743	3 182			2 850			
Legal services	44 618	41 927	28 668	20 000	20 000	22 517	10 000	20 000	10 960
Contractors	195	6	2	3 000	3 000	509	3 000	3 000	3 144
Agency and support / outsourced services	90 779	92	2 989	2 600	2 600	5 377			
Fleet services (including government motor transport)	6 581	4 097	5 365	6 220	9 220	10 623	6 287	6 358	5 663
Inventory: Clothing material and accessories			23	250	200	1			
Inventory: Food and food supplies	8				55	56	159	168	176
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	29	1	8		1	2			
Inventory: Medical supplies									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Inventory: Other supplies				400					
Consumable supplies	591	137	1 414	2 000	2 403	838	2 000	2 000	2 096
Consumable: Stationery, printing and office supplies	2 769	3 907	2 023	3 500	3 501	2 093	2 000	2 000	2 096
Operating leases	1 958	2 593	5 006	5 000	5 000	3 967	5 275	5 565	5 832
Property payments	205					496			
Transport provided: Departmental activity	82	54	73	100	100	177	100	106	111
Travel and subsistence	1 481	1 499	1 766	2 770	2 752	1 323	2 923	2 301	2 411
Training and development	7 963	5 569	7 784	10 252	10 252	2 428	9 098	11 693	10 754
Operating payments	262	5	173			98	100		
Venues and facilities	1 894	1 789	1 115	1 000	1 000	1 211			
Interest and rent on land	145	134	116	500	500	500	539	569	596
Interest	145	134	116	500	500	500	539	569	596
Rent on land									
<b>Transfers and subsidies</b>	<b>6 378</b>	<b>3 595</b>	<b>1 862</b>	<b>2 471</b>	<b>2 471</b>	<b>2 770</b>	<b>804</b>	<b>848</b>	<b>889</b>
Households	6 378	3 595	1 862	2 471	2 471	2 770	804	848	889
Social benefits	745	283	333	1 471	1 471	1 855	804	848	889
Other transfers to households	5 633	3 312	1 529	1 000	1 000	915			
<b>Payments for capital assets</b>	<b>38 946</b>	<b>19 271</b>	<b>35 559</b>	<b>32 000</b>	<b>26 000</b>	<b>25 816</b>	<b>26 000</b>	<b>27 430</b>	<b>22 747</b>
Machinery and equipment	38 946	19 271	26 899	32 000	26 000	25 781	26 000	27 430	22 747
Other machinery and equipment	38 946	18 116	25 362	32 000	26 000	25 781	26 000	27 430	22 747
Software and other intangible assets			8 660			35			
<b>Payments for financial assets</b>	<b>1 195</b>	<b>496</b>	<b>2 974</b>			<b>173</b>			
<b>Total economic classification</b>	<b>449 445</b>	<b>336 158</b>	<b>334 162</b>	<b>338 631</b>	<b>338 631</b>	<b>338 631</b>	<b>378 382</b>	<b>421 978</b>	<b>414 792</b>

TABLE 15.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Current payments</b>	<b>963 188</b>	<b>1 433 200</b>	<b>1 418 568</b>	<b>1 552 258</b>	<b>1 478 559</b>	<b>1 476 893</b>	<b>1 430 895</b>	<b>1 519 673</b>	<b>1 505 991</b>
Compensation of employees	538 183	659 272	728 589	779 889	779 889	786 596	771 318	829 236	867 814
Salaries and wages	473 428	577 975	633 843	727 346	727 346	684 625	724 596	776 484	812 530
Social contributions	64 755	81 297	94 746	52 543	52 543	101 971	46 722	52 752	55 284
Goods and services	424 824	773 632	689 152	771 869	698 170	689 797	659 049	689 880	637 593
Administrative fees				100	100	100			
Advertising	125	20							
Minor assets	751	275	48	2 200	2 150	2 150	1 211	1 223	1 282
Catering: Departmental activities	1	39	20		13	15			
Communication (G&S)	5 117	2 756	1 490	3 000	3 000	3 000			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Computer services	8	12	18	200	200	200			
Consultants and professional services:									
Business and advisory services	4 274	14 366	31			293			
Legal services		9 847	12 000	12 000	12 000	12 000		9 037	3 293
Contractors									
Agency and support / outsourced services	39 515	19 522	1 664	2 000	2 000	2 000			(4 000)
Entertainment									
Fleet services (including government motor transport)	22 009	21 781	23 364	29 875	29 289	29 272	26 375	29 893	31 328
Inventory: Clothing material and accessories	473	898	2 405	2 800	2 800	2 500	2 817	2 828	2 963
Inventory: Food and food supplies	1				2	3			
Inventory: Materials and supplies	35	107	133			1			
Consumable supplies	2 376	1 694	3 761	1 400	1 500	1 500	2 211	2 223	2 330
Consumable: Stationery, printing and office supplies	1 077	627	559			306			
Operating leases	179 959	381 060	379 746	380 000	380 000	380 000	392 300	407 090	397 530
Property payments	157 936	307 761	251 121	326 794	253 546	244 718	219 957	222 669	187 234
Travel and subsistence	10 370	12 156	12 351	11 000	11 000	11 000	14 178	14 917	15 633
Operating payments	656	707	413	500	530	530			
Venues and facilities	141		28		40	209			
Interest and rent on land	181	296	827	500	500	500	528	557	584
Interest	181	296	827	500	500	500	528	557	584
Rent on land									
<b>Transfers and subsidies</b>	<b>720 731</b>	<b>706 462</b>	<b>903 449</b>	<b>1 056 617</b>	<b>1 057 017</b>	<b>1 056 718</b>	<b>1 085 503</b>	<b>1 108 370</b>	<b>1 256 432</b>
Provinces and municipalities	717 417	703 868	901 401	1 054 375	1 054 375	1 054 375	1 082 931	1 106 181	1 254 138
Provinces									
Provincial agencies and funds									
Municipalities	717 417	703 868	901 401	1 054 375	1 054 375	1 054 375	1 082 931	1 106 181	1 254 138
Municipalities	717 417	703 868	901 401	1 054 375	1 054 375	1 054 375	1 082 931	1 106 181	1 254 138
Departmental agencies and accounts				4	4	4			
Provide list of entities receiving transfers				4	4	4			
Households	3 314	2 594	2 048	2 238	2 638	2 339	2 572	2 189	2 294
Social benefits	3 193	2 565	2 005	1 611	2 011	2 050	1 911	1 492	1 564
Other transfers to households	121	29	43	627	627	289	661	697	730
<b>Payments for capital assets</b>	<b>112 979</b>	<b>97 363</b>	<b>78 394</b>	<b>187 421</b>	<b>219 866</b>	<b>221 830</b>	<b>92 357</b>	<b>76 383</b>	
Buildings and other fixed structures	110 690	90 109	76 229	187 421	219 815	221 615	92 357	76 383	
Buildings	110 690	90 109	76 229	187 421	219 815	221 615	92 357	76 383	



R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Machinery and equipment	2 289	7 254	2 165		51	215			
Other machinery and equipment	2 289	3 788	484		51	215			
Software and other intangible assets									
Payments for financial assets			1 340						
<b>Total economic classification</b>	<b>1 796 898</b>	<b>2 237 025</b>	<b>2 401 751</b>	<b>2 796 296</b>	<b>2 755 442</b>	<b>2 755 441</b>	<b>2 608 755</b>	<b>2 704 426</b>	<b>2 762 423</b>

TABLE 15.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
<b>Current payments</b>	<b>301 145</b>	<b>282 516</b>	<b>284 898</b>	<b>330 797</b>	<b>330 292</b>	<b>330 292</b>	<b>304 344</b>	<b>298 034</b>	<b>313 084</b>
Compensation of employees	116 489	50 090	98 740	143 808	143 808	103 523	140 271	126 101	132 898
Salaries and wages	114 491	48 552	97 014	125 987	125 987	95 651	121 470	106 266	112 110
Social contributions	1 998	1 538	1 726	17 821	17 821	7 872	18 801	19 835	20 788
Goods and services	184 656	232 426	186 158	186 989	186 484	226 769	164 073	171 933	180 186
Advertising	389	37							
Catering: Departmental activities	186	45	62	200	200	200			
Communication (G&S)	6 026	195	91	100	141	181			
Agency and support / outsourced services	176 247	231 163	178 973	177 169	174 731	219 406	155 707	163 106	170 936
Fleet services (including government motor transport)	1 109	624	1 312	2 100	2 100	2 100	1 055	1 113	1 166
Inventory: Clothing material and accessories	3		4 171	7 000	7 426	2 486	7 000	7 385	7 739
Inventory: Other supplies									
Consumable supplies	84		1 482			231			
Consumable: Stationery, printing and office supplies	202					163			
Operating leases									
Transport provided: Departmental activity					1 521	1 521			
Travel and subsistence	240	99	67	420	365	365	311	329	345
<b>Operating payments</b>									
Venues and facilities	170	253							
<b>Transfers and subsidies</b>	<b>9</b>	<b>2</b>	<b>2</b>	<b>116</b>	<b>621</b>	<b>621</b>	<b>200</b>	<b>211</b>	<b>221</b>
Households	9		2	116	621	621	200	211	221
Social benefits	9		2	116	621	621	200	211	221
<b>Payments for capital assets</b>	<b>110</b>	<b>522</b>	<b>80</b>						
Machinery and equipment	110	522	80						
Other machinery and equipment	110								

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Software and other intangible assets									
Payments for financial assets	16 000	2 800							
Total economic classification	317 264	285 838	284 980	330 913	330 913	330 913	304 544	298 245	313 305

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