

# VOTE 15

## DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

To be appropriated by vote in 2021/22	R 3 260 931 000
Responsible MEC	MEC for Infrastructure Development
Administering Department	Department of Infrastructure Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

The trusted provider of integrated and SMART public infrastructure and property management solutions that transform the spatial landscape and improve the quality of life of the people of Gauteng.

#### Mission

The Department of Infrastructure Development (DID) provides public infrastructure delivery and property management solutions for the people of Gauteng by:

- Effectively managing the full lifecycle of fixed property owned by the GPG;
- Serving as the sole implementing department for the project planning, design, construction and commissioning of SMART public infrastructure in the province;
- Optimising the functionality, reliability and compliance of public-owned infrastructure through provision of professional facilities management services;
- Stimulating economic development and job creation through targeted preferential procurement and SMME development; and
- Coordinating the Expanded Public Works Programme (EPWP) for the province.

#### Strategic Goals

In contributing towards the Department of Infrastructure Development (DID) desired impact of “Contributing to spatial and socio-economic transformation through the effective full lifecycle management of GPG-owned fixed property”, the Public Works Infrastructure Programme delivers against the following Outcomes reflected in the Strategic Plan:

- Outcome 1: Optimised public-owned fixed property portfolio;
- Outcome 2: Efficient and effective delivery of smart public infrastructure;
- Outcome 3: Functional, reliable and compliant infrastructure;
- Outcome 4: Increased Contribution of Infrastructure Spend to Socio-Economic Development
- Outcome 5: Poverty Relief and Improved Employability of EPWP Beneficiaries; and
- Outcome 6: Capable, ethical and developmental organisation.

#### 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 implementation of the EPWP within 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 Department's plan and initiatives are aligned with the outcomes planned for the Gauteng City Region in terms of the Ten Pillars Programme of Transformation, Modernisation and Re-industrialisation. The outcomes and initiatives planned under each Pillar are shown below.

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

GPG is determined to revitalise and mainstream the township economy by supporting the development of township enterprises, co-operatives and SMMEs that will produce goods and services that meet the needs of Gauteng township residents. 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 99.6 per cent of its procurement is spent on black-owned companies while 22.5 per cent is spent on black female-owned companies. Procurement spend on youth-owned companies is 2.7 per cent while the amount spent on companies owned by the people with disabilities stands at 0.3 per cent.

GPG has 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 be brought into these key sectors of the economy. The Department attained 88.8 per cent procurement allocation to SMMEs in the third quarter of the 2020/21 financial 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. A central component of this programme is raising the living standards and quality of life of all the people of Gauteng. At the centre of Gauteng's social transformation is the Department's determination to improve the quality of education and healthcare and to provide social protection to the vulnerable, in particular- women and children. Further to this aim is to eradicate poverty and build social cohesion and solidarity.

Over the 2020/21 MTEF, the Department will contribute to supporting this Pillar by ensuring the swift delivery of social infrastructure projects. The intention is 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 implemented on behalf of client departments are implemented on time and within budget. Additionally, 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 be the roll-out of the National Health Insurance (NHI)-based clinics in selected regions in the province. The conditions of hospitals within the province will be improved to a level3 which is the average and or above level 3 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 and loyal 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 2019/20 financial year. Based on this and the newly approved Property Optimisation Strategy, the Department is moving towards a new approach to delivering and managing high impact infrastructure in the province.

The implementation of the National Treasury prescribed 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 their use.

#### **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 is how it deals with and eradicates corruption among public officials and public servants. These include players in 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 with 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 has employed ICT systems including Oracle Primavera P6 system to manage the CAPEX projects. This is a best-in-class system, interlinked to other support systems such as the Oracle Unifier System and Oracle Business Intelligence (BI) System placed within the department. The Unifier System enables the Department to track and manage payment processes while the Oracle (BI) system enables monitoring and analysis of all projects through high-level dashboards. Systems introduced to manage the immovable assets of the Department include the Archibus System which has enabled digitisation of the 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 integrate the outputs of internal systems and capabilities with a dedicated operational team under one roof. These inputs will be used to monitor, analyse and manage key construction; perform maintenance; manage the EPWP and property portfolio management projects; and pull portfolio-management-related progress reports.

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

The provincial government has 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; ICT; tourism; pharmaceuticals; the creative industries; construction; and real estate.

The Department has 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 trigem/cogen plants at health facilities; and installing solar rooftop panels.

### **National Development Plan**

The TMR Programme of the GPG is aligned to the NDP. As a result, all the sections directly align to the NDP.

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

An Inter-Departmental Infrastructure Coordination process unit has been established 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 implications for the budget from a human resources perspective as well as a technology perspective.

### **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;

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2020/21)

### Pillar 1: Radical economic transformation

#### Outcome 4: Increased Contribution of Infrastructure Spend to Socio-Economic Development

There has been an improvement in procurement channelled towards firms owned by small and medium enterprises. This has been due to the high response from this designated group. The percentage of procurement allocated to black-owned enterprises has reached 99.9 per cent whilst that of black, women-owned enterprises recorded 31.4 per cent. The percentage of procurement allocated to people with disabilities-owned enterprises and the percentage of procurement allocated to youth-owned enterprises has reached 2.2 per cent and 31.6 per cent respectively. Further, there was a 0.24 per cent procurement allocated to MV-owned enterprises whilst the allocation to Township Enterprise Revitalisation (TER) reached 9.8 per cent.

### Pillar 3: Accelerated social transformation

#### Outcome 2: Efficient and Effective Delivery of SMART Infrastructure

Emerging priorities arose as a result of effects of the COVID-19 pandemic. Through the emergency fund, the Department is in the process of delivering five capital projects within the Department of Health. One project involves refurbishment of the AngloGold Ashanti Hospital. The completion of this project is now at an advanced stage despite community disruptions and challenges with availability of material.

There is also infrastructure work at the Chris Hani Baragwanath Academic Hospital which will accommodate 500 ICU beds for COVID-19 patients Alternative Building Technology (ABT). The roof structure in Phase 1 as well as the raft foundation slabs in Phase 2 are recorded at 100 per cent. Roadworks in terms of laying on interlocking blocks is in progress. By end of year, construction for 400 bed wards will be complete, the remaining 100 planned contractual work to be delivered in the beginning of the new financial year.

Building and Service works are being conducted at the Jubilee Hospital which is capable of accommodating 300 ICU beds for COVID-19 patients. The project was completed as at quarter 3. Furthermore, the other two projects capable of providing up to 300 ICU beds for COVID-19 Patients are Kopanong Hospital and Dr George Mukhari Academic Hospital. These two are also in progress; however there are issues ranging from community unrest to delays due to absenteeism by some workers from COVID-19 infection. Lastly, the Department managed to complete another health project, namely Phillip Moyo CHC, where works of Extension and Refurbishment were conducted.

There were also three capital projects completed in response to targets contained in the Revised Annual Performance Plan, namely Klipspruit West Secondary School, Abram Hlophe Primary School and Laerskool Kameelfontein. The Barcelona Primary School, Daleview Secondary School, Khulekani Primary School, Simunye Secondary School, Thulasizwe LSEN and Willow Crescent Secondary School were reported to have reached the ready-for-tender stage.

Lastly there were two capital projects completed in response to targets in the Revised Annual Performance Plan under other Infrastructure delivery namely Boipatong Community Library and Rus Ter Vaal Community Library.

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

#### Outcome 1: Optimised Public-Owned Fixed Property Portfolio

National Treasury approval has been requested on two land parcels from the national Department of Public Works in the form of an exchange for Kopanong precinct. The GPG will dispose of twenty land parcels in a form of exchange as an offset of the two land parcels for Kopanong precinct. The national Department of Public Works will use the 20 land parcels for office accommodation. A Section 42 land transfer has been approved for the transfer of 21 land parcels to the Gauteng Department of Human Settlements for finalisation of the township proclamation process in Ekangala. A Power of Attorney to enable the transferring attorneys to deal with municipal issues regarding the transfer of the remainder of the Rosettenville land parcel to the rightful beneficiaries has been signed.

There were 243 land parcels which have been physically verified by the appointed service provider for seven farms to deal with the transfer of land to the beneficiaries of the Gauteng on Farmers Settlements programme (GFSP). Approximately 66 land parcels were inspected, out of which 40 were inspected for a field hospital and 21 inspected for construction of the provincial Disaster Management Centre (DMC).

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2021/22)

#### Pillar 1: Radical economic transformation

##### Outcome 4: Increased Contribution of Infrastructure Spend to Socio-Economic Development

The Department has a great awareness of the country's complex social and economic history at large and the impact it has in infrastructure development. For the 2021/22 financial year, the Department will be steadfast in increasing the targeted spend on designated (vulnerable) groups, with a specific focus on women and youth-owned businesses. Amongst the priorities will be ensuring that sustainable opportunities are provided to SMMEs across the construction and maintenance value chains. In addition, a programme will be implemented to empower 20 emerging black firms, including women (40 per cent) and youth (30 per cent), through contractors for the 2021/22 period. Inter alia will be continuous opportunities for SMMEs to ensure they get developed, with a special focus on the maintenance programme and repairs to GPG facilities. To ensure that black businesses are not destroyed and paid late, the Department will endeavour to pay 75 per cent of SMME invoices received within 30 days.

The Department will continue with its plans to mainstream the previously disadvantaged groups into the economy by targeting to have 80 per cent of procurement spent on Black owned enterprises; 30 per cent of procurement spent on Black Women owned enterprises; youth owned enterprises 20 per cent; SMMEs 50 per cent; 3 per cent of procurement spent on People with Disabilities owned enterprises; 1 per cent allocated to MV-owned enterprises; and 25 per cent to procurement allocated to Township Enterprise Revitalisation (TER).

##### Outcome 5: Poverty Relief and Improved Employability of EPWP Beneficiaries

For the 2021/22 financial year, the Department will continue with the coordination of reporting of EPWP work opportunities by GPG sectors as follows:

- 21 009 EPWP work opportunities reported by the infrastructure sector in Gauteng (GPG departments);
- 22 369 EPWP work opportunities reported by the social sector in Gauteng;
- 1 552 EPWP work opportunities reported by the environment sector in Gauteng;
- 55 039 EPWP work opportunities reported by Gauteng municipalities;
- 2 500 work opportunities created by Provincial Public Works; and
- 20 participants participating in the Contractor Development Programme (CDP).

The Department will ensure that 2500 EPWP beneficiaries successfully complete skills development programmes as planned. The Department will continue with the implementation of the biometrics system for the 2021/22 financial year to support all departments and municipalities with the implementation as well as providing technical support on the use of the EPWP system together with the collection of required supporting evidence. Furthermore, the Department will continue to ensure that the beneficiaries are up-skilled and that when they exit the programme they have acquired at least one new skill. Ultimately, in order to provide the exit opportunities for EPWP beneficiaries the Department will develop and strengthen its partnerships with the private and public sectors.

#### Pillar 3: Accelerated social transformation

##### Outcome 2: Efficient and Effective Delivery of SMART Infrastructure

The delivery of SMART infrastructure involves applying this to economic infrastructure for the benefit of all GPG client departments. This will allow the client departments to get more out of what they already have, increasing capacity, efficiency and resilience and improving services. It brings better performance at lower cost. Gaining more from existing assets is the key to enhancing service provision despite constrained finance and growing resource scarcity. It will often be more cost-effective to add to the overall value of mature infrastructure. This involves implementation of Education, Health and STARS Infrastructure projects

**Implementation of Education Infrastructure Projects:** DID's role in contributing to the province's education value chain will continue to involve the provision of new education infrastructure: restorative repairs; SMART schools; replacement schools; and the subsequent maintenance thereof. National Treasury requires that the cost of new school construction is kept within the newly defined costs norms by utilising prototypes where possible to ensure standardisation of project design and to manage costs. The Department's focus area over the MTEF will be to accelerate the delivery of education infrastructure projects on behalf of client departments within 90 per cent of the stipulated time-frame; and to ensure budget and acceptable quality standards with the central purpose of enhancing spatial transformation through integration, modernisation and the re-industrialisation of the Gauteng City Region (GCR). For the 2021/22 financial year, the Department will be implementing 9 Education infrastructure projects on behalf of the Department of Education. The planned projects are as follows: Thubelihle Primary School, Tlhokomelo Primary School, Mapenane Secondary School, Bramfischerville Primary School, Rus-Ter-Vaal Secondary School, Filadelfia LSEN School, Felicitas LSEN School, Nancefield Primary School and Pitseng Primary School.

**Implementation of Health Infrastructure Projects:** The Department is tasked with the provision of health infrastructure within the province over the MTEF; assisting in the provision of integrated health services in partnership with stakeholders; and



contributing to the reduction of vulnerability to health and the burden of disease in province. In contributing to improving the health of residents in the province, DID will continue to implement infrastructure projects within 90 per cent of the agreed time and budget and to acceptable quality standards over the MTEF. Given the national health mandate to roll out the National Health Insurance, DID will systematically ensure that hospitals and clinics within the GCR are built and maintained to meet existing and emerging demand. The Department has planned to deliver a total of 9 health infrastructure projects in the 2021/22 financial year. The planned projects are as follows: Kekanastad clinic, Finetown clinic, Sebokeng zone 17 Clinic, Bikhutsong CDC, Mandisa Shiceka CDC, Mayibuye Clinic, Kopanong clinic and the Chris Hani Baragwanath Academic Hospital Emergency Refurbishment Initiative as well as Helen Joseph Hospital renovations.

**Implementation of STARS Infrastructure Projects:** The STARS project refers to all infrastructure projects undertaken for the Department Social Development; Roads and Transport; Agriculture and Rural Development; Sports, Arts, Culture and Recreation; Community Safety; and DID itself. However, these exclude the Department of Human Settlements and the road-works undertaken by the Gauteng Department of Roads and Transport. For the 2021/22 financial year, the Department will be implementing a total of 6 STARS infrastructure projects. The planned projects are as follows: Bekkersdal SIF, Impumelelo library, Bantubonke ECDC, Thusanong Occupational Health and Safety (OHS), 75 Fox OHS, and SA Perm OHS.

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

### **Outcome 1: Optimised Public-Owned Fixed Property Portfolio**

Managing the provincial property portfolio optimally will bring about many benefits to the Gauteng Provincial Government and to the Gauteng citizenry at large. The intent is to make sure that over the planning period this initiative will result in a reduction in costs and an increase in income through the proposals of land release for socio-economic infrastructure development as well as the commercialisation of the property portfolio.

The Medium-Term Strategic Framework (MTSF) 2019-2024 and Growing Gauteng Together (GGT) 2030 both advocate optimising the use of publicly owned fixed property. The Administration Programme is responsible for maximising the revenue collected from the lease of office accommodation in GPG-owned buildings. There is a direct relationship between the revenue collected and the quality of lease agreements concluded by the property management team. Revenue collected is also influenced by the sale of non-core residential properties through auction. The intention here is to grow the rand value of revenue collected by at least R2 million year-on-year over the medium term. For the 2021/22 financial year, the target is to generate R6.6 million in revenue from the GPG property portfolio.

Redundant and non-core properties are sold or released for other socio-economic purposes so that the Department can make savings on the payment of municipal rates and taxes rather than waste resources on maintaining them. For the 2021/22 financial year, the Department plans to dispose of 10 non-core (residential) properties.

Implementation of the Kopanong Precinct will support the regeneration of the inner city while also ensuring that GPG departments are housed in quality office accommodation. Managing a complete and accurate immovable asset register is not only important for audit purposes but vital to support decision making on the lifecycle management of the portfolio of fixed property including land and buildings. For the 2021/22 financial year, the Department has planned to commence with Phase A: Construction of the Kopanong Precinct Project and provide 8 facilities/buildings to users (fit for purpose). The Department has further planned to commercialise one (Vaal) nature reserve in the 2021/22 financial year.

For the 2021/22 financial year, the Department aims to register and verify 8 279 immovable assets in the Immovable Asset Register (IAR), in accordance with the mandatory requirements of National Treasury. The Department will also facilitate the completion of 14 User-Asset Management Plans (U-AMPs) by client departments in the province while developing one Custodian-Asset Management Plan (C-AMP) for submission to Gauteng Treasury in accordance with the Government Immovable Asset Management (GIAMA) Act.

### **Outcome 3: Functional, Reliable and Compliance Infrastructure**

GIAMA stipulates that DID undertakes regular condition-based assessments of facilities based on proactive maintenance plans that are developed and implemented to improve conditions. DID has the responsibility for ensuring that it provides quality maintenance services for the assets within its custodianship. In addition, one of the Department's key responsibilities is to ensure that all public health facilities in the GCR are properly maintained. The Department plans to establish a fully-fledged facilities-management capability as part of the Maintenance Turn-Around Strategy (MTS). The MTS will address poorly rated hospitals. The initiative will assist the Department to move from reactive maintenance to proactive maintenance of health facilities. Furthermore, the Department will conduct 70 condition assessments on state-owned buildings in the 2021/22 financial year.

In strengthening the implementation of the e-maintenance strategy and system, the Department will ensure that the focus on health maintenance will continue. This involves the implementation of the e-maintenance strategy which commits the Department to attend to minor breakdowns within 24 hours and major breakdowns within 7 days and to carry out major refurbishments within 365 days. This is to ensure that small maintenance and day-to-day issues and challenges are resolved

quickly and efficiently, without having to undergo the entire procurement value chain, by adopting a single supplier system to ensure quality and timeous delivery, removing the need for continuous SCM processes.

This is complemented by the e-maintenance system which is an online maintenance system designed to report, log and monitor maintenance defects at hospitals. It enables any member of the public, not just hospital staff, to log any maintenance issue via the maintenance reception at the facility, SMS, the website or social media. Reducing the health maintenance backlog will be a crucial indicator that will be monitored in real-time.

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

### **Outcome 6: Capable, Ethical and Developmental Organisation**

The focus will be on Operation Clean Audit which includes consistent and persistent implementation of actions to ensure an unqualified audit, with a reduction in recurring findings, and no material findings on the audit of performance information and non-compliance with legislation. To put into practice the realisation of the new strategy, the Department will ensure that the organisation is resourced with the right people in the right places with tools of trade. For the 2021/22 financial year, the Department is committed to continue to include the right technical skills in the core business areas of property, infrastructure and maintenance management as well as in technical support functions such as EPWP and project planning and management.

The Department is continuing to implement a performance management and development system that is aligned to the Strategic Plan and Annual Performance Plan as well as the Annual Operational Plans. The focus of skills development needs to be on continued professional development (CPD) of departmental employees to increase the number of certified professionals and to support them to retain their accreditation. The Department is also going to put more effort into the development and implementation of a Quality Management System towards an ISO certification; this will include the digitisation/automation of key business processes.

The commitment to the establishment of a fully functional, centralised, Public Infrastructure Planning House for GPG will be in place. Furthermore, it will focus on the development and implementation of a comprehensive Stakeholder Management Plan including regular reporting and proactive engagement. The mainstreaming of GEYODI and employment equity will remain at the top of the Department's agenda.

## **4. REPRIORITISATION**

National Treasury implemented compulsory budget cuts which had a negative impact on allocation or provision for operational costs of the Department. Approximately 94 per cent of DID's budget is allocated to seven cost drivers which are rates & taxes, compensation of employees, property leases, infrastructure projects, EPWP, security services and soft services. The remaining budget is allocated to other operating costs which include provision of tools of trade, ICT systems, G-Cars etc. The Department allocated the budget to cover commitments in the amount of R3.1 billion with only R185.3 million available to allocate for operational costs including tools of trade. Over the 2021/22 financial year, budget has been reprioritised with an amount of R419 million which is a shift within programmes to ensure proper alignment of resources to targets. For 2022/23, an amount of R122 million has been reprioritised to ensure realignment of the budget.

During the 2020/21 financial year, the Department's Compensation budget was cut by approximately R71.6 million which negatively impacted the Department's recruitment plan to fill critical vacant posts. This resulted in the reprioritisation of R101 million between programmes to ensure sufficient funding of compensation of the current 2494 personnel.

Goods and services reprioritisation of R290 million will ensure proper resource allocation and defray possible over expenditure other items.

An amount of R2.3 million was reprioritised from Machinery and Equipment to ensure funding of other operational costs like provision of vehicles to technical staff to ensure service delivery on the health facilities that DID is maintaining on behalf of the Department of Health.

Additional budget cuts implemented included R57.7 million from non-CoE items which further impacted on the already constrained operational budget for the 2021/22 financial year with further reductions of R77.2 million for the 2022/23 and R141.4 million in the 2023/24 financial years.

## **5. PROCUREMENT**

Supply Chain Management is a highly regulated environment and this Chief Directorate supports the various business units in the facilitation of procurement of the goods and services required. It is thus incumbent upon this unit to regularly be abreast with updated prescripts and implementation thereof as well as record keeping and reporting of all transactions for the purposes of an audit trail. The following are key initiatives and challenges noted within the Supply Chain Environment.

### Irregular expenditure

The Department is subjected to National Treasury guidelines on irregular and unauthorised 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 will audit projects of R2million and above will highlight any irregularities before the contracts are awarded. The 2019/20 Final Management Report by the Auditor General report highlighted that irregular expenditure resulted due to a lack of monitoring the compliance of SCM prescripts as well as a lack of documented approved deviations.

### Achievements

The Department understands the importance of economic empowerment and therefore continuous procurement is channelled towards targeted groups such as Black owned enterprises, Black women, youth, people with disabilities, military veterans, SMMEs and township-based enterprises. The awareness sessions in communities of forthcoming construction projects also seeks to identify potential subcontractors that fall within these targeted groups and ultimately would be appointed by the successful main contractors. This will then streamline procurement towards these targeted groups at a subcontracting level.

The focus was predominately on health infrastructure procurement in the first quarter of 2020/21 financial year to address the need for additional health facilities was required because of the pandemic. It is also evident by the various OHS tenders advertised, evaluated and where appointments were made that several state-owned buildings will be OHS compliant.

### Challenges

Since the minimum percentage ownership must be more than 50 per cent for targeted groups those transactions where the entities ownership is less than the minimum percentage cannot be recognised and would then contribute to underachievement in certain categories. The process of empowering companies to compete for projects that are construction related has indicated that these targeted groups not only require business opportunities but also support in terms of mentorship and skills development. Hence the department has embarked in Contractor Incubator Programmes (CIPs) where contractors will be appointed construction works of a predetermined value

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 include screening systems for selecting and appointing sub- contractors and involvement of the Community Liaison Officer (CLO). In addition to the above the pandemic also caused many projects to be placed on hold for certain period which delayed appointment of subcontractors.

### Strategies to address challenges

The department will sign Memorandums of Understanding (MOUs) with ward councillors for the improvement of processes which involve the appointment of SMMEs. In addition, 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 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Equitable share	3 005 269	3 019 184	3 401 107	3 270 518	3 270 518	3 270 518	3 241 943	3 243 662	3 205 610
Conditional grants	19 192	17 780	23 878	21 163	21 163	21 163	18 988		
Expanded Public Works Programme	19 192	17 780	23 878	21 163	21 163	21 163	18 988		
<b>Total receipts</b>	<b>3 024 461</b>	<b>3 036 964</b>	<b>3 424 985</b>	<b>3 291 681</b>	<b>3 291 681</b>	<b>3 291 681</b>	<b>3 260 931</b>	<b>3 243 662</b>	<b>3 205 610</b>

Departmental receipts increased by 13 percent from R3 billion in the 2017/18 to R3.4 billion in the 2019/20 financial year. This was due to the additional allocations for Rates and Taxes to fund arears on municipal accounts, the planning of the Kopanong PPP project and the payment of property leases. The budget then decreased significantly to R3.2 billion in 2020/21 financial year due to compulsory budget cuts that were implemented during the mid-year adjustments.

The country had to make further budget cuts to address the effects of the COVID-19 pandemic which resulted in the Department's budget being cut by approximately R441.4 million in 2021/22, R583.3 million in 2022/23 and a further R483.8 million in 2023/24. These budget cuts were implemented on Compensation of Employees (CoE) and non-CoE items which include goods and services. The budget over the MTEF will decrease by 1 percent from 2021/22 to the 2022/23 financial year and then increase by 12 percent in the 2023/24 financial year.



Over the MTEF, departmental receipts are expected to decrease from R3.29 billion in 2020/21 to R3.2 billion in the 2023/24 financial year.

The Department is allocated a conditional grant as an incentive by the National Department of Public Works for job creation which the Department uses for funding stipends in the NYS programme. The grant decreased from R23.9 million in 2019/20 to R21.2 million in the 2020/21 financial year. The Department is currently finalising the placement of 2500 beneficiaries for the 2021/22 financial year on 24-month contracts.

## 6.2 Departmental receipts

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Sales of goods and services other than capital assets	16 480	24 895	15 721	27 735	13 138	13 138	29 260	30 664	32 013
Fines, penalties and forfeits			1						
Interest, dividends and rent on land	58		49			2			
Sales of capital assets	14 385					40			
Transactions in financial assets and liabilities	705	655	3 556	730	730	730	770	807	843
<b>Total departmental receipts</b>	<b>31 628</b>	<b>25 550</b>	<b>19 327</b>	<b>28 465</b>	<b>13 868</b>	<b>13 910</b>	<b>30 030</b>	<b>31 471</b>	<b>32 856</b>

The department's revenue collection has been fluctuating over the years due to challenges with implementation of Market Related Rentals on all GPG leased properties due to the condition of the buildings. The Department is currently developing a Revenue Maximisation Strategy which should assist in generating increased revenue. The focus is also due to the elevation of the Department's mandate to include Property Management.

The department has been working on improving implementation of the Exco decision to dispose of non-core properties to generate revenue. These properties are sold through online auctions but due to the lockdown restrictions in 2020/21 the department resolved to reduce the projected collection from R28.5 million to R13.9 million for the financial year. These projections should increase over the MTEF with the anticipation that the strategy will be finalised and implemented over the term and that more of the non-core properties will be sold in the future.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The department will continue to comply with all budget guidelines as prescribed by National Treasury over the 2021 MTEF.

#### Personnel:

Over the MTEF, the department has applied a 0 per cent increase in Cost of Living Adjustment (COLA) and no provision for performance bonuses.

#### Goods and services:

The consumer price index (CPI) inflation projection amounting to 4.4 per cent will be used over the MTEF.

### 7.2 Programme summary

TABLE 15.3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Administration	336 158	334 162	351 370	378 382	403 687	403 687	446 264	365 046	297 855
2. Public Works Infrastructure	2 237 025	2 401 751	2 722 784	2 608 755	2 621 576	2 644 085	2 572 878	2 586 221	2 602 754
3. Expanded Public Works Programme	285 838	284 980	268 819	304 544	172 508	149 999	241 789	292 395	305 001
<b>Total payments and estimates</b>	<b>2 859 021</b>	<b>3 020 893</b>	<b>3 342 973</b>	<b>3 291 681</b>	<b>3 197 771</b>	<b>3 197 771</b>	<b>3 260 931</b>	<b>3 243 662</b>	<b>3 205 610</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 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Current payments</b>	<b>2 028 512</b>	<b>1 997 233</b>	<b>2 019 508</b>	<b>2 086 817</b>	<b>2 011 920</b>	<b>2 011 920</b>	<b>2 069 915</b>	<b>1 950 553</b>	<b>1 946 079</b>
Compensation of employees	912 381	1 027 434	1 120 132	1 195 753	1 080 921	1 075 445	1 115 884	1 106 048	1 191 778
Goods and services	1 115 701	968 856	899 318	889 997	930 432	935 908	953 931	844 325	754 301
Interest and rent on land	430	943	58	1 067	567	567	100	180	
<b>Transfers and subsidies to:</b>	<b>710 057</b>	<b>905 313</b>	<b>1 090 440</b>	<b>1 086 507</b>	<b>1 086 507</b>	<b>1 086 507</b>	<b>1 028 376</b>	<b>1 180 272</b>	<b>1 231 275</b>
Provinces and municipalities	703 868	901 401	1 084 092	1 082 931	1 082 931	1 082 931	1 025 376	1 176 868	1 228 650
Departmental agencies and accounts									
Households	6 189	3 912	6 348	3 576	3 576	3 576	3 000	3 404	2 625
<b>Payments for capital assets</b>	<b>117 156</b>	<b>114 033</b>	<b>232 808</b>	<b>118 357</b>	<b>99 344</b>	<b>99 344</b>	<b>162 640</b>	<b>112 837</b>	<b>28 256</b>
Buildings and other fixed structures	90 109	76 229	175 766	92 357	68 844	68 844	137 550	90 090	28 256
Machinery and equipment	27 047	29 144	27 225	26 000	30 500	30 500	25 090	22 747	
Software and other intangible assets		8 660	29 817						
<b>Payments for financial assets</b>	<b>3 296</b>	<b>4 314</b>	<b>218</b>						
<b>Total economic classification</b>	<b>2 859 021</b>	<b>3 020 893</b>	<b>3 342 973</b>	<b>3 291 681</b>	<b>3 197 771</b>	<b>3 197 771</b>	<b>3 260 931</b>	<b>3 243 662</b>	<b>3 205 610</b>

The department has been improving over the years with a reduction of accruals and ensuring that the Department fully spends its allocated budget. In the 2019/20 financial year, the department surrendered an amount of R82 million due to late submission of invoices which were paid immediately in April 2020. The department is anticipating an improvement in payment of invoices within 30 days since the Department will fully utilise SAP.

In the 2017/18 financial year, R2.9 billion was spent which constituted 100 percent of the allocated budget. The departmental budget decreases slightly from R3.29 billion in the 2021/22 financial year to R3.20 billion in 2023/24. The decrease is due to the extended compulsory budget cuts which were implemented by Gauteng Provincial Treasury on compensation of employees and other goods and services.

The CoE budget has increased significantly because of the filling of critical posts over the years. Expenditure increased from R912 million in 2017/18 to R1.1 billion in the 2019/20 financial year. Over the 2021 MTEF, the budget will remain at R1.1 billion in 2021/22 and then increase to R1.2 billion in 2023/24. These compensation figures increase due to the allocation of the Incentive grant and EPWP stipends on CoE.

Goods and services expenditure decreased from R1.1 billion in 2017/18 to R899 million in the 2019/20 financial year due to improved cost containment measures and more effective resource allocation. Over the MTEF, the budget decreases due to the implemented budget cuts.

The rates and taxes allocation has been increasing over years due to the increase in devolved properties and in billing rates by the municipalities. Over the MTEF, the budget will increase from R1.02 billion in the 2021/22 financial year to R1.17 billion in the 2022/23 financial year and R1.22 billion in the outer 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	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Category A	593 938	766 000	934 717	936 556	936 556	932 824	951 181	1 091 698	1 118 947
Category B	109 930	135 401	149 375	146 375	146 375	146 548	155 000	162 440	169 588
Category C						3 559			
Unallocated	1	1					(80 805)	(77 270)	(59 885)
<b>Total departmental transfers</b>	<b>703 869</b>	<b>901 402</b>	<b>1 084 092</b>	<b>1 082 931</b>	<b>1 082 931</b>	<b>1 082 931</b>	<b>1 025 376</b>	<b>1 176 868</b>	<b>1 228 650</b>

The department has seen a significant increase in the allocation for rates and taxes with additional funding being allocated to cover arrears over the years. This increase is not in line with the rates increase rate applied every year by the municipalities and does not factor in the increase in devolved properties per annum. Over the 2021 MTEF, the budget will increase from R1 billion in 2021/22 to R1.2 billion in the 2023/24 financial year which is an approximate 17 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 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, corporate support services 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;
- Utilising 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		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Office Of The Mec	8 851	9 034	12 537	7 562	7 562	7 562	12 634	10 760	9 687
2. Corporate Support	312 931	309 028	322 921	357 644	382 949	382 949	416 172	336 618	270 175
3. Management Of The Department	14 376	16 100	15 912	13 176	13 176	13 176	17 458	17 668	17 993
<b>Total payments and estimates</b>	<b>336 158</b>	<b>334 162</b>	<b>351 370</b>	<b>378 382</b>	<b>403 687</b>	<b>403 687</b>	<b>446 264</b>	<b>365 046</b>	<b>297 855</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		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Current payments</b>	<b>312 796</b>	<b>293 767</b>	<b>326 537</b>	<b>351 578</b>	<b>372 383</b>	<b>372 383</b>	<b>420 116</b>	<b>341 410</b>	<b>297 855</b>
Compensation of employees	203 019	200 105	227 151	284 164	265 477	262 256	279 797	279 888	297 855
Goods and services	109 643	93 546	99 351	66 875	106 867	110 088	140 219	61 426	
Interest and rent on land	134	116	35	539	39	39	100	96	

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Transfers and subsidies to:</b>	<b>3 595</b>	<b>1 862</b>	<b>2 568</b>	<b>804</b>	<b>804</b>	<b>804</b>	<b>1 058</b>	<b>889</b>	
Provinces and municipalities									
Households	3 595	1 862	2 568	804	804	804	1 058	889	
<b>Payments for capital assets</b>	<b>19 271</b>	<b>35 559</b>	<b>22 048</b>	<b>26 000</b>	<b>30 500</b>	<b>30 500</b>	<b>25 090</b>	<b>22 747</b>	
Machinery and equipment	19 271	26 899	22 012	26 000	30 500	30 500	25 090	22 747	
Software and other intangible assets		8 660	36						
<b>Payments for financial assets</b>	<b>496</b>	<b>2 974</b>	<b>217</b>						
<b>Total economic classification</b>	<b>336 158</b>	<b>334 162</b>	<b>351 370</b>	<b>378 382</b>	<b>403 687</b>	<b>403 687</b>	<b>446 264</b>	<b>365 046</b>	<b>297 855</b>

Expenditure 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 increased by 5 percent from the 2018/19 financial year because the Department ensured that the core functions were sufficiently funded to improve service delivery. The budget allocated for the 2020/21 financial year increased from R378 million to R404 million during the mid-year budget adjustment process to accommodate the unfunded COVID-19 government safety regulations. Over the 2021 MTEF, the allocated budget will decrease from R446 million in the 2021/22 financial year to R298 million in the 2023/24 financial year due to the further budget cuts implemented by National Treasury.

Compensation of employees increased over the years due to filling of posts to capacitate the Department in line with the IDMS. The expenditure increased from R200 million in 2018/19 financial year to R227 million in the 2019/20 financial year. Over the 2021/22 MTEF, the allocated budget is R280 million in 2021/22 increasing to R298 million in the 2023/24 financial year.

Goods and services expenditure decreased from R110 million in the 2017/18 financial year to R99 million in the 2019/20 financial year due to improved cost containment measures. Over the 2021/22 MTEF, the allocated budget will decrease from R140 million in 2021/22 to R61 million in 2022/23 due to budget cuts.

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 2020/21 financial year increased from R26 million to R30 million during the mid-year budget adjustment; this was to fund tools of trade as expenditure was incurred on cell phones and data-lines due to employees working remotely with new appointments taking place. Over the 2021/22 MTEF, the budget for capital assets decreases from R25 million in the 2021/22 financial year to R23 million in the 2022/23 financial year; this is due to improved management of cell phone costs and allocation efficiencies.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2020/21	2021/22	2022/23	2023/24
Rand value of revenue collected from GPG property portfolio (Disposals and leases)	15 million	30 million	32 million	34 million
Rand value of municipal rates and taxes paid	1 million	1.25 billion	1.17 billion	1.23 billion
Number of emerging black firms empowered through sub-contractors per annum, of which 40% are women-owned and 30% are youth-owned	5 Women: 3 Youth: 2	20 Women: 8 Youth: 6	20 Women: 8 Youth: 6	10 Women: 4 Youth: 3
Percentage of valid invoices for service providers settled within 30 days	70%	75%	80%	85%

## PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

### Programme Description

The purpose of the Public Works Programme is to provide the core services that are mandated to the Department. This includes planning, design and construction of infrastructure projects, implementation of maintenance projects, property management (immovable asset management) facilities management and provision of infrastructure research, policy and systems.

Within GPG, the DID has been delegated by Exco as the sole implementer of infrastructure and maintenance projects on behalf of all GPG departments. Maintenance projects include renovations, refurbishments and upgrades. In the case of the provincial Department of Health, it also includes implementation of day-to-day, routine/preventative and emergency maintenance at all health facilities in the province except for Jubilee Hospital and Odi Hospital that are maintained by the provincial Department of Health.

The GDID manages the construction procurement projects for provincial departments and issues the 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, the Premier's residence and offices used by DID itself. It is also a user of immovable assets in terms of immovable assets being utilised by DID.

The programme is also responsible for managing immovable assets of the GPG as the provincial custodian. It manages and plans for the 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 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Construction	353 187	272 010	353 807	255 346	209 657	237 114	281 189	226 721	164 443
2. Maintenance	552 653	610 123	670 233	642 370	607 088	629 012	567 672	573 276	597 073
3. Immovable Asset Management	1 331 185	1 519 618	1 698 744	1 711 039	1 804 831	1 777 959	1 724 017	1 786 224	1 841 238
<b>Total payments and estimates</b>	<b>2 237 025</b>	<b>2 401 751</b>	<b>2 722 784</b>	<b>2 608 755</b>	<b>2 621 576</b>	<b>2 644 085</b>	<b>2 572 878</b>	<b>2 586 221</b>	<b>2 602 754</b>



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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Current payments</b>	<b>1 433 200</b>	<b>1 418 568</b>	<b>1 457 483</b>	<b>1 430 895</b>	<b>1 467 229</b>	<b>1 489 738</b>	<b>1 408 110</b>	<b>1 316 969</b>	<b>1 343 454</b>
Compensation of employees	659 272	728 589	774 328	771 318	720 595	738 781	711 998	714 262	777 361
Goods and services	773 632	689 152	683 132	659 049	746 106	750 429	696 112	602 623	566 093
Interest and rent on land	296	827	23	528	528	528		84	
<b>Transfers and subsidies to:</b>	<b>706 462</b>	<b>903 449</b>	<b>1 087 234</b>	<b>1 085 503</b>	<b>1 085 503</b>	<b>1 085 503</b>	<b>1 027 218</b>	<b>1 179 162</b>	<b>1 231 044</b>
Provinces and municipalities	703 868	901 401	1 084 092	1 082 931	1 082 931	1 082 931	1 025 376	1 176 868	1 228 650
Departmental agencies and accounts									
Households	2 594	2 048	3 142	2 572	2 572	2 572	1 842	2 294	2 394
<b>Payments for capital assets</b>	<b>97 363</b>	<b>78 394</b>	<b>178 067</b>	<b>92 357</b>	<b>68 844</b>	<b>68 844</b>	<b>137 550</b>	<b>90 090</b>	<b>28 256</b>
Buildings and other fixed structures	90 109	76 229	175 766	92 357	68 844	68 844	137 550	90 090	28 256
Machinery and equipment	7 254	2 165	2 301						
Software and other intangible assets									
<b>Payments for financial assets</b>		<b>1 340</b>							
<b>Total economic classification</b>	<b>2 237 025</b>	<b>2 401 751</b>	<b>2 722 784</b>	<b>2 608 755</b>	<b>2 621 576</b>	<b>2 644 085</b>	<b>2 572 878</b>	<b>2 586 221</b>	<b>2 602 754</b>

The programme's budget has been increasing over the years despite budget cuts and the infrastructure surrender that took place during the 2020/21 financial year. During the 2020/21 financial year, National Treasury reduced the Department's infrastructure budget by R29 million due to the pandemic which led to delays in implementation of these projects. The budget increases from R2.61 billion to R2.64 billion in 2020/21 due to reprioritisation of funds from Programme3 to Programme 2 to address the effects of COVID-19. Over the MTEF, it decreases to R2.57 billion in 2021/22 before increasing to R2.6 billion in 2023/24.

Compensation of employees includes the personnel who service health institutions, the Gauteng Department of Education and STARS clients. Over the years, this budget has been increasing significantly due to critical vacant posts that need to be occupied to ensure improved service delivery. However, National Treasury has implemented compulsory budget cuts on compensation of employees which will affect the Department's recruitment plan and filling of vacant posts. Over the 2021/22 MTEF, the budget will increase from R712 million in 2021/22 to R714 million in 2022/23 financial year and to R777 million in outer year.

Goods and service decreased from R773 million in 2017/18 to R683 million in 2019/20 due to cost containment. The budget increased from R659 million to R750 million due to reprioritisation from Programme3 to Programme 2 to address the effects of COVID-19. Over the MTEF, the budget decreases from R696 million in 2021/22 to R566 million in the 2022/23 financial year due to budget cuts. Good and services includes the payment of property leases, soft services and security services. These three items constitute approximately R570 million of the allocated budget for goods and services. This was almost exclusively allocated for property management for the 2020/21 financial year. The remainder of the budget was for provision of tools of trade for effective service delivery.

Rates and taxes allocation has been increasing over the last three financial years due to an increase in devolved properties and the increase in billing rates by municipalities. The Department has been fully utilising the allocated budget owed to municipalities to avoid any distractions on the government buildings. The budget allocation for 2020/21 on rates and taxes was R1.08 billion which decreases to R1 Billion in 2021/22 but will increase to R1.17 billion in 2022/23 and to R123 billion in the 2023/24 financial year

Infrastructure projects, conversely, have been reducing due to the Department just ensuring that buildings are OHS compliant whilst finalising the Kopanong PPP projects. These projects are where all the government-owned head office buildings will be refurbished and rehabilitated. Over the 2021 MTEF, the Department's allocation will decrease from R137 million in the 2021/22 financial year to R28 million in the 2023/24 financial year because most of the Capex projects currently under construction are due to be finalised during the 2021/22 financial year.

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

Programme performance measures	Estimated Performance	Medium-term estimates		
	2020/21	2021/22	2022/23	2023/24
Number of infrastructure designs ready for tender	28	16	6	TBC
Number of new facilities completed	34	13	11	9
Number of facilities renovated	-	11	6	12
Number of condition assessments conducted on state-owned buildings	904	70	1 203	TBC
Number of Planned Maintenance Projects completed.	45	80	89	29
Approved concept document on the establishment of fully functional GPG Public Infrastructure Nerve Centre	Concept document and design approved	Approved Business Case	Approved design concept and pilot	Implementation

**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 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 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
1. Programme Support Cbp	54 457	66 557	133 362	188 122	101 508	102 128	30 368	186 356	194 556
2. Community Development	231 381	218 423	135 457	116 422	71 000	47 871	211 421	106 039	110 445
<b>Total payments and estimates</b>	<b>285 838</b>	<b>284 980</b>	<b>268 819</b>	<b>304 544</b>	<b>172 508</b>	<b>149 999</b>	<b>241 789</b>	<b>292 395</b>	<b>305 001</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Current payments</b>	<b>282 516</b>	<b>284 898</b>	<b>235 488</b>	<b>304 345</b>	<b>172 308</b>	<b>149 799</b>	<b>241 689</b>	<b>292 174</b>	<b>304 770</b>
Compensation of employees	50 090	98 740	118 653	140 271	94 849	74 408	124 089	111 898	116 562
Goods and services	232 426	186 158	116 835	164 074	77 459	75 391	117 600	180 276	188 208
Interest and rent on land									
<b>Transfers and subsidies to:</b>		<b>2</b>	<b>638</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>100</b>	<b>221</b>	<b>231</b>
Provinces and municipalities									
Households		2	638	200	200	200	100	221	231
<b>Payments for capital assets</b>	<b>522</b>	<b>80</b>	<b>32 693</b>						
Buildings and other fixed structures									
Machinery and equipment	522	80	2 912						
Software and other intangible assets			29 781						
<b>Payments for financial assets</b>	<b>2 800</b>		<b>1</b>						
<b>Total economic classification</b>	<b>285 838</b>	<b>284 980</b>	<b>268 819</b>	<b>304 545</b>	<b>172 508</b>	<b>149 999</b>	<b>241 789</b>	<b>292 395</b>	<b>305 001</b>

The EPWP programme is one of the core functions in the Department. This is where the coordination of job creation within the province is taking place. In order to improve the programme and ensure skills development for beneficiaries, the department has resolved to focus solely on the NYS programme and its coordination mandate. In the 2020/21 financial year, the Department started with a recruitment process of approximately 2500 beneficiaries between the ages 18 and 35. Due to the pandemic, there were delays in the recruitment process; however, as at the end of February 2021 2 187 beneficiaries had been placed with the remainder to be placed by the end of the financial year. Implementation of the programme will commence in April 2021.

The department is allocated a conditional grant from National Treasury which is dependent on the preceding year's performance. Over the years, the allocation has been fluctuating due to performance. During the 2019/20 financial year, the Department received an allocation of R24 million which reduced to R21 million for the 2020/21 financial year. Due to the delays in implementation of the programme, the grant was further reduced to R18.9 million for the 2021/22 financial year.

The programme's budget includes an allocation for training and provision of tools of trade for beneficiaries to ensure improved service delivery. The budget allocation for the 2020/21 financial year was initially R304 million which was later decreased to R149 million during GPG's mid-year adjustment period; the decrease was due to the delays in implementation of the NYS programme.

Over the MTEF, GPG has been allocated an amount of R242 million in the 2021/22 financial year which will increase to R292 million in the 2022/23 financial year and to R305 million in the outer year of the MTEF to ensure proper coordination of the programme.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Programme performance measures	Estimated performance	Medium-term estimates		
	2020/21	2021/22	2022/23	2023/24
Number of EPWP work opportunities created by Provincial Public Works	2 500	2 500	2 500	2 500
Number of EPWP work opportunities reported by the infrastructure sector in Gauteng (GPG departments)	20 847	21 009	20 847	21 009
Number of EPWP work opportunities reported by the social sector in Gauteng)	22 310	22 369	22 463	22 912
Number of EPWP work opportunities reported by the environment sector in Gauteng	1 016	1 552	1 552	1 583
Number of EPWP work opportunities reported by Gauteng municipalities	54 940	55 039	55 001	56 101

## **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						
	2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		2020/21 - 2023/24				
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total		
Salary level																	
1 – 6	1 743	285 022	1 486	189 314	1 462	291 696	1 361	101	1 462	370 893	1 389	303 648	1 389	303 648	(2)%	(6)%	29%
7 – 10	341	185 858	304	149 683	294	228 999	289	5	294	187 209	279	152 295	279	152 295	(2)%	(7)%	15%
11 – 12	195	147 187	103	81 109	100	89 482	97	3	100	95 911	95	77 718	95	77 718	(2)%	(7)%	7%
13 – 16	76	83 208	62	78 119	61	83 044	60	1	61	89 010	63	75 287	63	75 287	1%	(5)%	7%
Other		229 302	740	543 717	895	420 642	735	44	779	332 422	744	506 936	744	497 100	(2)%	21%	42%
Total	2 355	930 577	2 695	1 041 942	2 812	1 113 864	2 542	154	2 696	1 075 445	2 570	1 115 884	2 570	1 106 048	(2)%	3%	100%
Programme																	
1. Administration	365	203 019	406	200 105	558	227 151	428	14	442	284 165	373	207 733	373	207 733	(6)%	(10)%	
2. Public Works Infrastructure	1 959	659 272	2 235	728 589	2 200	774 328	2 060	140	2 200	672 173	2 143	770 193	2 143	775 098	(1)%	8%	68%
3. Expanded Public Works Programme	31	50 090	54	98 740	54	118 653	54		54	119 108	54	137 958	54	123 217	0%	2%	11%
Direct charges															0%	0%	0%
Total	2 355	912 381	2 695	1 027 434	2 812	1 120 132	2 542	154	2 696	1 075 445	2 570	1 115 884	2 570	1 106 048	(2)%	3%	100%



A total number of 282 critical positions were identified and approved to be filled. Approval to fill critical positions were done separately with (238 critical priority posts, 14 SMS posts, 20 laundry division posts, 3 Business Analyst posts, 1 Chief Engineer and the other 6 critical posts carried over from 2018). A total of 7 SMS posts including the HOD post were filled between July and January 2021. A total of 46 other positions were also filled between September 2020 and January 2021. A total of 71 posts are still at approval stage. All other remaining 229 posts (SMS, professionals, Other technical and Administration and support posts) are to be filled between February and March 2021.

## 9.2 Training

TABLE 15.13: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Number of staff	2 355	2 695	2 812	2 696	2 696	2 696	2 570	2 570	2 570
Number of personnel trained	1 610	2 545	1 850	2 000	2 000	2 000	1 330	1 430	1 530
of which									
Male	741	1 173	995	1 070	1 070	1 070	730	780	820
Female	869	1 372	855	930	930	930	600	650	710
Number of training opportunities	1 230	2 198	1 167	1 281	1 281	1 281	980	1 120	1 190
of which									
Tertiary	80	18	70	80	80	80	50	60	70
Workshops	130	4	150	150	150	150	130	140	150
Seminars	110	34	150	100	100	100	120	130	140
Other	910	2 142	797	951	951	951	680	790	830
Number of bursaries offered	150	220	141	193	193	193		50	60
Number of interns appointed	130	17	162	143	143	143		50	60
Number of learnerships appointed	100	110	380	383	383	383		60	70
Number of days spent on training									
<b>Payments on training by programme</b>									
1. Administration	6 528	8 580	10 583	17 533	17 533	17 533	1 494	1 613	1 743
2. Public Works Infrastructure	9 592	16 793	17 355	26 798	26 798	26 798	7 880	7 807	7 719
3. Expanded Public Works Programme	6 790	513	8 887	9 776	9 776	9 776	691	746	806
<b>Total payments on training</b>	<b>22 910</b>	<b>25 886</b>	<b>36 825</b>	<b>54 107</b>	<b>54 107</b>	<b>54 107</b>	<b>10 065</b>	<b>10 166</b>	<b>10 268</b>

The department has been experiencing financial constraints due to the budget cuts over the years which resulted in a shift in focus and a decision was made to provide staff with sufficient training, tools of trade and proper capacitation. This affected the issuing of bursaries and recruitment to learnerships and internships. This programme will be revisited in the future if the fiscus improves.

## 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 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>16 480</b>	<b>24 895</b>	<b>15 721</b>	<b>27 735</b>	<b>13 138</b>	<b>13 138</b>	<b>29 260</b>	<b>30 664</b>	<b>32 013</b>
Sale of goods and services produced by department (excluding capital assets)	16 480	24 895	15 721	27 735	13 138	13 138	29 260	30 664	32 013
Sales by market establishments	16 480	24 895	15 721	27 735	13 138	13 138	29 260	30 664	32 013
<b>Transfers received from:</b>			<b>1</b>						
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>58</b>		<b>49</b>			<b>2</b>			
Interest						2			
Dividends	58		49						
<b>Sales of capital assets</b>	<b>14 385</b>					<b>40</b>			
Other capital assets	14 385					40			
<b>Transactions in financial assets and liabilities</b>	<b>705</b>	<b>655</b>	<b>3556</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>770</b>	<b>807</b>	<b>843</b>
<b>Total departmental receipts</b>	<b>31 628</b>	<b>25 550</b>	<b>19 327</b>	<b>28 465</b>	<b>13 868</b>	<b>13 910</b>	<b>30 030</b>	<b>31 471</b>	<b>32 856</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Current payments</b>	<b>2 028 512</b>	<b>1 997 233</b>	<b>2 019 508</b>	<b>2 086 817</b>	<b>2 011 920</b>	<b>2 011 920</b>	<b>2 069 915</b>	<b>1 950 553</b>	<b>1 946 079</b>
Compensation of employees	912 381	1 027 434	1 120 132	1 195 753	1 080 921	1 075 445	1 115 884	1 106 048	1 191 778
Salaries and wages	806 436	905 335	988 444	1 099 822	984 990	940 110	974 379	959 708	1 039 000
Social contributions	105 945	122 099	131 688	95 931	95 931	135 335	141 505	146 340	152 778
Goods and services	1 115 701	968 856	899 318	889 997	930 432	935 908	953 931	844 325	754 301
Administrative fees	158	131	96			42			
Advertising	5 127	1 902	773	1 000	1 165	1 165	3 764	1 000	
Minor assets	400	185	173	1 739	1 739	1 628	2 194	1 734	
Audit cost: External	6 591	9 123	9 332	11 605	16 088	16 088	14 954	14 187	
Bursaries: Employees	7 606	2 250	3 089	1 000	1 000	1 001	200		
Catering: Departmental activities	1 269	378	517			8	100		
Communication (G&S)	15 078	15 000	7 321	1 800	1 940	1 436	2 000	2 000	
Computer services	10 384	6 715	17 980	10 000	19 100	19 105	58 200	5 409	
Consultants and professional services: Business and advisory services	19 109	3 213	4 146		402	898	481		
Legal services	51 774	40 668	49 404	10 000	35 668	35 673	32 230	13 611	
Contractors	6	2	602	3 000	3 000	3 000	4 878		
Agency and support / outsourced services	250 777	183 626	118 851	155 707	71 153	68 682	128 740	170 936	178 457
Fleet services (including government motor transport)	26 502	30 041	40 217	33 717	31 405	34 184	40 000	32 157	1 217

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Inventory: Clothing material and accessories	898	6 599	1 355	9 817	46 317	42 956	11 400	10 606	8 080
Inventory: Food and food supplies			8	159	159	55	206	176	
Inventory: Fuel, oil and gas			17						
Inventory: Materials and supplies	108	141	5						
Consumable supplies	1 831	6 657	3 425	4 211	4 211	20 862	4 400	3 696	
Consumable: Stationery, printing and office supplies	4 534	2 582	2 773	2 000	1 500	1 594	6 358	2 000	
Operating leases	383 653	384 752	393 542	397 575	397 575	397 575	413 090	402 530	415 021
Property payments	307 761	251 121	224 335	219 957	274 374	267 613	204 532	160 096	151 072
Transport provided: Departmental activity	54	73	1 726	100	400	400			
Travel and subsistence	13 754	14 184	14 957	17 412	15 864	14 989	14 000	13 383	454
Training and development	5 573	7 784	2 936	9 098	6 507	6 507	9 865	10 754	
Operating payments	712	586	188	100	315	350	2 039	50	
Venues and facilities	2 042	1 143	1 548		550	94	300		
Interest and rent on land	430	943	58	1 067	567	567	100	180	
Interest	430	943	58	1 067	567	567	100	180	
Rent on land									
<b>Transfers and subsidies</b>	<b>710 057</b>	<b>905 313</b>	<b>1 090 440</b>	<b>1 086 507</b>	<b>1 086 507</b>	<b>1 086 507</b>	<b>1 028 376</b>	<b>1 180 272</b>	<b>1 231 275</b>
Provinces and municipalities	703 868	901 401	1 084 092	1 082 931	1 082 931	1 082 931	1 025 376	1 176 868	1 228 650
Provinces									
Provincial agencies and funds									
Municipalities	703 868	901 401	1 084 092	1 082 931	1 082 931	1 082 931	1 025 376	1 176 868	1 228 650
Municipalities	703 868	901 401	1 084 092	1 082 931	1 082 931	1 082 931	1 025 376	1 176 868	1 228 650
Households	6 189	3 912	6 348	3 576	3 576	3 576	3 000	3 404	2 625
Social benefits	2 848	2 340	5 707	2 915	2 915	3 094	3 000	2 674	1 863
Other transfers to households	3 341	1 572	641	661	661	482		730	762
<b>Payments for capital assets</b>	<b>117 156</b>	<b>114 033</b>	<b>232 808</b>	<b>118 357</b>	<b>99 344</b>	<b>99 344</b>	<b>162 640</b>	<b>112 837</b>	<b>28 256</b>
Buildings and other fixed structures	90 109	76 229	175 766	92 357	68 844	68 844	137 550	90 090	28 256
Buildings	90 109	76 229	175 766	92 357	68 844	68 844	137 550	90 090	28 256
Machinery and equipment	27 047	29 144	27 225	26 000	30 500	30 500	25 090	22 747	
Transport equipment	5 143	3 298	3 859						
Other machinery and equipment	21 904	25 846	23 366	26 000	30 500	30 500	25 090	22 747	
Software and other intangible assets		8 660	29 817						
<b>Payments for financial assets</b>	<b>3 296</b>	<b>4 314</b>	<b>218</b>						
<b>Total economic classification</b>	<b>2 859 021</b>	<b>3 020 893</b>	<b>3 342 973</b>	<b>3 291 681</b>	<b>3 197 771</b>	<b>3 197 771</b>	<b>3 260 931</b>	<b>3 243 662</b>	<b>3 205 610</b>

TABLE 15.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Current payments</b>	<b>312 796</b>	<b>293 767</b>	<b>326 537</b>	<b>351 578</b>	<b>372 383</b>	<b>372 383</b>	<b>420 116</b>	<b>341 410</b>	<b>297 855</b>
Compensation of employees	203 019	200 105	227 151	284 164	265 477	262 256	279 797	279 888	297 855
Salaries and wages	179 909	174 478	200 777	253 756	235 069	232 254	248 179	246 920	263 437

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Social contributions	23 110	25 627	26 374	30 408	30 408	30 002	31 618	32 968	34 418
Goods and services	109 643	93 546	99 351	66 875	106 867	110 088	140 219	61 426	
Administrative fees	158	131	96			42			
Advertising	5 070	1 902	773	1 000	1 165	1 165	3 764	1 000	
Minor assets	115	137	22	528	528	417	500	500	
Audit cost: External	6 591	9 123	9 332	11 605	16 088	16 088	14 954	14 187	
Bursaries: Employees	7 606	2 250	3 089	1 000	1 000	1 000	200		
Catering: Departmental activities	1 185	296	303			8	100		
Communication (G&S)	12 127	13 419	5 866	1 800	1 800	816	2 000	2 000	
Computer services	10 372	6 697	17 962	10 000	19 100	19 100	47 400	5 409	
Consultants and professional services: Business and advisory services	4 743	3 182	2 856		402	898	481		
Legal services	41 927	28 668	30 179	10 000	35 668	35 668	14 980	10 960	
Contractors	6	2	602	3 000	3 000	3 000	4 878		
Agency and support / outsourced services	92	2 989	5 490		2 500	2 500	14 090		
Fleet services (including government motor transport)	4 097	5 365	8 950	6 287	6 287	10 686	9 070	5 663	
Inventory: Clothing material and accessories		23					100		
Inventory: Food and food supplies			8	159	159	55	200	176	
Inventory: Materials and supplies	1	8	3						
Consumable supplies	137	1 414	813	2 000	2 000	2 000	1 400	1 462	
Consumable: Stationery, printing and office supplies	3 907	2 023	2 279	2 000	1 500	1 594	6 358	2 000	
Operating leases	2 593	5 006	4 789	5 275	5 275	5 275	6 000	5 000	
Transport provided: Departmental activity	54	73	176	100	100	100			
Travel and subsistence	1 499	1 766	1 351	2 923	2 923	2 757	1 840	2 315	
Training and development	5 569	7 784	2 936	9 098	6 507	6 507	9 865	10 754	
Operating payments	5	173	131	100	315	315	1 739		
Venues and facilities	1 789	1 115	1 341		550	94	300		
Interest and rent on land	134	116	35	539	39	39	100	96	
Interest	134	116	35	539	39	39	100	96	
Rent on land									
Transfers and subsidies	3 595	1 862	2 568	804	804	804	1 058	889	
Households	3 595	1 862	2 568	804	804	804	1 058	889	
Social benefits	283	333	1 927	804	804	597	1 058	889	
Other transfers to households	3 312	1 529	641			207			
Payments for capital assets	19 271	35 559	22 048	26 000	30 500	30 500	25 090	22 747	
Machinery and equipment	19 271	26 899	22 012	26 000	30 500	30 500	25 090	22 747	



R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Transport equipment	1155	1537	1339						
Other machinery and equipment	18 116	25 362	20 673	26 000	30 500	30 500	25 090	22 747	
Software and other intangible assets		8 660	36						
Payments for financial assets	496	2 974	217						
<b>Total economic classification</b>	<b>336 158</b>	<b>334 162</b>	<b>351 370</b>	<b>378 382</b>	<b>403 687</b>	<b>403 687</b>	<b>446 264</b>	<b>365 046</b>	<b>297 855</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Current payments</b>	<b>1 433 200</b>	<b>1 418 568</b>	<b>1 457 483</b>	<b>1 430 895</b>	<b>1 467 229</b>	<b>1 489 738</b>	<b>1 408 110</b>	<b>1 316 969</b>	<b>1 343 454</b>
Compensation of employees	659 272	728 589	774 328	771 318	720 595	738 781	711 998	714 262	777 361
Salaries and wages	577 975	633 843	670 751	724 596	673 873	636 855	606 946	606 678	665 043
Social contributions	81 297	94 746	103 577	46 722	46 722	101 926	105 052	107 584	112 318
Goods and services	773 632	689 152	683 132	659 049	746 106	750 429	696 112	602 623	566 093
Advertising	20								
Minor assets	275	48	139	1 211	1 211	1 211	1 694	1 234	
Catering: Departmental activities	39	20	21						
Communication (G&S)	2 756	1 490	1 224			480			
Computer services	12	18	18			5	10 800		
Consultants and professional services: Business and advisory services	14 366	31	1 290						
Legal services	9 847	12 000	19 225			5	17 250	2 651	
Agency and support / outsourced services	19 522	1 664					6 150		
Fleet services (including government motor transport)	21 781	23 364	30 329	26 375	24 063	22 040	29 930	25 328	
Inventory: Clothing material and accessories	898	2 405	877	2 817	39 317	35 956	3 300	2 867	
Inventory: Food and food supplies							6		
Inventory: Materials and supplies	107	133	2						
Consumable supplies	1 694	3 761	2 605	2 211	2 211	18 862	3 000	2 234	
Consumable: Stationery, printing and office supplies	627	559	494						
Operating leases	381 060	379 746	388 753	392 300	392 300	392 300	407 090	397 530	415 021
Property payments	307 761	251 121	224 335	219 957	274 374	267 613	204 532	160 096	151 072
Travel and subsistence	12 156	12 351	13 541	14 178	12 630	11 921	12 060	10 633	
Operating payments	707	413	57			35	300	50	
Venues and facilities		28	207						
Interest and rent on land	296	827	23	528	528	528		84	
Interest	296	827	23	528	528	528		84	
Rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Transfers and subsidies</b>	<b>706 462</b>	<b>903 449</b>	<b>1 087 234</b>	<b>1 085 503</b>	<b>1 085 503</b>	<b>1 085 503</b>	<b>1 027 218</b>	<b>1 179 162</b>	<b>1 231 044</b>
Provinces and municipalities	703 868	901 401	1 084 092	1 082 931	1 082 931	1 082 931	1 025 376	1 176 868	1 228 650
Provinces									
Provincial agencies and funds									
Municipalities	703 868	901 401	1 084 092	1 082 931	1 082 931	1 082 931	1 025 376	1 176 868	1 228 650
Municipalities	703 868	901 401	1 084 092	1 082 931	1 082 931	1 082 931	1 025 376	1 176 868	1 228 650
Departmental agencies and accounts									
Households	2 594	2 048	3 142	2 572	2 572	2 572	1 842	2 294	2 394
Social benefits	2 565	2 005	3 142	1 911	1 911	2 297	1 842	1 564	1 632
Other transfers to households	29	43		661	661	275		730	762
<b>Payments for capital assets</b>	<b>97 363</b>	<b>78 394</b>	<b>178 067</b>	<b>92 357</b>	<b>68 844</b>	<b>68 844</b>	<b>137 550</b>	<b>90 090</b>	<b>28 256</b>
Buildings and other fixed structures	90 109	76 229	175 766	92 357	68 844	68 844	137 550	90 090	28 256
Buildings	90 109	76 229	175 766	92 357	68 844	68 844	137 550	90 090	28 256
Machinery and equipment	7 254	2 165	2 301						
Transport Equipment	3 466	1 681	2 093						
Other machinery and equipment	3 788	484	208						
<b>Payments for financial assets</b>		<b>1 340</b>							
<b>Total economic classification</b>	<b>2 237 025</b>	<b>2 401 751</b>	<b>2 722 784</b>	<b>2 608 755</b>	<b>2 621 576</b>	<b>2 644 085</b>	<b>2 572 878</b>	<b>2 586 221</b>	<b>2 602 754</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
<b>Current payments</b>	<b>282 516</b>	<b>284 898</b>	<b>235 488</b>	<b>304 344</b>	<b>172 308</b>	<b>149 799</b>	<b>241 689</b>	<b>292 174</b>	<b>304 770</b>
Compensation of employees	50 090	98 740	118 653	140 271	94 849	74 408	124 089	111 898	116 562
Salaries and wages	48 552	97 014	116 916	121 470	76 048	71 001	119 254	106 110	110 520
Social contributions	1 538	1 726	1 737	18 801	18 801	3 407	4 835	5 788	6 042
Goods and services	232 426	186 158	116 835	164 073	77 459	75 391	117 600	180 276	188 208
Advertising	37								
Minor Assets			12						
Catering: Departmental activities	45	62	193						
Communication (G&S)	195	91	231		140	140			
Agency and support / outsourced services	231 163	178 973	113 361	155 707	68 653	66 182	108 500	170 936	178 457
Fleet services (including government motor transport)	624	1 312	938	1 055	1 055	1 458	1 000	1 166	1 217
Inventory: Clothing material and accessories		4 171	478	7 000	7 000	7 000	8 000	7 739	8 080
Inventory: Other supplies									
Consumable supplies		1 482	7						
Transport provided: Departmental activity			1 549		300	300			
Travel and subsistence	99	67	65	311	311	311	100	435	454

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Operating payments Venues and facilities	253								
<b>Transfers and subsidies</b>		2	638	200	200	200	100	221	231
Households		2	638	200	200	200	100	221	231
Social benefits		2	638	200	200	200	100	221	231
<b>Payments for capital assets</b>	522	80	32 693						
Machinery and equipment	522	80	2 912						
Transport equipment			427						
Other machinery and equipment			2 485						
Software and other intangible assets			29 781						
<b>Payments for financial assets</b>	2 800		1						
<b>Total economic classification</b>	<b>285 838</b>	<b>284 980</b>	<b>268 819</b>	<b>304 544</b>	<b>172 508</b>	<b>149 999</b>	<b>241 789</b>	<b>292 395</b>	<b>305 001</b>