

# VOTE 15

## DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

To be appropriated by vote in 2022/23	R 3 312 235 000
Responsible MEC	MEC for Infrastructure Development
Administering Department	Department of Infrastructure Development
Accounting Officer	Head of Department

### 8. 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 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 the 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 for the Gauteng 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 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 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.

#### **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 80 per cent of its procurement is spent on Black-owned companies while 30 per cent is spent on Black female-owned companies. Procurement spend on youth-owned companies is 20 per cent while the amount spent on companies owned by the people with disabilities stands at 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 96.45 per cent procurement allocation to SMMEs in the third quarter of the 2021/22 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 2 500 learners 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, women and children. Further to this aim is to eradicate poverty and build social cohesion and solidarity.

Over the 2022/23 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 Kopanong precinct through PPP aimed at modernising office accommodation for the entire GPG province.

#### **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 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 the 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. 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 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; 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 trigen/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;

## 9. REVIEW OF THE CURRENT FINANCIAL YEAR (2021/22)

### Pillar 1: Radical economic transformation

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

Noting the important contribution of infrastructure and its impact to our society, the Department increased procurement spent on Black, women and SMME-owned businesses. Thus far, in terms of progress as at the end of quarter 3 of 2021/22, the Department has done well by achieving 86% against the target of 75% payment of invoices received within 30 days. Similarly with the percentage of procurement allocated to Black-owned enterprises and percentage of procurement allocated to Black women, the Department performed well with respective achievement of 97% against the target of 80 and 50.54% against the target of 30%. However, the targeted procurement spent on youth-owned businesses could not be attained, with a variance of 16.29 per cent.

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

Many citizens within the country are unable to participate in the economy due to amongst other things the continuous increase in the unemployment rate which has now been recorded at over 34%. As this rate represents statistics for active job seekers, data for the expanded definition is bleaker. This is exacerbated by the effects of COVID-19 pandemic that has led to enormous job losses. As part of the positive contribution to this outcome, the Department introduced the so-called “Quick-wins” aimed at creating and reporting more work opportunities. Developments in this area include the reduction of the work opportunities, particularly under the environment and culture sectors by municipalities. The deficit has been reduced from 9 000 to 7 000 and is expected to reduce even further, with more expectation from the Cities of Johannesburg and Tshwane as they both hold approximately 84% of these sectors combined. Statistics on training of participants will be reported by the end of the current financial year. This will include amongst others New Venture Creation (NVC), enterprise development, ICT and artisan programmes accompanied by NVC. For the 2021/22 financial year, the Department has coordinated the reporting of EPWP work opportunities by GPG sectors as follows:

- 8 048 EPWP work opportunities reported by the infrastructure sector in Gauteng (GPG departments);
- 16 160 EPWP work opportunities reported by the social sector in Gauteng;
- 1 435 EPWP work opportunities reported by the environment sector in Gauteng;
- 16 586 EPWP work opportunities reported by Gauteng municipalities;
- 20 participants participating in the Contractor Development Programme (CDP).

### Pillar 3: Accelerated social transformation

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

The Department remains committed to its responsibility to deliver infrastructure projects of good quality standards, within time and agreed budget. During 2021/22, to date the Department completed a total of seven (7) infrastructure projects. These include implementation of education and health infrastructure projects.

**Implementation of Education Infrastructure Projects:** The provision of new education infrastructure was in relation to renovations and rehabilitations of Mapenane Secondary School, Filadelfia LSEN School and Felicitas LSEN School. Repairs to severely cracked concrete column were done at Hoerskool Wonderfontein. Restorative repairs were also conducted at Tlhokomelo Primary School and Ditau Primary School. The project at Thubelihle Primary School has been delayed due to contractors experiencing cash flow challenges.

**Implementation of Health Infrastructure Projects:** In contributing to improving the health of residents in the province, DID has completed the construction of Greenspark Clinic. The construction of other projects is still in progress and is planned to be completed in the upcoming by the end of financial year. Others have been delayed due to various reasons such as delays in approval of compensation events, health and technology, contractor slow progress, and municipal delays amongst others.

**Implementation of STARS Infrastructure Projects:** For the 2021/22 financial year, the Department did not deliver any projects under STARS mainly due to delays in approval of compensation events. 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.

The factors affecting completion of CAPEX projects relate mainly to delays in approvals from clients and municipalities as well as poor performance by contractors. However, through continuous engagements with related parties and implementing terms of contracts, the Department is still committed to ensuring rapid service delivery by putting in place interventions that will bring desired results.

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

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

In managing the provincial property portfolio optimally, the Department has during the period under review disposed of a total of 14 non-core (residential) properties, paid an amount of R964.2m in rates and taxes whilst R12M was collected as revenue from the GPG property portfolio (disposals and leases). Moreover, under immovable assets a total of 6212 assets were verified for the financial year under review.

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

In efforts to ensure the provision of quality maintenance services for the assets within DID's custodianship, for the 2021/22 financial year the Department conducted two condition assessments at Bertha Gxowa Hospital and Heidelberg Hospital. The remaining 2 (Laudium CHC and Bronkhortspruit Hospital) conditional assessments were scheduled to be conducted during Quarter 4. Additional to ensuring functional, reliable, and compliant infrastructure, the Department is keeping up the momentum of maintaining public facilities and has met its maintenance target for both health and STARS infrastructure. For the period under review, the Department has completed 35 maintenance projects for health and 27 for STARS.

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

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

With a focus on Operation Clean Audit which includes consistent and persistent implementation of actions to ensure an unqualified audit, the Department achieved a clean audit outcome on the Audit of Pre-determined Objectives. On Financial Statements, the Department received an unqualified audit opinion with increased findings. However, accruals were increased by 62 per cent from R65.5m to R106m and 0 per cent reduction in prior year irregular expenditure. No fruitless and wasteful expenditure was incurred during the 2020/21 financial year audit. In an effort to address a reduction in recurring findings, and no material findings on the audit of performance information and non-compliance with legislation, the Department continues to monitor Action Plans on a weekly basis through "War-Room" engagements.

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2022/23)

#### Pillar 1: Radical economic transformation

#### 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 2022/23 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 2022/23 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 80 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 2022/23 Financial, the Department will continue with the Coordination of the reporting of EPWP work opportunities by GPG sectors as follows:

- 21 283 EPWP work opportunities reported by the infrastructure sector in Gauteng (GPG departments);
- 22 463 EPWP work opportunities reported by the social sector in Gauteng;
- 1 552 EPWP work opportunities reported by the environment sector in Gauteng;
- 55 001 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 2022/23 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 2022/23 financial year, the Department will be implementing 8 Education infrastructure projects on behalf of the Department of Education. The planned projects are as follows:

- New Smart Schools (2): Rus-Ter-Vaal Secondary School, and Braamfisherville Primary School.
- Upgrades and additions (6) will be done at: Mogobeng Primary School, Ebomini Primary School, Lakeside Primary School, Inkululeko Ye Sizwe Primary School, Kwadedangendlale Secondary School and Transoranje LSEN School. These upgrades will increase the value of an existing schools, add new functionality and will increase the income potential of the schools.

**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 7 health infrastructure projects in the 2022/23 financial year. The planned projects are as follows: JHB Forensic Pathology Laboratory 90%, Finetown clinic, Randfontein CHC, Mandisa Shiceka CDC, Boikhutsong CDC, Chris Hani Baragwanath Academic Hospital Emergency Refurbishment and renovations of Helen Joseph Nurse's residence.

**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 2022/23 financial year, the Department will be implementing a total of 7 STARS infrastructure projects. The planned projects are as follows:

- Boipatong Social Intergrated Facility and Sharpville ECD and Aged day care on behalf of Department of Social Development.
- Refurbishments of GPG owned buildings: 75 Fox gladding, 75 Fox – 7<sup>th</sup> floor renovations, G-fleet, 75 Fox OHS and Thusanong 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 for the Gauteng Provincial Government and the Gauteng citizenry. The intent is to ensure that over the planning period this initiative will result in a reduction in costs and an increase in income through the proposals for land release for socio-economic infrastructure development as well as 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 2022/23 financial year, the target is to generate R32 million in revenue from disposal and leases.

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 2022/23 financial year, the Department plans to release the following four properties for socio-economic development or commercialisation:

- Ramolele Primary School
- Old Hans Moore Technical College, Benoni
- Portion 140 farm 153 Rietfontein
- Portion 170 farm 153 Rietfontein

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 lifecycle management of the portfolio of fixed property including land and buildings. For the 2022/23 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 also planned to commercialise Vaal Nature Reserve in the 2022/23 financial year.

In the 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 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 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 1203 condition assessments on state-owned buildings during the financial year.

In strengthening implementation of the e-maintenance strategy and system, the Department will ensure that the focus on health maintenance will continue. This involves implementation of the e-maintenance strategy which commits the Department to attending 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 2022/23 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 with the Strategic Plan and Annual Performance Plan as well as the Annual Operational Plan. 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 ISO certification; this will include 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. Mainstreaming GEYODI and employment equity will remain at the top of the Department's agenda.



## 10. 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: rates and 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 and G-Cars. 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 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 on other items. Additional funds were allocated to Risk management to conduct investigations on matters they currently have. Litigation against the Department propelled reprioritisation from underperforming items to fund the services rendered

An amount of R2.3 million was reprioritised from Machinery and Equipment to ensure funding of other operational costs such as provision of vehicles to technical staff to ensure service delivery at the health facilities that DID is maintaining on behalf of the Department of Health. Systems enhancement was deferred to the next financial year.

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. Cost of living adjustments resulted in reprioritisation within the three programmes in the Department.

The reprioritisation of infrastructure spending was because of challenges in access to sites decanting on CAPEX projects. The budget was transferred to maintenance projects as they were previously under-funded.

## 11. 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 subject 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 of compliance with 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. Awareness sessions in communities of forthcoming construction projects seek to identify potential subcontractors that fall within these targeted groups and ultimately to be appointed by the successful main contractors. This will then streamline procurement towards these targeted groups at a subcontracting level. 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 entity ownership is less than the minimum percentage cannot be recognised and would 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 for 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 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 caused many projects to be placed on hold for a 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.

## 12. RECEIPTS AND FINANCING

### 12.1 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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Equitable share	3 019 184	3 272 694	3 270 518	3 241 943	3 241 943	3 230 032	3 305 467	3 203 244	3 236 434
Conditional grants	17 780	23 878	21 163	18 988	18 988	18 988	6 768		
Expanded Public Works Programme							6 768		
<b>Total receipts</b>	<b>3 036 964</b>	<b>3 296 572</b>	<b>3 291 681</b>	<b>3 260 931</b>	<b>3 260 931</b>	<b>3 249 020</b>	<b>3 312 235</b>	<b>3 203 244</b>	<b>3 236 434</b>

There was an increase of 13 percent in the departmental receipts in the financial year 2018/19, which pushed the allocation of the financial year 2019/20 to R3.3 billion. This was because of rates and taxes received and additional allocation to deal with arrears on municipal accounts, Kopanong precinct planning and property leases payments. There was a budget reduction in the financial year 2020/21 to R3.2 billion because of implemented budget cuts effected during the mid-year budget adjustments.

The Departmental budget reduces from R3.3 billion from the financial year 2022/23 to R3.2 billion in the 2024/25 financial year. The total budget comprises of funding allocated as both equitable share and conditional grants.

The Department is allocated an EPWP conditional grant which is mainly for job creation and poverty alleviation. This is an incentive grant from the national Department of Public Works to fund the stipends in the NYS programme. Over the years, this grant allocation has been reducing because of delayed submissions of POE (Proof of evidence) to account for the funds given to the Department. The grant allocation reduced in the financial year 2019/20 from R23.9 million to R21.2 million in the financial year 2020/21. The conditional grant is not reflected over the MTEF due to allocation being determined based on previous year's performance.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Sales of goods and services other than capital assets	24 895	15 721	12 374	29 260	29 260	29 260	30 664	32 013	33 450
Fines, penalties and forfeits		1							
Interest, dividends and rent on land		49	503			1			
Sales of capital assets									
Transactions in financial assets and liabilities	655	3 556	3 028	770	770	770	807	843	881
<b>Total departmental receipts</b>	<b>25 550</b>	<b>19 327</b>	<b>15 905</b>	<b>30 030</b>	<b>30 030</b>	<b>30 031</b>	<b>31 471</b>	<b>32 856</b>	<b>34 331</b>

The Department has been experiencing various challenges when it comes to debt collections especially on lease properties. This has been worsened by the harsh economic conditions faced by the tenants on these properties. The Department has registered for former students who were previously funded by the Department with an aim of them repaying the debt upon completion, some of these debts are raising interest every year and with no revenue received on them. Upon realising that the funded person cannot settle a debt over a long time because of their economic condition and struggling to secure employment, the Department then writes off some of these debtors as pursuing them bears no success and the Department is not supposed to cause undue hardship to these debtors. These caused the debt write off, for an amount of R655 thousand in the year 2018/19 and amount of R3 million in the year 2020/21. The transactions in financial assets and liabilities during in the financial 2021/22 have been projected at R770 000 as the investigations and history on debt collection denotes that some of the debts are irrecoverable and therefore needs to be removed from the debtors' books. For the year 2022/23 an amount of 807 000 has been projected compared to R 881 thousand in the year 2024/25.

The sale of goods and services in the Department raised a revenue of R24 million in the year 2018/19 and an amount of R12 million in the year 2020/21. The decline in the year 2020/21 was because of the country was going through a COVID 19 pandemic and the first levels, levels 5 and 4 were very harsh and restricted the movements of the citizens and forced employees to stay and work from home. This then meant that the houses that were supposed to be auctioned during this time had to postponed till a later date and this compromised the projected revenue for this particular financial year. The 2021/22 financial year revenue projections of R29 million are mainly based on 30, the number of properties that were identified to go on public auction. The number of properties projected to go on auction in the year 2022/23 is 31, and for 2023/24 is 32 and for the 2024/25 the number is also 32. These auctions are expected to raise revenue of about R 30 million in the year 2022/23 and R33 million in the year 2024/25.



## 13. PAYMENT SUMMARY

### 13.1 Key assumptions

The department will continue 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 2022 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 projections will be used for all non-personnel items over the MTEF.

TABLE 15.3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Administration	334 162	351 370	315 008	446 264	468 108	468 108	384 429	338 718	353 926
2. Public Works Infrastructure	2 401 751	2 722 784	2 657 579	2 572 878	2 599 635	2 599 635	2 668 243	2 592 542	2 504 536
3. Expanded Public Works Programme	284 980	268 819	55 745	241 789	181 277	181 277	259 563	271 984	377 972
<b>Total payments and estimates</b>	<b>3 020 893</b>	<b>3 342 973</b>	<b>3 028 332</b>	<b>3 260 931</b>	<b>3 249 020</b>	<b>3 249 020</b>	<b>3 312 235</b>	<b>3 203 244</b>	<b>3 236 434</b>

### 13.2 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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>1 997 233</b>	<b>2 019 508</b>	<b>1 848 209</b>	<b>2 069 915</b>	<b>2 137 939</b>	<b>2 137 436</b>	<b>2 015 624</b>	<b>1 933 078</b>	<b>2 064 163</b>
Compensation of employees	1 027 434	1 120 132	1 011 818	1 115 884	1 164 829	1 174 976	1 179 186	1 225 651	1 267 566
Goods and services	968 856	899 318	836 391	953 931	973 010	962 360	836 258	707 427	796 597
Interest and rent on land	943	58	1	100	100	100	180		
<b>Transfers and subsidies to:</b>	<b>905 313</b>	<b>1 090 440</b>	<b>1 093 610</b>	<b>1 028 376</b>	<b>1 030 376</b>	<b>1 030 428</b>	<b>1 180 272</b>	<b>1 231 275</b>	<b>1 115 032</b>
Provinces and municipalities	901 401	1 084 092	1 089 927	1 025 376	1 025 376	1 025 376	1 176 868	1 228 650	1 112 290
Departmental agencies and accounts			1						
Households	3 912	6 348	3 682	3 000	5 000	5 052	3 404	2 625	2 742
<b>Payments for capital assets</b>	<b>114 033</b>	<b>232 808</b>	<b>85 872</b>	<b>162 640</b>	<b>80 505</b>	<b>80 505</b>	<b>116 339</b>	<b>38 891</b>	<b>57 239</b>
Buildings and other fixed structures	76 229	175 766	57 509	137 550	50 415	50 415	96 092	30 318	48 281
Machinery and equipment	29 144	27 225	26 217	25 090	30 090	30 090	20 247	8 573	8 958
Software and other intangible assets	8 660	29 817	2 146						
<b>Payments for financial assets</b>	<b>4 314</b>	<b>218</b>	<b>641</b>		<b>200</b>	<b>651</b>			
<b>Total economic classification</b>	<b>3 020 893</b>	<b>3 342 973</b>	<b>3 028 332</b>	<b>3 260 931</b>	<b>3 249 020</b>	<b>3 249 020</b>	<b>3 312 235</b>	<b>3 203 244</b>	<b>3 236 434</b>

The Department has been improving over the years, with reduction of accruals and ensuring that the department fully spends its allocated budget. Spending for the 2018/19 financial year was R3 billion which increased to R3.3 billion in 2019/20 and decreased to R3 billion in 2020/21. The fluctuations were caused by a number of factors which delayed the appointment of service providers to provide training for NYS learners.

Programme 1: Administration: expenditure under this programme reduced from R334 million in the year 2018/19 to R 315 million in 2020/21 mainly due to cost containment measures applied by the Department. The programme was allocated a budget of R468 million in the year 2021/22. Over the MTEF period, the total allocation for the programme expenditure decrease from R384 million in the year 2022/23 to R353 million in the last year of the MTEF.

Programme 2: Public Works Infrastructure for the year 2018/19: expenditure for the programme stood at R2.4 billion compared to R2.7 billion in the year 2020/21 due to an increased allocation for rates and taxes and compensation of employees. The allocation for the 2021/22 financial year decreased to R 2.60 billion. The budget over the MTEF period year amounts to R2.7 billion in 2022/23 and decreases to R2.5 billion in the last year of the MTEF. due to increased allocation

Programme 3: Expanded Public Works Programme: the programme spent R284 million in the year 2018/19 and R 55 million in the year 2020/21. The decline was because of the delayed appointment of service providers to provide training to the NYS learners. In the year 2021/22, the programme was reprioritised by R181 million to provide among others training of NYS learners and the contractor incubation programme. The budget for year 2022/23 amounts to R260 million and increases to R378 million in the last year of the MTEF.

There has been an improvement in the management of accruals in the Department and providing a platform to ensure that the budget allocated for a specific financial year has been fully spent at each year end. For the year 2019/20, an amount of R82 million was surrendered to Gauteng Treasury because of service providers' late submission of invoices. This meant that these invoices could only be settled and paid during the first quarter of the next financial year 2020/21. As an improvement towards 30 days payment, the Department has introduced the EIS system which is mainly for the submission of electronically submitting invoice thereby reducing the timelines of processing and paying invoices.

The filling of vacancies in the Department has boosted the increase of the compensation budget over the years. This resulted in a constant expenditure in 2018/19 financial year amounts of R1 billion and remained the same until the 2020/21 financial year. Among the items that have had an impact on the compensation budget is an incentive grant for the Department of National Public Works and allocation for the EPWP stipends. Over the MTEF, the allocation amounted to R1.2 billion in 2022/23 financial year to R1.3 billion in the outer year which is attributable to consumer price index.

Goods and services decreased from R969 million to R836 million during 2018/19 and 2019/20 respectively due to cost containment measures introduced throughout the Department and the reduction of accruals. Over the MTEF period, the budget allocation for 2022/23 amounts to R836 million and decreases to R797 million in the last year of the MTEF because of National Treasury Instruction No.4 of 2017/18 on cost containment measures which requires the Department to reduce expenditure on non-essential items over the MTEF.

An increase in the number of devolved properties through various investigation processes has necessitated a budget increase in the allocation of rates over the years. The budget increases from R1.2 billion in 2022/23 to R1.1 million in the last year of the MTEF.

### 13.3 Infrastructure payments

#### 13.3.1 Departmental infrastructure payments

Please refer to the 2022 Estimates of Capital Expenditure (ECE)

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

The Kopanong PPP project is still in the planning stage.

### 13.4 Transfers

#### 13.4.1 Transfers to public entities

N/A

#### 13.4.2 Transfers to other entities

N/A

#### 13.4.3 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 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Category A	766 000	934 717	933 005	951 181	951 181	951 181	1 027 120	1 084 142	1 084 142

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Category B	135 401	149 375	142 765	155 000	155 000	155 000	162 440	169 588	169 588
Category C			14 157						
Unallocated	1	1		(80 805)	(80 805)	(80 805)	(77 270)	(141 440)	(141 440)
<b>Total departmental transfers</b>	<b>901 402</b>	<b>1 084 093</b>	<b>1 089 927</b>	<b>1 025 376</b>	<b>1 025 376</b>	<b>1 025 376</b>	<b>1 112 290</b>	<b>1 112 290</b>	<b>1 112 290</b>

The arrear accounts due to municipalities on rates and taxes and the identification of additional state properties to be added to the Assets Register necessitates that the allocation on rates and taxes should increase over the years. The budget allocation over the MTEF period remain at R1.2 billion.



## 14. 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;
- 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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Office Of The Mec	9 034	12 537	16 269	12 634	12 634	13 492	11 022	9 966	10 413
2. Corporate Support	309 028	322 921	286 410	416 172	438 016	437 158	355 263	310 253	324 183
3. Management Of The Department	16 100	15 912	12 328	17 458	17 458	17 458	18 144	18 499	19 330
<b>Total payments and estimates</b>	<b>334 162</b>	<b>351 370</b>	<b>315 008</b>	<b>446 264</b>	<b>468 108</b>	<b>468 108</b>	<b>384 429</b>	<b>338 718</b>	<b>353 926</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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>293 767</b>	<b>326 537</b>	<b>285 506</b>	<b>420 116</b>	<b>436 760</b>	<b>436 309</b>	<b>363 293</b>	<b>330 145</b>	<b>344 968</b>
Compensation of employees	200 105	227 151	202 277	279 797	292 523	293 381	285 999	306 246	319 997
Goods and services	93 546	99 351	83 230	140 219	144 137	142 828	77 198	23 899	24 971
Interest and rent on land	116	35		100	100	100	96		
<b>Transfers and subsidies to:</b>	<b>1 862</b>	<b>2 568</b>	<b>616</b>	<b>1 058</b>	<b>1 058</b>	<b>1 058</b>	<b>889</b>		
Provinces and municipalities									
Households	1 862	2 568	616	1 058	1 058	1 058	889		
<b>Payments for capital assets</b>	<b>35 559</b>	<b>22 048</b>	<b>28 244</b>	<b>25 090</b>	<b>30 090</b>	<b>30 090</b>	<b>20 247</b>	<b>8 573</b>	<b>8 958</b>
Machinery and equipment	26 899	22 012	26 098	25 090	30 090	30 090	20 247	8 573	8 958
Software and other intangible assets	8 660	36	2 146						
<b>Payments for financial assets</b>	<b>2 974</b>	<b>217</b>	<b>641</b>		<b>200</b>	<b>651</b>			
<b>Total economic classification</b>	<b>334 162</b>	<b>351 370</b>	<b>315 008</b>	<b>446 264</b>	<b>468 108</b>	<b>468 108</b>	<b>384 429</b>	<b>338 718</b>	<b>353 926</b>

The sub-programmes within this programme are administrative in nature. Expenditure increased from R334 million in the 2018/19 financial year to R315 million in 2020/21. This was due to cost containment measures implemented throughout the department. Over the MTEF, the allocation decreases from R384million to R354 million in the last year of the MTEF.

Spending within the Office of the MEC remained below R9 million during the 2018/19 and further increased to R16 million in 2020/21 because the department ensured that the core functions were sufficiently funded to improve service delivery. The budget then decreased to R13 million in 2021/22 due to continued implementation of strict cost containment measures implemented. Over the MTEF, the allocation decreases from R11 million in 2022/23 to R10 million in the last year of the MTEF.

Corporate support spending decreases from R309 million in 2018/19 to R286 million in 2020/21 due to cost containment measures effected throughout the Department. During the 2021/22 financial year adjustment budget, was increased from R416 million to R 437 million to ensure that the programme is well funded to deal with its daily objectives and operations. Over the MTEF, the budget decreases from R355 million in 2022/23 to R324 million in the last year of the MTEF due to budget cuts.

Management of the department spending was at R16 million in 2018/19 and decreases to R12 million in 2020/21 due to continuation of cost containment measures implemented throughout the department. The expenditure remains constant at R17 million in 2021/22. Over the MTEF, the budget increases from R18 million in 2022/23 financial year to R19 million in the last year of the MTEF.

Continued implementation of the IDMS in the department resulted in an increase over the years on the compensation of employees because vacancies had to be filled and new posts created. There was an increase in expenditure in the financial year 2018/19 from R200 million to R202 million in the financial year 2020/21. The 2021 budget adjustment process revised the compensation budget from R279 million to R293 million to cater for the unfunded cost of living adjustment paid by the Department during the financial year 2021/22. Over the MTEF period, budgets increase from R286 million in the financial year 2022/23 to R320 million in the last year of the MTEF.

Goods and services expenditure decreased from R94 million in the 2018/19 financial year to R83 million in the 2019/20 financial year due to improved cost containment measures. Over the MTEF, the allocated budget will decrease from R77 million in 2022/23 to R25 million in 2024/25 due to budget cuts.

The decision that the Department took not to award bursaries to employees up to the financial year 2021/22 meant that the transfers and subsidies budget would reduce over the MTEF period from R889 000 in the year 2022/23; no budget has been set aside for year 2023/24 and 2024/25.

The budget allocation for payment of capital assets for the 2021/22 financial year increased from R28 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 2022 MTEF, the budget for capital assets decreases from R20 million in the 2022/23 financial year to R9 million in the 2024/25 financial year; this is due to cost cutting measures and strict monitoring of cell phones. The Department will improve on systems software to enhance business operations.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2021/22	2022/23	2023/24	2024/25
Amount of Revenue collected	24 million	24 million	24 million	24 million
Percentage of DID service provider invoices settled within 30 days	New indicator	100%	100%	100%
Percentage of client department service provider invoices settled within 30 days	New indicator	75%	80%	80%
Percentage of management posts filled by women	50%	50%	50%	50%



## 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 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Construction	272 010	353 807	226 977	281 189	210 756	210 756	235 937	169 929	206 449
2. Maintenance	610 123	670 233	635 014	567 672	596 486	596 486	627 013	615 797	699 080
3. Immovable Asset Management	1 519 618	1 698 744	1 795 587	1 724 017	1 792 393	1 792 393	1 805 293	1 806 816	1 599 007
<b>Total payments and estimates</b>	<b>2 401 751</b>	<b>2 722 784</b>	<b>2 657 579</b>	<b>2 572 878</b>	<b>2 599 635</b>	<b>2 599 635</b>	<b>2 668 243</b>	<b>2 592 542</b>	<b>2 504 536</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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>1 418 568</b>	<b>1 457 483</b>	<b>1 506 970</b>	<b>1 408 110</b>	<b>1 520 002</b>	<b>1 519 953</b>	<b>1 392 989</b>	<b>1 331 180</b>	<b>1 341 464</b>
Compensation of employees	728 589	774 328	757 978	711 998	743 812	750 476	773 627	801 825	837 829
Goods and services	689 152	683 132	748 991	696 112	776 190	769 477	619 278	529 355	503 635
Interest and rent on land	827	23	1				84		
<b>Transfers and subsidies to:</b>	<b>903 449</b>	<b>1 087 234</b>	<b>1 092 993</b>	<b>1 027 218</b>	<b>1 029 218</b>	<b>1 029 267</b>	<b>1 179 162</b>	<b>1 231 044</b>	<b>1 114 791</b>
Provinces and municipalities	901 401	1 084 092	1 089 927	1 025 376	1 025 376	1 025 376	1 176 868	1 228 650	1 112 290
Departmental agencies and accounts			1						
Households	2 048	3 142	3 066	1 842	3 842	3 891	2 294	2 394	2 501
<b>Payments for capital assets</b>	<b>78 394</b>	<b>178 067</b>	<b>57 616</b>	<b>137 550</b>	<b>50 415</b>	<b>50 415</b>	<b>96 092</b>	<b>30 318</b>	<b>48 281</b>
Buildings and other fixed structures	76 229	175 766	57 509	137 550	50 415	50 415	96 092	30 318	48 281
Machinery and equipment	2 165	2 301	107						
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>1 340</b>								
<b>Total economic classification</b>	<b>2 401 751</b>	<b>2 722 784</b>	<b>2 657 579</b>	<b>2 572 878</b>	<b>2 599 635</b>	<b>2 599 635</b>	<b>2 668 243</b>	<b>2 592 542</b>	<b>2 504 536</b>

Expenditure on this programme increased from R2.4 billion in 2018/19 to R2.7 billion in the financial year 2020/21. The Department utilised its allocated budget on rates and taxes. Although there was a decline in the performance of infrastructure spending, the programme overall showed an improvement. Expenditure for 2019/20 amounted to R2.7 billion due to filling of vacancies, increased payments on property leases and utilities. The programme had an allocation of R2.7 billion in the year 2021/22 of which R1 billion was an allocation for rates and taxes. Over the MTEF period, the budget allocation increases from R2.4 billion in the 2022/23 financial year to R2.5 billion in the last year of the MTEF.

Compensation of employees has increased significantly over the years as the department had to ensure that filling of vacancies was adhered to. Appointing personnel is in accordance with Occupational Specific Dispensation (OSD) salary scales which is higher than the normal government salary grades. Over the MTEF period, the programme budget allocation will constitute approximately 72 per cent of the overall departmental budget. This is because this programme is the core of the Department. The budget allocation increased between 2018/19 and 2020/21 from R729 million to R758 million due to OSD. Over the MTEF, the budget increases from R773 million in 2022/23 to R837 million in the last year of the MTEF due to continued recruitment of personnel especially technical employees under OSD. The majority of employees on this programme service client departments such as health institutions, Gauteng Department of Education and STARS clients.

Goods and Services expenditure increases in the year 2018/19 from R689 million to R749 million in the year 2020/21. During the 2021 budget adjustment period, the budget allocation was increased from R696 million to R769 million to cover increased expenditure on property leases and municipal bills on water and lights. Over the MTEF period, the allocated budget will decrease from R619 million to R504 million due to annual escalation rate on property leases and the yearly increase on municipal bills, provision of security services and cleaning.

Expenditure on rates and taxes increased from R901 million in 2018/19 to R1 billion in the 2020/21 financial year. The identification of additional state buildings/properties has put pressure on this allocation over the years. The additional properties normally come with arrear accounts. The Department has over the years spent the entire allocation provided each year. Over the MTEF period, the budget allocation remains constant at R1.2 billion.

Expenditure on payments for capital assets has been reducing over the years. The programme spent R78 million in 2018/19 and R57 million in 2020/21. The budget on infrastructure was reduced during the budget adjustment period from R137 million to R50 million due to delays in project implementation and community engagements before projects were able to be implemented. Over the MTEF period, the allocation will reduce from R96 million in 2022/23 to R48 million in 2024/25.

## SERVICE DELIVERY MEASURES

**PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE**

Programme performance measures	Estimated performance	Medium-term estimates		
	2021/22	2022/23	2023/24	2024/25
Number of infrastructure designs ready for tender (IDMS Gate 4)	17	38	TBC	TBC
Number of new facilities completed	13	10	11	11
Number of facilities renovated	11	14	TBC	TBC
Green Agenda project delivered in accordance with the PPP process	Obtain TAIII Approval from NT and Certificates of Compliance	Obtain TAIII Approval from NT and Revise the Procurement Process	Commissioning and Installation of Roof-Top Solar Pvin 11 Health facilities	Commissioning and Installation of Roof-Top Solar Pvin 11 Health facilities
Number of planned maintenance projects completed	80	139	159	159
Number of immovable assets verified in the Immovable Asset Register (IAR) in accordance with the mandatory requirements of National Treasury	8 279	6 200	8 279	8 279

### 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 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Programme Support Cbp	66 557	133 362	19 845	30 368	26 368	26 368	187 073	177 308	54 170
2. Community Development	218 423	135 457	35 900	211 421	154 909	154 909	72 490	94 676	323 802
<b>Total payments and estimates</b>	<b>284 980</b>	<b>268 819</b>	<b>55 745</b>	<b>241 789</b>	<b>181 277</b>	<b>181 277</b>	<b>259 563</b>	<b>271 984</b>	<b>377 972</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>284 898</b>	<b>235 488</b>	<b>55 733</b>	<b>241 690</b>	<b>181 177</b>	<b>181 174</b>	<b>259 342</b>	<b>271 753</b>	<b>377 731</b>
Compensation of employees	98 740	118 653	51 563	124 089	128 494	131 119	119 560	117 580	109 740
Goods and services	186 158	116 835	4 170	117 601	52 683	50 055	139 782	154 173	267 991
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>2</b>	<b>638</b>		<b>100</b>	<b>100</b>	<b>103</b>	<b>221</b>	<b>231</b>	<b>241</b>
Provinces and municipalities									
Households	2	638		100	100	103	221	231	241
<b>Payments for capital assets</b>	<b>80</b>	<b>32 693</b>	<b>12</b>						
Buildings and other fixed structures									
Machinery and equipment	80	2 912	12						
Software and other intangible assets		29 781							
<b>Payments for financial assets</b>		<b>1</b>							
<b>Total economic classification</b>	<b>284 980</b>	<b>268 819</b>	<b>55 745</b>	<b>241 790</b>	<b>181 277</b>	<b>181 277</b>	<b>259 563</b>	<b>271 984</b>	<b>377 972</b>

The EPWP programme is allocated funding for job creation, community development and training of beneficiaries participating in these programmes. Over previous financial years, programme expenditure has been fluctuating due to a lack of stability within the programme. For the financial year 2020/21 and parts of 2021/22, the programme was heavily hampered by COVID-19 restrictions and participants were impacted negatively by the pandemic. This required that training of these beneficiaries be staggered because of social distancing restrictions. This was a blow to the unit as it meant that resources had to be availed to cater for a reduced number of beneficiaries.

Expenditure on the programme amounted to R285 million in the year 2018/19 and decreased to R56 million in the year 2020/21. The budget allocation for 2021/22 was revised from R 242 million to R181 million due to late implementation of

training programme and the impact of COVID-19. Over the MTEF period, the allocation will be R260 million in 2022/23 decreasing to R378 in the last year of the MTEF.

Compensation of employee's budget includes the conditional grant received from the National Department of Public Works and is mainly for the payment of stipends to the beneficiaries. This grant is allocated based on performance on the previous year's allocation. Expenditure on compensation of employees declined from R99 million in year 2018/19 to R52 million in the year 2020/21 due to the challenges on recruiting NYS learners in the year 2020/21. The year 2021/22 budget allocation continued to increase from R124 million to R 131 million during the budget adjustment period due to unfunded cost of living adjustments that the Department had to pay to the employees. Over the MTEF the budget decreases from R120 million in 2022/23 financial year to R110 million in the last year of the MTEF.

Expenditure on goods and services decreased from R186 million in the year 2018/19 to R4 million in the year 2020/21 due to the end of Zivuseni Reloaded programme which ran from November 2013 to March 2020. The expenditure then increases between 2020/21 and 2021/22 from R4 million to R118 million. Over the MTEF, an amount of R140 million has been allocated for the year 2022/23 increasing to R268 million in the last year of the MTEF.

The budget for the programme includes tools of trade, protective clothing and training programmes aimed at improving the skills of the beneficiaries to empower them to be self-sufficient after they have exited the program.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Programme performance measures	Estimated performance	Medium-term estimates		
	2021/22	2022/23	2023/24	2024/25
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	7 000	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)	7	7	7	7
Number of Beneficiary Empowerment Intervention	3	3	3	3

## **15. OTHER PROGRAMME INFORMATION**

### **15.1 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		2024/25		2021/22 - 2024/25		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 – 6	1 486	189 314	1 462	291 696	1 462	350 893	1 279	101	1 380	271 206	1 389	357 169	1 389	373 205	0%	11%	27%
7 – 10	304	149 683	294	228 999	294	172 209	260	5	265	124 996	279	161 021	279	168 251	2%	10%	12%
11 – 12	103	81 109	100	89 482	100	88 911	91	3	94	160 693	95	83 217	95	86 954	0%	(19)%	9%
13 – 16	62	78 119	61	83 044	61	85 383	58	1	59	272 152	63	75 287	63	78 666	2%	(34)%	12%
Other	740	543 717	895	420 642	779	314 422	652	44	696	345 930	744	548 957	744	560 490	2%	17%	40%
Total	2 695	1 041 942	2 812	1 113 864	2 696	1 011 818	2 340	154	2 494	1 174 976	2 570	1 225 651	2 570	1 267 566	1%	3%	100%
Programme																	
1. Administration	406	200 105	558	227 151	442	202 277	346	14	360	348 173	373	328 828	373	339 220	1%	(1)%	
2. Public Works Infrastructure	2 235	728 589	2 200	774 328	2 200	757 978	1 942	140	2 082	690 172	2 143	790 534	2 143	821 656	1%	6%	63%
3. Expanded Public Works Programme	54	98 740	54	118 663	54	51 563	52		52	136 632	54	106 289	54	106 690	1%	(8)%	10%
Direct charges															0%	0%	0%
Total	2 695	1 027 434	2 812	1 120 132	2 696	1 011 818	2 340	154	2 494	1 174 976	2 570	1 225 651	2 570	1 267 566	1%	3%	100%

282 critical positions were identified and approved to be filled 2020/2021; 280 posts were filled by November 2021. The remaining two posts are at advanced stage as they had to be re-advertised. The department continued to experience challenges on Compensation of Employees as there was a budget cut. Currently, the department has prioritised a total of 113 posts to be filled for 2021/2022. The 113 posts were advertised in December 2021. The recruitment plan to fill 113 prioritised posts is place and posts are planned to be filled by 01 April 2022

TABLE 15.13: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Number of staff	2 695	2 812	2 696	2 494	2 494	2 494	2 622	2 570	2 570
Number of personnel trained	2 545	1 850	2 000	1 330	1 330	1 330	1 450	1 480	1 530
of which									
Male	1 173	995	1 070	730	730	730	780	820	820
Female	1 372	855	930	600	600	600	670	660	710
Number of training opportunities	2 198	1 167	1 281	980	980	980	1 140	1 190	1 170
of which									
Tertiary	18	70	80	50	50	50	60	70	70
Workshops	4	150	150	130	130	130	140	150	150
Seminars	34	150	100	120	120	120	130	140	140
Other	2 142	797	951	680	680	680	810	830	810
Number of bursaries offered	220	141	193				150	100	150
Number of interns appointed	17	162	143				130	130	140
Number of learnerships appointed	110	380	383				50	60	70
Number of days spent on training									
<b>Payments on training by programme</b>									
1. Administration	8 580	10 583	17 533	1 494	1 494	1 494	5 813	5 871	5 930
2. Public Works Infrastructure	16 793	17 355	26 798	7 880	7 880	7 880	13 055	13 135	13 266
3. Expanded Public Works Programme	513	8 887	9 776	691	691	691	1 796	1 814	1 832
<b>Total payments on training</b>	<b>25 886</b>	<b>36 825</b>	<b>54 107</b>	<b>10 065</b>	<b>10 065</b>	<b>10 065</b>	<b>20 664</b>	<b>20 820</b>	<b>21 028</b>

The department has been experiencing financial constraints due to 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.

## 15.2 Reconciliation of structural changes

N/A

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>24 895</b>	<b>15 721</b>	<b>12 374</b>	<b>29 260</b>	<b>29 260</b>	<b>29 260</b>	<b>30 664</b>	<b>32 013</b>	<b>33 450</b>
Sale of goods and services produced by department (excluding capital assets)	24 895	15 721	12 374	29 260	29 260	29 260	30 664	32 013	33 450
Sales by market establishments	24 895	15 721	12 374	29 260	29 260	29 260	30 664	32 013	33 450
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>		<b>1</b>							
<b>Interest, dividends and rent on land</b>		<b>49</b>	<b>503</b>			<b>1</b>			
Interest			503			1			
Dividends		49							
<b>Sales of capital assets</b>									
Other capital assets									
<b>Transactions in financial assets and liabilities</b>	<b>655</b>	<b>3 556</b>	<b>3 028</b>	<b>770</b>	<b>770</b>	<b>770</b>	<b>807</b>	<b>843</b>	<b>881</b>
<b>Total departmental receipts</b>	<b>25 550</b>	<b>19 327</b>	<b>15 905</b>	<b>30 030</b>	<b>30 030</b>	<b>30 031</b>	<b>31 471</b>	<b>32 856</b>	<b>34 331</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>1 997 233</b>	<b>2 019 508</b>	<b>1 848 209</b>	<b>2 069 915</b>	<b>2 137 939</b>	<b>2 137 436</b>	<b>2 015 624</b>	<b>1 933 078</b>	<b>2 064 163</b>
Compensation of employees	1 027 434	1 120 132	1 011 818	1 115 884	1 164 829	1 174 976	1 179 186	1 225 651	1 267 566
Salaries and wages	905 335	988 444	877 087	974 379	1 023 324	1 033 235	1 017 132	1 053 166	1 087 334
Social contributions	122 099	131 688	134 731	141 505	141 505	141 741	162 054	172 485	180 232
Goods and services	968 856	899 318	836 391	953 931	973 010	962 360	836 258	707 427	796 597
Administrative fees	131	96	58		100	100			
Advertising	1 902	773	360	3 764	4 064	4 064	800		
Minor assets	185	173	206	2 194	2 194	1 225	1 734		
Audit cost: External	9 123	9 332	10 104	14 954	33 954	33 954	12 187	10 500	10 971
Bursaries: Employees	2 250	3 089	641	200	200	200			
Catering: Departmental activities	378	517	14	100	100	112			
Communication (G&S)	15 000	7 321	1 013	2 000	1 500	1 537	1 050	1 050	1 096
Computer services	6 715	17 980	10 382	58 200	33 200	33 200	25 981	(528)	
Consultants and professional services: Business and advisory services	3 213	4 146	1 167	481	3 927	10 241			
Legal services	40 668	49 404	30 713	32 230	39 202	39 444	13 611		
Contractors	2	602	643	4 878	3 878	782			
Agency and support / outsourced services	183 626	118 851	2 734	128 740	67 823	62 113	150 442	143 422	256 835
Entertainment									
Fleet services (including	30 041	40 217	46 725	40 000	34 865	33 382	31 647	3 167	3 233

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
government motor transport)									
Inventory: Clothing material and accessories	6 599	1 355	1 236	11 400	7 400	7 892	10 606	7 080	6 791
Inventory: Food and food supplies		8		206	196	145	176		
Inventory: Fuel, oil and gas		17				2			
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	141	5	29		2	3			
Inventory: Medical supplies									
Inventory: Other supplies									
Consumable supplies	6 657	3 425	16 584	4 400	4 400	4 806	3 462	1 000	1 045
Consumable: Stationery, printing and office supplies	2 582	2 773	1 933	6 358	6 373	6 373	1 700	1 000	1 099
Operating leases	384 752	393 542	401 160	413 090	485 506	482 612	402 530	415 021	162 716
Property payments	251 121	224 335	293 484	204 532	217 234	213 565	156 985	114 334	340 919
Transport provided: Departmental activity	73	1 726	290						
Travel and subsistence	14 184	14 957	12 380	14 000	14 188	14 188	13 183	454	474
Training and development	7 784	2 936	4 231	9 865	9 865	9 865	10 114	10 927	11 418
Operating payments	586	188	210	2 039	1 539	1 254	50		
Venues and facilities	1 143	1 548	94	300	1 300	1 301			
Interest and rent on land	943	58	1	100	100	100	180		
Interest	943	58	1	100	100	100	180		
Rent on land									
<b>Transfers and subsidies</b>	<b>905 313</b>	<b>1 090 440</b>	<b>1 093 610</b>	<b>1 028 376</b>	<b>1 030 376</b>	<b>1 030 428</b>	<b>1 180 272</b>	<b>1 231 275</b>	<b>1 115 032</b>
Provinces and municipalities	901 401	1 084 092	1 089 927	1 025 376	1 025 376	1 025 376	1 176 868	1 228 650	1 112 290
Provinces									
Provincial agencies and funds									
Municipalities	901 401	1 084 092	1 089 927	1 025 376	1 025 376	1 025 376	1 176 868	1 228 650	1 112 290
Municipalities	901 401	1 084 092	1 089 927	1 025 376	1 025 376	1 025 376	1 176 868	1 228 650	1 112 290
Departmental agencies and accounts			1						
Provide list of entities receiving transfers			1						
Households	3 912	6 348	3 682	3 000	5 000	5 052	3 404	2 625	2 742
Social benefits	2 340	5 707	3 665	3 000	5 000	4 961	2 674	1 863	1 946
Other transfers to households	1 572	641	17			91	730	762	796
<b>Payments for capital assets</b>	<b>114 033</b>	<b>232 808</b>	<b>85 872</b>	<b>162 640</b>	<b>80 505</b>	<b>80 505</b>	<b>116 339</b>	<b>38 891</b>	<b>57 239</b>
Buildings and other fixed structures	76 229	175 766	57 509	137 550	50 415	50 415	96 092	30 318	48 281
Buildings	76 229	175 766	57 509	137 550	50 415	50 415	96 092	30 318	48 281

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Machinery and equipment	29 144	27 225	26 217	25 090	30 090	30 090	20 247	8 573	8 958
Other machinery and equipment	25 846	23 366	26 217	25 090	30 090	30 090	20 247	8 573	8 958
Software and other intangible assets	8 660	29 817	2 146						
Payments for financial assets	4 314	218	641		200	651			
<b>Total economic classification</b>	<b>3 020 893</b>	<b>3 342 973</b>	<b>3 028 332</b>	<b>3 260 931</b>	<b>3 249 020</b>	<b>3 249 020</b>	<b>3 312 235</b>	<b>3 203 244</b>	<b>3 236 434</b>

TABLE 15.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>293 767</b>	<b>326 537</b>	<b>285 506</b>	<b>420 116</b>	<b>436 760</b>	<b>436 309</b>	<b>363 293</b>	<b>330 145</b>	<b>344 968</b>
Compensation of employees	200 105	227 151	202 277	279 797	292 523	293 381	285 999	306 246	319 997
Salaries and wages	174 478	200 777	176 536	248 179	260 905	261 763	249 773	267 389	279 395
Social contributions	25 627	26 374	25 741	31 618	31 618	31 618	36 226	38 857	40 602
Goods and services	93 546	99 351	83 230	140 219	144 137	142 828	77 198	23 899	24 971
Administrative fees	131	96	58		100	100			
Advertising	1 902	773	360	3 764	4 064	4 064	800		
Minor assets	137	22	15	500	500	500	500		
Audit cost: External	9 123	9 332	10 104	14 954	33 954	33 954	12 187	10 500	10 971
Bursaries: Employees	2 250	3 089	641	200	200	200			
Catering: Departmental activities	296	303	14	100	100	111			
Communication (G&S)	13 419	5 866	256	2 000	1 500	1 500	1 050	1 050	1 096
Computer services	6 697	17 962	10 367	47 400	22 400	22 400	25 981	(528)	
Consultants and professional services: Business and advisory services	3 182	2 856	1 167	481	3 927	10 241			
Legal services	28 668	30 179	30 708	14 980	21 952	22 194	10 960		
Contractors	2	602	643	4 878	3 878	782			
Agency and support / outsourced services	2 989	5 490	473	14 090	14 090	11 989			
Fleet services (including government motor transport)	5 365	8 950	16 990	9 070	8 935	8 935	5 153	1 950	2 038
Inventory: Clothing material and accessories	23			100	100	346		(1 000)	(1 651)
Inventory: Food and food supplies		8		200	190	139	176		
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	8	3	1		2	3			
Inventory: Medical supplies									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Inventory: Other supplies									
Consumable supplies	1 414	813	1 223	1 400	1 400	1 418	1 462		
Consumable: Stationery, printing and office supplies	2 023	2 279	1 932	6 358	6 373	6 373	1 700	1 000	1 099
Operating leases	5 006	4 789	2 838	6 000	6 000	3 106	5 000		
Property payments									
Transport provided: Departmental activity	73	176							
Travel and subsistence	1 766	1 351	941	1 840	2 068	2 068	2 115		
Training and development	7 784	2 936	4 231	9 865	9 865	9 865	10 114	10 927	11 418
Operating payments	173	131	175	1 739	1 239	1 239			
Venues and facilities	1 115	1 341	94	300	1 300	1 301			
Interest and rent on land	116	35		100	100	100	96		
Interest	116	35		100	100	100	96		
Rent on land									
<b>Transfers and subsidies</b>	<b>1 862</b>	<b>2 568</b>	<b>616</b>	<b>1 058</b>	<b>1 058</b>	<b>1 058</b>	<b>889</b>		
Households	1 862	2 568	616	1 058	1 058	1 058	889		
Social benefits	333	1 927	599	1 058	1 058	1 054	889		
Other transfers to households	1 529	641	17			4			
<b>Payments for capital assets</b>	<b>35 559</b>	<b>22 048</b>	<b>28 244</b>	<b>25 090</b>	<b>30 090</b>	<b>30 090</b>	<b>20 247</b>	<b>8 573</b>	<b>8 958</b>
Machinery and equipment	26 899	22 012	26 098	25 090	30 090	30 090	20 247	8 573	8 958
Other machinery and equipment	25 362	20 673	26 098	25 090	30 090	30 090	20 247	8 573	8 958
Software and other intangible assets	8 660	36	2 146						
<b>Payments for financial assets</b>	<b>2 974</b>	<b>217</b>	<b>641</b>		<b>200</b>	<b>651</b>			
<b>Total economic classification</b>	<b>334 162</b>	<b>351 370</b>	<b>315 008</b>	<b>446 264</b>	<b>468 108</b>	<b>468 108</b>	<b>384 429</b>	<b>338 718</b>	<b>353 926</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		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>1 418 568</b>	<b>1 457 483</b>	<b>1 506 970</b>	<b>1 408 110</b>	<b>1 520 002</b>	<b>1 519 953</b>	<b>1 392 989</b>	<b>1 331 180</b>	<b>1 341 464</b>
Compensation of employees	728 589	774 328	757 978	711 998	743 812	750 476	773 627	801 825	837 829
Salaries and wages	633 843	670 751	650 933	606 946	638 760	645 188	654 309	675 019	705 327
Social contributions	94 746	103 577	107 046	105 052	105 052	105 288	119 318	126 806	132 502
Goods and services	689 152	683 132	748 991	696 112	776 190	769 477	619 278	529 355	503 635
Administrative fees									
Advertising									
Minor assets	48	139	192	1 694	1 694	725	1 234		
Catering: Departmental activities	20	21				1			
Communication (G&S)	1 490	1 224	645						

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Computer services	18	18	15	10 800	10 800	10 800			
Consultants and professional services:									
Business and advisory services	31	1 290							
Legal services	12 000	19 225	5	17 250	17 250	17 250	2 651		
Contractors									
Agency and support / outsourced services	1 664			6 150	6 150	5 971	20 000		
Entertainment									
Fleet services (including government motor transport)	23 364	30 329	28 479	29 930	24 930	22 682	25 328		
Inventory: Clothing material and accessories	2 405	877	1 040	3 300	3 300	3 546	2 867		
Inventory: Food and food supplies				6	6	6			
Inventory: Materials and supplies	133	2							
Consumable supplies	3 761	2 605	15 360	3 000	3 000	3 388	2 000		
Consumable: Stationery, printing and office supplies	559	494	1						
Operating leases	379 746	388 753	398 322	407 090	479 506	479 506	397 530	415 021	162 716
Property payments	251 121	224 335	293 484	204 532	217 234	213 565	156 985	114 334	340 919
Travel and subsistence	12 351	13 541	11 413	12 060	12 020	12 020	10 633		
Operating payments	413	57	35	300	300	15	50		
Venues and facilities	28	207							
Interest and rent on land	827	23	1				84		
Interest	827	23	1				84		
Rent on land									
<b>Transfers and subsidies</b>	<b>903 449</b>	<b>1 087 234</b>	<b>1 092 993</b>	<b>1 027 218</b>	<b>1 029 218</b>	<b>1 029 267</b>	<b>1 179 162</b>	<b>1 231 044</b>	<b>1 114 791</b>
Provinces and municipalities	901 401	1 084 092	1 089 927	1 025 376	1 025 376	1 025 376	1 176 868	1 228 650	1 112 290
Provinces									
Provincial agencies and funds									
Municipalities	901 401	1 084 092	1 089 927	1 025 376	1 025 376	1 025 376	1 176 868	1 228 650	1 112 290
Municipalities	901 401	1 084 092	1 089 927	1 025 376	1 025 376	1 025 376	1 176 868	1 228 650	1 112 290
Departmental agencies and accounts			1						
Provide list of entities receiving transfers			1						
Households	2 048	3 142	3 066	1 842	3 842	3 891	2 294	2 394	2 501
Social benefits	2 005	3 142	3 066	1 842	3 842	3 804	1 564	1 632	1 705
Other transfers to households	43					87	730	762	796
<b>Payments for capital assets</b>	<b>78 394</b>	<b>178 067</b>	<b>57 616</b>	<b>137 550</b>	<b>50 415</b>	<b>50 415</b>	<b>96 092</b>	<b>30 318</b>	<b>48 281</b>
Buildings and other fixed structures	76 229	175 766	57 509	137 550	50 415	50 415	96 092	30 318	48 281
Buildings	76 229	175 766	57 509	137 550	50 415	50 415	96 092	30 318	48 281



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Machinery and equipment	2 165	2 301	107						
Other machinery and equipment	484	208	107						
Software and other intangible assets									
Payments for financial assets	1 340								
<b>Total economic classification</b>	<b>2 401 751</b>	<b>2 722 784</b>	<b>2 657 579</b>	<b>2 572 878</b>	<b>2 599 635</b>	<b>2 599 635</b>	<b>2 668 243</b>	<b>2 592 542</b>	<b>2 504 536</b>

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>284 898</b>	<b>235 488</b>	<b>55 733</b>	<b>241 689</b>	<b>181 177</b>	<b>181 174</b>	<b>259 342</b>	<b>271 753</b>	<b>377 731</b>
Compensation of employees	98 740	118 653	51 563	124 089	128 494	131 119	119 560	117 580	109 740
Salaries and wages	97 014	116 916	49 619	119 254	123 659	126 284	113 050	110 758	102 612
Social contributions	1 726	1 737	1 944	4 835	4 835	4 835	6 510	6 822	7 128
Goods and services	186 158	116 835	4 170	117 600	52 683	50 055	139 782	154 173	267 991
Advertising									
Catering: Departmental activities	62	193							
Communication (G&S)	91	231	112			37			
Agency and support / outsourced services	178 973	113 361	2 261	108 500	47 583	44 153	130 442	143 422	256 835
Fleet services (including government motor transport)	1 312	938	1 256	1 000	1 000	1 765	1 166	1 217	1 195
Inventory: Clothing material and accessories	4 171	478	195	8 000	4 000	4 000	7 739	8 080	8 442
Inventory: Other supplies									
Consumable supplies	1 482	7	1					1 000	1 045
Consumable: Stationery, printing and office supplies									
Operating leases									
Transport provided: Departmental activity		1 549	290						
Travel and subsistence	67	65	26	100	100	100	435	454	474
<b>Operating payments</b>									
Venues and facilities									
<b>Transfers and subsidies</b>	<b>2</b>	<b>638</b>		<b>100</b>	<b>100</b>	<b>103</b>	<b>221</b>	<b>231</b>	<b>241</b>
Households	2	638		100	100	103	221	231	241
Social benefits	2	638		100	100	103	221	231	241
<b>Payments for capital assets</b>	<b>80</b>	<b>32 693</b>	<b>12</b>						
Machinery and equipment	80	2 912	12						
Other machinery and equipment		2 485	12						