

VOTE 15

To be appropriated by vote in 2023/24	R 3 311 270 000
Responsible MEC	MEC for Human Settlements and Infrastructure Development
Administering Department	Department of Infrastructure Development
Accounting Officer	Head of Department

1. OVERVIEW

Vision

To be 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. 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. As at end Q3 22/23 financial year, the department achieved 1 per cent of the 2 per cent annual target in terms procurement spend on targeted groups. The low number of targeted groups on the maintenance panels continues to affect percentage improvements in this targeted area.

GPG has identified key sectors with the potential to address the policy imperatives such as 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 integrated into these key sectors of the economy.

To improve greater inclusion of SMME's into the mainstream economy, the department has developed the Emerging Contractor Development Strategy. This strategy aims to transform the construction industry by developing a new pool of contracting capability and enhancing the capacity and capability of the existing contractors from Grades 1 to 6 within the general building, civil engineering and specialised categories, in accordance with the construction industry requirements. Through the implementation of this strategy, the intention is to foster the sustainable development of contractors by identifying a number of contractors that will undergo a thorough and structured training over a period of three (3) years so that they can be able to compete with the best in the open market with limited or no support from the department. Implementation as part of this strategy will commence in 2023/24 financial year.

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, the aim is to eradicate poverty and build social cohesion and solidarity.

Over the 2023 MTEF, the department will support 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 completed 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 rolling out 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 5014 assets on the IAR in accordance with the mandatory requirements of National Treasury as at Q3 of 2022/23 financial year. In 2022/23 financial year appointment of a service provider to implement the Property Optimisation and Commercialisation Strategy is underway as at Q3. The implementation of this strategy is aimed at ensuring that properties under the GPG portfolio are improved for optimum use to yield improved revenue for the landlord. 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 involves dealing with and eradicating corruption among public officials and public servants. These include players in the private sector. The 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 been achieved by aligning the department's organisational structure with the system, 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 rollout 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. During the 2022/23 financial year upgrades of Primavera system were undertaken to ensure continued implementation of the IDMS in the management of infrastructure projects within the department.

Pillar 6: Modernisation of the economy

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

- Despite budget challenges in 2022/23 financial year installation of smart meters at targeted government facilities across the province was completed by the end of Q3. Work in terms of the department's response to the energy crisis has commenced with the appointment of service providers to provide technical support to the department in terms of development of a business case for the electricity generation self-generation projects across GPG facilities. This includes PV solar systems;
- Smart meter projects;
- Trigen/Cogen (Gas);
- Energy storage systems; and
- Minimum green standard project.

National Development Plan

The TMR Programme of the GPG is with 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; and
- Deeds Registries Act, 1937.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2022/23)

Pillar 1: Radical economic transformation

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

The department has increased its procurement spent on Black, women and SMME-owned businesses in recognition of their important contribution to infrastructure and impact on society to date, the department has achieved 86 per cent against the target of 75 per cent payment of invoices received within 30 days.

The department also performed well in the procurement allocated to Black-owned enterprises and black women-owned businesses, achieving respective targets of 97 per cent against 80 per cent and 50.54 per cent against 30 per cent. 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

Outcome 5 focuses on poverty relief and improving employability through EPWP beneficiaries. Over 34 per cent of citizens are unemployed, with the rate even bleaker for those who have given up on actively seeking employment. COVID-19 has caused significant job losses, but government programmes continue to strive towards employing young people. As at quarter 3 of the 2022/23 financial year:

- A total of 48 910 work opportunities were recorded and these are:
- 25 211 from provincial departments;
- 23 798 from municipalities;
- 4283 opportunities have already been recorded for infrastructure; and
- 1302 for environment, and 19527 for the social sector.

In addition, two new programmes, the vacant land and the health maintenance programmes, have been launched to absorb young people into employment opportunities. These programmes are going to be implemented within the next three months of the financial year and will run up 2023/24 and beyond.

Pillar 3: Accelerated social transformation

Outcome 2: Efficient and Effective Delivery of Smart Infrastructure

The department remains committed to delivering infrastructure projects of good quality standards, within time and agreed budget. To date, the department has completed a total of seven (7) infrastructure projects, including education and health infrastructure projects.

Implementation of Education Infrastructure Projects:

The provision of new education infrastructure involved renovations and rehabilitations of Mapenane Secondary School, Filadelfia LSEN school, Lakeside Primary school and Felicitas LSEN school. Additionally, repairs were made to severely cracked concrete column at Hoërskool 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:

Regarding the implementation of health infrastructure projects, DID completed the construction of Greenspark Clinic and continues to work on other ongoing projects. However, some projects have been delayed due to various reasons, such as delays in approval of compensation events, health and technology, contractor slow progress, and municipal delays.

As of Q3 2022/23 financial year, four electromechanical projects were completed at Johannesburg Laundry for the replacement of continuous batch washers and four wash extractors. At Dunswart Laundry, there was a completion of batch washers, two ironer and two washer extractors. At Steve Biko Academic Hospital, there was a supply, delivery, installation, and commissioning of 26 lifts. At Bertha Gxowa Hospital, works included the re-design, engineering, procurement, construction, furnishing, and delivery of HVAC systems. Under the STARS program for 2022/23 financial year the 75 Fox renovations were completed.

The completion of CAPEX projects has been affected by delays in approvals from clients and municipalities, as well as poor performance by contractors. Nevertheless, the department is committed to ensuring rapid service delivery by putting in place interventions that will bring the desired results, such as continuous engagements with related parties and implementing terms of contracts. Slow performance by contractors continues to hamper delivery of office renovation projects under the STARS program.

Pillar 4: Transformation of the state and governance

Outcome 1: Optimised Public-Owned Fixed Property Portfolio

In terms of Outcome 1, DID as the principal custodian developed the Provincial Property Optimisation Strategy, which recognises the Provincial Immovable Asset Register (IAR) as a significant tool that must be positively leveraged to redress historical spatial imbalances. The process of reviewing the Provincial Property Optimisation Strategy is currently underway and involves the analysis of the immovable asset portfolio to develop interventions for the optimisation of GPG's fixed property portfolio. This is being done through a highly controlled operating environment, in which all property related transactions are done on one platform, i.e., ARCHIBUS. More focus will continue to be given to the upscaling of property maintenance, physical verification through property inspections and condition assessments in line with the Government Immovable Asset Management Act (GIAMA) prescriptions. The overall impact of the development and implementation of property management systems and policies,

including relevant approvals, will ensure a stable property management environment, impacting directly on revenue generation from optimal utilisation of provincial property.

As the end of Q3, for 2022/23 financial year, 5014 Immovable Assets had been verified, but the annual target of 6579 is still to be met. In addition, for the 22/23 financial year, processes for finalising the rates and taxes assessment study are underway as part of the need to assess and verify the department's rates bill for accuracy and correctness. Revenue collection improved significantly than the targeted due targeted revenue collection strategies and continuous tenant landlord engagements as part of the asset management roles and responsibilities.

Outcome 3: Functional, Reliable and Compliance Infrastructure

Ensuring functional, reliable and compliant infrastructure for the GPG through the effective management and timeous maintenance of facilities is a priority for the department. A comprehensive maintenance strategy and plan is under development, which is GIAMA compliant, and focused on increasing the ratio of preventive to reactive maintenance to 80:20 over the MTEF period.

Under the capital development programme, priority will be given to providing SMMEs owned by women, youth and persons with disabilities, particularly those from townships, with opportunities to participate in the maintenance and repairs programmes.

Pillar 5: Modernisation of the Public Service

Outcome 6: Capable, Ethical and Developmental Organisation

The department achieved a clean audit outcome on the audit of pre-determined objectives, with a focus on Operation Clean Audit, which includes consistent and persistent implementation of actions to ensure an unqualified audit. On financial statements, the department received an unqualified audit opinion with increased findings. However, accruals were increased by 62 per cent from R65.5 million to R106 million, and there was no reduction in prior-year irregular expenditure. No fruitless and wasteful expenditure was incurred during the 2020/21 financial year audit. 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.

The Department of Infrastructure Development (DID) has been tasked with establishing an integrated planning function to manage the implementation of the GPG public infrastructure project pipeline. The establishment of the function, and the required capacity, is part of the ongoing organizational review process. Once the function is capacitated and functional, the intention is to bring about reforms to the system of planning and delivering public infrastructure, shifting from a project-based (sector/silo) approach to a portfolio or program approach, which is multi-sectoral, multidisciplinary, across all spheres of government and stakeholder groupings.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2023/24)

Pillar 1: Radical economic transformation

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

The department will continue with its plans to mainstream the previously disadvantaged groups into the economy. The department aims to spend 80 per cent of procurement black-owned enterprises; 30 per cent of procurement on black women-owned enterprises; 20 per cent on youth-owned enterprises; 50 per cent on SMMEs, 3 per cent on People with Disabilities-owned enterprises, 1 per cent on MV-owned enterprises, and allocate 25 per cent of procurement to Township Enterprise Revitalisation (TER). The DID will continue its efforts to support vulnerable groups, especially women, youth, people with disabilities, and military veterans. Special focus is given to ensure that SMMEs are paid within thirty days in line with Treasury regulations.

In the 2023/24 financial year, the Emerging Contractor Development Programme will start implementation. This programme aims to identify opportunities for emerging contractor training and mentorship support to grow their businesses. The Department targets to empower 100 emerging black firms over the five-year period. At least 40 per cent of the firms should be women-owned, 30 per cent youth-owned, and 30 per cent other. The empowerment programme will identify work classes and CIDB grades to be enrolled and ring-fence projects for incubation with clear timelines and targets. For the 2023/24 financial year, the target for emerging black contractors empowered is 50. The initiative of allocation procurement percentage to MV-owned enterprises veterans forms part of the department's commitment to support and recognise Military Veterans for their contribution to bring about the realisation of a peaceful, democratic and prosperous South Africa. For 2023/24 financial year, the department has planned to allocate 2 per cent of procurement to military veterans-owned enterprises. Furthermore, the department is targeting to allocate 5 per cent of it spend to persons with disabilities.

Several bottlenecks inhibit the DID from paying all service providers within 30 days, including delays relating to the interface between DID and client departments, inefficiencies in project and contract management, poor contractor performance and accruals. A multidisciplinary plan of action has been established to address the bottlenecks, and a target has been set to pay 100 per cent of DID invoices of service providers within 30 days in the 2023/24 financial year.

Outcome 5: Poverty Relief and Improved Employability of EPWP Beneficiaries

As the coordinator of the EPWP across all sectors and municipalities within the Gauteng province, the DID will continue to optimise the GPG's contribution to the above priorities of Gauteng government. The DID planned to create 2162 direct jobs and 18 734 indirect jobs in the construction sector by public sector departments. The department also plans to successfully

complete skills development programmes for 2 500 EPWP participants. The new standard sector indicators were introduced in the 2022/23 financial year and will continue in 2023/24 financial year. As such, the EPWP has two standard sector indicators, and the department planned to create 2 500 work opportunities in the 2023/24 financial year.

The following initiatives are planned as part of the Gauteng EPWP Implementation:

- Developing the EPWP Phase 4 Roadmap for Gauteng, supported by the Gauteng EPWP Policy Framework, for Exco approval.
- Supporting all departments and municipalities with the implementation of the biometrics system, providing technical support on document requirements and the use of the EPWP system.
- Ensuring that beneficiaries are up skilled and gain at least one skill that they did not have when entering the programme. As the lead for the infrastructure sector, the DID will continue with the roll out of the Moses Kotane Skills Centre, including gaining accreditation and increasing the range of training courses available.
- Developing and maintaining partnerships with other public and private sector organisations to provide exit opportunities for EPWP beneficiaries.

In addition to the NYS programme, two new EPWP programmes launched in Q2 2022/23 financial year will continue into 2023/24 financial year, ensuring that the government sustains the momentum in terms of creating job opportunities for young people in the identified sectors. These new programmes are the Vacant and facilities programme and the health maintenance programme. The vacant land & facilities program will employ young people to safeguard GPG facilities and vacant stands across Gauteng, while the Health Maintenance program, in partnership with the Department of Health, will train people across the province to maintain government health facilities.

Pillar 3: Accelerated social transformation

Outcome 2: Efficient and Effective Delivery of Smart Infrastructure

The outcome aims to accelerate the delivery of smart public infrastructure through the development and implementation of the five-year infrastructure pipeline, in line with the priorities of GGT2030 and Gauteng Integrated Infrastructure Master Plan (GIIMP). The 2023/24 financial year targets the completion of one (1) health construction project, the Johannesburg forensic pathology laboratory.

The education department targets six (6) new construction projects and twenty-one (21) renovations in the same financial year, comprising new schools for learners with special needs, renovations, rehabilitations and refurbishments. In addition, the department targets six (6) upgrades and additions projects for education state facilities.

Three projects are targeted for completion in the STARS portfolio at the end of the 2023/24 financial year, and four are targeted for rehabilitation, renovations and refurbishments.

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 citizens. The initiative aims to reduce costs and increase income through proposals for land release for socio-economic infrastructure developments, and commercialisation of the property portfolio, including land release for socio-economic infrastructure development. Non-core residential properties are planned to be disposed of through public auctions.

The MTSF and GGT2030 priorities include disposing of at least 50 *non-core properties (50 properties to be sold and transferred to third parties)* during 2023/24 financial year. While the immediate benefit is revenue generation, the longer-term benefit is a reduction in non-revenue generating costs, such as rates and taxes. The DID will actively seek to develop partnerships and to contract with property development and management companies that are women, youth or PwD-owned, thus contributing to the transformation of the property sector.

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 2023/24 financial year, the department plans to release three (3) properties for socio-economic purposes.

Managing a complete and accurate immovable asset register is vital for audit purposes and decision making on the lifecycle management of the portfolio of fixed property, including land and buildings. For the 2023/24 financial year, the department has planned to provide six (6) facilities/buildings to users (fit for purpose).

For the 2023/24 financial year, the Department aims to register and verify 6579 immovable assets in the Immovable Asset Register (IAR), in accordance with the mandatory requirements of National Treasury.

Outcome 3: Functional, Reliable and Compliance Infrastructure

The 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.

Ensuring that GPG has functional, reliable and compliant infrastructure through effective management and timely maintenance of facilities is a priority for the department. A comprehensive maintenance strategy and plan is under development, which is GIAMA compliant, and focused on increasing the ratio of preventive to reactive maintenance to 80:20 over the MTEF period.

For the 2023/24 financial year, the outputs of the maintenance programme will continue to include the completion of approximately 358 condition-based assessments at GPG facilities. This represents 20 per cent of the GPG fixed-property portfolio with improvements to land and is in line with the requirement of GIAMA for condition-based assessment to take place at all facilities at least once every five-years.

To ensure effective, ongoing maintenance at health facilities, the DID and the Department of Health have established a health infrastructure working group that includes Gauteng Provincial Treasury. The working group will continue to meet regularly during the 2023/24 financial year, to discuss maintenance requirements and implementation progress. Maintenance plans have been developed, costed and included in the MTEF budget of the Department of Health.

Similar to the capital development programme, priority will be given to providing SMMEs owned by women, youth and persons with disabilities, particularly those from townships, with opportunities to participate in the maintenance and repairs programmes.

In addition, during the 2023/24 financial year, the EXCO approved maintenance strategy for GPG facilities will be implemented and used as a guide for implementing planned and statutory maintenance programmes in the province.

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 and with tools of trade. For the 2023/24 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.

DID has been tasked with establishing an integrated planning function to manage the implementation of the GPG public infrastructure project pipeline. The establishment of the function, and the required capacity, is part of an ongoing organisational review process. Once capacitated and functional, the intention is to bring about reforms to the system of planning and delivering public infrastructure. This will involve shifting from project-based (sector/silo) approach to a portfolio or programme approach, which is multi-sectoral, multidisciplinary, across all spheres of government and stakeholder groupings.

4. REPRIORITISATION

The department'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 budget has been reprioritised with an amount of R249 million, which is as shifts and virements to ensure proper alignment of resources to targets.

Department is embarking on a recruitment plan to fill critical vacant posts. This resulted in reprioritisation from programme 1 & 3 to programme 2 to ensure sufficient funding of compensation of the current personnel and new planned appointments.

Goods and services reprioritisation will ensure proper resource allocation and defray possible over-expenditure on other items. The reprioritisation of the agency support budget will be used to cover budget shortfalls in key departmental priorities including ICT upgrades; Green Technology and youth programs focusing on development of youth in the township, informal settlement, and hostels.

The reprioritisation of infrastructure is in accordance with ECE estimates, although infrastructure projects continue to underspend due to challenges in access to sites.

The re-prioritisation for this year is in line with the new priorities for the Province, which were not budgeted for. The new priorities include interventions aimed at the youth in Townships and Hostels in the Province. Other additional initiatives that require funding from re-prioritisation include the construction and upgrading of rehabilitation centres to fight the surge of Nyoape in the province. Funding from reprioritisation is also required to improve safety and security in the province and some of the initiatives for the department include utilising youth to guard and secure government facilities and buildings by Youth from the Townships and Hostels.

5. PROCUREMENT

Supply Chain Management is a highly regulated environment, and this Chief directorate supports the various business units in the facilitation of procurement of the goods and services required. It is thus incumbent upon this unit to regularly be abreast of 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 R2 million and above will highlight any irregularities before the contracts are awarded.

The Department is continuously putting controls in place to ensure good audit outcomes and to prevent irregular expenditure and to attain a clean audit outcome for the 2022/23 financial year. This is also based on the planned reduction in irregular expenditure of 30 per cent on the 2021/22 financial year.

Achievements

The Department understands the importance of economic empowerment and therefore continuously procures goods and services from 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.

Achievements on irregular expenditure include:

- A 30 per cent reduction on prior year was planned for 2021/22, but the achievement noted in that year's annual report is zero.
- Achievements on Year-on-Year reduction in the number of material findings:

The department also aimed for a 30 per cent year-on-year reduction in the number of material findings on performance objectives in 2020/21, and managed more than double that, achieving a 67 per cent reduction, largely due to strengthening controls on performance information. The target for the following year, 2021/22, was a 30% reduction on the previous year. A 100 per cent reduction was achieved, resulting in a clean audit.

Challenges

Transactions where entity ownership is less than the minimum percentage required for targeted groups (more than 50 per cent) cannot be recognized and would contribute to underachievement in certain categories. The process of empowering companies to compete for construction-related projects has shown that these targeted groups require not only business opportunities but also support in terms of mentorship and skills development. Therefore, the department has launched Contractor Incubator Programs (CIPs) to appoint contractors for construction works of a predetermined value. Allocating a 30 per cent contracting threshold to SMMEs remains a challenge. Communities have high expectations of business opportunities, and collaboration with ward councillors has had a negative impact on project implementation in the past. However, the department is working on improved processes that will include screening systems for selecting and appointing subcontractors and the involvement of the Community Liaison Officer (CLO). In addition, the pandemic caused delays in appointing sub contractors.

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.

Streamlined SCM processes to ensure completions of outstanding infrastructure projects for the term

Projects across the various portfolios in the department were identified as outstanding and needing to be completed before the end of the 6th administrative term. These projects were delayed and are in all portfolios within DID, including Education and STARS and Health, Infrastructure, that the department will prioritise for completion. Internal SCM processes and timelines will be geared towards ensuring that seamless procurement processes will enable during 2023/24 financial year.

6. RECEIPTS AND FINANCING

6.1 Summary of receipts

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Equitable share	3 272 694	3 270 518	3 230 032	3 305 467	3 305 467	3 305 467	3 301 264	3 448 092	3 419 978
Conditional grants	23 878	21 163	18 988	6 768	6 768	6 768	10 006		
Expanded Public Works Programme							10 006		
Total receipts	3 296 572	3 291 681	3 249 020	3 312 235	3 312 235	3 312 235	3 311 270	3 448 092	3 419 978

The department receipts for the financial year 2019/20 amounted to R3.3 billion and decreased in the financial year 2020/21, resulting R3.25 billion. This was due to budget cut implemented during the mid-year budget adjustments on compensation of employees, goods and services. In the financial year 2021/22 with further reduction to R3.2 billion aiming to fund Covid-19. The departmental budget reduces from R3.3 billion from the financial year 2022/23 to R3.2 billion in the 2023/24 financial year and increases to R3.4 billion in the 2025/26 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 from R23.9 million in the 2019/20 financial year to R21.2 million in the 2020/21 financial year. In the 2021/22 financial year, the grant allocation was further reduced from R18.9 million to R6.8 million due to grants cut that has been imposed to all Provincial Departments. The conditional grant is not reflected in the MTEF due to allocation being determined based on previous year's performance.

6.2 Departmental receipts

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Sales of goods and services other than capital assets	15 721	12 374	15 953	30 664	30 664	30 664	32 013	33 450	34 949
Fines, penalties and forfeits	1								
Interest, dividends and rent on land	49	503	35			37			
Sales of capital assets						11 378			
Transactions in financial assets and liabilities	3 556	3 028	905	807	807	3 393	843	881	920
Total departmental receipts	19 327	15 905	16 893	31 471	31 471	45 472	32 856	34 331	35 869

Gauteng Department of Infrastructure Development (GDID) collects revenue from rental of from commercial and residential properties.

GDID collected R19.3 million in 2019/20 financial year and this decreased to R16.8 million in 2021/22 financial year.

The decline in revenue was because of the country going through a COVID19 pandemic. Online of auction of noncore assets and, rentals for commercial and residential properties were affected by the restriction imposed by COVID19.

Over the 2023 Medium Term Revenue Framework, GDID estimate a collection of R32.8 million in 2023/24 financial year and this increases to R35.8 million in 2025/26 financial year.

The sale of goods and services other than capital assets raised a revenue of R15.7 million in 2019/2020 financial year and this increased slightly to R15.9 million in 2021/2022 financial year. Revenue estimates for this source increases from R32 million in 2023/24 financial year to R34.9 million in 2025/26 financial year.

Transactions in financial assets and liabilities recorded R3.5 million in 2019/20 financial year and this decreased to R905 000 in 2021/2022 financial year. Revenue for this source is from recovery from previous financial year expenditure which is unanticipated.

Revenue estimates for this source increases from R843 000 in 2023/24 financial year to R920 000 in 2025/26 financial year.

7. PAYMENT SUMMARY

7.1 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.

Goods and services:

The consumer price index (CPI) inflation projections will be used for all non-personnel items over the MTEF.

7.2 Programme summary

TABLE 15.3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Administration	351 370	315 008	403 641	384 429	417 907	417 907	446 533	338 135	338 076
2. Public Works Infrastructure	2 722 784	2 657 579	2 629 775	2 668 243	2 774 708	2 774 708	2 491 396	2 737 217	2 715 298
3. Expanded Public Works Programme	268 819	55 745	142 993	259 563	162 620	162 620	373 341	372 740	366 604
Total payments and estimates	3 342 973	3 028 332	3 176 409	3 312 235	3 355 235	3 355 235	3 311 270	3 448 092	3 419 978

7.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	2 019 508	1 848 209	2 104 822	2 015 624	2 125 144	2 125 144	1 912 469	1 985 027	2 037 609
Compensation of employees	1 120 132	1 011 818	1 151 014	1 179 186	1 179 186	1 165 346	1 232 558	1 262 983	1 307 610
Goods and services	899 318	836 391	932 309	836 258	945 778	959 618	679 911	722 044	729 999
Interest and rent on land	58	1	21 500	180	180	180			
Transfers and subsidies to:	1 090 440	1 093 610	1 031 252	1 180 272	1 181 322	1 181 322	1 242 977	1 241 719	1 266 621
Provinces and municipalities	1 084 092	1 089 927	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757
Departmental agencies and accounts		1							
Households	6 348	3 682	5 904	3 404	4 454	4 454	4 000	2 742	2 864
Payments for capital assets	232 808	85 872	39 567	116 339	48 377	48 377	155 824	221 346	115 748
Buildings and other fixed structures	175 766	57 509	10 143	96 092	26 130	26 130	117 524	202 388	105 300
Machinery and equipment	27 225	26 217	28 611	20 247	22 247	22 247	38 300	18 958	10 448
Software and other intangible assets	29 817	2 146	813						
Payments for financial assets	218	641	768		392	392			
Total economic classification	3 342 973	3 028 332	3 176 409	3 312 235	3 355 235	3 355 235	3 311 270	3 448 092	3 419 978

Expenditure for the 2019/20 financial year was R3.3 billion which decreased to R3 billion in 2020/21 financial year and increased to R3.2 billion in 2021/22 financial year. These fluctuations were due to delays in the appointment of service providers.

Programme 1: Administration had an expenditure of R351.4 million in the year 2019/22 financial year, which reduced to R 315 million in 2020/21 financial year due to cost containment measure. The programme was allocated a budget of R403.6 million in the year 2021/22, and the revised allocation in the 2022/23 financial year is R417.9 million. Over the MTEF period, the total allocation for the programme expenditure increased to R446.5 million in the 2023/24 financial year as a result of additional budget on compensation of employees. In the year 2024/25 the budget is R338.1 million and remains constant in the last year of the MTEF.

Programme 2: Public Works Infrastructure had an expenditure of R2.7 billion in the year 2019/20, which reduced to R2.6 billion in 2020/21 due to budget cuts to fund Covid-19. The allocation for the 2021/22 financial year remained constant at R2.6 billion. An increase in the allocation for the year 2022/23 to R2.7 billion was due to an increase in allocation for compensation of employees, goods, and services. The budget over the MTEF period is R2.5 billion in 2023/24 and increases to R2.7 billion in the last year of the MTEF.

Programme 3: Expanded Public Works Programme spent R268.8 million in the 2019/20 financial year and R55.7 million in the 2020/21 financial year due to the delayed appointment of service providers. In the 2021/22 financial year, the programme was reprioritised by R143 million to provide training to NYS beneficiaries and the contractor incubation programme. The budget for the 2022/23 financial year amounts to R162.6 million and increases to R373.3 million in the 2023/24 financial year to continue providing training to the NYS beneficiaries. In the 2024/25 financial year, the budget decreased to R366 million.

There has been an improvement in the payment of service providers within 30 days, which has reduced the number of accruals. For the 2019/20 financial year, 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 in the first quarter of the next financial year. The Department is committed to paying service providers within 30 days, and service providers are now submitting invoices on the system electronically, reducing the processing and payment timelines. The filling of vacancies in the Department has boosted the increase of the compensation budget over the years. Compensation expenditure for the 2019/20 financial year was R1.1 billion,

however in the following year there was a budget cuts that resulted in expenditure being reduced to R1 billion. Among the items that have impacted the compensation budget is an incentive grant for the Department of National Public Works and allocation for the EPWP stipends. The allocation for 2022/23 financial year is R1.2 billion. Over the MTEF, the allocation remains constant at R1.2 billion in 2023/24 financial year, the increase in the allocation is due to reduction in budget cuts and cost of living salary adjustment. In the outer years, the allocation continues to increase due to non-implementation of budget cuts.

Goods and services decreased from R899.3 million to R836.4 million during 2019/20 and 2020/21 financial years, respectively due to cost containment measures introduced throughout the Department and budget cuts. Additional funding received from Provincial Treasury increased the budget to R959.6 million in the 2022/23 financial year. Over the MTEF period, the budget allocation for 2023/24 financial year decreased to R679.9 million because of compulsory budget cuts over the MTEF and increases to R730 million in the last year of 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 billion in 2021/22 to R1.2 million in the 2022/23 financial year. Due to stringent verification processes on the rates and taxes bill, the department has been able to receive credit on the City of Johannesburg rates bill. In the 2023/24 financial year allocation increased to R1.2 billion due to additional properties that were identified by municipalities during verification and in the increase to R1.3 billion in the 2025/26 financial year.

7.4 Infrastructure payments

7.4.1 Departmental infrastructure payments

Please refer to the 2023 Estimates of Capital Expenditure (ECE).

7.4.2 Departmental Public-Private-Partnership (PPP) projects

The Kopanong PPP project is still in the procurement stage.

7.5 Transfers

7.5.1 Transfers to public entities

N/A

7.5.2 Transfers to other entities

N/A

7.5.3 Transfers to local government

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Category A	934 717	933 005	951 181	1 091 698	1 091 698	1 091 698	1 089 195	1 117 687	1 142 467
Category B	149 375	142 765	141 000	162 440	162 440	147 768	128 000	104 000	104 000
Category C		14 157	13 972	-	-	14 672	21 782	17 290	17 290
Unallocated			(80 805)	(77 270)	(77 270)	(77 270)			
Total departmental transfers	1 084 093	1 089 928	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757

The arrear accounts due to municipalities for rates and taxes, as well as 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.

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

The purpose of this programme is to provide strategic leadership to the Department and to support the core programmes in their efforts to implement the mandate of the Department. This includes providing strategic and operational support services for the Member of the Executive Council (MEC) and the Head of Department (HOD), as well as 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;
- Sound financial management and compliance to good governance principles
- 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		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Office Of the MEC	12 537	16 269	12 747	11 022	11 775	11 775	14 638	11 643	11 795
2. Corporate Support	322 921	286 410	377 430	355 263	387 988	398 898	412 782	307 517	307 103
3. Management of The Department	15 912	12 328	13 464	18 144	18 144	7 234	19 113	18 975	19 178
Total payments and estimates	351 370	315 008	403 641	384 429	417 907	417 907	446 533	338 135	338 076

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	326 537	285 506	374 650	363 293	394 329	394 329	414 233	329 177	338 076
Compensation of employees	227 151	202 277	217 613	285 999	255 245	244 335	267 476	276 077	278 977
Goods and services	99 351	83 230	157 037	77 198	138 988	149 898	146 757	53 100	59 099
Interest and rent on land	35			96	96	96			
Transfers and subsidies to:	2 568	616	1 433	889	939	939	4 000		
Provinces and municipalities									
Households	2 568	616	1 433	889	939	939	4 000		
Payments for capital assets	22 048	28 244	26 790	20 247	22 247	22 247	28 300	8 958	
Machinery and equipment	22 012	26 098	25 977	20 247	22 247	22 247	28 300	8 958	
Software and other intangible assets	36	2 146	813						
Payments for financial assets	217	641	768		392	392			
Total economic classification	351 370	315 008	403 641	384 429	417 907	417 907	446 533	338 135	338 076

The sub-programmes within this programme are administrative in nature. Expenditure within the Office of the MEC remained below R12.5 million during the 2019/20 financial year and further increased to R16.3 million in 2020/21 financial year because the department ensured that the core functions were sufficiently funded to improve service delivery. The budget then decreased to R12.7 million in 2021/22 financial year and R11.8 million in 2022/23 financial year due to continued implementation of strict cost containment measures. Over the MTEF, the allocation decreases from R14.6 million in 2023/24 financial year to R11.8 million in the last year of the MTEF.

Corporate support spending decreases from R322.9 million in 2019/20 financial year to R286.4 million in 2020/21 financial year due to budget cuts to fund Covid-19 and cost containment measures effected throughout the Department. During the 2022/23 financial year adjustment budget, the allocation was increased from R355.3 million to R398.9 million to deal with increased number of litigations. Over the MTEF, the budget decreases from R412.8 million in 2023/24 financial year to R307.1 million in the last year of the MTEF due to budget cuts. Increased in the allocation for 2023/24 financial year is meant to fill posts with procurement environment to ensure that core branches are adequately supported.

Management of the department spending was at R15.9 million in 2019/20 financial year and decreases to R12.3 million in 2020/21 financial year due to continuation of cost containment measures implemented throughout the department. The expenditure increased to R13.5 million in 2021/22 financial year and decrease to R7.2 million in 2022/23 financial year because of the budget adjustment to fund core mandate of the Department. Throughout the MTEF, the budget remains constant at R19.1 million until the last year of the MTEF.

Supply chain Management remains one of the critical functions that support our core branches in the Department, and this necessitate the need to create and fill vacant posts under corporate support. There was a decrease in expenditure in the 2019/20 financial year from R227.1 million to R202.3 million in the 2020/21 financial year. The 2022/23 financial year budget adjustment process revised the compensation budget from R286 million to R244.3 million aiming at redirecting funds to core branches to fill

critical post. Over the MTEF period, budgets increase from R267.5 million in the 2023/24 financial year to R279 million in the last year of the MTEF.

Goods and services expenditure decreased from R99.3 million in the 2019/20 financial year to R83.2 million in the 2020/21 financial year due to improved cost containment measures. In the 2021/22 financial year the budget increased to R157 million. As a result of the budget adjustment in the 2022/23 financial year the budget was adjusted from R77.2 million to R149.9 to fund legal claims. Over the MTEF, the allocated budget will decrease from R146.7 million in 2023/24 financial year to R59.1 million in 2025/26 financial year due to budget cuts.

Households budget in 2019/20 financial year was R2.6 million, decreased to R616 000 in 2020/21 financial year and increased to R1.4 million in 2021/22 financial year. After the adjustment in 2022/23 financial year the budget was revised from R889 000 to R939 000. Over the MTEF the budget increased to R4 million in 2023/24 financial year.

Capital assets budget for 2019/20 financial year increased from R22 million to R26.8 million in 2020/21. During the mid-year budget adjustment in 2022/23 the budget was revised from R20.2 million to R22.2 million 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 MTEF, the budget for capital assets decreases from R28.3 million in the 2023/24 financial year to R9 million in the 2025/26 financial year, this is due to cost cutting measures and strict monitoring of cell phones.

SERVICE DELIVERY MEASURES

PROGRAMME 1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2022/23	2023/24	2024/25	2025/26
Amount of Revenue collected	24 million	24 million	24 million	24 million
Percentage of DID service provider invoices settled within 30 days	100%	100%	100%	100%
Percentage of client department service provider invoices settled within 30 days	75%	80%	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 programme is also responsible for managing life cycle of 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	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
1. Construction	353 807	226 977	196 170	235 937	193 912	216 371	266 718	346 185	278 688
2. Maintenance	670 233	635 014	673 474	627 013	670 452	661 326	686 626	702 952	713 350
3. Immovable Asset Management	1 698 744	1 795 587	1 760 131	1 805 293	1 910 344	1 897 011	1 538 052	1 688 080	1 723 260
Total payments and estimates	2 722 784	2 657 579	2 629 775	2 668 243	2 774 708	2 774 708	2 491 396	2 737 217	2 715 298

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		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	1 457 483	1 506 970	1 587 182	1 392 989	1 568 416	1 568 303	1 124 895	1 283 351	1 333 180
Compensation of employees	774 328	757 978	817 740	773 627	808 881	805 951	843 257	874 398	913 517
Goods and services	683 132	748 991	747 942	619 278	759 451	762 268	281 638	408 953	419 663
Interest and rent on land	23	1	21 500	84	84	84			
Transfers and subsidies to:	1 087 234	1 092 993	1 029 816	1 179 162	1 180 162	1 180 275	1 238 977	1 241 478	1 266 370
Provinces and municipalities	1 084 092	1 089 927	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757
Departmental agencies and accounts		1							
Households	3 142	3 066	4 468	2 294	3 294	3 407		2 501	2 613
Payments for capital assets	178 067	57 616	12 777	96 092	26 130	26 130	127 524	212 388	115 748
Buildings and other fixed structures	175 766	57 509	10 143	96 092	26 130	26 130	117 524	202 388	105 300
Machinery and equipment	2 301	107	2 634				10 000	10 000	10 448
Payments for financial assets									
Total economic classification	2 722 784	2 657 579	2 629 775	2 668 243	2 774 708	2 774 708	2 491 396	2 737 217	2 715 298

Expenditure on this programme decreased from R2.7 billion in 2019/20 financial year to R2.6 billion in the 2020/21 financial year. The expenditure for 2021/22 financial year remained at R2.6 billion. During 2022/23 financial year budget adjustment in the allocation was revised from R2.7 billion to R2.8 billion due to the need to fill critical technical posts, increase the budget for property leases, utilities and security services that were previously underfunded, R1.1 billion was allocated to rates and taxes. Although there was a decline in the performance of infrastructure spending, the programme overall showed an improvement. Over the MTEF period, the budget allocation increases from R2.5 billion in the financial year 2023/24 to R2.7 billion in the last year of the MTEF.

In the 2022/23 financial year, 200 priority posts were identified in consultation with branch heads. Due to budget cuts implemented over the MTEF period the Department had to fill critical posts immediately and non-critical pots during the 3rd and 4th quarter. Of the 200, a total of 196 posts are filled which equates to 98 per cent, with four posts remaining. 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 83 per cent of the overall departmental budget. This is because this programme is the core of the department.

The budget allocation increased between 2019/20 and 2020/21 financial years from R774 million to R758 million due to OSD. The 2022/23 financial year budget allocation was revised from R774 million to R806 million aiming at capacitating technical officials within the Department. Over the MTEF, the budget increases from R843 million in 2023/24 financial year due to cost reduction in budget cuts and additional budget received on cost-of-living adjustment. In the last MTEF the budget increase to R913 million due to continued recruitment of personnel especially technical employees under OSD.

Goods and Services expenditure increased from R683.1 million to R749 million in the r 2019/20 and 2020/21 financial years respectively. During the 2022/23 financial year budget adjustment, the budget allocation was increased from R619.3 million to R762.3 million to cover underfunded property leases, security services and municipal bills on water and lights. Over the MTEF period, the allocated budget will increase from R281.6 million in 2023/24 financial year to R419.7 million in 2025/26 financial year due to annual escalation rate on property leases and the yearly increase on

municipal bills, provision of security services and cleaning. Compulsory budget cuts continue to affect the allocation for the year 2023/24

Expenditure on rates and taxes remain relatively constant at R1.0 billion in 2019/20, 2020/21 and 2021/22 financial years. 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. The allocation remains the same at R1.1 billion during 2022/23 financial year budget adjustment. Over the MTEF period, the budget remains constant at R1.2 billion.

Expenditure on payments for capital assets has been reducing over the years. The programme spent R175.8 million in 2019/20 financial year and R57.6 million in 2020/21 financial year. The budget on infrastructure was reduced during the budget adjustment period from R96.1 million to R26.1 million due to poor contractor performance, access to site and decanting, as some of the PSP services were terminated. Over the MTEF period, the allocation will decrease from R117.5 million in 2023/24 financial year to R105.3 million in 2025/26 financial year.

SERVICE DELIVERY MEASURES

PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

	Estimated performance	Medium-term estimates		
Programme performance measures	2022/23	2023/24	2024/25	2025/26
Number of infrastructure designs ready for tender (IDMS Gate 4)	23	20	-	-
Number of new facilities completed	13	10	13	-
Number of facilities renovated	11	25	30	-
Number of upgrades and additions completed on GPG facilities	New indicator	6	1	-
Number of planned maintenance projects completed	127	127	127	127
Number of immovable assets verified in the Immovable Asset Register (IAR) in accordance with the mandatory requirements of National Treasury	6 579	6579	6256	5677

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, Matsoho a hlatswana and Health maintenance programme;
- Development of a Cooperative Model of Development Framework.

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2019/20	2020/21	2021/22		2022/23		2023/24	2024/25	2025/26
1. Programme Support Cbp	133 362	19 845	20 276	187 073	28 573	29 737	37 086	45 949	33 214
2. Community Development	135 457	35 900	122 718	72 490	134 047	132 883	336 255	326 791	333 390
Total payments and estimates	268 819	55 745	142 993	259 563	162 620	162 620	373 341	372 740	366 604

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2019/20	2020/21	2021/22		2022/23		2023/24	2024/25	2025/26
Current payments	235 488	55 733	142 990	259 342	162 399	162 512	373 341	372 499	366 353
Compensation of employees	118 653	51 563	115 661	119 560	115 060	115 060	121 825	112 508	115 116
Goods and services	116 835	4 170	27 329	139 782	47 339	47 452	251 516	259 991	251 237
Transfers and subsidies to:	638		3	221	221	108		241	251
Provinces and municipalities									
Households	638		3	221	221	108		241	251

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Payments for capital assets	32 693	12							
Machinery and equipment	2 912	12							
Software and other intangible assets	29 781								
Payments for financial assets	1								
Total economic classification	268 819	55 745	142 993	259 563	162 620	162 620	373 341	372 740	366 604

The Expanded Public Works Programme (EPWP) aims to empower communities and contractors through the implementation of programmes and strategies that create work opportunities. It is a crucial priority for the province since it provides jobs, community development, and training for beneficiaries. The programme's goal is to enhance beneficiaries' skills to enable them to be self-sufficient after exiting the program. However, the programme experienced a significant decrease in budget allocation for the 2020/21 financial year, which was due to the end of contracts for both Zivuseni and NYS. The department decided not to renew the contracts in the following year. Moreover, the COVID-19 pandemic heavily impacted the programme, and participants were negatively affected by the restrictions. Therefore, the training of beneficiaries had to be implemented with a staggered approach due to social distancing restrictions, resulting in a failure to meet most of the target for the year.

The programme expenditure was R268.8 million in 2019/20 financial year, decreased to R55.7 million in 2020/21 financial year. The budget allocation for 2022/23 financial year was revised from R259.6 million to R162.6 million due to the late appointment of a panel of service providers and the impact of PPR 2017. However, the province intends to create more opportunities utilizing this programme, and over the Medium-Term Expenditure Framework (MTEF) period, the allocation is expected to increase to R373.3 million in 2023/24 financial year. Nevertheless, the budget will decrease from R372.7 million in 2024/25 financial year to R366.6 million in the last year of the MTEF.

The compensation of employees' budget includes the conditional grant received from the National Department of Public Works, mainly for the payment of stipends to beneficiaries. This grant is allocated based on the previous year's performance. Expenditure on compensation of employees declined from R118.6 million in 2019/20 financial year to R51.6 million in 2020/21 financial year, due to the challenges of recruiting NYS learners in that year. The 2021/22 financial year budget allocation increased to R115.6 million. In 2022/23 financial year, the budget was revised from R119.6 million to R115.1 million to fund critical posts under programme 2. However, the budget will decrease from R121.8 million in 2023/24 financial year to R115.1 million in the last year of the MTEF.

The goods and services expenditure related to training EPWP beneficiaries, tools of trade, and protective clothing decreased from R116.8 million in 2019/20 financial year to R4.2 million in 2020/21 financial year due to the end of the Zivuseni Reloaded programme, which ran from November 2013 to March 2020. However, the expenditure increased to R27.3 million in 2021/22 financial year. In 2022/23 financial year, the budget was revised from R139.8 million to R47.4 million due to the late appointment of a training service provider. Over the MTEF, an amount of R251.5 million is allocated for 2023/24 financial year, decreasing slightly to R251.2 million in 2025/26 financial year.

SERVICE DELIVERY MEASURES

PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Programme performance measures	Estimated performance	Medium-term estimates		
	2022/23	2023/24	2024/25	2025/26
Number of direct jobs created in the construction sector by public sector departments	New Indicator	412	2 300	2 500
Number of indirect jobs created in the construction sector by public sector departments	New Indicator	5 635	18 900	19 000
Number of work opportunities created by Provincial Public Works through the National Youth Service Programme	2 500	2 500	2 500	2 500
Number of Public Bodies reporting on EPWP targets in the province coordinated (the value of the indicator to the province)	22	22	22	22
Number of beneficiaries participating in Health Maintenance Programme	New Indicator	1 020	1020	1020
Number of beneficiaries participating in the Vacant Sites & Facilities EPWP Maintenance Programme	New Indicator	1 095	1095	1095

9. OTHER PROGRAMME INFORMATION

9.1 Personnel numbers and costs

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

	Actual			Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF				
	2019/20	2020/21	2021/22	Filled posts	Additional posts	2022/23	2023/24	2024/25	2025/26	Personnel growth rate	Costs growth rate	% Costs of Total			
R thousands	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs			
Salary level															
1 – 6	1 462	291 696	1 462	350 893	1 380	247 244	1 389	371 255	1 389	394 014	1 389	410 790	1,2%	102,5%	24,7%
7 – 10	294	235 267	294	172 209	265	124 996	279	158 685	279	166 708	279	171 599	1,0%	47,6%	11,1%
11 – 12	100	89 482	100	88 911	94	160 693	95	82 049	95	85 671	95	88 832	-1,4%	24,2%	6,1%
13 – 16	61	83 044	61	85 383	59	272 152	63	81 814	63	88 928	63	100 037	-1,0%	31,3%	6,3%
Other	895	420 642	779	314 422	696	345 930	744	538 755	744	527 662	744	536 352	1,6%	-18,0%	51,8%
Total	2 812	1 120 132	2 696	1 011 818	2 494	1 151 014	2 570	1 232 558	2 570	1 262 983	2 570	1 307 610	1,1%	3,9%	100,0%
Programme															
1. Administration	558	227 151	442	202 277	360	217 613	373	313 153	373	315 414	373	317 590	2,7%	(15,3%)	29,6%
2. Public Works Infrastructure	2 200	774 328	2 200	757 978	2 082	817 740	2 143	801 825	2 143	837 829	2 143	875 364	0,8%	11,0%	63,5%
3. Expanded Public Works Programme	54	118 653		51 563	52	115 661	54	117 580	54	109 740	54	114 656	2,6%	264,1%	6,9%
Direct charges													0%	0%	0%
Total	2 812	1 120 132	2 696	1 011 818	2 494	1 151 014	2 570	1 232 558	2 570	1 262 983	2 570	1 307 610	1,1%	4%	100%

A total of 282 critical positions were identified and approved to be filled in 2020/2021, and by November 2021, 280 posts had been filled. The remaining two posts are at an advanced stage as they had to be re-advertised. However, the department has continued to face challenges with compensation of employees due to a budget cut.

Currently, the department has prioritized filling a total of 200 posts for 2022/23, and all 200 posts have been advertised. Of these 200 posts, a total of 196 have been filled, and only 4 posts remain vacant. The recruitment plan to continue filling posts in 2023/24 is in place.

9.2 Training

TABLE 15.13: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2022/23	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Number of staff	2 812	2 696	2 494	2 487	2 487	2 487	2 570	2 570	2 570
Number of personnel trained	1 850	2 000	1 330	1 510	1 510	1 510	1 490	1 540	1 550
of which									
Male	995	1 070	730	810	810	810	820	820	820
Female	855	930	600	700	700	700	670	720	730
Number of training opportunities	1 167	1 281	980	1 140	1 140	1 140	1 190	1 170	1 170
of which									
Tertiary	70	80	50	60	60	60	70	70	70
Workshops	150	150	130	140	140	140	150	150	150
Seminars	150	100	120	130	130	130	140	140	140
Other	797	951	680	810	810	810	830	810	810
Number of bursaries offered	141	193		150	150	150	100	150	150
Number of interns appointed	162	143		160	160	160	170	170	170
Number of learnerships appointed	380	383		40	40	40	60	70	80
Payments on training by programme									
1. Administration	10 583	17 533	1 494	5 813	5 813	5 813	5 871	5 930	6 196
2. Public Works Infrastructure	17 355	26 798	7 880	13 055	13 055	13 055	13 135	13 266	13 860
3. Expanded Public Works Programme	8 887	9 776	691	1 796	1 796	1 796	1 814	1 832	1 914
Total payments on training	36 825	54 107	10 065	20 664	20 664	20 664	20 820	21 028	21 970

The department has faced financial constraints due to budget cuts over the years. As a result, there has been a shift in focus towards providing staff with sufficient training, tools of trade, and proper capacitation. Unfortunately, this has impacted the department's ability to issue bursaries and recruit learners and interns. However, if the fiscus improves in the future, the department will revisit this programme.

9.3 Reconciliation of structural changes

N/A

ANNEXURES TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 15.14: SPECIFICATION OF RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Sales of goods and services other than capital assets	15 721	12 374	15 953	30 664	30 664	30 664	32 013	33 450	34 949
Sale of goods and services produced by department (excluding capital assets)	15 721	12 374	15 953	30 664	30 664	30 664	32 013	33 450	34 949
Sales by market establishments	15 721	12 374	15 953	30 664	30 664	30 664	32 013	33 450	34 949
Fines, penalties and forfeits	1								
Interest, dividends and rent on land	49	503	35			37			
Interest		503	35			37			
Dividends	49								
Sales of capital assets						11 378			
Land and sub-soil assets						11 378			
Transactions in financial assets and liabilities	3 556	3 028	905	807	807	3 393	843	881	920
Total departmental receipts	19 327	15 905	16 893	31 471	31 471	45 472	32 856	34 331	35 869

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	2 019 508	1 848 209	2 104 822	2 015 624	2 125 144	2 125 144	1 912 469	1 985 027	2 037 609
Compensation of employees	1 120 132	1 011 818	1 151 014	1 179 186	1 179 186	1 165 346	1 232 558	1 262 983	1 307 610
Salaries and wages	988 444	877 087	1 009 038	1 017 132	1 021 632	1 009 464	1 065 778	1 086 602	1 122 672
Social contributions	131 688	134 731	141 976	162 054	157 554	155 882	166 780	176 381	184 938
Goods and services	899 318	836 391	932 309	836 258	945 778	959 618	679 911	722 044	729 999
Administrative fees	96	58	106		37	37	520		
Advertising	773	360	4 438	800	4 400	4 400	3 390		
Minor assets	173	206	428	1 734	1 514	1 514	2 870	750	800
Audit cost: External	9 332	10 104	22 929	12 187	16 987	16 987	20 000	10 971	11 463
Bursaries: Employees	3 089	641	89		5 000	5 000	6 000		
Catering: Departmental activities	517	14	607		532	744	500		
Communication (G&S)	7 321	1 013	1 506	1 050	1 055	1 317	1 750	1 096	1 145
Computer services	17 980	10 382	22 296	25 981	25 981	25 998	20 500	15 678	20 908
Consultants and professional services: Business and advisory services	4 146	1 167	17 404		2 000	5 976	31 085		
Legal services	49 404	30 713	46 887	13 611	55 611	53 960	21 070	18 000	10 448
Contractors	602	643	2 679		204	2 375	4 750		
Agency and support / outsourced services	118 851	2 734	28 317	150 442	64 499	45 215	245 416	251 835	244 208
Fleet services (including government motor transport)	40 217	46 725	39 810	31 647	32 336	34 332	33 116	22 933	25 408
Inventory: Clothing material and accessories	1 355	1 236	3 826	10 606	10 696	7 078	8 080	5 442	4 193
Inventory: Food and food supplies	8			176	143	26			
Inventory: Fuel, oil and gas	17								
Inventory: Materials and supplies	5	29	5			44	605		
Inventory: Other supplies							620		
Consumable supplies	3 425	16 584	3 581	3 462	2 375	4 153	5 170	1 045	1 092

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Consumable: Stationery, printing and office supplies	2 773	1 933	4 222	1 700	1 700	2 139	2 300	1 099	1 148
Operating leases	393 542	401 160	494 231	402 530	465 741	488 941	165 216	162 719	165 970
Property payments	224 335	293 484	205 729	156 985	231 855	231 855	84 024	214 034	227 005
Transport provided: Departmental activity	1 726	290	37						
Travel and subsistence	14 957	12 380	15 807	13 183	13 453	17 278	8 424	5 024	4 281
Training and development	2 936	4 231	13 629	10 114	8 044	8 044	11 393	11 418	11 930
Operating payments	188	210	1 165	50	20		402		
Venues and facilities	1 548	94	2 579		1 595	2 205	2 710		
Interest and rent on land	58	1	21 500	180	180	180			
Interest	58	1	21 500	180	180	180			
Rent on land									
Transfers and subsidies	1 090 440	1 093 610	1 031 252	1 180 272	1 181 322	1 181 322	1 242 977	1 241 719	1 266 621
Provinces and municipalities	1 084 092	1 089 927	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757
Municipalities	1 084 092	1 089 927	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757
Municipalities	1 084 092	1 089 927	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757
Departmental agencies and accounts		1							
Provide list of entities receiving transfers		1							
Households	6 348	3 682	5 904	3 404	4 454	4 454	4 000	2 742	2 864
Social benefits	5 707	3 665	5 812	2 674	4 454	4 454	4 000	1 946	1 766
Other transfers to households	641	17	91	730				796	1 098
Payments for capital assets	232 808	85 872	39 567	116 339	48 377	48 377	155 824	221 346	115 748
Buildings and other fixed structures	175 766	57 509	10 143	96 092	26 130	26 130	117 524	202 388	105 300
Buildings	175 766	57 509	10 143	96 092	26 130	26 130	117 524	202 388	105 300
Machinery and equipment	27 225	26 217	28 611	20 247	22 247	22 247	38 300	18 958	10 448
Transport equipment	3 859								
Other machinery and equipment	23 366	26 217	28 611	20 247	22 247	22 247	38 300	18 958	10 448
Software and other intangible assets	29 817	2 146	813						
Payments for financial assets	218	641	768		392	392			
Total economic classification	3 342 973	3 028 332	3 176 409	3 312 235	3 355 235	3 355 235	3 311 270	3 448 092	3 419 978

TABLE 15.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	326 537	285 506	374 650	363 293	394 329	394 329	414 233	329 177	338 076
Compensation of employees	227 151	202 277	217 613	285 999	255 245	244 335	267 476	276 077	278 977
Salaries and wages	200 777	176 536	190 556	249 773	219 019	209 781	231 058	237 424	239 921
Social contributions	26 374	25 741	27 057	36 226	36 226	34 554	36 418	38 653	39 056
Goods and services	99 351	83 230	157 037	77 198	138 988	149 898	146 757	53 100	59 099
Administrative fees	96	58	67		37	37	520		
Advertising	773	360	4 438	800	4 400	4 400	3 390		
Minor assets	22	15	223	500	500	500	1 870		
Audit cost: External	9 332	10 104	22 929	12 187	16 987	16 987	20 000	10 971	11 463
Bursaries: Employees	3 089	641	89		5 000	5 000	6 000		
Catering: Departmental activities	303	14	174		530	558	500		
Communication (G&S)	5 866	256	1 394	1 050	1 055	1 055	1 750	1 096	1 145

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Computer services	17 962	10 367	22 294	25 981	25 981	25 981	20 000	15 678	20 000
Consultants and professional services: Business and advisory services	2 856	1 167	17 404		2 000	5 976	31 085		
Legal services	30 179	30 708	46 866	10 960	53 960	53 960	21 070	10 000	10 448
Contractors	602	643	2 679		204	2 375	4 750		
Agency and support / outsourced services	5 490	473	5 061		4 000	4 000	4 100		
Fleet services (including government motor transport)	8 950	16 990	8 075	5 153	4 997	7 159	5 520	2 038	2 129
Inventory: Clothing material and accessories			74		90	90			
Inventory: Food and food supplies	8			176	143	26			
Inventory: Materials and supplies	3	1	5				605		
Inventory: Other supplies							620		
Consumable supplies	813	1 223	877	1 462	650	2 428	1 670		
Consumable: Stationery, printing and office supplies	2 279	1 932	3 737	1 700	1 700	2 004	2 300	1 099	1 148
Operating leases	4 789	2 838	3 416	5 000	5 000	5 000	2 500		
Property payments			31						
Transport provided: Departmental activity	176		37						
Travel and subsistence	1 351	941	1 665	2 115	2 115	2 113	4 004	800	836
Training and development	2 936	4 231	12 721	10 114	8 044	8 044	11 393	11 418	11 930
Operating payments	131	175	1 150				400		
Venues and facilities	1 341	94	1 629		1 595	2 205	2 710		
Interest and rent on land	35			96	96	96			
Interest	35			96	96	96			
Rent on land									
Transfers and subsidies	2 568	616	1 433	889	939	939	4 000		
Households	2 568	616	1 433	889	939	939	4 000		
Social benefits	1 927	599	1 429	889	939	939	4 000		
Other transfers to households	641	17	4						
Payments for capital assets	22 048	28 244	26 790	20 247	22 247	22 247	28 300	8 958	
Machinery and equipment	22 012	26 098	25 977	20 247	22 247	22 247	28 300	8 958	
Transport equipment	1 339								
Other machinery and equipment	20 673	26 098	25 977	20 247	22 247	22 247	28 300	8 958	
Software and other intangible assets	36	2 146	813						
Payments for financial assets	217	641	768		392	392			
Total economic classification	351 370	315 008	403 641	384 429	417 907	417 907	446 533	338 135	338 076

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		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	1 457 483	1 506 970	1 587 182	1 392 989	1 568 416	1 568 303	1 124 895	1 283 351	1 333 180
Compensation of employees	774 328	757 978	817 740	773 627	808 881	805 951	843 257	874 398	913 517
Salaries and wages	670 751	650 933	704 561	654 309	689 563	686 633	714 888	739 743	769 790

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Social contributions	103 577	107 046	113 179	119 318	119 318	119 318	128 369	134 655	143 727
Goods and services	683 132	748 991	747 942	619 278	759 451	762 268	281 638	408 953	419 663
Administrative fees			39						
Advertising									
Minor assets	139	192	205	1 234	1 014	1 014	1 000	750	800
Catering: Departmental activities	21		2		2	2			
Communication (G&S)	1 224	645	47			206			
Computer services	18	15	2			17	500		908
Consultants and professional services: Business and advisory services	1 290								
Legal services	19 225	5	21	2 651	1 651			8 000	
Agency and support / outsourced services			608	20 000	23 000				
Fleet services (including government motor transport)	30 329	28 479	30 255	25 328	25 673	25 673	25 596	19 700	22 030
Inventory: Clothing material and accessories	877	1 040	2 981	2 867	2 867	2 867			
Inventory: Chemicals, fuel, oil, gas, wood and coal	17								
Inventory: Materials and supplies	2					44			
Consumable supplies	2 605	15 360	2 704	2 000	1 725	1 725	3 500		
Consumable: Stationery, printing and office supplies	494	1	485			135			
Operating leases	388 753	398 322	490 815	397 530	460 741	483 941	162 716	162 719	165 970
Property payments	224 335	293 484	205 698	156 985	231 855	231 855	84 024	214 034	227 005
Travel and subsistence	13 541	11 413	14 066	10 633	10 903	14 789	4 300	3 750	2 950
Operating payments	57	35	15	50	20		2		
Venues and facilities	207								
Interest and rent on land	23	1	21 500	84	84	84			
Interest	23	1	21 500	84	84	84			
Rent on land									
Transfers and subsidies	1 087 234	1 092 993	1 029 816	1 179 162	1 180 162	1 180 275	1 238 977	1 241 478	1 266 370
Provinces and municipalities	1 084 092	1 089 927	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757
Municipalities	1 084 092	1 089 927	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757
Municipalities	1 084 092	1 089 927	1 025 348	1 176 868	1 176 868	1 176 868	1 238 977	1 238 977	1 263 757
Departmental agencies and accounts		1							
Provide list of entities receiving transfers		1							
Households	3 142	3 066	4 468	2 294	3 294	3 407		2 501	2 613
Social benefits	3 142	3 066	4 380	1 564	3 294	3 407		1 705	1 515
Other transfers to households			87	730				796	1 098
Payments for capital assets	178 067	57 616	12 777	96 092	26 130	26 130	127 524	212 388	115 748
Buildings and other fixed structures	175 766	57 509	10 143	96 092	26 130	26 130	117 524	202 388	105 300
Buildings	175 766	57 509	10 143	96 092	26 130	26 130	117 524	202 388	105 300
Machinery and equipment	2 301	107	2 634				10 000	10 000	10 448
Transport equipment	2 093								
Other machinery and equipment	208	107	2 634				10 000	10 000	10 448

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Total economic classification	2 722 784	2 657 579	2 629 775	2 668 243	2 774 708	2 774 708	2 491 396	2 737 217	2 715 298

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		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	235 488	55 733	142 990	259 342	162 399	162 512	373 341	372 499	366 353
Compensation of employees	118 653	51 563	115 661	119 560	115 060	115 060	121 825	112 508	115 116
Salaries and wages	116 916	49 619	113 921	113 050	113 050	113 050	119 832	109 435	112 961
Social contributions	1 737	1 944	1 740	6 510	2 010	2 010	1 993	3 073	2 155
Goods and services	116 835	4 170	27 329	139 782	47 339	47 452	251 516	259 991	251 237
Minor Assets	12								
Catering: Departmental activities	193		431			184			
Communication (G&S)	231	112	65			56			
Agency and support / outsourced services	113 361	2 261	22 648	130 442	37 499	41 215	241 316	251 835	244 208
Fleet services (including government motor transport)	938	1 256	1 480	1 166	1 666	1 500	2 000	1 195	1 249
Inventory: Clothing material and accessories	478	195	771	7 739	7 739	4 121	8 080	5 442	4 193
Inventory: Materials and supplies		28							
Consumable supplies	7	1						1 045	1 092
Transport provided: Departmental activity	1 549	290							
Travel and subsistence	65	26	76	435	435	376	120	474	495
Training and development			908						
Venues and facilities			950						
Transfers and subsidies	638		3	221	221	108		241	251
Households	638		3	221	221	108		241	251
Social benefits	638		3	221	221	108		241	251
Payments for capital assets	32 693	12							
Machinery and equipment	2 912	12							
Transport equipment	427								
Other machinery and equipment	2 485	12							
Software and other intangible assets	29 781								
Payments for financial assets	1								
Total economic classification	268 819	55 745	142 993	259 563	162 620	162 620	373 341	372 740	366 604

TABLE 15.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION Expanded Public Works Programme Integrated Grant

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	23 878	21 062	18 988	6 768	6 768	6 768	10 006		
Compensation of employees	23 878	21 062	18 988	6 768	6 768	6 768	10 006		
Salaries and wages	23 878	21 062	18 988	6 768	6 768	6 768	10 006		