

VOTE 14

Public Works

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|---------------------------------|--|
| Operational budget | R1 693 351 205 |
| MEC remuneration | R 1 977 795 |
| Total amount to be appropriated | R1 695 329 000 |
| Responsible MEC | MEC for Human Settlements and Public Works |
| Administering department | Public Works |
| Accounting officer | Head: Public Works |

1. Overview

Vision

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

Mission

The department's mission is: *To improve the lives of the people in KwaZulu-Natal through sustainable infrastructure development and property management.*

Strategic outcomes

The department's outcomes are as follows:

- Increased access to economic opportunities to broaden the base of targeted groups for economic empowerment through infrastructure and property management.
- Improved immovable asset management and custodianship of all provincial assets and facilities.
- Provision of sustainable social infrastructure.

Core functions

In carrying out its mandate, the department undertakes the following core functions, which are in line with the outcomes in the five-year strategic plan (2020-2025) of the department:

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

Legislative mandate

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

- Constitution of the Republic of South Africa (No. 108 of 1996)
- Public Service Act (No. 30 of 2007)

- Public Finance Management Act (No. 1 of 1999, as amended) and the Treasury Regulations
- Government Immovable Asset Management Act (No. 19 of 2007)
- Local Government: Municipal Rates Act (No. 6 of 2004)
- Construction Industry Development Board Act (No. 38 of 2000)
- National Building Regulations and Building Standards Act (No. 103 of 1977)
- Occupational Health and Safety Act (No. 85 of 1993)
- State Land Disposal Act (No. 48 of 1961)
- Prevention of Eviction from and Unlawful Occupation of Land Act (No. 19 of 1998)
- KwaZulu-Natal Land Administration Act (No. 3 of 2003)
- KwaZulu-Natal Heritage Act (No. 10 of 1997)
- Broad Based Black Economic Empowerment Act (No. 53 of 2004)
- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1995)
- Skills Development Act (No. 97 of 1998)
- Basic Conditions of Employment Act (No. 75 of 1997)
- Intergovernmental Relations Framework Act (No. 13 of 2005)
- Preferential Procurement Policy Framework Act (No. 5 of 2000)
- Cross-Boundary Municipalities Laws Repeal and Related Matters Act, as amended (No. 8 of 2009)
- Council for the Built Environment Act (No. 43 of 2000)
- Engineering Profession Act (No. 46 of 2000)
- Architectural Profession Act (No. 44 of 2000)
- Quantity Surveying Profession Act (No. 49 of 2000)
- Project and Construction Management Professions Act (No. 48 of 2000)
- Occupational Injuries and Diseases Act (No. 130 of 1993)
- Deeds Registry Act (No. 47 of 1937)
- Expropriation Act (No. 63 of 1975)
- Environmental Act (No. 107 of 1998)
- Promotion of Administrative Justice Act (No. 53 of 2002)
- Promotion of Access to Information Act (No. 54 of 2006)
- Skills Development Qualification Act (No. 58 of 1995)
- KwaZulu-Natal Ingonyama Trust Amendment Act (No. 9 of 1997)
- South African Schools Act (No. 84 of 1996)
- Cross-boundary Municipalities Laws Repeal Related Matters Act (No. 23 of 2005)
- KwaZulu-Natal Planning and Development Act (No. 6 of 2008)

2. Review of the 2020/21 financial year

Section 2 provides a review of 2020/21, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Delivery of building infrastructure and accommodation

All infrastructure projects were implemented in line with the Infrastructure Delivery Management System (IDMS) processes. The department also rolled out the implementation of the Infrastructure Progression Model Implementation Plan, as prescribed by National Treasury. The role of Provincial Treasury in this process was to assess the Infrastructure Progression Model Implementation Plan budget over the MTEF whereas DOPW was responsible for ensuring full compliance in submitting the assessment report.

Expanded Public Works Programme (EPWP)

The EPWP continued to provide unemployed people with work opportunities and training with the aim of increasing their capacity to earn an income. The department set a target of 4 826 work opportunities and 1 595 Full Time Equivalents (FTEs) for 2020/21, however, these planned targets were not met as a result of the Covid-19 pandemic and the national lockdown.

Although the above-mentioned target was not met, the department did create EPWP work opportunities in respect of the school screening programme. In this regard, the Department of Education (DOE) approached the Social Protection, Community and Human Development (SPCHD) Cluster for urgent assistance with a number of key functions, such as the utilisation of EPWP beneficiaries from DOPW to conduct Covid-19 screening at schools. The department reprioritised funding of R38 million to pay stipends for 6 000 EPWP participants, who were placed in schools to conduct screening of all learners entering the school premises. A total of 5 738 work opportunities and 830 FTEs were created by the third quarter, in respect of the EPWP participants in the screening of Covid-19 in schools. The department recruited 5 738 screeners, which were less than the initial target of 6 000 screeners.

A total of nine EPWP data capturers were trained on the EPWP reporting system, with this programme used to capture and store specific project and participant information related to the EPWP, from which reports are drawn and used for various platforms in government including the presidential steering committee. These data capturers are beneficiaries of the EPWP, and they are funded through EPWP Integrated Grant for Provinces. The data capturers are responsible for the capturing of reports regarding the number of jobs created through both the department's infrastructure projects and the Izandla Ziyagezana programme. A total of 14 EPWP maintenance programme beneficiaries in the Southern region were assisted in registration of a co-operative known as Qala Phansi Primary Co-operative Limited during the third quarter of 2020/21. By providing such assistance, the department seeks to empower beneficiaries so that they are able to generate a sustainable income.

EPWP school maintenance programme

The EPWP school maintenance programme is aimed to assist poor, non-fee paying schools with basic maintenance of school grounds and buildings to ensure that children are able to learn in conducive and clean environments. This is done through the employment of youth beneficiaries at more than 2 000 schools in the province. These individuals are recruited through the Operation Sukuma Sakhe (OSS) structures and are assigned to schools identified by DOE.

The activities of the programme include basic technical maintenance of schools and repairs to school infrastructure such as repairs to door locks, painting and repairs to roof leakages and broken windows. Further to these activities, the programme also includes school yard maintenance such as grass cutting, gardening, etc, cleaning of classrooms and offices, vegetable gardens, recycling, tree propagating, tree planting and attending training sessions, as well as waste collection and community development services. The department implemented the EPWP school maintenance programme across KZN in 2 000 schools, which was not affected by the COVID-19 national lockdown measures.

EPWP provincial co-ordination and monitoring

In 2020/21, the department planned to achieve four interventions, namely the EPWP Division of Revenue Act (DORA) workshop, the annual EPWP Strategic Planning Session, training on the EPWP reporting system and the EPWP data quality and records management session. However, due to the Covid-19 pandemic and its associated national lockdown regulations, the department only managed to conduct one session per district with nine out of 11 district municipalities, including their local municipalities. The one-on-one sessions held per district were conducted through the EPWP focus week and were aimed at improving awareness of the EPWP programme by all relevant public bodies and civil society and improving effective implementation and reporting by public bodies, as well as expanding on strategies for job creation in the province. A number of strategies to optimise job creation in the province were agreed upon and adopted by all public bodies and, as a result, the department achieved the provincial target of job creation and achieved 130 495 work opportunities created by the end of the third quarter against the annual target of 125 612, thereby managing to exceed the set target.

Finalisation of R293 properties

The department planned to finalise the transfer of R293 properties from the remaining three municipalities, namely eNdameni, Nkandla and Big Five Hlabisa, into the name of the KZN provincial government and this process is currently underway. These transfers are expected to be finalised by the end of 2020/21.

Condition assessments

The department is currently in the process of acquiring professional service providers to undertake planned condition assessments of 150 state-owned facilities. It is anticipated that the process of acquiring professional service providers will be finalised by the fourth quarter due to delays as a result of the nationwide lockdown, as well as delays due to an appeal lodged by bidders. An intention to award was made in August 2020, but the award was interrupted by an appeal which was lodged by other bidders.

Izandla Ziyagezana programme

The department continued to contribute to the creation of sustainable jobs through the Izandla Ziyagezana programme. The department has, to date, employed 475 beneficiaries, of which eight people are living with disabilities. A further two sites in Dundee and Nkandla were added to the programme and this contributed positively to poverty alleviation in these areas. The cleaning of schools was only partially extended to four schools in Dundee and Pietermaritzburg due to capacity constraints as the vacant administration posts at regions and head office to monitor the programme were not filled due to delays as a result of the Covid-19 lockdown measures.

KwaZulu-Natal Infrastructure Master Plan (KZN-IMP)

The institutionalisation of the integrated KwaZulu-Natal Infrastructure Master Plan (KZN-IMP) was disrupted due to the national lockdown. The disruption presented opportunities, though, to review existing processes and the Infrastructure Programme Management Unit (IPMU) thus decided to revise this programme to focus the institutionalisation of the KZN-IMP to support the District Development Model (DDM) and the review of the Provincial Spatial Development Framework (PSDF). The publicly accessible virtual platform of data relating to infrastructure is live and accessible from the department's website via the links tab. The IPMU continued to develop, update and maintain this platform. Engagements with Action Work Group (AWG) convenors and selected stakeholders to improve the quality of data for monitoring and co-ordinating programmes or projects was also disrupted in the initial stages of the lockdown, but this work has since recommenced. A need was identified to develop a robust prioritisation system to process the volume of infrastructure projects and programmes and the development of this prioritisation model commenced, with the main focus being to measure the impact of the proposed infrastructure. The Covid-19 pandemic and the consequent lockdown highlighted the need for an online registration and reporting facility for catalytic projects and this development work also commenced.

Mayville conference centre dining facility

The acoustic treatment of iLembe hall was practically completed in 2019/20, however, due to the nationwide lockdown, there were some delays in commencing the contract for the dining facility. This project only started in September 2020 and is aimed to be completed by May 2021.

KZN Entrepreneurial Development Centre

The KZN Entrepreneurial Development Centre (hereafter referred to as the KZN Entrepreneurial Centre) in the Southern region consists of workshops and training rooms which are expected to be used to provide various training and skills development services to small and medium business enterprises. The project experienced challenges during the design stage due to delays by the Quantity Surveyor in finalising project documentation. A new Quantity Surveyor was appointed to finalise the documentation and advance the project to the construction stage. However, this project experienced delays in planning, as well as the delays caused by the lockdown regulations. The project was budgeted for and advanced to detailed design stage in 2020/21, but the construction was delayed due to the budget cuts effected against the department to provide for the provincial Covid-19 response. Construction is likely to commence in 2023/24, depending on the availability of funds.

New auditorium and conference centre in the Southern region

The project was still at feasibility stage and was delayed with implementation plan and the project scope being some of the aspects that were delayed during the planning stage. The project was further delayed due to the budget cuts effected against the department to provide for the provincial Covid-19 response.

3. Outlook for the 2021/22 financial year

Section 3 looks at the key focus areas of 2021/22, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The bulk of the 2021/22 budget in Programme 2 caters for municipal property rates, to provide for the Government Immovable Asset Management Act (GIAMA) and Fixed Asset Register projects, as well as other projects including condition assessments of various properties and infrastructure. The budget against Programme 3 largely caters for various infrastructure projects such as the Southern region auditorium and conference centre which was delayed as a result of the budget cuts against the department to provide for the provincial Covid-19 response, as previously mentioned, the Mayville conference centre dining facility, the KZN Entrepreneurial Centre in the Southern region, construction of the new iLembe District office and Amawele building in uMlazi. These projects were affected by the budget cuts and, as a result, the affected projects will be rolled out over a longer period.

Delivery of building infrastructure and accommodation

All infrastructure to be delivered by the department will be planned and implemented in line with the IDMS processes. The department is at the last stages of finalising the revised standard operating procedures, and these will be finalised by the first quarter of 2021/22. The implementation of the Infrastructure Progression Model Implementation Plan, as prescribed by National Treasury. The role of Provincial Treasury will be to assess the Infrastructure Progression Model Implementation Plan budget over the MTEF.

Expanded Public Works Programme

The EPWP aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. The department has set a target of 4 926 work opportunities and 1 628 FTEs to be created in 2021/22. In addition, the department has set a target of three beneficiary empowerment interventions through training in respect of the EPWP in 2021/22. This training includes, among others, basic financial literacy, paving of school yards and landscaping, end-user computing, construction plant training, such as tower cranes, mobile cranes, excavator/earth movers, and cleaning of government buildings. The department will continue to ensure that EPWP generates work opportunities and creates jobs, which will contribute meaningfully to poverty alleviation. The programme includes beneficiaries living with disabilities. The department plans to provide accredited and non-accredited training to the beneficiaries participating in the EPWP programme.

EPWP school maintenance programme

The department will continue to implement the EPWP school maintenance programme. It is anticipated that this programme will be implemented in over 2 000 schools and vacant sites across all district municipalities in 2021/22.

EPWP provincial co-ordination and monitoring

The department will provide technical support to all provincial departments and municipalities in order to achieve the EPWP work opportunity targets. The department, as the provincial co-ordinator of EPWP, will ensure that the targeted number of 66 public bodies comprising 54 municipalities and 12 provincial departments report on EPWP in 2021/22. The department will continue to provide data quality and records management support to all 66 public bodies, in order to ensure quality reporting on the EPWP reporting system. The department will also continue with the implementation of planned interventions to assist public bodies to report their EPWP achievements. It must be noted that the interventions will be limited to four interventions as was the case in 2020/21 as the ongoing impact of Covid-19 is not known yet. These interventions will be conducted virtually and include training through an annual DORA workshop, EPWP reporting system training, EPWP district roadshows and quarterly audit working sessions. The department will ensure that the set target of 128 699 work opportunities is achieved in 2021/22.

Finalisation of R293 properties

The department will continue to attend to the transfer of R293 properties from the names of the municipalities to the name of the KZN provincial government. The transfer of R293 properties from three municipalities, namely uMsunduzi, Nkandla and Big Five Hlabisa, is in progress. The transfer from eNdumeni is delayed by the establishment of the township register. Negotiations with uPhongolo and eDumbe local municipalities are ongoing and the procurement process will commence thereafter. eDumbe and uPhongolo are the last remaining municipalities where the R293 transfer work is still outstanding.

Condition assessments

Condition assessments of 150 facilities are planned for 2021/22, for state-owned office accommodation. The assessments will assist in identifying building deficiencies and any corrective actions needed. This will ensure that state-owned office accommodation complies with statutory requirements, once the corrective action is implemented. Work will commence at the beginning of 2021/22 as the service provider was appointed in 2020/21.

Izandla Ziyagezana programme

The department will ensure that the Izandla Ziyagezana programme increases the number of beneficiaries with disabilities, through engaging with institutions that care for people living with disabilities, and will continue to explore the extension of the programme to the cleaning of schools in all regions whereas currently only six schools benefit from the programme, namely Pholela High School, Bulwer Primary School, Copesville Secondary School, Joyland Primary School, Nkandla High School and Sthandiwe Special School.

KwaZulu-Natal Infrastructure Master Plan (KZN-IMP)

The IPMU will continue to progress the structural reforms proposed in the KZN-IMP and to institutionalise the KZN-IMP with a particular focus on the long-term demand management of infrastructure. The department aims to realise clear and concise levels of service to respond to the respective demand models across all infrastructure sectors and this, when achieved, will be a major achievement of the institutionalised KZN-IMP. In addition, the improvement of infrastructure asset registers will also be a key focus area.

The department will continue to develop the Infrastructure Nerve Centre, particularly its virtual capabilities to ensure sustainability and also to mobilise sectoral stakeholders to improve the quality of data and reporting to facilitate decision making, monitoring and co-ordination. Currently, there is no link with the Nerve Centre that falls under OTP. The department is in discussions with COGTA and OTP regarding the feasibility of collaboration between the departments to avoid duplication and streamline the access to data. In 2021/22, the department will commence with the development of the consolidated Provincial Repository of Infrastructure Data which is the data that forms the basis of the Infrastructure Nerve Centre and its intention is to house all infrastructure data and land use data so that any Implementing Agent / Investor / Stakeholder can access and view the data to assist with their assessments of infrastructure requirements for a development that they are contemplating.

The department is establishing a master planning capacity in terms of all infrastructure development for the province that is planned to be housed within the province's Strategic Infrastructure Development Agency (SIDA) but with support provided by the department in its initial development phases. The development of this agency is to enhance state capacity and ensure the sustainable planning and packaging of infrastructure to achieve socio-economic growth within the infrastructure sector. The department is currently sourcing the appropriate internal resources to commence engagement with National Treasury to register SIDA as a public entity and will do so with and through Provincial Treasury.

Mayville conference centre dining facility

The acoustic treatment of iLembe hall was completed in 2019/20, and the dining facility was delayed due to the national lockdown regulations and this project is now anticipated to be completed by May 2021.

Vryheid sub-district office, conversion of the workshop into offices

The department aims to finalise the first phase of this project by May 2021, after the project experienced delays in 2020/21 as a result of the poor performance of the initial contractor. The first phase entailed the conversion of a carpenter shop into offices and the face-lifting of the main building. The department is targeting to commence with construction of the second phase of the project, which entails completing the upgrade of the Vryheid office in Zululand.

New iLembe District office

The department will commence with the construction of this district office in 2021/22, and plans to complete it in 2022/23.

4. Alignment of the budget to the NDP and MTSF

The department's activities are directly aligned to the NDP's main objective of eliminating poverty and reducing inequality by 2030 and the five priorities of inclusive social and economic development, sustainable investment and growth, decent jobs and sustainable livelihoods, a capable development state, and expanding opportunities.

The department is aligned to three priority statements of the MTSF, namely building a capable, ethical and developmental state, economic transformation and job creation. The alignment is reflected in three outcomes, namely increased access to economic opportunities to broaden the base of targeted groups for economic empowerment through infrastructure and property management, improved immovable asset management and custodianship of all provincial assets and facilities, as well as provision of sustainable social infrastructure.

The department's contribution to eliminating poverty and reducing inequality is through creating employment through its EPWP beneficiaries, as well as creating an environment for sustainable employment and economic growth through delivery and maintenance and of infrastructure. These activities are in line with the NDP and MTSF priorities.

5. Reprioritisation

The department's baseline fluctuates over the 2021/22 MTEF, mainly due to significant budget cuts, as well as the allocation of significant additional funds for property rates in 2022/23. The department did not undertake reprioritisation between programmes, however, there was a movement of funds between economic categories within Programme 1: Administration. An amount of R2.500 million was reprioritised from *Compensation of employees* under the sub-programme: Management to *Goods and services* under the Minister Support sub-programme to cater for consultants' costs in respect of a compliance officer providing support to the Head of Department, as the department has signed a three-year contract in this regard ending in 2023/24.

6. Procurement

The department will continue to develop and implement procurement plans for 2021/22 to ensure that the needs of the organisation are in line with the pillars underpinning the department's strategy, as well as the budget allocated to the department.

Major projects planned by the department for 2021/22 include capital infrastructure projects such as the iLembe new office building, the Southern regional new administration wing, replacement of palisade fencing in the Legislature Assembly (LA) Complex building in Ulundi, completion of the refurbishment of an existing building to convert it to the new KZN Entrepreneurial Centre, the conversion of an existing workshop into a dining facility in the eThekweni region, and upgrading of an existing workshop in the Vryheid sub-district office. In addition, the department will continue with upgrading a carpenter workshop into offices in the Vryheid district office, the implementation of GIAMA projects, as well as conducting current projects such as condition assessments on state-owned office accommodation and leased buildings, property valuations, clearing of vacant sites, and provision of security services in respect of unutilised buildings. The department will also procure departmental vehicles, computer equipment, such as laptops and desktops as well as software. It must be noted that all work that is done by the department whether it is new, upgrades or refurbishments need to go through a procurement process in order to identify service providers. Also, the fixed asset register is currently underway and a payment will be done before the end of 2020/21.

7. Receipts and financing

7.1 Summary of receipts

Table 14.1 indicates the sources of funding for Vote 14 for the period 2017/18 to 2023/24. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a

provincial allocation in the form of an equitable share, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces.

The department's baseline has increased from R1.537 billion to R1.744 billion over the seven-year period. The department has been allocated additional funding of R204.866 million and R6.760 million for the shortfall in property rates in 2022/23 and 2023/24, respectively. The department also receives R5.465 million in respect of the EPWP Integrated Grant for Provinces in 2021/22, as well as R2 million allocation in each year of the MTEF in respect of the district champion of OSS/DDM responsibilities. These amendments are discussed in more detail in Section 8.2.

Table 14.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | 2021/22 | 2022/23 | 2023/24 |
| Equitable share | 1 495 587 | 1 581 909 | 1 680 591 | 1 774 166 | 1 649 467 | 1 649 467 | 1 689 864 | 1 934 255 | 1 744 027 |
| Conditional grants | 6 588 | 6 023 | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |
| EPWP Integrated Grant for Provinces | 6 588 | 6 023 | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |
| Total receipts | 1 502 175 | 1 587 932 | 1 685 317 | 1 778 409 | 1 653 710 | 1 653 710 | 1 695 329 | 1 934 255 | 1 744 027 |
| Total payments | 1 536 631 | 1 675 578 | 2 031 642 | 1 778 409 | 1 818 710 | 1 818 710 | 1 695 329 | 1 934 255 | 1 744 027 |
| Surplus/(Deficit) before financing | (34 456) | (87 646) | (346 325) | - | (165 000) | (165 000) | - | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-overs | 5 866 | 1 079 | - | - | - | - | - | - | - |
| Provincial cash resources | 34 776 | 92 000 | 380 624 | - | 165 000 | 165 000 | - | - | - |
| Surplus/(Deficit) after financing | 6 186 | 5 433 | 34 299 | - | - | - | - | - | - |

In 2017/18:

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

In 2018/19:

- A roll-over of R1.079 million was received from 2017/18 relating to commitments associated with the development of the KZN-IMP.
- The department received provincial cash resources of R92 million to assist with the pressures in the payment of property rates and in respect of outstanding government debt. In this regard, R43.500 million was allocated to settle the shortfall in respect of Section 14 schools relating to 2017 invoices and R48.500 million for outstanding government debts as at 31 March 2015.
- The department under-spent by R5.433 million in 2018/19, mainly against *Buildings and other fixed structures* due to slower than anticipated progress on various projects, largely attributed to poor contractor performance, exacerbated by design co-ordination issues and inclement weather, which collectively caused delays in the construction of the new iLembe District office building, delays in awarding the contract for the LA Complex in Ulundi, as well as the conversion of an existing workshop to a dining facility at the Mayville conference centre. Also contributing were delays due to lengthy procurement processes in appointing the health and safety agent to comply with building

industry requirements for the refurbishment of the existing uMgungundlovu District office into the KZN Entrepreneurial Centre.

In 2019/20:

- In 2019/20, the department received R380.624 million from provincial cash resources. This additional funding was to offset the pressures from the payment of property rates.
- The department under-spent its 2019/20 budget by R34.299 million mainly against GIAMA in respect of condition assessments as a result of delays in the appointment of a service provider. As such, no condition assessments were conducted in respect of schools in 2019/20. Also contributing to the under-spending was slower than anticipated progress on various infrastructure projects, largely attributed to the finalisation of the appointment of a contractor for the conversion of the carpenter workshop project in Vryheid, delays in finalising the appointment of the contractor for repairs to the perimeter fence at the LA Complex in Ulundi, delays in finalising the final account for projects within the eThekweni region, slow progress because of poor performance by the contractor in the construction of the iLembe District new office building, as well as the generator project at the eThekweni regional office, district offices, MEC's office, conference centre and lecture hall, that were completed later than anticipated.

In 2020/21:

- In the 2020/21 Adjusted Appropriation, the department received provincial cash resources of R165 million to assist with the pressures in the payment of property rates. The shortfall was brought about by a 10 per cent escalation in municipal property rates as a result of increases in market values for the municipalities that implemented their new general valuation rolls with effect from 01 July 2020, as well as to cover the tariff increases. Mitigating this was a reduction of R76.563 million in the Special Adjustments Estimate toward funding the provincial response to the Covid-19 pandemic and this is shown against the equitable share.
- The Revised Estimate shows that the department is projecting a balanced budget at the end of 2020/21, based on the December IYM.

The department implemented budget cuts totalling R152.585 million in 2021/22, R199.810 million in 2022/23 and R276.729 million 2023/24, as indicated in Table 14.3. These budget cuts relate to fiscal consolidation implemented by National Treasury, as well as cuts related to the cost-of-living wage freeze. Offsetting the budget cuts is additional funding of R204.866 million for the shortfall in property rates in 2022/23 and R6.760 million received in 2023/24 in respect of an adjustment made to the outer year, which will be allocated against the property rates budget to reverse fiscal consolidation budget cuts that were effected against the property rates budget. There is also an additional R2 million allocation in each year of the MTEF in respect of the district champion of OSS/DDM responsibilities.

7.2 Departmental receipts collection

Table 14.2 reflects the estimated departmental receipts for Vote 14. The main sources of revenue are of a domestic nature and include housing rent, parking, etc. Details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | 2021/22 | 2022/23 | 2023/24 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 5 844 | 8 366 | 11 421 | 7 844 | 7 844 | 7 870 | 8 105 | 8 640 | 9 020 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 1 954 | 1 198 | 246 | 538 | 538 | 538 | 570 | 622 | 649 |
| Sale of capital assets | 720 | 1 966 | 986 | 630 | 630 | 630 | 535 | 940 | 575 |
| Transactions in financial assets and liabilities | 513 | 496 | 331 | 944 | 944 | 918 | 946 | 946 | 988 |
| Total | 9 031 | 12 026 | 12 984 | 9 956 | 9 956 | 9 956 | 10 156 | 11 148 | 11 232 |

Sale of goods and services other than capital assets comprises parking and state-owned property rentals, tender fees, and commission received on PERSAL deductions such as insurance premiums and garnishee orders. The significant collection in 2019/20 related to arrear rental on non-residential buildings paid by Star College which occupies a state building in Durban. Ggrowth over the MTEF is largely inflationary.

Interest, dividends and rent on land relates mainly to interest earned on outstanding staff debts, interest from trust accounts, as well as the rental from Vodacom for the use of government land to install network towers. The high 2018/19 amount was due to interest received from the sale of St Aidan's Hospital. These funds are held in an interest bearing trust account until the transfer of ownership and the conveyancing process is finalised. The revenue budget over the MTEF relates to interest on outstanding staff debts.

Sale of capital assets relates to the sale of redundant motor vehicles, equipment, as well as the sale of land and buildings. The revenue collected in 2018/19 relates to the sale of land in Ulundi to the national Department of Public Works and Infrastructure (NDPWI). This amount also includes revenue from the sale of a residential building in Ulundi to a private organisation. The budget over the MTEF is set in line with the departmental disposal policy.

Transactions in financial assets and liabilities relates to recoveries from previous years' expenditure, such as staff debts, over-payments to suppliers, etc. The fluctuating trend over the seven-year period and low growth over the MTEF is due to the unpredictable nature of these recoveries.

7.3 Donor funding – Nil

8. Payment summary

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

8.1 Key assumptions

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

- Over the 2021/22 MTEF, National Treasury has not provided provinces with the budget for the cost-of-living adjustment. This is because they won the court case where they were taken to court by the unions with regard to implementing the last leg of the 2018/19 agreement. In this regard, National Treasury has reduced the province's baseline against *Compensation of employees* in respect of freezing salary increases, as well as additional reductions implemented to support fiscal consolidation. However, departments have made provision for the 1.5 per cent pay progression. As such, the department's *Compensation of employees* budget grows at a rate of 2.3 per cent in 2021/22 and this includes the allocation of R5.465 million for the stipends paid from the EPWP Grant for Provinces. There is negative growth for 2022/23 of 0.2 per cent and remains constant in the outer year. It must be noted that the department will not fill any posts over the MTEF due to budget cuts against *Compensation of employees*. However, posts which become vacant after budget cuts, will be reprioritised and where funds are available be filled. The department will need to monitor the filling of posts in line with natural attrition and retirements and fill posts based on the availability of funds.
- All inflation related increases are based on CPI projections.
- The updated cost-cutting measures, as re-issued by Provincial Treasury in 2019/20, will continue to be adhered to over the 2021/22 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.
- The capital budget is based on the department's infrastructure plan.

8.2 Amendments to provincial and equitable share funding: 2019/20 to 2021/22 MTEF

Table 14.3 shows amendments to the provincial and equitable share funding received over the 2019/20, 2020/21 and 2021/22 MTEF periods, and excludes grant funding. The carry-through allocations for the outer year (i.e. 2023/24) are based on the incremental percentage used in the 2021/22 MTEF.

Table 14.3 : Summary of amendments to provincial and equitable share allocations for the 2019/20 to 2021/22 MTEF

| R thousand | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---|--------------|-----------------|------------------|-----------------|------------------|
| 2019/20 MTEF period | (643) | (682) | (692) | (727) | (759) |
| Budget cut for remuneration of public office bearers | (643) | (682) | (692) | (727) | (759) |
| 2020/21 MTEF period | | (13 894) | (35 981) | (43 053) | (44 947) |
| Fiscal consolidation and PES formula update budget cut | | (5 629) | (27 432) | (39 494) | (41 232) |
| Budget cut due to low COE spending | | (3 559) | (3 559) | (3 559) | (3 716) |
| Adjustment to COE (due to revised CPI inflation projections) | | (4 706) | (4 990) | - | - |
| 2021/22 MTEF period | | | (150 585) | 7 056 | (267 969) |
| Fiscal Consolidation budget cut | | | (49 973) | (52 673) | (95 264) |
| Compensation of employees budget cut (wage freeze and fiscal consolidation) | | | (102 612) | (147 137) | (181 465) |
| Allocation for shortfall in municipal property rates | | | - | 204 866 | - |
| Adjustment to the outer year | | | - | - | 6 760 |
| District Champion of OSS/DDM responsibilities | | | 2 000 | 2 000 | 2 000 |
| Total | (643) | (14 576) | (187 258) | (36 724) | (313 675) |

Over the 2019/20 MTEF, the department's budget was cut by R643 000 with carry-through, in line with a determination made by the Honourable President for the remuneration of public office bearers. In this regard, the President had announced that there would be minimal or no annual salary increases in 2018/19 for public office bearers. In the case of provincial executives, Premiers, MECs and Speakers did not receive salary increases, while MPLs received a 2.5 per cent increase. The savings realised from this announcement were cut from provinces in line with fiscal consolidation efforts.

In the 2020/21 MTEF, the following changes were made to the department's budget:

- The department's equitable share was reduced by R5.629 million in 2020/21, R27.432 million in 2021/22 and R39.494 million in 2022/23 with carry-through, as a result of fiscal consolidation and PES formula updates budget cuts. In this regard, Programme 1 was cut by R2.741 million, R3.421 million and R4.107 million over the MTEF. These budget cuts were effected against *Goods and services*, largely against fleet services, as well as *Machinery and equipment*, mainly against transport equipment. Programme 3 was cut by R2.888 million, R24.011 million and R35.387 million over the MTEF, largely against *Buildings and other fixed structures*.
- The department's equitable share was further reduced by R3.559 million per annum over the 2020/21 MTEF as a result of the department's low *Compensation of employees* spending. This was effected against *Compensation of employees* in Programme 3.
- The department's equitable share was reduced by R4.706 million in 2020/21 and R4.990 million in 2021/22, related to lowering the CPI projections influencing the growth in *Compensation of employees*, where this CPI rate was previously set at 5.5 per cent but was lowered to 4.4 per cent. This budget cut was effected across all programmes under *Compensation of employees*.

In the 2021/22 MTEF, the following changes are made to the department's budget:

- The department's equitable share is reduced by R49.973 million in 2021/22, R52.673 million in 2022/23 and R95.264 million in 2023/24, due to the fiscal consolidation budget cuts implemented by National Treasury. In this regard, Programme 1 was cut by R20.765 million, R21.665 million and R22.565 million over the MTEF. These budget cuts were effected against *Goods and services*, largely against contractors' costs, entertainment, fleet services, consumable: stationery, printing and office supplies, travel and subsistence, training and development, operating payments and venues and facilities, as well as *Machinery and equipment* mainly against transport equipment. Programme 2 was cut by R8.308 million, R9.908 million and R51.399 million over the MTEF. These cuts were effected against *Goods and services* largely against administrative fees, property payments, consultants and professional services: business and advisory services relating to the GIAMA – Conditional Assessment funding used to assess the condition of government facilities such as schools, as well as *Transfers and subsidies* in respect of property rates. Programme 3 was cut by R82.467 million, R109.382 million and R130.179 million over the MTEF largely against *Goods and services* in respect of catering: departmental activities, agency and support/outsourced services, fleet services, consumable: stationery, printing and office supplies, as well as travel and subsistence line items. In addition, there were cuts affected against *Buildings and other fixed structures* against infrastructure projects, and *Machinery and equipment* as a result of procuring less computer equipment.

- The department's equitable share is further reduced by R102.612 million, R147.137 million and R181.465 million over the 2021/22 MTEF as a result of the *Compensation of employees* budget cuts made by National Treasury due to there being no cost-of-living adjustment over the MTEF. The department effected the cuts only against Programme 1 and Programme 3. In this regard, Programme 1 was cut by R41.045 million, R58.855 million, and R72.586 million, in 2021/22, 2022/23 and 2023/24, respectively. Programme 3 was cut by R61.567 million, R88.282 million and R108.879 million in 2021/22, 2022/23 and 2023/24, respectively.
- The department's equitable share is also increased by R6.760 million, an adjustment to outer year allocated to against *Transfers and subsidies to: Provinces and municipalities* to reverse fiscal consolidation cuts that were effected against the property rates budget in 2023/24. Also the department's equitable share is further increased by R2 million in each year of the 2021/22 MTEF in respect of the district champion of OSS/DDM responsibilities and this was allocated to Programme 1 against *Goods and services* in respect of contractors.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 14.3, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus, amounts of R28.362 million, R29.780 million and R31.090 million in 2021/22, 2022/23 and 2023/24, respectively, remain ring-fenced for this purpose.

8.3 Summary by programme and economic classification

Tables 14.4 and 14.5 provide a summary of the Vote's expenditure and budgeted estimates over the MTEF by programme and economic classification, respectively.

The department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector. All programmes are different from the uniform structure except Programme 1 which largely conforms with the programme structure. The deviations to the uniform budget structure was not approved by National Treasury. The department is in a process to address this.

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Administration | 384 513 | 415 347 | 449 539 | 468 290 | 421 958 | 420 786 | 434 109 | 444 408 | 448 562 |
| 2. Property Management | 700 814 | 806 924 | 1 106 556 | 800 299 | 935 931 | 932 693 | 832 095 | 1 077 961 | 878 150 |
| 3. Provision of Buildings, Structures and Equipment | 451 304 | 453 307 | 475 547 | 509 820 | 460 821 | 465 231 | 429 125 | 411 886 | 417 315 |
| Total | 1 536 631 | 1 675 578 | 2 031 642 | 1 778 409 | 1 818 710 | 1 818 710 | 1 695 329 | 1 934 255 | 1 744 027 |

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 836 119 | 882 188 | 918 493 | 1 034 729 | 929 350 | 936 558 | 955 161 | 960 938 | 966 863 |
| Compensation of employees | 581 342 | 617 365 | 682 416 | 772 606 | 691 051 | 700 255 | 716 250 | 714 534 | 714 534 |
| Goods and services | 254 776 | 264 823 | 236 077 | 262 123 | 238 299 | 236 292 | 238 911 | 246 404 | 252 329 |
| Interest and rent on land | 1 | - | - | - | - | 11 | - | - | - |
| Transfers and subsidies to: | 639 553 | 744 091 | 1 042 561 | 673 278 | 840 958 | 842 066 | 706 560 | 946 773 | 749 143 |
| Provinces and municipalities | 627 881 | 728 957 | 1 031 102 | 663 675 | 828 675 | 828 787 | 696 594 | 936 301 | 738 209 |
| Departmental agencies and accounts | 415 | 488 | 515 | 638 | 638 | 628 | 658 | 683 | 714 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 95 | - | - | - | - | 124 | - | - | - |
| Households | 11 162 | 14 646 | 10 944 | 8 965 | 11 645 | 12 527 | 9 308 | 9 789 | 10 220 |
| Payments for capital assets | 59 872 | 47 014 | 54 453 | 70 402 | 48 402 | 40 086 | 33 608 | 26 544 | 28 021 |
| Buildings and other fixed structures | 39 546 | 25 529 | 31 582 | 51 628 | 33 528 | 25 212 | 22 186 | 14 059 | 14 678 |
| Machinery and equipment | 13 764 | 17 124 | 16 498 | 12 774 | 8 874 | 8 874 | 5 070 | 5 796 | 6 360 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 6 562 | 4 361 | 6 373 | 6 000 | 6 000 | 6 000 | 6 352 | 6 689 | 6 983 |
| Payments for financial assets | 1 087 | 2 285 | 16 135 | - | - | - | - | - | - |
| Total | 1 536 631 | 1 675 578 | 2 031 642 | 1 778 409 | 1 818 710 | 1 818 710 | 1 695 329 | 1 934 255 | 1 744 027 |

Programme 1: Administration reflects steady growth, but shows a decrease in 2020/21. The slight increase in 2018/19 was mainly due to staff exit costs, as well as higher than anticipated costs for telecommunication equipment, while the increase in 2019/20 was mainly due to higher than anticipated costs in respect of advertising tenders, audit costs for the annual audit by the A-G, communication services costs, as well as legal services costs which were unanticipated. The decrease in the 2020/21 Adjusted Appropriation was mainly because of budget cuts to provide for the provincial response to the Covid-19 pandemic and the cost-of-living adjustment funds which were returned to National Treasury, as explained above. There was also a slight decrease in the Revised Estimate which was mainly against *Compensation of employees* due to delays in recruitment processes because of the national lockdown regulations. This programme received R2 million in each year of the 2021/22 MTEF in respect of the district champion of OSS/DDM responsibilities. The budget over the MTEF shows steady growth despite the budget cuts of R61.810 million, R80.520 million and R95.151 million over the MTEF. The impact of these budget cuts is discussed in Section 9.

Programme 2: Property Management shows an increase in 2018/19 due to additional funding of R92 million that was allocated to address spending pressures in respect of outstanding municipal property rates. The substantial increase in 2019/20 relates to payments of R380.624 million for property rates in respect of outstanding government debt arising from increases in the market value of properties. The further increase in the 2020/21 Adjusted Appropriation relates to additional funding of R165 million allocated to assist with the pressure in the payment of property rates, and this was reduced to some extent by budget cuts to assist in funding the provincial response to the Covid-19 pandemic and the 2020 cost-of-living adjustment funds effected against this programme. There was also a decrease in the Revised Estimate mainly due to delays in recruitment processes because of the national lockdown regulations, and against *Goods and services* mainly due to delays in the appointment of a service provider to undertake the assessments of state-owned properties as a result of the nationwide lockdown. The high growth in 2022/23 is ascribed to additional once-off funding of R204.866 million allocated for municipal property rates, explaining the decrease in 2023/24. The bulk of the 2021/22 MTEF budget caters for municipal property rates, as well as the implementation of GIAMA projects such as maintenance, clearing of vacant sites, provision of security services to unutilised buildings and property valuations. There is fluctuating growth over the MTEF due to once-off additional funding in 2022/23. Budget cuts of R8.308 million, R9.908 million and R51.399 million were effected against this programme over the MTEF, and these cuts are discussed in Section 9. This programme received an additional R6.760 million in 2023/24 to also assist with the pressure in the payment of property rates, as previously mentioned.

Programme 3: Provision of Buildings, Structures and Equipment increases from 2017/18 to 2019/20. The substantial decrease in the 2020/21 Adjusted Appropriation is mainly due to the budget cuts effected against *Compensation of employees*, *Goods and services*, as well as *Buildings and other fixed structures* to assist in funding the provincial response to the Covid-19 pandemic, as well as the reduction made in respect of the 2020 cost-of-living funds which were returned to National Treasury. The increase in the Revised Estimate can be ascribed to spending pressures brought about by the payment of stipends in respect of EPWP beneficiaries appointed as screeners for the province from August 2020 onwards due to the Covid-19 pandemic. The budget over the MTEF caters mainly for infrastructure projects, as explained in Section 9. This programme received an allocation of R5.465 million in 2021/22 in respect of the EPWP Integrated Grant for Provinces. The department also effected budget cuts of R82.467 million, R109.382 million and R130.179 million over the MTEF against this programme, hence there is negative growth from 2020/21 to 2021/22.

The increasing trend against *Compensation of employees* from 2017/18 onward is influenced by the carry-through costs of the above-budget wage adjustments, as well as provision for improving infrastructure support. The decrease in the 2020/21 Adjusted Appropriation was largely due to the budget cuts effected as a result of the provincial response to the Covid-19 pandemic and 2020 cost-of-living funds which were returned to National Treasury, as previously mentioned. The slight increase in the Revised Estimate was largely due to the payment of stipends in respect of EPWP beneficiaries appointed as screeners at schools during the Covid-19 pandemic, as explained above. The department reprioritised R2.500 million from *Compensation of employees* to *Goods and services* in both 2021/22 and 2022/23, to cater for the salary of a compliance officer providing support to the Head of Department, as the

department has signed a three-year contract in this regard ending in 2023/24. This officer's appointment was also suspended when the Head of Department was suspended. The 2021/22 budget includes an allocation of R5.465 million in respect of the EPWP Integrated Grant for Provinces. The department's *Compensation of employees* budget was cut by R102.612 million, R147.137 million and R181.465 million over the MTEF in respect of the wage freeze and fiscal consolidation cuts. The 2021/22 growth rate is 2.3 per cent and there is negative growth of 0.2 per cent in 2022/23. The outer year remains constant. The department plans to monitor the filling of posts in line with natural attrition and retirements based on the availability of funds. The department has currently budgeted to fill 24 posts in the current financial year but has not budgeted to fill further posts over the MTEF. The budget growth in 2021/22 includes provision for the 1.5 per cent pay progression, but this is not catered for in the outer years with a negative growth of 0.2 per cent in 2022/23 and no growth in 2023/24, and will need to be reviewed by the department in the next budget process. This is also dependent on whether the department manages to fill all of the vacant posts in 2020/21, which is highly unlikely.

Goods and services was high in 2018/19, mainly due to increased costs in property payments relating to electricity and water for shared services in the LA Complex building. The decrease in 2019/20 was due to no spending against GIAMA – Conditional Assessment, the Fixed Asset Register project and under-expenditure against property payments for gardening and security services. The decrease in the 2020/21 Adjusted Appropriation was due to budget cuts to cater for the provincial response to the Covid-19 pandemic. The cuts were effected largely against training and development, business and advisory services and agency and outsourced services. The further decrease in the 2020/21 Revised Estimate was in respect of cost-cutting on items such as agency and support/outsourced services, as well as travel and subsistence due to impact of Covid-19. The budget over the MTEF shows a steady trend and includes R2 million in respect of the district champion of OSS/DDM responsibilities. However, this category was cut by R32.973 million in 2021/22, R35.673 million in 2022/23 and R41.958 million in 2023/24 largely against training and development, business and advisory services and agency and outsourced services, contractors' costs, entertainment, fleet services, consumable: stationery, printing and office supplies, travel and subsistence, training and development, operating payments and venues and facilities. The department will scale down on spending in respect of these items. This will not impact on service delivery but will have an impact on the department's day-to-day operations as Programme 1 will have limited resources to support the department. With regard to the GIAMA – Conditional Assessment, the impact of the cuts will be that fewer facilities will be assessed over the 2021/22 MTEF, and this will result in an increased backlog for facilities to be assessed considering the fact that since 2018/19 no assessments were done by the department in this regard.

Interest and rent on land relates largely to audit costs and has not been budgeted for over the MTEF.

Transfers and subsidies to: Provinces and municipalities shows a fluctuating trend which relates to the payment of municipal property rates. This category caters mainly for the payment of property rates, as well as motor vehicle licences. The increase in 2018/19 is attributed largely to spending pressures relating to the payment of property rates. These pressures arose due to higher than anticipated increases in municipal rates, as well as the upgrading of various government buildings, which then attract higher property rates. These high municipal rates account for the increases in 2019/20 and 2020/21, because additional funds were allocated to the department to alleviate the pressure. This explains the reduction in the 2020/21 Main Appropriation. The baseline for this item needs to be revised to be in line with property rates, however, due to the unavailability of funding Provincial Treasury only allocates funds as and when it becomes available. This explains the negative growth from 2020/21 to 2021/22. The strong growth from 2021/22 to 2022/23 is ascribed to once-off additional funding of R204.866 million to cater for the shortfall relating to property rates. A budget cut of R36.306 million is effected against the property rates budget in 2023/24 and this needs to be reviewed by the department in the next budget process considering the fact that there are continuous spending pressures in this area. This explains the negative growth from 2022/23 to 2023/24. However, the budget in 2023/24 was increased by R6.760 million for the shortfall in property rates in programme 2, as previously mentioned.

The increasing trend against *Transfers and subsidies to: Departmental agencies and accounts* is largely driven by workmen's compensation payments, which are based on claims related to injuries on duty. This category also provides for the skills development levy.

Transfers and subsidies to: Non-profit institutions relates to donations made to schools and war-rooms in respect of OSS and these are made at the MEC's discretion.

Transfers and subsidies to: Households caters for external bursaries and staff exit costs, and shows a fluctuating trend due to the unpredictable nature of these costs. The increase in the 2020/21 Adjusted Appropriation and Revised Estimate is due to unanticipated staff exit costs, as well as costs relating to external bursaries awarded to students in the professional disciplines, such as engineering. The budget increases steadily over the MTEF and largely caters for bursaries to non-employees and staff exit costs.

Buildings and other fixed structures fluctuates over the seven years, as it is based on actual capital infrastructure requirements. The high spending in 2017/18 was due to space planning in the Amawele building in uMlazi, as well as the provision of a generator for the Midlands regional office. The decrease in 2018/19 was due to slower than anticipated progress on projects, as well as delays in awarding various projects within the LA Complex building in Ulundi, due to delays encountered while trying to secure consultants for emergency work to be undertaken. In addition, there were delays in the landscaping project at the LA Complex building, as well as the late awarding of electrical and mechanical contracts at this complex. This explains the low spending in 2018/19. The MTEF allocations provide for the completion of the new administration wing in the uMgungundlovu District, construction of the new Auditorium and Conference Centre in the Southern region, the new iLembe District office, the rehabilitation and refurbishment of an existing building into the new KZN Entrepreneurial Centre in the uMgungundlovu District, renovations to the lecture hall and the conversion of an existing workshop into an office in the eThekweni region, emergency structural repairs, water system repairs, as well as repairs to internal roads and parking facilities in the LA Complex. In addition, the MTEF budget caters for the construction of a parking facility and the conversion of a workshop into a dining facility in the eThekweni region, the conversion of a carpenter workshop into an office and the upgrading of an existing office, both in the Vryheid-sub district, electrical and mechanical services to the new wing in the OR Tambo House, which is the department's head office at 191 Prince Alfred Street and the conversion of an old building which is called a castle situated behind the lecture hall in Mayville, into an executive lounge in the eThekweni region. The latter project is in respect of the old building that will be converted into an executive lounge to be used as a reception/waiting area, for dignitaries and other officials prior to entrance into the Mayville Conference Centre. Initially this project was estimated at R14.400 million, however, the scope is to be revised to be within R5 million. It must be mentioned that several of these projects are currently in progress and will continue over the MTEF. This category was cut by R10 million in each year of the MTEF as a result of the fiscal consolidation budget cuts. The department effected the budget cuts by reducing the budget of projects including the uMgungundlovu conference centre, renovations to the lecture hall and conversion of an existing workshop in the eThekweni region, civil works in respect of boreholes, repairs to structures, internal roads and parking facilities in the LA Complex and the KZN Entrepreneurial Centre in the uMgungundlovu region. These projects will not be stopped, but will be undertaken over a longer period than initially planned.

Machinery and equipment shows an increase in 2018/19. The spending relates to the procurement of telecommunication equipment in respect of networking and information technology security switches. The decrease in the 2020/21 Adjusted Appropriation and Revised Estimate was to cater for the provincial response to the Covid-19 pandemic. The negative growth from 2020/21 to 2021/22 relates to the budget cut of R7 million effected against transport and other equipment. This cut of R7 million was also effected in the two outers years of the MTEF. The impact of this cut is that the department will purchase fewer departmental vehicles to accommodate these budget cuts. The MTEF budget provides for telephone network equipment and computer hardware.

Software and other intangible assets for 2018/19 to 2020/21 and over the MTEF provides for the payment of COGNOS user licences, Microsoft software licences and datalines. There is a fluctuating trend from 2017/18 to 2019/20, and the budget shows an increasing trend from 2020/21 to 2023/24. This is a steady growth and is above the inflation rate which is 5.9 per cent, 5.3 per cent and 4.4 per cent over the MTEF. The steady growth caters for the annual increases in Microsoft software licences and datalines and takes into account that Microsoft licences are based on the Rand/dollar exchange which fluctuates.

The department wrote off various losses against *Payments for financial assets* in 2017/18 to 2019/20.

8.4 Summary of conditional grant payments and estimates

Tables 14.6 and 14.7 relate to the summary of conditional grants receipts and payments. Note that the historical figures set out in Table 14.6 reflect actual expenditure per grant, and should not be compared to those reflected in Table 14.1, which represent the actual receipts for each grant. Further details are provided in the *Annexure – Vote 14: Public Works*.

The department received funding for the EPWP Integrated Grant for Provinces, which is used for the EPWP maintenance programme. The department receives R5.465 million in 2021/22 and the budget for this grant is allocated against *Compensation of employees* in Programme 3 with effect from 2019/20, prior to which it was allocated against *Goods and services*. The change in category was necessitated by the fact that stipends are paid directly to the beneficiaries and no service provider is appointed by the department.

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| EPWP Integrated Grant for Provinces | 6 588 | 6 023 | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |
| Total | 6 588 | 6 023 | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 6 588 | 6 023 | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |
| Compensation of employees | - | - | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |
| Goods and services | 6 588 | 6 023 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 6 588 | 6 023 | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |

8.5 Summary of infrastructure payments and estimates

Table 14.8 presents a summary of infrastructure payments and estimates by category for the Vote. Detailed information on infrastructure is provided in the *2021/22 Estimates of Capital Expenditure*.

Table 14.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Existing infrastructure assets | 58 600 | 36 423 | 46 458 | 53 691 | 37 691 | 40 767 | 24 692 | 17 671 | 19 187 |
| Maintenance and repairs | 23 421 | 15 994 | 26 137 | 16 990 | 16 990 | 19 708 | 11 500 | 11 500 | 12 006 |
| Upgrades and additions | 28 035 | 13 116 | 9 707 | 17 160 | 13 824 | 15 076 | 6 759 | 4 500 | 3 028 |
| Refurbishment and rehabilitation | 7 144 | 7 313 | 10 614 | 19 541 | 6 877 | 5 983 | 6 433 | 1 671 | 4 153 |
| New infrastructure assets | 4 367 | 5 100 | 11 261 | 14 927 | 12 827 | 4 153 | 8 994 | 7 888 | 7 497 |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure leases | - | - | - | - | - | - | - | - | - |
| Non infrastructure | - | - | - | - | - | - | - | - | - |
| Total | 62 967 | 41 523 | 57 719 | 68 618 | 50 518 | 44 920 | 33 686 | 25 559 | 26 684 |
| <i>Capital infrastructure</i> | 39 546 | 25 529 | 31 582 | 51 628 | 33 528 | 25 212 | 22 186 | 14 059 | 14 678 |
| <i>Current infrastructure</i> | 23 421 | 15 994 | 26 137 | 16 990 | 16 990 | 19 708 | 11 500 | 11 500 | 12 006 |

1. Total provincial infrastructure is the sum of "Capital" plus "Recurrent maintenance". This includes non infrastructure items.

Maintenance and repair: Current shows low spending in 2018/19 as a result of delays in the landscaping project at the LA Complex building in Ulundi, as well as the late awarding of electrical and mechanical contracts at this complex, hence, funding was moved within *Goods and services* to cater for increased costs against property payments relating to electricity and water for shared services in the LA Complex building and for increased costs related to protective clothing required for the EPWP programme. The substantially high spending in 2019/20 was attributed to higher than anticipated costs of unplanned repairs and maintenance work in respect of buildings and electrical repairs, including the upgrading of the electrical transformer at the uMsinga offices within the Midlands region, as well as residential housing and office buildings in the North Coast region where departmental buildings have become dilapidated. The high spending in the 2020/21 Revised Estimate is due to higher than anticipated costs of unplanned repairs and maintenance. The budget is kept constant in 2021/22 and 2022/23, and increases slightly in 2023/24 to cater for the planned general maintenance and repairs of buildings in the eThekweni region, the LA Complex building in Ulundi, as well as Midlands and Southern regions. This category was not affected by the budget cuts over the MTEF.

Upgrades and additions: Capital fluctuates from 2017/18 to 2019/20. The higher spending in 2017/18 relates to the finalisation of space planning in the Amawele building in uMlazi, as well as provision of a generator for the Midlands regional office. The low spending in 2018/19 relates to slower than anticipated progress, mainly due to poor contractor performance, and inclement weather, which collectively added to delays in projects. The low spending in 2019/20 was mainly due to delays in finalising the appointment of a contractor for the conversion of the carpenter workshop project in Vryheid. The decrease in the 2020/21 Adjusted Appropriation and low spending in the 2020/21 Revised Estimate is mainly attributed to slow progress on projects as a result of national lockdown regulations, as mentioned previously. Over the MTEF, the budget includes provision for the parking and dining facility projects in the eThekweni region, as well as the Vryheid carpenter workshop and upgrade of an office in the North Coast region. The conversion of an old building behind the lecture hall in Mayville into an executive lounge is also budgeted for under this category. A budget cut of R1.670 million in 2023/24 was effected against this category and, as such, existing projects will continue but will be rolled out over a longer period.

Refurbishment and rehabilitation: Capital fluctuates over the period. The relatively low spending in 2018/19 was mainly as a result of delays in awarding various projects within the LA Complex building. The savings were moved to *Goods and services* to fund continued work on the KZN-IMP. The spending in 2019/20 relates to the air-conditioning, conference centre and tender office projects in the eThekweni region, as well as upgrades to water pipes and valves in the North Coast region. The decrease in the 2020/21 Adjusted Appropriation is due to the budget cuts to assist in funding the provincial response to the Covid-19 pandemic. This explains the low spending in the 2020/21 Revised Estimate. The fluctuating trend over the MTEF mainly relates to new projects being slowed down due to the budget cuts, such as the rehabilitation and refurbishment of existing facilities in respect of the KZN Entrepreneurial Centre, refurbishment of the existing eThekweni regional office and lecture hall, as well as upgrading the water and borehole supply system, internal roads, parking facilities and structural and civil works in the LA Complex building. This category was cut by R9.700 million per annum in 2021/22 and 2022/23.

The spending against *New infrastructure assets:* Capital in 2017/18 was mainly due to slower than anticipated progress in the finalisation of the subdivision and zoning of land in respect of the new iLembe District office. The spending in 2019/20 was mainly due to slow progress because of poor performance by the contractor in the construction of the iLembe District new office building. In addition, the Mayville conference centre dining hall project was delayed due to the termination of the contract of the main contractor due to poor performance, as mentioned. The low spending in the 2020/21 Revised Estimate is due to slow progress in respect of the new administration wing in uMgungundlovu region as a result of the impact that the initial stages of the nationwide lockdown had on the construction industry. The fluctuating trend over the MTEF is based on the department's actual capital infrastructure requirements including continuing with the construction of the new iLembe District office, the new administration wing in the uMgungundlovu District office, as well as the new auditorium and conference centre in the Southern region. The fiscal consolidation budget cuts of R300 000 for each year of the MTEF were effected against this category over the MTEF and this will impact on the uMgungundlovu conference centre project which will be phased in over a longer period.

8.6 Public Private Partnerships (PPPs) – Nil

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

8.8 Transfers to local government

Tables 14.9 and 14.10 indicate transfers to local government. The transfers are in respect of the payment of property rates to municipalities. Further details of these transfers per category are presented in *Annexure – Vote 14: Public Works*. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the tables. The amounts indicated as *Unallocated* relate to property rates for properties owned by the KZN provincial government, but located in other provinces.

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Category A | 288 527 | 352 462 | 348 316 | 294 136 | 312 624 | 280 575 | 306 605 | 526 801 | 310 692 |
| Category B | 339 196 | 376 114 | 682 476 | 369 388 | 515 900 | 547 949 | 389 703 | 409 188 | 427 191 |
| Category C | - | - | - | - | - | - | - | - | - |
| Unallocated | (2) | - | - | - | - | - | - | - | - |
| Total | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |

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

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|----------------|-----------------------------|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Property rates | 2.1 Person. & Admin Related | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Total | | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |

The increase in 2018/19 relates to additional funding of R92 million received by the department to assist with the pressures in the payment of property rates, as mentioned previously. The peak in 2019/20 is attributed to additional funding of R380.624 million allocated to address the pressures in property rates in respect of outstanding government debt arising from increases in the market value of properties.

In addition, the department was allocated additional funding of R165 million in the 2020/21 Adjusted Appropriation to fully address the department's spending pressures relating to the payment of property rates. These pressures arose due to higher than anticipated increases in municipal property rates, as well as the upgrading of various government buildings, which then attract higher property rates. This also explains the substantially high spending in the Revised Estimate. The spike in 2022/23 is ascribed to additional funding of R204.866 million from Provincial cash resources to fund the municipal property rates pressures in that year, as well as R6.760 million received in 2023/24 and this funding has been allocated against the property rates budget in 2023/24, as previously mentioned. The department effected a budget cut of R36.306 million in 2023/24 against property rates, but this is not feasible and will need to be reviewed by the department in the next budget process, as mentioned.

8.9 Transfers and subsidies

Table 14.11 summarises *Transfers and subsidies* per programme, as explained above and below the table.

Provinces and municipalities in Programme 1 reflects payment of motor vehicle licences and the increase over the MTEF is inflationary.

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

Spending against *Non-profit institutions* under Programme 1 relates to donations made to schools and war-rooms in respect of OSS and these are made at the MEC's discretion.

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

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|------------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | Appropriation | Appropriation | Estimate | 2021/22 | 2022/23 | 2023/24 |
| 1. Administration | 8 365 | 11 118 | 7 127 | 7 763 | 9 291 | 9 291 | 8 326 | 8 851 | 9 242 |
| Provinces and municipalities | 160 | 381 | 310 | 151 | 151 | 263 | 286 | 312 | 326 |
| Motor vehicle licences | 160 | 381 | 310 | 151 | 151 | 263 | 286 | 312 | 326 |
| Departmental agencies and accounts | 415 | 488 | 515 | 575 | 575 | 575 | 597 | 620 | 648 |
| Social security funds - Comp. Commissioner | - | - | - | 8 | 8 | 8 | 24 | 14 | 15 |
| Skills development levy | 415 | 488 | 515 | 567 | 567 | 567 | 573 | 606 | 633 |
| Non-profit institutions | 95 | - | - | - | - | 124 | - | - | - |
| NPI: Donations and gifts | 95 | - | - | - | - | 124 | - | - | - |
| Households | 7 695 | 10 249 | 6 302 | 7 037 | 8 565 | 8 329 | 7 443 | 7 919 | 8 268 |
| Bursaries: Non employees | 4 964 | 8 101 | 3 570 | 6 525 | 5 525 | 4 556 | 6 851 | 7 296 | 7 617 |
| Staff exit costs | 2 731 | 2 148 | 2 732 | 512 | 3 040 | 3 773 | 592 | 623 | 651 |
| 2. Property Management | 627 878 | 729 034 | 1 031 172 | 663 559 | 828 773 | 828 912 | 696 340 | 936 021 | 737 916 |
| Provinces and municipalities | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Municipalities - Property rates | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Departmental agencies and accounts | - | - | - | 5 | 5 | 5 | - | - | - |
| Social security funds - Comp. Commissioner | - | - | - | 5 | 5 | 5 | - | - | - |
| Households | 157 | 458 | 380 | 30 | 244 | 383 | 32 | 32 | 33 |
| Staff exit costs | 157 | 458 | 380 | 30 | 244 | 383 | 32 | 32 | 33 |
| 3. Provision of Buildings, Structures and Equipment | 3 310 | 3 939 | 4 262 | 1 956 | 2 894 | 3 863 | 1 894 | 1 901 | 1 985 |
| Departmental agencies and accounts | - | - | - | 58 | 58 | 48 | 61 | 63 | 66 |
| Social security funds - Comp. Commissioner | - | - | - | 58 | 58 | 48 | 61 | 63 | 66 |
| Households | 3 310 | 3 939 | 4 262 | 1 898 | 2 836 | 3 815 | 1 833 | 1 838 | 1 919 |
| Staff exit costs | 3 310 | 3 939 | 4 262 | 1 898 | 2 836 | 3 814 | 1 833 | 1 838 | 1 919 |
| Injury on duty | - | - | - | - | - | 1 | - | - | - |
| Total | 639 553 | 744 091 | 1 042 561 | 673 278 | 840 958 | 842 066 | 706 560 | 946 773 | 749 143 |

The fluctuating trend against *Households* in all programmes can be ascribed to the unpredictable nature of staff exit costs. The increase in 2018/19 was due to spending pressures because of the decision to fund more bursaries, as mentioned previously. The increase in 2019/20 was mainly due to higher than anticipated staff exit costs. The allocations increase steadily over the MTEF and cater for external bursaries, as well as staff exit costs.

The high amount against *Provinces and municipalities* in 2017/18 in respect of Programme 2 includes arrear payments in respect of property rates, as mentioned. The pressures arose due to high increases in municipal rates by some municipalities, as well as the upgrading of various government buildings, which attract higher property rates. The department received additional funding of R380.624 million in 2019/20 to address spending pressures in property rates and R165 million was also received in the 2021 Adjusted Appropriation to fully address the department's spending pressures relating to the payment of property rates, as previously mentioned. The department also receives R204.866 million and R6.760 million in 2022/23 and 2023/24, respectively, for the shortfall relating to property rates, as previously mentioned, while the department effected part of its fiscal consolidation budget cut against this category in 2023/24. This explains the fluctuating trend over the MTEF.

9. Programme description

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

9.1 Programme 1: Administration

The main objectives are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services, risk management and supply chain management.

Tables 14.12 and 14.13 summarise expenditure and budgeted estimates relating to Programme 1: Administration, for the financial years 2017/18 to 2023/24. The department effected budget cuts in Programme 1 largely under the sub-programme: Management against *Compensation of employees, Goods and services* and *Machinery and equipment*. In this regard, budget cuts of R61.810 million in 2021/22, R80.520 million in 2022/23 and R95.151 million in 2023/24 were effected against this programme. These cuts relate to fiscal consolidation and the budget for the cost-of-living adjustment, as explained previously.

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | 2021/22 | 2022/23 | 2023/24 |
| 1. Minister Support | 11 070 | 10 596 | 12 007 | 14 491 | 13 712 | 11 420 | 17 208 | 17 916 | 18 016 |
| 2. Management | 373 443 | 404 751 | 437 532 | 453 799 | 408 246 | 409 366 | 416 901 | 426 492 | 430 546 |
| Total | 384 513 | 415 347 | 449 539 | 468 290 | 421 958 | 420 786 | 434 109 | 444 408 | 448 562 |

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | 2021/22 | 2022/23 | 2023/24 |
| Current payments | 355 776 | 383 856 | 421 309 | 442 420 | 399 560 | 398 388 | 414 623 | 423 825 | 426 764 |
| Compensation of employees | 284 716 | 303 060 | 323 554 | 361 909 | 317 979 | 315 321 | 339 453 | 346 675 | 346 675 |
| Goods and services | 71 059 | 80 796 | 97 755 | 80 511 | 81 581 | 83 056 | 75 170 | 77 150 | 80 089 |
| Interest and rent on land | 1 | - | - | - | - | 11 | - | - | - |
| Transfers and subsidies to: | 8 365 | 11 118 | 7 127 | 7 763 | 9 291 | 9 291 | 8 326 | 8 851 | 9 242 |
| Provinces and municipalities | 160 | 381 | 310 | 151 | 151 | 263 | 286 | 312 | 326 |
| Departmental agencies and accounts | 415 | 488 | 515 | 575 | 575 | 575 | 597 | 620 | 648 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 95 | - | - | - | - | 124 | - | - | - |
| Households | 7 695 | 10 249 | 6 302 | 7 037 | 8 565 | 8 329 | 7 443 | 7 919 | 8 268 |
| Payments for capital assets | 20 238 | 20 186 | 21 103 | 18 107 | 13 107 | 13 107 | 11 160 | 11 732 | 12 556 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 13 676 | 15 825 | 14 730 | 12 107 | 7 107 | 7 107 | 4 808 | 5 043 | 5 573 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 6 562 | 4 361 | 6 373 | 6 000 | 6 000 | 6 000 | 6 352 | 6 689 | 6 983 |
| Payments for financial assets | 134 | 187 | - | - | - | - | - | - | - |
| Total | 384 513 | 415 347 | 449 539 | 468 290 | 421 958 | 420 786 | 434 109 | 444 408 | 448 562 |

The sub-programme: Minister Support provides support including administrative, operations, protocol, security, parliamentary liaison and communication to the MEC. The department shares a joint ministry with Vote 8: Human Settlements. The budget over the 2021/22 MTEF provides for operational costs, as well as marketing costs mainly in respect of SABC media, newspaper advertisements costs, printing costs as well as payments in respect of district champion of OSS/DDM responsibilities. This sub-programme reflects steady growth over the MTEF. The budget cuts effected against this sub-programme over the MTEF were minimal and were made against *Goods and services* in respect of entertainment costs at R51 000 and R75 000 in 2021/22 and 2022/23, respectively.

The sub-programme: Management includes financial management services, risk management, SCM and corporate services. These units provide support and advice in terms of human resource practices, all legal matters, security and logistics, as well as communication and information management systems. This sub-programme shows some growth over the MTEF. Budget cuts of R61.759 million in 2021/22, R80.445 million in 2022/23, and R95.151 million in 2023/24 were effected against this sub-programme in respect of fiscal consolidation and the wage freeze. These cuts were effected against various critical vacant posts which will not be filled over the MTEF and the department will also monitor the filling of posts in line with natural attrition and retirement and will then decide in-year whether to put the vacated post on hold or to fill it based on the availability of funds. In respect of fiscal consolidation, the cuts were effected largely against contractors' costs, entertainment, fleet services, consumable: stationery, printing and office supplies, travel and subsistence, training and development, operating payments and venues and facilities. The department will scale down on spending in respect of these items.

Compensation of employees increases at a rate of 7.7 per cent and 2.1 per cent in 2021/22 and 2022/23 and the growth caters for pay progression in each of these years, and remains constant in the outer year of the MTEF, and this will be reviewed in the next budget process. This category was cut by R41.045 million, R58.855 million and R72.586 million in 2021/22, 2022/23 and 2023/24, respectively. This relates to the budget for the cost-of-living adjustment, as explained. Furthermore, an amount of R2.500 million in 2020/21 and for each year of the MTEF was reprioritised within the programme from this category to *Goods and services* to cater for a compliance officer in the Office of the HOD, as previously mentioned. The department is in the process of filling posts in the last quarter of 2020/21 and will not fill posts over the MTEF due to the budget cuts against *Compensation of employees*. However, it must be noted that posts which became vacant after the budget cuts, will be reprioritised and possibly subsequently filled. The department will monitor the filling of posts in line with natural attrition and retirement and will then decide in-year whether to put the vacated posts on hold or to fill them based on the availability of funds.

Goods and services caters for the operational costs for this programme, including computer services such as SITA costs in respect of network maintenance, communication, fleet services, cost for fuel and oil, repairs for departmental vehicles and agency and support/outsourced services. In addition, this category includes provision for the appointment of consultants to assist the department in the preparation of their immovable asset register and financial statements, audit costs, training and development as well as payments in respect of district champion of OSS/DDM responsibilities. The MTEF caters for the above activities. This category was cut by R13.765 million in 2021/22, R14.665 million in 2022/23 and R15.565 million in 2023/24, mainly in respect of fiscal consolidation, effected largely by cutting the budgets of contractors' costs, entertainment, fleet services, consumable: stationery, printing and office supplies, travel and subsistence, training and development, operating payments and venues and facilities. The department will scale down on spending in respect of these items. This will not have a severe/significant impact on service delivery but will have an impact on the department's day-to-day operations as Programme 1 will have fewer resources to support the department.

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

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

Transfers and subsidies to: Non-profit institutions relates to donations made to schools and war-rooms in respect of OSS and these are made at the MEC's discretion.

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

Machinery and equipment provides for telecommunication and computer hardware equipment. This category was cut by R7 million in each year of the MTEF. Of this, R4.500 million for each year over the MTEF was effected against transport equipment and the balance of R2.500 million from telecommunication equipment. The department will purchase fewer departmental vehicles and telecommunication equipment due to these budget cuts and will be replaced less frequently.

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

9.2 Programme 2: Property Management

The main purpose of Programme 2 is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, management, maintenance and disposal), optimal utilisation of immovable assets, land valuation, maintenance of the Fixed Asset Register, payment of property rates and integrated service delivery and includes the GIAMA conditional assessments budget. Programme 2 also includes the leasing of buildings.

Tables 14.14 and 14.15 summarise payments and budgeted estimates from 2017/18 to 2023/24. The department reduced the baseline by R8.308 million in 2021/22, R9.908 million in 2022/23, and R51.399 million in 2023/24 mainly against the Personnel and Admin Related sub-programme, and these cuts were in respect of fiscal consolidation. This programme also received an additional R6.760 million in 2023/24 to also assist with the pressure in the payment of property rates, as previously mentioned.

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Personnel and Admin Related | 700 746 | 806 799 | 1 106 414 | 799 661 | 935 293 | 932 481 | 831 448 | 1 077 308 | 877 468 |
| 2. Hiring | 28 | - | 56 | - | - | - | - | - | - |
| 3. Acquisition of Land, Control and Disposal | 40 | 125 | 86 | 638 | 638 | 212 | 647 | 653 | 682 |
| Total | 700 814 | 806 924 | 1 106 556 | 800 299 | 935 931 | 932 693 | 832 095 | 1 077 961 | 878 150 |

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 72 936 | 77 761 | 75 240 | 136 740 | 107 058 | 103 681 | 135 755 | 141 940 | 140 234 |
| Compensation of employees | 52 195 | 54 662 | 57 166 | 64 221 | 58 007 | 57 637 | 68 386 | 72 752 | 72 752 |
| Goods and services | 20 741 | 23 099 | 18 074 | 72 519 | 49 051 | 46 044 | 67 369 | 69 188 | 67 482 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 627 878 | 729 034 | 1 031 172 | 663 559 | 828 773 | 828 912 | 696 340 | 936 021 | 737 916 |
| Provinces and municipalities | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Departmental agencies and accounts | - | - | - | 5 | 5 | 5 | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 157 | 458 | 380 | 30 | 244 | 383 | 32 | 32 | 33 |
| Payments for capital assets | - | 129 | 144 | - | 100 | 100 | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 129 | 144 | - | 100 | 100 | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 700 814 | 806 924 | 1 106 556 | 800 299 | 935 931 | 932 693 | 832 095 | 1 077 961 | 878 150 |

The sub-programme: Personnel and Admin Related provides for the management of immovable assets in terms of GIAMA and management of the payment of property rates. The MTEF allocations cater for property rates, the Fixed Asset Register project, the continued implementation of GIAMA projects including clearing of vacant sites, provision of security services to unutilised buildings, as well as property valuations. The department received R380.624 million in 2019/20 in respect of property rates to address spending pressures. The substantial increase in the 2020/21 Adjusted Appropriation relates to R165 million additional funding received to assist with the pressure in the payment of property rates. This explains the high spending in the Revised Estimate, as well as the fluctuating growth as a result of the additional amount allocated in 2022/23, as mentioned. This sub-programme received an additional R6.760 million in 2023/24 to also assist with the pressure in the payment of property rates. This sub-programme was cut by R23.468 million in 2020/21 with respect to *Goods and services* where R19 million was cut from consultants: business and advisory services in respect of GIAMA – Conditional Assessment. In addition, savings of R4.468 million were identified in areas such as property payments costs in respect of properties managed by contractors. Furthermore, savings were identified from items such as administrative fees and agency and support/ outsourced services due to delays in the implementation of programmes caused by the lockdown restrictions. The department effected budget cuts of R8.308 million, R9.908 million and R51.399 million in 2021/22, 2022/23 and 2023/24, respectively against this sub-programme. These cuts were effected against *Goods and services* as well as *Transfers and subsidies to: Provinces and municipalities*. The impact of these cuts will be that fewer facilities will be assessed over the MTEF, and this will result in an increased backlog for facilities to be assessed, as mentioned.

The sub-programme: Hiring provides for hiring of accommodation for the department. There is no allocation over the MTEF due to the completion of the uMzinyathi District office in 2017/18. Currently, all DOPW's office buildings are state-owned. No budget cuts were effected against this sub-programme.

The sub-programme: Acquisition of Land, Control and Disposal manages property needs for provincial departments with respect to property acquisitions, disposal and lettings. The budget caters for business and advisory service costs incurred when acquiring or disposing of property. No budget cuts were effected against this sub-programme.

Compensation of employees shows growth of 18.6 and 6.4 per cent in 2021/22 and 2022/23, respectively, and remains constant in the outer year of the MTEF. The department will not fill posts in 2020/21 as well as over the MTEF under this programme due to the budget cuts against *Compensation of employees*, as well as fiscal consolidation cuts that have resulted in pressures against this programme as a whole. The department will monitor the filling of posts in line with natural attrition and retirement and will then decide in-year whether to put the vacated post on hold or to fill them based on the availability of funds. The department also catered for pay progression in 2021/22 and 2022/23, but did not cater for pay progression in the outer year of the MTEF and this will be reviewed in the next budget process.

Goods and services includes the budget for the implementation of GIAMA projects such as property valuations, clearing of vacant sites, as well as the provision of security services to unutilised buildings. The department effected budget cuts of R8.308 million in 2021/22, R9.908 million in 2022/23 and R15.093 million in 2023/24 against this category. The budget cuts were effected largely against business and advisory services relating to GIAMA – Conditional Assessment funding. In this regard, the department will still assess the condition of government facilities such as schools, but fewer properties will be assessed than previously stipulated over the 2021/22 MTEF, and this will result in an increased backlog for facilities to be assessed.

Transfers and subsidies to: Provinces and municipalities relates to property rates to be paid to municipalities. A budget cut of R36.306 million was made in 2023/24 in respect of fiscal consolidation against this category. This needs to be revised in the next budget process, considering the fact that there are continuous spending pressures against this category, due to under-funding of this item. The allocations over the MTEF include additional funding of R204.866 million, as well as R6.760 million received in 2022/23 and 2023/24, respectively, which caters for the shortfall in municipal property rates.

Transfers and subsidies to: Departmental agencies and accounts caters for the payment of workmen's compensation.

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

Machinery and equipment in 2020/21 is linked to actual requirements in respect of computer equipment.

Service delivery measures: Property Management

Table 14.16 reflects the service delivery measures for Programme 2.

Table 14.16 : Service delivery measures: Property Management

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | |
|---|---|-----------------------|---------------------|---------|---------|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| 1. Improved maintenance of state owned immovable assets. | • No. of conditional assessments finalised on state owned buildings | 300 | 150 | 200 | 300 |
| 2. Effective management of immovable assets | • No. of municipalities with discounted property rates | 4 | 4 | 4 | 6 |
| | • No. of properties registered into the name of the KZN Provincial Government | - | 88 | 80 | - |
| 3. Disposal of redundant state properties for socio-economic purposes | • Hectares of land released for socio-economic purposes | 20ha | 25ha | 30ha | 20ha |
| 4. Increased participation of targeted groups within provincial government property portfolio | • % of new leases entered into with targeted groups | 10% | 15% | 20% | 20% |

9.3 Programme 3: Provision of Buildings, Structures and Equipment

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

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through EPWP initiatives, as well as provincial co-ordination of EPWP.

- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Co-ordinating and aligning operational activities in line with municipal demarcations.

Tables 14.17 and 14.18 summarise payments and budgeted estimates relating to Programme 3 for the period 2017/18 to 2023/24. The department effected budget cuts of R82.467 million in 2021/22, R109.382 million in 2022/23 and R130.179 million in 2023/24 against *Compensation of employees*, *Goods and services* and *Buildings and other fixed structures*. These budget cuts relate to both fiscal consolidation and the budget cut for the cost-of-living adjustment.

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| 1. Personnel and Admin Related | 387 335 | 409 711 | 401 664 | 441 156 | 410 257 | 420 279 | 395 391 | 386 276 | 390 577 |
| 2. Buildings and Structures | 63 969 | 43 596 | 73 883 | 68 664 | 50 564 | 44 952 | 33 734 | 25 610 | 26 738 |
| Total | 451 304 | 453 307 | 475 547 | 509 820 | 460 821 | 465 231 | 429 125 | 411 886 | 417 315 |

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 407 407 | 420 571 | 421 944 | 455 569 | 422 732 | 434 489 | 404 783 | 395 173 | 399 865 |
| Compensation of employees | 244 431 | 259 643 | 301 696 | 346 476 | 315 065 | 327 297 | 308 411 | 295 107 | 295 107 |
| Goods and services | 162 976 | 160 928 | 120 248 | 109 093 | 107 667 | 107 192 | 96 372 | 100 066 | 104 758 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 3 310 | 3 939 | 4 262 | 1 956 | 2 894 | 3 863 | 1 894 | 1 901 | 1 985 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | 58 | 58 | 48 | 61 | 63 | 66 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 3 310 | 3 939 | 4 262 | 1 898 | 2 836 | 3 815 | 1 833 | 1 838 | 1 919 |
| Payments for capital assets | 39 634 | 26 699 | 33 206 | 52 295 | 35 195 | 26 879 | 22 448 | 14 812 | 15 465 |
| Buildings and other fixed structures | 39 546 | 25 529 | 31 582 | 51 628 | 33 528 | 25 212 | 22 186 | 14 059 | 14 678 |
| Machinery and equipment | 88 | 1 170 | 1 624 | 667 | 1 667 | 1 667 | 262 | 753 | 787 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 953 | 2 098 | 16 135 | - | - | - | - | - | - |
| Total | 451 304 | 453 307 | 475 547 | 509 820 | 460 821 | 465 231 | 429 125 | 411 886 | 417 315 |

The sub-programme: Personnel and Admin Related provides for the maintenance of the department's buildings and the maintenance of buildings to client specifications. The MTEF allocations show a fluctuating trend and include funds ring-fenced for improving infrastructure support. Also catered for is the EPWP maintenance programme, the Youth Environmental Service programme and provincial co-ordination and monitoring of the EPWP. The sub-programme budget was cut by R25.899 million in 2020/21. This explains the decrease in the 2020/21 Adjusted Appropriation, however, the high spending in the 2020/21 Revised Estimate relates to the appointment of a specialist who will assist in the development of SIDA, the appointment of a specialist in respect of IPMU, as well as increased costs against property payments relating to electricity and water for shared services in respect of the LA Complex in the North Coast region. The department also receives R5.465 million in respect of the EPWP Grant for Provinces in 2021/22, as previously mentioned. The budget over the MTEF was also cut against this sub-programme and was substantially reduced by R72.467 million in 2021/22 and R99.382 million in 2022/23 and R120.179 million in 2023/24. These cuts were effected mainly against *Compensation of employees* and will have a negative impact on the filling of critical professional posts including Production Engineers, Professional Engineers and Project Managers.

The sub-programme: Buildings and Structures deals with the construction, upgrading or refurbishment of the department's capital infrastructure. The budget shows a fluctuating trend over the MTEF, and is based on the department's actual capital infrastructure requirements, including new and carry-through costs of

projects such as the construction of the new iLembe District office, the construction of the new administration wing in the uMgungundlovu District office, as well as the construction of the new auditorium and conference centre in the Southern region. It also caters for the refurbishment of an existing building into the KZN Entrepreneurial Centre in the uMgungundlovu District, replacement of the palisade fencing and structural repairs in respect of the LA Complex building in Ulundi, the refurbishment of the existing eThekweni regional office and lecture hall, upgrading of the carpenter workshop in Vryheid, the upgrading of an existing office building in Vryheid, conversion of an old building behind the lecture hall in Mayville into an executive lounge, as well as the conversion of a workshop into a dining facility and construction of parking in the eThekweni region. Budget cuts of R10 million in each year of the MTEF were effected against this sub-programme as a result, the department is going to delay the completion of some of its projects. These cuts will affect uMgungundlovu conference centre, renovations to the lecture hall and conversion of an existing workshop in the eThekweni region, civil works in respect of boreholes, repairs to structures, internal roads and parking facilities in the LA Complex and the KZN Entrepreneurial Centre in the uMgungundlovu region since these projects have not been completed. Some of these projects will be completed in the 2021/22 MTEF.

The budget for *Compensation of employees* shows a decrease of 7.4 per cent and 2.6 per cent in 2021/22 and 2022/23, respectively, and remains constant in the outer year of the MTEF. The allocation includes improving infrastructure support funding, where funding over the MTEF remains ring-fenced for this purpose. The department also received the EPWP Integrated Grant for Provinces allocation of R5.465 million for this category in 2021/22, as previously mentioned. The department is in the process of filling posts in the last quarter of 2020/21 and also plans to fill only critical vacant posts in 2021/22, including professional posts related to infrastructure support, and it will monitor the filling of posts in line with natural attrition and retirement and will then decide in-year whether to put the vacated posts on hold or to fill them based on the availability of funds. This category was cut by R15.889 million in 2020/21, and was further cut over the MTEF by R61.567 million in 2021/22 and R88.282 million in 2022/23 and R108.879 million in 2023/24. These substantial budget cuts relate to the wage freeze and will have a negative impact on the filling of critical professional posts. The department has not provided for the 1.5 per cent pay progression in the outer year and this will be reviewed in the next budget process.

Goods and services includes provision for the maintenance and repairs of the department's infrastructure. The department received R6.023 million for the EPWP Integrated Grant for Provinces in 2018/19 and R4.726 million in 2019/20 and this was allocated to *Compensation of employees* from 2019/20. Provision is also made for EPWP co-ordination, property payments for security services, and water and electricity costs. This *Goods and services* budget was cut by R10.900 million, R11.100 million and R11.300 million over the MTEF against this programme. The cuts were mainly against catering: departmental activities, agency and support/outsourced services, fleet services (including government motor transport), consumable: stationery, printing and office supplies, as well as travel and subsistence line items. The department will scale down on spending in respect of these items. This will impact on the department's day-to-day operations to some extent since there will be fewer resources.

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

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

Buildings and other fixed structures fluctuates over the MTEF, based on actual infrastructure requirements and provides for the completion of the new administration wing in the uMgungundlovu district, construction of the new Auditorium and Conference Centre in the Southern region, the new iLembe District office, the rehabilitation and refurbishment of an existing building into the new KZN Entrepreneurial Centre in the uMgungundlovu District, renovations to the lecture hall and the conversion of an existing workshop into an office in the eThekweni region, emergency structural repairs, water system repairs, repairs to internal roads and parking facilities in the LA Complex. Further projects include the construction of a parking facility, the conversion of a workshop into a dining facility in the eThekweni region, the conversion of a carpenter workshop into an office and the upgrading of an existing office both in the Vryheid sub-district, conversion of an old building situated behind the lecture hall in Mayville into an executive lounge in the eThekweni region and electrical and mechanical services to the new wing in the OR Tambo House, as previously mentioned. The department has not completed any of these projects. This

category was cut by R10 million in each year of the MTEF as a result of fiscal consolidation budget cuts. The projects will thus continue, but they will be rolled out over a longer period due to the budget cuts.

Machinery and equipment fluctuates over the period, and this is based on requirements for both head office and districts. The high growth in 2018/19 and 2019/20 was in line with the filling of posts and provision of computer equipment for new staff. The budget over the MTEF caters for the replacement of computer equipment.

Service delivery measures: Provision of Buildings, Structures and Equipment

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

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

| Outputs | Performance indicators | Estimated performance | | Medium-term targets | |
|--|--|-----------------------|---------|---------------------|---------|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| 1. Projects Awarded to Designated Groups | • No. of projects awarded to women owned companies | 50 | 175 | 200 | 250 |
| | • No. of projects awarded to Military Veterans owned companies | 10 | 70 | 70 | 100 |
| | • No. of projects awarded to youth owned companies | 50 | 300 | 370 | 400 |
| | • No. of projects awarded to disabled people owned companies | 5 | 8 | 10 | 15 |
| | • No. of emerging contractors trained | 250 | 300 | 300 | 350 |
| 2. New schools completed | • No. of new schools completed | 1 | - | 2 | 1 |
| 3. Schools refurbished | • No. of schools refurbished | 108 | 382 | 215 | 300 |
| 4. New clinic completed | • No. of new clinics completed | - | - | 11 | 2 |
| 5. New hospitals completed | • No. of new hospitals completed | - | - | 1 | - |
| 6. Clinics refurbished | • No. of clinics refurbished | 30 | 22 | 3 | 8 |
| 7. Hospitals refurbished | • No. of hospitals refurbished | 19 | 16 | 3 | 5 |
| 8. New buildings/facilities refurbished | • No. of new buildings/facilities completed | 1 | 1 | 4 | 1 |
| 9. Buildings/facilities refurbished | • No. of buildings/facilities refurbished | 6 | 22 | 10 | 20 |

10. Other programme information

10.1 Personnel numbers and costs

Table 14.20 illustrates the detail of the department's approved establishment and personnel numbers and gives a breakdown of employee dispensation classification.

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

| | Audited Outcome | | | | | | Revised Estimate | | | | Medium-term Estimates | | | | | | Average annual growth over MTEF 2020/21 - 2023/24 | | |
|---|------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------|------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|---|-------------------|------------------|
| | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | | | 2021/22 | | 2022/23 | | 2023/24 | | Pers. growth rate | Costs growth rate | % Costs of Total |
| | Pers. nos ¹ | Costs | Pers. nos ¹ | Costs | Pers. nos ¹ | Costs | Filled posts | Add. posts | Pers. nos ¹ | Costs | Pers. nos ¹ | Costs | Pers. nos ¹ | Costs | Pers. nos ¹ | Costs | | | |
| R thousands | | | | | | | | | | | | | | | | | | | |
| Salary level | | | | | | | | | | | | | | | | | | | |
| 1 - 7 | 1 066 | 200 636 | 994 | 209 151 | 944 | 229 726 | 901 | - | 901 | 245 334 | 901 | 249 009 | 901 | 252 737 | 901 | 252 737 | - | 1.0% | 35.3% |
| 8 - 10 | 405 | 230 571 | 412 | 245 894 | 434 | 271 806 | 435 | - | 435 | 220 725 | 435 | 224 031 | 435 | 227 387 | 435 | 227 387 | - | 1.0% | 31.7% |
| 11 - 12 | 111 | 91 327 | 145 | 121 484 | 171 | 137 102 | 178 | - | 178 | 140 078 | 178 | 142 176 | 178 | 144 305 | 178 | 144 305 | - | 1.0% | 20.1% |
| 13 - 16 | 28 | 31 526 | 30 | 37 370 | 32 | 40 553 | 33 | - | 33 | 41 254 | 33 | 41 870 | 33 | 42 495 | 33 | 42 495 | - | 1.0% | 5.9% |
| Other | 96 | 27 282 | 52 | 3 466 | 52 | 3 229 | 48 | - | 48 | 52 864 | 48 | 59 164 | 48 | 47 610 | 48 | 47 610 | - | (3.4%) | 7.0% |
| Total | 1 706 | 581 342 | 1 633 | 617 365 | 1 633 | 682 416 | 1 595 | - | 1 595 | 700 255 | 1 595 | 716 250 | 1 595 | 714 534 | 1 595 | 714 534 | - | 0.7% | 100.0% |
| Programme | | | | | | | | | | | | | | | | | | | |
| 1. Administration | 880 | 284 716 | 856 | 303 060 | 859 | 323 554 | 797 | - | 797 | 315 321 | 797 | 339 453 | 797 | 346 675 | 797 | 346 675 | - | 3.2% | 47.4% |
| 2. Property Management | 124 | 52 195 | 120 | 54 662 | 116 | 57 166 | 116 | - | 116 | 57 637 | 116 | 68 386 | 116 | 72 752 | 116 | 72 752 | - | 8.1% | 9.5% |
| 3. Provision of Buildings, Structures and Equipment | 702 | 244 431 | 657 | 259 643 | 658 | 301 696 | 682 | - | 682 | 327 297 | 682 | 308 411 | 682 | 295 107 | 682 | 295 107 | - | (3.4%) | 43.1% |
| Total | 1 706 | 581 342 | 1 633 | 617 365 | 1 633 | 682 416 | 1 595 | - | 1 595 | 700 255 | 1 595 | 716 250 | 1 595 | 714 534 | 1 595 | 714 534 | - | 0.7% | 100.0% |
| Employee dispensation classification | | | | | | | | | | | | | | | | | | | |
| PSA appointees not covered by OSDs | 1 513 | 495 989 | 1 484 | 550 669 | 1 466 | 598 850 | 1 431 | - | 1 431 | 544 673 | 1 431 | 582 022 | 1 431 | 582 022 | 1 431 | 582 022 | - | 2.2% | 80.2% |
| Legal Professionals | 7 | 3 090 | 6 | 3 741 | 5 | 2 878 | 5 | - | 5 | 3 059 | 5 | 3 059 | 5 | 3 059 | 5 | 3 059 | - | - | 0.4% |
| Engineering Professions and related occupations | 90 | 54 981 | 91 | 59 489 | 110 | 77 459 | 93 | - | 93 | 82 339 | 93 | 82 339 | 93 | 82 339 | 93 | 82 339 | - | - | 11.6% |
| Others such as interns, EPWP, learnerships, etc | 96 | 27 282 | 52 | 3 466 | 52 | 3 229 | 66 | - | 66 | 70 184 | 66 | 48 830 | 66 | 47 114 | 66 | 47 114 | - | (12.4%) | 7.7% |
| Total | 1 706 | 581 342 | 1 633 | 617 365 | 1 633 | 682 416 | 1 595 | - | 1 595 | 700 255 | 1 595 | 716 250 | 1 595 | 714 534 | 1 595 | 714 534 | - | 0.7% | 100.0% |

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The decline from 2018/19 to 2019/20 relates to delays in the filling of vacant critical posts, as well as the moratorium on the filling of non-critical posts. The department anticipates to fill posts such as Engineers,

Quantity Surveyors and other critical vacant posts in 2021/22. The *Compensation of employees* budget grows by 1.5 per cent in 2021/22 and 0.5 per cent in 2022/23 and the growth includes provision for the pay progression.

The department implemented budget cuts against *Compensation of employees* as follows:

- In Programme 1, *Compensation of employees* was cut by R41.045 million, R58.855 million and R72.586 million in 2021/22, 2022/23 and 2023/24, respectively. These cuts mostly relate to the wage freeze. The department is in the process of filling posts in the last quarter of 2020/21 but did not budget to fill posts over the MTEF. The outer year growth does not include provision for the 1.5 per cent pay progression and this will be reviewed in the next budget process, as previously mentioned.
- In Programme 3, the equitable share is reduced by R61.567 million in 2021/22, by R88.282 million in 2022/23 and by R108.879 million in 2023/24, in Programme 3. These cuts were effected against *Compensation of employees* and these substantial budget cuts will have a negative impact on the filling of critical professional posts including Production Engineers, Professional Engineers and Project Managers, taking into account the high turnover of staff in the department. The department has not budgeted to fill any posts against this programme over the MTEF but has budgeted for the pay progression in 2021/22 and 2022/23. However, the department has not budgeted for the pay progression in 2023/24 and this will be reviewed in the next budget process, as previously mentioned. The department has also not made cuts against Programme 2 as a result of the cuts that had been made in respect of property rates against this programme and this meant that this programme was inadequately budgeted for.

10.2 Training

Table 14.21 gives a summary of departmental spending and information on training per programme. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. The fluctuating trend from 2017/18 to 2019/20 was due to training and staff development costs. As mentioned previously, budget cuts were effected in 2020/21, as well as for each year of the MTEF. Training includes short courses for in-house staff, as well as internships. The table excludes the EPWP Integrated Grant for Provinces budget, hence the budget for Programme 3 is lower than the training and development figures in Table 14.B and 14.E. It is also noted that the budget for Programme 1 includes bursaries, hence it is higher than the training and development budget in Table 14.C.

Table 14.21 : Information on training: Public Works

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised estimate | Medium-term estimates | | |
|---|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Number of staff | 1 706 | 1 633 | 1 633 | 1 712 | 1 595 | 1 595 | 1 595 | 1 595 | |
| Number of personnel trained | 954 | 1 168 | 1 279 | 1 279 | 1 279 | 1 279 | 1 279 | 1 279 | |
| of which | | | | | | | | | |
| Male | 516 | 490 | 650 | 650 | 650 | 650 | 650 | 650 | |
| Female | 438 | 678 | 629 | 629 | 629 | 629 | 629 | 629 | |
| Number of training opportunities | 74 | 165 | 102 | 83 | 83 | 83 | 83 | 83 | |
| of which | | | | | | | | | |
| Tertiary | 15 | 91 | 48 | 48 | 48 | 48 | 48 | 48 | |
| Workshops | 32 | 14 | 15 | 15 | 15 | 15 | 15 | 15 | |
| Seminars | 17 | 2 | 1 | 10 | 10 | 10 | 10 | 10 | |
| Other | 10 | 58 | 38 | 10 | 10 | 10 | 10 | 10 | |
| Number of bursaries offered | 69 | 68 | 99 | 99 | 99 | 99 | 99 | 99 | |
| Number of interns appointed | 37 | 65 | 84 | 42 | 42 | 42 | 42 | 42 | |
| Number of learnerships appointed | - | - | - | - | - | - | - | - | |
| Number of days spent on training | 560 | 353 | 181 | 307 | 307 | 307 | 307 | 307 | |
| Payments on training by programme | | | | | | | | | |
| 1. Administration | 7 809 | 9 829 | 7 196 | 15 345 | 9 845 | 7 770 | 11 177 | 11 959 | 12 492 |
| 2. Property Management | 19 | 575 | - | - | - | - | - | - | - |
| 3. Provision of Buildings, Structures and Equipment | 2 131 | 2 050 | - | - | - | - | - | - | - |
| Total | 9 959 | 12 454 | 7 196 | 15 345 | 9 845 | 7 770 | 11 177 | 11 959 | 12 492 |

ANNEXURE – VOTE 14: PUBLIC WORKS

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

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|---------------|---------------|---------------|---------------|--------------|-----------------------|---------------|---------------|
| | 2017/18 | 2018/19 | 2019/20 | Appropriation | Appropriation | Estimate | 2021/22 | 2022/23 | 2023/24 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 5 844 | 8 366 | 11 421 | 7 844 | 7 844 | 7 870 | 8 105 | 8 640 | 9 020 |
| Sale of goods and services produced by department (excluding capital assets) | 5 791 | 8 080 | 11 421 | 7 841 | 7 841 | 7 867 | 8 102 | 8 637 | 9 017 |
| Sale by market establishments | 4 367 | 4 963 | 5 597 | 5 371 | 5 371 | 5 371 | 5 498 | 5 899 | 6 159 |
| Administrative fees | - | 1 | - | - | - | - | - | - | - |
| Other sales | 1 424 | 3 116 | 5 824 | 2 470 | 2 470 | 2 496 | 2 604 | 2 738 | 2 858 |
| <i>Of which</i> | | | | | | | | | |
| <i>Commission</i> | 532 | 535 | 541 | 674 | 674 | 674 | 674 | 674 | 704 |
| <i>Tender documents</i> | 883 | 2 574 | 5 245 | 1 781 | 1 781 | 1 807 | 1 895 | 2 049 | 2 139 |
| <i>Replacement</i> | 1 | 2 | - | 2 | 2 | 2 | 2 | 2 | 2 |
| <i>Transport fees</i> | 8 | 5 | 5 | 13 | 13 | 13 | 13 | 13 | 14 |
| Sale of scrap, waste, arms and other used current goods (excluding capital assets) | 53 | 286 | - | 3 | 3 | 3 | 3 | 3 | 3 |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 1 954 | 1 198 | 246 | 538 | 538 | 538 | 570 | 622 | 649 |
| Interest | 1 252 | 627 | 39 | 50 | 50 | 50 | 51 | 51 | 53 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | 702 | 571 | 207 | 488 | 488 | 488 | 519 | 571 | 596 |
| Sale of capital assets | 720 | 1 966 | 986 | 630 | 630 | 630 | 535 | 940 | 575 |
| Land and sub-soil assets | 56 | 1 139 | - | - | - | - | - | - | - |
| Other capital assets | 664 | 827 | 986 | 630 | 630 | 630 | 535 | 940 | 575 |
| Transactions in financial assets and liabilities | 513 | 496 | 331 | 944 | 944 | 918 | 946 | 946 | 988 |
| Total | 9 031 | 12 026 | 12 984 | 9 956 | 9 956 | 9 956 | 10 156 | 11 148 | 11 232 |

Estimates of Provincial Revenue and Expenditure

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

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|
| | 2017/18 | 2018/19 | 2019/20 | Appropriation | Appropriation | Estimate | 2021/22 | 2022/23 | 2023/24 |
| Current payments | 836 119 | 882 188 | 918 493 | 1 034 729 | 929 350 | 936 558 | 955 161 | 960 938 | 966 863 |
| Compensation of employees | 581 342 | 617 365 | 682 416 | 772 606 | 691 051 | 700 255 | 716 250 | 714 534 | 714 534 |
| Salaries and wages | 495 712 | 528 000 | 587 775 | 668 159 | 590 245 | 603 119 | 605 709 | 598 278 | 598 278 |
| Social contributions | 85 630 | 89 365 | 94 641 | 104 447 | 100 806 | 97 136 | 110 541 | 116 256 | 116 256 |
| Goods and services | 254 776 | 264 823 | 236 077 | 262 123 | 238 299 | 236 292 | 238 911 | 246 404 | 252 329 |
| Administrative fees | 1 295 | 2 493 | 1 729 | 1 559 | 1 106 | 552 | 1 047 | 985 | 1 004 |
| Advertising | 5 882 | 8 902 | 9 310 | 6 045 | 6 045 | 5 479 | 6 487 | 6 573 | 6 863 |
| Minor assets | 786 | 746 | 876 | 584 | 621 | 652 | 643 | 467 | 487 |
| Audit cost: External | 8 420 | 9 666 | 10 323 | 5 257 | 8 657 | 9 157 | 5 726 | 5 751 | 6 004 |
| Bursaries: Employees | 926 | 949 | 562 | 1 042 | 1 042 | 2 042 | 1 094 | 1 165 | 1 216 |
| Catering: Departmental activities | 557 | 868 | 432 | 545 | 272 | 168 | 253 | 265 | 290 |
| Communication (G&S) | 9 543 | 10 904 | 11 883 | 10 474 | 10 474 | 15 655 | 10 827 | 11 345 | 11 843 |
| Computer services | 23 600 | 23 871 | 24 157 | 31 852 | 31 852 | 28 080 | 33 399 | 34 262 | 35 769 |
| Cons. & prof serv: Business and advisory services | 32 514 | 35 042 | 4 509 | 38 358 | 27 787 | 29 613 | 38 975 | 39 587 | 36 492 |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | 882 | 4 560 | 4 626 | 1 911 | 1 911 | 1 497 | 1 913 | 2 024 | 2 113 |
| Contractors | 914 | 1 477 | 1 071 | 1 912 | 956 | 231 | 3 173 | 3 169 | 3 221 |
| Agency and support / outsourced services | 24 036 | 17 648 | 12 659 | 16 186 | 8 786 | 7 755 | 9 824 | 10 244 | 10 938 |
| Entertainment | 42 | 45 | 45 | 134 | 34 | 9 | 34 | 14 | 19 |
| Fleet services (including gvt motor transport) | 11 897 | 13 481 | 13 586 | 12 044 | 8 992 | 8 951 | 8 388 | 8 394 | 8 748 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Chemicals, fuel, oil, gas, wood and coal | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medcas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 4 359 | 5 027 | 4 685 | 5 488 | 6 705 | 6 761 | 5 619 | 5 919 | 6 179 |
| Consumable: Stationery, printing and office supplies | 2 934 | 3 825 | 2 798 | 5 138 | 3 597 | 2 731 | 3 380 | 3 393 | 3 439 |
| Operating leases | 4 280 | 4 833 | 3 970 | 4 910 | 4 668 | 3 323 | 5 117 | 5 382 | 5 619 |
| Property payments | 95 564 | 89 349 | 99 796 | 93 684 | 98 038 | 102 052 | 88 300 | 92 174 | 96 275 |
| Transport provided: Departmental activity | 48 | 360 | 147 | - | - | - | - | - | - |
| Travel and subsistence | 11 966 | 13 082 | 16 714 | 15 727 | 11 682 | 8 973 | 10 661 | 10 993 | 11 332 |
| Training and development | 12 505 | 14 975 | 3 387 | 7 211 | 2 711 | 605 | 2 659 | 2 892 | 3 026 |
| Operating payments | 1 515 | 2 230 | 7 861 | 1 866 | 2 225 | 2 002 | 1 304 | 1 350 | 1 389 |
| Venues and facilities | - | 277 | 248 | 48 | 34 | - | 32 | - | - |
| Rental and hiring | 311 | 213 | 703 | 148 | 104 | 4 | 56 | 56 | 63 |
| Interest and rent on land | 1 | - | - | - | - | 11 | - | - | - |
| Interest | 1 | - | - | - | - | 11 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 639 553 | 744 091 | 1 042 561 | 673 278 | 840 958 | 842 066 | 706 560 | 946 773 | 749 143 |
| Provinces and municipalities | 627 881 | 728 957 | 1 031 102 | 663 675 | 828 675 | 828 787 | 696 594 | 936 301 | 738 209 |
| Provinces | 160 | 381 | 310 | 151 | 151 | 263 | 286 | 312 | 326 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 160 | 381 | 310 | 151 | 151 | 263 | 286 | 312 | 326 |
| Municipalities | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Municipalities | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 415 | 488 | 515 | 638 | 638 | 628 | 658 | 683 | 714 |
| Social security funds | - | - | - | 71 | 71 | 61 | 85 | 77 | 81 |
| Entities receiving transfers | 415 | 488 | 515 | 567 | 567 | 567 | 573 | 606 | 633 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 95 | - | - | - | - | 124 | - | - | - |
| Households | 11 162 | 14 646 | 10 944 | 8 965 | 11 645 | 12 527 | 9 308 | 9 789 | 10 220 |
| Social benefits | 6 198 | 6 545 | 8 212 | 2 440 | 6 120 | 7 970 | 2 457 | 2 493 | 2 603 |
| Other transfers to households | 4 964 | 8 101 | 2 732 | 6 525 | 5 525 | 4 557 | 6 851 | 7 296 | 7 617 |
| Payments for capital assets | 59 872 | 47 014 | 54 453 | 70 402 | 48 402 | 40 086 | 33 608 | 26 544 | 28 021 |
| Buildings and other fixed structures | 39 546 | 25 529 | 31 582 | 51 628 | 33 528 | 25 212 | 22 186 | 14 059 | 14 678 |
| Buildings | 39 546 | 25 529 | 31 582 | 51 628 | 33 528 | 25 212 | 22 186 | 14 059 | 14 678 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 13 764 | 17 124 | 16 498 | 12 774 | 8 874 | 8 874 | 5 070 | 5 796 | 6 360 |
| Transport equipment | 6 031 | 7 487 | 6 167 | 6 089 | 2 089 | 2 225 | 1 270 | 936 | 1 175 |
| Other machinery and equipment | 7 733 | 9 637 | 10 331 | 6 685 | 6 785 | 6 649 | 3 800 | 4 860 | 5 185 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 6 562 | 4 361 | 6 373 | 6 000 | 6 000 | 6 000 | 6 352 | 6 689 | 6 983 |
| Payments for financial assets | 1 087 | 2 285 | 16 135 | - | - | - | - | - | - |
| Total | 1 536 631 | 1 675 578 | 2 031 642 | 1 778 409 | 1 818 710 | 1 818 710 | 1 695 329 | 1 934 255 | 1 744 027 |

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|-----------------------|---------------------------|---------------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2020/21 | 2021/22 | 2022/23 |
| Current payments | 355 776 | 383 856 | 421 309 | 442 420 | 399 560 | 398 388 | 414 623 | 423 825 | 426 764 |
| Compensation of employees | 284 716 | 303 060 | 323 554 | 361 909 | 317 979 | 315 321 | 339 453 | 346 675 | 346 675 |
| Salaries and wages | 239 969 | 255 886 | 273 376 | 307 164 | 265 845 | 264 569 | 281 161 | 286 019 | 286 019 |
| Social contributions | 44 747 | 47 174 | 50 178 | 54 745 | 52 134 | 50 752 | 58 292 | 60 656 | 60 656 |
| Goods and services | 71 059 | 80 796 | 97 755 | 80 511 | 81 581 | 83 056 | 75 170 | 77 150 | 80 089 |
| Administrative fees | 230 | 1 573 | 524 | 336 | 336 | 30 | 343 | 355 | 370 |
| Advertising | 3 286 | 3 204 | 6 461 | 3 334 | 3 334 | 4 312 | 3 689 | 3 686 | 3 849 |
| Minor assets | 693 | 596 | 250 | 90 | 116 | 43 | 75 | 79 | 82 |
| Audit cost: External | 8 420 | 9 666 | 10 323 | 5 257 | 8 657 | 9 157 | 5 726 | 5 751 | 6 004 |
| Bursaries: Employees | 926 | 949 | 562 | 1 042 | 1 042 | 2 042 | 1 094 | 1 165 | 1 216 |
| Catering: Departmental activities | 428 | 252 | 258 | 204 | 204 | 116 | 211 | 222 | 232 |
| Communication (G&S) | 8 741 | 10 582 | 11 768 | 8 896 | 8 896 | 15 128 | 9 164 | 9 713 | 10 140 |
| Computer services | 19 875 | 18 388 | 20 865 | 22 842 | 22 842 | 20 554 | 23 962 | 24 351 | 25 422 |
| Cons. & prof serv: Business and advisory services | 68 | 476 | 2 486 | 43 | 2 472 | 4 684 | 2 560 | 2 559 | 2 562 |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | 703 | 2 771 | 4 440 | 1 125 | 1 125 | 993 | 1 127 | 1 200 | 1 253 |
| Contractors | 672 | 976 | 231 | 1 605 | 649 | 138 | 2 863 | 2 856 | 2 894 |
| Agency and support / outsourced services | 898 | 217 | 306 | 1 672 | 1 272 | 163 | 2 105 | 2 419 | 2 525 |
| Entertainment | 42 | 45 | 45 | 134 | 34 | 8 | 34 | 14 | 19 |
| Fleet services (including gvt motor transport) | 8 376 | 10 169 | 10 959 | 8 249 | 6 197 | 6 685 | 5 486 | 5 640 | 5 829 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Chemicals, fuel, oil, gas, wood and coal | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 591 | 1 200 | 1 438 | 1 385 | 2 611 | 3 060 | 1 327 | 1 367 | 1 427 |
| Consumable: Stationery, printing and office supplies | 2 487 | 3 606 | 2 530 | 4 233 | 2 992 | 2 215 | 2 751 | 2 720 | 2 723 |
| Operating leases | 3 632 | 3 850 | 3 074 | 4 060 | 3 820 | 2 791 | 4 228 | 4 405 | 4 599 |
| Property payments | 2 131 | 2 650 | 3 743 | 1 674 | 6 444 | 6 424 | 1 762 | 1 792 | 1 871 |
| Transport provided: Departmental activity | 48 | 159 | - | - | - | - | - | - | - |
| Travel and subsistence | 4 729 | 5 388 | 7 140 | 5 554 | 4 057 | 2 384 | 3 030 | 2 985 | 3 044 |
| Training and development | 1 593 | 2 169 | 3 387 | 7 211 | 2 711 | 605 | 2 659 | 2 892 | 3 026 |
| Operating payments | 1 216 | 1 756 | 6 957 | 1 517 | 1 736 | 1 524 | 942 | 979 | 1 002 |
| Venues and facilities | - | 18 | - | 48 | 34 | - | 32 | - | - |
| Rental and hiring | 274 | 136 | 8 | - | - | - | - | - | - |
| Interest and rent on land | 1 | - | - | - | - | 11 | - | - | - |
| Interest | 1 | - | - | - | - | 11 | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 8 365 | 11 118 | 7 127 | 7 763 | 9 291 | 9 291 | 8 326 | 8 851 | 9 242 |
| Provinces and municipalities | 160 | 381 | 310 | 151 | 151 | 263 | 286 | 312 | 326 |
| Provinces | 160 | 381 | 310 | 151 | 151 | 263 | 286 | 312 | 326 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 160 | 381 | 310 | 151 | 151 | 263 | 286 | 312 | 326 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 415 | 488 | 515 | 575 | 575 | 575 | 597 | 620 | 648 |
| Social security funds | - | - | - | 8 | 8 | 8 | 24 | 14 | 15 |
| Entities receiving transfers | 415 | 488 | 515 | 567 | 567 | 567 | 573 | 606 | 633 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 95 | - | - | - | - | 124 | - | - | - |
| Households | 7 695 | 10 249 | 6 302 | 7 037 | 8 565 | 8 329 | 7 443 | 7 919 | 8 268 |
| Social benefits | 2 731 | 2 148 | 3 570 | 512 | 3 040 | 3 773 | 592 | 623 | 651 |
| Other transfers to households | 4 964 | 8 101 | 2 732 | 6 525 | 5 525 | 4 556 | 6 851 | 7 296 | 7 617 |
| Payments for capital assets | 20 238 | 20 186 | 21 103 | 18 107 | 13 107 | 13 107 | 11 160 | 11 732 | 12 556 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 13 676 | 15 825 | 14 730 | 12 107 | 7 107 | 7 107 | 4 808 | 5 043 | 5 573 |
| Transport equipment | 6 031 | 7 487 | 6 167 | 6 089 | 2 089 | 2 225 | 1 270 | 936 | 1 175 |
| Other machinery and equipment | 7 645 | 8 338 | 8 563 | 6 018 | 5 018 | 4 882 | 3 538 | 4 107 | 4 398 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 6 562 | 4 361 | 6 373 | 6 000 | 6 000 | 6 000 | 6 352 | 6 689 | 6 983 |
| Payments for financial assets | 134 | 187 | - | - | - | - | - | - | - |
| Total | 384 513 | 415 347 | 449 539 | 468 290 | 421 958 | 420 786 | 434 109 | 444 408 | 448 562 |

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

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | | | | 2021/22 | 2022/23 | 2023/24 |
| Current payments | 72 936 | 77 761 | 75 240 | 136 740 | 107 058 | 103 681 | 135 755 | 141 940 | 140 234 |
| Compensation of employees | 52 195 | 54 662 | 57 166 | 64 221 | 58 007 | 57 637 | 68 386 | 72 752 | 72 752 |
| Salaries and wages | 44 632 | 46 831 | 49 244 | 55 138 | 48 924 | 49 410 | 58 848 | 62 719 | 62 719 |
| Social contributions | 7 563 | 7 831 | 7 922 | 9 083 | 9 083 | 8 227 | 9 538 | 10 033 | 10 033 |
| Goods and services | 20 741 | 23 099 | 18 074 | 72 519 | 49 051 | 46 044 | 67 369 | 69 188 | 67 482 |
| Administrative fees | 907 | 764 | 1 022 | 1 021 | 568 | 504 | 500 | 423 | 418 |
| Advertising | 217 | 256 | 186 | 325 | 325 | 145 | 330 | 347 | 362 |
| Minor assets | 39 | 26 | 89 | 200 | 200 | - | 200 | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 17 | 16 | 8 | 21 | 21 | 15 | 22 | 23 | 24 |
| Communication (G&S) | 210 | 38 | 5 | 334 | 334 | 198 | 336 | 351 | 366 |
| Computer services | - | 250 | - | 4 926 | 4 926 | 4 916 | 5 187 | 5 436 | 5 675 |
| Cons. & prof serv: Business and advisory services | 75 | 130 | 1 116 | 38 315 | 19 315 | 18 929 | 36 415 | 37 028 | 33 930 |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | 179 | 1 789 | 186 | 786 | 786 | 504 | 786 | 824 | 860 |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | 3 826 | 4 700 | 84 | 2 164 | 1 164 | 966 | 1 244 | 1 261 | 1 274 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (including gvt motor transport) | 82 | 41 | 40 | 129 | 129 | 52 | 129 | 140 | 146 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Chemicals, fuel, oil, gas, wood and coal | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 425 | 489 | 365 | 704 | 704 | 697 | 741 | 776 | 810 |
| Consumable: Stationery, printing and office supplies | 12 | 23 | 5 | 40 | 40 | 15 | 41 | 43 | 45 |
| Operating leases | 166 | 281 | 293 | 229 | 229 | 139 | 239 | 257 | 268 |
| Property payments | 13 285 | 12 116 | 12 876 | 21 128 | 18 128 | 17 998 | 19 054 | 20 024 | 20 950 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 1 234 | 1 536 | 1 609 | 2 153 | 2 138 | 935 | 2 099 | 2 207 | 2 304 |
| Training and development | 19 | 575 | - | - | - | - | - | - | - |
| Operating payments | 48 | 69 | 190 | 44 | 44 | 41 | 46 | 48 | 50 |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 627 878 | 729 034 | 1 031 172 | 663 559 | 828 773 | 828 912 | 696 340 | 936 021 | 737 916 |
| Provinces and municipalities | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Municipalities | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | 5 | 5 | 5 | - | - | - |
| Social security funds | - | - | - | 5 | 5 | 5 | - | - | - |
| Entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 157 | 458 | 380 | 30 | 244 | 383 | 32 | 32 | 33 |
| Social benefits | 157 | 458 | 380 | 30 | 244 | 383 | 32 | 32 | 33 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | 129 | 144 | - | 100 | 100 | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | 129 | 144 | - | 100 | 100 | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | 129 | 144 | - | 100 | 100 | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 700 814 | 806 924 | 1 106 556 | 800 299 | 935 931 | 932 693 | 832 095 | 1 077 961 | 878 150 |

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

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | Appropriation | Appropriation | Estimate | 2021/22 | 2022/23 | 2023/24 |
| Current payments | 407 407 | 420 571 | 421 944 | 455 569 | 422 732 | 434 489 | 404 783 | 395 173 | 399 865 |
| Compensation of employees | 244 431 | 259 643 | 301 696 | 346 476 | 315 065 | 327 297 | 308 411 | 295 107 | 295 107 |
| Salaries and wages | 211 111 | 225 283 | 265 155 | 305 857 | 275 476 | 289 140 | 265 700 | 249 540 | 249 540 |
| Social contributions | 33 320 | 34 360 | 36 541 | 40 619 | 39 589 | 38 157 | 42 711 | 45 567 | 45 567 |
| Goods and services | 162 976 | 160 928 | 120 248 | 109 093 | 107 667 | 107 192 | 96 372 | 100 066 | 104 758 |
| Administrative fees | 158 | 156 | 183 | 202 | 202 | 18 | 204 | 207 | 216 |
| Advertising | 2 379 | 5 442 | 2 663 | 2 386 | 2 386 | 1 022 | 2 468 | 2 540 | 2 652 |
| Minor assets | 54 | 124 | 537 | 294 | 305 | 609 | 368 | 388 | 405 |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 112 | 600 | 166 | 320 | 47 | 37 | 20 | 20 | 34 |
| Communication (G&S) | 592 | 284 | 110 | 1 244 | 1 244 | 329 | 1 327 | 1 281 | 1 337 |
| Computer services | 3 725 | 5 233 | 3 292 | 4 084 | 4 084 | 2 610 | 4 250 | 4 475 | 4 672 |
| Cons. & prof serv: Business and advisory services | 32 371 | 34 436 | 907 | - | 6 000 | 6 000 | - | - | - |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | 242 | 501 | 840 | 307 | 307 | 93 | 310 | 313 | 327 |
| Agency and support / outsourced services | 19 312 | 12 731 | 12 269 | 12 350 | 6 350 | 6 636 | 6 475 | 6 564 | 7 139 |
| Entertainment | - | - | - | - | - | 1 | - | - | - |
| Fleet services (including gvt motor transport) | 3 439 | 3 271 | 2 587 | 3 666 | 2 666 | 2 214 | 2 773 | 2 614 | 2 773 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Chemicals, fuel, oil, gas, wood and coal | - | - | - | - | - | - | - | - | - |
| Inventory: Leamer and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 2 343 | 3 338 | 2 882 | 3 399 | 3 390 | 3 004 | 3 551 | 3 776 | 3 942 |
| Consumable: Stationery, printing and office supplies | 435 | 196 | 263 | 865 | 565 | 501 | 588 | 630 | 671 |
| Operating leases | 482 | 702 | 603 | 621 | 619 | 393 | 650 | 720 | 752 |
| Property payments | 80 148 | 74 583 | 83 177 | 70 882 | 73 466 | 77 630 | 67 484 | 70 358 | 73 454 |
| Transport provided: Departmental activity | - | 201 | 147 | - | - | - | - | - | - |
| Travel and subsistence | 6 003 | 6 158 | 7 965 | 8 020 | 5 487 | 5 654 | 5 532 | 5 801 | 5 984 |
| Training and development | 10 893 | 12 231 | - | - | - | - | - | - | - |
| Operating payments | 251 | 405 | 714 | 305 | 445 | 437 | 316 | 323 | 337 |
| Venues and facilities | - | 259 | 248 | - | - | - | - | - | - |
| Rental and hiring | 37 | 77 | 695 | 148 | 104 | 4 | 56 | 56 | 63 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 3 310 | 3 939 | 4 262 | 1 956 | 2 894 | 3 863 | 1 894 | 1 901 | 1 985 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | 58 | 58 | 48 | 61 | 63 | 66 |
| Social security funds | - | - | - | 58 | 58 | 48 | 61 | 63 | 66 |
| Entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 3 310 | 3 939 | 4 262 | 1 898 | 2 836 | 3 815 | 1 833 | 1 838 | 1 919 |
| Social benefits | 3 310 | 3 939 | 4 262 | 1 898 | 2 836 | 3 814 | 1 833 | 1 838 | 1 919 |
| Other transfers to households | - | - | - | - | - | 1 | - | - | - |
| Payments for capital assets | 39 634 | 26 699 | 33 206 | 52 295 | 35 195 | 26 879 | 22 448 | 14 812 | 15 465 |
| Buildings and other fixed structures | 39 546 | 25 529 | 31 582 | 51 628 | 33 528 | 25 212 | 22 186 | 14 059 | 14 678 |
| Buildings | 39 546 | 25 529 | 31 582 | 51 628 | 33 528 | 25 212 | 22 186 | 14 059 | 14 678 |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 88 | 1 170 | 1 624 | 667 | 1 667 | 1 667 | 262 | 753 | 787 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 88 | 1 170 | 1 624 | 667 | 1 667 | 1 667 | 262 | 753 | 787 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 953 | 2 098 | 16 135 | - | - | - | - | - | - |
| Total | 451 304 | 453 307 | 475 547 | 509 820 | 460 821 | 465 231 | 429 125 | 411 886 | 417 315 |

Estimates of Provincial Revenue and Expenditure

Table 14.F : Payments and estimates by economic classification: Conditional grant (Prog. 3: Provision of Buildings, Structures and Equip.)

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|---------------|---------------|--------------|-----------------------|---------|---------|
| | 2017/18 | 2018/19 | 2019/20 | Appropriation | Appropriation | Estimate | 2021/22 | 2022/23 | 2023/24 |
| Current payments | 6 588 | 6 023 | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |
| Compensation of employees | - | - | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |
| Salaries and wages | - | - | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 6 588 | 6 023 | - | - | - | - | - | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Minor assets | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons. & prof serv: Business and advisory services | - | - | - | - | - | - | - | - | - |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (including gvt motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Chemicals, fuel, oil, gas, wood and coal | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Meddas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | 6 588 | 6 023 | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 6 588 | 6 023 | 4 726 | 4 243 | 4 243 | 4 243 | 5 465 | - | - |

Table 14.G : Summary of transfers to local government (Municipalities - Property Rates)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|------------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | 2021/22 | 2022/23 | 2023/24 |
| A KZN2000 eThekweni | 288 527 | 352 462 | 348 316 | 294 136 | 312 624 | 280 575 | 306 605 | 526 801 | 310 692 |
| Total: Ugu Municipalities | 20 747 | 12 267 | 46 551 | 18 968 | 32 242 | 20 583 | 20 011 | 21 011 | 21 936 |
| B KZN212 uMdoni | 3 806 | 5 354 | 12 040 | 3 796 | 8 400 | 6 120 | 4 005 | 4 205 | 4 390 |
| B KZN213 uMzombe | 1 770 | 2 392 | 3 198 | 4 600 | 6 000 | 2 400 | 4 853 | 5 096 | 5 320 |
| B KZN214 uMuziwabantu | 4 026 | 4 521 | 6 159 | 5 656 | 5 926 | 2 561 | 5 967 | 6 265 | 6 541 |
| B KZN216 Ray Nkonyeni | 11 145 | - | 25 154 | 4 916 | 11 916 | 9 502 | 5 186 | 5 445 | 5 685 |
| C DC21 Ugu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | 72 842 | 82 144 | 147 898 | 98 180 | 100 245 | 124 187 | 103 581 | 108 762 | 113 547 |
| B KZN221 uMshwathi | 7 849 | 6 966 | 9 007 | 12 137 | 12 137 | 11 637 | 12 805 | 13 446 | 14 038 |
| B KZN222 uMngeni | 951 | 2 131 | 3 540 | 9 569 | 9 569 | 4 032 | 10 095 | 10 600 | 11 066 |
| B KZN223 Mpopana | 356 | 724 | 2 363 | 129 | 317 | 1 155 | 136 | 143 | 149 |
| B KZN224 iMpendle | 903 | 1 033 | 1 749 | 342 | 1 996 | 2 763 | 361 | 379 | 396 |
| B KZN225 Msunduzi | 61 646 | 70 498 | 126 796 | 75 161 | 75 161 | 101 173 | 79 295 | 83 260 | 86 923 |
| B KZN226 Mkhambathini | 535 | 377 | 3 552 | 773 | 951 | 2 896 | 816 | 857 | 895 |
| B KZN227 Richmond | 602 | 415 | 891 | 69 | 114 | 531 | 73 | 77 | 80 |
| C DC22 uMgungundlovu District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uThukela Municipalities | 42 511 | 36 607 | 80 106 | 50 991 | 50 991 | 37 379 | 53 795 | 56 485 | 58 970 |
| B KZN235 Okhahlamba | 2 193 | 2 880 | 2 945 | 6 562 | 6 562 | 5 118 | 6 923 | 7 269 | 7 589 |
| B KZN237 iNkosi Langalibalele | 19 087 | 15 671 | 28 045 | 21 239 | 21 239 | 19 071 | 22 407 | 23 528 | 24 563 |
| B KZN238 Alfred Duma | 21 231 | 18 056 | 49 116 | 23 190 | 23 190 | 13 190 | 24 465 | 25 688 | 26 818 |
| C DC23 uThukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | 35 216 | 42 824 | 64 227 | 33 977 | 33 977 | 39 761 | 35 846 | 37 636 | 39 292 |
| B KZN241 eNdameni | 11 851 | 12 989 | 14 090 | 10 226 | 10 226 | 13 171 | 10 788 | 11 328 | 11 826 |
| B KZN242 Nquthu | 8 203 | 13 581 | 27 131 | 11 023 | 11 023 | 21 209 | 11 629 | 12 210 | 12 747 |
| B KZN244 uMsinga | 8 893 | 8 972 | 15 132 | 5 737 | 5 737 | 3 390 | 6 053 | 6 353 | 6 633 |
| B KZN245 uMvoti | 6 269 | 7 282 | 7 874 | 6 991 | 6 991 | 1 991 | 7 376 | 7 745 | 8 086 |
| C DC24 uMzinyathi District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | 13 420 | 19 006 | 20 593 | 13 911 | 13 911 | 20 045 | 14 675 | 15 409 | 16 087 |
| B KZN252 Newcastle | 4 109 | 5 967 | 6 018 | 5 333 | 5 333 | 4 051 | 5 626 | 5 907 | 6 167 |
| B KZN253 eMadlangeni | 2 156 | 5 866 | 4 883 | 3 354 | 3 354 | 4 887 | 3 538 | 3 715 | 3 878 |
| B KZN254 Dannhauser | 7 155 | 7 173 | 9 692 | 5 224 | 5 224 | 11 107 | 5 511 | 5 787 | 6 042 |
| C DC25 Amajuba District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | 48 140 | 55 983 | 92 965 | 49 032 | 97 886 | 89 653 | 51 729 | 54 314 | 56 704 |
| B KZN261 eDumbe | 5 638 | 4 838 | 12 866 | 3 870 | 12 867 | 10 157 | 4 083 | 4 287 | 4 476 |
| B KZN262 uPhongolo | 3 305 | 5 782 | 10 262 | 4 132 | 11 984 | 11 051 | 4 359 | 4 577 | 4 778 |
| B KZN263 Abaqulusi | 7 981 | 8 507 | 17 999 | 8 203 | 17 999 | 17 835 | 8 654 | 9 086 | 9 486 |
| B KZN265 Nongoma | 7 204 | 10 460 | 14 335 | 6 835 | 14 355 | 11 400 | 7 211 | 7 571 | 7 904 |
| B KZN266 Ulundi | 24 012 | 26 396 | 37 503 | 25 992 | 40 681 | 39 210 | 27 422 | 28 793 | 30 060 |
| C DC26 Zululand District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | 22 658 | 23 707 | 53 058 | 29 498 | 38 784 | 33 668 | 31 121 | 32 677 | 34 114 |
| B KZN271 uMhlabyalingana | 9 874 | 11 785 | 19 657 | 13 374 | 13 374 | 13 048 | 14 110 | 14 815 | 15 467 |
| B KZN272 Jozini | 4 763 | 4 538 | 8 704 | 6 837 | 9 150 | 7 125 | 7 213 | 7 573 | 7 906 |
| B KZN275 Mtubatuba | 3 693 | 2 882 | 14 836 | 6 450 | 7 560 | 6 510 | 6 805 | 7 146 | 7 460 |
| B KZN276 Big Five Hlabisa | 4 328 | 4 502 | 9 861 | 2 837 | 8 700 | 6 985 | 2 993 | 3 143 | 3 281 |
| C DC27 uMkhanyakude District Municipality | - | - | - | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | 40 450 | 52 076 | 113 817 | 40 491 | 97 455 | 107 902 | 42 718 | 44 854 | 46 828 |
| B KZN281 uMfolozi | 2 569 | 5 446 | 16 751 | 638 | 11 900 | 11 944 | 673 | 706 | 737 |
| B KZN282 uMhlathuze | 16 574 | 18 323 | 21 352 | 24 980 | 26 939 | 21 686 | 26 354 | 27 672 | 28 890 |
| B KZN284 uMlalazi | 7 331 | 10 020 | 28 085 | 4 129 | 13 500 | 16 860 | 4 356 | 4 574 | 4 775 |
| B KZN285 Mthonjaneni | 334 | 2 113 | 7 407 | 3 225 | 9 165 | 7 588 | 3 402 | 3 572 | 3 729 |
| B KZN286 Nkandla | 13 642 | 16 174 | 40 222 | 7 519 | 35 951 | 49 824 | 7 933 | 8 330 | 8 697 |
| C DC28 King Cetshwayo District Municipality | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | 23 760 | 30 986 | 37 893 | 19 601 | 24 049 | 46 706 | 20 678 | 21 713 | 22 668 |
| B KZN291 Mandeni | 1 674 | 5 810 | 2 801 | 929 | 929 | 7 042 | 980 | 1 029 | 1 074 |
| B KZN292 KwaDukuza | 7 594 | 4 927 | 8 534 | 6 788 | 11 236 | 10 396 | 7 161 | 7 519 | 7 850 |
| B KZN293 Ndwedwe | 5 392 | 9 880 | 10 972 | 1 662 | 1 662 | 16 182 | 1 753 | 1 841 | 1 922 |
| B KZN294 Maphumulo | 9 100 | 10 369 | 15 586 | 10 222 | 10 222 | 13 086 | 10 784 | 11 324 | 11 822 |
| C DC29 iLembe District Municipality | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | 19 452 | 20 514 | 25 368 | 14 739 | 26 360 | 28 065 | 15 549 | 16 327 | 17 045 |
| B KZN433 Greater Kokstad | 8 722 | 8 771 | 9 988 | 4 910 | 15 994 | 15 194 | 5 180 | 5 439 | 5 678 |
| B KZN434 uBuhlebezwe | 4 934 | 3 577 | 3 707 | 5 063 | 5 129 | 4 000 | 5 341 | 5 608 | 5 855 |
| B KZN435 uMzimkhulu | 2 662 | 3 113 | 4 148 | 3 764 | 3 764 | 4 033 | 3 971 | 4 170 | 4 353 |
| B KZN436 Dr Nkosazana Dlamini Zuma | 3 134 | 5 053 | 7 525 | 1 002 | 1 473 | 4 838 | 1 057 | 1 110 | 1 159 |
| C DC43 Harry Gwala District Municipality | - | - | - | - | - | - | - | - | - |
| Unallocated | (2) | - | - | - | - | - | - | - | - |
| Total | 627 721 | 728 576 | 1 030 792 | 663 524 | 828 524 | 828 524 | 696 308 | 935 989 | 737 883 |