



PROVINCE OF KWAZULU-NATAL

**ESTIMATES OF CAPITAL
EXPENDITURE**

2024/25

For the financial year ending 31 March 2025

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To obtain further copies of this document, please contact:

Provincial Treasury
5th Floor
Treasury House
145 Chief Albert Luthuli Road
3201

P.O. Box 3613
Pietermaritzburg
3200

Tel: +27 (0) 33 – 897 4524
Fax: +27 (0) 33 – 897 4580

FOREWORD BY THE MEC

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List of Acronyms

| ACRONYM | FULL TEXT |
|---------|---|
| BEPP | Built Environment Performance Plan |
| CASP | Comprehensive Agriculture Support Programme |
| C-AMP | Custodian Asset Management Plan |
| CLSG | Community Library Services Grant |
| CPS | Construction Procurement Strategy |
| CRU | Community Residential Unit |
| CSC | Community Service Centre |
| COGTA | Co-operative Governance and Traditional Affairs |
| DAFF | Department of Agriculture, Forestry and Fisheries |
| DARD | Department of Agriculture and Rural Development |
| DEDTEA | Department of Economic Development, Tourism and Environmental Affairs |
| DoE | Department of Education |
| DoH | Department of Health |
| DoHS | Department of Human Settlements |
| DoPW | Department of Public Works |
| DoRA | Division of Revenue Act |
| DoT | Department of Transport |
| DSAC | Department of Sports, Arts and Culture |
| DSD | Department of Social Development |
| DTPC | Dube Trade Port Corporation |
| ECE | Estimates of Capital Expenditure |
| ECD | Early Childhood Development Programme |
| EIG | Education Infrastructure Grant |
| EPRE | Estimates of Provincial Revenue and Expenditure |
| EPWP | Expanded Public Works Programme |
| FIDPM | Framework for Infrastructure Delivery and Procurement Management |
| GIAMA | Government Immovable Asset Management Act |
| HFRG | Health Facilities Revitalisation Grant |
| HSDG | Human Settlement Development Grant |
| IDMS | Infrastructure Delivery Management System |
| IDZ | Industrial Development Zones |
| INEP | Integrated National Electrification Programme |
| IPIG | Infrastructure Performance Incentive Grants |
| IPIP | Infrastructure Programme implementation Plan |
| IPMP | Infrastructure Programme Management Plan |

| ACRONYM | FULL TEXT |
|---------|--|
| IRM | Infrastructure Reporting Model |
| ISU | Informal Settlements Upgrading |
| ISUPG | Informal Settlements Upgrading Partnership Grant |
| KZN | KwaZulu-Natal |
| LSEN | Leaners with Special Education Needs |
| MTBPS | Medium Term Budget Policy Statement |
| MTEF | Medium Term Expenditure Framework |
| NCOP | National Council of Provinces |
| NDBE | National Department of Education |
| NDP | National Development Plan |
| OPD | Outpatient Patient Department |
| OTP | Office of the Premier |
| PFMA | Public Finance Management Act |
| PKISMH | Pixley KaIsaka Seme Memorial Hospital |
| PRMG | Provincial Road Maintenance Programme |
| RAMP | Roads Asset Management Plan |
| RAMS | Road Asset Management System |
| RBIDZ | Richards Bay Industrial Development Zone |
| SA | South Africa |
| SEZ | Special Economic Zone |
| U-AMP | User Asset Management Plan |

Definitions

| ITEM | WHAT IT MEANS IN RESPECT OF INFRASTRUCTURE DELIVERY |
|---|--|
| Infrastructure Nature of Investments Classifications | |
| 1 Existing Infrastructure Assets | <p>For existing infrastructure assets, there are three classifications types available – these are:</p> <ul style="list-style-type: none"> • Maintenance and repairs - current • Upgrades and additions - capital • Renewal (refurbishment and rehabilitation) - capital |
| 1.1 Maintenance Repairs - current | <p>All actions intended to ensure that an asset performs a required function to a specific performance standard(s) over its expected useful life by keeping it in as near as practicable to its original condition. Includes activities aimed at maintaining the capacity and effectiveness of an asset at its intended level.</p> <p>The maintenance action implies that the asset is restored to its original condition and there is no significant enhancement to its capacity or the value of the asset. Such transactions are classified as current payments.</p> <p>The Maintenance Programme is subdivided into -Preventative Maintenance and Corrective Maintenance</p> |
| 1.1.1 Preventative Maintenance | <p>Actions to slow deterioration or failure.</p> <p>The actions consist of two categories, interval based and condition based.</p> <ul style="list-style-type: none"> ▪ Interval based maintenance is carried out in accordance with an established time schedule or an established number of units of use, e.g. number of machine hours. This type of maintenance can be guided by supplier's manuals or experience. ▪ Condition based maintenance involves inspections, testing and monitoring to determine if any maintenance is needed. The performance and parameter monitoring may be scheduled on request or continuously. |
| 1.1.2 Corrective Maintenance | <p>Actions to respond to breakdowns or failures.</p> <p>The actions consist of two categories, planned repair and emergency repair.</p> <ul style="list-style-type: none"> ▪ Planned repair maintenance is carried out after fault recognition or reporting and is intended to put an item back into an operational state to enable performance or continuation of a service. The actions are carried out in accordance to planned response logging and planned repair procedures. ▪ Emergency repair maintenance response is immediate to urgent situation and critical assets to restore services as quickly as possible. The actions are initiated in accordance to planned response logging and emergency repair procedures. |

| ITEM | WHAT IT MEANS IN RESPECT OF INFRASTRUCTURE DELIVERY |
|---|---|
| 1.2 Upgrades and Additions - capital | <p>This involves activities aimed at improving the capacity and effectiveness of an asset above that of the intended purpose.</p> <p>The decision to upgrade an asset level above its original level/grade or increase the asset size through additions is a deliberate investment decision which may be undertaken at any time and is not dictated by the condition of the asset, but rather as a response to a change in demand or in service requirements.</p> <p>In all determinations, value for money, affordability and future lifecycle costs should be part of the assessments and budgeting forecasts</p> |
| 1.3 Renewals – capital (Refurbishments and rehabilitation) | <p>This involves activities that are required due to the condition of the asset, which may be due to neglect or unsatisfactory maintenance or degeneration of an asset.</p> <p>The action implies that the asset is restored to its original condition, enhancing the capacity and value of an existing asset that has become inoperative due to the deterioration of the asset. Such transactions are classified as payments for capital assets.</p> <p>Depending on the severity of the condition of the asset, the option of demolish and replace may be a preferred option. In all determinations, value for money, affordability and future lifecycle costs should be part of the assessments and budgeting forecasts.</p> |
| 2 New infrastructure Assets - capital | <p>A department may purchase or construct a completely new infrastructure asset that is not part of any existing infrastructure asset.</p> <p>Value for money, affordability and future lifecycle costs should be part of the planning and budgeting forecasts.</p> |
| 3 Infrastructure transfers | <p>Infrastructure transfers can be either capital or current in nature.</p> |
| 3.1 Infrastructure transfers capital | <p>This category is relevant when the department makes a transfer of funds that the beneficiary must use either for the construction of new infrastructure or for upgrades/additions to capital or refurbishment/rehabilitation of existing infrastructure.</p> |
| 3.2 Infrastructure transfers current | <p>This category is relevant when the department makes a transfer of funds to an entity to cover administrative payments relating to the construction of infrastructure, such as conducting a feasibility study for the construction of a new office building. Administrative costs directly relating to the infrastructure project will only be capitalised once the decision has been made to construct the infrastructure. Therefore, records of such costs should be maintained until the final decision on the project is made.</p> |
| 4 Infrastructure leases | <p>This category caters for both finance leases and operating leases. The category is used to classify the monthly payment as per the lease agreement.</p> |
| 5 Non-infrastructure | <p>This category is specifically for spending that is not directly related to the construction or purchase of infrastructure assets. Such spending can be either of a current or capital nature. For non-infrastructure assets, there are three types of classifications available:</p> |
| 5.1 Non-infrastructure: current | <p>This category includes payments relating to stand-alone purchases of goods and services, as well as purchases of goods and services relating to the maintenance and repair of a non-infrastructure asset. It also includes payments relating to non-infrastructure projects of a current nature other than maintenance projects. However, it is important to note that assets (major) bought into and specifically for a current project should be recorded as “stand-alone capital assets”.</p> |

| ITEM | WHAT IT MEANS IN RESPECT OF INFRASTRUCTURE DELIVERY |
|--|---|
| 5.2 Non-infrastructure: capital | This category caters for the purchase of stand-alone capital assets, for projects for the creation of new and/or the upgrading, rehabilitation or refurbishment of existing non-infrastructure assets, as well as other non-infrastructure projects of a capital nature. |
| 5.3 Non-infrastructure: leases | This category caters for both finance and operating leases and is used to classify the monthly payments as per the lease agreement. |
| Budget Programmes The budget programme structure defines a budget structure centred on results and outcomes. The organisational structure defines how a department is organised into an efficient and effective functioning system to achieve those same results and outcomes. (Source: Refer to National Treasury document “Guidelines on Budget Programmes – June 2010 Update”) | |
| 1 A budget programme | A main division within a department’s budget that funds a clearly defined set of objectives based on the services or functions within the department’s legislative and other mandates. It also constitutes a management unit established within a department to be responsible for the delivery of that defined set of services and functions. While the term “programme” is often loosely used in many situations, in these guidelines the use of “programme” is confined to the functional divisions created within the context of the budget and designated as a “programme” in the budget estimates, that is, main division in terms of Section 27(3)(b) of the PFMA. |
| 2 A sub-programme | A constituent part of a programme, that defines the services or activities which contribute to the achievement of the objective(s) of the programme of which it forms a part. Some of the defined services or activities could include key projects identified by a department. |
| Effective Infrastructure Planning | |
| 1 The benefits | The benefits arising from effective infrastructure planning and budgeting include among others: <ul style="list-style-type: none"> • Greater certainty in terms of budget allocation and utilisation. More accurate longer-term projections benefit all role players within the infrastructure delivery value chain given that infrastructure provision is a major source of employment; • Improved alignment of Service Delivery with Infrastructure Plans; • Increased ability to deal with unexpected demands (both physical and financial); • Better financial planning, certainty and accountability; • More efficient utilisation of limited human resources such as scarce skills; and • Strategic utilisation of limited resources, achieving a balance between providing new infrastructure and ensuring existing infrastructure remains fit for purpose while ensuring efficient utilisation. |
| The Budget Cycle The Budget Cycle is a three-year cycle consisting of planning, implementation and closure processes being undertaken in each year. | |

| ITEM | WHAT IT MEANS IN RESPECT OF INFRASTRUCTURE DELIVERY |
|---|---|
| 1 MTEF Activities | <p>In any single year, departments will concurrently be dealing with these different activities of the MTEF, namely:</p> <ul style="list-style-type: none"> • Closure activities for the previous year's implementation; • Implementation activities for the current year's implementation; and • Planning activities for next year's implementation. <p>There is a need, therefore, to allocate sufficient time for planning, design and procurement to take place from the time that the approved projects list is given before implementation starts, especially where the services of implementing agents are required</p> |
| <p>Infrastructure Plans</p> <p>Scope:</p> <p>National Treasury Instruction NO. 03 OF 2019/2020 Framework for Infrastructure Delivery and Procurement Management (FIDPM) applies to organs of state, which are subject to the Public Finance Management Act (PFMA) or implement infrastructure projects on behalf of other organs of state in terms of section 238 of the Constitution of the Republic of South Africa, 1996.</p> <p>The purpose of this Treasury Instruction is to prescribe minimum requirements for the implementation of the Infrastructure Delivery Management System (IDMS) through the FIDPM.</p> | |
| 1 Infrastructure (User) Asset Management Plan (IAMP) | <p>Infrastructure (User) Asset Management Plan (IAMP)</p> <p>(i) The long-term plan that outlines the asset activities and resources required, to provide a defined level of service, in the most cost-effective way. The plan must include a list of programmes and projects for a period of at least five years.</p> <p>The IAMP is a control point deliverable that must be developed, updated annually and approved by a delegated person or body in an institution.</p> <p>The process of compiling a IAMP is integral to the strategic planning process in that the availability of immovable assets facilitates the achievement of service delivery objectives. It is therefore required to integrate immovable asset planning into the department's strategic planning process. This is achieved by linking assets with programme delivery strategies and objectives during the compilation of corporate strategic plans.</p> <p>The immovable asset time frame should equate with the Medium Term Expenditure Framework (MTEF) and is aligned with the corporate planning horizon. By incorporating immovable asset planning into the strategic planning framework (and MTEF), the long-term implications of corporate level decision-making on immovable assets can be identified and appropriate responses developed.</p> |
| 2 Roads Asset Management Plan (RAMP) | <p>The Roads Asset Management Plan (RAMP) is similar to the IAMP but applies to all road asset categories</p> |

| ITEM | WHAT IT MEANS IN RESPECT OF INFRASTRUCTURE DELIVERY |
|--|--|
| 3 Custodian Asset Management Plan (C-AMP) | <p>The Custodian, in line with the prescripts the Public Service Act, 1994 and GIAMA, should determine a portfolio strategy for the immovable assets under its control. The purpose of the portfolio strategy is to determine a prioritisation framework for the improvement and management of the immovable assets. Such a portfolio strategy should take cognisance of national and provincial development strategies, adhere to the key principles of GIAMA and should also reflect on specific issues such as:</p> <ul style="list-style-type: none"> • Sustainability of the portfolio from a financial perspective, taking into account amongst others heritage obligations, environmental impact, occupational health & safety, and energy imperatives; • Macro-economic factors, Property and Construction Industry Development Programmes (with reference to broad-based black economic empowerment and contractor development) and prevailing and projected market factors in the context of finding a balance between new investments in state-owned immovable assets, public private partnerships and leasing from the private sector; and • The rationale and cost of holding investment assets or disposing of surplus immovable assets. <p>The Provincial C-AMP must respond to the needs of each provincial department as identified in the U-AMPs. The C-AMP will not include roads which are instead included in the Roads Asset Management Plan (R-AMP). The templates as prescribed by the National Department of Public Works will be utilised.</p> <p>As a minimum, the following must be included in the C-AMP:</p> <ul style="list-style-type: none"> • Indication of how integrated provincial infrastructure delivery responds to needs identified in U-AMPs; • Indication of the Provincial Asset Management Strategy and Priorities; • Synopsis of the performance of Immovable Assets; • Lifecycle Maintenance Plans with budgetary requirements; • Acquisition Plan with budgetary requirements; • Disposal Plan with budgetary requirements; • Property Development plan with budgetary requirements; and • Description of the system that will be used to monitor and evaluate the product. |
| 4 Infrastructure Procurement Strategy (IPS) | <p>The Infrastructure Procurement Strategy (IPS)</p> <p>(i) The IPS shall include a list of programmes and projects covering the prescribed planning period and include the following minimum contents:</p> <ol style="list-style-type: none"> a) Delivery Plan b) Contracting Arrangements c) Procurement Arrangements <p>The control point deliverable is complete when the Infrastructure Procurement Strategy is approved as specified in the FIDPM.</p> |

| ITEM | WHAT IT MEANS IN RESPECT OF INFRASTRUCTURE DELIVERY |
|--|---|
| 5 Infrastructure Programme Management Plan (IPMP) | <p>Infrastructure Programme Management Plan (IPMP)</p> <ul style="list-style-type: none"> (i) The IPMP must specify how the infrastructure programme will be executed, monitored and controlled over the planned Medium-Term Expenditure Framework (MTEF) period. (ii) The IAMP must inform the development of the IPMP, with respect to describing the infrastructure programmes and projects that will be executed, monitored and controlled over the planned MTEF period. This will ensure that all programmes implemented over the MTEF period are aligned with broader strategic objectives of government. (iii) The IPMP documents the deliverables to be achieved by each party in accordance with the designated roles and responsibilities defined in the agency agreement where applicable. <p>The control point deliverable is complete when the Infrastructure Programme Management Plan is approved as specified in the FIDPM.</p> |
| 6 Infrastructure Programme Implementation Plan (IPIP) | <p>Infrastructure Programme Implementation Plan (IPIP) <i>(Only applicable when an Organ of State provides agency service)</i></p> <ul style="list-style-type: none"> (i) The IPIP must specify how the infrastructure programme will be executed, monitored and controlled over a specified financial year and the outer two years that make up the planned Medium-Term Expenditure Framework (MTEF) period. (ii) The IPMP must inform the development of the IPIP, with respect to describing the infrastructure programmes and projects that will be executed, monitored and controlled over the planned MTEF period. This will ensure that all programmes implemented over the MTEF period are aligned with broader strategic objectives of government. (iii) The IPIP documents the deliverables to be achieved by each party in accordance with the designated roles and responsibilities defined in the agency agreement when applicable. <p>The control point deliverable is complete when the Infrastructure Programme Implementation Plan is approved as specified in the FIDPM.</p> |

EXECUTIVE SUMMARY

The 2024/25 Estimates of Capital Expenditure (ECE) publication indicates the provincial department's capital and current infrastructure delivery and projected expenditure plans for the 2024/25 MTEF. It is aimed at encouraging transparency for effective and efficient delivery and monitoring of investments made and that public value is accomplished. The summary of planning and budgeting processes in preparation for the 2024/25 MTEF is indicated.

The ECE also includes each provincial department's infrastructure delivery overview including the funding source for infrastructure development and the nature of investments. This includes the construction of new infrastructure, upgrading, repairs, additions, refurbishment, rehabilitation and maintenance of the existing fixed asset base. The infrastructure projects and the estimates allocations per district municipality, including the state of readiness, indicating the project status at the commencement of the financial year are also specified.

The detailed infrastructure project lists herein indicate the projects to be implemented during the 2024/25 MTEF period. The planned infrastructure projects include both provincial social as well as economic infrastructure. The projects that are targeted to be implemented include roads, bridges, schools, hospitals, housing development, administrative buildings, etc. Each department has its own focus driven plan informed by, amongst others, national, provincial, sectoral and ward level priorities.

The Department of Health is enhancing health care services by building, maintaining and upgrading the existing health care facilities. In the 2024/25 MTEF this department is focusing on Primary Health Care as well as the Forensic Pathology Services. The Department of Health's plan to create a universal Primary Healthcare access in the province is a priority. The long-term forecast is on planning and design of priority projects for regionalisation of four district hospitals namely, Zululand, King Cetshwayo, Harry Gwala and uMzinyathi Districts. This includes the development of a new hospital in Northern KZN that will specialise in oncology services. This facility is aiming at reducing long travel distances to access services by rural communities, high costs of inter-facility transportation of patients as well as operational cost of the specialised health services. Notwithstanding the importance of maintenance and upgrading of existing facilities in support of the National Health Insurance (NHI) and Ideal Clinic programme, the department will continue with the maintenance of existing health facilities. Balancing between competing priorities to maintain the existing facilities and Healthcare National Standards and provincial demands e.g. Mental Health, Oncology and Primary Health care remains a challenge in this department.

The focus areas for Department of Education is the building of focus schools also referred to as specialisation schools and maintenance of the existing school infrastructure. The focus schools are intended for learners with special talents and aptitudes. These schools may be agricultural, engineering and technology, aviation, marine and maritime to name a few. The province is embarking on building these schools in the 2024/25 MTEF. This include the construction of the Maritime School of Excellence and School of Autism, both at Umlazi in eThekweni Metro as well as the School of Arts in Pinetown, in eThekweni. The Dabulamanzi School of Agriculture in Umgungundlovu and School of Mining in King Cetshwayo are both at planning stage.

The maintenance of schools has become one of the major priorities. To this effect the National Department of Education (NDBE) requires this department to allocate 60 percent of the Education Infrastructure Grant (EIG) allocation to address preventative and corrective maintenance at schools, notwithstanding upgrades and additions programmes to existing schools for spaces that address

curriculum redress. These include computer centres, laboratories, media centres and multipurpose classrooms as per the Education Norms and Standards.

The provision of safe water and sanitation facilities in schools is another focus area. Over and above the normal construction of new schools and maintenance of existing infrastructure, the department was severely affected by the recurring flood damages of schools, repairing the flood damages form part of the departmental priority.

The Department of Transport is impacted by natural disasters and destruction in road network which affects the movement of citizen and economic activities. The department has a long-term recovery plan to rehabilitate the roads infrastructure that includes main and access roads across the province. About twenty-four Bailey Bridges have been prioritised for construction in the 2024/25 MTEF. The department strives to strike a balance between preventative maintenance and rehabilitation of road network in order to improve the average road network condition. One of the major routes in eThekweni, the M4, will continue with rehabilitation and the flood repairs to provincial road P398-1 from Umdloti to Umdloti River Bridge is prioritised.

The Department of Human Settlements is implementing the rural housing programme with a focus on building houses for those in the rural areas. Where the basic infrastructure services exist, the department, through the upgrading of existing hostels and/ or the construction of new Community Residential Units (CRU) units, is considered. For low-income earners the uBuhlebethu in Harry Gwala District, N11 in Amajuba district and eNhlalakahle in uMzinyathi District, are being constructed for affordable rental accommodation to mention a few.

The recurring storms and other natural disasters which occurred during 2019, 2020, 2022 and 2023 had a negative impact on infrastructure, forcing the department to implement recovery programmes to address these catastrophic experiences in the province. Some of the projects that will be implemented include Harry Gwala phase-1, Umzinyathi Disaster - Phase 1 and King Cetshwayo construction of top structures.

In terms of the 2024/25 Medium Term Estimates, the appropriation for the provincial infrastructure is about R51.810 billion which is lower than the previous MTEF. The total provincial infrastructure appropriation is funded by the Equitable Share and conditional grants over the MTEF period. The conditional grant funding includes mainly the Human Settlements Development Grant (HSDG), Education Infrastructure Grant (EIG), Health Facilities Revitalisation Grant (HFRG) as well as the Provincial Roads Maintenance Grant (PRMG). The table below illustrates the summary of the Equitable Share and conditional grant funding.

Table 1: Provincial revenue source for infrastructure

| Infrastructure receipts | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-------------------|-------------------|-------------------|--------------------|---------------------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Equitable share | 8 026 031 | 8 515 811 | 7 268 911 | 7 734 205 | 7 479 575 | 6 831 863 | 6 814 194 | 7 674 906 | 7 988 362 |
| Conditional Grant | 8 023 938 | 9 133 573 | 10 604 855 | 11 784 943 | 11 315 562 | 11 344 049 | 10 288 013 | 9 647 068 | 9 398 340 |
| Total Infrastructure receipts | 16 049 969 | 17 649 384 | 17 873 766 | 19 519 148 | 18 795 137 | 18 175 912 | 17 102 207 | 17 321 974 | 17 386 702 |

In the 2020/21 and 2021/22 financial years there is an Equitable Share portion increase for infrastructure delivery which was in response to the COVID-19 pandemic outbreak after the reprioritisation that was undertaken to support the arising infrastructure demands in Health and Education. This resulted in minor percentage difference of 0.5 percent between the grants and Equitable Share in 2020/21. In 2021/22 the conditional grants and Equitable Share had a positive

growth, however conditional grants increased by 4 percent. This was mainly as a result of increases in the Education Infrastructure Grant (EIG) and Provincial Road Maintenance Grant (PRMG). The Equitable Share decreases in 2022/23 and further in 2023/24 while a positive growth is shown on grants. The Equitable Share continues to show a steady increase in the 2024/25 MTEF while grants are decreasing in 2024/25 due to budget cuts. There is a slight increase in the last year of the MTEF

OVERVIEW
OF
PROVINCIAL INFRASTRUCTURE
CAPITAL
EXPENDITURE

CAPITAL EXPENDITURE OVERVIEW

Introduction

The total provincial infrastructure budget is funded through the Equitable Share and various infrastructure conditional grants over the 2024/25 MTEF period. The conditional grants that contribute a substantial amount of funds are mainly the Human Settlements Development Grant (HSDG), Education Infrastructure Grant (EIG), Health Facilities Revitalisation Grant (HFRG) as well as the Provincial Roads Maintenance Grant (PRMG). These grants are exclusively appropriated for infrastructure development, maintenance and other related activities.

The Summary of Infrastructure Payments and Estimates by Vote below displays the allocations per department. The estimated appropriation is R17.492 billion, R17.836 billion, and R18.243 billion for 2024/25, 2025/26 and 2026/27 respectively. Four departments receive the majority of the infrastructure budget in the province, namely, Departments of Transport, Human Settlements, Education and Health. Provincial Treasury and Department of Community Safety and Liaison do not implement infrastructure programmes and projects, hence the funds indicated are only for the infrastructure leases.

Table 2: Summary of Infrastructure Payments and Estimates by Vote

| Departments | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|--|-------------------|-------------------|-------------------|-----------------------|--|---------------------|-----------------------|-------------------|-------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| 1 Office of the Premier | 18 265 | 48 079 | 24 913 | 19 291 | 18 813 | 18 813 | 21 154 | 22 280 | 24 269 |
| 2 Provincial Legislature | 26 793 | 27 632 | 23 936 | 13 232 | 20 232 | 20 232 | 13 827 | 14 445 | 15 109 |
| 3 Agriculture and Rural Development | 213 536 | 197 969 | 132 589 | 227 536 | 189 242 | 192 746 | 160 858 | 146 164 | 152 888 |
| 4 Economic Dev, Tourism and Enviro Affairs | 465 841 | 274 944 | 273 368 | 96 024 | 157 360 | 152 001 | 106 324 | 94 485 | 43 969 |
| 5 Education | 2 988 056 | 2 901 078 | 2 926 929 | 3 468 474 | 3 170 754 | 3 170 754 | 2 862 443 | 3 188 284 | 3 341 659 |
| 6 Provincial Treasury | 18 744 | 22 858 | 18 009 | 22 702 | 23 527 | 22 532 | 25 600 | 26 733 | 27 962 |
| 7 Health | 3 482 735 | 2 127 864 | 1 993 157 | 2 244 061 | 2 162 365 | 1 997 864 | 2 205 242 | 2 308 242 | 2 347 859 |
| 8 Human Settlements | 2 822 674 | 3 303 131 | 3 296 974 | 3 821 501 | 3 835 131 | 3 860 171 | 3 141 089 | 3 145 528 | 2 842 375 |
| 9 Community Safety and Liaison | 13 692 | 8 390 | 11 052 | 12 945 | 12 945 | 12 945 | 12 269 | 12 469 | 12 636 |
| 10 Sport, Arts and Culture | 121 769 | 197 372 | 162 842 | 180 779 | 182 256 | 178 801 | 166 627 | 174 501 | 181 130 |
| 11 Co-operative Governance and Traditional Affairs | 127 808 | 333 360 | 264 817 | 125 162 | 165 549 | 171 286 | 67 839 | 100 884 | 84 510 |
| 12 Transport | 5 577 475 | 7 968 437 | 8 525 372 | 9 097 786 | 8 643 110 | 8 177 357 | 8 108 772 | 7 868 890 | 8 087 044 |
| 13 Social Development | 125 788 | 191 003 | 161 526 | 162 971 | 162 971 | 129 640 | 182 305 | 189 936 | 194 854 |
| 14 Public Works | 46 793 | 47 267 | 58 282 | 26 684 | 50 882 | 70 770 | 27 858 | 29 133 | 30 438 |
| Total | 16 049 969 | 17 649 384 | 17 873 766 | 19 519 148 | 8 795 137 | 18 175 912 | 17 102 207 | 17 321 974 | 17 386 702 |

The 2024/25 appropriation for infrastructure has a negative growth of 4 percent, which emanated from the national budget fiscal consolidation cut. The 2024/25 Medium Term Estimates are published after the province has been negatively affected by recurring natural catastrophic events which have negatively impacted infrastructure, destroyed citizens homes and displaced many residents. This has increased the infrastructure repairs and rehabilitation demands.

In addition to the above, the infrastructure development is recovering from the effects of the 2020 COVID-19 virus which resulted in budget cuts to fund the demands emanating from the pandemic. A further source of disruption was the July 2021 unrest in the province.

These events and attendant demands have challenged this province to continue prioritising infrastructure and strive for provincial economic reconstruction and recovery thus increasing the demand for funding.

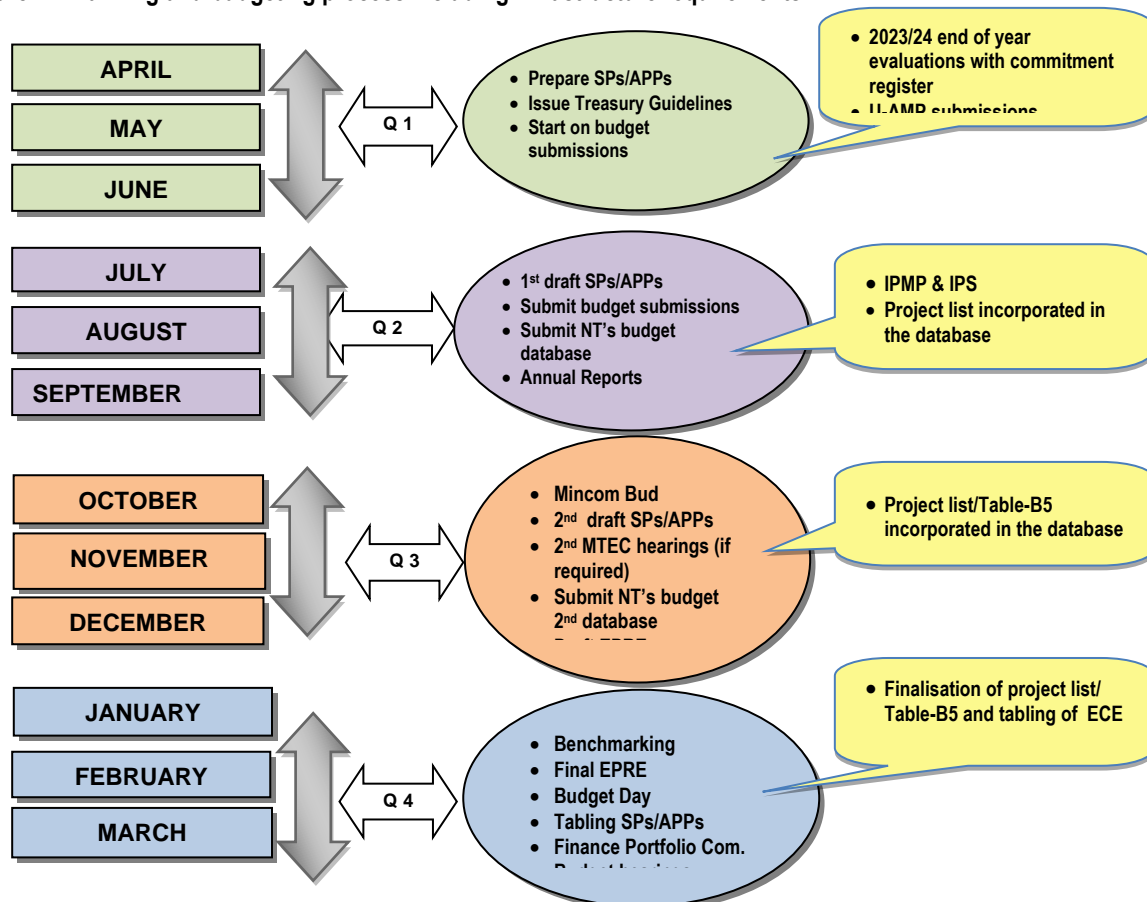
Infrastructure Planning

Each year National Treasury provides the Budget Formats Guide for the preparation of Estimates of Provincial Revenue and Expenditure (EPRE). The EPRE requires provincial infrastructure payments or estimates to be indicated by vote and must include transfers made for the delivery of provincial infrastructure. The EPRE submissions are aligned to the infrastructure delivery cycle submissions. Infrastructure planning, preparations and refinements for the outer financial years are done and submitted through the following infrastructure plans:

- **Submission 1:** User Asset Management Plan (U-AMP) and/or Road Asset Management Plan (RAMP)
The U-AMP and/or RAMP has a minimum of 10 years horizon that contains future infrastructure demands, committed multi-year projects and ongoing operational requirements of assets lifecycle costs.
- **Submission 2:** Infrastructure Programme Management Plan (IPMP) and Infrastructure Procurement Strategy (IPS)
The IPMP and IPS stipulate what infrastructure projects and maintenance an organisation intends to achieve over the MTEF period (i.e. the next 3 years) of implementation; and
- **Submission 3 (final):** Infrastructure Programme Implementation Plan (IPIP)
The IPIP focuses on preparing accurate MTEF infrastructure projects and maintenance cash flow forecasts using the most recent expenditure performance. Particular focus is on year 1, where detailed monthly forecasts are prepared and the final estimates for the MTEF captured in the project lists schedule (Table B5).

The figure below depicts the timeline and outline of the 24/25 planning and budgeting processes in preparation for the 2024/25 MTEF.

Figure 1 : Planning and budgeting process including infrastructure requirements



2023/24 Infrastructure Monitoring

The ECE forms the basis for infrastructure delivery support and monitoring. This document is used to analyse the quarterly performance especially mid-term infrastructure delivery performance as well as end of year evaluations. The infrastructure projects are monitored on how they are advancing in terms of expenditure status and physical progress. In order to achieve this, a desktop analysis is undertaken, reports are prepared and a sample of random site visits are undertaken on a quarterly basis. The site visits focused on infrastructure projects that are being implemented during 2023/24 financial year. The projects were in various stages of construction including those that were complete. During the 2023/24 financial year, Provincial Treasury managed to visit all provincial departments with an infrastructure budget. Some of the projects visited include but not limited to:

- Transport projects: Reseal of Main Road P374, Upgrade of District Road D1841,
- Health projects: The upgrades and additions in Bruntville CHC, Dannhauser CHC:
- Human Settlements projects: Sibongile Hostel Refurbishment Hostel, Philips Rural Housing project, KwaLubisi Rural Housing project,
- Social Development projects: Impendle, Ezakheni and Vryheid Service Offices.
- Sports, Arts and Culture: Dukuduku Library and Newcastle Fitness Centre

The frequency and severity of flood damages to infrastructure is a cause for concern in KZN. It is imperative that departments ensure that they have plans and mitigation strategies to reduce the effects on their infrastructure in future flood events. During the 2023/24 financial year, the province experienced floods which heavily damaged infrastructure. The repairs to damaged infrastructure demands immediate attention or contingency plan and reprioritisation of the infrastructure plans are sometimes unavoidable. Some of these infrastructures deemed to require refurbishment and rehabilitation that is capital, rather than minor repairs under maintenance and repairs, due to the severity of the damage. Some of these structures were already in the project pipeline for upgrades and additions, hence the department's option to provide temporary structures and prioritise these projects in this MTEF.

The ensuing section gives the 2023/24 financial year progress made and challenges experienced by departments that implement infrastructure.

Review of Infrastructure Programme for the 2023/2024 financial year

This section provides a review of the 2023/24 financial year, outlining the progress, achievements and challenges and remedial actions taken by the departments to ensure that infrastructure delivery is achieved as planned. Each department's review is briefly discussed as well as the new developments with regards to infrastructure delivery.

In the past 3 financial years including the 2023/24 financial year, the province experienced adverse weather events which led to damage to infrastructure. These recurring catastrophic natural events have negatively impacted infrastructure. The schools, healthcare facilities, roads, bridges, and residential properties were heavily affected.

Education: The department has continued to deliver infrastructure as part of ensuring that a conducive environment is created for teaching and learning by providing additional learning spaces. The department completed two new schools, these included the Ekucabangeni Secondary School in the Umzinyathi, and Siphumelele Secondary School in the King Cetshwayo. There are twenty-one schools under construction and these include Thembaletu Primary School in Harry Gwala,

Sidingulwazi Primary School in uThukela, Woodlands Primary School in Umgungundlovu, Thembinkosi Primary School in Amajuba, Phuthini Secondary School in uThukela and Ntikili Primary School in Umkhanyakude. The department is implementing schools with a focus on the Maritime School of Excellence in Umlazi which is at construction stage.

The department continued with the eradication of pit latrines where 1 263 schools have been eradicated and 60 schools are on construction stage and 54 schools were closed or deemed non-viable. Non-viable schools were provided with mobile toilets while the enrolment is being monitored. The department has twenty-four schools undergoing major upgrades and additions. These schools include Isikhalisezwe High School in Amajuba, Menzi High School in Umlazi, Siyakhanyisa Primary School in King Cetshwayo, Bulwer Primary School in Harry Gwala, Bambanani Primary School in Zululand to mention a few. The department completed major upgrades and additions on the following schools namely Lloyd Primary School in Ilembe, Mathole High School in Zululand and Ezulwini Combined School in Umgungundlovu. The department is also implementing the installation of boreholes and has 218 projects under construction. There are 22 schools on the eradication of asbestos under construction.

In its endeavour to stimulate and ensure continued access to early childhood development, the department is implementing the Grade R programme. The programme is aimed at the provision of compliant Grade R classrooms and facilities.

Health: The Department of Health is enhancing health care services by building, maintaining and upgrading the existing health care facilities. In the 2023/24 financial year the major projects implemented include the construction of the new Out Patient Department (OPD) core block in Benedictine Hospital, upgrades and additions in Madadeni Hospital's new psychiatric unit and Umzimkhulu Hospital's new psychiatric unit, forensic wards and staff accommodation. Furthermore, infrastructure development aims to complete the upgrade of the OPD unit in Hlabisa Hospital.

The long-term plan and design of priority new Tertiary Hospital in Northern Zululand as well as upgrading of four district hospitals into regional hospitals namely Vryheid, Dundee, Christ the King and Bethesda is now complete with business cases as well as clinical briefs having been approved by National Department of Health.

Due to the importance of maintenance and upgrading of existing facilities in support of the NHI and Ideal Clinic programme, the department has continued with the maintenance of existing health facilities. Balancing between competing priorities to maintain the existing facilities and Healthcare National Standards and provincial demands e.g. Mental health, oncology and primary health care remain a challenge in this department.

The power outages due to the national electricity shortage continues to have a persistent, adverse effect on healthcare service delivery across multiple domains. Even though health facilities are exempted from load shedding in KZN, however Ethekeini and Uthukela are among the few municipalities that have ceased loadshedding exemption to hospitals in response to Eskom's restriction to electricity provisions. This has impacted negatively on institutional level of service interruptions, unanticipated strains on infrastructure and utilities budgets as it has led to a shortened lifespan and costly maintenance of plant and equipment. Health spent double its initial maintenance budget this financial year and one of the reasons was the servicing of generators excluding the oil and fuel cost.

After this realisation the department has commenced the solar lighting and inverter generated energy programme in clinics located in Ugu and Amajuba District. This initiative was implemented in all clinics with no generators (mostly former municipal clinics located within municipal complexes). About 16 clinics have been fitted with renewable energy fittings and been commissioned. The programme was also introduced in various clinics located in Zululand, uMgungundlovu, Ilembe, and

King Cetshwayo districts. Due to the substantial initial investment required, the alternative energy rollout program for hospitals was halted and will continue in the 2024/24 financial year.

This department also experienced flood damages to various health facilities in and around the coastal areas, especially in eThekweni over the past 3 years. These repairs such as water disruptions, damaged asbestos and leaking flat roof structures were addressed. Various projects including the Northdale Hospital waterproofing project, the Nkonjeni Hospital Children's Hospital project, the Charles Johnson Memorial Hospital intensive renovations, the Osindisweni District Hospital roof repairs and renovations, and the Groutville Community Healthcare Centre projects were implemented.

The department will continue to improve in management of its infrastructure in support of the health care service.

Human Settlements: During the 2023/24 financial year, the department implemented different programmes for housing development. There are various programmes that are implemented through the Human Settlements Development Grant, which include the following:

- Rural Housing Programme
- Community Residential Units
- Integrated Residential Development Programme
- Finance Linked Individual Subsidy Programme

The Rural Housing Development Programme delivered a total 5 450 units across all districts in the province, against the annual target of 6 573 units. This indicate that there were challenges encountered including difficulties to access sites especially in rural areas, unavailability of water in some areas slowed down the progress as water was fetched from a distance.

In 2023/24, the department planned to build a total of 535 new Community Residential Units (CRU) . These are in the final stages of completion in the Newcastle and Amajuba District, Greater Kokstad and uBuhlebezwe in the Harry Gwala District. Including various CRUs in the eThekweni Metro that are expected to be completed in last quarter of 2023/24.

For the Emergency Housing Programme, the heavy rains experienced during April and May 2022 led to floods that affected various districts within the province, mostly Ugu, eThekweni and Ilembe districts. The department applied for funding and was allocated R294.434million with respect to the Provincial Emergency Housing Grant (PEHG) for the provision of emergency interventions such as construction of Temporary Residential Units (TRU). As a result of the unavailability of suitable land to construct TRU's, the department also explored and obtained approval to procure buildings for Rental Accommodation Scheme (RAS) to assist to accommodate victims that were housed at mass care centres.

The Finance Linked Individual Subsidy Projects (FLISP) is assisting individuals who are purchasing properties through financial institutions. There is further specific intervention for the individuals who earn above the threshold to qualify for a full government housing subsidy, while still earning too low to afford bonded housing, i.e. earning R3.501-R7.000 per month. This does not relate to construction of houses by government but it is an alternative method to provide shelter for individuals purchasing houses. Due to notable interest rate hikes during 2023/24 financial year affecting the affordability of entry level buyers the FLISP reached its plateau. Efforts have been undertaken to reach more potential beneficiaries via an aggressive communications strategy with new innovative approaches to the normal radio/print media platforms, such as webinars, podcasts, and live streaming via social media. The department will continue providing safe habitable spaces for the KZN citizens through the above mentioned programmes.

Transport: The impact of the April 2022 floods is being carried into the 2023/24 year where the department completed the projects that commenced in 2022/23 financial year. As at 31 December 2023 the department spent R2.285 billion relating to the April 2022 floods. The department experienced further flooding in October 2023, December 2023 and January 2024. In light of this, the department is in the process of re-prioritising projects to a value of R700 million to commence in the 2024/2025 financial year. This is after the respective reports of the assessment done by the department.

After years of struggling with procurement due to Auditor-General findings on irregular framework contract, the Department of Transport reported successfully establishing a framework contract, ZNB01930. This framework contract is for the construction of heavy rehabilitation and related projects within the province. This alleviated the Supply Chain Management challenges to procure heavy rehabilitation contractors to undertake the works that fall under heavy rehabilitation. The department awarded 11 contracts amounting to R1.891 billion using the framework contract.

The progress made in 2023/24 on rehabilitation and upgrading of roads includes the following:

- Rehabilitation of Main Road P34-2 which is located within the DC22, Umzinyathi District, from 4 kilometres to 20 kilometres was completed in the 2022/23 financial year and 20 kilometres to 47 kilometres was delayed from commencing in the 2023/24 financial year due to internal procurement challenges within the department. The procurement of the professional service provider is underway and construction is planned to commence during the 2024/2025 financial year.
- Upgrade of Main Road P714 is in the Ndwedwe Local Municipality in the iLembe District Municipality. The current phase under construction is the upgrade from gravel to blacktop from kilometre 8.0 – kilometre 18.00 including one major structure at an estimated cost of R310 million. The current progress can be described as 45 percent complete with the estimated completion scheduled for the last quarter of the 2024/25 financial year.
- Construction of Okhombe River Vehicle Bridge No.3733 on D1263 is located in Bergville, in the Okhahlamba Local Municipality in the uThukela District Municipality, in the Ladysmith region. The project was delayed due to unforeseen circumstances experienced on site and the progress is currently at 82percent complete and the anticipated completion date is April 2024 at an estimated cost of R29.9 million.

There are a number of other roads under construction. These include District Road D1252 located in the Mqedandaba Village in Inkosi Langalibalele Local Municipality in the uThukela District, Main Road P714 located in the Ndwedwe Local Municipality in the iLembe District Municipality, District Road D1259 located in Okhahlamba Local Municipality in the uThukela District Municipality to name a few. Construction of bridges also forms part of the department's programmes including Klein Boesman River Vehicle Bridge No. 3528 in Uthukela District Municipality Okhombe River Vehicle Bridge No.3733 in the Okhahlamba Local Municipality, White Mfolozi River Vehicle Bridge in Nongoma Local Municipality and Mzimane River Vehicle Bridge Hlabisa Local Municipality,

Expanded Public Works Programme (EPWP)

The department has created 46,434 job opportunities and 3,567,059 employment days, which equates to 15,509 full-time equivalents as at the end of the third quarter. The department retained and paid 41,000 Zibambele participants who continue to provide manual clearance of road verges and minor road maintenance.

The department has commenced to implement the 2nd Phase of the Vukayibambe Routine Road Maintenance Programme, where 6,088 young people will be employed in various district

municipalities throughout the province. This is an expansion of the programme from the previous achievement of 5,813 young people employed in the 1st Phase of the programme. The focus areas for the programme is safety maintenance, routine maintenance, and special maintenance. The type of work performed by the EPWP participants includes construction of road works and routine road maintenance activities such as installation of road studs, guardrails, gabions, signs, markers, clearing and grubbing, grass cutting along the road verge, pothole patching, road safety assistance, pipe de-silting and pipe installation.

Social Development: During 2023/24, the department has delivered various projects ranges from new construction, upgrades and additions, repairs and renovations as well as maintenance. The Phoenix Service Office reached practical completion before the end of financial year. There is however, slow progress with some projects namely Ezakheni Service Office with estimated progress at 75 percent, Osizweni Handicraft Centre with estimated progress at 83 percent, Impendle Service Office with an estimated progress of 95 percent, Umlazi Child and Youth Care Centre with estimated Progress of 95 percent to name a few. The above-mentioned projects have experienced various challenges including poor performing contractors and delays due to inclement weather etc. The department has also advertised the repairs and renovations at Karl Eggers Building in November 2023. This contractor is currently on site and is progressing well thus far.

The maintenance works in various departmental facilities has been undertaken to ensure that service delivery is not compromised.

Public Works: In the year under review the department focused on upgrading and general maintenance of existing facilities. The department managed to complete the following projects:

- The construction of parking for state vehicles located at eThekweni Region - construction commenced in March 2022 and practical completion was achieved in May 2023.
- The repairs to the damages caused during civil unrest located at eThekweni Region - construction commenced on the 30th of May 2022 and practical completion was achieved on 3rd October 2023.

Further to the above, Completion Contract of iLembe District Office wherein the site handover took place on the 13th of January 2022 current progress on site is at 96 percent and project is targeted to be completed by March 2024.

The department will continue to build its offices and maintain its asset base.

Sport, Arts and Culture: The department has two categories of facilities and these are arts and culture amenities as well as sport facilities. In terms of arts and culture facilities, the department has managed to complete the renovations of various libraries in different municipalities namely: Jozini Library and Ndumo Library in Umkhanyakude, Wasbank Library in Zululand District, Hibberdene Library in uGu District, KwaSithebe Modular Library in King Cetshwayo District and Shayamoya Library in Harry Gwala District. The initial agreement indicated that it will be the responsibility of the municipalities to renovate libraries after the construction is complete by the department but due to financial and capacity constraints from the municipalities it became a necessity that the department took over this role.

The department also installed boreholes for 2 libraries namely Bhongweni Library and Franklin Modular Library in Harry Gwala to address the water shortages in the area.

In terms of sport facilities development, the department facilitated the provision of new sport and recreation facilities as part of the contribution and intervention towards addressing infrastructure backlogs. The province was severely affected by storms in 2022/23 financial year and 6 sport facilities

were severely damaged by storms. Out of the 6, four of these facilities have been repaired and completed namely Limit Hill Combo Court, Amaveya Combo Court, Umzimkhulu Primary Combo, Sizamimpilo Orphanage Combo Court. The two combo courts namely Mgamule and Malusi could not be completed due to challenges with contractors on site and the contracts were terminated. The two completion of contract requests were advertised in February 2024 and the completion contract is anticipated to be on site by the beginning of the 2024/25 financial year.

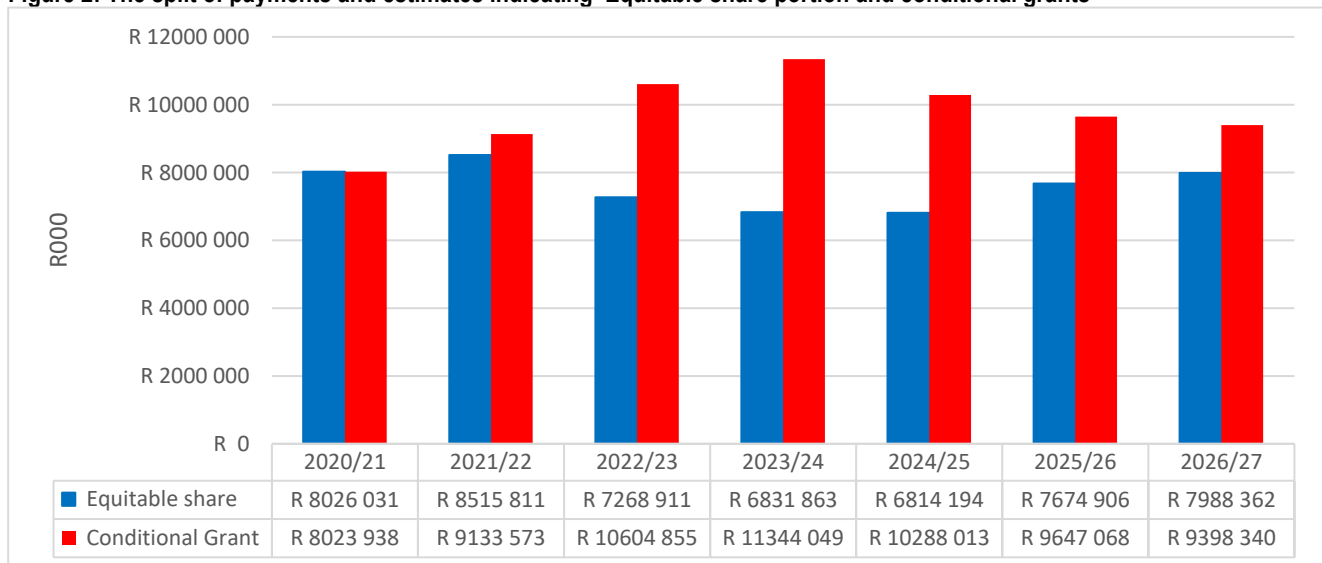
The department also co-funds some capital projects though transfer payments which are implemented over multi year periods which includes the construction of fitness centres namely Alfred Duma in Uthukela District, Umzimkhulu in Harry Gwala District, and Newcastle in Amajuba District. These projects are on various stages of construction and the department is monitoring the progress.

Infrastructure Source of Funding

The infrastructure development is funded through Equitable Share and various conditional grants. The figure below shows the Infrastructure Equitable Share portion as well as Infrastructure development conditional grants from 2020/21 up to 2026/27 financial year.

The analysis of the seven-year period shows that the conditional grants contribute more than the Equitable Share portion for infrastructure development. The main contributors toward the conditional grants funding are Human Settlements, Education, Transport, and Health. The Department of Human Settlements is the highest contributor. Over this seven-year period, on average, the conditional grants contribute about 56 percent and Equitable Share about 44 percent.

Figure 2: The split of payments and estimates indicating Equitable share portion and conditional grants



1.1 Infrastructure Equitable share

In 2020/21 and 2021/22 financial years there is an Equitable Share portion increase for infrastructure delivery which was in response to the COVID-19 pandemic outbreak after the reprioritisation that was undertaken to support the arising infrastructure demands in Health and Education. This resulted in a minor percentage difference between the grants and equitable share in 2020/21. In 2021/22, both grants and Equitable Share had a positive growth but the growth in the conditional grants was 4 percent higher than the growth in the Equitable Share. This was contributed mainly Education Infrastructure Grant (EIG) and Provincial Road Infrastructure Grant (PRMG) which show a significant increase.

The Equitable Share decreases in 2022/23 as well as in 2023/24 while a positive growth is shown on the conditional grants. The Equitable Share continues to show a steady increase in the 2024/25 MTEF while conditional grants are decreasing in 2024/25 and 2025/26 but slight increase in the last year of the MTEF.

1.2 Infrastructure Conditional Grants

The conditional grants continue to contribute a substantial amount of funds for both economic and social infrastructure in this province. This also includes the Expanded Public Works Programme (EPWP). The conditional grants include the following from different departments:

- Department of Agriculture and Rural Development: Comprehensive Agricultural Support Programme (CASP) as well as Ilima/ Letsema Grant
- Sport, Arts and Culture: Community Library Services grant (infrastructure portion)
- Department of Education: Education Infrastructure Grant and Early Childhood Development Grant (infrastructure portion)
- Department of Health: Health Facility Revitalisation Grant
- Department of Human Settlements: Human Settlements Development Grant, Informal Settlement Upgrade Partnership Grant and the Provincial Emergency Housing Grant
- Department of Transport: Provincial Road Maintenance Grant
- Expanded Public Works Programme for all Departments

The special conditions of each grant are stipulated in the Division of Revenue Act (DoRA). This is mainly to encourage the effective and efficient management of grants. To further this quest for accountability, National Treasury introduced the performance-based incentive system for Health and Education in the 2012 Medium Term Budget Policy Statement (MTBPS). The approach is aimed at reducing inefficiencies in the infrastructure delivery chain, by promoting sound planning in order to achieve better value for money.

The Departments of Education and Health can access additional financial incentives to their baselines by submitting planning documents and performance reports that meet the minimum requirements as outlined in the guidelines for the performance-based system. Both the Departments of Education and Health have received incentives since the initiative started in 2015/16. The financial gains are added to the baselines of the Education Infrastructure Grant (EIG) and the Health Facility Revitalization Grant (HFRG). This financial incentive must be committed in the financial year in which it is allocated. The National Department of Transport has also introduced incentives for improved planning. In order to qualify for the incentive allocation, the provincial department must submit the required infrastructure plans and reports and attain a minimum score of 75percent. Table 4 below shows the Infrastructure Conditional Grants Payments and Estimates per department.

Table 3: Infrastructure Conditional Grant Payments and Estimates

| Department | | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|--------------------------------------|-------------------|-------------------|-------------------|--------------------|---------------------------------------|-------------------|-----------------------|-------------------|-------------------|
| | | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| | Conditional Grant | 8 023 938 | 9 133 573 | 10 604 855 | 11 784 943 | 11 315 562 | 11 344 049 | 10 288 013 | 9 647 068 | 9 398 340 |
| Agriculture and Rural Development | CASP | 13 314 | 14 743 | 10 305 | 17 798 | 16 888 | 16 888 | 36 414 | 19 436 | 20 330 |
| | Ilima/Letsema Grant | 33 272 | 13 138 | 813 | 13 900 | 7 440 | 7 440 | 19 000 | 21 300 | 22 280 |
| | Land Care Grant | – | – | – | 540 | 1 421 | 1 421 | 450 | – | – |
| | Provincial Disaster Relief Grant | 3 750 | – | – | – | – | – | – | – | – |
| Arts and culture | Community Library | 63 075 | 64 137 | 75 322 | 70 000 | 70 000 | 70 000 | 62 629 | 65 000 | 68 000 |
| Education | Services grant | 1 922 646 | 2 325 614 | 2 483 015 | 2 934 750 | 2 638 379 | 2 638 379 | 2 388 318 | 2 396 108 | 2 512 912 |
| | Education Infrastructure Grant | – | – | – | – | – | – | – | – | – |
| Health | Early Childhood Development grant | 3 335 | 15 948 | 15 505 | 15 290 | 6 941 | 10 388 | 21 213 | 8 534 | 9 058 |
| | Health Facility Revitalisation grant | 1 271 414 | 1 247 730 | 1 389 913 | 1 462 122 | 1 371 765 | 1 371 765 | 1 458 192 | 1 441 233 | 1 507 542 |
| | EPWP | – | – | – | – | – | – | – | – | – |
| | Integrated Grant for Provinces | 10 903 | 12 689 | 11 736 | 8 614 | 8 614 | 8 614 | 3 186 | – | – |
| Human Settlements | Human Settlements Development grant | 2 709 691 | 2 455 021 | 2 285 047 | 3 007 121 | 3 079 216 | 3 104 256 | 2 507 919 | 2 598 582 | 2 632 179 |
| | Informal Settlement Upgrade | – | 714 375 | 692 316 | 790 226 | 698 143 | 698 143 | 597 069 | 508 686 | 170 774 |
| | Partnership (ISUP) Grant | – | – | – | – | – | – | – | – | – |
| Transport | Provincial Emergency Housing Grant | 86 095 | 106 392 | 294 434 | – | 23 849 | 23 849 | – | – | – |
| | Road Maintenance grant | 1 843 325 | 2 090 534 | 3 278 166 | 3 394 685 | 3 323 009 | 3 323 009 | 3 152 284 | 2 588 189 | 2 455 265 |
| | Expanded Public Works Programme | 63 118 | 73 252 | 68 283 | 69 897 | 69 897 | 69 897 | 41 339 | – | – |
| Provincial | Equitable share | 8 026 031 | 8 515 811 | 7 268 911 | 7 734 205 | 7 479 575 | 6 831 863 | 6 814 194 | 7 674 906 | 7 988 362 |
| Total Infrastructure receipts | | 16 049 969 | 17 649 384 | 17 873 766 | 19 519 148 | 18 795 137 | 18 175 912 | 17 102 207 | 17 321 974 | 17 386 702 |

Comprehensive Agricultural Support Programme and Ilima/Letsema Grant: DARD receives funding for infrastructure development from the Comprehensive Agricultural Support Programme (CASP) and Ilima/Letsema Project Grant. These two grants also contribute a portion of the funding for buildings and other fixed structures but not the whole amount. The CASP Grant is intended to provide effective and coordinated agricultural support services through collaborations with industry transformation initiatives where possible. The revitalisation of agricultural colleges into centres of excellence is also earmarked from this grant. Among other outputs are the on and off-farm infrastructure development or repairs, including agro-processing infrastructure. For the infrastructure development in 2024/25 MTEF, the Department is planning to use CASP for the initiation of building the new Poultry Abattoir at Cedara College and the completion of the refurbishment of Cedara College and the upgrade of the Owen Sithole College of Agriculture in King Cetshwayo District.

Ilima/Letsema Grant assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas. A maximum of 30 percent of Ilima/Letsema allocations can be used for rehabilitation of irrigation schemes. This department has historically struggled to spend these funds hence minimal growth. This was due to slow progress in the implementation of projects. The construction irrigation system projects

including Phumelela Irrigation Scheme targeting various communities from Zululand District will be implemented.

The Illema /Letsema Grant will fund various projects that are targeted for the new MTEF. These include but are not limited to the construction of sub-surface drainage at block 6A in Owen Sithole Agricultural College. The Phumelela irrigation Scheme in Zululand local municipality will also continue as this project is currently under construction.

Community Library Service Grant: The purpose for the Community Library Service Grant (CLSG) is to transform urban and rural community library infrastructure, facilities and services through a recapitalised programme at provincial level in support of local government and national initiatives. This primarily targeting previously disadvantaged communities. This grant is utilised for both *infrastructure* and other activities that are not infrastructure related such as capacity building and library material for community libraries. The amount indicated in the table above is only payments and estimates for buildings and other fixed structures procured by the department. The Community Library Service Grant will be utilised for the construction of KwaDlangezwe Library in King Cetshwayo District, uMzumbe Library in uGu District, KwaMdakane Library and Ofabeni Library both in uMzinyathi District.

Education Infrastructure Grant and Early Childhood Grant: The Department of Education receives Education Infrastructure Grant (EIG) for school facilities development as well as Early Childhood Grant (ECG) for early childhood facilities maintenance. The EIG intends to supplement provincial resources to fund the provision of education infrastructure in line with the regulations relating to minimum uniform norms and standards for public school infrastructure. A portion of this funding can also be utilised to enhance capacity to deliver infrastructure. The grant requires that the department utilises 60 percent of the EIG allocation on preventative and corrective maintenance related projects.

The National Department of Education (NDBE) is also participating in performance-based system wherein the department needs to obtain a minimum score of 75 percent to qualify for an additional incentive allocation. The KZN department of Education achieved a total score of 98 percent and received an amount of R89 million for the EIG performance incentive grant for the 2024/25 financial year. This is a once off funding that can only be used for short term projects. During the 2023/24 MTEF the department will continue with finalisation of the existing capital projects that were already committed when the focus on maintenance was introduced and preparation to shift the focus to mainly maintenance as required by DORA. This include maintenance of various schools in the province which is normally packaged per district.

The construction of new, refurbishment, rehabilitation and upgrading of school's infrastructure will also be done as and when the need arises. These projects include the construction of the Rehabilitation of Woodlands Primary School in uMgungundlovu District, Dililanga Secondary school in uMkhanyakude District. Various rehabilitation, renovation and refurbishment projects are being implemented in various schools across the province and some of these project are as a result of the April 2022, November and December 2023 flood damages which heavily affected the department especially along the coast.

The Early Childhood Development Grant (ECD), allocated to Education, was previously undertaken by the Department of Social Development. Following the pronouncement by the President, the Department of Education took over the ECD function and the grant funding was therefore allocated to this department in 2022/23. This grant has two components namely the infrastructure component and subsidy component. The infrastructure component of this grant is intended to pilot the construction of new low-cost ECD centres. ECD centres may access this funding to do minor infrastructure maintenance works and upgrades. One of the major projects that the department has embarked on is the Harry Gwala ECD Farm Centre intervention project in Harry Gwala District.

Health Facilities Revitalisation Grant: The Health Facilities Revitalisation Grant (HFRG) is mainly used to accelerate maintenance, renovations, upgrades, additions, and construction of infrastructure in the Department of Health. The health technology for equipment as well as built environment technical resources capacity to enhance delivery in the department's health infrastructure unit are also funded through this grant.

The 2024/25 Health Facilities Revitalisation Grant includes the R72.9 million incentive that was awarded to the Department of Health from the National Treasury's performance-based incentives grant after achieving a score of 99 percent for improved planning and reporting.

Major projects being funded over the 2024/25 MTEF include the construction of the eleven new clinics across the province, a mortuary in Vryheid, Zululand and a Community Health Centre in Mtubatuba area in uMkhanyakude District. The 11 clinics projects include the construction of Hopewell Clinic in uMgungundlovu District, Mpaphala and Obanjeni, Mabulu Clinic in Ilembe District, another Clinic in King Cetshwayo District and Shayamoya Clinic in Harry Gwala District to mention a few.

There are various rehabilitation, renovation and refurbishment projects that are being implemented in various health facilities across the province. Other major capital projects that were recently awarded includes Mosvold 40-unit staff accommodation and a neonatal ward, King Dinuzulu Star Shaped TB Wards, Nkonjeni Student Accommodation . Furthermore, the department will increase its efforts to complete repairs on flood damage programme as poor performing contractors remain a challenge and the department is investigating alternative construction modalities and contracts to address these challenges.

Human Settlements receives 4 grants namely:

- Human Settlements Development grant,
- Informal Settlement Upgrade Partnership Grant
- Provincial Emergency Housing Grant.
- Title Deeds Restoration Grant

Informal Settlement Upgrade Partnership Grant: Provides funding to facilitate a programmatic and inclusive approach to upgrading informal settlements. A minimum of 70 percent of allocation should be spent on infrastructure. It is aimed at upgrading existing informal settlements by ensuring that there is access to basic services such as water, sanitation and electricity. This funding was introduced in 2021/22. This is after it was discovered that one of the major delays in the construction of Human Settlements' infrastructure delivery, is the unavailability of bulk services. This has been experienced in various areas in KZN including uGu districts as well as King Cetshwayo to mention two.

The Water Services Authority, municipalities, COGTA and Department of Water Affairs play a critical role in this regard. The department is positively taking advantage of a collaborated approach and the effective implementation of the District Development Model (DDM) to address this bottleneck using this grant. It is estimated that 4475 sites will be provided with services such as water, sanitation, roads and storm water services, among others, in 2024/25 in areas such as Madundube, Groutville Etete, Nyathikazi, Steve Biko, Driefontein, Lamontville, Ntuzuma, Johnstown Blaauboschslaagte and Cava

Human Settlements Development Grant: The purpose of this grant is to provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements. The Department of Human Settlements continues to strive to deliver

houses for the community using this grant. Over the 2024/25 MTEF the major focus on the Community Residential Units (CRU) programme will continue; in particular the redevelopment of old hostels to residential units and the construction of new Residential Units in various municipalities. The department is also planning to construct over 320 new units in the 2024/25 financial year as well as various hostel refurbishment projects as part of the hostel upgrading programme.

In terms of rural housing development, the construction of structures in rural areas will continue to be a focus area as it assists those who reside in undignified mud structures and are unable to provide better shelter for themselves. The department has taken a decision to focus on those district municipal areas that are severely under-developed and have high poverty indices. These areas include the uGu, uMzinyathi, King Cetshwayo, uMgungundlovu and Harry Gwala Districts. A total of 7 184 units are planned and these will be constructed in areas such as Khathide in Amajuba District, KwaXimba, Molweni, Dassinhoeck and KwaNgcolosi in eThekweni, Isithebe and Maqumbi in Ilembe and reaching areas in the south of the province such as Gudlucingo in Harry Gwala and Umzumbe, KwaVukuzithathe and KwaMachi in uGu District. The department will also focus on delivering houses to those who have been affected by severe weather patterns in the last 3 years. While some incidents have not been declared as disasters, they have exposed the need to intensify housing delivery in rural areas.

Provincial Emergency Housing Grant: The department has received an additional funding for Temporal housing since 2020/21 financial year and this was for providing housing to the needy during the pandemic and later in 2022 from the Provincial Emergency Housing Grant. This grant is for the construction of Temporal Residential Units (TRUs) for the families affected by the April 2022 floods. The Provincial Emergency Housing Grant allocated for the provision of Temporary Residential Units will continue with the implementation of the units. This amount was not fully spent but committed and a roll over into 2023/24 was approved. The shortage of developable sites and slow pace of installation of basic services such as water and electricity, and the repair of small access roads going into the affected informal settlements by the eThekweni Metro are delaying the delivery of TRU's.

Title Deeds Restoration Grant: This Grant was a once off grant in 2021

Provincial Road Maintenance Grant: The Department of Transport receives the conditional grant for infrastructure from the Provincial Road Maintenance Grant (PRMG). The PRMG supplements provincial investments for routine, periodic and special maintenance of road infrastructure in the province. The PRMG may also be used for refurbishment to improve network capacity and includes the upgrading of earth (dirt) road to an engineered gravel road, the upgrading of a gravel road to a surfaced road and upgrading of single carriageway road to four-lane or dual carriageway road.

Like other grants, the PRMG has experienced a fiscal consolidation cut in the 2024/25 MTEF. This will affect the road maintenance and delivery of road infrastructure. The Department of Transport is one of the departments that were most negatively affected by the floods in the past 3 years.

During the 2022 floods, the largest affected areas were the coastal areas, i.e. iLembe District and uMgungundlovu District. In the coastal area, a total 262 roads were identified as being flood damaged at an estimated remedial cost of R783.556 million. In iLembe District and uMgungundlovu District, a total of 1372 roads were damaged with an estimated value of approximately R5.7 billion. The department experienced further flooding in October 2023, December 2023 and January 2024. In light of the heavy rains the department has rolled out an independent assessment of the roads affected by the floods to determine the severity of the damage and the impact of the damages.

This work will continue into the upcoming MTEF and the PRMG will be utilised in this regard. The department is in the process of re-prioritising projects to the value of R700 million to commence in the 2024/2025 financial year.

Expanded Public Works Programme Grant: This grant is received by various departments and coordinated by Public Works. The Department of Transport has structured programme for the labour-intensive programme in the province. There are 55,062 work opportunities planned for the 2024/25 financial year, the targeted number of full-time equivalents is 20,302. The department will continue with its poverty alleviation programme Zibambele. These are women-headed households who are responsible for maintaining our road network including the gravel roads.

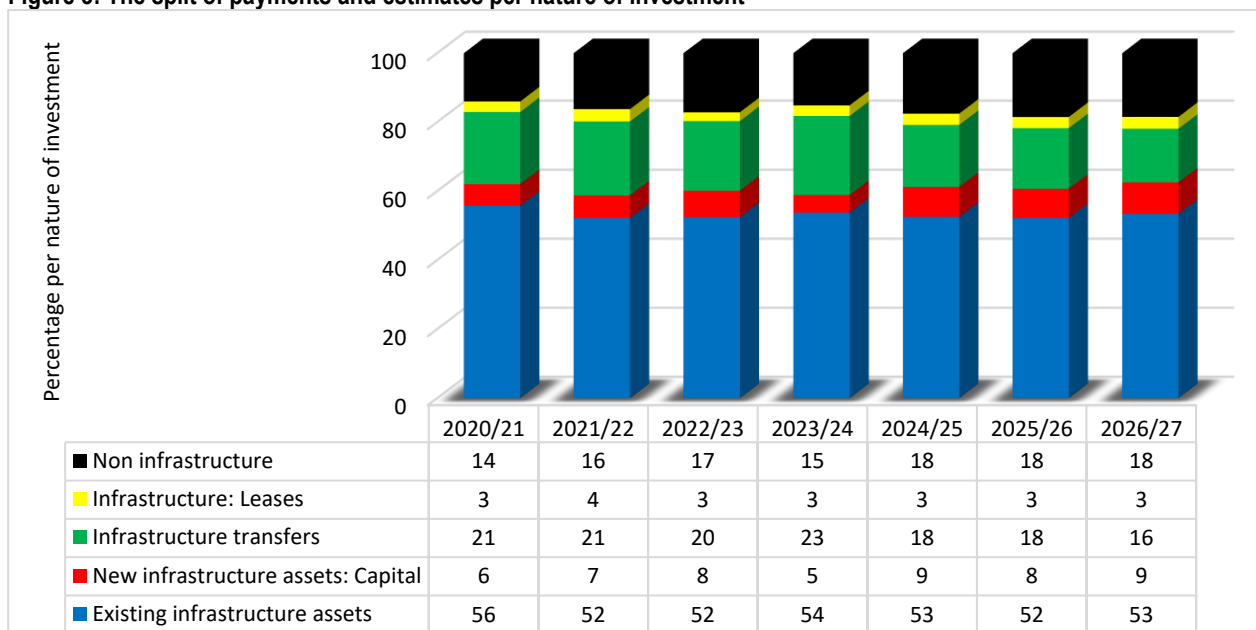
The Vukayibambe Routine Road Maintenance Programme (VRRMP) aims to implement the labour-intensive maintenance of Provincial Roads and other non-infrastructure creating employment opportunities through the employment of 5,900 participants across all district municipalities.

The department, in partnership with the National Department of Public Works and Infrastructure (NDPWI) and the South African National Defence Force (SANDF) implemented the construction of the Bailey Bridges project, aimed at attracting 1,600 EPWP participants in the construction of vehicular bridges across the province.

2024/25 MTEF Infrastructure Outlook

Infrastructure budget allocations are categorised by nature of investment which defines the services and activities to be undertaken. These can be capital or current in nature. The specific allocation per nature of investments aligns to the strategic infrastructure objectives for each department. The figure 3 below shows a summary of infrastructure payments and estimates by category and nature of investment. In the 2024/25 financial year, a substantial portion of the infrastructure budget which is more than 50 percent is allocated to the existing infrastructure assets for maintenance and repairs, upgrade and additions as well as refurbishment and rehabilitation. The infrastructure transfers have been appropriated 21 percent of the budget. This is mainly funds that are transferred to other entities for infrastructure development as well as municipalities for human settlements projects. The figure below depicts the split amongst the nature of investments wherein a large portion is spent on existing infrastructure.

Figure 3: The split of payments and estimates per nature of investment



1. Existing Infrastructure Assets

The table below shows a summary of infrastructure categories and nature of investment over a seven-year period. As shown in the table, the province is prioritising the existing asset base; maintenance and repairs, upgrades and additions as well as refurbishment and rehabilitation have been allocated the bulk of the infrastructure budget. This is in line with the immovable asset management requirements in terms of the Government Immovable Assets Management Act (GIAMA) as well as the best practices of the Infrastructure Delivery Management System (IDMS).

Table 4: Summary of Infrastructure Payments and Estimates by Category

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | 8 949 803 | 9 222 315 | 9 371 363 | 11 104 389 | 9 863 013 | 9 781 227 | 8 985 982 | 9 051 938 | 9 288 239 |
| Maintenance and repair: Current | 3 127 167 | 3 162 077 | 4 923 654 | 3 735 174 | 3 920 728 | 4 399 747 | 3 082 729 | 3 394 094 | 3 494 559 |
| Upgrades and additions: Capital | 3 854 100 | 3 335 068 | 2 876 791 | 2 910 917 | 1 947 961 | 2 043 094 | 2 920 694 | 2 600 764 | 2 579 956 |
| Refurbishment and rehabilitation: Capital | 1 968 536 | 2 725 170 | 1 570 918 | 4 458 298 | 3 994 324 | 3 338 386 | 2 982 559 | 3 057 080 | 3 213 724 |
| New infrastructure assets: Capital | 1 003 110 | 1 151 016 | 1 375 390 | 1 245 566 | 1 349 809 | 919 214 | 1 482 555 | 1 461 821 | 1 585 514 |
| Infrastructure transfers | 3 358 447 | 3 782 706 | 608 818 | 3 830 444 | 4 142 169 | 4 166 225 | 3 078 759 | 3 045 308 | 2 706 103 |
| Infrastructure transfers: Current | 33 090 | 46 405 | 54 158 | 46 149 | 43 455 | 44 039 | 41 946 | 41 296 | 39 336 |
| Infrastructure transfers: Capital | 3 325 357 | 3 736 301 | 554 660 | 3 784 295 | 4 098 714 | 4 122 186 | 3 036 813 | 3 004 012 | 2 666 767 |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | 489 909 | 630 199 | 453 336 | 530 724 | 496 649 | 558 430 | 558 141 | 558 384 | 593 383 |
| Non infrastructure | 2 248 700 | 2 863 148 | 3 064 859 | 2 808 025 | 2 943 497 | 2 750 816 | 2 996 770 | 3 204 522 | 3 213 464 |
| Total | 16 049 969 | 17 649 384 | 17 873 766 | 19 519 148 | 18 795 137 | 18 175 912 | 17 102 207 | 17 321 974 | 17 386 702 |
| Capital infrastructure | 6 330 093 | 7 658 892 | 6 555 126 | 9 534 308 | 9 486 302 | 8 423 825 | 7 543 873 | 7 564 210 | 7 505 341 |
| Current infrastructure | 9 918 066 | 10 564 716 | 9 949 646 | 10 033 961 | 9 486 821 | 9 474 526 | 9 512 418 | 9 367 682 | 9 053 570 |

With limited resources that the province has, taking care of the existing asset base before embarking on building new assets is encouraged. This will assist the province to avoid costly rehabilitation of infrastructure if it is left for too long without maintenance. With the bulk of the allocation being appropriated to Existing Infrastructure Assets, this shows the commitment on spending on maintenance of existing infrastructure.

For the 2024/25 MTEF, this is attributed mainly to the Departments of Transport, Education and Health.

2. New Infrastructure: Capital

The province still builds new infrastructure to promote social and economic inclusion, redress the imbalances of the past as well as to ensure equity in the province. This is also done when the need arises due to demands of population growth in certain areas.

A department may purchase or construct a completely new infrastructure asset that is not part of the existing infrastructure asset portfolio. Balancing between new buildings and maintaining the existing asset portfolio may be challenging due to the backlog in infrastructure demands as well as priorities that emanate from spatial planning principles. While government addresses the issues that relate to backlogs especially in the rural areas, migration to urban areas brings other challenges. Some infrastructure that may have been built to address the imbalance of the past are faced with migration pressures hence the need for effective integrated planning.

The focus areas in this category are mainly the building of schools, health facilities, libraries as well as road infrastructure to name a few. Education will be focusing on building of Focus Schools also

referred to as Specialisation Schools. The focus schools are intended for learners with special talents and aptitudes. These schools may be agricultural, engineering and technology, aviation or marine and maritime to name a few. The province is embarking on building these schools in the 2024/25 MTEF. The department intends constructing the Maritime School of Excellence and School of Autism, both at Umlazi in eThekweni Metro as well as the School of Arts in Pinetown in eThekweni; as well as the Dabulamanzi School of Agriculture in Umgungundlovu and School of mining in King Cetshwayo. Both these projects are still at the planning stage.

In the 2024/25 MTEF Health is planning on improving access to Primary Health Care that is universal as well as the Forensic Pathology Services. There are 11 new clinics which will be constructed across the province in this regard. The planning and design of priority projects for regionalisation of four district hospitals in Zululand, King Cetshwayo, Harry Gwala and uMzinyathi Districts is progressing well. This includes the development of a new hospital in Northern KZN that will specialise on oncology services. This programme is aiming at reducing long travel distances to access services by rural communities, high costs of inter-facility transportation of patients as well as operational cost of the specialised health services.

The Department of Transport will be constructing various bridges including a bridge along Main Road P713 in the Ndwedwe Local Municipality which falls in the iLembe District Municipality. The construction of Mzimane River Vehicle Bridge located in the Empangeni region is also targeted to be done in the 2024/25 MTEF. In addition, to ensure the safety of the community the Centocow River Bridge in Umzimkhulu Local Municipality and Dirkchinburg Pedestrian Bridge in Mthonjaneni Local Municipality will be completed.

Department of Sports, Arts and Culture will continue with the construction of various new libraries in the province namely KwaDlangezwe Library in King Cetshwayo District, uMzumbe Library in uGu District, KwaMdakane Library and Ofabeni Library both in the uMzinyathi District.

3. Infrastructure Transfers

The infrastructure transfers category refers to the funding that is transferred to municipalities and public entities for infrastructure projects which can be capital or current in nature. It is the Departments of Human Settlements, Sports Arts and Culture, and Economic Development Tourism and Environmental Affairs (DEDTEA) who mainly contribute to these transfers.

The Human Settlements infrastructure transfers relate to the housing development which are both capital and current in nature. Capital comprises of transfers to the eThekweni Metro for the Community Residential Units (CRU) programme, as well as housing funds in respect of the HSDG. The current transfers relate to the operational costs of accredited municipalities transfers in respect of the CRU programme. The operational costs for accredited municipalities are based on the actual performance by the municipalities.

The Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) does not implement infrastructure projects directly but transfers funds to public entities that are responsible for developing infrastructure which will contribute to economic growth of the province. The Dube Trade Port receives the largest share of the funds budgeted for the infrastructure development.

The transfers by EDTEA include funds for the upgrades of the Mkhuze Airport in uMkhanyakude District Municipality. The department also funds the upgrade and provision of informal trader facilities by various municipalities.

The Department of Sports, Arts and Culture transfers funds to municipalities (both capital and current transfers) for the building and maintenance of sports facilities. The spending against infrastructure transfers: Current relates to the funding that is paid to municipalities for the maintenance of sports facilities constructed by the department. The infrastructure transfers: Capital relates to capital projects undertaken by the municipalities. The department also co-funds the capital projects which are implemented over a multi-year period and these include the construction of fitness centres. In this regard the department will proceed with the construction of 4 fitness centres in Zululand, Harry Gwala, uThukela and Amajuba districts to improve the health and lifestyle of people in rural areas and townships.

4. Infrastructure leases and non-infrastructure

The category on leases caters for both finance leases and operating leases. There are departments that historically were reporting their infrastructure leases under goods and services. This has since been corrected and is now included in this category causing a slight increase in the budget for leases.

The non-infrastructure is for spending which does not directly impact on the construction or procurement of infrastructure assets, but payments relating to stand-alone purchases of goods and services, as well as purchases related to the maintenance and repair of non-infrastructure.

5. Infrastructure Budget allocations per Municipal District

The table below indicates the infrastructure budget per district municipality including the eThekweni Metro.

Table 5: Infrastructure Budget Allocations per Municipal District

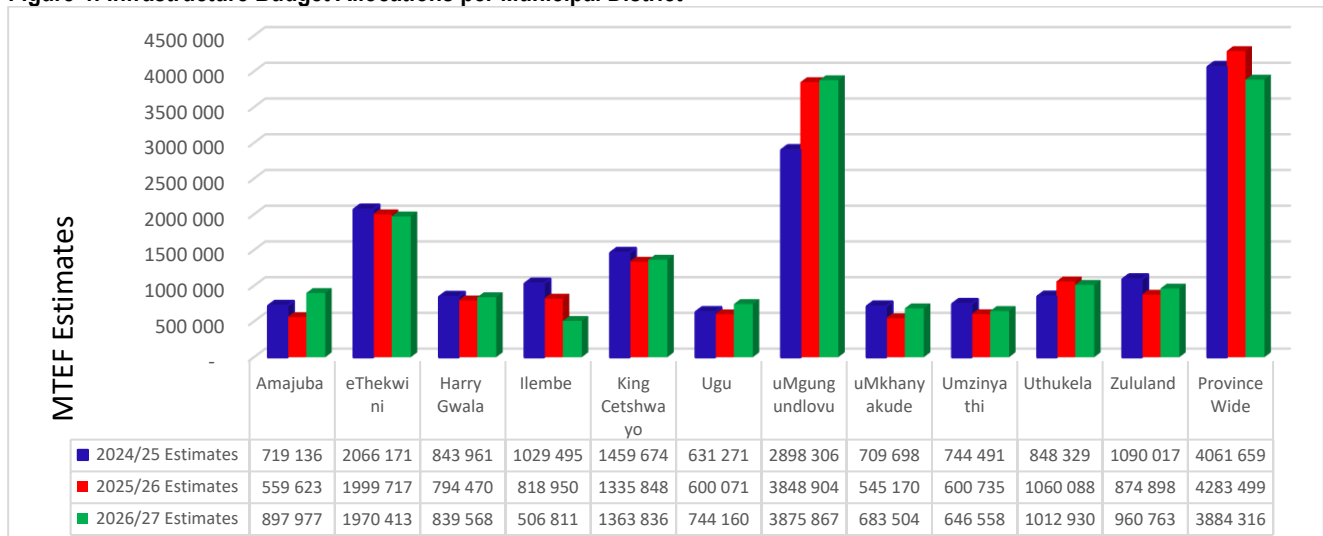
| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|-------------------------|-------------------|-------------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 158 | 719 136 | 559 623 | 897 977 |
| eThekweni | 686 | 2 066 171 | 1 999 717 | 1 970 413 |
| Harry Gwala | 266 | 843 961 | 794 470 | 839 568 |
| Ilembe | 256 | 1 029 495 | 818 950 | 506 811 |
| King Cetshwayo | 587 | 1 459 674 | 1 335 848 | 1 363 836 |
| Ugu | 243 | 631 271 | 600 071 | 744 160 |
| uMgungundlovu | 506 | 2 898 306 | 3 848 904 | 3 875 867 |
| uMkhanyakude | 305 | 709 698 | 545 170 | 683 504 |
| Umkhanyathi | 334 | 744 491 | 600 735 | 646 558 |
| Uthukela | 351 | 848 329 | 1 060 088 | 1 012 930 |
| Zululand | 471 | 1 090 017 | 874 898 | 960 763 |
| Province Wide | 399 | 4 061 659 | 4 283 499 | 3 884 316 |
| Total | 4 562 | 17 102 207 | 17 321 974 | 17 386 702 |

The uMgungundlovu district, eThekweni Metro and King Cetshwayo District take the bulk of the infrastructure budget for the 2024/25 financial year. The district municipalities and Metro are mainly where the economic activities of the province take place and the population density is high. The uMgungundlovu district has 506 projects with a budget of R2.898 billion, eThekweni Metro has 686 projects with R2.066 billion and King Cetshwayo has 587 with R1.459 billion infrastructure Budget in 2024 /25 financial year. This is due to a number of projects that are taking place from mainly Department of Education, Transport, Human Settlements and Health. Education will be delivering about 156 projects with a budget of R593.844 million in uMgungundlovu district and R2.910 billion in the outer year of 2024/25 MTEF. This include upgrades on various schools, maintenance, upgrading and rehabilitation of various schools in this District. Whereas Human Settlements and Transport are also main contributors uMgungundlovu and King Cetshwayo Districts as well as eThekweni Metro. Human Settlements will be delivering about 96 projects with a budget of

R2.148 billion in eThekweni Metro and Transport delivering 60 projects with a budget of R1.707 million in the 2024/25 MTEF. This includes various projects on upgrading of informal settlements including Amaoti and Kennedy Road in eThekweni Metro as well as Khalanyoni and Harewood in uMgungundlovu district.

There are 398 province wide projects with an allocation of R4.061 billion which equates to 24 percent in the 2024/25 financial year which increases in the outer years of the 2024/25 MTEF. This is mostly contributed by the Department of Transport which has allocated about R3 billion to various municipalities. These projects are mainly maintenance packaged projects and project support that cut across various districts. The figure below shows the graphical allocations to various district municipalities.

Figure 4: Infrastructure Budget Allocations per Municipal District



6. State of Readiness to Implement Projects

The table below indicates the state of readiness and the project pipeline across the province.

Table 6: State of Readiness to Implement Projects

| Project Status | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|---|--------------------|-------------------------|-------------------|-------------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation/ pre-feasibility | 563 | 1 030 760 | 2 198 494 | 2 985 117 |
| Stage 2: Concept/ Feasibility | 158 | 393 202 | 839 514 | 1 177 266 |
| Stage 3: Design Development | 474 | 935 798 | 1 522 702 | 1 702 669 |
| Stage 4: Design Documentation | 937 | 3 099 058 | 2 892 817 | 2 738 085 |
| Stage 5: Works | 1 386 | 5 891 529 | 4 051 057 | 3 047 887 |
| Stage 6: Handover | 745 | 345 782 | 180 989 | 51 738 |
| Stage 7: Close out | 110 | 39 163 | 12 006 | 3 772 |
| Other - Programme/ Project Administration | 34 | 2 089 724 | 2 257 128 | 2 439 498 |
| Other - Packaged Ongoing | 155 | 3 277 191 | 3 367 267 | 3 240 671 |
| Total | 4 562 | 17 102 207 | 17 321 974 | 17 386 702 |

The province has a total number of 4 562 infrastructure projects over the 2024/25 MTEF. The project in construction (stage 5: works) has the highest number of projects totaling to 1 386 with a budget of R5 891 billion, followed by projects in Design Documentation with 937 projects budgeted for R3 099 billion in 2024/25 financial year. The programme/project administration includes the capacity and the support that is required for the delivery of infrastructure projects and this category has been allocated an amount of R2.089 billion which sees an increase in the outer years. The status, packaged on-going caters mainly for maintenance projects, leases and health equipment.

OUTLOOK PER DEPARTMENT/ VOTE

Vote 1

Office of the Premier

1. Strategic Overview of Infrastructure Programme

The Office of the Premier does not specifically carry out infrastructure projects because of the nature of its function which is coordination. However, infrastructure planning and monitoring of projects is required to ensure that the Office of the Premier has the infrastructure necessary to accommodate its workforce. In this regard it is necessary that infrastructure relating to office accommodation is maintained at an acceptable standard in line with relevant labour laws. The office of the Premier bridges the gap between the various provincial departments and supports them at a strategic level to fulfil their respective mandates. The role of the department is to provide strategic leadership and coordinating functions of the provincial administration. It also performs oversight through monitoring and evaluation as derived from the Constitution and Public Service Act. The infrastructure budget allocation therefore assists the department to create and maintain a conducive environment for employees in the Office of the Premier to be productive.

In this regard the Department of Public Works (DPW) is the implementing agent for the Office of the Premier's infrastructure requirements. The Office of the Premier compiles the Infrastructure Programme Management Plan (IPMP). This in turn creates the basis for the Infrastructure Programme Implementation Plan (IPIP), which is the infrastructure plan for the year in progress. These plans are then monitored monthly through the Infrastructure Reporting Model (IRM).

2. Review of the 2023/24 financial year

During the year under review, the department's focus was mainly on maintenance and rehabilitation of the existing asset base. The Office of the Premier undertook the following projects:

- The repairs to roof leaks and other internal repairs at the Moses Mabhida Building which commenced on 15 June 2020. This project has not yet been completed; however, the contractor has abandoned site and a new contractor is to be appointed in the new financial year.
- The Parkside Residence security project was started in the 2021/22 financial year – Site Handover was in July 2021. The project has been completed and final accounts are set to be finalised in the new financial year.
- Under the maintenance category there are various day to day maintenance projects that have been completed in the different buildings occupied by Office of the Premier officials.

Funding of Infrastructure

The source of funding for infrastructure projects for the department is the Equitable Share. The table below depicts the trends of the Equitable Share spanning over a seven-year period from 2020/21 up to 2026/27. In the 2020/21 financial year, the department allocated an amount of R18.265 million for infrastructure and in 2021/22 the allocation increased to R48.079 million. This was due to the commencement of the Parkside Security Upgrades projects which in the financial year. In 2022/23

the budget allocation was decreased to R24.913 million due to the slow progress of the water leak project at the Moses Mabhida building. The budget further decreased in 2023/24 to R19.291 million in the main appropriation which was revised during the adjustment period to R18.813 million. The decrease in the 2023/24 Adjusted Appropriation relates to the poor performance by the contractor appointed for the Moses Mabhida leaking roof project. In 2024/25 the allocation increases to R21.154 million and a further growth is realised in the outer years reaching R24.269 million by the 2026/27 financial year.

Table 1. 1: Funding Source for Infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 ('000) | Revised Estimate | Medium-term estimates | | |
|--------------------|-----------------|-------------------|---------------|--------------------|---|------------------|-----------------------|-------------------|---------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| 1. Equitable Share | 18 265 | 48 079 | 24 913 | 19 291 | 18 813 | 18 813 | 21 154 | 22 280 | 24 269 |
| | - | - | - | - | - | - | - | - | - |
| Total | 18 265 | 48 079 | 24 913 | 19 291 | 18 813 | 18 813 | 21 154 | 22 280 | 24 269 |

The table below details a summary of provincial estimates by nature of investment consisting of Existing Infrastructure Assets, Maintenance and Repair, Upgrades and Additions as well as Refurbishment and Rehabilitation. The department does not have new infrastructure assets planned for implementation over the MTEF.

Table 1. 2: Summary of provincial estimate by nature of investments

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|-------------------|---------------|--------------------|---|------------------|-----------------------|-------------------|---------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | 7 580 | 21 669 | 11 825 | 6 449 | 5 971 | 6 624 | 7 180 | 7 680 | 8 358 |
| Maintenance and repair: Current | 2 215 | 3 822 | 5 459 | 4 489 | 4 011 | 4 231 | 5 132 | 5 540 | 6 120 |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | 5 365 | 17 847 | 6 366 | 1 960 | 1 960 | 2 393 | 2 048 | 2 140 | 2 238 |
| New infrastructure assets: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers | 2 350 | 19 455 | 2 625 | 2 740 | 2 740 | 2 740 | 2 863 | 2 991 | 3 129 |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | 2 350 | 19 455 | 2 625 | 2 740 | 2 740 | 2 740 | 2 863 | 2 991 | 3 129 |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | 8 335 | 6 955 | 10 463 | 10 102 | 10 102 | 9 449 | 11 111 | 11 609 | 12 782 |
| Non infrastructure¹ | - | - | - | - | - | - | - | - | - |
| Total | 18 265 | 48 079 | 24 913 | 19 291 | 18 813 | 18 813 | 21 154 | 22 280 | 24 269 |
| <i>Capital infrastructure</i> | <i>7 715</i> | <i>37 302</i> | <i>8 991</i> | <i>4 700</i> | <i>4 700</i> | <i>5 133</i> | <i>4 911</i> | <i>5 131</i> | <i>5 367</i> |
| <i>Current infrastructure</i> | <i>10 550</i> | <i>10 777</i> | <i>15 922</i> | <i>14 591</i> | <i>14 113</i> | <i>13 680</i> | <i>16 243</i> | <i>17 149</i> | <i>18 902</i> |

Maintenance and repair: Current This category caters for the routine maintenance of office accommodation. Over the 2024/25 MTEF, the funding allocated is to address backlogs in scheduled and *ad hoc* maintenance projects. The buildings targeted for routine maintenance include the Dokkies Building in Durban, Moses Mabhida building in Pietermaritzburg, the Marine building in Durban and the Premier's Parkside Residence. Some of the day-to-day maintenance and repairs projects are reactive in nature and a based on a needs basis and can only be confirmed in-year.

Upgrades and Additions: The department has not allocated any funds for this category.

Refurbishment and Rrehabilitation: The expenditure in this section is related to projects at the Premier's Parkside Residence and the Moses Mabhida building as well as the roof leak repairs at the Moses Mabhida building. The Parkside residence project is completed while the roof leak project at Moses Mabhida building is not yet completed.

Infrastructure transfers: This relates to the transfer to the Zulu Royal House Trust (ZRHT) for infrastructure projects at the Royal Palaces, with inflationary growth over the 2024/25 MTEF. Planned projects include upgrading the King's Palace at Nyokeni, and maintenance and repairs of all other Royal Palaces. There is generally an increasing trend in the allocation of transfers capital and this is due to the King's Palaces being prioritised.

Infrastructure: Leases relates to the lease of buildings for use by the department. Currently, the department leases several buildings, including offices in the Invesco Centre in Pietermaritzburg and the Marine building in Durban.

3. Outlook for the 2024/25 MTEF Period

The department utilises its infrastructure budgets to maintain its office accommodation. These offices are within the uMgungundlovu district as well as eThekweni Metro. The table below shows the infrastructure estimates allocations based on the location of the projects per district municipality. There will be no capital contractual commitments to be implemented during the 2024/25 financial year. In the Moses Mabhida building, appointment of a completion contract for the roof leak project will be prioritised. The Parkside Residence security project has been completed and the final accounts will be done in the new financial year. The Moses Mabhida roof maintenance project has further leaking challenges after the initial contractor abandoned site which indicated that a completion contractor need to be procured for the completion of the project.

Table 1. 3: Infrastructure estimates allocations per municipal district

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|----------------------------|---------------|---------------|
| | | Estimated Budget ('000) | | |
| Ethekweni | 2 | 11 311 | 11 859 | 13 182 |
| uMgungundlovu | 8 | 9 843 | 10 421 | 11 087 |
| Total | 10 | 21 154 | 22 280 | 24 269 |

The department has ten projects in two districts in the KwaZulu-Natal province. Most projects are in uMgungundlovu with eight projects, followed by two projects in eThekweni district. A substantial amount of the budget is allocated to eThekweni Metro in the 2024/25 MTEF for Office of the Premier Operational Leases and the Maintenance to Dokkies building, with R11.311 million in 2024/25, R11.859 million in 2025/26 and R13.182 million in 2026/27. In uMgungundlovu district there are 8 projects with a budget allocation of R9.843 million, in 2024/25, R10.421 million in 2025/26 and R11.087 million in 2026/27. This budget is for maintenance of office accommodation in the Premiers Parkside Residence as well as *ad hoc* and planned maintenance to Moses Mabhida Building.

4. State of Readiness

The table below shows the state of readiness of the department to implement projects in the 2023/24 MTEF period. The department has outlined its plan to implement a couple of projects in the new financial year and those projects include the following: Installation of lights in the Terry Street Parking Facility, Parkside Residence security project and a project to improve security requirements within the actual residence of the Premier.

Vote 1 : Office of the Premier

Table 1. 4: State of readiness to implement projects

| Project Status | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--------------------------|--------------------|----------------------------|---------------|---------------|
| | | Estimated Budget ('000) | | |
| Other - Packaged Ongoing | 10 | 21 154 | 22 280 | 24 269 |
| Total | 10 | 21 154 | 22 280 | 24 269 |

The department has allocated the entire budget to the Packaged Programme with R21.154 million, R22.280 million and R24.269 million for the entire MTEF period. The Packaged Programme comprises of maintenance projects clustered for both uMgungundlovu district and eThekwin Metro. The reason they are all packaged is because maintenance projects are usually small in nature and short in duration. The Office of the Premier continues to prioritise the maintenance of its office accommodation in order to ensure that staff members work in a conducive environment.

Vote 2

Provincial Legislature

1. Strategic Overview of Infrastructure Programme

The KwaZulu-Natal Legislature, owing to its mandate, does not explicitly undertake infrastructure projects. However, infrastructure planning is needed to ensure that the KZN Legislature building facilities have the necessary infrastructure services to support its mandate. To this end, it is crucial to maintain the Legislature building and office infrastructure at a standard that enables the requisite operational and working environment for the KZN Legislature. The maintenance for the Legislature is done by the Department of Public Works (DOPW).

2. Review of the 2023/24 financial year

During the 2023/24 financial year, the Legislature focused on day-to-day repairs maintenance to the Legislature Building. The budget allocated for infrastructure was spent on repairs to the building subject to the Amafa Heritage regulations.

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Achieving Amafa conditions of restoration on historic buildings makes the maintenance extremely complex and, in some instances, costly. This requires specialised skills and expertise between the professional team and the contractor. The project consists of a combination of roof repairs and refurbishment by restoration which involves returning a building to its former state. It is applied to historical buildings to maintain their heritage and rich culture. The features of a building are recreated to match its appearance and function. Restoration aims at achieving the highest level of authenticity and replication. If there is a need to install new systems utilities, they are constructed in a concealed manner so that they do not disrupt the building's original appearance.

The Department of Public Works (DOPW) which is the implementing agent opted to utilize the traditional construction project delivery method, the Design-Bid-Build (DBB) that involves the completion of three distinct phases in sequence. Construction does not begin until the design process is complete (and a bid accepted), so there is no overlap between design and construction. The design was conducted by engineering consultants on behalf of the employer. This is a contract where a contractor undertakes construction on the basis of full designs issued by the employer. Consequently, not all project repair requirements can be reasonably identified during the design phase. Since it involves exposing the damages and gaining access to the damaged roof areas therefore variation in the initial design and scope of work was imminent.

The repairs to the roof and façade of the Legislative Chamber reached practical completion in April of 2023.

Funding of Infrastructure

The source of funding for infrastructure projects for the Legislature is the Equitable Share. The table below depicts the Equitable Share spanning over a seven-year period.

Table 2. 1: Funding Source for Infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 | Revised Estimate | Medium-term estimates | | |
|----------------------|-----------------|-------------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|-------------------|---------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| 1. Equitable Share | 26 793 | 27 632 | 23 936 | 13 232 | 20 232 | 20 232 | 13 827 | 14 445 | 15 109 |
| 2. Conditional Grant | - | - | - | - | - | - | - | - | - |
| Total | 26 793 | 27 632 | 23 936 | 13 232 | 20 232 | 20 232 | 13 827 | 14 445 | 15 109 |

The table below presents a summary of infrastructure payments and estimates, reflecting the cost of maintenance and repairs to the Legislature buildings. This information is based on information provided by the DOPW. In addition, it provides a summary of the costs of leasing buildings.

It is noted that the Auditor-General advised that the Legislature's infrastructure projects should be classified as current in nature, because the buildings are not on the Legislature's asset register, hence there are no capital project allocations over the MTEF.

Table 2. 2: Summary of Provincial Estimates by Nature of Investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-------------------|---------------|--------------------|-----------------------------------|------------------|-----------------------|-------------------|---------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | 21 099 | 21 483 | 19 769 | 6 299 | 13 299 | 13 299 | 6 582 | 6 876 | 7 192 |
| Maintenance and repairs | 21 099 | 21 483 | 19 769 | 6 299 | 13 299 | 13 299 | 6 582 | 6 878 | 7 192 |
| Upgrades and additions | - | - | - | - | - | - | - | - | - |
| Rehabilitation and refurbishment | - | - | - | - | - | - | - | - | - |
| New infrastructure assets | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Current | - | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure leases | 5 694 | 6 149 | 4 167 | 6 933 | 6 933 | 6 933 | 7 245 | 7 569 | 7 917 |
| Non infrastructure | - | - | - | - | - | - | - | - | - |
| Total | 26 793 | 27 632 | 23 936 | 13 232 | 20 232 | 20 232 | 13 827 | 14 445 | 15 109 |
| <i>Capital infrastructure</i> | - | - | - | - | - | - | - | - | - |
| <i>Current infrastructure</i> | 26 793 | 27 632 | 23 936 | 13 232 | 20 232 | 20 232 | 13 827 | 14 445 | 15 109 |

Non-infrastructure is a stand-alone item and is therefore excluded from Capital infrastructure and Current infrastructure.

Maintenance and repairs: Current spending in the prior years relates to professional service provider and contractor's costs for various projects, including the roof repairs to the main chamber of the Legislature Building. This project commenced in 2019/20 and has reached practical completion in 2023/24 with a one-year construction retention period.

In addition, several urgent maintenance and repair projects were identified by DOPW as critical, namely structural repairs to the Albertina Sisulu Administration building, the air conditioner maintenance/replacement project and the security upgrade project in respect of both the administration building and the main chamber complex. DOPW was also requested to conduct preliminary

conditional assessments with budget estimates of fire regulations & compliance, and existing electrical services for all KZN Legislature buildings.

The initial condition assessments identified various requirements. Due to this preliminary assessment, the fire and electrical compliance project and air conditioner maintenance/replacement project commenced in the 2023/24 financial year. This will include detailed conditional assessments, an appropriate procurement strategy, design and implementation.

Infrastructure: Leases relates to leases paid by the Legislature for various buildings, including No. 27, 28 and 29 Chancery Lane behind the Legislature Complex, which are used as offices by political parties, as well as offices in the National Council of Provinces (NCOP) Constitution House in Cape Town. The MTEF growth is largely inflationary.

3. Outlook for the 2024/25 MTEF Period

In 2024/25 the department will concentrate on the implementation of the fire and electrical compliance project, and air conditioner maintenance/replacement project. This is the effort by the department to ensure KZN Legislature buildings are safe and up to standard for their staff and the public. Additionally, day-to-day and preventative maintenance will be performed on all KZN Legislature buildings.

The Legislature will also continue with the infrastructure leases for various buildings, including No. 27, 28 and 29 Chancery Lane behind the Legislature Complex, which are used as offices. The 2024/25 MTEF growth is largely inflationary.

The table below shows the spread of the Existing Infrastructure Assets allocation for the Legislature's facilities and the Albertina Sisulu Building that all are in the district municipality of uMgungundlovu.

Table 2. 3: Infrastructure estimates allocations per Municipal District

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|----------------------------|---------------|---------------|
| | | Estimated Budget ('000) | | |
| Amajuba | - | - | - | - |
| Ethekwini | - | - | - | - |
| Harry Gwala | - | - | - | - |
| Ilembe | - | - | - | - |
| King Cetshwayo | - | - | - | - |
| Ugu | - | - | - | - |
| uMgungundlovu | 1 | 13 827 | 14 445 | 15 109 |
| Umkhanyakude | - | - | - | - |
| Umzinyathi | - | - | - | - |
| Uthukela | - | - | - | - |
| Zululand | - | - | - | - |
| Total | 1 | 13 827 | 14 445 | 15 109 |

Vote 3

Agriculture and Rural Development

1. Strategic Overview of Infrastructure Programme

The Department of Agriculture and Rural Development strives to achieve an inclusive, sustainable and radically transformed agricultural sector that builds thriving communities in balance with nature. This aims to maximize agricultural potential through comprehensive farmer support and technological services.

The department's infrastructure budget is utilised to support the above mentioned objectives through the construction of facilities such as research farms and office buildings, as well as other service delivery infrastructure. Some of the infrastructure developed by the department is handed over to identified beneficiaries on completion. The infrastructure budget is utilised for the construction, refurbishment and rehabilitation, upgrades and maintenance of agricultural infrastructure. The agricultural infrastructure includes irrigation schemes, agricultural colleges, poultry hatcheries, storehouses, piggeries and other service delivery infrastructure. To deliver infrastructure, the department uses its own capacity as well as the Department of Public Works as the implementing agent.

The leased office accommodation is also budgeted for on an annual basis by this department under infrastructure.

In addition to the above, the department assists the small farmers, communities and cooperatives with funding for their infrastructure needs. For this assistance, there is a service delivery model which is aligned to the department's strategic objectives. The department sets out the process and qualifying criteria that must be followed to access funding.

2. Review of the 2023/24 financial year

Agriculture delivers infrastructure such as dip tanks, animal handling facilities, livestock dams, fencing, grazing camps, boreholes and irrigation schemes, among others. In the 2023/24 financial year the department placed emphasis and priority on improving the infrastructure under the community investment programme. The department implemented the following:

- Establishment of 39 new agricultural infrastructure projects such as boreholes for Bamabani, Embamaba, Kheta and Mandeni, dip tanks for Msuthu, Ndlemembuzi and Ntembeni and Mpembeni irrigation. The department further implemented 9 rehabilitation projects against a target of 13 which included piggeries, poultry houses, irrigation schemes, boreholes, stock watering dams, dip-tanks,. The remainder of the projects are at implementation stage and will be completed by the end of 2023/24 financial year such as Machobeni, and Mbubu dip tanks, Mpembeni fencing, Nkombose, Nsongeni Mhlabaneni boreholes.
- Fencing of 90 kilometers was erected for agricultural use, against an annual target of 221 kilometers. The low level of achievement is because reporting is only done once the entire project is complete. Most projects are planned to be completed by the end of 2023/24 financial year, this includes Mbumbane, Kwagwabini, Shukasibheme A and B grazing and crop fields.

- Scooping of 28 stock watering dams was completed across 4 districts, namely 2 in uMkhanyakude, 5 in King Cetshwayo, 14 in Zululand and 7 in uThukela, increasing capacity of dams, as well as removal of treacherous mud at the water edge by using the department's yellow plant. The dam scooping projects include Mboza, Phelandaba in uMkhanyakude, Ethembeni, Sihlehlani in King Cetshwayo, Mahlombe, Sovana and Mbizane in Zululand.

Funding of Infrastructure

The department's sources of funding for infrastructure delivery consists of the Equitable Share, the Comprehensive Agricultural Support Programme (CASP) Grant, the Ilima/ Letsema Grant, Land Care Programme Grant and Provincial Disaster Relief Grant. Table 3.1 below depicts the sources of funding trends for a period of seven years from the 2020/21 to 2026/27 financial years. Equitable share has the highest budget allocation over the 2024 MTEF indicating 74 percent for the 2024/25 financial year and 72 percent for both outer years. The projects funded from this budget are infrastructure leases, maintenance and repairs and capital projects including transfers.

The CASP grant is aimed at providing effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution. It also includes supporting black producers who have acquired land through private means and are engaged in value-adding enterprises domestically or involved in export. It is further intended to revitalise agricultural colleges into centres of excellence. The budget allocation under this grant is fluctuating over the years. There is an increase in the allocation in 2024/25, a decrease in 2025/26 and then an increase in 2026/27 financial years. This grant contributes an average of 13 percent of the 2024/25 MTEF infrastructure budget. Projects under this grant include the construction of new poultry abattoir, installation of solar panels for lecture rooms both at Cedara Agricultural College and Phase 1&2 correction project at Owen Sithole College of Agriculture to mention a few.

The Ilima/Letsema grant is aimed at assisting vulnerable South African farming communities to achieve an increase in agricultural production. This is done by investment in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas. In KZN, this grant is used for various projects, including the food security and mechanisation programme, and the irrigation schemes within the Makhathini development project. The decrease in 2022/23 is due to the fiscal consolidation cuts which is also evident in the 2023/24 Adjusted Appropriation. The MTEF allocations show a steady increase and will be utilised toward funding the irrigation developments, food security at household level, as well as mechanisation services, among others. Projects under this grant include Phumelela irrigation scheme in Zululand, construction of sub surface drainage at Block 6a Jozini in uMkhanyakude, and rehabilitation of Makhathini scheme pumps in Zululand. All the mentioned projects are at construction stage.

The Land Care Grant is aimed to optimise productivity and sustainability of natural resources leading to greater productivity, food security, job creation and better quality of life for all. This grant shows steady increase between 2020/21 and 2022/23 but with a decrease in the 2023/24 Adjusted Appropriation, due to fiscal consolidation cuts. This grant has the lowest infrastructure budget allocation which is 0.2 percent of the total budget for 2024/25 financial years and there is no allocation for 2025/26 and 2026/2027. There is only one project funded under this grant which is Vrystaat Primary School in uMgungundlovu which is in the initiation stage as planning is still being undertaken for this project.

The Provincial Disaster Relief Grant spent R3.750 million in 2020/21 in respect of scooping of 17 stock watering dams implemented in relation to drought relief. This was a once off funding and was not carried over to the following financial years.

Table 3. 1: Funding Source for Infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted Appropriation 2023/24 | Revised Estimate | Medium Term estimates | | |
|-------------------------------------|-----------------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| | ('000) | | | | | | ('000) | | |
| 1. Equitable Share | 163 200 | 170 088 | 121 471 | 195 298 | 163 493 | 166 997 | 104 994 | 105 428 | 110 278 |
| 2. CASP | 13 314 | 14 743 | 10 305 | 17 798 | 16 888 | 16 888 | 36 414 | 19 436 | 20 330 |
| 3. Ilima / Letsema | 33 272 | 13 138 | 813 | 13 900 | 7 440 | 7 440 | 19 000 | 21 300 | 22 280 |
| 4. Land Care Programme Grant | - | - | | 540 | 1 421 | 1 421 | 450 | - | - |
| 5. Provincial Disaster Relief Grant | 3 750 | - | - | - | - | - | - | - | - |
| Total | 202 630 | 213 536 | 132 589 | 227 536 | 189 242 | 192 746 | 160 858 | 146 164 | 152 888 |

The table below details a summary of provincial estimates by nature of investment consisting of Existing Infrastructure Assets: Maintenance and Repair, Upgrades and Additions, Refurbishment and Rehabilitation and New Infrastructure Assets planned over the MTEF.

Table 3. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|-------------------|---------|--------------------|---|------------------|-----------------------|-------------------|---------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| | | | | | | | | | |
| Existing infrastructure assets | 38 520 | 35 961 | 35 134 | 50 396 | 42 503 | 51 122 | 76 717 | 68 972 | 69 530 |
| Maintenance and repairs | 7 424 | 3 467 | 7 084 | 10 000 | 4 707 | 4 707 | 8 360 | 8 736 | 9 138 |
| Upgrades and additions | 8 377 | 12 885 | 8 778 | 5 950 | 2 410 | 2 410 | 11 419 | 12 929 | 13 942 |
| Rehabilitation and refurbishment | 22 719 | 19 609 | 19 272 | 34 446 | 35 386 | 44 005 | 56 938 | 47 307 | 46 450 |
| New infrastructure assets | 46 215 | 27 017 | 22 882 | 85 518 | 55 117 | 50 002 | 19 387 | 32 812 | 36 936 |
| Infrastructure transfers | 93 985 | 107 859 | 39 137 | 52 626 | 52 626 | 52 626 | 24 003 | 1 795 | 1 878 |
| Current | – | – | – | – | – | – | – | – | – |
| Capital | 93 985 | 107 859 | 39 137 | 52 626 | 52 626 | 52 626 | 24 003 | 1 795 | 1 878 |
| Infrastructure payments for financial assets | – | – | – | – | – | – | – | – | – |
| Infrastructure leases | 34 816 | 27 132 | 35 436 | 38 996 | 38 996 | 38 996 | 40 751 | 42 585 | 44 544 |
| Non infrastructure | – | – | – | – | – | – | – | – | – |
| Total | 213 536 | 197 969 | 132 589 | 227 536 | 189 242 | 192 746 | 160 858 | 146 164 | 152 888 |
| Capital infrastructure | 171 296 | 167 370 | 90 069 | 178 540 | 145 539 | 149 043 | 111 747 | 94 843 | 99 206 |
| Current infrastructure | 42 240 | 30 599 | 42 520 | 48 996 | 43 703 | 43 703 | 49 111 | 51 321 | 53 682 |

Maintenance and repair: Current. this category has a 5 percent share of the total departmental infrastructure budget for the 2024/25 MTEF. This may not be adequate for the entire asset base of the department and may need to be reviewed. The budget under this category fluctuates over the years mainly due to slow delivery of infrastructure projects by Public Works which results in underspending. Low expenditure was incurred in 2021/22 due to procurement delays and some projects had to be readvertised. The appointment of service providers was only concluded late in the year resulting again in projects being carried over to 2022/23, resulting in high expenditure in 2022/23. The decrease from the 2023/24 Main to Adjusted Appropriation from R10 million to R4.707 million is due to reprioritization to fund the 2023 wage agreement as projects were not accelerating as planned. The budget has a steady growth in the 2024/25 MTEF as procurement has been finalised and some projects have progressed to site since December 2023. The department continues to provide for the maintenance and repairs of departmental buildings including head office, agricultural colleges as well as district and local offices.

Upgrades and additions: The budget for this category ranges from 7 to 9 percent of the total infrastructure budget for the 2024/25 MTEF. The allocation is fluctuating; with a decrease in the Main Appropriation to the Adjusted Appropriation in 2023/24 financial year due to delays in the appointment of service providers by DOPW. Contractors have since been appointed and are on site hence the projected increase from 2024/25 MTEF. The projects under this category include, amongst others, the Cedara Main Ablution block and Owen Sithole College of Agriculture Upgrades: Phase 3 both at construction stage. The upgrades to Canteen and undercover parking at Cedara are both at design stage, anticipating to progress to procurement and later construction stage before the end of 2024/25.

Refurbishment and rehabilitation: This category has the highest budget allocation from 2024/25 financial year onwards. The budget allocation is 35 percent in 2024/25, 32 percent in 2025/26 and 30 percent in 2026/27 financial years. The budget decreases in 2025/26 and 2026/27 as some of the projects are anticipated to be completed by the end of 2024/25. Projects under this category include but are not limited to Cedara Hostels: Separation of Male and Female entrance, Bambanana Abattoir in uMkhanyakude and Cedara boarder fence. All these projects are currently under construction stage anticipating completion and operationalisation by the end of 2024/25 financial year.

New infrastructure assets: The budget under this category is fluctuating throughout the seven financial years. The high expenditure in 2020/21 is due to the roll-over of projects from 2019/20. The peak in 2023/24 Main Appropriation is due to a once-off allocation towards communal dip tanks and boreholes programme amounting to R44.005 million which explains the decrease in 2024/25. In 2024/25 the department will fund these carry over projects, as well as the construction of Paulpietersburg Local Office (Edumbe) in Zululand, Nkandla Service Office in Zululand both under construction and Phesheya Farm irrigation in uMgungundlovu currently at initiation stage.

Infrastructure transfers: Capital: The budget under this category shows a decrease from 2023/24 to 2025/26. The budget is for projects supported through the direct funding mechanism of entities and is largely funded through the CASP grant. The conditional grant business plans are approved annually. The low allocation in the two outer years is due to the department only providing funding for continuation of existing projects in the 2024/25 MTEF. Carry over projects currently under construction include Khukza Farming: construction Abattoir and breeding stock, Amandla Power piggery: renovations of pig unit and offices, Gagulethu Farming construction of 1500-unit broiler and Mendi Msimang 2HA sprinkler irrigation and cold storage. New projects will be considered during the 2024/25 planning cycle.

Infrastructure: Leases relates to the department's operational leases for office accommodation throughout the province. The positive growth from the 2024/2025 financial year is due to escalation costs. There are 29 leased buildings, these include Richards Bay Local Office, Hilton Southern Office, eThekweni District Office and Ladysmith Local Office to mention a few.

3. Outlook for the 2024/25 MTEF Period

The department will continue with implementation of infrastructure projects. Department is expecting infrastructure delivery to be improved this upcoming 2024/25 MTEF with projects implemented by Public Works being awarded to contractors after experiencing challenges that hindered progress. The rehabilitation of Agricultural Colleges including Cedara and Owen Sithole will be implemented. The major irrigations schemes amounting to R19 million are funded in the 2024/25 financial year from the Ilima/Letsema grant where the department will continue with implementation of the Block 6A subsurface drainage and canal repairs and rehabilitation of pumps within the Makhathini Irrigation scheme as well as rehabilitation of Phumelele Irrigation Scheme in Zululand district. In total the department is aiming to implement 113 projects including irrigation, dipping facilities, animal

handling facilities, fencing, such as Osolwazi Trading Layer Units, Gagulethu broiler houses, Qalani Piggery, Ndlutsha Trading borehole, Amandla Power water reservoir and silos to mention a few.

The table below shows the infrastructure estimates allocations based on the location of the projects per district municipality.

Table 3. 3: Infrastructure estimates allocations per municipal district

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|-------------------------|----------------|----------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 3 | 2 619 | 2 616 | 2 786 |
| eThekweni | 5 | 10 562 | 5 845 | 6 925 |
| Harry Gwala | 6 | 1 308 | 2 887 | 3 470 |
| Ilembe | 5 | 6 039 | 4 714 | 2 927 |
| King Cetshwayo | 10 | 19 003 | 25 761 | 30 095 |
| Ugu | 5 | 2 756 | 3 835 | 2 625 |
| Umgungundlovu | 43 | 58 176 | 47 229 | 50 080 |
| Umkhanyakude | 11 | 31 527 | 25 421 | 6 968 |
| Umzinyathi | 9 | 5 277 | 10 373 | 11 326 |
| Uthukela | 4 | 4 704 | 2 251 | 2 407 |
| Zululand | 12 | 18 885 | 15 230 | 33 278 |
| Total | 113 | 160 858 | 146 164 | 152 888 |

The department has a total number of 113 projects throughout the province. uMgungundlovu District has the largest number of projects followed by uMkhanyakude, and King Cetshwayo respectively. uMgungundlovu has an estimated budget allocation of R58.176 million in 2024/25, R47.229 million in 2025/26 and R50.080 million in the 2026/27 financial year. There are 43 projects under this district with 36 percent of the total infrastructure budget. Projects under this district include Allerton Admin Office: boarder fence, Cedara College: Fencing Phase 2 & 3 and Cedara Hostel: Separate Male/Female entrance all at construction stage.

uMkhanyakude has the second highest number of projects, (11 projects) and a budget of R31.527 million in 2024/25, R25.421 million in 2025/26 financial year and R6.968 million in 2026/27. The budget decreases drastically in 2026/27 financial year due to projects that are planned to be finalised by the end of 2025/26, only leased buildings will remain in this district. These projects include construction of sub surface drainage in Jozini, Makhathini Scheme Pumps and Bambanana Abattoir which are all in construction phase.

King Cetshwayo is the third highest with 10 projects and a budget of R19.003 million in 2024/25, R25.761million in 2026/27 and R30.095 million in 2027/28 financial years. The budget increases over the MTEF due to some of the projects that are currently in planning stages being expected to start construction in the 2026/27 and 2027/28 financial years. Projects under construction in this district are construction of Nkandla Local Office, Owen Sithole Agricultural College Phase 1: correction project, Siphosethu Investments to mention a few.

Amajuba District has the least number of projects (3) with an estimated budget of R2.619 million in 2024/25, R2.616 million in 2025/26 and R2.786 million in 2026/27. The nature of investment for the projects are mainly infrastructure leases for Amajuba District Office, Newcastle Local Office and Utrecht Local Office.

4. State of Readiness

The table below shows the state of readiness of the department to implement projects in the 2023/24 MTEF period. The department has a total of 113 projects at various stages of the IDMS Gates.

Table 3. 4: State of readiness to implement projects

| Implementation Stage | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--|--------------------|-------------------------|----------------|----------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation /prefeasibility | 49 | 29 428 | 38 969 | 28 782 |
| Stage 2: Concept / Feasibility | 2 | 1 000 | 50 | 2 000 |
| Stage 3: Design Development | 6 | 12 191 | 10 286 | 11 638 |
| Stage 4: Design Documentation | 7 | 3 619 | 5 631 | 6 000 |
| Stage 5: Works | 47 | 113 506 | 91 228 | 104 468 |
| Stage 6: Handover | 1 | 814 | - | - |
| Stage 7: Close out | 1 | 300 | - | - |
| Other - Programme/Project Administration | - | - | - | - |
| Other - Packaged Ongoing | - | - | - | - |
| Total | 113 | 160 858 | 146 164 | 152 888 |

The department has a total of 113 projects in various stages. Stage 1 Initiation/Prefeasibility and Stage 5: Works have 49 and 47 projects respectively.

Projects that are at Stage 1: Initiation/ Prefeasibility have a budget of R29.428 million in 2024/25, R38.969 million in 2025/26 and R28.782 million in 2026/27 financial year. Projects under this stage include: Cedara Combi Court, Dundee Research Diesel Bowser, Phesheya Farm irrigation projects, Vryheid Lab refurbishment and Vumisa Farming and Agri Services.

Projects in Stage 5: Works include the following: Bambanana Abattoir, Cedara Border Fence Phase 2&3, Cedara Hostels: Separate Male/Female entrance, construction of Paulpietersburg Local Office, Khukhza Farming to mention a few. This stage includes projects that were delayed due to the termination of contracts with poor performing contractors. Public Works has since finalised the procurement of contractors for completion of eDumbe and iNkandla Local Offices. These projects have started with construction and spending is anticipated during the 2024/25 financial year.

Stages with the lowest number of projects are Stage 6: Handover and Stage 7: Close out, each with only one project. KwaMalulekoes Herb (PTY) LTD is in stage 6 and Mdlutsha Trading goats project in Stage 7.

This department continues to deliver agriculture infrastructure to support its objectives.

Vote 4

Economic Development, Tourism and Environmental Affairs

1. Strategic Overview of Infrastructure Programme

The department implements strategies that drive economic growth and promote sound environmental management and climate resilience, creating a conducive environment for trade, investment and tourism, and developing, monitoring and enforcing a sound business environment, and consumer protection regulatory framework. It provides creative and innovative leadership towards facilitating integrated economic planning and growth, being a catalyst for economic transformation, job creation and sustainable development.

The strategic focus for the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) is to build a resilient KZN provincial economy that can respond to global factors, stimulating provincial economic development which includes infrastructure, alignment of functions and purpose of all economic development entities, as well as building a vibrant organisation.

The purpose of the infrastructure programme within the department is to plan and manage co-ordinated developmental projects that are a provincial priority and a catalyst to unlocking economic growth and attracting investments. The department does not implement infrastructure projects directly, but transfers funds to public entities and municipalities who are responsible for developing infrastructure which will contribute to economic growth of the province. This infrastructure includes the delivery of informal economy trading stalls, vegetable pack houses, airports etc. Some of these projects are co-funded by other departments, public or private institutions, and/or entities.

2. Review of the 2023/24 financial year

During the year under review, there was significant progress made in the Balele Game Reserve project which is implemented by the eMadlangeni Local Municipality, having completed phase-1 with a project scope including the following:

- Procurement and supply of furniture and lodge equipment
- Thatching and roof maintenance of Gate, Ablution Block and 3 rondavels
- Production of signage and installation of gates and motors
- Servicing and improvement of tourist roads and
- Refurbishment of swimming pool area

Phase-1 of the project has created 31 job opportunities of which all employees were youth. The budget for phase 1 & 2 of the project is R6.5 million and the expenditure to date on phase 1 is R2 million

The department has continued to focus on providing informal economy infrastructure, both fixed and mobile and related facilities such as ablution and storage facilities among others for informal traders. The projects in this regard include Newcastle, eThekweni (Folweni), uMdoni (uMzinto), Jozini (Mkhuze), The department has reported an expenditure of R14.4 million in the 2023/24 financial year. The department continued to invest in tourism infrastructure to promote rural development and to

enhance KZN as a tourist destination in an attempt to attract more tourists to the province. Some of the projects under implementation in this regard include KwaXolo Caves, Howick Falls Tourism Precinct with a budget of R5 million, renovation of the Prince Mangosuthu Airport in Ulundi with a budget of R4 million over the MTEF, as well as the Pietermaritzburg Airport safety and security with a budget of R2 million for the 2024/25 financial year.

Funding of Infrastructure

The source of funding for the infrastructure for this department is the Equitable Share as shown in the table below. The department does not have any grant allocations for infrastructure. The department has allocated R106.324 million for 2024/25, R94.485 million for 2025/26 and R43.969 million for the 2026/27 financial year. The decreasing trend is attributed to the projects starting that will be funded and completed in the 2025/26 financial year. This will be reviewed accordingly should the need arises.

Table 4. 1: Funding source for infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 ('000) | Revised Estimate | Medium-term estimates | | |
|-----------------|-----------------|-------------------|----------------|--------------------|---|------------------|-----------------------|-------------------|---------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Equitable Share | 465 841 | 274 944 | 273 368 | 96 024 | 157 360 | 152 001 | 106 324 | 94 485 | 43 969 |
| Total | 465 841 | 274 944 | 273 368 | 96 024 | 157 360 | 152 001 | 106 324 | 94 485 | 43 969 |

The table below details a summary of provincial estimates by nature of investment consisting of Existing Infrastructure Assets, Maintenance and Repair, Upgrades and Additions, Refurbishment and Rehabilitation and New Infrastructure Assets planned over the MTEF.

Table 4. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-------------------|----------------|--------------------|---|------------------|-----------------------|-------------------|---------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | - | - | - | - | 93 | 234 | - | - | - |
| Maintenance and repairs | - | - | - | - | - | - | - | - | - |
| Upgrades and additions | - | - | - | - | - | 234 | - | - | - |
| Rehabilitation and refurbishment | - | - | - | - | 93 | - | - | - | - |
| New infrastructure assets | 1 824 | 1 246 | 269 | - | 970 | 970 | - | - | - |
| Infrastructure transfers | 429 889 | 239 108 | 237 405 | 57 524 | 117 797 | 117 797 | 66 091 | 52 450 | - |
| Current | - | - | - | - | - | - | - | - | - |
| Capital | 429 889 | 239 108 | 237 405 | 57 524 | 117 797 | 117 797 | 66 091 | 52 450 | - |
| Infrastructure payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure leases | 34 128 | 34 590 | 35 694 | 38 500 | 38 500 | 33 000 | 40 233 | 42 035 | 43 969 |
| Non infrastructure | - | - | - | - | - | - | - | - | - |
| Total | 465 841 | 274 944 | 273 368 | 96 024 | 157 360 | 152 001 | 106 324 | 94 485 | 43 969 |
| <i>Capital infrastructure</i> | <i>431 713</i> | <i>240 354</i> | <i>237 674</i> | <i>57 524</i> | <i>118 860</i> | <i>119 001</i> | <i>66 091</i> | <i>52 450</i> | <i>-</i> |
| <i>Current infrastructure</i> | <i>34 128</i> | <i>34 590</i> | <i>35 694</i> | <i>38 500</i> | <i>38 500</i> | <i>33 000</i> | <i>40 233</i> | <i>42 035</i> | <i>43 969</i> |

The budget for infrastructure has been decreasing over the years. A drastic decrease in 2023/24 relates to the misclassification, and the allocation from previous years funds that were not infrastructure in nature. This includes training, operational cost, machinery and equipment, although this has been rectified from the 2023/24 MTEF

Upgrades and additions: There are no funds allocated for this category for the MTEF.

New infrastructure assets: There are no funds allocated under this category for the MTEF.

Infrastructure transfers: Capital: The department mainly transfers funds to various municipalities and public entities for the implementation of various infrastructure projects that are linked to the economic growth of the province. There are 26 projects in this category, of which only 3 are at construction stage namely uMsunduzi Municipality Upgrade and provision of informal trader facilities with a budget of R2.5 million for the 2024/25 Financial Year. The Margate Airport Terminal Reconfiguration which has a budget of R1.5 million for the 2024/25 Financial Year. The Mkhuze Airport construction and equipping of the Fire and Rescue facility with a budget of R2 million for the 2024/25 financial year. The remainder of the projects are in the planning stage, these include KZN bakery incubator, Edendale auto service hubs, KZN Clothing and Textile special economic zone, rehabilitation of Nelson Street, fish processing facilities, King Dinizulu Surburb trading facilities, KwaShushu Hotsprings and the Ntunjambili Mountains Tourism Sites Projects to mention a few. These projects account for R60.09 million of the budget.

Infrastructure: Leases caters for the office accommodation leased by the department. There is an increasing trend over the years due to inflation. The budget allocations provided for building leases including 270 Jabu Ndlovu Street (Head Office), 181 Hoosen Haffajee Street (Ministerial Office), Calder House in Burger Street Pietermaritzburg, as well as district offices.

3. Outlook for the 2024/25 MTEF Period

The department has planned to continue with the efforts of supporting the local airports in ensuring compliance with the Airports Company of South Africa (ACSA) regulations and standards. As a result of the compliance efforts the department is in a process of constructing the Mkhuze Airport fire and rescue facility as well as to provide the necessary equipment. The department has appointed a service provider via the Implementing Agent that will prepare the document design and oversee the project roll out. The department will also continue to provide implementation support for the Pietermaritzburg, Margate, and Prince Mangosuthu Buthelezi Airports. Margate Airport is currently upgrading its security perimeter fence. Prince Mangosuthu Buthelezi Airport constructed a new entrance security gate and started with Terminal repairs. The proposed new Richards Bay Airport has concluded the feasibility study of which the department has transferred R1 million to the uMhlathuze Local Municipality as the implementing agent.

The table below shows the infrastructure estimates allocations as well as the location of the projects per district municipality.

The department has projects that are spread across the province which are mainly infrastructure transfers throughout the MTEF. The uMgungundlovu District has the highest number of projects and the highest budget allocation, this is due to the infrastructure leases. The Amajuba District Municipality has an amount of R12.224 million for the Clothing and Textile incubation centre. Projects in uMgungundlovu include fish processing facilities and the rehabilitation of Nelson Street just to name a few.

Table 4. 3: Infrastructure estimates allocations per district municipality

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|----------------------------|---------------|---------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 1 | 12 224 | 12 224 | - |
| eThekweni | - | - | - | - |
| Harry Gwala | - | - | - | - |
| Ilembe | 1 | - | 3 000 | - |
| King Cetshwayo | 2 | 4 061 | 5 000 | - |
| Ugu | 3 | 2 750 | 5 000 | - |
| uMgungundlovu | 9 | 53 039 | 51 535 | 43 969 |
| Umkhanyakude | 1 | 2 000 | - | - |
| Umkhanyathi | 1 | 2 200 | 2 500 | - |
| Uthukela | - | - | - | - |
| Zululand | 2 | 2 200 | 6 500 | - |
| Province Wide | 7 | 27 850 | 8 726 | - |
| Total | 27 | 106 324 | 94 485 | 43 969 |

4. State of Readiness

The table below shows the state of readiness of the department to implement projects in the 2024/25 MTEF period.

Table 4. 4: State of readiness to implement projects

| Project Status | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--------------------------------------|--------------------|----------------------------|---------------|---------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation/ Pre-feasibility | 8 | 30 398 | 19 224 | - |
| Stage 2: Concept/ Feasibility | 2 | 2 082 | 6 500 | - |
| Stage 3: Design Development | 8 | 8 761 | 18 000 | - |
| Stage 5: Works | 3 | 6 000 | 0 | - |
| Other | 1 | 40 233 | 42 035 | 43 969 |
| Packaged Programme | 5 | 18 850 | 8 726 | - |
| Total | 27 | 106 324 | 94 485 | 43 969 |

The department has a total of 27 projects at various stages of the IDMS gates. The bulk of the projects are at design development stage and Initiation/ Pre-Feasibility stages with 8 projects each. Planned projects for 2024/25 MTEF include rehabilitation of Nelson Street, fish processing facilities, King Dinizulu Suburb trading facilities to mention a few.

The department will continue to support the economic development of this province through the infrastructure development.

Vote 5

Education

1. Strategic Overview of Infrastructure Programme

The department is guided by several national and provincial strategic documents such as the National Development Plan (NDP), Provincial Growth and Development Plan (PGDP), State of the Nation Address (SONA), State of the Province Address (SOPA) in compiling its infrastructure plans. The KZN Department of Education (DoE) Strategic Plan, Norms and Standards, Implementation Plan, Framework for Infrastructure Delivery and Procurement Management (FIDPM) and the IDMS Framework also contribute to the planning for infrastructure delivery. To support the development trajectory of the country, other government priorities including the budgeting framework in general have been incorporated in the infrastructure delivery programme of the department.

The department has also developed its own strategic objectives with short, middle and long-term goals that are periodically reviewed and continuously assessed to support service delivery. In line with the strategic objectives of the department, long-term infrastructure plans are developed. The plans are also informed by continuous evaluation of teaching processes, curriculum and focus, and catastrophic or environmentally driven factors such as storm damages.

The department continues to monitor the Norms and Standards Implementation Plan so that commitments made by the Department of Basic Education may be realised. The priorities within the department continue to be the provision of conducive learning spaces, libraries, laboratories, multipurpose classrooms and computer rooms at secondary schools through the Curriculum Redress programme. The schools are upgraded and maintained so to ensure that education facilities are always habitable regardless of where they are located in the province.

To ensure that the department is focusing on its constitutional mandate the infrastructure is delivered through the Department of Public Works (DPW) and other implementing agents namely Independent Development Trust (IDT), COEGA and Development Bank of Southern Africa (DBSA). The usage of these Implementing Agents ensures that the Department of Education is focused on its core mandate of providing teaching and learning.

2. Review of the 2023/24 financial year

During the 2023/24 financial year the department continued with maintaining, renewing and building new schools. The department completed two new schools as at the end of December 2023. These included the Ekucabangeni Secondary School in the uMzinyathi, and Siphumelele Secondary School in the King Cetshwayo District Municipality.

The department continued with the eradication of pit latrines where 1263 schools have eradicated pit latrines and 60 schools have pit latrines at construction stage, 54 schools were closed or deemed non-viable. Non-viable schools were provided with mobile toilets while the enrolment is being monitored. The department has twenty-four schools undergoing major upgrades and additions. The department is also implementing the installation of boreholes and has 218 projects under construction. There are 22 schools on the eradication of asbestos under construction. The department is proceeding with the

implementation of Focus Schools and the Maritime School of Excellence in Umlazi is at construction stage.

The province continues to be devastated by inclement weather resulting in storms and floods which have caused infrastructure damage in some of the schools in various districts. There is now a significant backlog of storm and flood damaged schools in the province, that need repair. The damages range from minor to major damages.

Funding of Infrastructure

Infrastructure projects for the department are funded from the Equitable Share, the Education Infrastructure Grant (EIG) and the Early Childhood Development (ECD) grant. The ECD grant is not entirely used for infrastructure delivery, but a portion is utilised for structural maintenance of early childhood development centres. The table below depicts the Equitable Share, the EIG and the ECD infrastructure portion grants spanning over a seven-year period.

Table 5. 1: Funding source for Infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 | Revised Estimate | Medium-term estimates | | |
|--------------------------------|------------------|-------------------|------------------|--------------------|-----------------------------------|------------------|-----------------------|-------------------|------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Equitable Share | 1 062 075 | 559 516 | 428 409 | 518 434 | 525 434 | 521 987 | 452 912 | 783 642 | 819 689 |
| Education Infrastructure Grant | 1 922 646 | 2 325 614 | 2 483 015 | 2 934 750 | 2 638 379 | 2 638 379 | 2 388 318 | 2 396 108 | 2 512 912 |
| ECD Maintenance Grant | 3 335 | 15 948 | 15 505 | 15 290 | 6 941 | 10 388 | 21 213 | 8 534 | 9 058 |
| Total | 2 988 056 | 2 901 078 | 2 926 929 | 3 468 474 | 3 170 754 | 3 170 754 | 2 862 443 | 3 188 284 | 3 341 659 |

The EIG is a Conditional Grant by design that has specific conditions that the department must adhere to as prescribed in the Division of Revenue Act (DORA). One such condition specifies that the department must report monthly on the progress and status of projects in the Infrastructure Reporting Model (IRM). This reporting model captures specific project information to be implemented in a particular financial year. The project progress is updated monthly with the department submitting IRM reports on the 22nd of each month.

The Department of Education receives the Education Infrastructure Grant (EIG) for school facilities development as well as Early Childhood Grant (ECG) for early childhood facilities maintenance. The EIG shows a significant increase in 2023/24 largely resulting from additions of R109 million made as a result of the incentive nature of the grant, as well as a disaster allocation for the rehabilitation of April 2022 flood damaged schools of R269.313 million.

The table below details the summary of provincial budget estimates categorised by nature of investment, consisting of Existing Infrastructure Assets that includes Maintenance and Repair; Upgrades and Additions; Refurbishment and Rehabilitation; New Infrastructure Assets, Leases and Non-Infrastructure.

Table 5. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|---|------------------|-------------------|------------------|--------------------|---|------------------|-----------------------|-------------------|------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | 2 598 098 | 2 365 936 | 2 290 909 | 3 022 592 | 2 724 571 | 2 724 571 | 2 223 484 | 2 549 162 | 2 665 858 |
| Maintenance and repairs | 652 963 | 428 090 | 479 126 | 712 774 | 740 163 | 740 163 | 617 866 | 873 817 | 895 960 |
| Upgrades and additions | 1 687 196 | 1 396 757 | 1 258 350 | 931 697 | 865 031 | 865 031 | 960 618 | 854 460 | 760 670 |
| Rehabilitation and refurbishment | 257 939 | 541 089 | 553 433 | 1 378 121 | 1 119 377 | 1 119 377 | 645 000 | 820 885 | 1 009 228 |
| New infrastructure assets | 148 097 | 235 227 | 410 813 | 136 759 | 126 910 | 126 910 | 310 292 | 295 790 | 320 200 |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Current | - | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure leases | 94 287 | 158 427 | 98 019 | 147 600 | 147 600 | 147 600 | 153 573 | 160 394 | 167 772 |
| Non infrastructure | 147 574 | 141 488 | 127 188 | 161 523 | 171 673 | 171 673 | 175 094 | 182 938 | 187 829 |
| Total | 2 988 056 | 2 901 078 | 2 926 929 | 3 468 474 | 3 170 754 | 3 170 754 | 2 862 443 | 3 188 284 | 3 341 659 |

The budget allocations were affected by various factors over the past seven-year period including the COVID-19 pandemic, the floods in the past three years, July 2021 unrest, and budget cuts due to internal departmental budget pressures. The non-infrastructure portion of the budget is related to compensation of employees for Division of Revenue Act (DORA)/Conditional Grant funded posts, which aims to capacitate the infrastructure unit within the department with the required technical skills.

Maintenance and repairs: In the 2020/21 financial year, the department's budget decreases from R652.963 million to R428.090 million in 2021/22 financial year and increases in the 2022/23 financial year to R479.126 million. In the financial year 2023/24 the department allocated a budget of R712.774 million, and this was adjusted to R740.163 million due to the department prioritising maintenance projects. The department has allocated an estimated budget of R617.866 million, R873.817 million and R895.960 million over the 2024/25 MTEF period. Part of the conditions of the grant are that the department allocates 60 percent of the grant to this category however the department is experiencing challenges in complying with this requirement due to current commitment on other nature of investments, prevailing budget cuts and persistent storm damages to existing schools. The department's mandate to provide a conducive learning environment has led to the prioritisation of maintenance and repair, particularly due to persistent storm damages that annually continue to disrupt learning in schools. The maintenance programme is spread throughout the province and is decentralised at district level with the assistance of KZN Department of Public Works as the implementing agent.

Upgrades and additions: In the 2020/21 financial year, the department's budget decreases from R1.687 billion to R1.396 billion in 2021/22 financial year with a further decrease in the 2022/23 financial year to R1 258 billion. In the financial year 2023/24 the department allocated a budget of R931.697 million, which was adjusted to R865.031 due to budget cuts and internal departmental reprioritisation. In the 2024/25 MTEF, the department aims to ensure that all schools in the province comply with the minimum Uniform Norms and Standards for Public School Infrastructure. The department has allocated an estimated budget of R960.618 million, R854.460 million and

R760.670 million over the 2024/25 MTEF period. Some of the schools that have been prioritised by the department in this category are Isikhalisezwe High School in Amajuba, Menzi High School in Umlazi, Siyakhanyisa Primary School in King Cetshwayo, Bulwer Primary School in Harry Gwala, Bambanani Primary School in Zululand, Faith Mlaba Primary School in Umlazi, Mashesheleng Intermediate School in uMzinyathi, Khandisa Primary School in King Cetshwayo, Mconjwana High School in Harry Gwala, Tholulwazi Primary School in Zululand, Mzingezwi Primary School in iLembe, Khanyisani Primary School, Amatikwe Primary School, Ohlange High School and Kwabazothini Primary School in Pinetown.

Rehabilitation and refurbishment: In the 2020/21 financial year, the department's budget increases from R257.939 million to R541.089 million in 2021/22 financial year with a slight increase in the 2022/23 financial year to R553.433 million. In the financial year 2023/24 the department allocated a budget of R1.378 billion. This, though, was adjusted to R1.119 billion due to the department prioritising storm damaged schools and facilities projects. The department prioritised this category due to a high number of schools that continue to be damaged by storms annually. Over the 2024/25 MTEF the department is unable to allocate as much budget as it has done in previous years, due to budget pressures. In this regard, an amount of R645.000 million was allocated to this category in the 2024/25 financial year, R820.885 million in the 2025/26 financial year and R1.009 billion in the 2026/27 financial year. The department continues to improve the conditions of the school's facilities. Within the refurbishment category, some of the schools are under construction which include: Ibisi Primary School and Nkomose Secondary School in Harry Gwala, Makhasaneni Primary in King Cetshwayo, Cezwana Primary School in uMkhanyakude, Emasangweni Primary School in King Cetshwayo, Esidumbeni Primary School in iLembe, Isikhalisenkosi Secondary School in King Cetshwayo, , Mandlakazulu Primary School in Pinetown, Dr Joseph Shabalala in uThukela, Siphimfundo Secondary School in uThukela and Mkhize Primary School in uThukela.

New infrastructure assets: In the 2020/21 financial year, the department's budget increased from R148.097 million to R235.227 million in 2021/22 financial year and a further increase in the 2022/23 financial year to R410.813 million. In the financial year 2023/24 the department allocated a budget of R136.759 million, and this was adjusted to R126.910 million due to the department reducing its focus on the construction of new schools but rather prioritizing maintenance projects. The department has been budgeting for the construction of new schools and has allocated R310.292 million in the 2024/25 financial year, R295.790 million in the 2025/26 financial year and R320.200 million in the 2026/27 financial year. As stated above, the department continues to construct new infrastructure assets with progress made on some projects. There are twenty-one new schools under construction that will continue in the upcoming year. These include Solomon Mahlangu Primary School and JG Zuma Secondary School in Pinetown; Meadowsweet Combined School in uThukela; Woodlands Primary School in uMgungundlovu; Thembinkosi Primary School in Amajuba; Phuthini Secondary School in uThukela; Ntikili Primary School in uMkhanyakude; Collingwood Primary School in Umlazi; Dllilanga Secondary School in uMkhanyakude; Mzokhanyayo Primary School in Harry Gwala; Vimbukalo Primary School in uThukela; Zizamele Primary School Harry Gwala; Kwanyamazane Primary School in uMkhanyakude; Cliffdale Secondary School in Pinetown; Inkosi Mkhuphukeli Secondary School in uThukela; Thembaletu Primary School in Harry Gwala; and Sidingulwazi Primary School in uThukela, to name a few.

Infrastructure transfers: The department does not have a budget for infrastructure transfers as the department does not transfer any infrastructure funds to municipalities or public entities.

Infrastructure leases: The department budgets for payment of leased buildings which consist of various offices in various districts within the province. Infrastructure leases over the 2024/25 MTEF have been allocated an estimated amount of R153.573 million, R160.394 million and R167.772 million.

Non infrastructure: The non-infrastructure category focuses on human resources and capacitation for the infrastructure programme. This is specifically appropriated funding for the appointment of built environment officials within the department who plan, monitor and report on the implementation of the various infrastructure projects within the department. Over the 2024/25 MTEF, the non-infrastructure budget is estimated at R175.094 million in 2024/25, R182.938 million in 2025/26 and R187.829 million in 2026/27. The department has been utilising these funds since the inception of this programme as financial support from the EIG. According to the standards required, the department is compliant.

3. Outlook for the 2024/25 MTEF Period

During the 2024/25 MTEF, the department will continue to provide new schools, support facilities and learning spaces in response to curriculum requirements. It is planned that five (5) Schools will be converted into fully fledged Technical High Schools in the 2024/25 financial year: namely Mpumelelo High in uThukela, Mvaba High in Pinetown, Dingeka Secondary in Harry Gwala, Sihayo Comprehensive High in uMzinyathi and Nombika High in iLembe. The projects are currently at tender stage for implementation in the 2024/25 financial year

To ensure equitable provision of education to learners with special education needs, the department continued with the implementation and construction of Special Schools. The scope included the construction of new teaching and learning facilities, specialised rooms for assessment and consultation, as well as boarding facilities. The department will continue to monitor the construction of the following special schools in the 2024/25 financial year; Musa Special School in Zululand; Tongaat Special School in Pinetown; YWCA Special School in Amajuba; Open Gate Special School in uMgungundlovu. The Bawelise Special School is on tender stage while the Zamimpilo Special School in Zululand and Inkosi Thathezakhe Special School in uMzinyathi.

The department will also continue with the construction of Grade R and ECD Classrooms across the province. The department has furthermore commenced the rolling-out and utilisation of the Education Facilities Management System (EFMS). All infrastructure projects implemented by the department have been uploaded and all departmental infrastructure officials have received training on EFMS.

The table below provides a geographic spread of the projects according to municipal districts. It should be noted that the figures in the table below does not align to the infrastructure budget since the leases have been omitted. This is due to the departmental internal arrangements, as leases are managed from a different programme.

Table 5. 3: Infrastructure estimates allocations per municipal district

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|----------------------------|------------------|------------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 49 | 85 746 | 52 691 | 53 677 |
| eThekwini | 292 | 345 210 | 303 371 | 236 450 |
| Harry Gwala | 113 | 128 489 | 105 053 | 73 196 |
| iLembe | 118 | 103 772 | 58 431 | 36 146 |
| King Cetshwayo | 289 | 327 437 | 279 939 | 242 609 |
| Ugu | 101 | 77 768 | 59 079 | 22 622 |
| uMgungundlovu | 156 | 593 844 | 1 238 414 | 1 671 934 |
| Umkhanyakude | 159 | 152 636 | 118 218 | 42 690 |
| uMzinyathi | 172 | 121 930 | 57 912 | 33 266 |
| uThukela | 138 | 130 861 | 77 112 | 46 696 |
| Zululand | 246 | 204 479 | 121 134 | 65 825 |
| Province Wide | 19 | 436 698 | 556 536 | 648 776 |
| Total | 1852 | 2 708 870 | 3 027 890 | 3 173 887 |

Vote 5 : Education

**Figures in the table above exclude funds for infrastructure lease*

In line with various priorities stated above, the department has provisioned for a total of 1852 projects in various municipalities in the province. The eThekweni district has the highest number of projects with a total of 292 projects and R345.210 million in the 2024/25 financial year and R303.371 million in 2025/26. In the 2026/27 financial year the department has R236.450 million allocated. Some of the projects in this district included Nkosazana Primary School, Nxenjane Primary School, Ndlongolwane High School and Ndluyesilo High School. This is followed by King Cetshwayo district in terms of the number of projects totalling to 289 projects. The total estimated budget for King Cetshwayo district for 2024/25 is R327.437 million, R279.939 million and R242.609 million for the outer years of the MTEF. uMgungundlovu has 156 projects and an estimated budget of R593.844 million in the 2024/ 25 financial year, R1.238 billion in the 2025/26 financial year and R1.672 billion in the 2026/27 financial year. Some of the projects that are implemented in this district include Celani Primary School, Cosmo Primary School, Kameelhoek Primary School, Albert Falls Intermediate School, Novuka Primary School, New School Programme, Alstone Primary School, Panorama Combined School, Thokozwayo Secondary School. The other districts are also indicated in the table above. There are 19 projects that will be implemented in various districts throughout the province. These are packaged maintenance projects which are mainly focusing on the existing asset base.

4. State of Readiness

The table below shows the level at which the department has planned to implement projects for the 2024/25 MTEF period. The projects at various stages of construction, are monitored by the department as they move from initiation to close out.

Table 5. 4: State of readiness to implement projects

| Project Status | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--|--------------------|----------------------------|------------------|------------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation/ pre-feasibility | 60 | 231 855 | 829 022 | 1 484 285 |
| Stage 2: Concept/ Feasibility | 34 | 32 734 | 37 112 | 29 882 |
| Stage 3: Design Development | 35 | 57 947 | 51 326 | 26 780 |
| Stage 4: Design Documentation | 539 | 674 295 | 607 782 | 506 368 |
| Stage 5: Works | 354 | 1 061 085 | 831 452 | 477 270 |
| Stage 6: Handover | 707 | 264 304 | 176 632 | 50 738 |
| Stage 7: Close out | 109 | 38 863 | 12 006 | 3 772 |
| Other - Programme/Project Administration | 13 | 327 533 | 434 541 | 543 625 |
| Other - Packaged Ongoing | 1 | 20 254 | 48 017 | 51 167 |
| Total | 1 852 | 2 708 870 | 3 027 890 | 3 173 887 |

**figures in table 5.4 exclude funds for infrastructure lease*

With reference to the provisioning for 1852 projects across the province stated above, the department has recorded the status of each project in the project delivery stages. The infrastructure portfolio comprises of 60 projects at initiation stage, 34 at concept stage, 35 projects at design development, and 539 projects at design documentation stage, which reflects project readiness to commence and proceed to construction work in 2024/25. The department has recorded 354 projects at works stage and 707 projects at project completion handover stage. There are also 109 projects at the closeout stage. The department has also recorded 14 packaged ongoing projects which include current maintenance, water, sanitation and fencing projects. The largest portion of the budget over the MTEF is allocated to projects on works stage with a total amount of R 1.061 billion for 2024/25, R831.452 million in 2025/26 and R477.270 million for the 2026/27 financial year.

The bulk of the department's projects are at handover stage followed by projects at design documentation. This means that the department is attempting to complete projects and close them out however due to lengthy design and approval processes that must be conformed with, specific requirements for existing schools and infrastructure norms and standards requirements a large number of projects can also be found at design documentation stage.

The department continues to endeavour to provide high quality school infrastructure despite the challenges of the shrinking fiscus and the high demand for school infrastructure which is exacerbated by the persistent inclement weather conditions in the province.

Vote 6

Provincial Treasury

The Provincial Treasury has no allocated infrastructure programmes or projects.

Vote 7

Health

1. Overview of Infrastructure Programme

The Department of Health's mission is to develop and implement a sustainable, co-ordinated, integrated and comprehensive health system at all levels for the KZN province. This is based on the primary health care approach through the District Health System to ensure universal access to health care. The mission for the department is in line with universal health coverage which is a key target of the Sustainable Development Goals.

In South Africa, the National Health Insurance (NHI) system is a major health financing reform towards universal health coverage. Along with this reform are specific strategies that will help the health system to be ready for the NHI. One such strategy is the Ideal Clinic Realisation and Maintenance (ICRM) programme which aims to improve the quality of care at primary healthcare level. For the department this is supported by a significant increase in the number of infrastructure projects that address statutory compliance, safety and restoration of services that improve the reliability of state facilities.

The department's mission in so far as infrastructure provision is concerned is managed by the departmental chief directorate for Health Infrastructure Development. This unit oversees the construction, upgrades, rehabilitation and maintenance of health facilities. The infrastructure projects are implemented by both the KwaZulu-Natal Department of Public Works and Department of Health. With the significant capacitation of the department's Infrastructure Development Unit with built environment personnel, it has been possible to implement some of the projects internally. The infrastructure delivery and management for the department falls under Programme 8 with six sub-programmes as follows:

- Sub-Programme 8.1: Community Health Facilities
- Sub-Programme 8.2: Emergency Medical Services
- Sub-Programme 8.3: District Hospitals
- Sub-Programme 8.4: Provincial (Regional) Hospital Services
- Sub-Programme 8.5: Central Hospital Services
- Sub-Programme 8.6: Other Facilities

2. Review of the 2023/2024 financial year

During the 2023/24 financial year, the primary focus for the Department of Health was on ensuring that the province has universal access to health care. This was undertaken by the provision of support to the health care facilities while trying to find a balance between maintaining, upgrading or rehabilitating the existing immovable assets base. The Infrastructure Development Unit in the department performs facilities management of community healthcare centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures. In respect to the universal access to healthcare as indicated above, the department has embarked on planning for the regionalisation of four hospitals and development of a new tertiary hospital. This programme will assist the citizens by reducing long travel distances to

access services by rural communities, high costs of inter-facility transportation of patients as well as operational cost of the specialised health services. The condition assessments for the hospitals that are prioritised for the regionalisation have been completed and these hospitals are as follows:

- Vryheid Hospital Upgrade a 338-bed district hospital to a 540-bed regional hospital in Zululand District
- Bethesda Hospital Upgrade a 200-bed district hospital to a 300-bed regional hospital in uMkhanyakude District
- Dundee Hospital Upgrade a 204-bed district hospital to a 270-bed regional hospital in uMzinyathi
- Christ the King Hospital Upgrade a 210-bed district hospital to a 300-bed regional hospital in Harry Gwala District
- In addition to the above, the technical studies for the business case to develop a new 550 bed Tertiary Hospital in Northern KwaZulu Natal, King Cetshwayo District have been completed.

Mental Healthcare is one of the priorities for the department. In this regard, the planning and design of the Mental Health Facilities has commenced in various hospitals including Benedictine, Bethesda, Dundee and King Dinuzulu hospitals. The completion of implementation of the short-term maintenance project for Ngwelezane Nakekela Centre and complete design for a new establishment has been done.

In support of the NHI, the implementation of condition-based clinic maintenance programmes continued. These programmes are mainly focusing on maintenance and ensuring that health facilities are always functional. This is a priority for the department to ensure that there is continued health care service to the KZN citizens and is supported through solutions such as alternative energy and water source in the wake of water disruptions and load shedding. The department has continued with the province-wide generator programme, sewer replacement programme and water storage tank installations at clinics. Other multi-year programmes include Heat, Ventilation and Air-conditioning (HVAC) and related installations, replacements or upgrades, Autoclave replacement programme and electrical upgrades which were all undertaken.

The plans to create 2 500 jobs of maintaining grounds and gardens through the EPWP by March 2024 were achieved mid-year, as the department created 2 883 jobs, already exceeding the annual target. These jobs are funded from both the PES and the EPWP Integrated Grant for Provinces.

The department completed 57 capital infrastructure projects, exceeding the target of 41 planned, due to the introduction of NHI Compliance Clinic maintenance and upgrading programme. Completed projects include but not limited to GJ Crookes Hospital: Upgrade to roof and plumbing in maternity ward in Ugu District, Umngeni Hospital: roof replacement in Umgungundlovu, Dundee Regional Laundry in Umzinyathi, King Dinuzulu Hospital: infrastructure Hub in eThekweni Metro and Bruntville CHC: new pharmacy, dispensing area and walkways in uMgungundlovu District.

Pixley Ka Isaih Seme Hospiwas the only project implemented under new and replacement projects category. So far, 247 beds have been commissioned to provide medical, critical care, pharmacy, orthopaedics, surgical services, mental outpatient, dental, radiological outpatient services and four theatres.

Health experienced damages to various health facilities in and around the coastal areas, especially in eThekweni during the April 2022 floods. This necessitated budget and project reprioritisation by the department. These repairs such as for water disruptions, damaged asbestos and leaking flat roof structures had to be addressed. There is still an extensive number of facilities that contain asbestos structures that are continuously deteriorating and potentially cause health risks. This is being

addressed with the current Asbestos Eradication programme. Various projects including the Northdale Hospital waterproofing project, the Nkonjeni Hospital Children's Hospital project, the Charles Johnson Memorial Hospital intensive renovations, the Osindisweni District Hospital roof repairs and renovations, and the Groutville Community Healthcare Centre project are underway. In addition to addressing the flood damages, there are recovery programmes underway in various hospitals.

The commitment to build a new tertiary hospital in the north of the province in Empangeni continued, with the draft business case being reviewed through the Infrastructure Crack Team and Provincial Treasury. At this stage, only long-term planning is underway, with the budget for the construction and operationalisation of this hospital yet to be determined.

Funding of Infrastructure

The department receives infrastructure funding from the Equitable Share, Health Facilities Revitalisation Grant (HFRG) and Expanded Public Works Programme (EPWP). The table below depicts the funding source for infrastructure for the department and shows the infrastructure trends per source of funding for the 2020/21 to 2026/27 financial years. The infrastructure budget is used to fund construction, upgrading and maintenance of health facilities such as clinics, community health centres and hospitals.

The Health Facilities Revitalisation Grant (HFRG) has the following aims:

- To accelerate the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure.
- To enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of hospitals and to transform hospital management and improve quality of care, in line with national policy objectives.
- To supplement provincial funding of health infrastructure, to accelerate the provision of health facilities including office furniture and related equipment, as well as to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.

The 2024/25 Health Facilities Revitalisation Grant includes the R79.2 million incentive that was awarded to the Department of Health from the National Treasury's performance-based incentives grant. The department scored 99 percent showing an improvement of 5 percent from the previous financial year. There are 574 out of 1003 projects implemented and funded by this grant, these include the construction of Vryheid Legal Mortuary, New Blaawbosch Clinic, New Mtubatuba Community Healthcare centre, renovation of nurses' accommodation in Northdale Hospital, and IDMS posts to mention a few. The budget shows a positive growth for the 2024/25 MTEF.

Projects under the equitable share are mostly maintenance and repairs with an allocation of 36 percent of the total infrastructure budget over the 2024/25 MTEF.

Table 7. 1: Funding source for infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised Estimate | Medium-term estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| | | ('000) | | | 2023/24 | | | | |
| | | | | | ('000) | | | | |
| Equitable Share | 2 200 418 | 867 445 | 591 508 | 773 325 | 781 986 | 617 485 | 743 864 | 867 009 | 840 317 |
| Health Facilities Revitalisation Grant | 1 271 414 | 1 247 730 | 1 389 913 | 1 462 122 | 1 371 765 | 1 371 765 | 1 458 192 | 1 441 233 | 1 507 542 |
| Expanded Public Works Program | 10 903 | 12 689 | 11 736 | 8 614 | 8 614 | 8 614 | 3 186 | – | – |
| Total | 3 482 735 | 2 127 864 | 1 993 157 | 2 244 061 | 2 162 365 | 1 997 864 | 2 205 242 | 2 308 242 | 2 347 859 |

The table below illustrates the summary of the infrastructure budget according to the nature of investment categorised from 2020/21 through to the 2026/27 financial years. It shows the split of Infrastructure budgets between the Existing, New, Transfers, Leases as well as Non-Infrastructure Categories.

Table 7. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|---|------------------|-------------------|------------------|--------------------|---|------------------|-----------------------|-------------------|------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | 2 291 854 | 1 055 361 | 1 382 385 | 1 657 780 | 1 376 963 | 1 393 988 | 1 255 501 | 1 367 337 | 1 310 656 |
| Maintenance and repairs | 465 425 | 420 088 | 595 130 | 421 812 | 625 689 | 846 130 | 345 446 | 277 867 | 299 513 |
| Upgrades and additions | 1 491 640 | 447 772 | 558 979 | 699 695 | 428 470 | 310 368 | 571 169 | 842 132 | 847 095 |
| Rehabilitation and refurbishment | 334 789 | 187 501 | 228 276 | 536 273 | 322 804 | 237 490 | 338 886 | 247 338 | 164 048 |
| New infrastructure assets | 392 439 | 372 850 | 53 353 | 16 350 | 165 323 | 59 121 | 448 616 | 368 849 | 461 250 |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Current | - | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure leases | 176 513 | 236 800 | 123 369 | 130 679 | 97 444 | 160 486 | 120 000 | 100 000 | 116 069 |
| Non infrastructure | 621 929 | 462 853 | 434 050 | 439 252 | 522 635 | 384 269 | 381 125 | 472 055 | 459 885 |
| Total | 3 482 735 | 2 127 864 | 1 993 157 | 2 244 061 | 2 162 365 | 1 997 864 | 2 205 242 | 2 308 242 | 2 347 859 |
| Capital infrastructure | 2 218 868 | 1 008 123 | 840 608 | 1 252 318 | 916 597 | 606 979 | 1 358 671 | 1 458 320 | 1 472 392 |
| Current infrastructure | 641 938 | 656 888 | 718 499 | 552 491 | 723 133 | 1 006 616 | 465 446 | 377 867 | 415 582 |

The department continues to prioritise the existing asset base to which the bulk of the infrastructure budget has been allocated. These categories include Maintenance and Repairs, Upgrades and Additions as well as Refurbishment and Rehabilitation.

Maintenance and repairs: The budget shows a fluctuating trend throughout the years as maintenance needs differ each year. To manage the balance between different types of maintenance, it is classified to different categories namely Categories A, B, C and D. The Category A is for corrective maintenance, Category B is for preventative maintenance, Category C is for minor projects and Category D is used for purchase of materials for maintenance activities. Maintenance includes day-to-day maintenance at all facilities, such as servicing of plant, equipment, air-conditioners and lifts, sewer system replacements, borehole programme and urgent unplanned projects. Maintenance projects are being implemented by the department internally.

The increase in the 2022/23 financial year is as a result of flood disasters which occurred in April 2022, and which required reprioritization. The projects under this category are at different stages of implementation. A further significant increase in the revised estimate for 2023/24 financial year is due to load shedding. Load shedding impacts on critical engineering equipment, thereby resulting in increased maintenance costs and costly breakdowns. The maintenance allocation decrease in the outer years is due to a reduction in the equitable share which is the main source of funding for maintenance and repairs. The preventative maintenance is taking place in almost all departmental facilities. Major projects at construction stage include KZN Central Provincial Laundry at Prince Mshiyeni Memorial Hospital in eThekweni Metro, uThukela District clinics, Ugu District clinics and Harry Gwala district clinics to mention a few.

Upgrades and additions: The budget shows a fluctuating trend over the past seven financial years.

The high expenditure in 2020/21 was due to the upgrading of various facilities to respond to the COVID-19 virus. The hospitals that were part of this programme were Clairwood in eThekweni, Mosvold in uMkhanyakude, St. Francis Hospital and Siloah in Zululand to mention a few. There is a notable increase from 2024/25 MTEF due to the department focusing mainly on upgrading the existing infrastructure. There are more than 298 projects under this category at different levels of implementation. Projects in this category include Zululand Nursing college: convert the KZN Legislature to a nursing college, Madadeni Hospital: upgrades to student, accommodation both at design documentation stage, Murchison Hospital: Upgrades to staff accommodation currently at construction stage, Eskom Connection Programme in various facilities to mention a few. The Eskom Programme is to assist the department to connect directly from the transformer when there is load shedding.

Rehabilitation and refurbishment: The budget in this category shows a fluctuating trend throughout the financial years. The high expenditure in 2020/21 was due to the upgrading of various facilities to respond to the COVID-19 virus. The allocation for 2024/25 MTEF shows a negative growth. This is due to national budget cut as well as the shift of focus to new facilities. The department is focusing on the implementation of the Ideal Clinic Programme which was put on hold due to COVID-19 pressures. There are 11 new clinics in different stages and are anticipated to start construction during 2024/25 financial year.

The department has more than 100 projects in this category. Major projects over the 2024/25 MTEF include the Ekhombe Hospital renovations to staff accommodation, Wentworth Hospital: Flood Damage recovery, Asbestos Eradication programme in various districts and KwaMagwaza Hospital: renovations to Hast building.

New infrastructure assets: The budget in this category shows a fluctuating trend over the years and there is a significant increase from 2024/25 financial year onwards. This is due to the department focusing on the Ideal Clinic Programme and the universal primary health care coverage. As mentioned above the 11 new clinics are anticipated to start construction in the 2024/25 MTEF. These clinics include Mpolweni clinic in uMgungundlovu District, Mtubatuba New CHC in uMkhanyakude, Nyavini clinic in Ugu District and Mpaphala Clinic in King Cetshwayo District all at tender stage.

Infrastructure: Leases: provides for the hiring of office accommodation for various district offices across the province. The budget for the 2024/25 MTEF fluctuation is attributed to the anticipation of a decline in demand for rented facilities, once the capacity expansion is completed.

Non-infrastructure: relates mainly to the procurement of capital medical equipment. Fluctuations can be attributed to the exchange rate related to variations in the cost of essential medical equipment, including X-ray machines, CT scanners, etc. Also included in this category is Compensation of employees, being the costs of the various specialists (architects, engineers, etc.) employed specifically in Programme 8. The peak in 2019/20 is also related to once-off procurement of medical equipment prior to the commissioning of the Dr. Pixley Ka Seme Hospital. There is a steady growth from 2023/24 MTEF. The amounts in the outer years provide for the procurement of medical equipment, primarily across Programmes 2, 3, 4 and 5.

3. Outlook for the 2024/25 MTEF Period

During the 2024/25 MTEF the department will focus on the roll out of 11 new clinics in various Districts, a mortuary in Vryheid Zululand and a Community Health Centre in Mtubatuba area in uMkhanyakude District. The procurement process for these projects have been completed. Other major capital projects that are ready for construction include Mosvold 40-unit staff accommodation and a neonatal ward currently estimated at over R300 million, King Dinuzulu Star Shaped TB Wards

estimated at R150 million, Nkonjeni Student Accommodation estimated at R45 million. Furthermore, the department will increase its efforts to complete repairs on flood damage programme.

Furthermore, the department is working with National Treasury and National Health to solicit funding strategies for the new Tertiary Hospital in Northern Zululand as well as upgrading of four district hospitals into regional hospitals namely Vryheid, Dundee, Christ the King and Bethesda. Planning for these projects is now completed with business cases as well as clinical briefs having been approved by National Department of Health. Funding for the construction of these projects is not possible due to the current budget limitation which is exacerbated by budget cuts.

An important measure undertaken by the department to mitigate the effects of loadshedding is the adoption of alternative /renewable energy initiative. In the 2023/24 financial year, the department commenced with the solar lighting and inverter generated energy programme in clinics located in Ugu and Amajuba Districts. A limited budget allocation has been designated to sustain this initiative in all clinics with no generators (mostly former municipal clinics) located within municipal complexes in Zululand, uMgungundlovu, iLembe, and King Cetshwayo districts. Due to the substantial initial investment required, the alternative energy rollout program for hospitals was halted.

The table below depicts infrastructure estimates per municipal district, thus providing a geographical spread of the projects according to municipal districts together with their budget allocations. A total of 1 003 projects will be implemented over the MTEF period with a budget of R2.205 billion.

Table 7. 3: Infrastructure estimates allocations per municipal district

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|-------------------------|------------------|------------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 32 | 110 038 | 80 809 | 361 061 |
| eThekweni | 210 | 452 526 | 361 179 | 364 814 |
| Harry Gwala | 51 | 86 198 | 81 107 | 143 021 |
| iLembe | 42 | 73 271 | 81 600 | 148 731 |
| King Cetshwayo | 70 | 134 450 | 164 277 | 177 693 |
| Ugu | 48 | 97 204 | 84 429 | 125 184 |
| uMgungundlovu | 110 | 398 171 | 454 266 | 322 458 |
| Umkhanyakude | 52 | 131 682 | 188 967 | 345 390 |
| Umkhanyathi | 38 | 30 506 | 63 774 | 37 511 |
| Uthukela | 32 | 47 840 | 50 979 | 54 532 |
| Zululand | 75 | 176 157 | 170 713 | 121 205 |
| Province Wide | 243 | 467 199 | 526 138 | 471 213 |
| TOTAL | 1003 | 2 205 242 | 2 308 242 | 2 672 859 |

The eThekweni Metro has the highest number of projects with 210 projects with a budget of R452.526 million for the 2024/25 financial year, followed by uMgungundlovu district with 110 projects with a budget of R398.171 million in 2024/25. Projects in eThekweni include King Dinizulu Hospital New TB Complex, maintenance projects in various facilities and storm damage projects. Projects under uMgungundlovu District include Greys Hospital: Upgrades and renovations to nurses and doctors' accommodation, Fort Napier Flood Recovery and Ex boys Hostel flood recovery to mention a few. Also worth mentioning is the fact that eThekweni Metro and uMgungundlovu district are densely populated and have more health facilities than the other districts therefore receive a substantial portion of the budget. The provincial budget has a high budget as these are packaged projects mainly for maintenance and repairs of various facilities in the district. The number of projects and magnitude of budget allocated in the districts are dependent on the extent of work required notwithstanding the number of facilities in a particular district.

4. State of Readiness

The state of readiness to implement projects in the 2024/25 MTEF is indicated in the table below according to project statuses.

Table 7. 4: State of readiness to implement projects

| Implementation Stage | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--|--------------------|-------------------------|------------------|------------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation/ Pre-feasibility | 126 | 333 732 | 571 720 | 613 496 |
| Stage 2: Concept/ Feasibility | 66 | 285 468 | 516 792 | 564 085 |
| Stage 3: Design Development | 50 | 63 756 | 142 143 | 193 395 |
| Stage 4: Design Documentation | 128 | 486 973 | 435 024 | 434 982 |
| Stage 5: Works | 603 | 957 338 | 638 206 | 540 903 |
| Stage 6: Handover | 28 | 77 775 | 4 357 | 1 000 |
| Stage 7: Close out | 2 | 200 | - | 10 000 |
| Other - Programme/Project Administration | - | - | - | - |
| Other - Packaged Ongoing | - | - | - | - |
| Total | 1 003 | 2 205 242 | 2 308 242 | 2 347 859 |

The department has 1 003 infrastructure projects over the 2024/25 MTEF. The construction stage (stage 5: works) has the highest number of projects totaling 603 followed by projects at design documentation stage with 128 projects. Both stages are allocated the bulk of 2024/25 budget followed by projects at initiation/ pre-feasibility stage. Projects at Stage 5: Works include the priority clinics namely Ncukubana Clinic, Mahhele Clinic, Roosboon Clinics, Nkonjeni New neonatal facility and renovation of the existing Newcastle Package D: CCTV Cameras, access control heat pumps and fire detection.

Projects at Stage 4: design documentation include Blaawbosch Clinic, Driefontein Clinic, Ikhwezi Lokusa Clinic and kwaGwebu clinic.

The department will continue performing facilities management of clinics, CHCs, district hospitals, EMS facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures.

Vote 8

Human Settlements

1. Overview of Infrastructure Programme

The functions of the Department of Human Settlements revolve around restoring dignity and providing access to sustainable livelihoods through collaborated, equitable, decent and integrated human settlements. The mission of the department is to transform human settlements into livable neighborhoods through integrated human settlements programmes in areas with major economic opportunities and empowerment of all designated groups. The programme is responsible for the implementation and monitoring of human settlement developments and projects through the various mechanisms in terms of national and provincial policy provisions. This is achieved through programmes 3 and 4 within the department.

The main objective of Programme 3 is to promote effective and efficient housing delivery. The bulk of this programme provides for various housing subsidies. The programmes implemented include amongst others: Finance Linked Individual Subsidy Programme (FLISP), Informal Settlement Upgrades (ISU), Integrated Residential Development Programme (IRDP), emergency housing, social housing, rectification, social and economic facilities and rural housing. The Expanded Public Works Programme (EPWP) incentive grant which aims to create temporary work opportunities and a transfer of skills to the unemployed also falls within this programme. The various programmes for housing development that are implemented throughout the province and are listed below:

- Integrated Residential Development Programme - provides infrastructure and top structures in urban areas.
- Finance Linked Individual Subsidy Programme (FLISP) – the subsidy focuses on interventions targeting those categorized as the “gap market”, those who earn too much to qualify for a full government housing subsidy, while still earning too little to afford bonded housing. The FLISP subsidizes middle income individuals who are purchasing properties through financial institutions.
- Community Residential Units (CRU) - affordable rental accommodation is provided for low-income earners. This is achieved through the upgrading of existing hostels and/or the construction of new CRU units. The CRU programme aims to create a sustainable, affordable and secure rental housing option for households earning between R800 and R3 500 per month. The projects are usually developed on provincial or municipal owned land parcels in order to curb costs.
- Rural Housing Programme- focuses on building houses for those in rural settlements, where infrastructure for basic services already exists. The province has many rural settlements and as such the demand for housing in this programme is high.
- Emergency Housing Programme - provides urgent assistance by way of temporary units to families affected by catastrophic incidents such as inclement weather or disasters where their houses have been destroyed.

To deliver human settlement infrastructure, the department transfers funds to the accredited municipalities to implement their infrastructure projects. Some projects are managed internally using various municipalities as Implementing Agents wherein completed structures are transferred to the

beneficiaries. The department also develops social and economic amenities, including recreational parks, crèches, taxi ranks and community halls. These amenities are built and transferred to municipalities who are responsible for the maintenance and operations of these facilities.

Programme 4: Housing Asset Management, Property Management

The objective of this programme is to provide for the effective management of housing stock in the ownership of government. This programme therefore co-ordinates the maintenance of the departmental rental housing stock, the refurbishment of the old hostels and the conversion thereof to community residential units. The erection of new community residential units, the rectification of units built prior to 1994 and the transfer of rental housing stock to qualifying beneficiaries in terms of the Extended Enhanced Discount Benefit Scheme (EEDBS) is also managed under this programme.

2. Review of the 2023/24 financial year

The department delivers housing infrastructure through various programmes. This section indicates the achievements and the challenges experienced during the 2023/24 financial year per programme.

- *Informal Settlements Upgrade (ISU):* is aimed at upgrading existing informal settlements by ensuring that there is access to basic services such as water, sanitation, pedestrian/foot paths, roads, wastewater treatment plants, and electricity. This was introduced in 2021/22 to support housing developments where there is no basic infrastructure like water and electricity. In 2023/24 financial year the ISU programme had 55 projects at planning stage, 16 projects for the installation of bulks services and 19 projects were under construction. These were expected to yield 4 818 houses in the beginning of the financial year. The number of sites were decreased to 4 080 due to the revised quantum during adjustments, while 733 sites were completed by the end of the third quarter. The department made provision for the roll-out of the mass sanitisation, with a target of 90 densely populated settlements, which is intended to focus on high-risk areas such as informal settlements, Temporally Residential Units (TRUs) and public hostels across all districts and the eThekweni Metropolitan area. Such developmental interventions are pivotal in the upgrading of informal settlements, as well as in ensuring that the poorest of the poor do not have to live in precarious environments.
- *Integrated Residential Development Programme (IRDP):* The programme provides for planning and development of integrated housing projects. Projects can be planned and developed in phases and provide for holistic development orientation. The first phase entails planning, land acquisition, township establishment and the provision of serviced residential and other land use stands to ensure a sustainable integrated community. The second phase comprises the house construction for qualifying housing subsidy beneficiaries and the sale of stands to non-qualifying beneficiaries and to commercial interests, etc. The department was able to complete Sunnyside Extension Phase 3 IRDP project in King Cetshwayo District. In the 2024/25 MTEF the department will be focusing on Marrianridge IRDP Project, Lamontville Slum Clearance IRDP - Construction of Top structure 430 (Stedone) Stage 3 in eThekweni Metro and Empangeni IRDP 1C in King Cetshwayo District to mention a few.
- *Emergency Housing Sub-Programme:* This programme aims at making provision for assistance to families affected by disasters. Heavy rains were experienced during April and May 2022 which led to floods that affected various districts within the province and mostly Ugu, eThekweni and iLembe districts. The department applied for funding and was allocated funds with respect to the Provincial Emergency Housing Grant (PEHG) for the provision of emergency interventions such as the construction of TRUs. Most of the flood victims were residing in mass care centers and some housed by the relatives and neighbors. Due to unavailability of suitable land to construct TRU's, the department explored and obtained

approval to procure a building for Rental Accommodation Scheme (RAS) to assist accommodate victims housed at mass care centers. The department has allocated a portion of the grant to help rent these procured buildings. The following projects are currently in construction where the department is building temporary units to accommodate the flood victims:

- uMzinyathi 2019 Disaster - Phase 1 is 95 percent complete.
- Harry Gwala 2019 Disaster - Phase 1 is 28 percent complete.
- *Rural housing development programme:* provides for housing needs that are implemented in rural areas. The Bhidla Rural Housing Project - Phase 1, Dukuza A, Emmaus, Khathide Phase 2, Khokhwaneni, Kwamadlala and KwaNgwanase rural housing projects have significantly contributed to the rural housing programme delivery of 5 450 units at the end of third quarter across all districts in the province, against the annual target of 6 573 units, indicating an acceleration of service delivery in this programme. The following rural housing projects amongst others displayed significant construction progress in the 2023/24 financial year:
 - Kwambila Rural Housing Project in uMkhanyakude District with an expenditure amounting to R69.862 million.
 - Dondotha Rural Housing Project - Phase 1 in King Cetshwayo District with an expenditure amounting to R25.485 million.
 - Amakhabeleni Rural Housing Project Ward 5&6 – Top structure first 300 units in uMzinyathi District with an expenditure amounting to R23.092 million
 - Sobonakhona Rural Housing project in the eThekweni Metro with an expenditure amounting to R18.504 million
 - Mfulomubi Rural Housing Project in Harry Gwala District with an expenditure amounting to R8.965 million

Although there is such progress, there are still challenges due to some rural areas being too remote and the contractors struggle to source material from afar. In some areas, there are no access roads and it is difficult to deliver material to the beneficiaries' sites. This programme has assisted in improving the lives of the most vulnerable groups who had no other opportunity to access decent housing and enjoy security and comfort.

The Social and Rental Intervention provides for the Community Residential Unit (CRU) programme which aims to create a sustainable, affordable and secure rental housing option for households earning between R800 and R3 500 per month. The units are developed or managed on provincial or municipal owned land parcels to curb construction costs. The department uses its CRU norms and standards to guide the implementation of CRUs to ensure viable and sustainable CRU projects within reasonable costs. In 2023/24, the department managed to complete more than 522 CRU units across various districts in the province.

- The first phase of Enhlalakahle CRU project in Newcastle: out of 336, 192 units are in practical completion;
- Greater Kokstad: consist of 150 units with 102 units completed and
- uBuhlebezwe CRUs in Harry Gwala District: 228 units have been completed out of 300 units.

The Farm Residents Housing Assistance Programme (FRHAP) provides capital subsidies for the development of engineering services should no alternative funding be available and adequate houses for farm workers and farm occupiers. The farm owner plays a fundamental important role under this Programme. Internal municipal engineering services and land may be financed by the provincial government. The projects currently being implemented by the department in this programme includes

the Argosy Farm packaged projects and Richmond Farm Unit A & B - Phase 1, amongst others in eThekweni Metro and uMgungundlovu district respectively.

Funding of Infrastructure

The table below shows the four sources of funding, namely the Equitable Share, Human Settlements Development Grant (HSDG), Informal Settlements Upgrade Partnership (ISUP) and Provincial Emergency Housing Grant (PEHS). These funds are used to implement the department's mandate of delivering and promoting integrated, efficient, and sustainable human settlements through various housing programmes.

The *Equitable Share* is mainly used for the development of social and economic amenities including recreational parks, crèches, taxi ranks and community halls as well as departmental office accommodation. The amenities are built and transferred to the municipalities who operate them and are responsible for their maintenance.

Human Settlements Development Grant (HSDG) aims to provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements. The outputs for the grant are, but not limited to, the number of residential units delivered, serviced sites delivered in relevant housing programmes and informal settlements upgraded in situ and/or relocated.

Informal Settlements Upgrading Partnership Grant (ISUPG) aims to provide funding to facilitate programmatic and inclusive approach to upgrading informal settlements. This grant's output focuses mainly on planning phases as per the Housing Code i.e. Feasibility studies, land acquisition, and engineering services and service plans approvals etc.

Provincial Emergency Housing Grant (PEHG) aims to provide funding to provinces for provision of temporary shelter assistance to households affected by disasters or a housing emergency. To provide funding to provinces to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter.

Table 8. 1: Funding source for infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation | Revised Estimate | Medium-term estimates | | |
|-------------------------------------|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| | ('000) | | | | 2023/24 | | | | |
| | | | | | ('000) | | | | |
| Equitable Share | 26 888 | 27 343 | 25 177 | 24 154 | 33 923 | 33 923 | 36 101 | 38 260 | 39 422 |
| Human Settlements Development Grant | 2 709 691 | 2 455 021 | 2 285 047 | 3 007 121 | 3 079 216 | 3 104 256 | 2 507 919 | 2 598 582 | 2 632 179 |
| Provincial Emergency Housing Grant | 86 095 | 106 392 | 294 434 | - | 23 849 | 23 849 | - | - | - |
| Informal Settlement Upgrading Grant | - | 714 375 | 692 316 | 790 226 | 698 143 | 698 143 | 597 069 | 508 686 | 170 774 |
| Total | 2 822 674 | 3 303 131 | 3 296 974 | 3 821 501 | 3 835 131 | 3 860 171 | 3 141 089 | 3 145 528 | 2 842 375 |

As indicated above the department receives various grants, namely the Human Settlements Development Grant (HSDG) and the Informal Settlements Upgrading Partnership Grants (ISUPG) continues over the 2024/25 MTEF. The Provincial Emergency Housing Grant was allocated to the department from 2020/21 financial year up to 2022/23 and rolled over to 2023/24. This grant is not allocated in the upcoming 2024/25 MTEF due to its nature as it is allocated on an emergency basis. The conditional grants allocation displays a positive trend between 2020/21 and 2023/24. The allocation then plunges again in the 2024/25 financial year however it shows gradual growth again in the outer years of the 2024/25 MTEF.

The department received an amount of R714.375 million in respect of the ISUPG for the first time in 2021/22. The funding was still part of the HSDG in 2020/21 with specific conditions which included that at least 15 percent of the HSDG must be spent on informal settlements upgrading. The new grant was created by shifting funds from the HSDG to ensure that the funds allocated for this purpose cannot be utilised for other purposes. The allocation in respect of this grant is R692.316 million in 2022/23, R790.226 million in 2023/24, R597.069 million in 2024/25 and R508.686 million in 2025/26. The projects budgeted for in 2024/25 include the Etete Phase 4 housing project, Empangeni Integrated Residential Develop Programme (IRDP) housing project, Greater Amaoti housing project, Johnstown, Blaauwbosch Laagte and Cavan Phases 2 and 3, etc.

The department received funding for the Provincial Emergency Housing Grant (PEHG) in 2019/20. These funds were for storms which occurred between December 2018 and January 2019 that affected eight districts in the province with storm damages to 2 800 houses. In addition, these funds were for repairs related to severe storms and heavy rain experienced in April 2019 that caused damage to houses (mostly mud structures) in rural areas in 19 municipalities, where a total of 1 277 households were affected. These funds were not fully spent at the end of 2019/20, and R86.095 million was rolled over to 2020/21. The PEHG received an allocation of R106.392 million in the 2021/22 in terms of Government Gazette No. 44 593. The department made an application for disaster funding following Tropical Cyclone Eloise in February 2021. This allocation was for the provision of TRUs for 1 592 affected households, as mentioned. This grant received R294.434 million in 2022/23 for April 2022 disasters.

The table below indicates a summary of provincial estimates by nature of investment for Human Settlements. The department's Infrastructure transfers relates to the housing development which comprise of both capital and current transfers. The bulk of funds are classified as transfers as the product eventually is transferred to the beneficiaries. National Treasury together with National Department of Human Settlements is currently working on revising this classification.

Table 8. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|---|------------------|-------------------|------------------|--------------------|---|------------------|-----------------------|-------------------|------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | - | - | - | - | - | - | - | - | - |
| Maintenance and repairs | - | - | - | - | - | - | - | - | - |
| Upgrades and additions | - | - | - | - | - | - | - | - | - |
| Rehabilitation and refurbishment | - | - | - | - | - | - | - | - | - |
| New infrastructure assets | - | 8 655 | 1 298 | 5 000 | 4 000 | 4 000 | 8 000 | 10 000 | 10 000 |
| Infrastructure transfers | 2 795 786 | 3 144 625 | 3 118 240 | 3 659 362 | 3 622 284 | 3 646 340 | 2 941 739 | 2 941 905 | 2 652 805 |
| Current | 32 190 | 45 505 | 51 847 | 44 289 | 37 595 | 38 179 | 39 471 | 38 821 | 36 861 |
| Capital | 2 763 596 | 3 099 120 | 3 066 393 | 3 615 073 | 3 584 689 | 3 608 161 | 2 902 268 | 2 903 084 | 2 615 944 |
| Infrastructure payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure leases | 26 888 | 27 343 | 27 014 | 24 154 | 33 923 | 33 923 | 36 101 | 38 260 | 39 422 |
| Non infrastructure | - | 122 508 | 150 422 | 132 985 | 174 924 | 175 908 | 155 249 | 155 363 | 140 148 |
| Total | 2 822 674 | 3 303 131 | 3 296 974 | 3 821 501 | 3 835 131 | 3 860 171 | 3 141 089 | 3 145 528 | 2 842 375 |

Existing infrastructure assets: The department does not have a budget for existing infrastructure assets as the houses built are transferred to the beneficiaries.

New infrastructure assets: Capital: the budget in this category relates to the Social and Economic Amenities programme, for example recreational parks, crèches, taxi ranks and community halls. There is no spending in 2020/21 due to poor performance by the contractor on the Emfihlweni and Sonkombo community hall projects. The department terminated the contracts and appointed completion contractors to complete both community hall projects. The allocation in 2021/22 was for the finalisation of work that was affected by the poor performance of the contractor in the previous year. The allocation over the 2024/25 MTEF is to cater for the completion of these project as the new contractor was appointed and also the advancement of the Town View Mooi River Community Hall Phase 1 which is under construction.

Infrastructure transfers: Capital: this category has the highest budget since it receives its funding from the HSDG, Informal Settlement Upgrade Partnership (ISUP) Grant and Provincial Emergency Housing (PEH) Grant and the highest number of projects. The implementation of Community Residential Unit (CRU), Informal Settlements Upgrades (ISU), rural housing and emergency houses is carried out in this category.

The budget allocation fluctuates between the 2020/21 to 2023/24 financial years due to various factors affecting the implementation of projects in this category. The low budget in the 2020/21 financial year was due to the under spending of the CRUs programme. The under-spending against this programme was mainly due to poor performance by the implementing agent for the N11 CRU in the Amajuba District. There were also delays in the uBuhlebezwe CRU which experienced social issues, such as the contractor having difficulty in appointing general labourers because of the conflict with the business forum, and there were delays in respect of home enrolment with NHBRC as a result of the nationwide lockdown.

The increase in 2021/22 was additional funding received amounting to R106.392 million and R102.590 million with respect to the PEHG related to Tropical Cyclone Eloise, as explained. This allocation was for the provision of TRUs for 1 592 affected households. This funding was allocated against Transfers and Subsidies to: Households. In addition, during the 2021/22 Second Adjustments Estimate, the department received a further R3.802 million with respect to the PEHG. The department received a letter from the National Department of Human Settlements which indicated that the allocation related to the provision of TRUs for 46 households in eMadlangeni and 13 households in eThekwinini. The department fully spent these allocations at the end of 2021/22 on projects such as the construction of TRUs in the Ugu, uMgungundlovu, uThukela, uMzinyathi, Amajuba, uMkhanyakude, iLembe and Zululand District.

The slight decrease of budget in 2022/23 was influenced by various challenges including difficulties to spend that resulted from the April 2022 floods that took place in the province. There was little or no activity on the ground and most operations were disrupted in the coastal districts, with Ugu, the eThekwinini Metro and iLembe being the worst affected by these floods. The damage then delayed the implementation of the permanent housing projects due to the risk of rebuilding on unstable sites, where some sites were washed away by mud slides.

Production on sites was stalled as access roads and bridges were either blocked or washed away by floods. The resources and capacity were channelled toward emergency works, including undertaking damage assessments on how the displaced and distressed communities could be assisted.

- The 2023/24 allocation under Infrastructure transfers: Capital increased despite the National Budget consolidation. The increase of the 2023/24 allocation relates to budget roll-overs amounting to R416.465 million from 2022/23 to 2023/24 financial year with R360.340 million from HSDG amongst other sources of funding.

Infrastructure transfers: Current: in 2020/21 the budget under this category relates to the operational costs of accredited municipalities in delivering Human settlements' projects. These costs were previously recorded against Infrastructure Transfers Capital, after review, the department established that they were current in nature and reclassified accordingly retrospectively. Accredited municipalities include eThekweni, Ray Nkonyeni, Alfred Duma, Msunduzi amongst others. The department over-spent by R8.876 million and R7.558 million respectively as a result of higher than budgeted payments made to accredited municipalities for operational costs in the 2021/22 and 2022/23 financial years respectively. The Newcastle and uMhlathuze Municipalities over-spent in this regard as a result of higher than anticipated operational costs being paid. In 2023/24 the allocation decreased due to budget cut by R6.694 in respect of the eThekweni Metro and Amajuba District Municipality as a result of national fiscal consolidation budget cuts.

Infrastructure: Leases: The budget in this category relates to the operational leases for office accommodation leased by the department. The fluctuating trend over the 2020/21 to 2023/24 period relates to inflationary increases, as well as the increase in district offices due to decentralisation. The decentralisation process took place in the prior years and the department now has offices in nearly all districts. The department under-budgeted for operational leases against Infrastructure: Leases in 2021/22, 2022/23, as well as 2023/24 and is anticipating to utilise savings from other areas to cover this shortfall. This explains the increase from the 2023/24 Main to the Adjusted Appropriation.

Non-Infrastructure: reflects funding from 2021/22 onwards to correct the classification in relation to the HSDG infrastructure budget. These allocations cater for items such as operational costs which are not related to infrastructure, including advertising, communication, etc. In 2022/23 this category spent R150.422 million, against no budget as a result of the appointment of Chief Works Inspectors, Construction Project Managers and Civil Engineering Technicians to help with relief efforts after the April 2022 storm disaster. Furthermore, there was training and skills development costs for emerging contractors as part of the Siyakha Incubation Programme which were not budgeted for.

3. Outlook for the 2024/25 MTEF Period

This section looks at the key focus areas of 2024/25, outlining what the department is intending to achieve during the year, as well as briefly looking at challenges and proposed new developments. The main purpose of the department's budget allocation is for the provision of housing to various areas including rural areas and informal settlements, with the bulk of the funding being provided via the Human Settlements Development Grant (HSDG). In 2024/25, the department will implement the anti-land invasion strategy which has necessitated the safeguarding of departmental owned properties against illegal occupation, and will continue with the provision of housing, as detailed below.

The department approved the 20-year strategy in May 2019 for the upgrading of hostels to CRUs, and this strategy guides the upgrading of all hostels across the province and ensures that development costs are standardized and that the delivery of completed units is upscaled. During the 2024/25 financial year the department will be reviewing and updating this plan and its performance. Over the 2024/25 financial year, a major focus in the CRU programme will continue to be on the redevelopment of old hostels to CRUs and the construction of new CRU projects in various municipalities, while the department is planning to construct over 320 new units in the 2024/25 financial year as well as various hostel refurbishment projects as part of the hostel upgrading programme.

The department will continue with the construction of CRU's in 2024/25 MTEF. There are 535 new CRU units that are targeted for delivery over this MTEF. These include 25 units in Ubuhlebethu, 100 units in eThekweni hostel upgrades, more 100 units at Sibongile Hostel refurbishment, 60 units in Kokstad, 50 units in Donnelly Road in Wentworth in eThekweni Metro, as well as 300 units in

Newcastle N11. The majority of the new CRU units are in various municipalities including Newcastle, Greater Kokstad, uBuhlebezwe, eThekwini and uMvoti Municipality.

In 2024/25, the department has allocated R597.069 million from the ISUPG for 4 475 sites that will be provided with services such as water, sanitation, roads and storm water services, among others. This will take place in Driefontein and Groutville in Ilembe district as well as Lamontville and Ntuzuma in eThekwini etc. The department allocated budget to the planning of projects, installation of Temporary Services, installation of Bulk Services, purchase of strategic land parcels for informal settlement upgrades and for operations. The completed upgrading plans undertaken in 2024/25 will create a roadmap to the upgrading of informal settlements to ensure that technical assessments, socio-economic, environmental, and geotechnical factors, as well as the availability of bulk infrastructure services will be provided to those living under precarious conditions.

The rural housing development through the construction of top structures in rural areas will continue to be a focus area as it assists those who reside in undignified mud structures and are unable to provide better shelter for themselves. The identification of the most vulnerable residents will continue to ensure that they are prioritized as the demand for houses exceeds available resources. The established relationship with war-room will be strengthened to ensure that deserving families are prioritized for housing. The department intends to complete all the rural housing development projects that are in advance construction stages in the 2024/25 MTEF. The department is also aiming to progress the majority of the projects that have been handed over to the contractors to more advance construction stage, including the following projects, amongst others:

- Embo Phase 2 Rural Housing Project in eThekwini Metropolitan
- Ezibomvini Rural Housing Project in uMzinyathi district
- Ophuzane Intergrated Rural Housing Project - Construction of 2nd 300 Units in Zululand district
- Kwamachi Phase 2 (cluster 6) Rural Housing Project in Ugu district
- Moyeni A Rural Housing Project in uThukela district

The province will also focus on delivering houses to those who have been affected by severe weather patterns in the last 3 years. While some incidents have not been declared as disasters, they have exposed the need to intensify the delivery in rural areas.

There will be a shift in focus to districts that are severely under-developed and have high poverty indices. These areas include the uGu, uMzinyathi, King Cetshwayo, uMgungundlovu and Harry Gwala Districts Municipalities. The relations with OSS war rooms will be strengthened as this is the most practical way of identifying the most vulnerable families within communities, who will then be prioritised in terms of project delivery.

A total of 7 184 units (excluding the 2019 disaster) are planned for and these will be constructed in areas such as Khathide in Amajuba district, KwaXimba, Molweni, Dassinhoek and Kwangcolosi in eThekwini, Isithebe and Maqumbi in iLembe and reaching areas in the south of the province such as Gudlucingo in Harry Gwala and Umzumbe, KwaVukuzithathe and KwaMachi in uGu district.

Emergency Housing Programme: In addressing the previous disasters the department will focus on building permanent housing to assist people that were affected by October 2019 to January 2020 disasters. The following packaged projects amongst others are planned to be implemented in the 2024/25 MTEF:

- 2019 Disaster Funding eThekwini Metro
- 2019 Disaster Funding uGu District
- 2019 Disaster Funding uMkhanyakude

In respect of the flood disaster the department will be concentrating on the construction of the Temporary Residential Accommodation in 2024/25 MTEF such as Ladysmith Storm Damage, Temporal Structures - 146 TRA in uMgungundlovu and 260 TRA's in Mkhambathini. While this programme only focuses on permanent solutions however the construction of temporary accommodation as an immediate intervention will be available as and when the disasters occur.

The table below provides a geographic spread of the projects according to municipal districts. This information is obtained from the IRM, the details of which are contained in this publication as Table B5 for Human Settlements.

Table 8. 3: Infrastructure Estimate allocations per district municipality

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|----------------------------|------------------|------------------|
| | | Estimated Budget (‘000) | | |
| Amajuba | 33 | 268 027 | 305 079 | 287 716 |
| eThekwini | 96 | 663 174 | 702 608 | 782 770 |
| Harry Gwala | 22 | 177 372 | 98 382 | 98 346 |
| iLembe | 54 | 679 624 | 529 438 | 232 439 |
| King Cetshwayo | 53 | 265 119 | 217 824 | 126 409 |
| Ugu | 23 | 54 330 | 72 643 | 86 163 |
| Umgungundlovu | 65 | 398 574 | 501 731 | 431 163 |
| Umkhanyakude | 36 | 108 870 | 148 714 | 202 775 |
| Umkhanyathi | 50 | 222 214 | 235 351 | 308 898 |
| Uthukela | 70 | 139 938 | 145 159 | 86 985 |
| Zululand | 45 | 163 847 | 188 599 | 198 711 |
| TOTALS | 547 | 3 141 089 | 3 145 528 | 2 842 375 |

The department has recorded a total of 547 projects in the 2024/25 MTEF. The eThekwini Metro has the highest number of projects totalling to 96, followed by 70 projects in uThukela. The high number of projects at eThekwini Metro is attributed to the high population density, disasters emanating from floods since 2019 and informal settlements. In terms of budget distribution, the district with the highest budget allocation is iLembe District with a budget of R679.624 million followed by eThekwini Metro with an allocated budget of R663.174 million.

UGu is one of the districts with the least number of projects and lowest budget comprising of 23 projects with a budget of R54.330 million. The main challenge in uGu district is water supply infrastructure and this has led to the district halting some of its projects. The department is in consultation with National Department of Water and Sanitation in this regard.

4. State of Readiness

The table below shows the level at which the department has prepared to implement projects for the 2024/25 MTEF period.

Table 8. 4: State of readiness to implement projects

| Implementation Stage | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|---|--------------------|----------------------------|------------------|------------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation/ Pre-feasibility | 18 | 115 880 | 74 243 | 137 150 |
| Stage 2: Concept/ Feasibility | 2 | 12 750 | 42 750 | 27 124 |
| Stage 3: Design Development | 290 | 730 131 | 970 480 | 928 913 |
| Stage 4: Design Documentation | 15 | 105 463 | 108 029 | 58 217 |
| Stage 5: Works | 205 | 1 890 668 | 1 701 268 | 1 400 607 |
| Stage 6: Handover | - | - | - | - |
| Stage 7: Close out | - | - | - | - |
| Other- Programme / Project Administration | 13 | 267 293 | 232 444 | 288 363 |
| Packaged Programme | 4 | 18 904 | 16 314 | 2 001 |
| Total | 547 | 3 141 089 | 3 145 528 | 2 842 375 |

The department has a total number of 547 projects in various stages from initiation/pre-feasibility stage to close out. The bulk of the budget is allocated to projects under construction (Stage 5: Works) with 205 projects and a budget of R1.890 billion, followed by those at Design Development with 290 projects and a budget of R730.131 million. Projects under construction that the department is planning to achieve substantial progress and spending in 2024/25 includes but not limited to:

- Groutville Priority 1 Phase 2 Sihle Phakathi Housing Project Ward 24 currently at 28 percent with an allocation of R45.315 million
- Driefontein at 28 percent with an allocation of R86.304 million.
- Ikhwezi & Shakaville Hostel Refurbishment – Phase currently at 28 percent with an allocation of R20 million.
- Rehabilitation of 9003 units in former R293 Areas Phase 2 - Phase 1 currently at 55 percent with an allocation of R15 million.
- Umshwathi Housing Project currently at 55 percent with an allocation of R25.077 million.

Vote 9

Community Safety and Liaison

The Department of Community Safety and Liaison has no allocated infrastructure programmes or projects.

Vote 10

Sports, Arts and Culture

1. Strategic Overview of Infrastructure Programme

The Department of Sports, Arts and Culture promotes a healthy, creative, winning and socially cohesive province through sport, arts and cultural activities. The department attempts to achieve the mission to transform the sport, arts and cultural environment through integrated, sustainable, capacity development programmes for all citizens, by ensuring equitable access to opportunities to create a healthy, creative and a prosperous society.

The department implements its infrastructure programmes with the aim of creating an enabling environment for delivering sport, arts, culture and heritage services to all the people in the province. These programmes also seek to promote social cohesion by providing integrated sport and arts facilities in societies and schools so that various diverse groups of people can share common spaces across race and class.

The department not only builds new facilities but also helps with the refurbishment of existing facilities and the supply of maintenance equipment for the upkeep of existing facilities. In addition, facilities such as archives, museums, libraries and art centres are provided, thus ensuring access to the respective services. The department continues with its efforts to provide new libraries and increase access to library and information services. These libraries are handed over to respective municipalities after completion for operationalisation and maintenance. The department implements the bulk of its infrastructure internally and does not appoint external Implementing Agents (IA). There are some facilities which are implemented by various municipalities, the department transfers funds and monitors the project implementation.

2. Review of the 2023/24 financial year

The department has two categories of facilities, and these are Arts and Culture amenities as well as Sport facilities. In terms of Arts and Culture facilities, the department has managed to complete the renovations of various libraries in different municipalities namely: Jozini Library, Ndumo Library, Wasbank Library, Hibberdene Library, KwaSithebe Modular Library and Shayamoya Library. The department also installed Boreholes for 2 libraries; namely Bhongweni Library and Franklin Modular Library to address the water shortages in the area.

For the sport facilities development, the department facilitated the provision of new sport and recreation facilities as part of its contribution and intervention towards addressing backlogs in sport and recreation infrastructure. The province was severely affected by storms in 2022/23 financial year. Out of 6 sport facilities that were severely damaged by storms, four have been repaired and completed namely: Limit Hill Combo Court, Amaveya Combo Court, Umzimkhulu Primary Combo, Sizamimpilo Orphanage Combo Court. The repairs to the Mgamule and Malusi Combo Courts were delayed and eventually the contracts were terminated due to poor performance. The completion contract is in the tendering process, the contractor is expected to be on site in the next financial year.

The department also co-funds some capital projects through the transfer payments which are implemented over multi year periods. These include the construction of Fitness Centres in the Alfred Duma in the Uthukela district, Umzimkhulu, Harry Gwala districts and Newcastle in the Amajuba district.

Funding of Infrastructure

The source of funding for Sports, Arts and Culture infrastructure projects is the Equitable Share and a portion of the Community Library Services Grant. Table 10.1 below reflects this revenue source.

Community Library Service Grant: The Community Library Service Grant (CLSG) is intended to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives. This grant is utilised for both *infrastructure* and *non-infrastructure* activities such as library material and capacity building programmes for the community library. In 2023/24 the department funded the construction of various libraries in the province namely KwaDlangezwa Library in King Cetshwayo district, uMzumbe Library in Ugu district, Ofabeni Library in Umzinyathi district, KwaMdakane Library in the Amajuba district; and the Sankontshe Modular Library in Ethekwini.

The 2024/25 MTEF allocation provides for the construction of Sport, Arts and Culture facilities, such as arts centres, museums, archives centres, libraries, sport and recreation amenities as recorded in the table below. There is an increasing trend in the 2024/25 MTEF as indicated in the table below. For the 2024/25 financial year an amount of R166.627 million is allocated while in the 2025/26 financial year it increases to R174.501 million and in the 2026/27 financial year and amount of R181.320 million is allocated.

Table 10. 1: Funding source for infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 | Revised Estimate | Medium-term estimates | | |
|----------------------------------|-----------------|---------|---------|--------------------|-----------------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| | ('000) | | | | | | ('000) | | |
| Equitable Share | 58 694 | 133 235 | 92 842 | 110 779 | 112 256 | 108 801 | 103 998 | 109 501 | 113 130 |
| Community Library Services Grant | 63 075 | 64 137 | 70 000 | 70 000 | 70 000 | 70 000 | 62 629 | 65 000 | 68 000 |
| Total | 121 769 | 197 372 | 162 842 | 180 779 | 182 256 | 178 801 | 166 627 | 174 501 | 181 130 |

The table below shows a summary of provincial estimates by nature of investment consisting of Existing Infrastructure Assets that includes: Upgrades and Additions; Refurbishment and Rehabilitation; and New Infrastructure Assets. Leases are also detailed.

Table 10. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-------------------|----------------|--------------------|---|------------------|-----------------------|-------------------|----------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | 6 385 | 44 768 | 72 643 | 35 705 | 43 409 | 52 265 | 27 608 | 29 535 | 31 521 |
| Maintenance and repairs | – | – | 14 303 | – | 5 800 | 5 217 | – | – | – |
| Upgrades and additions | 91 | 18 211 | 10 623 | 8 000 | 8 000 | 2 853 | 10 705 | 12 305 | 14 021 |
| Rehabilitation and refurbishment | 6 294 | 26 557 | 47 717 | 27 705 | 29 609 | 44 195 | 16 903 | 17 230 | 17 500 |
| New infrastructure assets | 64 646 | 56 224 | 71 643 | 76 710 | 70 483 | 58 172 | 68 193 | 70 965 | 72 371 |
| Infrastructure transfers | 36 437 | 70 639 | 2 311 | 42 492 | 42 492 | 42 492 | 44 063 | 46 167 | 48 291 |
| Current | 900 | 900 | 2 311 | 1 860 | 1 860 | 1 860 | 2 475 | 2 475 | 2 475 |
| Capital | 35 537 | 69 739 | – | 40 632 | 40 632 | 40 632 | 41 588 | 43 692 | 45 816 |
| Infrastructure payments for financial assets | – | – | – | – | – | – | – | – | – |
| Infrastructure leases | 14 301 | 25 741 | 16 245 | 25 872 | 25 872 | 25 872 | 26 763 | 27 834 | 28 947 |
| Non infrastructure | – | – | – | – | – | – | – | – | – |
| Total | 121 769 | 197 372 | 162 842 | 180 779 | 182 256 | 178 801 | 166 627 | 174 501 | 181 130 |
| <i>Capital infrastructure</i> | 106 568 | 170 731 | 129 983 | 153 047 | 148 724 | 145 852 | 137 389 | 144 192 | 149 708 |
| <i>Current infrastructure</i> | 15 201 | 26 641 | 32 859 | 27 732 | 33 532 | 32 949 | 771439 | 30 309 | 31 422 |

Maintenance and repairs: The department does not have a budget for maintenance as the facilities delivered by this department get transferred to municipalities on completion. The relevant municipality takes over the preventative and day-to-day maintenance responsibility after these facilities are handed over. The values reflected in the table above in the 2022/23 and 2023/24 financial years under this category was for the maintenance of the department's own buildings.

Upgrades and additions: The budget in this category is used by the department for the upgrade of various art centers and libraries. During the 2020/21 MTEF period the allocation for this category started at R91 000 in the 2020/21 financial year which was low because of budget cuts that were prevalent at the time. The allocation was then revised to R18.211 million and then reduced to R10.632 million due to projects such as Bulwer Arts Center and Mbazwane Arts Center progressing to design development and design documentation stages respectively. In the 2023/24 financial year the department had an initial allocation of R8 million at the beginning of the financial year, this amount was adjusted to R2.853 million by the end of the financial year due to the department undertaking budget adjustments. The amount of R10.705 million has been budgeted for the financial year 2024/25. In the 2025/26 financial year R12.305 million was allocated and R14.021million in the 2026/27 financial year. This budget is allocated for the upgrade of the uThungulu Art Centre in King Cetshwayo district. This project is currently in the design documentation stage. The Osizweni Art Centre is also another upgrades and additions project in Amajuba district which is now at design documentation stage. Some other priority projects in this category include Umzimkhulu and Utrecht, libraries.

Rehabilitation and refurbishment: The budget allocation over the 2020/21 MTEF period show an upward trend from R6.294 million in 2020/21 to R26.557 million in 2021/22 and R47.717 million in 2022/23 financial years. This was due the department starting new projects in this category such as Merlewood Library. The department has budgeted an amount of R16.903 million in the 2024/25 financial year. Some of the projects currently in progress in this category include Ezinqoleni Library in Ugu district, which is currently in the initiation stages. The Hiberdene Library also in Ugu district is currently under construction. Despite the challenges with illegal occupants, the refurbishment of the Winston Churchill Arts Centre remains a priority in this category. The department has allocated a budget of R17.230 million and R17.500 million in the 2025/26 and 2026/27 financial years

respectively. Most projects in this category are as a result of poor day to day maintenance of these facilities which is the responsibility of the municipality. When the municipality has failed to do preventative maintenance, it results in costly rehabilitation. In most instances, the neglect is due to financial constraints that the municipalities experience. The municipalities get assistance from the department to rehabilitate and refurbish these facilities. The department has taken this decision as it is essential to ensure that life and functionality of the buildings are extended.

New Infrastructure assets: This category of the budget caters for the construction of new infrastructure assets by the department. The department has budgeted R68.193 million for the 2024/25 financial year. Some new arts facilities are currently in the construction stage this includes Sankotshe Modular Library in Ethekeeni, Ugu Childrens Play gym in Ugu district, KwaMdakane Library in Amajuba district, Ofabeni Library in uMzinyathi district, KwaDlangezwa Library in King Cetshwayo district and Ndeleni Library in uMgungundlovu district. These facilities are multiyear projects that did not necessarily start in the 2024/25 financial year

There are sports facilities in the initiation stages such as Ilembe Combo Court, Umgungundlovu Combo Court and Ethekeeni Combo Court. The department is budgeting to spend R70.965 million and R72.371 million in the 2025/26 and 2026/27 financial years respectively. These projects are multi-year which means funds will continue to be spent over the outer years of the MTEF hence the estimated budget indicated.

Most projects in this category have experienced challenges as most of them are behind schedule. These include among others the KwaMdakane Library in Dannhauser Municipality, Nquthu Library in Nquthu Municipality and Ofabeni Library in uMsinga Municipality. The KwaMdakane Library contractor is currently on site but has experienced various challenges and is behind schedule. The Nquthu Library project is under construction but is behind schedule. The challenges include rain days, borrow pit problems with local leadership and general slow performance by the contractor. The Ofabeni Library project is under construction after excessive delays from the time of the award. There have been issues of accessibility and slow progress on site meaning that the project requires a recovery plan to accelerate these works.

Infrastructure transfers: Current: The department has budgeted R2.475 million in the year 2024/25 as maintenance grants to be paid to municipalities for the maintenance of sport facilities constructed by the department. The department has allocated equitable share funding towards the operations and maintenance of sport facilities such as Dondotha Sports Field, Machibini Sports Field, and uMzimkhulu fitness centre over the 2024/25 MTEF. The budget allocation for this category is R 2.475 million in 2025/26 financial year and the same amount has been allocated for the 2026/27 financial year.

Infrastructure transfers: Capital: The department has budgeted R41.588 million for the construction of new sport centres in various municipalities in the province in the year 2024/25. These are multi-year construction projects. Some of the municipalities who will benefit from these transfers include, but are not limited to, the Zululand district with the construction of the Belgrade Fitness Centre, Amajuba district with the construction of Newcastle Fitness Centre and King Cetshwayo district with the construction of Eskhaleni Fitness Centre. The estimated budget for the 2025/26 financial year is R43.692 million and in 2026/27 financial year R46.006 million is budgeted.

The transfers both capital and current, require the department to enter into an agreement wherein both parties agree on how projects would be managed. This ensures that funds are utilised for what they were intended for. Some of these projects are also co-funded by the municipality which sometimes causes delays when the municipalities or the department are not able to meet their financial obligations.

Infrastructure leases: The estimated budget for infrastructure leases over the 2024/25 MTEF is R26.763 million in 2024/25 with a marginal increase to R27.834 million in 2025/26 and a further increase to R28.947 million in the 2026/27 financial year. These are buildings used by the department for office accommodation.

3. Outlook for the 2024/25 MTEF Period

The department will continue over the 2024/25 MTEF to utilise its infrastructure budget to fund the construction of sports, arts and culture facilities such as sport fields, swimming pools, libraries and museums facilities. For sport facilities, the implementation strategy of the department involves transferring budgets to municipalities as well as implementing certain projects internally. Where the department is using municipalities to implement projects, the relationship is governed by a signed Service Level Agreement (SLA) which details how projects will be monitored by the department as well as the funding model for the project. The major projects in the 2024/25 financial year allocations provide for the continued construction of sport facilities by the department, such as the construction of combo courts, and supplying and installing of children's play gym equipment in various districts in the province.

With regards to development of arts and culture facilities, the department implements these projects using various professional service providers and contractors to rehabilitate and upgrade museums and construct libraries in various municipalities in the province. Some priority new libraries, include Shayamoya in Greater Kokstad which is currently under construction and nearing completion and Sankontshe library in eThekweni which is in the initiation stages.

The table below shows the infrastructure estimates per municipal district for the department. The department has a total of 60 projects spread out in all the districts in the province. The districts with the largest number of projects are Harry Gwala and uMgungundlovu with 9 projects each and an estimated budget of R30.113 million and R40.723 million in the 2024/25 financial year respectively. Amajuba and Zululand follow with 7 projects each and an estimated budget of R14.113 million and R11.873 million in 2024/25. iLembe district has the lowest number of projects with 1 project that does not have a budget allocation. This project is the Ilembe Combo Court project, it does not have a budget because it is still in the pre-feasibility stage.

Table 10. 3: - Infrastructure estimates allocations per municipal district

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|-------------------------|----------------|----------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 7 | 14 113 | 18 757 | 27 851 |
| eThekweni | 2 | 2 600 | 1 950 | 460 |
| Harry Gwala | 9 | 30 113 | 12 143 | 2 950 |
| Ilembe | 1 | - | - | - |
| King Cetshwayo | 6 | 18 931 | 15 286 | 2 248 |
| Ugu | 4 | 113 | 143 | 125 |
| uMgungundlovu | 9 | 40 723 | 47 794 | 60 947 |
| Umkhanyakude | 4 | 2 600 | 6 803 | 650 |
| Umzinyathi | 6 | 20 229 | 28 350 | 33 149 |
| Uthukela | 4 | 12 429 | 12 715 | 16 301 |
| Zululand | 7 | 11 873 | 13 330 | 18 949 |
| Province Wide | 1 | 12 903 | 17 230 | 17 500 |
| Total | 60 | 166 627 | 174 501 | 181 130 |

4. State of Readiness

This section indicates the state of readiness to implement projects during the 2024/25 MTEF. The table below shows the state of readiness of the department to implement Sports, Arts and Culture projects in the 2024/25 MTEF period. There are a total of 60 projects at various stages. There are 32 projects at stage 1, which is initiation/pre-feasibility, with an estimated budget of R7.955 million in the 2024/25 financial year. Most of the projects that are in initiation are combo courts and children play gyms which can be completed in one financial year as they have a short construction period. The category with the highest number of projects is stage 5, which is the works stage, with 17 projects under construction. The projects under construction also have the largest budget allocation at R89.907 million in the 2024/25 financial year. The two packaged projects with a budget of R39.666 million in the 2024/25 financial year are for district maintenance purposes.

Table 10. 4: Infrastructure state of readiness to implement projects

| Project Status | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--------------------------------------|--------------------|----------------------------|----------------|----------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation/ pre-feasibility | 32 | 7 955 | 16 347 | 36 071 |
| Stage 2: Concept/ Feasibility | - | - | - | - |
| Stage 3: Design Development | 2 | - | - | - |
| Stage 4: Design Documentation | 7 | 29 099 | 42 155 | 64 145 |
| Stage 5: Works | 17 | 89 907 | 70 935 | 34 467 |
| Stage 6: Handover | - | - | - | - |
| Stage 7: Close out | - | - | - | - |
| Other - Packaged Ongoing | 2 | 39 666 | 45 064 | 46 447 |
| Total | 60 | 166 627 | 174 501 | 181 130 |

The department continues to promote an active and cultural society by ensuring that the facilities and infrastructure that are delivered to the communities are of a high quality and maintained in a safe and habitable condition.

Vote 11

Cooperative Governance and Traditional Affairs

1. Strategic Overview of Infrastructure Programme

The Department of Cooperative Governance and Traditional Affairs (COGTA) core function is to support and strengthen the capacity of municipalities and traditional councils to manage their own affairs in ensuring the needs of the community are addressed. Within the functions of the department, COGTA has Programme 3 which is responsible for infrastructure development support for the department and to further ensure that the department as well as the traditional courts have suitable infrastructure to deliver their functions. In addition, this unit promotes and informs integrated planning and development in the province.

Programme 3 ensures that there is alignment between infrastructure delivery and the department's key institutional policies and strategies. These policies are aligned with the governance frameworks, the National Development Plan (NDP), Medium Term Strategic Framework (MTSF) and the Provincial Growth and Development Plan (PGDP).

There are different programmes of infrastructure delivery in the department, and these include the following:

- Management of the Community Service Centres (CSC) and Traditional Administrative Courts (TAC). The department builds, maintains, rehabilitates, and upgrades the CSCs and TACs as and when required.
- Strategic support to local economic development through the Small-Town Rehabilitation Programme which aims to improve competitive advantage by attracting and retaining investment, whilst simultaneously creating clean and safe environments around the province.
- Support to municipalities with grant funding for infrastructure delivery.

The department delivers the CSC and TAC through the KZN Department of Public Works (DOPW) as the Implementing Agent due to insufficient capacity to perform this function in-house. A Memorandum of Agreement was signed between COGTA and DOPW to ensure that the roles and responsibilities are defined with reference to rolling all identified projects. In addition, to accelerate the delivery of basic services in rural communities of KZN, the department utilises the Massification Programme by funding water and electricity projects in various municipalities.

2. Review of the 2023/24 financial year

The review for the 2023/24 MTEF period outlines what the department has achieved as well as the challenges faced, and proposed solutions to those challenges. The department's infrastructure budget is divided into four business units namely:

- Community Service Centres: which deals with minor maintenance works for Imizi Yezizwe, the rehabilitation and renovation of Traditional Administrative Councils (TAC), and Community Service Centres (CSC).

- Project Implementation and Institutional Support: which deals with Small Town Rehabilitation, Corridor Development and Amakhosi Rural Economic Development programmes,
- Municipal Infrastructure: which deals with infrastructure related to municipalities, be it new construction or grants transferred to municipalities to supplement their infrastructure capability.
- Disaster Management: which deals with construction and maintenance of Disaster Management Centres, and Auxiliary Services – this includes all infrastructure related to the department's properties (leasing, maintenance, and new construction)

Community Service Centres: During the 2023/24 financial year, the Community Service Centre Business Unit funded the rehabilitation and maintenance of 11 TACs totalling R12.735 million which included Macambini, Mathenjwa, Cele K, Mbila, Mondi and Amantungwa TACs. The 11 TACs have achieved practical completion. In addition, there are 4 New TAC projects namely Fodo, Xaba, Madlebe and Shiyabane TACs which were funded with an amount of R10.282 million. Three have achieved completion only Xaba TAC was negatively impacted by storm damage during construction and the contractor is in a process of having a claim submitted to their insurance in order to rectify the damaged works.

Four municipalities, namely Impendle, Abaqulusi, Ndwedwe and Umdoni Local Municipality were supported with the rehabilitation of CSCs at a cost of R5.123 million. The Umshwathi CSC was extended at a cost of R7.500 million.

Project Implementation and Institutional Support: The department conducted budget reprioritisation which affected projects under Amakhosi Rural Economic Development and Small-Town Rehabilitation programmes. However, the approved allocations were only done for projects under the Small-Town Rehabilitation programme interventions for a total of R17.100 million in 2023/24 financial year. The projects are as follows:

- Nqutu Local Municipality; Installation of Solar Street and High Mast Lights for R10 million.
 - Okhahlamba Local Municipality; Bergville Light Industrial Park Phase 3 for R7.100 million.
- Both the projects are currently being implemented.

During the 2023/24 financial year the department was able to complete various projects under the Small-Town Rehabilitation and Amakhosi Rural Economic Development Programmes. The completed projects for Small Town Rehabilitation are as follows:

KwaMsane Internal Roads in Mtubatuba Local Municipality for R11.5 million; Umzinto Stormwater Drainage System phase 1 for R4 million Umdoni Local Municipality; eDumbe CBD Roads and Installation of Solar Street Lights for R10.6 million, Construction of Taxi Rank; Sidewalks, Market Stalls and Solar Street Lights for R14 million in Mkhambathini Local Municipality to mention a few.

In addition to the above the Amakhosi Rural Economic Development programme completed the KwaDukuza LM Bulwer Farm Vegetable Production for R6.5million.

Funding of Infrastructure

The table below shows the infrastructure funding trends per source of funding from financial year 2020/21 to 2026/27 financial years. The department receives infrastructure funding from the Equitable Share, there are no conditional grants in respect of infrastructure delivery.

Table 11. 1: Funding source for infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 | Revised Estimate | Medium-term estimates | | |
|--------------------|-----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|---------------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| | ('000) | | | | | | ('000) | | |
| 1. Equitable Share | 127 808 | 333 360 | 264 817 | 125 162 | 165 549 | 171 286 | 67 839 | 100 884 | 84 510 |
| Total | 127 808 | 333 360 | 264 817 | 125 162 | 165 549 | 171 286 | 67 839 | 100 884 | 84 510 |

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

The summary below depicts infrastructure estimates by the nature of investment from 2020/21 to 2026/27 financial years as detailed in the table below.

Table 11. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|---------------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| Existing infrastructure assets | 14 692 | 15 619 | 28 559 | 38 120 | 29 050 | 30 358 | 25 797 | 33 251 | 24 500 |
| Maintenance and repair: Current | 2 613 | 5 368 | 10 972 | 17 251 | 14 546 | 14 610 | 10 000 | 5 000 | 4 000 |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | 12 079 | 10 251 | 17 587 | 20 869 | 14 504 | 15 748 | 15 797 | 28 251 | 20 500 |
| New infrastructure assets: Capital | 87 304 | 69 277 | 9 297 | 19 100 | 8 786 | 7 842 | 14 770 | 38 000 | 28 500 |
| Infrastructure transfers | - | 201 020 | 179 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | 201 020 | 179 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | 12 800 | 30 329 | 25 749 | 29 004 | 17 870 | 23 243 | 27 272 | 29 633 | 31 510 |
| Non infrastructure¹ | 13 012 | 17 115 | 22 112 | 23 238 | 23 238 | 23 238 | - | - | - |
| Total | 127 808 | 333 360 | 264 817 | 125 162 | 165 549 | 171 286 | 67 839 | 100 884 | 84 510 |
| Capital infrastructure | 99 383 | 280 548 | 205 984 | 55 669 | 109 895 | 110 195 | 30 567 | 66 251 | 49 000 |
| Current infrastructure | 15 413 | 35 697 | 36 721 | 46 255 | 32 416 | 37 853 | 37 272 | 34 633 | 35 510 |

1. Non infrastructure is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

Maintenance and repair: This nature of investment caters for the department to maintain various office accommodation facilities. These facilities include but not limited to renovations of the Mayville building, day-to-day maintenance of all departmental buildings and the alarm system at Wadley house. The maintenance work undertaken includes but is not limited to renovations and repairs to floors, repairs to ceilings, installation of energy saving lights and general day-to-day maintenance. In 2023/24 the budget allocation was R14.610 million which decreased in 2024/25 financial year to R10 million due to the low number of planned projects in this category.

Upgrades and additions: based on the department's Annual Performance Plan (APP) the department has not planned for any projects in this category.

Refurbishment and rehabilitation: Capital: The main appropriation for the 2024/25 financial year has seen no major changes as compared to the revised estimate of the 2023/24 financial year. The budget decreases to R15.797 million for the 2024/25 financial year. In 2025/26 financial year a positive growth is noted while there is a decline in 2026/27. The low budget in 2024/25 compels the department to reprioritize the planned projects for implementation which has resulted in projects in this category to be revised from 37 to only 17 projects for the 2024/25 financial year based on the IRM table B5. These 17 projects include the rehabilitation of the Sobonakhona TAC, Qadi TAC, Ngqungqulu TAC, Ngcolosi TAC, Qiniselani Manyuswa TAC, Hlophe TAC just to name a few. The rehabilitation of the Traditional Administrative Courts (TAC) account for R13.161 million which is 83

percent of the budget in this nature of investment. The TAC Renovation projects currently have 7 projects in the Stage 4: Design Documentation, 4 projects in the Stage 5: Works and 1 project in the Stage 6: Handover, which is the Cele TAC in the Ugu District Municipality. This nature of investment also caters for the renovation of the community service centres namely the Emondlo CSC, Impendle CSC and the Shiyabanye CSC. The department had also catered for the flood relief project in this nature of investment. This project is the appointment of a service provider to provide professional services for projects impacted on by flood and rain damage, it has a budget of R850 thousand for the 2024/25 financial year.

New infrastructure assets: The budget in this category is fluctuating due to the implementation plan of the department for the projects within the nature of investment. In 2023/24 the budget was R7.842 million and it has increased to R14.770 million in 2024/25 with a further increase to R38.000 million in the 2025/26 financial year. This category is mainly for the construction of Community Care Centres, Imizi Yezizwe and installation of park homes. The budget allocation fluctuates due to the nature of the construction activities currently underway. The projects under this category include construction of a new District office in Ixopo located in the Harry Gwala District Municipality which is currently in construction stage, the construction of district offices and renovations to the house at Karrell Landman Street in Dundee for the uMzinyathi District Office accommodation. This project is currently on tender. Hlomendlini Parkhome and ablution facilities at iLembe District with a contractor appointed in December 2023 and site handover expected in February 2024. The bulk of the projects are at initiation stage. These include emalangeni TAC in Ugu District Municipality, Ntsimbini new TAC in Zululand and Cele R New TAC in Harry Gwala just to name a few.

Infrastructure transfers: based on the department's APP the department has not planned for any projects under this category. The department has done transfers in the 2023/24 financial year and the projects are in various stages as discussed below hence the zero budget in this nature of investment. Some of the transfers are:

- R21.609 million for the Nquthu Local Municipality for the electrification of 181 households;
- R20.700 million for the Mkhambathini Local Municipality for the electrification of 252 households in Ward 2; and
- R20.700 million for the uMzumbe Local Municipality for the electrification of 500 households in Ward 20

Infrastructure leases: This category caters for the buildings leased by the department. The allocations over the MTEF provide for building leases such as uMgungundlovu, uMzinyathi, Ugu and iLembe District offices amongst others.

Non-Infrastructure: The department has no funding allocations against this nature of investment.

3. Outlook for the 2024/25 MTEF Period

The outlook for the 2024/25 MTEF period outlines what the department is planning to achieve through infrastructure programmes. The table below indicates the status of the projects in the pipeline for implementation and the estimated budget for each district in the upcoming MTEF. The districts with the highest allocation are uMgungundlovu with 4 projects, uThukela with 6 projects and iLembe with 6 projects also. The projects in these districts include TACs, maintenance of office buildings, leasing of office space to mention a few. The main contributing projects on the budget are leases for office accommodation, Msunduzi Heroes Arce and Wartburg factories at uMgungundlovu. For uThukela District the main contributing projects are uThukela Trading Stalls and Umhlumayo Cultural Centre. For iLembe the lease for iLembe District office and Mavela TAC.

The department has approved allocations for the funding of various programmes such as:

Community Service Centres: An amount of R26.177 million has been allocated to continue TACs infrastructure projects in support of the Institution of Traditional Leadership. An amount of R10.470 million is allocated which includes procurement and installation of prefabricated offices to be used as TACs for those without existing infrastructure and R11.175 million allocated for the rehabilitation of existing TACs.

The list of some major projects planned for the 2023/24??? financial year by the department across the CSC programme are as follow:

- Rehabilitation of the Mhlungwini TAC in the uThukela District. Project Estimate: R4.500 million
- Rehabilitation of the Qinselani Manyuswa TAC in Ethekwini. Project Estimate: R1.655 million
- Rehabilitation of the Hlophe TAC in the Harry Gwala District. Project Estimate: R2.224 million
- New Infrastructure works for the Mavela TAC in the iLembe District. Project Estimate: R6.900 million
- New Park Home infrastructure for the Hlomendlini TC. Project Estimate: R2.270 million.

The department is currently implementing the new district office in Ixopo located in the Harry Gwala District Municipality; this is a joint project with CSC as it entails the construction of a district office and CSC centre with a budget of R43 million. The project is currently at the construction/works stage with the site handed over to the contractor on the 2nd of February 2024.

Table 11. 3: Infrastructure estimates allocations per municipal district

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|------------------------|--------------------|----------------------------|----------------|---------------|
| | | Estimated Budget (‘000) | | |
| Amajuba | 3 | 600 | 648 | 6 300 |
| eThekweni | 6 | 8 395 | 1 000 | - |
| Harry Gwala | 8 | 5 530 | 9 971 | 15 016 |
| iLembe | 6 | 15 025 | 4 403 | 2 055 |
| King Cetshwayo | 6 | 1 618 | 4 762 | 7 937 |
| Ugu | 7 | 2 247 | 4 750 | 10 490 |
| Umgungundlovu | 5 | 19 701 | 21 426 | 20 216 |
| Umkhanyakude | 9 | 1 181 | 6 600 | 6 938 |
| Umkhanyathi | 6 | 1 872 | 15 434 | 8 558 |
| Uthukela | 5 | 4 046 | 13 890 | - |
| Zululand | 6 | 624 | 14 000 | 3 000 |
| Province Wide Projects | 2 | 7 000 | 4 000 | 4 000 |
| TOTAL | 69 | 67 839 | 100 884 | 84 510 |

The table above depicts the distribution of projects per district municipality. The department has 69 projects allocated for 2024/25 financial year. uMkhanyakude has the majority of projects with 9 followed by the Harry Gwala District municipality with 8 projects. The municipality that has the highest budget allocation for the 2024/25 financial year is the uMgungundlovu District with a budget of R19.701 million. This huge budget allocation is because of the infrastructure leases in the uMgungundlovu District which amounts to R18.968 million for the 2024/25 financial year. For Harry Gwala District the projects range from TAC, park home and offices. The projects that will be implemented include Cele R TAC and COGTA offices, and leased building for Harry Gwala District, to mention a few. The iLembe District has a budget of R15.025 million that is to cater for the rehabilitation of the Hlophe TAC, Qadi TAC Rehabilitation and Mavela TAC

4. State of readiness

The table below shows the state of readiness to implement infrastructure projects in the upcoming MTEF. The department has plans to implement 69 projects during the 2024/25 MTEF. The bulk of the infrastructure budgets are at initiation stage which the department has anticipated to have expenditure incurred in the 2025/26 and 2026/27 financial years. There are 21 projects that are in stage 5: works with a budget amounting to R37.035 million, 13 projects are at design documentation and will progress to procurement and then construction, hence an amount of R23.504 million is allocated. The packaged projects are those that will be implemented in various municipalities during the MTEF.

Table 11. 4: State of readiness to implement projects

| Implementation Stages | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--------------------------------------|--------------------|----------------------------|----------------|---------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation/ Pre-feasibility | 27 | - | 23 861 | 35 300 |
| Stage 2: Concept/ Feasibility | 2 | - | 7 000 | 2 700 |
| Stage 3: Design Development | 3 | - | 12 690 | - |
| Stage 4: Design Documentation | 13 | 23 504 | 14 200 | 5 500 |
| Stage 5: Works | 21 | 37 035 | 39 133 | 37 010 |
| Stage 6: Handover | 1 | 300 | - | - |
| Packaged Programme | 2 | 7 000 | 4 000 | 4 000 |
| Total | 69 | 67 839 | 100 884 | 84 510 |

Vote 12

Transport

1. Strategic Overview of Infrastructure Programme

The Department of Transport supports the rural development, poverty alleviation and job creation by pursuing its infrastructure programmes of maintaining and building roads and bridges, providing access to safe and integrated public transport systems.

To ensure that KZN roads provide the best possible level of sustainable service to users and optimal economic growth for the province, the department continually undertakes the following:

- Improvement of the department's long-term strategic management of its road assets in order to find a mutually acceptable solution between the community's desired levels of service and the department's affordable delivery capacity in the future. Identification of standards, service levels and programmes by which the department will develop and deliver transport infrastructure.
- Pursuing of measures that will ensure an acceptable level of service on the road network in the province.

The bulk of infrastructure projects are delivered internally and managed through the head office as well as the regional offices. The district offices are mainly responsible for maintenance of the road infrastructure. This service delivery model is supplemented by the following labour-intensive initiatives:

- Zibambele Maintenance Programme – this is in line with EPWP targeting destitute women-headed households in rural areas to provide essential road maintenance and other labour-intensive activities in return for a monthly stipend. Participants who normally reside close to the road, are assigned 500m road sections to maintain road drainage, roadside visibility through clearing and cleaning road verges. The contract requires that each participant work 64 hours per month, or 2 days per week.
- Vukayibambe Routine Road Maintenance – provides routine road maintenance of provincial roads and district roads while creating employment opportunities for young people residing close to respective road networks. The scope includes traffic accommodation, clearing and grubbing, removal of trees and tree stumps, removal of litter from the verge and median, removal of obstructions from pipe culverts, drains and waterways, removal of edge build-up, cleaning of kerbs, channels and side drains, erection and maintenance of road signs, erection and maintenance of guardrails.

The department has recently partly outsourced the infrastructure delivery to implementing agents due to the workload and capacity constraints.

2. Review of the 2023/24 financial year

This section reviews the 2023/24 financial year, outlining the main achievements and progress made by the department during the year, and provides a brief discussion on challenges and new developments.

During the 2023/2024 financial year, the Department of Transport successfully established a framework contract, for Heavy Rehabilitation for the construction, rehabilitation and related projects. This alleviated the Supply Chain management challenges to procure heavy rehabilitation contractors to undertake the works that fall under this category. The department has awarded 11 contracts amounting to R1.891 billion using the framework contract.

The impact of the April 2022 floods is being carried into the 2023/24 year where the department completed the projects that commenced in 2022/23 financial year. The department spent R2.285 billion relating to the April 2022 floods. The department has also paid an amount of R726 million to South African Roads Agency for the floods damage repair and structure rehabilitation mainly of road P398-1. This expenditure enabled the opening of Tongaat River Bridge on 14 December 2023.

The department experienced further flooding in October 2023, December 2023 and January 2024. Considering the heavy rain, the department has rolled out an independent assessment of the roads affected by the floods during October 2023 to determine the severity and the impact of the damages. The findings and respective reports have been submitted to the department for prioritisation of projects for the upcoming financial year. The department is in the process of re-prioritising projects to a value of R700 million to commence in the 2024/2025 financial year.

Some of the projects that made progress in 2023/2024 financial year are mentioned below:

- The upgrade of P123 from KM0.0 – KM7.172 in the Harry Gwala District Municipality- the project is currently in stage 3 – design development report phase, the design is complete and awaiting approval of pavement design for application of construction work permit.
- The Upgrade of D1252 from (km3,92 to km0) in the uThukela District Municipality has reached practical completion with an expenditure of R80.786 million to date.
- The Rehabilitation of P2-4 (km9 to km21) in the King Cetshwayo District Municipality has reached practical completion with an expenditure of R241 million to date.
- The upgrade of P113 in the Harry Gwala District Municipality. The project entails the upgrading of 34.040 kilometres and the construction of two structures. The scope of the current phase 1 entails the upgrade of 5.54 kilometres from 28.50 kilometres to 34.04. This contract has recently been awarded to a contractor at a contract value of R172.3 million and the contractor is yet to establish on site.
- Construction of the Klein Boesman River Vehicle Bridge No. 3528 on D69 is located in the uThukela District Municipality. The project progress is currently at 51percent complete and the anticipated completion date is August 2024.
- Construction of Okhombe River Vehicle bridge No.3733 on D1263 is located in the uThukela District Municipality. The project is currently at 82 percent complete and the anticipated completion date is April 2024 at an estimated cost of R29.9 million.

In an attempt to expedite the implementation of bridges to communities that have challenges with river crossings during rainy days, the department has an agreement with National Department of Public Works and SANDF to implement bailey bridges. These bailey bridges under the Welisizwe Programme will fast-track the delivery since they are prefabricated which will reduce the project duration. There are various bailey bridges across the province. The progress made to date is the

Nhlabamkhosi Bailey Bridge which is complete at a total project cost of R12.431 million: and L3105 Pedestrian Bailey Bridge which is complete at a project cost of R10.645 million just to name a few.

The department has made use of SANRAL as an implementing agent to attend to the flood damage projects. This agreement was for the department to make upfront payments to SANRAL. Due to the nature of agreement between the department and SANRAL it is not clear how much is spent on physical progress of work done on site. These flood damages repairs include the:

- Flood repairs to provincial road P398-1 from Umdloti I/C to Umdloti River bridge – Design, supervision and Construction on M4/P398-1 between Km 12.42 and Km 15.05 The construction with works is being implemented on site to the value amounting to R175 Million and the project has been completed.
- P398-2 Tongaat River Bridge - Maintenance and Repairs, Sub activity: Minor Structure repairs with contract amounting to R46 million this bridge has been open for traffic with minor works to be completed in the 4th quarter of the 2023/24 financial year.

The department will be incurring additional cost on road construction since gravel material going forward will be paid for up front. This emanated from the issues with quarries relating to the Amakhosi, in early 2022, the department received an indication that the Department of Mineral Resources and Energy (DMRE) was unhappy with the state of quarries in the province. In addition, Amakhosi in certain parts of KZN were of the view that the quarry material belongs to them since it is on their land. As a way forward the department has decided to include the purchase of soft and hard rock material (G1-G10) on all bid documents for all new and re-gravelling tender documents to include an allowance for the procurement of gravel material from commercial sources. The department aims to utilise approved borrow pits that are environmentally authorised by DMRE.

Expanded Public Works Programme (EPWP)

The department is utilising EPWP for construction road works and routine road maintenance activities such as installation of road studs, guardrails, gabions, signs, markers, clearing and grubbing, grass cutting along the road verge, pothole patching, road safety assistance, pipe de-silting and pipe installation. This type of work is mainly labour intensive and the department is hiring unskilled labour for this type of work. There were 46,434 job opportunities created and 3,567,059 employment days, which equates to 15,509 full-time equivalents as at the end of the third quarter of the 2023/24 financial year. The department retained and paid 41,000 Zibambebe participants who continue to provide manual clearance of road verges and minor road maintenance. The department has commenced to implement the second Phase of the Vukayibambe Routine Road Maintenance Programme, where 6,088 young people will be employed in various district municipalities throughout the province. The focus areas for the programme are safety maintenance, routine maintenance, and special maintenance.

Funding of Infrastructure

The department receives infrastructure funding from the Equitable Share, Provincial Roads Maintenance Grant (PRMG), and the Expanded Public Works Programme (EPWP) grant. The table below shows the trend per source of funding from the financial year 2020/21 to 2026/27. The overall infrastructure allocation shows a positive growth from the 2020/21 to the 2022/23 financial year. The department has seen a reduction in the budget from the 2023/24 financial year this was due to national budget cuts. The budget fluctuates in the 2024/25 MTEF. These funds can be spent according to identified and projects as prioritised through the RAMP and IPMP.

Table 12. 1: Funding source for infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 ('000) | Revised Estimate | Medium-term estimates | | |
|-----------------------------------|------------------|-------------------|------------------|--------------------|---|------------------|-----------------------|-------------------|------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Equitable Share | 3 671 032 | 5 804 651 | 5 178 923 | 5 633 204 | 5 250 204 | 4 784 451 | 4 915 149 | 5 280 701 | 5 631 779 |
| Provincial Road Maintenance grant | 1 843 325 | 2 090 534 | 3 278 166 | 3 394 685 | 3 323 009 | 3 323 009 | 3 152 284 | 2 588 189 | 2 455 265 |
| Expanded Public Works Programme | 63 118 | 73 252 | 68 283 | 69 897 | 69 897 | 69 897 | 41 339 | – | – |
| Total | 5 577 475 | 7 968 437 | 8 525 372 | 9 097 786 | 8 643 110 | 8 177 357 | 8 108 772 | 7 868 890 | 8 087 044 |

The Equitable Share for this department is the highest contributor to the infrastructure budget when compared to the conditional grants. The conditions of the Equitable Share allow for it to be spent for both Capital and Current projects. The Provincial Road Maintenance Grant (PRMG) conditions state that the grant is to fund routine, periodic and special maintenance projects. The grant can also be used to fund visual condition assessments of roads which assist the department in the identification of defects on roads and preparation of the bill of quantities. Capital expenditure for the PRMG can only be spent on rehabilitation of roads increasing the structural capacity of an existing pavement through the recycling of existing layers and/or addition of new granular layers or structural asphalt overlays. These rehabilitation activities are however limited to a maximum of 25 percent of the PRMG.

The Expanded Public Works Programme (EPWP) Grant is mainly utilised for the labour-intensive programme within the department called Zibambele. This grant is allocated on an annual basis based on the performance in the previous years, hence it is not estimated for the outer years. The EPWP incentive grant is based on work opportunities created in the previous year which must be adequately reported to the Department of Public Works and this is allocated on an annual basis.

Table 12. 2: Summary of provincial estimate by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|--|------------------|-------------------|------------------|--------------------|---|------------------|-----------------------|-------------------|------------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | 3 887 496 | 5 501 047 | 5 413 178 | 6 172 600 | 5 500 299 | 5 400 391 | 5 241 508 | 4 872 066 | 5 031 222 |
| Maintenance and repair: Current | 1 928 091 | 2 177 182 | 3 749 890 | 2 512 608 | 2 461 832 | 2 723 208 | 2 035 295 | 2 159 042 | 2 213 367 |
| Upgrades and additions: Capital | 642 103 | 1 407 167 | 982 949 | 1 209 191 | 587 666 | 820 893 | 1 322 242 | 849 438 | 898 109 |
| Refurbishment and rehabilitation: Capital | 1 317 302 | 1 916 698 | 680 339 | 2 450 801 | 2 450 801 | 1 856 290 | 1 883 971 | 1 863 586 | 1 919 746 |
| New infrastructure assets: Capital | 215 635 | 347 767 | 748 048 | 870 965 | 870 965 | 560 419 | 578 624 | 599 170 | 626 732 |
| Infrastructure transfers | – | – | 30 000 | – | 217 625 | 217 625 | – | – | – |
| Infrastructure transfers: Current | – | – | – | – | 4 000 | 4 000 | – | – | – |
| Infrastructure transfers: Capital | – | – | 30 000 | – | 213 625 | 213 625 | – | – | – |
| Infrastructure: Payments for financial assets | – | – | – | – | – | – | – | – | – |
| Infrastructure: Leases | 8 159 | 439 | 3 059 | 3 194 | 3 194 | 3 194 | 3 338 | 3 488 | 3 488 |
| Non infrastructure¹ | 1 466 185 | 2 119 184 | 2 331 087 | 2 051 027 | 2 051 027 | 1 995 728 | 2 285 302 | 2 394 166 | 2 425 602 |
| Total | 5 577 475 | 7 968 437 | 8 525 372 | 9 097 786 | 8 643 110 | 8 177 357 | 8 108 772 | 7 868 890 | 8 087 044 |
| Capital infrastructure | 2 175 040 | 3 671 632 | 2 441 336 | 4 530 957 | 4 123 057 | 3 451 227 | 3 784 837 | 3 312 194 | 3 444 587 |
| Current infrastructure ² | 1 936 250 | 2 177 621 | 3 752 949 | 2 515 802 | 2 469 026 | 2 730 402 | 2 038 633 | 2 162 530 | 2 216 855 |

Notes:

1. Non infrastructure is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

2. Total of Current infrastructure and Non infrastructure is more than total Goods and services in some years, as it includes salaries of staff in all 4 regions that do maintenance work, etc.

Maintenance and repairs: This nature of investment is to cater for expenditure on road infrastructure routine maintenance which includes day-to-day routine activities. Some projects in this category are clustered day to day maintenance per district, including blading of gravel roads, cleaning of storm water pipes, blacktop patching etc. The bulk of these projects are managed by different regional offices as well as local offices called Cost Centres. It also relates to periodic maintenance including periodically scheduled activities such as fog sprays/diluted emulsions/rejuvenators, surface seals and functional asphalt overlays less than 50 mm in thickness. The gravel roads re-gravelling and repairs to selected pavement areas by application of surface seal or functional asphalt overlays are also catered for in this category. This category has a budget of R2.035 billion for the 2024/25 financial year and it is projected to increase over the MTEF. The projects funded in this category are the reseal of P603 (km16,00 to km 26,00) which is in the construction phase and is located in the Harry Gwala District Municipality, the preventative maintenance in Ladysmith Municipality which is to attend to the flood damages that occurred in December 2023 with a budget of R233 million and the provision of Zibambebe workers in the province just to name a few.

Upgrades and additions: This category is mainly for the upgrading or improvement of gravel roads to blacktop roads. These improvements comprise of works that aim to improve the riding quality of roads and bring the road to an acceptable standard that is in line with The Committee of Transport Officials (COTO), Construction Industry Development Board (CIDB) amongst other standards. This nature of investment has a budget allocation of R1.322 billion for the 2024/25 financial year which is expected to decrease over the MTEF. The decrease is due to the department having most of the planned projects in this category in the Stage 4 (Design Documentation) and Stage 5 (Construction), hence the department anticipates a higher expenditure in the 2024/25 financial year as opposed to the outer years. The projects in this category include The Upgrade of D985 (km 20,8 to km 17,5) which is in the eThekweni Municipality and is currently under construction, The upgrade of D871 (km 0,0 to km 10,73) - Vaalkop to Ezihlabathini corridor which is in the uThukela District Municipality and in is in the Design Documentation Stage and the upgrade of RTI - licensing bureaus which is currently under construction with a budget of R25 million for the 2024/25 financial year just to name a few.

Rehabilitation and Refurbishment: This nature of investment has a budget allocation of R1.883 billion and the projects in this category are to focus on rehabilitating existing blacktop roads that are dilapidated and have various structural defects. The projects in this category include but is not limited to the rehabilitation, widening and re-alignment of P236 (km 6,2 to km 14) in the Umkhanyakude District Municipality which is at the Design Documentation Stage; the rehabilitation of P725 (km 14,05 to km 20,70) which is in the eThekweni Municipality at the construction stage; The rehabilitation of P609 (km 71,500 to km 74,500) in the Harry Gwala District Municipality and is under construction just to name a few.

New Infrastructure Assets: This category comprises of the construction of new gravel roads, sidewalks and bridges. The construction of vehicular and pedestrian bridges is also covered within this nature of investment. The department is also implementing the Welisizwe bridge construction programme, which is a joint effort between DOT, DPW and the South African National Defence Force (SANDF) in a bid to erect precast steel bridges as a mode of temporarily addressing the vast need of bridges in KZN. The projects in this category are New Gravel Road on L1362 - Extension (km 0,00 - km 2,00) in the uThukela District Municipality that is in the Design Documentation stage, The construction of Mhlathuze (Nkungumathe) River Bridge No. 3837 on D2238 in the King Cetshwayo District Municipality that is at construction Stage, The construction of the Umhlabuyalingana Boundary Boarder Wall which is in the Zululand District Municipality and is currently in the design documentation stage with a budget allocation of R59.6 million for the 2024/25 financial year just to highlight a few.

Infrastructure Leases: The department has allocated funds to pay for leases for office accommodation. The infrastructure leases cater for the payment of leases for buildings used by the department and includes PRE?? office accommodation in Msunduzi, Mbazwana regional office in uMhlabuyalingana, Alverstone repeater site in Mkhambathini, Van Reenen repeater site in Alfred Duma, etc.

Non-infrastructure: The non-infrastructure includes the mechanical plant budget, operational expenditure and administration in relation to maintenance of infrastructure, such as salaries for all four regions and other overhead costs, including implementation of Infrastructure Delivery Management System (IDMS). This category now excludes the payment of Zibambele contractors performing routine road maintenance activities.

The non-infrastructure revised estimates increased as the department had to respond to flood damages using internal resources such as machinery (e.g. graders, top loader buckets) to clear roads and for the debris removal. This nature of investment has a budget allocation of R2.285 billion for the 2024/25 financial year.

3. Outlook for the 2024/25 MTEF Period

The outlook for the 2024/25 MTEF period outlines what the department is planning to achieve, as well as briefly looking at anticipated challenges and remedial actions planned to be taken as well as proposed new developments. In the 2024/25 financial year, the department will continue with construction and maintenance projects.

The following are some of the projects to be undertaken in 2024/25:

- Upgrade of P368, located in the uMzinyathi District Municipality, Upgrade of P104 in the iLembe District Municipality. The project was advertised by open tender and has closed on the 30 October 2023, it is currently undergoing the SCM adjudication process. Construction is anticipated to commence in the last quarter of the 2023/24 financial year, at an estimated project cost of R106 million.
- Rehabilitation of P577-2 between km 7.56 to km 10.94 which is in the eThekweni Municipality. Project commenced on the 20th of September 2023, with a contract value of R65 million with overall construction progress of 10 percent. The rehabilitation of P242 within the eThekweni Municipality commenced on the 18th of July 2022, with a contract value of R186 million. The project is currently under construction with overall construction progress at 41 percent. These projects are constructed using the labour-intensive methodology. In this regard, the total number of employed local labour is 81, with Youth at 28, Women at 31 and PWD 1. The project is currently at stage 5.
- Dirkchinburg Pedestrian bridge No. 3511 is in the King Cetshwayo District. The project is currently in Stage 4, Design Documentation phase.
- Mbabane River Vehicle bridge (sand mines) no. 3351 is situated on L3338 in the Amajuba District Municipal area. This project is currently at stage 4 Design Documentation and the project will be implemented by Independent Trust (IDT). The anticipated commencement date is March 2024.
- Mdloti River Vehicle Bridge No. 3601: The project entails the upgrade of the low-level structure of concrete stormwater pipes overlaid by a concrete slab, which are to be replaced by a new bridge along Road P713 in the iLembe District Municipality. Construction commenced in July 2023. The anticipated completion is July 2024. The total estimated project cost is R86.8 million.

The table below provides a geographic spread of the projects according to municipal districts and the extent of budget that is planned to be spent over the MTEF period.

The department has 808 projects spread across various municipal districts in the KwaZulu-Natal Province. Most projects are currently concentrated in King Cetshwayo District Municipality, followed by uThukela District Municipality and uMgungundlovu District Municipality. The bulk of the budget allocation is appropriated to province wide projects with an amount of R2.944 billion. These are packaged projects for various districts mainly for maintenance of the road network. The uMgungundlovu District has the second largest budget due to the infrastructure leases. In term of districts that have budget for service delivery only, King Cetshwayo has the highest budget followed by the eThekweni Metro, uThukela and Zululand Districts respectively.

Table 12. 3: Infrastructure estimates allocations per Municipal District

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|-------------------------|------------------|------------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 27 | 218 269 | 81 799 | 150 086 |
| eThekweni | 60 | 549 446 | 601 075 | 556 665 |
| Harry Gwala | 53 | 405 951 | 469 927 | 493 569 |
| Ilembe | 25 | 140 318 | 126 364 | 74 751 |
| King Cetshwayo | 148 | 684 555 | 620 999 | 770 845 |
| Ugu | 46 | 388 103 | 356 192 | 487 189 |
| uMgungundlovu | 89 | 1 177 172 | 1 323 972 | 1 106 402 |
| Umkhanyakude | 30 | 279 202 | 42 384 | 78 093 |
| Umkhanyathi | 45 | 340 036 | 183 806 | 210 850 |
| Uthukela | 93 | 492 785 | 743 182 | 785 038 |
| Zululand | 66 | 488 769 | 321 187 | 485 994 |
| Province Wide | 125 | 2 944 167 | 2 998 002 | 2 887 563 |
| Total | 807 | 8 108 772 | 7 868 890 | 8 087 044 |

There are various bailey bridges across the province to be delivered in eThekweni, uMzinyathi and uMgungundlovu districts to name a few.

4. State of Readiness

The department categorised the readiness to implement its projects in accordance with the requirements of the Framework for Infrastructure Delivery and Procurement Management (FIDPM). The department has aligned to the framework by developing a policy which outlines roles and responsibilities as well as deliverables related to infrastructure planning, delivery and reporting. As per FIDPM requirements the department has developed the Infrastructure Programme Management Plan (IPMP) and subsequently the Infrastructure Programme Implementation Plans (IPIP). The table below provides the number of projects at different stages including the projections over the MTEF period.

Table 12. 4: State of readiness to implement projects

| Project Status | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--|--------------------|-------------------------|------------------|------------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation /prefeasibility | 211 | 176 682 | 499 642 | 532 669 |
| Stage 2: Concept / Feasibility | 45 | 56 468 | 223 560 | 545 935 |
| Stage 3: Design Development | 72 | 47 862 | 289 277 | 516 442 |
| Stage 4: Design Documentation | 223 | 1 765 905 | 1 671 695 | 1 657 223 |
| Stage 5: Works | 117 | 1 660 207 | 627 783 | 381 737 |
| Stage 6: Handover | 7 | 1 089 | - | - |
| Stage 7: Close out | - | - | - | - |
| Other - Programme/Project Administration | 7 | 1 454 665 | 1 548 108 | 1 563 541 |
| Other - Packaged Ongoing | 126 | 2 945 894 | 3 008 825 | 2 889 498 |
| Total | 808 | 8 108 772 | 7 868 890 | 8 087 044 |

Vote 12 : Transport

The department has allocated the bulk of its budget on the Packaged Programme with R2.945 billion in the 2024/25 financial year. The Packaged Programme are maintenance projects clustered per district and allocated province wide. Another substantial portion of the budget will go to the Design Documentation Phase with allocations of R1.765 billion, R1.671 billion and R1.657 billion in 2024/25, 2025/26 and 2026/27 financial years respectively. These projects will be moving to the construction phase hence the amount of funds allocated.

Vote 13

Social Development

1. Overview of Infrastructure Programme

The Constitution of the Republic of South Africa empowers the Department of Social Development to implement and administer both provincial and national legislation listed in Schedules 4 and 5 of the Constitution diligently, effectively, efficiently, impartially, equitably, responsibly and fairly. This includes initiating provincial legislation and developing appropriate provincial policies relevant to social development, population development and social welfare, encouraging or promoting public participation and social partnerships. The delivery of infrastructure by the department supports the department's objectives by ensuring that all services are provided in suitable and habitable structures.

The implementation of the infrastructure programme by the Physical Facilities Unit which is in the department is informed by the needs of core programmes and services of the department. The key functions of this unit include management and coordination of infrastructure planning and delivery. This entails the construction of new social welfare services facilities and upgrading, refurbishment and ensuring the provision of maintenance to the existing departmental facilities such as service offices, handicraft centres, child and youth care centres, place of safety centres and elderly care centres amongst others.

The department delivers the infrastructure programme through Implementing Agents (IA) implement infrastructure projects in various districts as prioritized by the department. One of these Implementing Agents is the Department of Public Works, who is also custodian of the provincial public sector infrastructure portfolio. These functions include immovable asset management, hiring and the acquisition of office buildings. In addition, the department has appointed the Independent Development Trust (IDT) to improve on the implementation of its infrastructure delivery.

2. Review of the 2023/24 financial year

In the 2023/2024 financial year, the department prioritised Refurbishment and Rehabilitation, Upgrades and Additions well as Maintenance of the existing infrastructure assets. Projects under the existing infrastructure assets are still at the planning stage. The department has a number of projects in the construction stage relating to existing infrastructure assets that were progressing and spending well in the 2023/24 financial year.

The department has implemented the construction of the Phoenix Service Office and managed to achieve Practical Completion. There was slow progress on most of the projects being constructed namely Ezakheni Service Office with estimated progress of 75 percent, Osizweni Handicraft Centre with estimated progress at 83 percent, Impendle Service Office with estimated progress of 95 percent with the rerouting of the stormwater line/drainages being the remaining work. This is due to the local municipality not approving the stormwater line/drainage drawings where the stormwater is currently routed. These projects are planned to be completed by the end of the second quarter of the 2024/25 financial year. Umlazi Child and Youth Care Centre estimated progress 95 percent, only the installation of the generator and the elevated water tanks are the remaining items from the scope of

works. The department has also advanced in the reconfiguration of the Pata Child and Youth Care Centre so as to comply with the standards required with 70 percent progress and expecting to reach completion by the end of 2024/25 financial year. The resulting variation order was approved, and the contractor is currently undertaking the work.

Funding of Infrastructure

The source of funding for infrastructure projects for the department is mainly the Equitable Share. The department has been allocated R182.305 million for infrastructure projects in the 2024/25 financial year. This budget allocation is estimated to grow to R189.936 million and R194.854 million in the outer years. The table below reflects the Equitable Share as the fund primary revenue source for infrastructure. The equitable share in the 2020/21 financial year was low, due to under-spending attributed to outstanding invoices from Department of Public Works (DOPW) for various maintenance projects, such as Zakhe Place of Safety and Umlazi Service Office, among others. In addition, the department also experienced, the under-spending against infrastructure leases due to the department not processing all invoices received from DOPW in relation to leases, due to the late receipt of the invoices. In the 2021/22 financial year, the allocation showed a positive growth mainly due to higher spending against maintenance of the departments service offices and facilities, this was to comply with the Occupational Health and Safety Act and regulations relating to the condition of these facilities. In addition the department had to cater for expenditure against infrastructure leases due to payments of prior year invoices with respect to the leasing of departmental office buildings, as well as under-budgeting for leases on departmental parking bays for the eThekweni Cluster Office and Offices. The 2023/24 financial year budget allocation had a marginal increase due to projects under upgrades and additions, and the new infrastructure assets category progressing well on site.

Table 13. 1: Funding source for infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 (‘000) | Revised Estimate | Medium-term estimates | | |
|--|-----------------|----------------|----------------|--------------------|---|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| | ('000) | | | | | | ('000) | | |
| Provincial Equitable Share and Own Revenue | 125 788 | 191 003 | 161 526 | 162 971 | 162 971 | 129 640 | 182 305 | 189 936 | 194 854 |
| Conditional Grants | - | - | - | - | - | - | - | - | - |
| Total | 125 788 | 191 003 | 161 526 | 162 971 | 162 971 | 129 640 | 182 305 | 189 936 | 194 854 |

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

The table below shows a provincial estimates by nature of investment consisting of Existing Infrastructure Assets which include: Maintenance and Repairs; Upgrades and Addition; Refurbishment and Rehabilitation; New Infrastructure Assets and Infrastructure Leases.

Table 13. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|---------------------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 ('000) |
| Existing infrastructure assets | 49 953 | 120 794 | 86 390 | 94 936 | 106 603 | 81 602 | 99 893 | 87 626 | 108 651 |
| Maintenance and repair: Current | 27 649 | 73 728 | 19 045 | 37 610 | 37 610 | 30 330 | 39 302 | 41 063 | 41 110 |
| Upgrades and additions: Capital | 10 751 | 44 617 | 52 071 | 53 356 | 53 356 | 37 457 | 44 091 | 29 500 | 46 119 |
| Refurbishment and rehabilitation: Capital | 11 553 | 2 449 | 15 274 | 3 970 | 15 637 | 13 815 | 16 500 | 17 063 | 21 422 |
| New infrastructure assets: Capital | 34 283 | 25 163 | 29 768 | 27 667 | 16 000 | 7 670 | 28 227 | 46 235 | 29 525 |
| Infrastructure transfers | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | - | - | - | - | - | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | 41 552 | 45 046 | 45 368 | 40 368 | 40 368 | 40 368 | 54 185 | 56 075 | 56 678 |
| Non infrastructure¹ | - | - | - | - | - | - | - | - | - |
| Total | 125 788 | 191 003 | 161 526 | 162 971 | 162 971 | 129 640 | 182 305 | 189 936 | 194 854 |
| Capital infrastructure | 56 587 | 72 229 | 97 113 | 84 993 | 84 993 | 58 942 | 88 818 | 92 798 | 97 066 |
| Current infrastructure | 69 201 | 118 774 | 64 413 | 77 978 | 77 978 | 70 698 | 93 487 | 97 138 | 97 788 |

1. Non infrastructure is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but is included in the overall total

The expenditure and estimates fluctuated over the seven-year period from 2020/21 to the 2026/27 MTEF due to various factors including budget cuts and reprioritisation within the department as mentioned above.

Maintenance and repairs: This category reflects a fluctuating trend. The maintenance expenditure in 2020/21 financial year was low at R27.649 million due to budget cuts related to COVID-19. However, in the 2021/22 financial year there was an increased to R73.728 million due to a roll-over in respect of the maintenance as well as expenditure relating to the repairs of infrastructure damaged during the July 2021 unrest. In the 2022/23 financial year a sharp decrease of expenditure of R19.045 million was due to reprioritisation as projects under Upgrades and Additions as well as Refurbishment and Rehabilitation performed more than expected. The budget allocation increased to R37.610 million due to the constant need to maintain various facilities and office buildings. In the 2024/25 MTEF the department will continue to fund the maintenance of their facilities, district offices and services across the province. The budget shows a marginally positive growth in the 2024/25 MTEF.

Upgrades and Additions: This category fluctuates over the seven-year period due to various factors. The low expenditure in 2020/21 was due to delayed implementation of the departments infrastructure delivery plan caused by the National Lockdown emanating from the COVID-19 pandemic wherein construction works were halted. During this period projects in construction stage were derailed. The significant increase in the 2021/22 and 2022/23 is due to spending pressures resulting from projects such as the Government Garage Building amongst others that were spending due to efforts to recover lost time during the lockdown. In the recovery process in 2022/23 the allocation further increased due to project such as Pata Child and Youth Care Centre, Mpendle Service Office and the uMlazi Place of Safety, amongst others. Payment of accruals from previous years due to delayed receipt of invoices from previous implementing agents also contributed to the allocation increase in the 2022/23 financial year. The decrease in the 2023/24 adjustments relates to slow expenditure for projects on site such as

the Vryheid Service Office, amongst others. The department is also planning to defer the start of other projects to the 2024/25 financial year to curb the high expenditure and to mitigate cashflow challenges. The 2024/25 outlook in terms of budget shows that there is a fluctuating trend from R44.091 million in 2024/25 down to R29.500 million in 2025/26 and then up to R46.119 million in 2026/27 financial year. The reason for the fluctuation in budget is due to the bulk of the projects at construction stage therefore it is anticipated these will reach completion by end of 2025/26 financial year. The majority of the projects are in the planning stage currently and will be at the construction stage and moving toward the practical completion stage during the 2026/27 financial year.

Rehabilitation and Refurbishment: shows a fluctuating trend between 2020/21 to 2022/23 financial years. The high allocation in the 2020/21 is due to spending pressures resulting from significant progress achieved from projects on site due to recovery work being done to recover time lost during the national lockdown in attempts to get the projects back on schedule. A substantial decrease in 2021/22 is largely due to delays in the appointment of service providers as a result of delayed acquisition of land, such as the KwaMsane Service Office, Greytown Service Office and the Harry Gwala Residential Facility, among others. This explains the increase in 2022/23 as projects started construction during this year. The increase in the 2023/24 Adjusted Appropriation relates to a virement of R11.667 million from *New infrastructure assets: Capital* this category caters for the payment of accruals from 2022/23 and for 2023/24 for work completed on site relating to various ongoing infrastructure projects, such as the Pata Place of Safety and the Phoenix Service Office. The budget over the 2024/25 MTEF displays a gradual increase. Some of the projects that are planned to be completed in the 2024/25 financial year is the conversion of Rydevale Clinic in kwaMashu. In the 2024/25 MTEF outer years the department is anticipating starting the construction of projects such as uMgungundlovu District Office-Karl Eggers, Port Shepstone (Victim Empowerment Programme) VEP House and Richards bay VEP.

New Infrastructure Assets: relates to the provision of office and residential accommodation for staff in rural areas, the construction of Child Youth and Care Centres, and Place of Safe centres. This category displays a fluctuating trend between 2020/21 to 2022/23 financial this is due to the budgets and the slow progress on some of the major projects due to the COVID-19 lockdown. In the 2020/21 financial year, the expenditure was high at R34.283 million due to projects on site performing more than expected and high spending due to variation orders at the Wentworth Youth Development Centre, amongst others. The variation orders resulted to extension of time overrun due to national lockdown.

The appropriation decreased in the 2021/22 financial year mainly due to the continuous delays in the appointment of service providers for projects such as the Harry Gwala Elderly Care Centre and Umvoti Youth Academy, among others. The Harry Gwala site establishment is yet to be finalised due to the spatial planning not being completed by the municipality.

The reduction in the 2023/24 Adjusted Appropriation was due to the virement of R11.667 million from this category to Refurbishment and Rehabilitation: *Capital*. This was due to slow progress in the implementation of projects, such as the Illovo Development Centre and delays in the Hlanganani Service Office project, as well as the fact that expenditure did not incurred in respect of projects that were still in the planning phase, such as the uMvoti Youth Academy, among others. The further reduction in the 2023/24 Revised Estimate is due to the department's efforts to curb expenditure in response to the cash flow challenges that the department is faced with. In this regard, the department is planning to defer some projects to 2024/25 financial year. Over the 2024/25 MTEF, there is a fluctuating trend in budget estimates and the 2025/26 financial year has a higher appropriation. The significant increase in 2025/26 is mainly due to the anticipated implementation of various deferred projects, such as Illovo Development Centre, iLembe Treatment Centre, Ugu Treatment Centre. This displays that the department is anticipating that the majority of the projects that are currently at the project initiation stage will progress into the construction stage by the 2025/26 financial year.

Infrastructure Transfers: The department does not have a budget for infrastructure transfers.

Infrastructure leases: The allocations over the MTEF provide for building leases such as the Harding Service Office, Durban Eagle building, the Thusong Centre in Jozini and the Msebe One-Stop Centre in Nongoma, among others. The increase in 2024/25 relates to payment of anticipated deferral of invoices from 2023/24 and the increase over the MTEF outer years which are inflation related and also to accommodate the accruals for the previous years.

3. Outlook for the 2024/25 MTEF Period

In the 2024/25 MTEF period the department will be focusing on planning of the implementation of various projects for its existing infrastructure assets and new infrastructure assets. The existing infrastructure assets the department will embark on planning process for the upgrades and additions of the Mbumbulu Service Office in the eThekweni region. The department will also focus on planning for the refurbishment and rehabilitation of the Richards Victim Empowerment House in the King Cetshwayo District, Portshepstone Victim Empowerment House in the Ugu District and Ilovo Development Centre in the eThekweni region. There is extensive planning for the New Infrastructure projects which includes service offices, treatment centre facilities and residential care facilities. The majority of the of the projects are in the planning stage and are anticipated to start construction during the 2024/25 financial year. In addition, the department is also looking at alternative methods to provide office accommodation space due to the high demand. There are a number of offices manufactured from prefabricated material that are planned to be procured in various regions including the Vulindlela, eThekweni (Lamontville) and Umzumbe region in the 2024/25 MTEF period. The completion of Vuma Youth Development Centre in the King Cetshwayo District, the construction of the Ixopo Elderly Care Centre and the Greater Kokstad Elderly Care Centre in Harry Gwala District are planned to proceed to construction stage at the beginning of the 2024/25 financial year as procurement is being finalised. The day-to-day and preventative maintenance are clustered under one project which includes the maintenance of all the departmental facilities, service delivery infrastructure and administration offices.

The outlook for the 2024/25 MTEF continues with the provision of administrative offices and service offices in rural areas, as well as secure care centres. This includes all the one-stop development centres.

Balancing between the existing infrastructure and building new to address the imbalances of the past is the departmental challenge. Over the 2024/25 MTEF this Department will try to split its budget prioritizing both. The maintenance of existing fixed assets which includes day-to-day and planned maintenance to departmental facilities will be focused on. This is to minimise the reactive maintenance and rehabilitation which can be costly if buildings are left unmaintained for a long period of time.

The Pata Place of Safety in Umgungundlovu District, Zakheni Service Office in the Uthukela District, Wentworth development centre, Ndwedwe Service Office and Umlazi Place of Safety in eThekweni Metro amongst others, which are currently at construction stage are planned to be completed this financial year. The Vuma Youth Development Centre at King Cetshwayo, which is currently at the tender stage, as well as the Illovo Development Centre in eThekweni Metro, which is currently at design stage, among others.

During 2024/25 MTEF the Rehabilitation and Refurbishment of facilities such as Greytown Service Office in the Umzinyathi District which is at the Feasibility stage, uThukela District Office in the Uthukela District, the District Office-Karl Eggers in the uMgungundlovu District currently at the planning stage will be implemented. The department intends to move the majority of these projects from planning to construction stages. The department plans to complete the Phoenix Service Office

and KwaMashu Service Office (Rydavale Clinic) projects in the eThekweni Metro in the 2024/25 financial year.

The table below presents the Infrastructure allocations per municipal district, which displays that bulk of projects to be implemented by the department are densely concentrated around eThekweni Metro, uMgungundlovu and uMzinyathi District, etc. The table also displays the infrastructure spending dispersion of the department across the province in the 2021/25 MTEF.

EThekweni Metro has the highest number of projects totalling to ten (10) with an estimated budget allocation of R2 million in the 2025/24 financial year, based on the estimates the budget allocations are expected to decrease in the outer years to R8 million and R6 million respectively. In the eThekweni District the allocation is higher in the 2024/25 financial year due to projects in the construction stage that include Phoenix, KwaMashu Service Office and uMlazi Place of Safety currently at practical completion while in the outer years of the MTEF the department is projecting that projects currently in planning will be on site. Projects in the pipeline under the eThekweni Metro includes Bhamshela Service Office, Ilembe Treatment Centre, Lamontville Service Office (Parkhomes) and Newlands Park Rehabilitation Centre amongst others.

The uMgungundlovu District has seven (7) projects including the maintenance and repairs packaged projects as well as leases for office building. The maintenance and repairs allocation caters for day-to-day and reactive maintenance and repairs for the all departmental offices and facilities across various the districts. These packaged projects are managed at Head Office due to capacity constraints at District level. In future the department is planning to focus on planned maintenance hence the cumulative budget allocation in the 2024/25 MTEF. The department is leasing privately owned building as offices due to inadequate office accommodation especially in the rural areas as a result the department has increase its allocation to R54.185 million in the 2024/25 financial year. Under uMgungundlovu District the department also have Pata Place of Safety and Mpendle Service Office projects currently at practical completion stage and the other four (4) projects are still in the pipeline.

The uThukela District has four (4) projects in the planning stage which include Weenen Service Office and UThukela District Office to name a few. EZakheni Service Office being the only project at the construction stage with 95 percent progress. The department has allocated R14.091 million, R13 million and R19.091 million in the 2024/25 MTEF respectively.

Table 13. 3: Infrastructure estimates allocations per municipal district

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-----------------------|--------------------|----------------------------|----------------|----------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 3 | 7 500 | 5 000 | 8 500 |
| Ethekweni | 10 | 20 000 | 8 000 | 6 000 |
| Harry Gwala | 4 | 9 000 | 15 000 | 10 000 |
| Ilembe | 3 | 5 000 | 11 000 | 9 762 |
| King Cetshwayo | 3 | 4 500 | 2 000 | 6 000 |
| Ugu | 6 | 6 000 | 14 000 | 9 762 |
| uMgungundlovu | 7 | 105 987 | 103 638 | 107 289 |
| Umkhanyakude | 3 | - | 8 063 | - |
| Umkhanyathi | 7 | 227 | 3 235 | 3 000 |
| Uthukela | 4 | 14 091 | 13 000 | 19 091 |
| Zululand | 2 | 10 000 | 7 000 | 15 450 |
| Total | 52 | 182 305 | 189 936 | 194 854 |

4. State of Readiness

The table below shows the department's state of readiness to implement projects in the 2024/25 MTEF period. The department has a total of 52 projects at various stages. The department is experiencing slow progress with the implementation of the bulk of projects in the initiation stage with 31 projects which are mainly made up of the new infrastructure projects, upgrading and additions to existing

infrastructure assets projects, maintenance and repairs packaged projects and infrastructure leases. Projects under the initiation stage have been allocated the highest budget in the 2024/25 MTEF with R104.214 million, R124.436 million and R116.288 million respectively.

It is anticipated that there will be minimum expenditure on these projects in the 2024/25 financial year. The department has three (3) projects under the design documentation with Vuma Youth Development Centre at the tender stage which is expected to be handed over to the contractor after the SCM process have been completed. The department has allocated R6 million, R5 million and R2 million over the 2024/25 MTEF

The department is working diligently in ensuring that the implementation of its infrastructure delivery plans is achieved effectively and efficiently so that the department is able to carry out its services and social welfare programs. Further to that the department is in consultation with the IDMS team in order to improve its infrastructure delivery models and subsequently improve on delivery processes.

Table 13. 4: State of readiness to implement projects

| Project Status | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|-------------------------------------|--------------------|-------------------------|----------------|----------------|
| | | Estimated Budget ('000) | | |
| Stage 1: Initiation /prefeasibility | 31 | 104 214 | 124 436 | 116 288 |
| Stage 2: Concept / Feasibility | 1 | - | - | - |
| Stage 3: Design Development | 5 | 13 000 | 22 000 | 19 525 |
| Stage 4: Design Documentation | 3 | 6 000 | 5 000 | 2 000 |
| Stage 5: Works | 11 | 57 591 | 38 500 | 57 041 |
| Stage 6: Handover | 1 | 1 500 | - | - |
| Stage 7: Close out | - | - | - | - |
| Total | 52 | 182 305 | 189 936 | 194 854 |

The department is working diligently ensuring the implementation of its infrastructure delivery plans is achieved effectively and efficiently so that the department is able to carry out its services and social welfare programs. Further to that the department is in consultation with the IDMS team in pursuit to improve its infrastructure delivery models and subsequently improve on delivery processes.

Vote 14

Public Works

1. Overview of Infrastructure Programme

The Department of Public Works aims to provide an inclusive economy through sustainable infrastructure development and property management. The department achieves this through the implementation of the departmental vision of improving the lives of the people in KwaZulu-Natal and the delivery of public infrastructure. The department is also the custodian and implementing agent for government infrastructure in the province.

As the custodian of public infrastructure, the department is responsible for the management of the provincial infrastructure asset register and maintenance of all state-owned immovable assets in the province. The preparation and issuing of the Custodian Asset Management Plan (C-AMP) to KwaZulu-Natal provincial departments is also the department's responsibility. In addition, the department facilitates the provision of accommodation and integrated property management services to other sector departments in the province.

The department's strategic objectives may therefore be summarised as follows:

- to assess the use of buildings and accommodation in terms of the relevant department's service delivery objectives;
- to assess the functional performance of the fixed structures;
- to prioritise the need for repair, refurbishment or reconfiguration of all state-owned accommodation; and
- to plan for future accommodation requirements, as well as to secure funding for the acquisition and utilisation of assets according to the needs of the department.

The department is also an implementing department for other sector departments and as such improves infrastructure service delivery methodologies and creates an enabling environment for labour intensive job creation in the construction industry. This is achieved through the construction and maintenance of buildings, structures and engineering works for client departments delivered in accordance with their plans and specifications. Further, the department is responsible for conducting upgrades, additions, renovations, refurbishments and rehabilitation of existing infrastructure assets on time, within budget and according to quality standards. The department also ensures that scheduled maintenance of existing infrastructure assets, day-to-day routine maintenance, emergency repairs and construction of new infrastructure is conducted.

Over and above the custodian and implementing agent's roles, the department is also responsible to plan and implement its own infrastructure projects. This includes building their own new offices as well as maintaining the existing asset base. Currently all the Department of Public Works infrastructure projects are managed internally. The appropriation and projects discussed herein are those for Public Works only.

2. Review of the 2023/24 financial year

During the 2023/24 financial year the department focused on upgrading and maintenance of existing facilities. The general repairs and maintenance to the eThekwinini regional office, Head Office (OR Tambo Building) and North Coast region was also undertaken. The preventative maintenance projects are focused on electrification of the buildings, mechanical (air conditioning) and horticulture on various district office buildings.

In the year under review the department managed to complete the following projects:

- Construction of parking for state vehicles located at eThekwinini Region - construction commenced in March 2022 and practical completion was achieved in May 2023.
- Repairs to damage caused during civil unrest located at eThekwinini Region - construction commenced on the 30th of May 2022 and practical completion was achieved on 3rd October 2023.

Further to the above, the completion contract of iLembe District Office is a highlight. The site handover took place on the 13th of January 2022 and current progress on site is at 96 percent and project is targeted to be completed by March 2024

Budget constraints remain a challenge as there are several projects that have been put on hold including the following:

- The new auditorium and conference centre in uMgungundlovu district office which has moved to stage 4-design documentation of the infrastructure delivery process. Due to budget constraints the project was halted.

Funding of Infrastructure

The infrastructure projects for this department are funded through the Provincial Equitable Share. This funding is appropriated for the infrastructure belonging to government and used by the department. The table below reflects the funding source for the department's own infrastructure assets. The department's infrastructure delivery has experienced budget cuts due to internal budget pressures. Infrastructure development has become the first area where the cuts are implemented when there are internal budget pressures, which has negatively affected delivery in this department.

In 2020/21 financial year the budget was R46.793 million which increased to R47.267 million in 2021/22 and increased again to R58.281 million in 2022/23. The increase was mainly due to the projects which were under construction and those in the pipeline performing in line with the departmental plans. The main appropriation for 2023/24 was R26.684 million which was adjusted upwards to R50.88 million and finally revised upwards again to R70.7701 million. This was due to projects such as iLembe Office project performing better than expected in terms of project progress and other day to day maintenance projects at the regional offices. The accelerated progress of projects on site compelled the department to reprioritise from within its budgeted programmes to fund these projects.

Table 14. 1: Funding source for Infrastructure

| Funding Source | Audited Outcome | | | Main appropriation | Adjusted appropriation 2023/24 ('000) | Revised Estimate | Medium-term estimates | | |
|--------------------|-----------------|---------------|---------------|--------------------|---|------------------|-----------------------|---------------|---------------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| | ('000) | | | | | | ('000) | | |
| 1. Equitable Share | 46 793 | 47 267 | 58 281 | 26 684 | 50 882 | 70 770 | 27 858 | 29 133 | 30 438 |
| Total | 46 793 | 47 267 | 58 281 | 26 684 | 50 882 | 70 770 | 27 858 | 29 133 | 30 438 |

The overall budget over the seven-year period displayed in the table below, Summary of provincial estimates by nature of investment, consists of Existing Infrastructure Assets, Maintenance and Repair, Upgrades and Additions, Refurbishment, Rehabilitation. The New Infrastructure Assets category is also presented. The fluctuations over the given period are due to various factors including, but not limited to, budget cuts due to financial pressures within the department such as the purchase of new computer equipment and property rates.

Table 14. 2: Summary of provincial estimates by nature of investment

| Nature of investment | Audited Outcome | | | Main Appropriation | Adjusted Appropriation 2023/24 ('000) | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|-------------------|---------------|--------------------|---|------------------|-----------------------|-------------------|---------------|
| | 2020/21 | 2021/22 ('000) | 2022/23 | | | | 2024/25 | 2025/26 ('000) | 2026/27 |
| Existing infrastructure assets | 34 126 | 39 677 | 30 262 | 19 187 | 19 627 | 26 662 | 21 412 | 29 133 | 30 438 |
| Maintenance and repairs | 19 688 | 28 849 | 22 567 | 12 006 | 12 446 | 17 741 | 14 446 | 15 853 | 17 846 |
| Upgrades and additions | 13 942 | 7 659 | 5 041 | 3 028 | 3 028 | 3 848 | 450 | – | – |
| Rehabilitation and refurbishment | 496 | 3 169 | 2 654 | 4 153 | 4 153 | 5 073 | 6 516 | 13 280 | 12 592 |
| New infrastructure assets | 12 667 | 7 590 | 28 019 | 7 497 | 31 255 | 44 108 | 6 446 | – | – |
| Infrastructure transfers | – | – | – | – | – | – | – | – | – |
| Current | – | – | – | – | – | – | – | – | – |
| Capital | – | – | – | – | – | – | – | – | – |
| Infrastructure payments for financial assets | – | – | – | – | – | – | – | – | – |
| Infrastructure leases | – | – | – | – | – | – | – | – | – |
| Non infrastructure | – | – | – | – | – | – | – | – | – |
| Total | 46 793 | 47 267 | 58 281 | 26 684 | 50 882 | 70 770 | 27 858 | 29 133 | 30 438 |
| Capital infrastructure | 27 105 | 18 418 | 35 714 | 14 678 | 38 436 | 53 029 | 13 412 | 13 280 | 12 592 |
| Current infrastructure | 19 688 | 28 849 | 22 568 | 12 006 | 12 446 | 17 741 | 14 446 | 15 853 | 17 846 |

The infrastructure budget revised estimate for 2023/24 was at R70.770 million but this budget decreased to R 27.858 million in the 2024/25 financial year. The reason for this is that the major projects that were under construction are envisaged to come to an end and will incur minimal expenditure in 2024/25 financial year. There is a slight increasing budget allocation trend from 2024/25 of R27.858 million to 2025/26 budget of R29.133 million with a marginal increase in 2026/27 to R30.438 million.

Maintenance and repairs: The budget in this category fluctuated over the 2020/21 MTEF period, R19.688 in 2020/21 financial year, which increased to R28.849 million in 2021/22 financial year and then decreased to R 22.567 million in the 2022/23 financial year. The fluctuation was due to the unpredictable nature of corrective maintenance (breakdown/failure, reactive in nature) projects and internal pressures in the department. The estimated budget for maintenance and repairs was severely reduced to R14.446 million in 2024/25, however it was revised up to R17.846 million by the end of the financial year due to various unplanned maintenance projects from Midlands and North Coast region which were planned for.

Upgrades and additions: The budget decrease over the 2020/21 MTEF period, moving from R13.942 million in 2020/21 down to R7.659 million in 2021/22 and then down again to R5.041 million in 2022/23. The decrease in budget was due to the slow progress of upgrades and additions projects. The estimated budget for upgrades and additions over the 2024/25 MTEF period is considerably reduced to R450 000 in 2024/25 with the outer years having a zero allocation. The

department has completed the conversion of an existing workshop to training facility, the scope of works was reduced due to budgetary constraints. The minimal budget in the 2024/25 will be for the closeout of this budget.

Rehabilitation and refurbishment: The budget fluctuated over the 2020/21 MTEF period, moving from R496 000 in 2020/21 up to R 3.169 million in 2021/22 and then decrease to R2.654 million in 2021/22. The fluctuation was due to projects moving slower than anticipated as the majority of the projects in this category were in the feasibility stages with two projects namely the refurbishment of a building in Mayville into offices. The estimated budget for rehabilitation and refurbishment over the 2024/25 MTEF is projected as R6.516 million in the year 2024/25, with a projected increase to R13.280 million in 2025/26 and a decrease to R12.592 million in 2025/26. Some of the projects implemented under this category include Rehabilitation and Renovations to the Mayville Lecture Hall, and repairs to internal roads and parking facilities in Zululand District.

New infrastructure assets: A fluctuating trend is evident with new infrastructure assets over the 2020/21 MTEF period, moving from R12.667 million in 2020/21 to R7.590 million in 2021/22 and then to R28.019 in 2022/23 financial year. This was due to the construction of Ilembe District Office completion contract progressing well on site. Over the 2024/25 MTEF period the estimated budget is only allocated to the 2024/25 financial year. There is no allocation for the outer years due to the department focusing on maintaining existing infrastructure and not building any new structures since the Ilembe district office is anticipating completion.

Infrastructure transfers: The department has not captured any infrastructure transfers as there are no infrastructure funds transferred to municipalities or public entities.

Infrastructure leases: The department has not captured any budget for infrastructure leases because all the buildings that are occupied by the department are state owned.

Non infrastructure: The department has not captured any budget for non-infrastructure.

3. Outlook for the 2024/25 MTEF Period

The department will continue its focus on balancing between maintenance of existing facilities and upgrading those that need upgrading over the 2024/25 MTEF. The department will continue to undertake general repairs and maintenance to its regional offices in the province which include, but are not limited to the eThekweni Regional Office, Head Office and LA building in Ulundi. Due to persisting budget pressures, the department has reprioritised to focus on completing the state vehicle parking project in Mayville.

The key focus areas of 2024/25 MTEF, outlining what the department is planning to achieve as well as briefly looking at challenges and proposed new developments are as follows:

- Ugu District Office: Removal of existing roof sheeting and replacement with new sheets. The condition assessment has been concluded for the removal of existing roof. The department is planning to utilise internal professionals due to budgetary constraints and currently the Architect is busy with the concept design. The project is planned for construction during the fourth quarter of 2024/25 financial year.
- iLembe district office, of which the completion contract currently progress on site is 96 percent complete is planned for close out and final account to be finalised by 2024/25 in the fourth quarter.
- Nongoma Sub-District: Installation of the New Fencing, the Department is currently busy with the procurement of the service provider will be done during 2023/24 financial year. The

construction of the new fencing will commence during 2024/25 financial year in the first quarter.

The table below shows the infrastructure estimates per municipal district.

Table 14. 3: Infrastructure estimates per municipal district

| District Municipality | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|------------------------|--------------------|----------------------------|---------------|---------------|
| | | Estimated Budget ('000) | | |
| Amajuba | 0 | - | - | - |
| eThekweni | 3 | 2 947 | 2 830 | 2 957 |
| Harry Gwala | 0 | - | - | - |
| iLembe | 1 | 6 446 | - | - |
| King Cetshwayo | 0 | - | - | - |
| Ugu | 0 | - | - | - |
| Umgungundlovu | 3 | 3 649 | 7 300 | 7 251 |
| Umkhanyakude | 0 | - | - | - |
| Umkhanyathi | 0 | - | - | - |
| Uthukela | 1 | 1 635 | 1 800 | 1 880 |
| Zululand | 10 | 13 181 | 17 203 | 18 350 |
| Province wide projects | 0 | - | - | - |
| Total | 18 | 27 858 | 29 133 | 30 438 |

In 2024/25, there are 10 projects in Zululand district with a budget of R13.181 million and 3 projects in eThekweni with a budget of R2.947 million. uMgungundlovu district has 3 projects with a budget of R3.649 million in the same financial year. In the 2025/26 and 2026/27 financial years, the highest budget allocation is in the Zululand district because of the high number of projects prioritised by the department in this district, and due to the extensive amount of work that needs to be done to the LA building in the north coast region.

4. State of Readiness

The table below shows the statuses in which projects are and the project pipeline in the 2024/25 MTEF period. The department has a total number of 18 projects at various stages of the project cycle. Of these, 1 project is at initiation stage which involves the conversion of an existing workshop into an office in eThekweni. Four projects are at concept stage, 3 in the design development stage and 2 at design documentation stage. It is anticipated that those projects in design stage will gradually move to works stage over the 2024/25 MTEF. Eight projects are at construction or works stage which include day to day maintenance for eThekweni region, North Coast region, Southern and Midlands regions. The department recorded zero projects in handover stage and there are currently no projects at closeout stage. The bulk of the budget in 2024/25 financial year is allocated to projects at construction stage with an estimated budget of R18.192 million. The department is also prioritising projects in stage 5 which is works, in the outer years.

Table 14. 4: State of readiness to implement projects

| Implementation Stages | Number of Projects | 2024/25 | 2025/26 | 2026/27 |
|--------------------------------------|--------------------|----------------------------|---------------|---------------|
| | | Estimated Budget ('000) | | |
| Packaged Programme | - | - | - | - |
| Stage 1: Initiation/ Pre-feasibility | 1 | 616 | 1 030 | 1 076 |
| Stage 2: Concept/ Feasibility | 4 | 2 700 | 5 750 | 5 540 |
| Stage 3: Design Development | 3 | 2 150 | 6 500 | 5 976 |
| Stage 4: Design Documentation | 2 | 4 200 | 3 301 | 3 650 |
| Stage 5: Works | 8 | 18 192 | 12 552 | 14 196 |
| Stage 6: Handover | - | - | - | - |
| Stage 7: Close out | - | - | - | - |
| Total | 18 | 27 858 | 29 133 | 30 438 |

Vote 14 : Public Works

The department continues to strive for the maintenance of existing infrastructure assets and ensuring that state owned buildings are kept in a habitable condition in support of service delivery.

Conclusion

It is a widely recognized fact that infrastructure is one of the primary drivers for economic growth and development. The economic and social infrastructure are critical in providing for the socio-economic needs of citizens. To support these services, provision of quality, functional and adequate infrastructure is needed. Buildings such as schools, libraries, clinics, hospitals and other government facilities are used to deliver the primary services that are expected to be provided by government.

In the past 3 financial years the infrastructure development was challenged in this province as adverse weather events became regular which led to infrastructure damages. In addition to this, the shrinking fiscus with lesser resources being made available. While funding would have been available at an exponential rate, this is not the case with allocations only marginally improving. Added to this constraint is the skills gap driven by reduced funding for posts in the public service, meaning a lesser than normal pool of built environment resources. The destructions and delays that comes with interference by business forums cannot be overlooked in this province. All of the above may contribute and led to service delivery protests. This situation can be managed with the proper utilisation of available resources in infrastructure investments and optimising usability and the life span of each facility.

It is important that systems and processes to deliver infrastructure are effective and efficient as prescribed in the Infrastructure Delivery Management System (IDMS). All departments have been introduced to the IDMS best practices to ensure improved planning and delivery that sick to strive for effectiveness and efficiency in the infrastructure delivery. KZN province is committed to investing a substantial amount of funds to infrastructure development particularly on the maintenance of existing assets. This is evident as the highest percentage of the infrastructure budget is allocated to existing assets.

The outlook per vote of this publication has described each department's infrastructure programme, strategic overview as well as the priorities over the 2024/25 MTEF. The source of funding, payment and estimate per nature of investment, the outlook for the 2024/25 MTEF period and the state of readiness are also discussed. The discussions also include the projects per department which are anticipated to be implemented over the 2024/5 MTEF. It is important to note that the list is only infrastructure projects planned by each department. The project list indicates the name of each project and gives brief details e.g. the location, the estimated start and finish date and financial information of each project. It must be noted that in some instances, maintenance projects are clustered together into packages based on their nature and location while on the other hand all capital projects are indicated as individual projects.

ANNEXURES

TABLES B5