

# Vote 6

## Public Works

<b>Amount to be appropriated</b>	<b>Main appropriation</b> R5 554 051 000	<b>Adjusted appropriation</b> R5 644 236 000	<b>Decrease</b>	<b>Increase</b> R90 185 000
<b>Responsible minister</b>	Minister of Public Works			
<b>Administering department</b>	Department of Public Works			
<b>Accounting officer</b>	Director-General of Public Works			

### Aim

*The Department of Public Works aims to provide and manage the accommodation, land and infrastructure needs of national departments, to co-ordinate the national expanded public works programme and to optimise growth, employment and transformation in the construction and property industries.*

### Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

### Adjusted Estimates of National Expenditure 2005

**Table 6.1: Public Works**

Programme	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
R thousand		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1 . Administration	272 002	500	–	57 087	–	57 587	329 589
2 . Provision of Land and Accommodation	5 181 343	34 147	–	(81 668)	41 338	(6 183)	5 175 160
3 . National Public Works Programme	82 610	14 200	–	24 581	–	38 781	121 391
4 . Auxiliary and Associated Services	18 096	–	–	–	–	–	18 096
<b>Total</b>	<b>5 554 051</b>	<b>48 847</b>	<b>–</b>	<b>–</b>	<b>41 338</b>	<b>90 185</b>	<b>5 644 236</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>3 502 017</b>	<b>14 700</b>	<b>–</b>	<b>55 753</b>	<b>41 338</b>	<b>111 791</b>	<b>3 613 808</b>
Compensation of employees	626 134	–	–	(86 579)	–	(86 579)	539 555
Goods and services	2 870 840	14 700	–	147 348	41 338	203 386	3 074 226
Interest and rent on land	5 043	–	–	(5 043)	–	(5 043)	–
Financial transactions in assets and liabilities	–	–	–	27	–	27	27

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>Transfers and subsidies to:</b>	<b>998 405</b>	–	–	<b>(21 788)</b>	–	<b>(21 788)</b>	<b>976 617</b>
Provinces and municipalities	947 867	–	–	(21 936)	–	(21 936)	925 931
Departmental agencies and accounts	37 536	–	–	30	–	30	37 566
Foreign governments and international organisations	12 651	–	–	–	–	–	12 651
Public corporations and private enterprises	–	–	–	50	–	50	50
Households	351	–	–	68	–	68	419
<b>Payments for capital assets</b>	<b>1 053 629</b>	<b>34 147</b>	–	<b>(33 965)</b>	–	<b>182</b>	<b>1 053 811</b>
Buildings and other fixed structures	1 011 494	34 147	–	(64 560)	–	(30 413)	981 081
Machinery and equipment	42 110	–	–	30 543	–	30 543	72 653
Software and other intangible assets	–	–	–	77	–	77	77
Land and subsoil assets	25	–	–	(25)	–	(25)	–
<b>Total</b>	<b>5 554 051</b>	<b>48 847</b>	–	–	<b>41 338</b>	<b>90 185</b>	<b>5 644 236</b>

## Details of adjustments to Estimates of National Expenditure 2005

### Roll-overs – R48,847 million

#### Programme 1: Administration

R500 000 has been rolled over for management support activities within the expanded public works programme.

#### Programme 2: Provision of Land and Accommodation

R34,147 million has been rolled over for new contracts for lift maintenance. The repairs portion of the repairs and maintenance programme (RAMP) was initially funded from clients' capital budgets, but this function is now the department's responsibility.

#### Programme 3: National Public Works Programme

R14,2 million has been rolled over for co-ordinating the expanded public works programme. The national co-ordination unit was found to be inadequate and has to be expanded.

### Virements

**Table 6.2: Public Works (Net effect of all virements)**

From	R thousand	To	R thousand
<b>Programme</b>			
2 Provision of Land and Accommodation	81 668	1 Administration	57 087
		3 National Public Works Programme	24 581
<b>Economic classification items</b>			
Compensation of employees	86 579	Goods and services	147 348
Interest on land	5 043	Financial transactions in assets and liabilities	27
Transfers and subsidies	21 788		
Payments for capital assets	33 965		

### **Details of savings**

#### Programme 2: Provision of Land and Accommodation

Savings in this programme consist mainly of R60 million on compensation of employees as a result of delays in filling vacancies, and R22 million on payments for municipal services because some departments moved out of government-owned accommodation due to the bad state of repair.

### **Utilisation of savings**

#### Programme 1: Administration

R57 million has been used to enhance the department's corporate services, enabling it to address challenges in IT, supply chain management, internal audit, human resources learnerships and security services.

#### Programme 3: National Public Works Programme

R24,581 million has been used to expand the activities of the expanded public works programme's co-ordination unit.

### **Virements within a programme**

#### Programme 2: Provision of Land and Accommodation

In the Property Management subprogramme, R22 million has been shifted from the sub-subprogramme Rates on State Property to the sub-subprogramme Office Accommodation, Official Quarters and Unimproved Property. The savings arose from the delay in implementing the new Property Rating Act and have been used for leases and rentals.

### **Other adjustments – R41,338 million**

### **Shifting of funds between votes**

#### Programme 2: Provision of Land and Accommodation

The Department of Public Works has arranged with client departments that the departments will implement and fund minor maintenance jobs (not exceeding R20 000 per job) themselves. This arrangement has been discontinued with the Department of Justice and Constitutional Development since 1 April 2005, and the earmarked R11 million has been shifted to that department.

R52,338 million had to be shifted from the following departments to the Department of Public Works for additional leased accommodation:

- Statistics South Africa: R9,112 million
- Provincial and Local Government: R345 000
- Public Enterprises: R230 000
- Water Affairs and Forestry: R2,16 million
- Safety and Security: R40,491 million

## Expenditure 2004/05 and preliminary expenditure 2005/06

Table 6.3: Public Works

Programme	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
1.Administration	275 071	150 199	363 547	132,2	329 589	153 994	2,5
2.Provision of Land and Accommodation	5 152 749	2 198 321	4 802 672	93,2	5 175 160	2 146 931	(2,3)
3.National Public Works Programme	68 970	45 206	96 875	140,5	121 391	58 463	29,3
4.Auxiliary and Associated Services	17 119	40 976	41 822	244,3	18 096	11 169	(72,7)
<b>Total</b>	<b>5 513 909</b>	<b>2 434 702</b>	<b>5 304 916</b>	<b>96,2</b>	<b>5 644 236</b>	<b>2 370 557</b>	<b>(2,6)</b>
<b>Current payments</b>	<b>3 270 113</b>	<b>1 993 029</b>	<b>3 882 858</b>	<b>118,7</b>	<b>3 613 808</b>	<b>1 856 475</b>	<b>(6,9)</b>
Compensation of employees	464 844	212 840	450 948	97,0	539 555	266 603	25,3
Goods and services	2 800 467	1 778 987	3 360 165	120,0	3 074 226	1 583 420	(11,0)
Interest and rent on land	4 802	-	-	-	-	4 855	-
Financial transactions in assets and liabilities	-	1 202	71 745	-	27	1 597	32,9
<b>Transfers and subsidies to:</b>	<b>1 476 927</b>	<b>276 981</b>	<b>1 086 610</b>	<b>73,6</b>	<b>976 617</b>	<b>446 324</b>	<b>61,1</b>
Provinces and municipalities	1 433 505	265 255	1 041 064	72,6	925 931	411 096	55,0
Departmental agencies and accounts	31 136	1 000	28 036	90,0	37 566	23 863	2286,3
Foreign governments and international organisations	11 935	9 296	14 279	119,6	12 651	9 722	4,6
Public corporations and private enterprises	-	2	46	-	50	19	850,0
Households	351	1 428	3 185	907,4	419	1 624	13,7
<b>Payments for capital assets</b>	<b>766 869</b>	<b>164 692</b>	<b>335 448</b>	<b>43,7</b>	<b>1 053 811</b>	<b>67 758</b>	<b>(58,9)</b>
Buildings and other fixed structures	724 179	136 159	292 918	40,4	981 081	60 816	(55,3)
Machinery and equipment	42 665	28 529	42 506	99,6	72 653	6 977	(75,5)
Software and other intangible assets	-	4	24	-	77	(35)	(975,0)
Land and subsoil assets	25	-	-	-	-	-	-
<b>Total</b>	<b>5 513 909</b>	<b>2 434 702</b>	<b>5 304 916</b>	<b>96,2</b>	<b>5 644 236</b>	<b>2 370 557</b>	<b>(2,6)</b>

### Selected expenditure trends for first half of 2005/06 financial year

Expenditure in the first six months of 2005/06 amounted to R2,371 billion, or 42 per cent of the adjusted appropriation of R5,644 billion for the year as a whole.

The year-on-year rate of decrease is because the presidential inauguration and the '10 Years of Freedom' celebrations were part of the higher level of expenditure in the previous year.

The lower expenditure on payments for capital assets relates to specific projects, such as the land ports of entry project, as well as to following up on outstanding contracts.

## Summary of transfers and subsidies

Table 6.4: Summary of transfers and subsidies per programme

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
<b>1.Administration</b>	<b>697</b>	-	-	(208)	-	(208)	<b>489</b>
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>347</b>	-	-	32	-	32	<b>379</b>
Regional Services Council levies	347	-	-	32	-	32	379
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	-	-	-	50	-	50	<b>50</b>
Glenrand MIB	-	-	-	50	-	50	50
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>350</b>	-	-	(290)	-	(290)	<b>60</b>
Bursaries	350	-	-	(290)	-	(290)	60
<b>2.Provision of Land and Accommodation</b>	<b>947 487</b>	-	-	(21 634)	-	(21 634)	<b>925 853</b>
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>947 487</b>	-	-	(21 992)	-	(21 992)	<b>925 495</b>
Rates on state properties	946 603	-	-	(22 000)	-	(22 000)	924 603
Regional Services Council levies	884	-	-	8	-	8	892
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	-	-	-	358	-	358	<b>358</b>
Leave Gratuity	-	-	-	358	-	358	358
<b>3.National Public Works Programme</b>	<b>34 328</b>	-	-	54	-	54	<b>34 382</b>
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>33</b>	-	-	24	-	24	<b>57</b>
Regional Services Council levies	33	-	-	24	-	24	57
<b>Departmental agencies and accounts</b>							
<b>Public entities</b>							
<b>Current</b>	<b>34 295</b>	-	-	30	-	30	<b>34 325</b>
Construction Industry Development Board	31 295	-	-	30	-	30	31 325
Council for the Built Environment	3 000	-	-	-	-	-	3 000
<b>4.Auxiliary and Associated Services</b>	<b>15 893</b>	-	-	-	-	-	<b>15 893</b>
<b>Departmental agencies and accounts</b>							
<b>Public entities</b>							
<b>Current</b>	<b>3 241</b>	-	-	-	-	-	<b>3 241</b>
Construction Education and Training Authority	1 725	-	-	-	-	-	1 725
Parliamentary Village Management Board	1 516	-	-	-	-	-	1 516
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>12 651</b>	-	-	-	-	-	<b>12 651</b>
Assistance to Organisations for Preservation of National Memorials	12 651	-	-	-	-	-	12 651
<b>Households</b>							
<b>Social benefits</b>							
<b>Current</b>	<b>1</b>	-	-	-	-	-	<b>1</b>
Loskop settlement	1	-	-	-	-	-	1
<b>Total</b>	<b>998 405</b>	-	-	(21 788)	-	(21 788)	<b>976 617</b>

