

Vote 6

Public Works

2006/07				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	3 080 181	3 116 762	-	36 581
<i>of which:</i>				
Current payments	1 251 595	1 372 706	-	121 111
Transfers and subsidies	1 226 310	1 233 127	-	6 817
Payments for capital assets	602 276	510 929	(91 347)	-
Executive authority	Minister of Public Works			
Accounting officer	Director-General of Public Works			

Aim

The Department of Public Works aims to provide and manage the accommodation, housing, land and infrastructure needs of national departments, co-ordinate the national expanded public works programme and 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 or measurable objectives.

Adjusted Estimates of National Expenditure 2006

Table 6.1: Public Works

Programme		2006/07					
R thousand	Main appropriation	Additional appropriation				Adjusted appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		Total additional appropriation
1. Administration	593 211	-	-	-	-	-	593 211
2. Provision of Land and Accommodation	2 369 024	-	-	(32 588)	-	(32 588)	2 336 436
3. National Public Works Programme	98 808	32 500	-	32 588	-	65 088	163 896
4. Auxiliary and Associated Services	19 138	4 081	-	-	-	4 081	23 219
Total	3 080 181	36 581	-	-	-	36 581	3 116 762

Table 6.1: Public Works (continued)

2006/07						
R thousand	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	
Economic classification						
Current payments	1 251 595	32 500	-	88 611	-	1 372 706
Compensation of employees	655 829	-	-	-	-	655 829
Goods and services	595 766	32 500	-	88 611	-	716 877
Transfers and subsidies	1 226 310	4 081	-	2 736	-	1 233 127
Provinces and municipalities	710 452	-	-	-	-	710 452
Departmental agencies and accounts	501 577	4 081	-	-	-	505 658
Foreign governments and international organizations	13 916	-	-	-	-	13 916
Public corporations and private enterprises	254	-	-	-	-	254
Households	111	-	-	2 736	-	2 847
Payments for capital assets	602 276	-	-	(91 347)	-	510 929
Buildings and other fixed structures	545 797	-	-	(52 347)	-	493 450
Machinery and equipment	56 479	-	-	(39 000)	-	17 479
Total	3 080 181	36 581	-	-	-	3 116 762

Details of adjustments to Estimates of National Expenditure 2006

Roll-overs - R36,581 million

R32,5 million has been rolled over for the increase in the number of projects that public bodies make available for implementation by the expanded public works programme's learnership programme.

R4,081 million has been rolled over for improving the transport system for members of Parliament and sessional officials travelling between the three parliamentary villages and Parliament.

Virements

Table 6.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	(39 000)	39 000	
Current payments	-	38 110	
Goods and services	-	38 110	Incorrectly classified funds have been shifted from machinery and equipment (in this programme) for the maintenance of information systems.
Transfers and Subsidies	-	890	
Households	-	890	Funds shifted from goods and services (in this programme) will be used for leave gratuities.
Payments for capital assets	(39 000)	-	
Machinery and equipment	(39 000)	-	This allocation for the maintenance of information systems was incorrectly classified and has been shifted to goods and services (in this programme).

Table 6.2: Details on virements per programme and economic classification (continued)

Programme / Economic classification	R thousand		Motivation
	From	To	
2. Provision of Land and Accommodation	(57 147)	24 559	
Current payments	(4 800)	22 713	
Compensation of employees	(4 800)	-	Savings are due to the time-consuming process to fill vacancies and a current moratorium on the filling of vacancies.
Goods and services	-	22 713	R52,347 million was incorrectly classified as capital expenditure and was shifted from buildings and other fixed structures (in this programme). Following this reclassification, administrative activities were scaled down to realise savings of R27,788 million.
Transfers and Subsidies	-	1 846	
Households	-	1 846	Funds shifted from goods and services will be used for leave gratuities.
Payments for capital assets	(52 347)	-	
Buildings and other fixed structures	(52 347)	-	R52,347 million for planned maintenance was incorrectly classified as capital expenditure and has been shifted to goods and services in this programme.
3. National Public Works Programme	-	32 588	
Current payments	-	32 588	
Compensation of employees	-	4 800	Funds shifted from compensation of employees (in programme 2) will be used to implement learnership and internship programmes.
Goods and services	-	27 788	Funds shifted from goods and services (in programme 2) will be used for hosting the 2006 construction week (R15,588 million) for the expanded public works programme (R12,2 million).
Total for vote	(96 147)	96 147	

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 6.3: Public Works

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted	Apr 2005 -	Apr 2005 -	Apr 05 - Mar 06	Adjusted	Apr 2006 -	% change
R thousand	appropriation	Sep 2005	Mar 2006	% of adjusted appropriation	appropriation	Sep 2006	05/06 - 06/07 Apr - Sep
1. Administration	315 577	152 397	392 432	124,4	593 211	289 332	89,9
2. Provision of Land and Accommodation	1 903 807	512 851	1 814 018	95,3	2 336 436	1 293 698	152,3
3. National Public Works Programme	121 391	58 463	142 090	117,1	163 896	85 626	46,5
4. Auxiliary and Associated Services	18 096	11 169	14 977	82,8	23 219	19 382	73,5
Total	2 358 871	734 880	2 363 517	100,2	3 116 762	1 688 038	129,7
Current payments	1 120 110	296 633	1 025 991	91,6	1 372 706	616 946	108,0
Compensation of employees	539 555	266 603	542 762	100,6	655 829	308 366	15,7
Goods and services	580 528	23 577	458 893	79,0	716 877	307 972	1206,2
Interest and rent on land	-	4 855	15 836	-	-	-	(100,0)
Financial transactions in assets and liabilities	27	1 598	8 500	31481,5	-	608	(62,0)
Transfers and subsidies	976 617	446 324	979 118	100,3	1 233 127	1 022 864	129,2
Provinces and municipalities	925 931	411 096	926 652	100,1	710 452	533 022	29,7
Departmental agencies and accounts	37 566	23 863	37 049	98,6	505 658	476 495	1896,8
Foreign governments and international organisations	12 651	9 722	11 608	91,8	13 916	11 924	22,6
Public corporations and private enterprises	50	19	71	142,0	254	-	(100,0)
Households	419	1 624	3 738	892,1	2 847	1 423	(12,4)

Table 6.3: Public Works (continued)

R thousand	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
Payments for capital assets	262 144	(8 077)	358 408	136,7	510 929	48 228	(697,1)
Buildings and other fixed structures	189 414	(15 019)	300 948	158,9	493 450	33 975	(326,2)
Machinery and equipment	72 653	6 977	29 525	40,6	17 479	14 198	103,5
Software and other intangible assets	77	(35)	27 935	36279,2	-	55	(257,1)
Total	2 358 871	734 880	2 363 517	100,2	3 116 762	1 688 038	129,7

Selected expenditure trends for the first half of the 2006/07 financial year

Expenditure in the first six months of the 2006/07 financial year was R1,688 billion, or 54,16 per cent of the adjusted appropriation of R3,117 billion for the year as whole.

The increases in the *Administration* and *Provision of Land and Accommodation* programmes are mainly as a result of the creation of the property management trading entity from April 2006. The R247 million devolved to the Department of Public Works was reallocated to the *Administration* Programme as earmarked funds payable to the property management trading entity as accommodation charges for all properties occupied by the Department of Public Works. The large increase under departmental agencies and accounts is as a result of R450 million that was transferred to augment the trading entity.

The 46,5 per cent increase in the *National Public Works Programme* is due to the 2006 National Construction Week and the mentorship support that the department had to provide in the countrywide implementation of expanded public works programme. The 73,5 per cent increase in the *Auxiliary and Associated Services Programme* is mainly due to improvements to the transport system for members of Parliament and sessional officials and to the State funeral for the late Minister of Public Works.

Summary of changes to transfers and subsidies, and conditional grants

Table 6.4: Summary of changes to transfers and subsidies per programme

2006/07							
	Main appropriation	Additional appropriation				Adjusted appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		Total additional appropriation
R thousand							
1. Administration	200	-	-	890	-	890	1 090
Households							
Social benefits							
Current	50	-	-	890	-	890	940
Leave gratuities	50	-	-	890	-	890	940

Table 6.4: Summary of changes to transfers and subsidies per programme (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
2. Provision of Land and Accommodation Households	1 160 607	-	-	1 846	-	1 846	1 162 453
Social benefits							
Current	60	-	-	1 846	-	1 846	1 906
Leave gratuities	60	-	-	1 846	-	1 846	1 906
4. Auxiliary and Associated Services	17 482	4 081	-	-	-	4 081	21 563
Departmental agencies and accounts							
Entities							
Current	3 565	4 081	-	-	-	4 081	7 646
Parliamentary Villages Management Board	1 667	4 081	-	-	-	4 081	5 748
Total	1 226 310	4 081	-	2 736	-	6 817	1 233 127

