

# Vote 5

## Public Works

### Adjusted budget summary

R thousand	2009/10			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>5 298 000</b>	<b>6 049 130</b>	<b>-</b>	<b>751 130</b>
<i>of which:</i>				
Current payments	1 879 140	1 931 384	-	52 244
Transfers and subsidies	2 150 697	2 607 897	-	457 200
Payments for capital assets	1 268 163	1 509 849	-	241 686
Executive authority	Minister of Public Works			
Accounting officer	Director-General of Public Works			
Website address	<a href="http://www.publicworks.gov.za">www.publicworks.gov.za</a>			

### Aim

*The aim of the Department of Public Works is to provide and manage the accommodation, housing, land and infrastructure needs of national departments; lead and direct implementation of the national expanded public works programme; and promote growth, job creation and transformation in the construction and property industries.*

### Mid-year performance status

Indicator	Programme	Annual performance			
		As published in the 2009 ENE	Programme linked to the indicator	Projected for 2009/10 as published in the 2009 ENE	Achieved in the first six months of 2009/10 (April to September)
Number of youths participating in the national youth service programme each year	National Public Works Programme	6 000		363	4 500
Number of learners participating in the Vuk'uphile learnership	National Public Works Programme	1 000		556	-
Total number of municipalities reporting on expanded public works programme targets	National Public Works Programme	85		80	-
Total number of work opportunities created on provincial access roads projects	National Public Works Programme	85 000		61 188	-
Number of new job opportunities created through eradication of mud and inappropriate structures	National Public Works Programme	2 100		592	-
Number of state owned buildings prioritised to be made accessible to people with disability each year	Provision of Land and Accommodation	200		5	179
Percentage of state owned buildings rehabilitated each year (out of 1 053 earmarked for rehabilitation)	Provision of Land and Accommodation	25% (52.6)		0.04% (2)	-
Total number of immovable assets valued (total of 136 089)	Provision of Land and Accommodation	122 480		109 277	-
Total number of immovable assets (out of 136 089) on the department's register that comply with recognised accounting practice requirements	Provision of Land and Accommodation	108 871		33 963	80 865
Percentage reduction in electricity consumption on state owned buildings due to retrofitting	Provision of Land and Accommodation	10		6	-

The estimated number of youths participating in the national youth service programme in 2009/10 has been decreased. Projects have been delayed because of the need to accommodate changes in departmental requirements on national youth service projects.

The indicator Total number of provincial access roads provided has been corrected to Total number of work opportunities created on provincial access roads projects.

The estimated number of state owned buildings prioritised to be made accessible to people with disability in 2009/10 has been decreased, because of the devolution of properties to the South African Police Services and the available budget for these properties.

The indicator Percentage of state owned buildings rehabilitated each year (out of 1 053 earmarked for rehabilitation) has been corrected to Number of state owned buildings rehabilitated each year (out of 1 053 earmarked for rehabilitation). The department has rehabilitated 2 buildings so far. The target is in the process of being revised.

## Adjusted Estimates of National Expenditure 2009

Programme	2009/10							Adjusted appropriation
	Main appropriation	Additional appropriation					Total additional appropriation	
R thousand		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustment		
1. Administration	777 972	–	–	(89 000)	–	–	(89 000)	688 972
2. Provision of Land and Accommodation	3 709 274	111 686	523 258	82 000	–	–	716 944	4 426 218
3. National Public Works Programme	768 511	–	1 686	–	–	114 500	116 186	884 697
4. Auxiliary and Associated Services	42 243	–	–	7 000	–	–	7 000	49 243
<b>Total</b>	<b>5 298 000</b>	<b>111 686</b>	<b>524 944</b>	<b>–</b>	<b>–</b>	<b>114 500</b>	<b>751 130</b>	<b>6 049 130</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>1 879 140</b>	<b>–</b>	<b>21 744</b>	<b>30 500</b>	<b>–</b>	<b>–</b>	<b>52 244</b>	<b>1 931 384</b>
Compensation of employees	887 493	–	21 744	103 000	–	–	124 744	1 012 237
Goods and services	991 647	–	–	(72 500)	–	–	(72 500)	919 147
<b>Transfers and subsidies</b>	<b>2 150 697</b>	<b>–</b>	<b>353 200</b>	<b>(10 500)</b>	<b>–</b>	<b>114 500</b>	<b>457 200</b>	<b>2 607 897</b>
Provinces and municipalities	1 349 705	–	353 200	–	–	–	353 200	1 702 905
Departmental agencies and accounts	700 657	–	–	(20 000)	–	–	(20 000)	680 657
Public corporations and private enterprises	50	–	–	9 500	–	5 000	14 500	14 550
Foreign governments and international organisations	16 478	–	–	–	–	–	–	16 478
Non-profit institutions	80 500	–	–	–	–	109 500	109 500	190 000
Households	3 307	–	–	–	–	–	–	3 307
<b>Payments for capital assets</b>	<b>1 268 163</b>	<b>111 686</b>	<b>150 000</b>	<b>(20 000)</b>	<b>–</b>	<b>–</b>	<b>241 686</b>	<b>1 509 849</b>
Buildings and other fixed structures	1 220 639	111 686	130 000	–	–	–	241 686	1 462 325
Machinery and equipment	42 387	–	20 000	(20 000)	–	–	–	42 387
Software and other intangible assets	5 137	–	–	–	–	–	–	5 137
<b>Total</b>	<b>5 298 000</b>	<b>111 686</b>	<b>524 944</b>	<b>–</b>	<b>–</b>	<b>114 500</b>	<b>751 130</b>	<b>6 049 130</b>

## Details of adjustments to Estimates of National Expenditure 2009

### Roll-overs – R111.686 million

Programme 2: Provision of Land and Accommodation

R54.285 million has been rolled over for the Re Kgabisa Tshwane programme.

R6.187 million has been rolled over for upgrading existing buildings and a construction site in Bloemfontein.

R17.101 million has been rolled over for the land ports of entry redevelopment project.

R34.113 million has been rolled over for the prestige accommodation portfolio.

## Unforeseeable and unavoidable expenditure – R524.944 million

### Programme 2: Provision of Land and Accommodation

An additional R20.058 million is allocated for higher salary increases than the main budget provided for.

An additional R150 million is allocated for offices and residences for the new ministers and deputy ministers, appointed under the reorganised government structure:

R103 million for acquiring properties and installing security

R47 million for upgrading and configuring offices and residences.

An additional R353.2 million is allocated to the devolution of property rates funds to provinces grant:

R16.5 million to Eastern Cape

R209.9 million to Gauteng

R12.5 million to Mpumalanga

R10.3 million to Northern Cape

R104 million to Western Cape.

### Programme 3: National Public Works Programme

R1.686 million is allocated for higher salary increases than the main budget provided for.

## Virements

Programmes					
1. Administration					
2. Provision of Land and Accommodation					
3. National Public Works Programme					
4. Auxiliary and Associated Services					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 1</b>		<b>(89 000)</b>	<b>Programme 2</b>		<b>89 000</b>
Compensation of employees	Realignment of regional offices to programme 2	(85 000)	Compensation of employees	Realignment of regional offices from programme 1	85 000
Machinery and equipment	Reduction in software and intangible assets	(4 000)		For shortfall for additional personnel	4 000
<b>Programme 2</b>		<b>(84 160)</b>	<b>Programme 2</b>		<b>41 160</b>
Goods and services	Reduction in contractors and Agency and support	(41 160)	Compensation of employees	For shortfall	41 160
	For shortfall	(7 000)	<b>Programme 4</b>		<b>7 000</b>
			Goods and services	For shortfall	7 000
Departmental agencies and accounts (current)	Reduction in transfer to property management trading entity	(20 000)	<b>Programme 2</b>		<b>36 000</b>
Machinery and equipment	Reduction in office furniture and domestic equipment	(16 000)	Compensation of employees	For shortfall	36 000
<b>Programme 3</b>		<b>(31 340)</b>	<b>Programme 3</b>		<b>31 340</b>
Goods and services	Reduction in consultants and professional services	(21 840)	Compensation of employees	For shortfall	21 840
	Reduction in outsourced support services	(9 500)	Public corporations and private enterprises (current)	For an increase to the Independent Development Trust for the distribution of incentives	9 500
<b>Total</b>		<b>(204 500)</b>			<b>204 500</b>

## Other adjustments R114.5 million

### Unallocated amounts announced at the tabling of the main budget

Programme 3: National Public works Programme

R114.5 million is now allocated to the Community Works programme for non-wage costs, as well as for creating additional work opportunities to meet the revised targets announced by the President.

## Expenditure for 2008/09 and preliminary expenditure for 2009/10

Programme	2008/09 Expenditure outcome					2009/10 Preliminary expenditure		
	Adjusted appropriation	Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted appropriation	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted appropriation	Adjusted appropriation	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted appropriation
R thousand								
1. Administration	753 190	447 595	59.4	794 332	105.5	688 972	388 383	56.4
2. Provision of Land and Accommodation	3 290 330	1 086 449	33.0	3 146 270	95.6	4 426 218	1 784 564	40.3
3. National Public Works Programme	234 687	153 280	65.3	234 639	100.0	884 697	203 308	23.0
4. Auxiliary and Associated Services	23 785	21 613	90.9	21 746	91.4	49 243	47 773	97.0
<b>Total</b>	<b>4 301 992</b>	<b>1 708 937</b>	<b>39.7</b>	<b>4 196 987</b>	<b>97.6</b>	<b>6 049 130</b>	<b>2 424 028</b>	<b>40.1</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>1 612 358</b>	<b>900 924</b>	<b>55.9</b>	<b>1 664 392</b>	<b>103.2</b>	<b>1 931 384</b>	<b>937 581</b>	<b>48.5</b>
Compensation of employees	868 261	453 500	52.2	917 105	105.6	1 012 237	465 701	46.0
Goods and services	736 803	447 422	60.7	740 067	100.4	919 147	471 880	51.3
Interest and rent on land	–	2	0.0	–	0.0	–	–	0.0
Transactions in financial assets and liabilities	7 294	–	0.0	7 220	99.0	–	–	0.0
<b>Transfers and subsidies</b>	<b>1 512 705</b>	<b>474 489</b>	<b>31.4</b>	<b>1 510 718</b>	<b>99.9</b>	<b>2 607 897</b>	<b>1 168 812</b>	<b>44.8</b>
Provinces and municipalities	889 330	143 686	16.2	889 329	100.0	1 702 905	755 223	44.3
Departmental agencies and accounts	604 725	315 528	52.2	604 122	99.9	680 657	353 407	51.9
Public corporations and private enterprises	102	23	22.5	53	52.0	14 550	9 762	67.1
Foreign governments and international organisations	14 404	13 670	94.9	13 669	94.9	16 478	14 774	89.7
Non-profit institutions	–	–	0.0	–	0.0	190 000	33 500	17.6
Households	4 144	1 582	38.2	3 545	85.5	3 307	2 146	64.9
<b>Payments for capital assets</b>	<b>1 176 929</b>	<b>333 524</b>	<b>28.3</b>	<b>1 021 877</b>	<b>86.8</b>	<b>1 509 849</b>	<b>317 635</b>	<b>21.0</b>
Buildings and other fixed structures	1 139 529	313 859	27.5	988 374	86.7	1 462 325	300 479	20.5
Machinery and equipment	37 258	19 665	52.8	33 361	89.5	42 387	17 051	40.2
Software and other intangible assets	142	–	0.0	142	100.0	5 137	105	2.0
<b>Total</b>	<b>4 301 992</b>	<b>1 708 937</b>	<b>39.7</b>	<b>4 196 987</b>	<b>97.6</b>	<b>6 049 130</b>	<b>2 424 028</b>	<b>40.1</b>

### Main expenditure trends for the first half of 2009/10

Total expenditure for 2008/09 was 97.6 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 was R2.424 billion, or 40.1 per cent of the adjusted appropriation of R6.049 billion for the year as a whole. In comparison, mid-year expenditure in 2008/09 was 1.709 billion, or 39.7 per cent of the 2008/09 adjusted appropriation. Expenditure in the first six months of 2009/10 increased by R715.1 million or 41.8 per cent, compared to expenditure in the first six months of 2008/09.

The main expenditure increases compared to 2008/09 are due to the revised valuations of all state owned properties and consequently higher property rates and a 76.0 per cent payment of the total allocation for the devolution of property rates funds grant that goes to provinces.

## Departmental receipts

R thousand	2008/09					2009/10			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 08 - Sep 08	Apr 08 - Sep 08 % of adjusted estimate	Apr 08 - Mar 09	Apr 08 - Mar 09 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 09 - Sep 09	Apr 09 - Sep 09 % of adjusted estimate
<b>Departmental receipts</b>	<b>23 000</b>	<b>11 284</b>	<b>49.1</b>	<b>28 510</b>	<b>124.0</b>	<b>25 581</b>	<b>25 581</b>	<b>17 319</b>	<b>67.7</b>
Sales of goods and services produced by department	20 000	10 107	50.5	24 635	123.2	21 123	21 123	13 510	64.0
Fines, penalties and forfeits	1	1	100.0	1	100.0	2	2	-	-
Interest, dividends and rent on land	500	265	53.0	552	110.4	597	597	1 319	220.9
Sales of capital assets	1 000	90	9.0	940	94.0	1 000	1 000	1 430	143.0
Transactions in financial assets and liabilities	1 499	821	54.8	2 382	158.9	2 859	2 859	1 060	37.1
<b>Total</b>	<b>23 000</b>	<b>11 284</b>	<b>49.1</b>	<b>28 510</b>	<b>124.0</b>	<b>25 581</b>	<b>25 581</b>	<b>17 319</b>	<b>67.7</b>

Departmental revenue collection in the first six months of 2009/10 was R17.3 million, or 67.7 per cent of the adjusted revenue estimate of R25.6 million for the year as a whole. In comparison, mid-year revenue collection in 2008/09 was R11.3 million, or 49.1 per cent of the 2008/09 adjusted estimate. Departmental revenue collection in the first six months of 2009/10 increased by R6.0 million or 53.5 per cent, compared to revenue collected in the first six months of 2008/09.

The main revenue increase compared to 2008/09 is due to interest earned from bank accounts.

## Changes to transfers and subsidies, and conditional grants

### Summary of changes to transfers and subsidies

R thousand	2009/10							Adjusted appropriation
	Main appropriation	Additional appropriation					Total additional appropriation	
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments		
<b>2. Provision of Land and Accommodation</b>								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	608 411	-	-	(20 000)	-	-	(20 000)	588 411
Property Management Trading Entity	608 411	-	-	(20 000)	-	-	(20 000)	588 411

		2009/10						
R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-over	Unforeseeable/unavoidable	Virement	Function shift	Other adjustments		
<b>3. National Public Works Programme</b>								
<b>Public corporations and private enterprises</b>								
<b>Public corporations</b>								
<b>Other transfers</b>								
Current	–	–	–	9 500	–	5 000	14 500	14 500
Independent Development Trust	–	–	–	9 500	–	5 000	14 500	14 500
<b>Non-profit institutions</b>								
Current	80 500	–	–	–	–	109 500	109 500	190 000
Non-state sector	80 500	–	–	(40 000)	–	–	(40 000)	40 500
Non-state sector: Community Works Programme	–	–	–	40 000	–	51 000	91 000	91 000
Trade and Industrial Policy Strategies	–	–	–	–	–	58 500	58 500	58 500
<b>2. Provision of Land and Accommodation</b>								
Devolution of property rate funds to provinces grant	996 538	–	353 200	–	–	–	353 200	1 349 738