

Vote 30

Public Works

To be appropriated by Vote	R3 521 587 000
Statutory appropriations	-
Responsible Minister	Minister of Public Works
Administering Department	Department of Public Works
Accounting Officer	Director-General: Public Works

Aim

The aim of the Department is to provide and manage, in accordance with prescribed standards and directives, the accommodation, housing, in land and infrastructure needs of national departments, as well as to render associated and supporting services and to promote the National Public Works Programme.

Key objectives and programmes

Government has identified investment in new infrastructure and the maintenance and rehabilitation of existing social and economic infrastructure as a priority over the medium term. Investment in infrastructure can underpin economic growth and development. It can also reduce income inequality through the creation of jobs, thereby improving quality of life. The Department of Public Works is an important player in the infrastructure investment framework. Its primary role is one of property manager and facility agent to Government, providing and managing accommodation. The Department also implements community-based public works programmes in support of job creation and infrastructure development in rural areas.

The Department has identified five objectives for the medium term. These are to:

- Provide accommodation, housing and land for national departments according to prescribed standards and directives
- Promote emerging contractors by giving previously disadvantaged contractors opportunities to tender for maintenance contracts
- Contribute towards advancing infrastructure delivery to meet the physical and social needs of the poorest communities
- Promote human resources development through training and job opportunities for the poorest rural communities
- Influence delivery and investment in the construction industry by implementing the provisions of 1999 White Paper on Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry; the initial focus over the medium term is to establish the Construction Industry Development Board

At national level, these objectives are addressed through the following four programmes:

- *Administration* includes a range of support services such as financial control, human resources management and policy formulation. It also includes generic support services such as business analysis, general administrative support, legal services and information technology.
- *Provision of land and accommodation* provides in the accommodation, housing, land and infrastructure needs of national departments.
- National Public Works Programme transforms the delivery of infrastructure to meet the physical, social and economic needs of South Africa's population.

- Auxiliary and associated services provide for various services, including compensation for losses incurred on the government-assisted housing scheme where public servants fail to fulfil their obligations, assistance to organisations for the preservation of national memorials, and grants-in-aid.

Strategic overview and key policy developments: 1997/98 – 2003/04

The strategic objectives of the Department entail a fundamental departure from past practices. Its property investment and management services are focused on prudent acquisition, development, hiring and disposal of immovable property by improving its strategic investment and asset decision-making capabilities. The Department faces a number of challenges, including:

- Lack of uniform guidelines for property investment decisions that adequately reflect Government's investment priorities
- Fragmentation of the portfolio through various spheres of government and parastatals
- The size, geographical spread and diverse nature of the portfolio – the Department is responsible for the maintenance of approximately 120 000 buildings, which have an estimated value of R60 billion
- Inefficiencies in management of the public works portfolio and a lack of appropriate investment analysis skills and capacity within the Department
- Absence of an integrated management information system
- Lack of accountability by client departments, which traditionally have not paid for accommodation provided by the Department of Public Works

The Department is undergoing significant restructuring and internal transformation to implement its approach. It is improving investment analysis, establishing a management information system and asset register, establishing public-private partnerships, encouraging flexibility in portfolio development, investigating a range of implementation models, promoting innovation and best practice, and devolving accommodation and budgeting responsibilities to client departments.

Moreover, the Department is formulating legislation for implementation over the medium term, which is intended to foster uniform approaches and address duplications, inconsistencies and inefficiencies among different agencies involved in the acquisition, management and disposal of fixed property.

Property facilities management services are moving towards a client-focused orientation, which ensures that accommodation needs are provided for according to prescribed standards and directives. The Department is focusing on appropriate recruitment and training of skilled property management professionals, improving information management, and addressing the maintenance backlog.

In 2000, the Department introduced a phased approach to the disposal of redundant state-owned properties under its control. The first phase of 53 sales is nearing completion and, thereafter, further properties will be disposed of when they become superfluous. Income so generated will be used to address maintenance backlogs at both national and provincial level.

The Department has decided to outsource non-core functions, allowing it to focus its limited human resources skills on core functions. The process has, however, been delayed by negotiations in the Central Bargaining Chamber.

The client-focus orientation will be supported by the introduction of the user pays principle by 2002/03 as means to generate income. The Department intends to utilise revenue to address the maintenance backlog.

Capacity building at regional offices has been prioritised to strengthen the delivery arms of the Department. A number of subregional offices were upgraded to fully-fledged regional offices, and area managers were introduced to strengthen management capacity at regional level.

Through the Assets procurement and operating partnership systems programme, private sector capital and management skills are used to procure properties. Small, medium and microenterprises, through the affirmative procurement policy, now undertake 30 per cent of output (as opposed to 4 per cent in 1994) by means of the government procurement programme. The participation of women in the construction industry is one of the focal areas of the Emerging Contractor Development programme. A draft memorandum of understanding has been developed with the South African Women In Construction organisation, which focuses on training in business skills.

The Department is committed to continuing the Community-based Public Works Programme over the medium term. The programme receives a substantial portion of its funding from the special allocation for poverty relief. Projects provide jobs and create community assets and infrastructure while alleviating poverty and stimulating community development. The implementation of the programme has been a learning process. The Department intends addressing shortcomings in the programme by improving information and monitoring mechanisms, lengthening the duration of projects, focusing on skills development, and ensuring more effective targeting of women, young people and disabled people. The programme also requires greater attention to local priorities and sensitivities in project design and implementation.

More interdepartmental collaboration is essential to achieve a more beneficial impact on the community. For example, in 2000/01 the programme focused on establishing community-based production centres to rehabilitate rural irrigation schemes and to provide agricultural infrastructure in partnership with the Department of Agriculture.

The strategic focus over the medium term is to ensure better targeting of poor communities in the deep rural areas, increase community participation in the choice of projects, and improve the management of projects. The Department also intends greater use of emerging contractors in the implementation of projects.

Over the past two decades, the construction industry has been in a continuous decline in an unstable and insecure employment environment, which hampered sustainable human resource development. Volatile investment and intense competition often lead to the collapse of businesses and to the shift from full-time to casual or contract labour. Previous legislation affecting the construction industry reinforced the fundamental intentions of apartheid and limited black participation to the domain of unskilled artisans and cheap labour. The new Construction Industry Development Board will direct a strategy for growth, performance improvement and transformation of the construction industry. A key function of the Board will be to promote best practice by clients and service providers, and to involve both public and private sectors in the attainment of industry development objectives.

Expenditure estimates

Table 30.1: Public Works

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00	Adjusted appropriation 2000/01	Revised estimate	2001/02	2002/03	2003/04
R thousand								
Administration	88 727	101 480	110 741	130 492	130 492	160 448	160 193	169 390
Provision of land and accommodation	2 573 597	2 636 671	2 626 461	3 321 003	2 935 080	3 052 572	3 231 543	3 474 258
National Public Works Programme	119 700	117 402	407 584	631 188	631 188	299 575	315 250	346 869
Auxiliary and associated services	14 477	13 724	14 423	10 422	10 422	8 992	9 402	9 524
Total	2 796 501	2 869 277	3 159 209	4 093 105	3 707 182	3 521 587	3 716 388	4 000 041
Change to 2000 Budget Estimate				648 162	262 239	(15 273)	(44 497)	

1 Authorised losses of R4,4 million 1998/99 included

Economic classification

Current	2 342 258	2 475 164	2 944 013	3 185 437	2 799 514	3 072 389	3 043 881	3 305 753
Personnel	248 328	256 248	259 505	311 868	311 868	332 125	355 027	382 079
Transfer payments	22 556	12 921	13 319	18 831	18 831	25 786	30 343	34 708
Other current	2 071 374	2 205 995	2 671 189	2 854 738	2 468 815	2 714 478	2 658 511	2 888 966
Capital	454 243	394 113	215 196	907 668	907 668	449 198	672 507	694 288
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	454 243	394 113	215 196	907 668	907 668	449 198	672 507	694 288
Total	2 796 501	2 869 277	3 159 209	4 093 105	3 707 182	3 521 587	3 716 388	4 000 041

Standard items of expenditure

Personnel	248 327	256 248	259 505	311 978	311 978	332 125	355 027	382 079
Administrative	39 997	39 705	40 636	49 302	49 302	47 403	50 464	53 805
Inventories	25 290	19 522	20 782	19 803	19 803	19 803	19 803	20 352
Equipment	18 793	13 278	18 573	25 352	25 352	18 988	11 126	12 244
Land and buildings	685 003	708 675	735 929	760 966	760 966	1 135 754	1 135 754	1 135 754
Professional and special services	1 751 796	1 814 760	2 066 142	2 902 882	2 516 959	1 940 602	2 112 440	2 359 607
Transfer payments	22 556	12 921	13 319	18 831	18 831	25 786	30 343	34 708
Miscellaneous	4 739	4 168	4 323	3 991	3 991	1 126	1 431	1 492
Total	2 796 501	2 869 277	3 159 209	4 093 105	3 707 182	3 521 587	3 716 388	4 000 041

Departmental receipts

Income generated from the letting of property and accommodation and the sale of fixed assets is paid directly into the National Revenue Fund. The expected revenue for 2000/01 is R19,6 million, with an additional R37,2 million in 2001/02, R67,2 million in 2002/03 and R67,2 million in 2003/04.

Expenditure trends

During 1997/98, the Department expanded its budget structure from three to four programmes to accommodate the *National Public Works Programme*, which includes the Community-based Public Works Programme. The *Provision of land and accommodation* dominates spending on the Vote, consuming 86,7 per cent on average over the medium term. This largely reflects expenses on office accommodation, official quarters and unimproved properties; maintenance, repair and renovation of buildings; municipal services; and rates on government property. A significant trend, however, is the growth in municipal services of 8,3 per cent on average. The 2001 Budget

increases the medium-term allocations to the Public Works Vote by R15,3 million in 2001/02 and R55,5 million in 2002/03. The allocation is in line with Government's decision to improve the capital stock of the public sector through better maintenance and increased capital investment, and specifically includes work at the Public Works head office, the Presidential Guesthouse and the Waterloof Airforce Base drainage system.

Programme 1: Administration

The programme is responsible for the overall management of the Department and renders support services. It provides for organisation and management of the Department, determination of working methods, and exercise of control through head and regional offices.

Expenditure estimates

Table 30.2: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Minister ¹	474	503	469	518	634	669	702
Deputy Minister ²	363	436	421	421	492	519	545
Management	15 407	18 246	18 132	21 836	48 073	47 979	49 818
Corporate services	72 483	82 295	91 719	107 717	111 249	111 026	118 325
Total	88 727	101 480	110 741	130 492	160 448	160 193	169 390
Change to 2000 Budget Estimate				10 422	38 485	34 713	

¹ Payable as from 1 April 2000: salary: R478 530, car allowance: R119 632

² Payable as from 1 April 2000: salary: R371 263, car allowance: R 92 818

Economic classification

Current	80 008	93 989	106 019	112 998	144 824	151 693	160 503
Personnel	50 107	56 163	60 568	70 321	77 287	80 946	87 114
Transfer payments	-	-	-	-	-	-	-
Other current	29 901	37 826	45 451	42 677	67 537	70 747	73 389
Capital	8 719	7 491	4 722	17 494	15 624	8 500	8 887
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	8 719	7 491	4 722	17 494	15 624	8 500	8 887
Total	88 727	101 480	110 741	130 492	160 448	160 193	169 390

Standard items of expenditure

Personnel	50 106	56 163	60 568	70 321	77 287	80 946	87 114
Administrative	20 090	23 113	25 443	27 646	27 049	28 872	29 764
Inventories	3 030	3 409	3 639	3 201	3 201	3 201	3 750
Equipment	10 020	8 741	5 918	17 494	15 624	7 704	8 759
Land and buildings	-	-	-	-	-	-	-
Professional and special services	4 732	9 253	14 312	10 499	37 287	39 470	40 003
Transfer payments	-	-	-	-	-	-	-
Miscellaneous							
Civil Pensions	749	801	861	1 331	-	-	-
Stabilisation Account							
Total	88 727	101 480	110 741	130 492	160 448	160 193	169 390

Policy developments

The Department has embarked on a corporate transformation programme to achieve:

- Increased operational efficiencies
- A shift in business focus away from being a function-driven organisation towards becoming an output-driven organisation
- Revamping of business processes and rationalisation of operations to support client responsiveness
- Creation of an operating environment that complied with the Public Finance Management Act, 1999, and reprioritises medium-term allocations in line with strategic objectives (this will facilitate identification of core activities and required capabilities; and non-core activities are to be contracted out)

The Department has compiled risk management plans to address the business and financial risks identified by audit reports of the Auditor-General and the Standing Committee on Public Accounts. Specifically, the Department intends to increase spending on information technology to improve information management capabilities over the medium term.

Previous decisions to contract in capacity from the private sector on a needs basis has led to increased spending on consultants, without a transfer of skills. A skills audit is being conducted to assess the skills capabilities and requirements of the Department. The Department has had a high level of turnover at the upper management level. This leadership vacuum has delayed organisational transformation. Since June 2000, all top management positions have been filled and the programme of effecting change in the organisation has commenced.

The devolution of budgets to clients has presented strategic challenges. The Department, assisted by international experts, is working on a strategic plan for the devolution of budgets to clients, with clearly defined implementation proposals and time-frames.

Expenditure trends

Expenditure on *Administration* increases from R130,5 million (including adjustment estimates) in 2000/01 to R160,4 million in 2001/02, as a result of increased expenditure on professional and special services, before decreasing to R160,2 million in 2002/03. The expenditure again rises to R169,4 million in 2003/04, mainly because of the upgrading of subregional offices to full regional offices. Personnel expenditure increases by only 3,5 per cent a year over the medium term and accounts for 40 per cent of programme expenditure over the period.

Programme 2: Provision of land and accommodation

The aim of the programme is to ensure that the national departments have a built environment that meets their financial, technical and social requirements, through the provision, development and maintenance of accommodation and the acquisition of land. A new programme structure was established to reflect the functions and activities of the Department rather than the amounts spent per department. This change in presentation reflects the policy of systematically devolving the funds on the Department's Vote to the various votes for the national departments. Accounting officers in these departments will then account for expenditure on land and accommodation in line with the requirements of the Public Finance Management Act. The objectives of this programme are to:

- Provide, in accordance with prescribed standards and directives, in the accommodation, housing, land and infrastructure needs of national departments
- Provide in the accommodation needs of all national departments through purchasing or disposal of land and accommodation, construction, leasing and maintenance
- Manage government property and dispose of unallocated government properties

- Promote the empowerment and advancement of previously disadvantaged enterprises and individuals, as well as small, medium and micro enterprises in the construction environment, in both the public and private sectors

Expenditure estimates

Table 30.3: Provision of land and accommodation

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Capital works (Public Works) ¹	57 620	92 268	62 685	435 766	76 145	135 148	238 266
Office accommodation, official quarters and unimproved property	685 003	708 675	735 929	761 633	760 440	760 440	760 440
Maintenance, repair and renovation of buildings	667 887	505 529	421 337	608 209	536 556	482 530	482 494
Promotion of the building and construction industries	4 500	4 500	4 900	4 900	3 296	5 000	5 000
Cleaning of buildings	96 172	103 707	105 307	114 864	110 300	137 553	148 554
Municipal services	524 294	588 781	660 387	665 000	675 900	773 501	847 554
Rates on state property: statutory payments	419 523	488 545	499 896	544 000	594 779	669 411	715 297
Rates on state properties: grants-in-aid	9 566	86	–	10 000	5 000	5 000	5 000
Land Division Committees	8	5	16	100	100	50	50
Investigation of sites and ground formation	–	–	–	50	50	50	50
Interstate boundary fences	6 293	5 976	5 564	6 000	2 000	2 000	2 000
Administration	102 731	138 599	130 440	170 481	288 006	260 860	269 553
Total	2 573 597	2 636 671	2 626 461	3 321 003	3 052 572	3 231 543	3 474 258
Change to 2000 Budget Estimate				406 552	52 741	15 422	

¹ Included in the amount of R435 766 000 in 2000/01, voted for Capital works (Public Works) is R335 037 000 and R7 700 000, savings for other departments and Public Works, respectively. It will be requested that these funds be rolled over to the subsequent financial year.

Economic classification

Current	2 128 705	2 250 750	2 416 727	2 431 629	2 620 045	2 568 594	2 789 976
Personnel	196 281	195 293	193 977	234 378	248 727	265 915	286 177
Transfer payments	9 566	86	–	10 000	5 000	5 000	5 000
Other current	1 922 858	2 055 371	2 222 750	2 187 251	2 366 318	2 297 679	2 498 799
Capital	444 892	385 921	209 734	889 374	432 527	662 949	684 282
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	444 892	385 921	209 734	889 374	432 527	662 949	684 282
Total	2 573 597	2 636 671	2 626 461	3 321 003	3 052 572	3 231 543	3 474 258

Standard items of expenditure							
Personnel	196 281	195 293	193 977	234 483	248 727	265 915	286 177
Administrative	19 140	15 469	13 951	17 275	15 537	16 314	17 048
Inventories	22 156	15 985	16 923	16 302	16 302	16 302	16 302
Equipment	8 129	3 813	11 895	7 058	2 317	2 317	2 317
Land and buildings	685 003	708 675	735 929	760 966	1 135 754	1 135 754	1 135 754
Professional and special services	1 630 305	1 694 358	1 650 779	2 273 315	1 628 810	1 789 816	2 011 535
Transfer payments	9 566	86	-	10 000	5 000	5 000	5 000
Miscellaneous							
Civil Pensions	3 017	2 988	3 004	1 479	-	-	-
Stabilisation Account							
TV Licences	-	4	3	25	25	25	25
Souvenirs	-	-	100	100	100	100	100
Total	2 573 597	2 636 671	2 626 461	3 321 003	3 052 572	3 231 543	3 474 258

Policy developments

The Department realigned its business operations after 1994, resulting in the definition of appropriate objectives for the two branches, Property management and Property development, as they existed at the time. Continuing investigations at a programme level resulted in the merging of the two branches in early 2000. This was to ensure that the provision of accommodation and maintenance would occur according to acceptable project management principles and within appropriate parameters of time, cost and quality. The merger should improve the Department's service delivery to all its clients, and facilitate the alignment of cash flows with budget allocations within the programme.

At the same time, the Department's custodianship of government properties was enhanced by the introduction of asset management principles, including minimising holding costs on the property portfolio. These strategic initiatives are to be implemented more fully over the medium term. However, the programme will take stock of achievements to date and assess its strategic initiatives owing to factors that include the National Treasury's directive on the devolution of budgets and the implementation of the Public Finance Management Act.

Policy developments are in various phases of conceptualisation and implementation, and include:

- State Asset Register and Property and Facilities Portfolio, including the development and implementation of policies, strategies, plans, budgets, cash flows, systems and procedures
- Property requirements of individual national departments at national and regional levels, including identification, provision, management and disposal of land and buildings
- Professional operational services for construction, repair and maintenance
- Development of construction technology and technology for the construction industry
- Development and maintenance of training and capacity building programmes for the construction industry, including frameworks, standards and programmes
- Provision of specialist professional advisory services for the construction, maintenance and repair of state properties and facilities
- Development and implementation of frameworks, models and systems for public-private partnerships in the procurement and operation of government assets

Expenditure trends

The significant expenditure trends in the programme are towards Office accommodation, official quarters and unimproved property, Maintenance, repair and renovation of buildings, Municipal services, and statutory payments for Rates on state property. The baseline medium-term estimates

increase from R3,1 billion in 2001/02 to R3,2 billion in 2002/03, mainly owing to higher expenditure on these subprogrammes.

Included in the amount for Capital works for 2000/01 are R335,3 million and R7,7 million that were committed but not spent in respect of other departments and Public Works respectively. These funds were allocated to capital projects such as the Medical Bureau for Occupational Diseases; the National Centre for Occupational Health; Onderstepoort Biological Products; 3 Military Hospital, Bloemfontein; and the upgrading of Home Affairs' head office and Cape Town office. These projects were not completed because of the privatisation of the National Centre for Occupational Health and the Onderstepoort Biological Products, disputes over space and cost norms calculated by consultants, and reprioritisation by the management of Home Affairs. Where appropriate, funds have been reallocated to the Department's Repair and maintenance subprogramme. The remaining projects will continue once the necessary function shifts have been effected and the client departments have taken further decisions on the renovations.

The budget for office accommodation remains constant over the medium term; this implies a decrease in real terms. The devolution of budgets to client departments is one reason for the decline; the other is the intended use of public-private partnerships for the proposed head offices of the Departments of Education, Foreign Affairs, and Trade and Industry. The use of public-private partnerships replaces the high initial expenditure with a steady, predetermined expenditure flow over the life cycle of the concession. As the responsibility for the costs of managing, maintaining and securing the building rests with the private sector, the risk of expenditure fluctuations is negated, as is the risk of maintenance backlogs.

The sale of assets will decrease holding costs such as municipal services, rates and taxes, and repair and renovation over the medium term.

Outputs and service delivery trends

Table 30.4: Provision of land and accommodation: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Capital works (Public Works)	Construction and rehabilitation of fixed government assets	About 7 000 services are planned for the medium term, of which 3 800 are projected for 2001/02
Office accommodation, official quarters and unimproved property	Provision of accommodation and official quarters to national departments and leasing of official quarters if no government accommodation is available	All 37 national departments utilise leased accommodation, but only 33 are financed by the Department's leasing budget. A number of 2 649 are leased and 53 516 functional state-owned premises are occupied by national departments.
	Making unimproved property available to national departments for departmental activities	Of the 56 696 official quarters, 3 180 are leased Of the 35 000 unimproved properties, 393 are leased. Utilisation is training, grazing or simply vacant for possible disposal
Maintenance and repairs	Maintaining occupied buildings in accordance with the required standards	A Repair and Maintenance Programme has been embarked upon. Planned and unplanned activities are ongoing within the restrictions of the allocation. Selected installations have been targeted in various departments to comply with the Occupational Health and Safety Act. Targeted projects are as follows: <ul style="list-style-type: none"> • Department of Correctional Services: 142 • Department of Defence: 48 • Department of Justice: 8 • Department of Safety and Security: 7 All lifts countrywide have been placed on the Repair and Maintenance Programme, i.e., 27 contracts involving 783 lifts.

Subprogramme	Outputs	Service delivery indicators
Promotion of the building and construction industry	Promotion of the previously disadvantaged role players in the industry	Service delivery is aimed at addressing the imbalances of the past dispensation in respect of current ownership by previously disadvantaged people in the construction and consultant industries. The Department will establish a meaningful means of quantifying increased participation in 2001/02.
Cleaning of buildings	Render cleaning services to clients to create hygienic and safe environment	Continuation of outsourcing of cleaning services in order to enhance service delivery All departments are outsourced with the exception of Justice, Public Works and ministerial residences. This will be further addressed within the context of union participation.
Municipal services	Payment for municipal services rendered to client departments	Of the 139 000 properties currently on the Asset Register, municipal services relating to water and electricity are paid for all 101 700 properties where levies are applied.
Rates on state property: statutory payments	Pay local governments for state-owned property in their areas	Of the 139 000 properties currently on the Asset Register, rates are paid on 28 276 properties, where required.
Rates on state properties: Grants-in-aid	Pay local authorities for properties to be registered in the name of the RSA	Zero properties were involved last year and this year
Land Division Committees	Validate claims to the ownership of private land in the absence of registered title deeds. Claims are resolved through the disposal of the land, or the disposal of the land and distribution of the proceeds to the legitimate claimants.	The five remaining Land Divisional Committees resolved no cases, and all five will be winding down in 2001.
Investigation of sites and ground formation	Execute geotechnical services on site and in laboratory	Inspections are done when required for new capital projects on a continuous basis, especially in dolomite areas south of Pretoria.
Interstate boundary fences	Construct and maintain fences and patrol roads on international boundaries	3000 km of boundary fences are involved
Administration	Render administrative and support services to the programme	The Administration component comprises branch accommodation of 206 and vacancies of 57

Programme 3: National Public Works Programme

The aim of the programme is to promote and facilitate job creation, skills development and capacity building through the delivery of infrastructure. The programme comprises two subprogrammes:

- The Community-based Public Works Programme is aimed at poverty alleviation through job creation, capacity building, skills training, and the delivery of needed assets. It provides a safety net for vulnerable groups such as poor rural communities, women, young people and disabled people. The programme is a specific job creation and poverty alleviation programme with the objectives of:
 - Creating short-term employment opportunities for communities through the construction of public assets
 - Creating useful public assets for use by disadvantaged poor communities
 - Creating sustainable employment opportunities by facilitating micro business opportunities associated with the community assets created
- The Construction Industry Development Programme promotes public and private sector infrastructure delivery by addressing the growth, development and transformation of the construction industry. Its role is to develop and monitor policy, implement development programmes, and establish and interact with statutory institutions charged with driving the strategy for growth and development. It supports the construction industry in playing a strategic role in social development and economic growth. Programme implementation by the Department, as reflected in the White Paper on Creating and an Enabling Environment for the Reconstruction, Growth and Development of the Construction Industry, has resulted in:
 - Investment and a more stable industry
 - Development and roll-out of the Targeted Procurement Policy

- Growth of the emerging sector
- Enhanced public sector delivery capacity
- Institutional development and the implementation of eight Acts in 2000
- Policy monitoring, and interaction with the various built environment statutory bodies, thus ensuring the leadership role of Government
- Supporting the Minister with specific obligations in relation to the eight built environment Acts

Table 30.5: National Public Works Programme

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Construction Industry Development Programme	–	8 021	10 248	15 231	20 804	24 636	26 315
Community-based Public Works Programme	119 700	109 381	397 336	615 957	278 771	290 614	320 554
Total	119 700	117 402	407 584	631 188	299 575	315 250	346 869
Change to 2000 Budget Estimate				231 188	(102 425)	(89 750)	

Economic classification

Current	119 605	117 270	407 495	630 888	299 228	314 997	346 616
Personnel	1 940	4 792	4 960	7 169	6 111	8 166	8 788
Transfer payments	–	–	–	–	13 585	18 142	22 507
Other current	117 665	112 478	402 535	623 719	279 532	288 689	315 321
Capital	95	132	89	300	347	253	253
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	95	132	89	300	347	253	253
Total	119 700	117 402	407 584	631 188	299 575	315 250	346 869

Standard items of expenditure

Personnel	1 940	4 792	4 960	7 174	6 111	8 166	8 788
Administrative	767	1 123	1 242	4 381	4 817	5 278	6 993
Inventories	104	128	220	300	300	300	300
Equipment	107	155	109	300	347	300	302
Land and buildings	–	–	–	–	–	–	–
Professional and special services	116 759	111 149	400 991	618 978	274 415	283 064	307 979
Transfer payments	–	–	–	–	13 585	18 142	22 507
Miscellaneous							
Civil Pensions	23	55	62	55	–	–	–
Stabilisation Account							
Total	119 700	117 402	407 584	631 188	299 575	315 250	346 869

Policy developments

In 1994, the Community-based Public Works Programme was launched as a Presidential Lead Project within the *National Public Works Programme*, based on a grant of R250 million allocated from the Reconstruction and Development Programme Fund. Allocated funds to the projects totalled more than R1 billion by September 2000 for over 1 500 projects. Since 1997, more than 60 000 employment opportunities and more than 4 200 sustainable permanent jobs have been created in the building of community infrastructure.

The programme follows a demand-driven approach, which ensures that the communities drive the process. The complementary roles of the communities, non-governmental organisations, service

providers and provincial governments are spelt out in the Programme Management Information System.

During 1997, based on the experience gained in the programme and an evaluation report by the International Labour Organisation and the Community Agency for Social Enquiry, the programme was realigned. Emphasis is to be placed on projects that create productive assets, for ongoing job opportunities to be created. The evaluation also highlighted a generally inequitable geographic spread of projects, as well as an imbalance in project type. Key aspects of the realignment include:

- Local governments act as programme implementing agents and identify projects using Integrated Development Planning to target poor areas where clusters of projects can be implemented.
- The implementing agents appoint a cluster project manager to prepare a project business plan for each project in the cluster, and use social facilitators, technical designers and trainers to oversee planning and implementation.
- The construction of the project is awarded to a contractor based on a targeted procurement tender process.
- The direct payment of the professional team, trainers and contractor is by the implementing agent, not the community, and is based on certified payment claims.
- New project categories and project types to be implemented under the programme include improved access to trade opportunity, for instance access roads; directly productive projects such as waste recycling; labour-saving projects, for instance water supply; social cohesion projects including multi-purpose halls; and environmental erosion control.

The following targets have been set:

- Labour-intensive methods of construction are to be used on all projects with a minimum of 30 per cent of the project budget (i.e. contract award value) to be spent on local community labour. (This constitutes the local resource goal in terms of target procurement).
- Women are to form at least half of the total local labour employed on each project, with an emphasis on women who head households with dependants.
- Disabled persons must make up at least 1,5 per cent of the total local labour employed.
- Youth (above school-going age and below 36 years) must constitute at least 15 per cent of the total local labour employed.
- Environmental target “greening” of all projects is required, comprising at least five indigenous trees to be planted within each project at symbolic or appropriate locations.

The Department has championed a range of initiatives and coordinated a comprehensive development policy for the construction industry since 1994. This led up to the launch of the Green Paper on Creating an Enabling Environment for Reconstruction, Growth and Development of the Construction Industry in 1997. Following public comment and refinement, this culminated in the White Paper in 1999, as well as policy on the Statutory Regulation of the Built Environment Professions. The legislation establishes:

- The Construction Industry Development Board, to drive a comprehensive development strategy on behalf of all stakeholders
- The overarching Council for the Built Environment, to ensure improved coordination within the professions and with Government
- An enabling regulatory framework for six built environment professions, promoting high technical and ethical standards, greater public participation and transparency, as well as improved public access to professional services through the recognition of various categories of the professions

The Construction Industry Development Programme will coordinate Government’s input to the new statutory bodies and will support the obligations of the Minister in terms of the Acts. The objectives of the Board are to:

- Promote and protect the interest of the public
- Promote and maintain a sustainable built environment and natural environment
- Facilitate participation by the professions in integrated development in the context of national goals
- Promote appropriate standards of health, safety and environmental protection within the built environment
- Promote sound governance of the professions
- Provide a forum where the professions can discuss the required qualifications, standards of education, training and competence, promotion of professional status, and legislation on the built environment
- Ensure the uniform application of norms and guidelines throughout the built environment

Expenditure trends

Payment towards Professional and special services accounts, on average, for 96 per cent of the expenditure on this programme. The expenditure trends indicate a steady increase over the medium term, with expenditure growing from R299,6 million in 2001/02 to R315,3 million in 2002/03 and R346,9 million in 2003/04. This results from the Construction Industry Development Programme and increased expenditure on community-based projects.

Outputs and service delivery trends

Table 30.6: National Public Works Programme: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Community-Based Public Works Programme	The effective and efficient use of the funding from the special allocation for poverty relief and infrastructure investment, as well as the Department's allocation to this programme	Quality and timeliness of expenditure in each financial year
		Quality and timeliness of progress reports submitted to the National Treasury
		1998/99 1999/00 200/01
		No of projects 338 291 950
Construction Industry Development Programme	Growth of the black contracting sector	Asset value 267 million 320 million 244 million
		People employed 29 360 11 356 19 230
		Training in Contractor management and tendering skills – 100 contractors, including women, are targeted
	Enhanced public sector delivery capacity	Specialist contractor training: accrediting 30 contractors for plumbing and electrical work
		Operationalise mentorship to enhance contractor performance on projects having a value of R30 million
		Facilitate access to finance on a pilot basis to the value of R10 million
Institutional development	Reduce delays in payment by national and selected provincial public works departments by 10 per cent	
	Operationalisation of the Construction Industry Development Board, as well as the operationalisation of the Council of the Built Environment Professionals	
		Establishment of key performance indicators for industry performance

Programme 4: Auxiliary and associated services

The programme renders auxiliary services and services associated with the Department's aims. It comprises a number of unrelated subprogrammes, all contributing towards the aims of the Department. They include:

- Compensation for losses – caters for losses incurred on the state-assisted Housing Scheme where public servants fail to fulfil their obligations and the properties are sold in execution

- Relief of distress as a result of disasters
- Funding of the Loskop Settlement to accommodate medically semi-fit persons
- Control of certain activities; provision of auxiliary services
- Rendering services and maintenance of improvements
- Assistance to certain organisations for the preservation of national memorials, being the Commonwealth War Graves Commission and the United Nations
- Grants-in-aid to the Parliamentary Villages Management Board
- Decorations for public functions
- Government motor transport, which entails the purchase of vehicles for departmental use
- Contributions to the Sectoral Education and Training Authority

Table 30.7: Auxiliary and associated services

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Compensation for losses	950	320	393	1 000	1 000	1 305	1 366
Distress relief	-	-	-	1	1	1	1
Loskop Settlement	-	-	-	1	1	1	1
Assistance to organisations for the preservation of national memorials	5 207	5 943	6 202	6 800	5 000	5 000	5 000
Grants-in-aid	7 783	6 892	7 117	500	1 200	1 200	1 200
Decoration for public functions	-	-	60	90	90	90	90
Government motor transport	537	569	651	500	700	805	866
Sectoral Education and Training Authority	-	-	-	1 530	1 000	1 000	1 000
Total	14 477	13 724	14 423	10 422	8 992	9 402	9 524
Change to 2000 Budget Estimate				-	(4 074)	(4 882)	
Economic classification							
Current	13 940	13 155	13 772	9 922	8 292	8 597	8 658
Personnel	-	-	-	-	-	-	-
Transfer payments	12 990	12 835	13 319	8 831	7 201	7 201	7 201
Other current	950	320	453	1 091	1 091	1 396	1 457
Capital	537	569	651	500	700	805	866
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	537	569	651	500	700	805	866
Total	14 477	13 724	14 423	10 422	8 992	9 402	9 524
Standard items of expenditure							
Personnel	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Equipment	537	569	651	500	700	805	866
Land and buildings	-	-	-	-	-	-	-
Professional and special services	-	-	60	90	90	90	90
Transfer payments	12 990	12 835	13 319	8 831	7 201	7 201	7 201
Miscellaneous							
Compensation for losses	-	-	-	1 000	1 000	1 305	1 366
Distress relief	950	320	393	1	1	1	1
Total	14 477	13 724	14 423	10 422	8 992	9 402	9 524

Policy developments

The only significant policy development on this programme was the phasing out of grants-in-aid to certain subsidised restaurants. However, provision is made to compensate the Parliamentary Villages Management Board for the shortfall in income and to contribute towards the SETA.

Expenditure trends

The *Auxiliary and associated services* programme is to increase from R9 million in 2001/02 to R9,4 million in 2002/03 and R9,5 million in 2003/04 owing to the expected increase in compensation for losses from the housing scheme. The most significant expenditure on this programme is towards Assistance to organisations for the preservation of national memorials, which accounts for between 52,5 and 55,6 per cent over the medium term.

Annexure: Vote 30: Public Works

Table 30.8: Summary of expenditure trends and estimates per programme

Table 30.9: Summary of expenditure trends and estimates per economic classification

Table 30.10: Summary of expenditure trends and estimates per standard item of expenditure

Table 30.11: Summary of transfers and subsidies per programme

Table 30.12: Summary of personnel numbers and costs

Table 30.13: Summary of expenditure on training

Table 30.14: Summary of grants to local government

Table 30.8: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04
	1997/98	1998/99	1999/00										
R thousand													
Administration	88 727	101 480	110 741	120 070	5 070	5 352	130 492	130 492	144 824	15 624	160 448	160 193	169 390
Provision of land and accommodation	2 573 597	2 636 671	2 626 461	3 283 217	101 968	(64 182)	3 321 003	2 935 080	2 620 045	432 527	3 052 572	3 231 543	3 474 258
National Public Works Programme	119 700	117 402	407 584	400 000	256 046	(24 858)	631 188	631 188	299 228	347	299 575	315 250	346 869
Auxiliary and associated services	14 477	13 724	14 423	10 422	-	-	10 422	10 422	8 292	700	8 992	9 402	9 524
Total	2 796 501	2 869 277	3 159 209	3 813 709	363 084	(83 688)	4 093 105	3 707 182	3 072 389	449 198	3 521 587	3 716 388	4 000 041
Change to 2000 Budget Estimate							648 162	262 239			(15 273)	(44 497)	

Table 30.9: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	Rollovers from 1999/00	Other adjustments 2000/01	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04	
	1997/98	1998/99	1999/00										2001/02
R thousand													
Current	2 342 258	2 475 164	2 944 013	3 013 162	256 839	(84 564)	3 185 437	2 799 514	3 072 389	-	3 072 389	3 043 881	3 305 753
Personnel	248 328	256 248	259 505	305 763	-	6 105	311 868	311 868	332 125	-	332 125	355 027	382 079
Salaries and wages	166 193	167 816	175 449	208 991	-	3 756	212 747	212 747	229 034	-	229 034	241 773	257 245
Other	82 135	88 432	84 056	96 772	-	2 349	99 121	99 121	103 091	-	103 091	113 254	124 834
Transfer payments	22 556	12 921	13 319	18 831	-	-	18 831	18 831	25 786	-	25 786	30 343	34 708
Other levels of Government	9 566	86	618	12 030	-	-	12 030	12 030	20 785	-	20 785	25 342	29 707
Households and non-profit institutions	7 783	6 892	6 499	1	-	-	1	1	1	-	1	1	1
Foreign countries and international credit institutions	5 207	5 943	6 202	6 800	-	-	6 800	6 800	5 000	-	5 000	5 000	5 000
Other current transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current expenditure	2 071 374	2 205 995	2 671 189	2 688 568	256 839	(90 669)	2 854 738	2 468 815	2 714 478	-	2 714 478	2 658 511	2 888 966
Capital	454 243	394 113	215 196	800 547	106 245	876	907 668	907 668	-	449 198	449 198	672 507	694 288
Capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable capital	15 790	10 973	14 755	274 505	5 070	-	279 575	279 575	-	18 988	18 988	17 459	18 697
Motor vehicles	537	569	651	500	-	-	500	500	-	700	700	805	866
Computers	8 090	5 901	3 853	10 178	5 070	-	15 248	15 248	-	11 377	11 377	7 135	7 145
Other	4 876	3 159	2 692	4 044	-	-	4 044	4 044	-	6 911	6 911	3 431	3 989
Other	2 287	1 344	7 559	259 783	-	-	259 783	259 783	-	-	-	6 088	6 697
Fixed capital	438 453	383 140	200 441	526 042	101 175	876	628 093	628 093	-	430 210	430 210	655 048	675 591
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	432 160	377 164	194 877	520 042	101 175	876	622 093	622 093	-	428 210	428 210	653 048	673 591
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	6 293	5 976	5 564	6 000	-	-	6 000	6 000	-	2 000	2 000	2 000	2 000
Total	2 796 501	2 869 277	3 159 209	3 813 709	363 084	(83 688)	4 093 105	3 707 182	3 072 389	449 198	3 521 587	3 716 388	4 000 041

Table 30.10: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1997/98	1998/99	1999/00		2000/01			2001/02			2002/03	2003/04	
R thousand													
Personnel	248 327	256 248	259 505	305 873	–	6 105	311 978	311 978	332 125	–	332 125	355 027	382 079
Administrative	39 997	39 705	40 636	42 811	–	6 491	49 302	49 302	47 403	–	47 403	50 464	53 805
Inventories	25 290	19 522	20 782	19 803	–	–	19 803	19 803	19 803	–	19 803	19 803	20 352
Equipment	18 793	13 278	18 573	20 282	5 070	–	25 352	25 352	–	18 988	18 988	11 126	12 244
Land and buildings	685 003	708 675	735 929	833 000	714	(72 748)	760 966	760 966	760 440	375 314	1 135 754	1 135 754	1 135 754
Professional and special services	1 751 796	1 814 760	2 066 142	2 569 118	357 300	(23 536)	2 902 882	2 516 959	1 885 706	54 896	1 940 602	2 112 440	2 359 607
Transfer payments	22 556	12 921	13 319	18 831	–	–	18 831	18 831	25 786	–	25 786	30 343	34 708
Miscellaneous	4 739	4 168	4 323	3 991	–	–	3 991	3 991	1 126	–	1 126	1 431	1 492
Total	2 796 501	2 869 277	3 159 209	3 813 709	363 084	(83 688)	4 093 105	3 707 182	3 072 389	449 198	3 521 587	3 716 388	4 000 041

Table 30.11: Summary of transfers and subsidies per programme

R thousand	Expenditure outcome			Main appropriation	Adjustments Appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Roll-overs from 1999/00	Other adjustments 2000/01	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04
	1997/98	1998/99	1999/00										
Provision of land and accommodation	-	-	-	-	-	-	-	-	-	-	-	-	
Rates on state properties: Grants-in-aid to local authorities	9 566	86	-	10 000	-	-	10 000	10 000	5 000	-	5 000	5 000	5 000
National Public Works	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Industry Development Programme	-	-	-	-	-	-	-	-	13 585	-	13 585	18 142	22 507
Auxiliary and associated services	-	-	-	-	-	-	-	-	1	-	1	-	7
Loskop Settlement	-	-	-	1	-	-	-	1	1	-	1	1	1
Assistance to organisations for preservation of national memorials	5 207	5 943	6 202	6 800	-	-	6 800	6 800	5 000	-	5 000	5 000	5 000
Grants-in-aid: PSA restaurant	7 218	6 527	6 134	-	-	-	-	-	-	-	-	-	-
Grants-in-aid: Meintjeskop Restaurant	565	365	365	-	-	-	-	-	-	-	-	-	-
Grants-in-aid: Parliamentary Villages Management Board	-	-	618	500	-	-	500	500	1 200	-	1 200	1 200	1 200
Sectoral Education and Training	-	-	-	1 530	-	-	1 530	1 530	1 000	-	1 000	1 000	1 000
Programme	12 990	12 835	13 319	8 831	-	-	8 831	8 831	7 201	-	7 201	7 201	7 201
Total	22 556	12 921	13 319	18 831	-	-	18 831	18 831	25 786	-	25 786	30 343	34 708

Table 30.12: Summary of personnel numbers and costs ¹

Personnel numbers	1997/98	1998/99	1999/00	2000/01	2001/02
Administration	778	727	727	843	843
Provision of land and accommodation	4 110	3 433	3 422	3 742	3 742
National Public Works Programme	36	28	39	41	41
Auxiliary and associated services	-	-	-	-	-
Total	4 924	4 188	4 188	4 626	4 626
Total personnel cost (R thousand)	248 328	256 248	259 505	311 868	332 125
Unit cost (R thousand)	50,4	61,2	62,0	67,4	71,8

¹ Full-time equivalent

Table 30.13: Summary of expenditure on training

R thousand	Preliminary outcome	Revised estimate	Medium-term expenditure estimate		
	1999/00	2000/01	2001/02	2002/03	2003/04
Administration	371	3 045	3 222	3 341	3 761
Provision of land and accommodation	235	1 050	1 057	1 121	1 186
National Public Works Programme	6	210	211	212	213
Auxiliary and associated services	-	1 530	-	-	-
Total	612	5 835	4 490	4 674	5 160

Table 30.14: Summary of grants to local government

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2001/02	2002/03	2003/04
R thousand	1997/98	1998/99	1999/00	2000/01				
National Public Works Programme								
Community-based Public Works Programme	-	-	356 147	374 000	374 000	374 000	374 000	374 000
Total	-	-	356 147	374 000	374 000	374 000	374 000	374 000