

Vote 6

Public Works

Amount to be appropriated	R3 730 679 000
Statutory appropriations	-
Responsible Minister	Minister of Public Works
Administering Department	Department of Public Works
Accounting Officer	Director-General of Public Works

Aim

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

Key objectives and programmes

The primary roles of the Department of Public Works are to be the facility agent and property manager for Government, providing and managing the bulk of its physical infrastructure. Given Government's significant role in infrastructure investment, and the size of its budget for accommodation, the Department is also an important player in the economy as a whole, particularly in the construction, property and development sectors. More importantly, as a primary constructor of publicly funded social infrastructure, the Department is crucial to the reconstruction and development of South Africa.

The Department has identified the following key objectives for the medium term:

- To provide accommodation, housing and land for national departments according to prescribed standards and directives
- To advance infrastructure delivery to meet the needs of the poorest communities
- To promote job-creation and economic empowerment, by giving previously disadvantaged contractors opportunities to tender for construction and maintenance contracts
- To train disadvantaged persons and create job opportunities for the poorest rural communities
- To guide and influence the development of the construction industry on the basis of the 1999 White Paper on Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry

At the national level, these objectives will be achieved through the following four programmes:

- *Administration* provides for management, leadership and policy formulation, as well as for financial and human resources management, general administrative support, and legal and information services.
- *Provision of Land and Accommodation* provides for the accommodation, housing, land and infrastructure needs of national departments.
- The *National Public Works Programme* delivers infrastructure to meet the physical, social and economic needs of the population.
- *Auxiliary and Associated Services* provides for various services, including compensation for losses when public servants fail to fulfil their housing scheme obligations, and financial assistance to organisations for preserving certain national memorials as well as the Parliamentary Villages.

Strategic overview and key policy developments: 1998/99 – 2004/05

One of the key aims of government policy with respect to the Department of Public Works, has been to transform the relationship between it and its clients in order to ensure that it identifies, manages and implements projects in a way that addresses their needs. This policy has been at the core of the transformation of the Department, and is still being pursued as the relationship between the Department and the other departments is further refined. The establishment of the State Property Management Company will take this process one step further.

The Department seeks to maximise the poverty-reduction effects of public works projects by ensuring that they promote economic empowerment and job-creation, and has implemented a number of strategies to ensure that these goals are realised in the identification, design and delivery of projects. An example of this approach is the Community Based Public Works Programme (CBPWP), which, between 2000 and 2002, focused on establishing community based production centres to rehabilitate rural irrigation schemes, and on providing agricultural infrastructure in partnership with the Department of Agriculture. The strategic focus of the Department over the medium and long term is to ensure better targeting of poor communities in the deep rural areas, increased community participation in the choice of projects, and improved project management. It should be noted, however, that the level of funding of the CBPWP depends on the outcome of an independent evaluation of projects funded by the special poverty relief allocation.

Through the Assets Procurement and Operating Partnership Systems (APOPS) programme, private sector capital and management skills are used to procure properties. Thirty per cent of contracts are awarded to small, medium and micro-enterprises (SMMEs), and more women have entered the construction industry through the programme. Public Works has been investigating a range of alternative delivery mechanisms, including APOPS, and is using public-private partnerships and other strategies to maximise productivity and efficiency, and to promote innovation and best practice approaches to asset procurement and management.

The Department has also overseen the disposal of a number of redundant properties, with more expected to follow.

A government-wide strategic asset management policy, and legislation for its implementation over the medium term, is being developed. The legislation is intended to address duplications, inconsistencies and inefficiencies in the process of acquiring, managing and disposing of fixed property. The Department is also improving its investment analysis capacity, finalising an asset register, and devolving accommodation and budgetary responsibilities to client departments.

The newly established Construction Industry Development Board will direct a strategy for the growth and transformation of the construction industry, and for improving its performance, focusing primarily on the limited participation by historically disadvantaged people in this industry.

Expenditure estimates

Table 6.1: Public Works

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
1 Administration	101 480	110 741	140 031	192 091	196 287	191 664	206 776	219 708
2 Provision of Land and Accommodation	2 636 671	2 626 461	2 801 572	3 052 264	3 052 264	3 213 300	3 477 785	3 685 527
3 National Public Works Programme	117 402	407 584	618 950	416 230	410 230	313 873	320 144	49 362
4 Auxiliary and Associated Services	13 724	14 423	9 303	10 622	10 622	11 842	12 342	12 842
Total	2 869 277	3 159 209	3 569 856	3 671 207	3 669 403	3 730 679	4 017 047	3 967 439
Change to 2001 Budget Estimate				149 620	147 816	14 291	17 006	

Economic classification

Current	2 475 164	2 587 866	2 857 016	2 865 482	2 863 678	2 745 380	3 130 972	3 391 985
Personnel	256 248	259 505	281 144	332 125	332 125	364 287	393 644	414 379
Transfer payments	115 586	19 364	167 093	16 327	10 327	26 432	13 962	36 108
Other current	2 103 330	2 308 997	2 408 779	2 517 030	2 521 226	2 354 661	2 723 366	2 941 498
Capital	394 113	571 343	712 840	805 725	805 725	985 299	886 075	575 454
Transfer payments	–	356 147	374 000	356 527	356 527	259 820	259 820	–
Acquisition of capital assets	394 113	215 196	338 840	449 198	449 198	725 479	626 255	575 454
Total	2 869 277	3 159 209	3 569 856	3 671 207	3 669 403	3 730 679	4 017 047	3 967 439

Standard items of expenditure

Personnel	256 248	259 505	281 144	332 125	332 125	364 287	393 644	414 379
Administrative	39 705	40 636	50 685	47 403	51 599	66 784	73 463	80 809
Inventories	19 522	20 782	19 103	19 803	19 803	25 617	27 154	28 782
Equipment	13 278	18 573	31 502	49 944	49 944	47 775	49 937	52 953
Land and buildings	708 675	735 929	724 518	1 247 918	1 247 918	1 495 140	861 187	912 858
Professional and special services	1 712 095	1 703 950	1 914 034	1 600 034	1 600 034	1 444 824	2 336 709	2 440 374
Transfer payments	115 586	375 511	541 093	372 854	366 854	286 252	273 782	36 108
Miscellaneous	4 168	4 323	7 777	1 126	1 126	–	1 171	1 176
Total	2 869 277	3 159 209	3 569 856	3 671 207	3 669 403	3 730 679	4 017 047	3 967 439

Expenditure trends

Although the Department's budget grew by 8,6 per cent a year between 1998/99 and 2001/02, annual budget growth is projected to fall to 2,6 per cent over the medium term. This is attributable largely to the discontinuation of the Community Based Public Works Programme in 2004/05, a decision that will be confirmed or revised on the basis of an independent assessment.

Relative to the estimates published in the 2001 Budget, additional allocations of R14,3 million and R17,0 million in 2002/03 and 2003/04 have been made to adjust for inflation and as a result of the shifting of funds from other departments onto this Vote in 2001/02. An additional amount of R149,6 million was also awarded in the 2001 Adjusted Estimates.

The *Provision of Land and Accommodation* programme dominates spending on the Vote, consuming 86 per cent on average of the total allocation between 1998/99 and 2004/05. This largely reflects the costs of providing office accommodation, official quarters and land; the budget for the maintenance, repair and renovation of buildings; and the payment of municipal rates and services for government property.

One of the effects of the re-demarcation of cities is that some properties which were previously not subject to property taxes, are now subject to municipal rates. The Department will have to pay more municipal rates, and spending in the medium term rises to accommodate this.

Departmental receipts

Income is mainly derived from the letting of official quarters and other property, and from the sale of land, buildings and structures, including property in Walvis Bay.

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 2002/03 of R77,0 million, with an additional R74,6 million in 2003/04, and R24,8 million in 2004/05, is mainly due to the disposal of redundant assets. These projections are based on disposal projects that have already been identified and, in some cases, are under way. The fall in projected income in 2004/05 reflects the fact that only a few currently identified projects are expected to remain unfinished by April 2004. Further properties may be identified, and the projections may change over the medium term.

Table 6.2: Departmental receipts

	Revenue outcome				Medium-term revenue estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01	Adjusted appropriation 2001/02	2002/03	2003/04	2004/05
R thousand							
Non-tax revenue	6 108	4 183	3 941	4 559	4 524	4 559	4 559
Property income	4 148	2 487	3 049	3 340	3 361	3 340	3 340
Sales of goods and services	4	438	1 322	1 180	1 123	1 180	1 180
Fines, penalties and forfeits	1 946	1 247	(467)	5	6	5	5
Miscellaneous	10	11	37	34	34	34	34
Transactions in non-financial assets (capital revenue)	27 544	20 666	15 921	36 620	69 034	66 440	16 620
Financial transactions (recovery of loans and advances)	3 207	(778)	5 350	3 645	3 645	3 645	3 645
Total departmental receipts	36 859	24 071	25 212	44 824	77 203	74 644	24 824

Programme 1: Administration

Administration is responsible for the overall management of the Department and provides support services. It determines working methods, and exercises control through head and regional offices, among other functions.

Expenditure estimates

Table 6.3: Administration

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Minister ¹	503	469	605	646	685	722	759
Deputy Minister ²	436	421	401	501	531	560	588
Management	18 246	18 132	26 517	52 398	48 259	51 682	55 151
Corporate Services	82 295	91 719	108 361	138 546	142 189	153 812	163 210
Special Functions: Thefts and Losses, Cash Discount	-	-	4 147	-	-	-	-
Total	101 480	110 741	140 031	192 091	191 664	206 776	219 708
Change to 2001 Budget Estimate				31 643	31 471	37 386	

¹ Payable as from 1 April 2001. Salary: R516 812. Car allowance: R129 203.

² Payable as from 1 April 2001. Salary: R400 964. Car allowance: R100 241.

Economic classification

Current	93 989	106 019	128 456	176 467	176 630	193 336	205 848
Personnel	56 163	60 568	71 323	77 287	96 365	104 748	110 213
Transfer payments	-	-	-	-	-	-	-
Other current	37 826	45 451	57 133	99 180	80 265	88 588	95 635
Capital	7 491	4 722	11 575	15 624	15 034	13 440	13 860
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	7 491	4 722	11 575	15 624	15 034	13 440	13 860
Total	101 480	110 741	140 031	192 091	191 664	206 776	219 708

Standard items of expenditure

Personnel	56 163	60 568	71 323	77 287	96 365	104 748	110 213
Administrative	23 113	25 443	32 018	27 049	42 056	46 262	50 888
Inventories	3 409	3 639	256	3 201	4 231	4 485	4 754
Equipment	8 741	5 918	13 027	15 624	15 034	15 305	15 718
Land and buildings	-	-	-	-	-	-	-
Professional and special services	9 253	14 312	18 765	68 930	33 978	35 836	37 993
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	801	861	4 642	-	-	140	142
Total	101 480	110 741	140 031	192 091	191 664	206 776	219 708

Policy developments

The establishment of the State Property Management Company during 2002/03 will change the focus of the Department, leading it to become a more output oriented organisation. Business processes will be revamped and the operating environment will comply with the Public Finance Management Act (1 of 1999) (PFMA).

In an effort to improve delivery, skilled personnel are being appointed to provide the capabilities required by the Department.

Expenditure trends

Although expenditure on *Administration* is reasonably stable between 2001/02 and 2004/05, rising by an annual average of 4,6 per cent, expenditure rose by 37,2 per cent between 2000/01 and 2001/02.

Administration consumes about 4,7 per cent of the total allocation to the Vote.

Programme 2: Provision of Land and Accommodation

Provision of Land and Accommodation ensures that national departments have the infrastructure they need. The programme provides, develops and maintains accommodation, acquires land, and is also responsible for disposing of redundant property. It works to empower previously disadvantaged enterprises, individuals and SMMEs in the construction environment. Although there are numerous subprogrammes, the core functions revolve around:

- Constructing accommodation for national departments, and maintaining and upgrading existing government property
- Playing the role of custodian of state properties by acquiring and disposing of property and executing the responsibilities of a landlord

Expenditure estimates

Table 6.4: Provision of Land and Accommodation

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01	Adjusted appropriation 2001/02	2002/03	2003/04	2004/05
R thousand							
Capital Works (Public Works)	92 268	62 685	55 150	106 078	135 148	238 266	152 883
Office Accommodation, Official Quarters and Unimproved Property	708 675	735 929	723 069	699 897	817 436	866 628	918 644
Maintenance, Repair and Renovation of Buildings	505 529	421 337	532 836	593 333	536 556	536 556	593 253
Promotion of the Building and Construction Industry	4 500	4 900	4 900	3 296	5 500	5 830	6 180
Cleaning of Buildings and Tending of Gardens	103 707	105 307	106 172	110 300	128 468	138 489	148 239
Municipal Services	588 781	660 387	734 128	701 354	811 907	863 944	986 708
Rates on State Properties							
Statutory Payments	488 545	499 896	508 892	594 779	571 791	606 099	642 464
Grants-In-Aid to Local Authorities	86	–	–	5 000	1 000	1 000	1 000
Land Division Committees	5	16	2	100	50	50	50
Investigation of Sites and Ground Formations	–	–	–	50	50	50	50
Interstate Boundary Fences	5 976	5 564	4 334	2 000	6 000	6 000	6 000
Administration	138 599	130 440	132 089	236 077	199 394	214 873	230 056
Total	2 636 671	2 626 461	2 801 572	3 052 264	3 213 300	3 477 785	3 685 527
Change to 2001 Budget Estimate				(308)	(18 243)	3 527	

Economic classification

Current	2 250 750	2 416 727	2 474 854	2 619 737	2 503 908	2 865 988	3 124 951
Personnel	195 293	193 977	203 433	248 727	259 474	279 766	294 551
Transfer payments	86	–	–	5 000	1 000	1 000	1 000
Other current	2 055 371	2 222 750	2 271 421	2 366 010	2 243 434	2 585 222	2 829 400
Capital	385 921	209 734	326 718	432 527	709 392	611 797	560 576
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	385 921	209 734	326 718	432 527	709 392	611 797	560 576
Total	2 636 671	2 626 461	2 801 572	3 052 264	3 213 300	3 477 785	3 685 527

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01				
Standard items of expenditure							
Personnel	195 293	193 977	203 433	248 727	259 474	279 766	294 551
Administrative	15 469	13 951	16 791	15 537	20 317	22 349	24 583
Inventories	15 985	16 923	18 728	16 302	21 043	22 306	23 644
Equipment	3 813	11 895	17 902	33 273	31 688	33 575	36 174
Land and buildings	708 675	735 929	724 518	1 247 918	1 495 140	861 187	912 858
Professional and special services	1 694 358	1 650 779	1 818 633	1 485 382	1 384 638	2 257 572	2 392 684
Transfer payments	86	–	–	5 000	1 000	1 000	1 000
Miscellaneous	2 992	3 007	1 567	125	–	30	33
Total	2 636 671	2 626 461	2 801 572	3 052 264	3 213 300	3 477 785	3 685 527

Policy developments

Early in 2000/01 the Property Management and Property Development branches, responsible for the core functions described above, were merged to improve coordination and to ensure that accommodation provision and maintenance would be managed using acceptable project management principles and within appropriate time, cost and quality parameters. At the same time, the Department's custodianship of government properties was enhanced by the introduction of asset management principles, one of the objectives of which is to minimise the costs associated with a large portfolio of fixed assets.

Although policy developments have continued from the previous year, there are new challenges. For instance, the devolution of capital works budgets to client departments has, in some cases, resulted in problems in the timing of their making payments to the Department. The State Property Management Company will address this. The company will be responsible for the management and maintenance of the property portfolio, and client departments will buy its services.

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

- The completion of the State Asset Register
- The design and implementation of capacity-building programmes for the construction industry
- The development and implementation of frameworks, models and systems for public-private partnerships in the procurement and operation of government assets

Expenditure trends

The allocation for *Provision of Land and Accommodation* grows at an annual average of 5,7 per cent between 1998/99 and 2004/05 and makes up about 89,0 per cent of the Vote over the medium term. Over 50,0 per cent of the programme budget is allocated to two subprogrammes: Municipal Services and Office Accommodation, Official Quarters and Unimproved Property. The allocation increases by R161,0 million between 2001/2 and 2002/03, mainly as a result of higher expenditure on these subprogrammes.

The very large increase in expenditure on the acquisition of capital assets in 2002/03 and over the medium term reflects the increased prioritisation of capital works in the 2001 Budget.

The large increase in the projected expenditure on Rates on State Property reflects the fact that a large number of state properties are now obliged to pay rates, as well as the fact that rates are projected to rise. A notable increase in Municipal Services is also reflected, in line with expected yearly increase in these expenses.

Funds have been provided for the repair and renovation of the Presidential Guesthouse (approximately R37 million) and the Department's head offices (approximately R33 million) over two years.

Approximately R500 million will be spent over a number of financial years on professional services to investigate and resolve the problem of the dolomite formations which pose a risk at a number of military installations and other properties in the area south of Pretoria.

Key outputs, indicators and targets

Provision of Land and Accommodation

Subprogramme	Output	Output measure/indicator	Target
Capital Works (Public Works)	Constructed or rehabilitated fixed government assets	The number of fixed government assets constructed over a targeted period	2 800 projects completed by March 2003, and 7 000 by March 2005
Office Accommodation, Official Quarters and Unimproved Property	Provision of leased accommodation for national departments	Leased accommodation provided to departments at affordable rates	Meet all requirements of national departments by March 2003 Affordable leases in all cases
Maintenance, Repair and Renovation of Buildings	Maintenance of state properties in accordance with the required standards	Government wide strategic maintenance management framework Annual maintenance contracts for day-to-day maintenance services Safety legislation complied with in facilities	Maintenance management framework developed by March 2003 Contracts for all day-to-day maintenance established by April 2002 Complete compliance by March 2003 in facilities of departments: Correctional Services: 142 Defence: 48 Justice: 8 Safety and Security: 7
Promotion of the Building and Construction Industry	Empowerment of previously disadvantaged role-players	Contracts awarded to previously disadvantaged individuals and enterprises	20% increased participation by previously disadvantaged individuals and enterprises by March 2003
Cleaning of Buildings and Tending of Gardens	Clean, hygienic and safe environment maintained	Cleaning requirements met	All state properties meet cleaning requirements by March 2003
Municipal Services	Payment for municipal services rendered to client departments	Municipal services obligations of leased and state owned properties met timeously	98% of payments made timeously by March 2003
Rates on State Properties	Payment of rates on all state owned properties	Timely and correct payment of property rates to local authorities	98% of payments made timeously by March 2003
Investigation of Sites and Ground Formations	Execution of geotechnical services on site and in laboratory	Inspections for new capital projects on a continuous basis, especially in dolomite areas	100% sites surveyed by March 2003
Interstate Boundary Fences	Maintained fences and patrol roads on international boundaries	Extent to which boundary fences are secured	100% of fences secured and maintained by March 2003

A phased approach to the disposal of redundant state owned properties has been introduced. In 2000/01, 108 properties were disposed of – 38 for commercial purposes, 29 for land reform on state land, and 41 donated to local authorities and provinces for low cost housing and education facilities. Total income received was R6,5 million. In 2001/02, 62 properties have been disposed of – 39 for land reform on state land and 22 for commercial purposes. The estimated market value of all these is R65,9 million.

Programme 3: National Public Works Programme

National Public Works Programme delivers infrastructure while promoting job-creation, skills development and capacity-building. The programme consists of two subprogrammes:

- The Construction Industry Development Programme promotes public and private sector infrastructure delivery by addressing the growth, development and transformation of the

construction industry. It develops and monitors policy, implements development programmes, and interacts with the statutory institutions which drive growth and development.

- The Community Based Public Works Programme is aimed at constructing public assets for disadvantaged communities, while creating both short-term and sustainable employment opportunities by facilitating micro-business opportunities.

Expenditure estimates

Table 6.5: National Public Works Programme

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Construction Industry Development Programme	8 021	10 248	11 191	28 463	30 976	38 859	41 401
Community Based Public Works Programme	109 381	397 336	607 759	387 767	282 897	281 285	7 961
Total	117 402	407 584	618 950	416 230	313 873	320 144	49 362
Change to 2001 Budget Estimate				116 655	(1 377)	(26 725)	
Economic classification							
Current	117 270	51 348	244 657	59 356	53 500	59 806	48 844
Personnel	4 792	4 960	6 388	6 111	8 448	9 130	9 615
Transfer payments	102 665	6 045	159 557	2 496	15 181	2 211	23 857
Other current	9 813	40 343	78 712	50 749	29 871	48 465	15 372
Capital	132	356 236	374 293	356 874	260 373	260 338	518
Transfer payments	–	356 147	374 000	356 527	259 820	259 820	–
Acquisition of capital assets	132	89	293	347	553	518	518
Total	117 402	407 584	618 950	416 230	313 873	320 144	49 362
Standard items of expenditure							
Personnel	4 792	4 960	6 388	6 111	8 448	9 130	9 615
Administrative	1 123	1 242	1 876	4 817	4 411	4 852	5 338
Inventories	128	220	119	300	343	363	384
Equipment	155	109	319	347	553	557	561
Land and buildings	–	–	–	–	–	–	–
Professional and special services	8 484	38 799	76 636	45 632	25 117	43 211	9 607
Transfer payments	102 665	362 192	533 557	359 023	275 001	262 031	23 857
Miscellaneous	55	62	55	–	–	–	–
Total	117 402	407 584	618 950	416 230	313 873	320 144	49 362

Policy developments

The Community Based Public Works Programme (CBPWP) is a focused job creation and poverty relief programme, targeted primarily at the rural poor and funded by the poverty relief fund. Its objectives include creating both temporary and sustainable employment opportunities through short public works projects and by facilitating micro-business opportunities associated with the community assets created.

The focus of the CBPWP is to identify clusters of projects within identified poverty pockets in rural communities. Such communities are characterised by a lack of infrastructure, a lack of skills, and weak institutional support for development.

Projects fall into one of five categories:

- Projects which improve access to trade opportunities by enhancing rural road networks

- Projects which provide ongoing sustainable employment, such as agricultural food lots, small scale irrigation, recycling, and waste collection
- Projects which result in people having to expend less effort, such as supplying water or crèches
- Projects that create social cohesion within communities, such as those which construct multi-purpose centres and sports facilities
- Projects which result in increased protection of the environment, such as those aimed at erosion control, donga rehabilitation and re-vegetation

The CBPWP has minimum targets for employing particular groups: local labour (30 per cent of budget), women (50 per cent), young people (15 per cent), and the disabled (1,5 per cent).

Since 1997, CBPWP funding has come from the poverty relief fund, a short-term intervention coordinated by the National Treasury. Programmes and projects will be assessed, and continued funding on budget will depend on how effective and well coordinated with core departmental activities they are.

Expenditure trends

Included in the allocations for 2002/03 and 2003/04 is an amount of R274 million for poverty relief. This amount is not included in the allocation for 2004/05 and the expenditure trends of the programme thus show a significant decline in that year. The reduction of funds for poverty relief is also reflected in the decline in the allocation for capital spending and transfer payments in 2004/05. In 2002/03 and 2003/04, transfer payments associated with the CBPWP, some of which go to the Independent Development Trust (IDT), account for nearly 90 per cent of programme expenditure.

Key outputs, indicators and targets

National Public Works Programme

Subprogramme	Output	Output measure/indicator	Target
Construction Industry Development Programme	Play role in socio-economic development and growth	Contribution to socio-economic development and growth as per industry strategy	100% by March 2003
	Job opportunities specifically for emerging contractors	Contribution to the target set for job opportunities created	100% by March 2003
	Implementation of strategic empowerment programme	Compliance with the strategic empowerment programme	100% by March 2003
	Promotion and support of women in industry	Compliance with targets set on the employment of women in the industry	100% by March 2003
Community Based Public Works Programme	Community infrastructure	Number of community projects carried out	320
		Compliance with the Integrated Development Plans (IDPs) of various district municipalities	100% compliance with IDPs in identified projects by March 2003
		Community ownership and operation of assets	100% by March 2003
	Job opportunities	Number of job opportunities created within the targeted time	25 000 short-term jobs and 500 permanent jobs by March 2004

Since 1998 the Community Based Public Works Programme has created more than 90 000 temporary employment opportunities, with 42 per cent of these jobs being filled by women and 43 per cent by young people. The sustainability of all projects has been built into the planning process.

A Management Monitoring Information System has been established to capture the impact of the CBPWP on beneficiaries as well as key aspects such as training.

Programme 4: Auxiliary and Associated Services

Auxiliary and Associated Services comprises the following subprogrammes:

- Compensation for Losses caters for losses incurred on the state housing scheme when public servants fail to fulfil their obligations and the properties are sold in execution.
- Assistance to Organisations for the Preservation of National Memorials provides funding for maintaining national memorials to the Commonwealth War Graves Commission and the United Nations.
- Grants-in-Aid provides financial assistance to the Parliamentary Villages Management Board.
- Decorations for Public Functions funds the purchase of decorations for public functions, such as state funerals and inaugurations.
- Government Motor Transport provides for the purchase of vehicles for departmental use.
- The Sector Education and Training Authority subprogramme provides for the Department's meeting of its obligations in terms of the Skills Development Act (Act 97 of 1998).

Expenditure estimates

Table 6.6: Auxiliary and Associated Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
R thousand	1998/99	1999/00	2000/01	2001/02			
Compensation for Losses	320	393	1 513	1 000	1 000	1 000	1 000
Distress Relief	–	–	–	1	1	1	1
Loskop Settlement	–	–	–	1	1	1	1
Assistance to Organisations for the Preservation of National Memorials Commonwealth War Graves Commission and UN	5 943	6 202	6 457	6 330	7 200	7 600	8 000
Grants-in-Aid:							
Parliamentary Villages Management Board	–	618	1 079	1 500	1 400	1 400	1 400
PSA Restaurants	6 527	6 134	–	–	–	–	–
Meinljeskop Restaurant	365	365	–	–	–	–	–
Decorations for Public Functions	–	60	–	90	90	90	90
Government Motor Transport	569	651	254	700	500	500	500
Sector Education and Training Authority	–	–	–	1 000	1 650	1 750	1 850
Total	13 724	14 423	9 303	10 622	11 842	12 342	12 842
Change to 2001 Budget Estimate				1 630	2 440	2 818	

Economic classification

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Current	13 155	13 772	9 049	9 922	11 342	11 842	12 342
Personnel	–	–	–	–	–	–	–
Transfer payments	12 835	13 319	7 536	8 831	10 251	10 751	11 251
Other current	320	453	1 513	1 091	1 091	1 091	1 091
Capital	569	651	254	700	500	500	500
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	569	651	254	700	500	500	500
Total	13 724	14 423	9 303	10 622	11 842	12 342	12 842

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary		2001/02	2002/03	2003/04	2004/05
	1998/99	1999/00	outcome 2000/01					
Standard items of expenditure								
Personnel	-	-	-	-	-	-	-	
Administrative	-	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	-	
Equipment	569	651	254	700	500	500	500	
Land and buildings	-	-	-	-	-	-	-	
Professional and special services	-	60	-	90	1 091	90	90	
Transfer payments	12 835	13 319	7 536	8 831	10 251	10 751	11 251	
Miscellaneous	320	393	1 513	1 001	-	1 001	1 001	
Total	13 724	14 423	9 303	10 622	11 842	12 342	12 842	

Expenditure trends

The *Auxiliary and Associated Services* budget is to increase from R10,6 million in 2001/02 to R12,8 million in 2004/05 owing to the significantly increased allocations to organisations preserving certain national memorials in other countries. These contributions account for an average of approximately 61 per cent of the total expenditure of the programme over the medium term, and the increase results from the depreciation of the currency.

Public entities reporting to the Minister

Independent Development Trust

The Independent Development Trust (IDT) is a public institution set up to support Government to meet its development goals. Established in 1990 as a grant-making institution, with seed capital of R2 billion, the IDT is listed as a major public entity in terms of the Public Finance Management Act. Its role is to enhance Government's delivery capacity and promote economic development. In 1998, the core business of the IDT began to change from grant-making to managing the implementation of development programmes. To carry out the new business mandate, the IDT works closely with strategic partners, ranging from communities to parastatals and tertiary institutions. The IDT's development mandate is based on the development principles in government policy directives and best global practice. The IDT is in a sound financial state with funds in excess of R3 billion as at 31 March 2001.

It is partly funded from money appropriated by Parliament for poverty relief to the *National Public Works Programme*. In addition to the funds received from Public Works, the IDT receives transfer payments from other government departments and the private sector.

In 2002/03, the Department has allocated R16,8 million from the funding of the Community Based Public Works Programme to the IDT for building community production centres (R6,8 million) and other strategic projects (R10,0 million).

Construction Industry Development Board

The national endeavour to transform and develop the construction industry requires a specialist agency to promote growth, improved performance delivery, value for money, and the enhanced contribution of the industry to South Africa's social and economic development agenda. The Construction Industry Development Board (CIDB) is a public entity, established in 2001/02, with the following aims:

- To provide leadership to the industry in both the public and private sectors

- To reduce duplication of efforts by national, provincial and local authority agencies in the development of delivery models, contract documentation, and the implementation of strategies for empowerment and job-creation
- To improve risk management and reduce the cost to the industry by registering contractors
- To establish best practice benchmarks and standards in key areas of the industry's performance and development
- To improve training requirements, curricula and outcomes
- To standardise and simplify contract documentation
- To enhance public sector capacity to manage the delivery process

Annexure

Vote 6: Public Works

Table 6.7: Summary of expenditure trends and estimates per programme

Table 6.8: Summary of expenditure trends and estimates per economic classification

Table 6.9: Summary of expenditure trends and estimates per standard item

Table 6.10: Summary of transfers and subsidies per programme

Table 6.11: Summary of personnel numbers and costs

Table 6.12: Summary of expenditure on training

Table 6.13: Summary of information and communication technology expenditure

Table 6.14: Summary of conditional grants to local government (municipalities)

Table 6.7: 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 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
1 Administration	101 480	110 741	140 031	160 448	–	31 643	192 091	196 287	176 630	15 034	191 664	206 776	219 708
2 Provision of Land and Accommodation	2 636 671	2 626 461	2 801 572	3 052 572	125 974	(126 282)	3 052 264	3 052 264	2 503 908	709 392	3 213 300	3 477 785	3 685 527
3 National Public Works Programme	117 402	407 584	618 950	299 575	6 500	110 155	416 230	410 230	53 500	260 373	313 873	320 144	49 362
4 Auxiliary and Associated Services	13 724	14 423	9 303	8 992	–	1 630	10 622	10 622	11 342	500	11 842	12 342	12 842
Total	2 869 277	3 159 209	3 569 856	3 521 587	132 474	17 146	3 671 207	3 669 403	2 745 380	985 299	3 730 679	4 017 047	3 967 439
Change to 2001 Budget Estimate							149 620	147 816			14 291	17 006	

Table 6.8: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary		Rollovers	Other	Adjusted		Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	2000/01	from 2000/01	adjustments	appropriation							
R thousand						2001/02			2002/03				
Current	2 475 164	2 587 866	2 857 016	2 798 389	125 974	(58 881)	2 865 482	2 863 678	2 745 380	-	2 745 380	3 130 972	3 391 985
Personnel	256 248	259 505	281 144	332 125	-	-	332 125	332 125	364 287	-	364 287	393 644	414 379
Salaries and wages	167 816	175 449	191 205	229 034	-	-	229 034	229 034	246 074	-	246 074	265 624	279 640
Other	88 432	84 056	89 939	103 091	-	-	103 091	103 091	118 213	-	118 213	128 020	134 739
Transfer payments	115 586	19 364	167 093	12 201	-	4 126	16 327	10 327	26 432	-	26 432	13 962	36 108
Subsidies to business enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of government													
social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	1 000	-	-	1 000	1 000	1 650	-	1 650	1 750	1 850
extra-budgetary institutions	102 751	6 663	160 636	6 200	-	2 796	8 996	8 996	17 581	-	17 581	4 611	26 257
provincial government	-	-	-	-	-	-	-	(6 000)	-	-	-	-	-
local government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	6 892	6 499	-	1	-	-	1	1	1	-	1	1	1
Foreign countries and international credit institutions	5 943	6 202	6 457	5 000	-	1 330	6 330	6 330	7 200	-	7 200	7 600	8 000
Other	2 103 330	2 308 997	2 408 779	2 454 063	125 974	(63 007)	2 517 030	2 521 226	2 354 661	-	2 354 661	2 723 366	2 941 498
Capital	394 113	571 343	712 840	723 198	6 500	76 027	805 725	805 725	-	985 299	985 299	886 075	575 454
Transfer payments	-	356 147	374 000	274 000	6 500	76 027	356 527	356 527	-	259 820	259 820	259 820	-
Other levels of government	-	356 147	374 000	274 000	6 500	68 368	348 868	348 868	-	259 820	259 820	259 820	-
Other capital transfers	-	-	-	-	-	7 659	7 659	7 659	-	-	-	-	-
Movable capital	10 973	14 755	27 697	18 988	-	-	18 988	18 988	-	47 775	47 775	44 935	47 046
Motor vehicles (transport)	569	651	254	700	-	-	700	700	-	500	500	500	500
Equipment - Computers	5 901	3 853	11 599	10 877	-	-	10 877	10 877	-	13 254	13 254	13 518	13 935
Equipment - Other office equipment	3 159	2 692	2 452	6 911	-	-	6 911	6 911	-	6 560	6 560	4 793	4 921
Other	1 344	7 559	13 392	500	-	-	500	500	-	27 461	27 461	26 124	27 690
Fixed capital	383 140	200 441	311 143	430 210	-	-	430 210	430 210	-	677 704	677 704	581 320	528 408
Land	-	-	1 445	-	-	-	-	-	-	-	-	-	-
Buildings	377 164	194 877	305 364	428 210	-	-	428 210	428 210	-	671 704	671 704	575 320	522 408
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	5 976	5 564	4 334	2 000	-	-	2 000	2 000	-	6 000	6 000	6 000	6 000
Total	2 869 277	3 159 209	3 569 856	3 521 587	132 474	17 146	3 671 207	3 669 403	2 745 380	985 299	3 730 679	4 017 047	3 967 439

Table 6.9: 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 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Personnel	256 248	259 505	281 144	332 125	-	-	332 125	332 125	364 287	-	364 287	393 644	414 379
Administrative	39 705	40 636	50 685	47 403	-	-	47 403	51 599	66 784	-	66 784	73 463	80 809
Inventories	19 522	20 782	19 103	19 803	-	-	19 803	19 803	25 617	-	25 617	27 154	28 782
Equipment	13 278	18 573	31 502	18 988	30 956	-	49 944	49 944	-	47 775	47 775	49 937	52 953
Land and buildings	708 675	735 929	724 518	1 135 754	95 018	17 146	1 247 918	1 247 918	817 436	677 704	1 495 140	861 187	912 858
Professional and special services	1 712 095	1 703 950	1 914 034	1 680 187	-	(80 153)	1 600 034	1 600 034	1 444 824	-	1 444 824	2 336 709	2 440 374
Transfer payments	115 586	375 511	541 093	286 201	6 500	80 153	372 854	366 854	26 432	259 820	286 252	273 782	36 108
Miscellaneous	4 168	4 323	7 777	1 126	-	-	1 126	1 126	-	-	-	1 171	1 176
Total	2 869 277	3 159 209	3 569 856	3 521 587	132 474	17 146	3 671 207	3 669 403	2 745 380	985 299	3 730 679	4 017 047	3 967 439

Table 6.10: Summary of transfers and subsidies per programme

R thousand	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	2001/02		Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	2000/01			2002/03				
2 Provision of Land and Accommodation	86	-	-	5 000	1 000	-	1 000	1 000	1 000	
Rates on State Properties										
Grants-in-Aid to Local Authorities	86	-	-	5 000	1 000	-	1 000	1 000	1 000	
3 National Public Works Programme	102 665	362 192	533 557	359 023	15 181	259 820	275 001	262 031	23 857	
Construction Industry Development Programme										
Construction Industry Development Board	102 665	6 045	159 557	10 155	13 181	-	13 181	-	21 857	
Council for the Built Environment	-	-	-	-	2 000	-	2 000	2 211	2 000	
Community Based Public Works Programme										
Poverty Relief	-	356 147	374 000	348 868	-	259 820	259 820	259 820	-	
4 Auxiliary and Associated Services	12 835	13 319	7 536	8 831	10 251	-	10 251	10 751	11 251	
Loskop Settlement	-	-	-	1	1	-	1	1	1	
Assistance to Organisations for the Preservation of National Memorials										
Commonwealth War Graves Commission and UN	5 943	6 202	6 457	6 330	7 200	-	7 200	7 600	8 000	
Grants-in-Aid:										
Parliamentary Villages Management Board	-	618	1 079	1 500	1 400	-	1 400	1 400	1 400	
PSA Restaurants	6 527	6 134	-	-	-	-	-	-	-	
Meintjeskop Restaurant	365	365	-	-	-	-	-	-	-	
Sector Education and Training Authority	-	-	-	1 000	1 650	-	1 650	1 750	1 850	
Total	115 586	375 511	541 093	372 854	26 432	259 820	286 252	273 782	36 108	

Table 6.11: Summary of personnel numbers and costs¹

Personnel numbers	1998/99	1999/00	2000/01	2001/02	2002/03
1 Administration	719	727	755	842	903
2 Provision of Land and Accommodation	3 508	3 378	3 348	3 645	3 910
3 National Public Works Programme	33	36	41	51	56
Total	4 260	4 141	4 144	4 538	4 869
Total personnel cost (R thousand)	256 248	259 505	281 144	332 125	364 287
Unit cost (R thousand)	60.2	62.7	67.8	73.2	74.8

¹ Full-time equivalent

Table 6.12: Summary of expenditure on training

	Expenditure outcome		Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand						
1 Administration	-	-	-	4 818	5 237	5 511
2 Provision of Land and Accommodation	-	-	-	6 487	6 994	7 364
3 National Public Works Programme	-	-	-	422	457	481
Total	-	-	-	11 727	12 688	13 356

Table 6.13: Summary of information and communications technology expenditure

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2001/02	2002/03	2003/04
1 Administration	-	4 408	4 756	5 053
Technology	-	2 385	2 616	2 825
Hardware	-	663	1 189	1 155
Software and licences	-	440	713	890
Audio-visual equipment	-	641	357	390
Systems	-	641	357	390
IT services	-	2 023	2 140	2 228
Consulting	-	934	951	928
Outsourcing	-	1 089	1 189	1 300
2 Provision of Land and Accommodation	-	2 956	3 199	3 391
Technology	-	1 686	2 600	2 200
Hardware	-	322	950	850
Software and licences	-	273	950	450
Audio-visual equipment	-	545	350	450
Systems	-	546	350	450
IT services	-	1 270	599	1 191
Consulting	-	420	279	341
Outsourcing	-	850	320	850
3 National Public Works Programme	-	1 569	1 600	256
Technology	-	1 180	1 300	136
Hardware	-	800	900	80
Software and licences	-	300	300	36
Audio-visual equipment	-	40	50	10
Systems	-	40	50	10
IT services	-	389	300	120
Consulting	-	119	100	20
Outsourcing	-	270	200	100
Total	-	8 933	9 555	8 700

Table 6.14: Summary of conditional grants to local government (municipalities)¹

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
3 National Public Works Programme							
Community-Based Public Works Programme	-	356 147	374 000	348 868	259 820	259 820	-
Total	-	356 147	374 000	348 868	259 820	259 820	-

¹ Detail provided in the Division of Revenue Act, 2002.

