

Vote 5

Public Works

Budget summary

R million	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	778.0	768.9	1.2	7.9	781.0	881.3
Provision of Land and Accommodation	3 709.3	843.1	1 607.2	1 259.0	4 062.1	4 591.8
National Public Works Programme	768.5	250.1	517.1	1.3	1 726.9	2 681.7
Auxiliary and Associated Services	42.2	16.9	25.3	–	28.8	30.6
Total expenditure estimates	5 298.0	1 879.1	2 150.7	1 268.2	6 598.7	8 185.4
Executive authority	Minister of Public Works					
Accounting officer	Director-General of Public Works					
Website address	www.publicworks.gov.za					

Aim

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

Programme purposes

Programme 1: Administration

Provide strategic leadership and support services, including the accommodation needs, and overall management of the department.

Programme 2: Provision of Land and Accommodation

Provide and manage government's immovable property portfolio in support of government's social, economic, functional and political objectives.

Programme 3: National Public Works Programme

Promote the growth and transformation of the construction and property industries. Promote uniformity and best practice in construction and immovable asset management in the public sector. Ensure the creation of work opportunities coupled with training for the unskilled, marginalised and unemployed people in South Africa by coordinating the implementation of the expanded public works programme.

Programme 4: Auxiliary and Associated Services

Provide for various services, including: compensation for losses on the government assisted housing scheme; assistance to organisations for the preservation of national memorials; managing grants for the Parliamentary Villages Management Board; and meeting protocol responsibilities for state functions.

Strategic overview: 2005/06 – 2011/12

The mandate of the Department of Public Works is articulated in the Government-wide Immovable Asset Management Act (2007). The objective of the act is to ensure efficient and effective immovable asset management within government, to improve service delivery overall. In line with the Public Finance Management Act (1999), it places an obligation on accounting officers to properly account for accommodation needs.

The department's policy priorities over the medium term include: building the capacity of the department, particularly built environment skills; improving the management of the state's asset base to improve its social, financial and economic value; and continuing with service delivery improvement to serve clients better.

In implementing the construction and property charters to accelerate the transformation of both sectors over the MTEF period, the department's focus will be on a number of strategic priorities.

Infrastructure programmes

2010 FIFA World Cup preparations

Redeveloping and refurbishing three land ports of entry are the focus of this building programme, and they will be completed in time for the event. They are the Golela border post with Swaziland, the Skilpadshek border post with Botswana, and the Lebombo Ressano-Garcia border post with Mozambique.

National infrastructure maintenance strategy

Cabinet approved the national infrastructure maintenance strategy, and the Department of Public Works, supported by the Construction Industry Development Board, has been tasked with leading the implementation of the strategy. A key objective of the strategy is to ensure that South Africa develops a viable maintenance industry.

Rehabilitation of unused and underutilised government buildings: an apex priority

This project is currently being implemented and is key to enabling the expanded public works programme to meet set targets. The programme currently covers 25 buildings. The buildings are under construction and are expected to be completed over the MTEF period. The first phase of this project caters for office accommodation only, owing to budget constraints. However, residential accommodation will be considered in the next phase starting from 2010/11.

Accessibility of state owned buildings: an apex priority

All government buildings need to be compliant with health and safety requirements and accessible to people with disabilities. This programme involves constructing access ramps, converting existing lifts and toilets, and installing signage.

Energy efficiency in government buildings

Energy efficiency has been a priority in the department since 1997. The department has saved millions of rand through its energy efficiency initiatives. Twenty-two buildings have already been retrofitted with energy efficient lighting in 2008/09. With the additional funding allocated, more government buildings will be attended to over the MTEF period.

The second phase of the expanded public works programme

In June 2008, Cabinet approved initial proposals for the second phase of the expanded public works programme. The overall objective is to create about 2 million full-time equivalent jobs for poor and unemployed people in South Africa. Projects will be related to the delivery of public and community services and will contribute to government's goal of halving unemployment by 2014.

Other strategic priorities

The national contractor development programme

The programme is jointly managed by the Department of Public Works and its entity, the Construction Industry Development Board. It entails registering and empowering contractors through various developmental interventions. The programme has set a target of empowering 10 000 emerging contractors by 2010.

Scarce skills capacity training intervention

As part of the department's contribution towards the national skills development and national human resource development strategies, an intensive capacity building programme has been implemented throughout all departmental programmes. The programme focuses on learnerships, internships and developing young professionals. A key objective of the programme is to address skills shortages within the built environment profession. To optimise the programme's impact, the department has started to recruit Cuban professionals, who will be deployed in all regional offices to assist with the transfer of built environment skills to trainees.

Valuations of state immovable assets

To comply with the requirements of the Government-wide Immovable Asset Management Act (2006) and the Public Finance Management Act (1999), the department has developed a valuations model based on depreciated replacement costs, which it has submitted to National Treasury for approval. It is anticipated that this model will be applied to establish the value of 139 000 land parcels and buildings over the medium term.

Key policy developments

Over the MTEF period, the department will conduct reviews of the following pieces of departmental legislation:

- Built Environment Professionals Bill: This bill was withdrawn due to the need for further research and consultation. It will be reintroduced to Parliament in September 2009.
- Expropriation Bill: The bill was also withdrawn to make provision for further consultations and will be reintroduced to Parliament in October 2009.
- Extending the Government-wide Immovable Asset Management Act to local government: A working document for discussion with the Department of Provincial and Local Government has already been developed. The negotiating process involving all stakeholders will start in April 2009. Due to the complexity of the process, it could take until March 2011 to complete.
- Two white papers: The process of reviewing the White Paper on Public Works Towards the 21st Century and the White Paper on Construction will take about two years to complete.

Selected performance and operations indicators

Table 5.1 Public Works

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
Number of youths participating in the national youth service programme each year	National Public Works Programme	–	–	4 466	2 859	6 000	6 600	7 260
Number of learners participating in the Vuk'uphile learnership	National Public Works Programme	1 670	1 600	1 635	1 635	1 000	1 000	1 000
Total number of municipalities reporting on expanded public works programme targets	National Public Works Programme	23	33	71	75	85	90	100
Total number of provincial access roads provided	National Public Works Programme	–	–	–	7 000	85 000	100 000	115 000
Number of new job opportunities created through eradication of mud and inappropriate structures	National Public Works Programme	–	–	–	636	2 100	3 100	–
Number of state owned buildings prioritised to be made accessible to people with disability each year	Provision of Land and Accommodation	–	–	–	76	200	190	180
Percentage of state owned buildings rehabilitated each year (out of 1 053 earmarked for rehabilitation)	Provision of Land and Accommodation	–	–	–	25% (263)	5% (526)	10% (105)	20% (210)
Total number of immovable assets valued (total of 136 089)	Provision of Land and Accommodation	–	–	–	108 871	122 480	136 089	136 089
Total number of immovable assets (out of 136 089) on the department's register that comply with generally recognised accounting practice requirements	Provision of Land and Accommodation	–	–	–	95 262	108 871	136 089	136 089
Percentage reduction in electricity consumption on state-owned buildings due to retrofitting*	Provision of Land and Accommodation	–	–	–	10	10	12	15

* These percentages will later be translated into kilowatt hours and expenditure amounts

Expenditure estimates

Table 5.2 Public Works

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
R million	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
1. Administration	614.0	625.2	733.7	741.9	741.9	778.0	781.0	881.3
2. Provision of Land and Accommodation	1 583.2	2 216.3	2 421.8	3 300.7	3 250.7	3 709.3	4 062.1	4 591.8
3. National Public Works Programme	142.1	158.0	231.3	233.5	233.5	768.5	1 726.9	2 681.7
4. Auxiliary and Associated Services	15.0	26.3	15.5	25.9	25.9	42.2	28.8	30.6
Total	2 354.3	3 025.8	3 402.3	4 302.0	4 252.0	5 298.0	6 598.7	8 185.4
Change to 2008 Budget estimate				160.6	110.6	528.0	1 437.7	2 828.9

Economic classification

Current payments	1 280.6	1 347.4	1 476.8	1 612.1	1 612.1	1 879.1	2 052.5	2 311.6
Compensation of employees	542.8	613.6	746.4	828.3	828.3	887.5	1 021.0	1 106.1
Goods and services	713.5	705.5	730.4	783.8	783.8	991.6	1 031.5	1 205.5
<i>of which:</i>								
Administrative fees	4.5	5.3	1.9	5.3	5.3	6.0	5.3	6.8
Advertising	10.3	17.6	38.6	24.5	24.5	39.7	46.3	51.6
Assets less than R5 000	17.3	28.3	17.9	14.0	14.0	21.2	18.3	22.2
Audit costs: External	15.8	22.4	20.2	26.0	26.0	20.2	19.0	23.3
Bursaries (employees)	2.3	2.5	2.3	5.7	5.7	2.1	2.1	2.8
Catering: Departmental activities	0.9	2.6	1.4	2.2	2.2	2.9	2.5	2.8
Communication	23.6	24.7	28.8	28.8	28.8	26.5	25.8	30.8
Computer services	22.9	22.5	33.4	34.6	34.6	29.0	28.1	37.3
Consultants and professional services: Business and advisory service	11.3	13.0	18.3	24.0	24.0	61.0	52.7	49.4
Consultants and professional services: Infrastructure and planning	50.8	62.6	35.0	46.8	46.8	67.3	84.0	93.4
Consultants and professional services: Legal costs	5.0	4.5	3.0	3.1	3.1	8.2	8.6	9.4
Contractors	26.9	13.7	6.3	29.7	29.7	69.4	82.7	129.0
Agency and support / outsourced services	31.8	56.8	81.0	85.4	85.4	119.2	124.5	152.5
Entertainment	1.2	1.4	1.7	1.0	1.0	1.5	1.3	1.9
Inventory: Fuel, oil and gas	2.5	7.3	4.3	5.9	5.9	7.7	7.1	7.9
Inventory: Learner and teacher support material	0.0	0.0	0.1	0.4	0.4	0.4	0.4	0.5
Inventory: Materials and supplies	2.0	1.5	0.9	0.9	0.9	2.6	2.3	2.4
Inventory: Other consumables	22.2	13.2	10.1	12.5	12.5	16.1	16.1	16.7
Inventory: Stationery and printing	8.3	9.9	10.6	12.2	12.2	12.3	10.5	13.1
Lease payments	241.9	180.9	187.4	191.4	191.4	217.9	227.8	247.4
Owned and leasehold property expenditure	95.2	123.0	112.3	132.5	132.5	125.5	131.1	141.3
Transport provided: Departmental activities	0.0	–	1.7	2.0	2.0	2.2	1.5	2.0
Travel and subsistence	70.5	67.6	88.4	76.9	76.9	79.8	84.4	106.5
Training and development	20.8	10.3	15.2	5.3	5.3	25.7	24.5	28.5
Operating expenditure	21.6	9.5	8.9	5.6	5.6	13.3	12.3	13.2
Venues and facilities	3.8	4.4	0.7	7.0	7.0	13.9	12.1	12.7
Interest and rent on land	15.8	–	0.0	–	–	–	–	–
Financial transactions in assets and liabilities	8.5	28.3	–	–	–	–	–	–

Table 5.2 Public Works (continued)

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R million								
Transfers and subsidies	639.4	1 230.6	1 404.2	1 512.7	1 512.7	2 150.7	3 172.3	4 178.7
Provinces and municipalities	586.9	710.6	836.6	889.3	889.3	1 349.7	2 050.2	3 070.0
Departmental agencies and accounts	37.0	502.9	552.2	604.6	604.6	700.7	741.5	777.7
Public corporations and private enterprises	0.1	0.0	–	0.1	0.1	0.1	0.1	0.1
Foreign governments and international organisations	11.6	13.3	12.7	15.5	15.5	16.5	17.5	18.5
Households	3.7	3.8	2.7	3.2	3.2	3.3	3.5	3.7
Payments for capital assets	434.2	447.7	521.3	1 177.2	1 127.2	1 268.2	1 373.9	1 695.1
Buildings and other fixed structures	376.8	414.1	488.0	1 155.0	1 105.0	1 220.6	1 303.9	1 603.9
Machinery and equipment	29.5	29.3	28.9	17.2	17.2	42.4	64.9	85.7
Software and other intangible assets	27.9	4.3	4.4	5.0	5.0	5.1	5.1	5.4
Total	2 354.3	3 025.8	3 402.3	4 302.0	4 252.0	5 298.0	6 598.7	8 185.4

Expenditure trends

Overall expenditure has increased at an average annual rate of 22.3 per cent, from R2.4 billion in 2005/06 to R4.3 billion in 2008/09. Expenditure growth is driven by the increases in transfers and subsidies, which grew from R639.6 million in 2005/06 to R1.5 billion in 2008/09, at an average annual rate of 33.3 per cent. This was mainly due to the creation of the Augmentation Property Management Trading Entity in April 2006. Spending buildings and other fixed structures also increased, from R376.8 million in 2005/06 to R1.2 billion in 2008/09, at an average annual rate of 45.3 per cent.

Over the MTEF period, expenditure is expected to increase to R8.2 billion at an average annual rate of 23.9 per cent. The robust growth in expenditure is due to additional funds of R632.3 million for 2009/10, R1.7 billion for 2010/11, and R3 billion for 2011/12 for the expanded public works programme incentive grant to provinces and municipalities, as well as funds for energy efficiency in government buildings, accessibility of state owned buildings, the presidential inauguration, and scarce skills capacity training interventions.

The strong increase in expenditure of 136.7 per cent in 2008/09 in buildings and other fixed structures relates to the expansion of the acquisition and refurbishment of government buildings programme. Expenditure in this programme is expected to slow to an average annual rate of 12.9 per cent over the MTEF period. Over the medium term, spending in goods and services will increase from R783.8 million in 2008/09 to R1.2 billion in 2011/12, at an average annual rate of 15.4 per cent as the department will be more involved in the maintenance of buildings once they have been refurbished.

Savings and reprioritisation

The department has identified efficiency savings over the medium term of R98.1 million, R225.1 and R133 million in goods and services for communications, consultants, and travel and subsistence. This is in addition to the efficiency savings declared in the 2008 Budget, of R40.3 million in 2009/10 and R48.3 million in 2010/11.

Infrastructure

The amounts allocated for infrastructure over the MTEF period are R1.2 billion for 2009/10, R1.3 billion for 2010/11, and R1.3 billion for 2011/12. These allocations include amounts for infrastructure related projects that the Department of Public Works is expected to deliver for the mandate of the border control operational co-ordinating committee. The following projects are catered for using the money allocated for infrastructure:

Large infrastructure projects or programmes (between R50 million and R300 million)

- Lebombo border post
- Skilpadhek border post
- Re KgabisaTshwane: Agrivaal, Government Printing Works and Salvokop

- Prestige: 120 Plein Street and Tuynhuis
- United Nations buildings

Groups of small projects or programmes (less than R50 million)

- Prestige accommodation: Upgrading and new construction
- The Re Kgabisa Tshwane project
- Various centres: Dolomite projects
- Border posts: Upgrading and new construction
- Departmental allocation: Upgrading and new construction

The department has been allocated R4.1 billion over the MTEF period for the expanded public works programme conditional grants to both local and provincial government. In overall terms, provision for the performance based allocations for the second phase of the expanded public works programme over the MTEF period totals R465 million, R1 4 billion and R2.3 billion for 2011/12.

Departmental receipts

Other than the revenue collected through the Property Management Trading Entity, the department also generates revenue mainly through letting properties and official quarters, and the sale of state owned land and buildings. Buildings that have been sold include redundant military bases and properties that are no longer cost effective to maintain.

Table 5.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Departmental receipts	98 077	79 937	95 818	23 000	23 000	25 581	26 628	27 695
Sales of goods and services produced by department	22 257	25 497	20 505	20 000	20 000	20 648	20 970	21 469
Sales of scrap, waste, arms and other used current goods	18	15	449	10	10	475	504	529
Fines, penalties and forfeits	124	3	2	1	1	2	3	4
Interest, dividends and rent on land	2 848	1 877	572	490	490	597	620	643
Sales of capital assets	51 887	26 582	67 664	1 000	1 000	1 000	1 500	1 700
Financial transactions in assets and liabilities	20 943	25 963	6 626	1 499	1 499	2 859	3 031	3 350
Total	98 077	79 937	95 818	23 000	23 000	25 581	26 628	27 695

Programme 1: Administration

Expenditure estimates

Table 5.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Minister ¹	0.8	1.0	1.0	1.0	1.7	1.8	1.9
Deputy Minister ¹	0.6	0.8	0.7	0.8	1.4	1.5	1.6
Management	58.6	64.8	92.7	104.6	99.2	99.7	99.5
Corporate Services	332.4	310.4	362.4	349.4	358.1	344.5	416.3
Property Management	221.6	248.3	277.0	286.2	317.5	333.5	362.0
Total	614.0	625.2	733.7	741.9	778.0	781.0	881.3
Change to 2008 Budget estimate				54.6	10.9	(62.2)	(15.0)

¹ From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Table 5.4 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	571.6	614.3	718.2	733.4	768.9	771.7	871.5
Compensation of employees	143.0	163.9	209.1	228.2	243.7	256.3	269.0
Goods and services	428.7	450.4	509.1	505.1	525.3	515.4	602.5
of which:							
Administrative fees	1.8	2.1	1.2	0.3	1.3	1.3	1.5
Advertising	8.6	13.9	23.3	20.1	20.0	19.0	23.9
Assets less than R5 000	9.4	5.0	5.8	3.9	5.8	5.0	6.4
Audit costs: External	15.8	22.4	20.2	26.0	20.2	19.0	23.3
Bursaries (employees)	2.3	2.3	2.3	5.0	2.0	2.0	2.7
Catering: Departmental activities	0.4	0.2	0.6	0.7	0.7	0.6	0.8
Communication	19.6	19.3	22.5	22.6	20.0	19.0	23.9
Computer services	22.4	20.1	33.1	31.8	26.0	25.0	34.0
Consultants and professional services:	2.5	8.5	7.3	7.3	7.7	7.0	8.4
Business and advisory services							
Consultants and professional services:	0.0	1.9	0.9	–	1.0	0.8	1.1
Infrastructure and planning							
Consultants and professional services:	5.0	4.4	3.0	3.0	3.0	3.0	3.5
Legal costs							
Contractors	18.3	2.6	1.1	1.1	1.0	1.0	1.3
Agency and support / outsourced services	24.3	29.8	30.7	29.0	30.0	24.0	33.7
Entertainment	0.8	0.7	0.8	0.3	0.8	0.5	1.1
Inventory: Other consumables	0.2	0.2	0.5	0.3	0.5	0.5	0.6
Inventory: Stationery and printing	6.3	7.6	8.3	9.8	8.9	7.0	9.6
Lease payments	134.4	158.7	173.7	166.0	194.4	204.9	223.4
Owned and leasehold property expenditure	95.2	101.6	110.8	130.2	123.1	128.6	138.6
Transport provided: Departmental activities	0.0	–	1.7	2.0	2.2	1.5	2.0
Travel and subsistence	42.2	38.4	48.4	45.2	43.5	35.4	47.7
Training and development	11.3	6.5	10.8	0.3	10.5	9.0	12.5
Operating expenditure	4.9	3.4	1.5	0.1	2.0	1.0	1.8
Venues and facilities	2.5	0.6	0.5	0.1	0.7	0.2	0.6
Interest and rent on land	–	–	0.0	–	–	–	–
Transfers and subsidies	1.5	0.7	0.5	1.1	1.2	1.2	1.3
Provinces and municipalities	0.5	0.1	0.0	–	–	–	–
Public corporations and private enterprises	0.1	–	–	0.1	0.1	0.1	0.1
Households	0.9	0.6	0.5	1.1	1.1	1.2	1.2
Payments for capital assets	40.9	10.1	15.0	7.5	7.9	8.1	8.5
Machinery and equipment	13.0	5.9	10.8	2.5	2.9	3.1	3.2
Software and other intangible assets	27.9	4.2	4.2	5.0	5.0	5.0	5.3
Total	614.0	625.2	733.7	741.9	778.0	781.0	881.3

Expenditure trends

Between 2005/06 and 2008/09, expenditure increased at an average annual rate of 6.5 per cent from R614 million to R741.9 million. Expenditure in this programme is dominated by current payments for compensation of employees and related goods and services. Compensation of employees increased from R143 million in 2005/06 to R228.2 million in 2008/09, at an average annual rate of 16.9 per cent, because many vacant posts were filled.

Over the MTEF period, the average annual increase in spending is approximately 5.9 per cent, mainly to provide for the department's relocation costs of R15 million in 2009/10.

There are also additional allocations for accommodation costs over the medium term of R317.9 million, R351.5 million and R374 million.

Service delivery and spending focus

Certain modules of the IE-Works IT system were successfully developed and implemented, including the asset register and devolution of rates and taxes in compliance with the Government-wide Immovable Asset Management Act.

The expanded public works programme monitoring and evaluation tool for consolidated reporting on its target of achieving one million job opportunities by 2009, was developed and tested with 350 users from provinces and municipalities.

Programme 2: Provision of Land and Accommodation

- *Infrastructure (Public Works)* funds the acquisition and construction of infrastructure for the Department of Public Works, the prestige portfolio, and the mandate of the border control operational coordinating committee. Funds are distributed on the basis of priorities, as determined by the department.
- *Property Management* funds the accommodation solutions that the department will implement for client departments, which will be accounted for through the trading entity. Funds are distributed on the basis of the compensation and administration needs of the unit, as well as the property rates grant to provinces.
- *Asset Management* provides for the strategic management of immovable assets owned or used for delivering various government services expected to yield functional, economic and social benefits to the state. The distribution of funds is governed by the compensation and administration requirements of the unit.
- *Augmentation of the Property Management Trading Entity* is a special subprogramme for receiving funds to be transferred to the entity. Funds are used on the basis of the requirements of the entity.

Objectives and measures

- Provide accommodation solutions to clients by:
 - attending to all requests for leased accommodation according to each client's specifications within eight months
 - ensuring that all projects are completed in line with service level agreements with clients.
- Ensure that immovable properties are efficiently managed by rehabilitating 50 per cent of the 1053 unutilised government buildings by March 2010.
- In line with the requirements of the Occupational Health and Safety Act (1993), provide people with disabilities access to 200 of the 35 000 government buildings maintained by the department by March 2010.
- Improve efficiency in government's consumption of electricity by reducing electricity consumption in government buildings by at least 15 percent by 2011/12.

Service delivery and spending focus

Following a comprehensive options analysis process, a suitable location for the construction of the Pan African Parliament was identified and approved by the interministerial committee on international relations, peace and security during 2007/08. The committee also approved the funding and procurement methods for the implementation of the project. A Durban based architectural firm was awarded the tender to design the Pan African Parliament complex, following a continent wide design competition.

During 2007/08, 38 user asset management plan reports for respective user departments and agencies were completed. The user departments now have the opportunity of compiling an improved plan, which will not only help to achieve service delivery objectives, but will also enable budgeting for both capital and current expenditure in line with the department's strategic objectives. In May 2008, the national infrastructure maintenance strategy was launched in Cape Town.

During 2007/08, the department delivered more than R238 million worth of physical and ICT infrastructure to various ports of entry. Repair and maintenance services were also provided to 90 per cent of land ports of entry and border line bases to address occupational safety and functional requirements.

An integrated spatial development framework was approved by the City of Tshwane for the Re Kgabisa Tshwane programme. A geographic information database has been generated for the entire Tshwane inner city. 13 options analyses for various government departments were also completed.

Over the MTEF period, spending in this programme will be focused on refurbishing the land ports of entry, implementing the national infrastructure maintenance strategy, rehabilitating unused and underutilised buildings, making government buildings accessible to persons with disabilities, and retrofitting government buildings for reducing wasteful electricity consumption.

Expenditure estimates

Table 5.5 Provision of Land and Accommodation

Subprogramme				Adjusted appropriation	Medium-term expenditure estimate		
R million	Audited outcome			2008/09	2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08				
Infrastructure (Public Works)	376.9	414.1	488.0	1 155.0	1 220.6	1 303.9	1 603.9
Property Management	1 014.4	1 127.0	1 206.0	1 337.3	1 540.4	1 700.4	1 850.8
Asset Management	191.8	225.2	251.9	280.3	339.8	414.8	462.2
Augmentation of the Property Management Trading Entity	–	450.0	476.0	528.0	608.4	643.0	674.8
Total	1 583.2	2 216.3	2 421.8	3 300.7	3 709.3	4 062.1	4 591.8
Change to 2008 Budget estimate				105.2	10.3	93.1	501.4

Economic classification							
Current payments	601.6	616.2	601.6	711.8	843.1	956.1	1 067.4
Compensation of employees	380.6	426.5	496.0	561.6	593.7	701.3	756.4
Goods and services	196.7	161.4	105.6	150.2	249.5	254.7	311.0
of which:							
Administrative fees	2.4	2.9	0.7	5.0	4.7	4.0	5.3
Advertising	0.5	0.8	0.5	0.8	1.8	1.9	2.0
Assets less than R5 000	7.8	23.2	11.9	10.0	14.7	13.2	15.6
Bursaries (employees)	0.1	0.0	0.0	0.7	0.1	0.1	0.1
Catering: Departmental activities	0.5	0.6	0.5	0.5	0.6	0.7	0.8
Communication	3.5	4.9	5.7	5.7	6.0	6.3	6.4
Computer services	0.1	2.3	0.3	2.6	2.7	2.8	3.0
Consultants and professional services: Business and advisory service	3.2	2.0	0.9	0.7	23.3	13.5	4.6
Consultants and professional services: Infrastructure and planning	3.6	0.2	0.1	1.5	2.7	3.0	3.0
Consultants and professional services: Legal costs	0.1	0.1	0.0	0.0	0.1	0.1	0.2
Contractors	4.0	5.7	3.8	23.1	57.5	75.5	121.1
Agency and support / outsourced services	4.8	22.7	14.3	6.4	18.0	17.5	20.0
Entertainment	0.3	0.5	0.6	0.7	0.7	0.8	0.9
Inventory: Food and food supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventory: Fuel, oil and gas	2.4	7.3	4.3	5.9	7.7	7.1	7.9
Inventory: Learner and teacher support material	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Inventory: Materials and supplies	1.8	1.2	0.8	0.8	1.9	2.1	2.2
Inventory: Medical supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Inventory: Other consumables	21.9	12.9	9.7	12.1	15.0	15.5	16.0
Inventory: Stationery and printing	1.8	1.5	1.7	2.0	3.0	3.1	3.0
Lease payments	107.4	21.8	13.4	25.1	23.1	22.5	23.7
Owned and leasehold property expenditure	–	21.4	1.5	2.3	2.4	2.5	2.7
Transport provided: Departmental activities	0.0	–	–	–	–	–	–
Travel and subsistence	23.0	23.8	30.4	27.3	29.7	29.0	38.5
Training and development	2.7	3.8	2.1	5.0	15.3	15.5	16.0
Operating expenditure	4.7	1.7	2.3	5.5	11.2	11.3	11.4
Venues and facilities	0.0	0.1	0.1	6.5	6.9	6.5	6.6
Interest and rent on land	15.8	–	–	–	–	–	–
Financial transactions in assets and liabilities	8.5	28.3	–	–	–	–	–

Table 5.5 Provision of Land and Accommodation (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Transfers and subsidies	588.8	1 162.9	1 314.6	1 419.4	1 607.2	1 741.5	1 839.2
Provinces and municipalities	586.3	710.4	836.6	889.3	996.5	1 096.2	1 162.0
Departmental agencies and accounts	0.0	450.0	476.0	528.0	608.4	643.0	674.8
Public corporations and private enterprises	0.0	0.0	—	—	—	—	—
Households	2.4	2.4	2.0	2.1	2.2	2.3	2.5
Payments for capital assets	392.8	437.3	505.6	1 169.5	1 259.0	1 364.5	1 685.2
Buildings and other fixed structures	376.8	414.1	488.0	1 155.0	1 220.6	1 303.9	1 603.9
Machinery and equipment	15.9	23.0	17.5	14.4	38.2	60.4	81.1
Software and other intangible assets	0.1	0.1	0.1	—	0.1	0.1	0.2
Total	1 583.2	2 216.3	2 421.8	3 300.7	3 709.3	4 062.1	4 591.8

Details of selected transfers and subsidies

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	585.4	710.1	836.6	889.3	996.5	1 096.2	1 162.0
Devolution of property rate funds to provinces grant	585.4	710.1	836.6	889.3	996.5	1 096.2	1 162.0
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	—	450.0	476.0	528.0	608.4	643.0	674.8
Property Management Trading Entity	—	450.0	476.0	528.0	608.4	643.0	674.8
Households							
Social benefits							
Current	2.4	2.4	2.0	2.1	2.2	2.3	2.5
Leave gratuities	2.4	2.4	2.0	2.1	2.2	2.3	2.5

Expenditure trends

Between 2005/06 and 2008/09, spending in this programme shows an average annual increase of 27.7 per cent, from R1.6 billion to R3.3 billion. The increase relates to the additional allocation of R450 million in 2006/07 that has been earmarked for augmenting the Property Management Trading Entity, and an increase of R124.7 million in the *Property Management* subprogramme for the higher cost of property rates for state owned properties in provinces.

Over the MTEF period, spending is expected to increase to R4.6 billion, at an average annual rate of 11.6 per cent. This is because of more spending in the *Property Management* subprogramme, which is projected to increase from R1.3 billion in 2008/09 to R1.9 billion in 2011/12, at an average annual rate of 11.4 per cent. In this subprogramme, the allocation for property rates has been increased by R107.2 million, R99.7 million and R65.7 million.

There are additional allocations of R300 million in 2011/12 for ports of entry in the *Infrastructure* subprogramme; R20 million in 2009/10 and R10 million in 2010/11 for asset management projects such as improving the data integrity of the department's asset register; R40 million in 2010/11 and R50 million in 2011/12 for scarce skills capacity training interventions; and R35 million in 2009/10, R75 million in 2010/11 and R120 million in 2011/12 for implementing energy efficiency in government buildings.

Programme 3: National Public Works Programme

- *Administration.*
- *Construction Industry Development Programme* creates an enabling environment for transforming, reconstructing and developing the construction industry.
- *Expanded Public Works Programme* promotes the use of government expenditure to create additional employment opportunities by introducing labour intensive delivery methods and additional employment and skills programmes for the participation of the unemployed in the delivery of needed services. Funds for the

performance based incentive to municipalities and provinces are distributed on the basis of their ability to absorb unskilled labour in expanded public works programme projects.

- *Property Industry Development Programme* provides leadership and guidance on the transformation of the property industry, and promotes uniformity and best practice on immovable asset management in the public sector. It also sets best practice for the compilation and maintenance of immovable assets registers and the administration of rights over state and private land.

Objectives and measures

- Increase the Department of Public Works' participation in the implementation of the expanded public works programme by increasing the number of youths in its national youth service programme from 5 000 in 2007/08 to 7 260 in 2011/12.
- Contribute to the implementation of the expanded public works programme by:
 - employing 10 per cent of each year's graduates from the national youth service programme in the department's construction and maintenance projects
 - negotiating the absorption of the remaining 90 per cent by other government departments or the private sector.
- Increase the number of public bodies reporting on the implementation of the expanded public works programme by ensuring that 160 municipalities participate in and report on their expanded public works programmes annually.
- Facilitate the increased participation of black owned enterprises in the sector by attracting an additional 50 companies annually through the property incubator programme.

Service delivery and spending focus

The expanded public works programme achieved 86 per cent of its target of creating 1 million job opportunities over 5 years in 2007/08, long before the end of the first 5 years of the programme in 2008/09. The results of a review of the programme indicate that out of every 10 beneficiaries, 8 agreed that there had been positive outcomes for them and their families since they started working on expanded public works programme projects.

As part of ongoing efforts to provide guidance and leadership to the property sector, the property charter technical committee completed its work on the development of the Property Industry Transformation Charter in March 2006. The charter was submitted, and subsequently gazetted by the Department of Trade and Industry. The property charter council board represents various role players in industry and government.

The department finalised the property empowerment strategy on black economic empowerment (BEE), poverty alleviation, and job creation in July 2008. The strategy is aimed at increasing the participation of black owned companies in the property sector through the department's fixed asset portfolio.

Over the MTEF, period, the spending focus will be on implementing the second phase of the expanded public works programme.

Expenditure estimates

Table 5.6 National Public Works Programme

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Construction Industry Development Programme	79.2	86.8	104.3	98.2	105.9	112.0	118.7
Expanded Public Works Programme	62.8	70.4	126.6	125.1	651.3	1 602.8	2 550.3
Property Industry Development Programme	–	0.8	0.4	10.2	11.3	12.0	12.7
Administration	0.0	–	–	–	–	–	–
Total	142.1	158.0	231.3	233.5	768.5	1 726.9	2 681.7
Change to 2008 Budget estimate				0.8	491.9	1 406.9	2 342.6

Table 5.6 National Public Works Programme (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	105.0	110.3	156.8	165.1	250.1	322.6	370.6
Compensation of employees	19.2	23.2	41.4	38.4	50.2	63.4	80.8
Goods and services	85.8	87.2	115.4	126.6	200.0	259.3	289.8
of which:							
Advertising	1.1	3.0	14.8	3.6	17.9	25.4	25.7
Communication	0.4	0.5	0.6	0.5	0.5	0.5	0.5
Computer services	0.4	0.1	0.0	0.2	0.3	0.3	0.3
Consultants and professional services: Business and advisory services	5.6	2.5	10.1	16.0	29.9	32.2	36.4
Consultants and professional services: Infrastructure and planning	47.2	60.5	34.0	45.4	63.6	80.2	89.3
Consultants and professional services: Legal costs	0.0	–	–	0.1	5.1	5.5	5.8
Contractors	4.2	5.1	1.5	5.2	5.5	5.9	6.3
Agency and support / outsourced services	2.7	4.3	36.0	50.0	71.2	83.0	98.8
Inventory: Stationery and printing	0.2	0.8	0.6	0.4	0.4	0.4	0.5
Travel and subsistence	4.4	4.9	9.5	4.4	4.6	19.9	20.2
Training and development	6.7	(0.0)	2.3	–	–	–	–
Operating expenditure	12.0	4.4	5.1	0.0	0.0	0.0	0.0
Venues and facilities	0.1	0.0	0.1	–	–	5.0	5.0
Transfers and subsidies	37.1	47.3	73.8	68.2	517.1	1 402.8	2 309.8
Provinces and municipalities	0.1	0.0	–	–	353.2	954.0	1 908.0
Departmental agencies and accounts	37.0	47.2	73.8	68.2	83.4	89.2	93.0
Non-profit institutions	–	–	–	–	80.5	359.6	308.7
Households	0.0	0.1	–	–	–	–	–
Payments for capital assets	0.0	0.3	0.7	0.3	1.3	1.4	1.4
Machinery and equipment	0.0	0.3	0.7	0.3	1.3	1.4	1.4
Software and other intangible assets	–	–	0.0	–	–	–	–
Total	142.1	158.0	231.3	233.5	768.5	1 726.9	2 681.7
Details of selected transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	–	–	–	–	151.4	400.0	800.0
Expanded public works programme incentive to provincial government	–	–	–	–	151.4	400.0	800.0
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	–	–	–	–	201.7	554.0	1 108.0
Expanded public works programme incentive to local government	–	–	–	–	201.7	554.0	1 108.0
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	37.0	47.2	73.8	68.2	83.4	89.2	93.0
Construction Industry Development Board	34.0	40.0	49.9	41.9	59.3	63.7	66.0
Council for the Built Environment	3.0	7.2	23.9	26.3	24.2	25.5	27.1
Non-profit institutions							
Current	–	–	–	–	80.5	359.6	308.7
Non-state sector	–	–	–	–	80.5	359.6	308.7

Expenditure trends

Between 2005/06 and 2008/09, the programme shows an average increase in expenditure of 18 per cent, mainly because of the increase in the allocation for the expanded public works programme.

Over the MTEF period, the budget increases at an average rate of 125.6 per cent, mainly due to the additional allocation for the expanded public works programme conditional grants to both provincial and local government and an allocation to the non-state sector. Specifically, additional allocations for the performance based incentive allocations of the expanded public works programme over the MTEF period are as follows:

- expanded public works programme incentive grant to local government: R201.7 million, R554 million and R1.1 billion
- expanded public works programme incentive grant to provincial government: R151.4 million, R400 million and R800 million
- expanded public works programme indicative allocation to the non-state sector: R80.5 million, R359.6 million and R308.7 million

The administration requirements for these indicative allocations to the public and private sectors will be covered by additional funding of R31.5 million, R54.2 million and R74.4 million.

Over the MTEF period, additional amounts for improving the capacity of the expanded public works programme unit in the Department of Public Works are R25 million, R50 million and R50 million in 2001/12.

Programme 4: Auxiliary and Associated Services

- *Compensation for Losses* provides compensation for losses in the state housing guarantee scheme when public servants fail to fulfil their obligations.
- *Assistance to Organisations for Preservation of National Memorials* provides funding to the Commonwealth War Graves Commission and to the United Nations for maintaining national memorials.
- *Parliamentary Villages Management Board* provides financial assistance to the board.
- *State Functions* provides for the acquisition of logistical facilities for state functions.

Expenditure estimates

Table 5.7 Auxiliary and Associated Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation for Losses	0.4	0.6	0.1	1.7	1.8	1.9	2.1
Distress Relief	–	–	–	0.0	0.0	0.0	0.0
Loskop Settlement	–	–	–	0.0	0.0	0.0	0.0
Assistance to Organisations for Preservation of National Memorials	11.6	13.3	12.7	15.5	16.5	17.5	18.5
Parliamentary Villages Management Board	0.9	5.7	2.4	6.3	6.6	7.0	7.4
State Functions	2.1	6.6	0.2	0.1	15.1	0.1	0.1
Sector Education and Training Authority	–	–	–	2.1	2.2	2.3	2.5
Total	15.0	26.3	15.5	25.9	42.2	28.8	30.6
Change to 2008 Budget estimate				–	14.9	(0.1)	(0.1)

Economic classification							
Current payments	2.4	6.6	0.2	1.9	16.9	2.1	2.2
Goods and services	2.4	6.6	0.2	1.9	16.9	2.1	2.2
of which:							
Assets less than R5 000	–	–	0.2	0.1	0.6	0.1	0.1
Catering: Departmental activities	–	1.7	–	1.0	1.6	1.1	1.2
Contractors	0.4	0.4	–	0.3	5.3	0.3	0.4
Entertainment	–	0.1	–	–	–	–	–
Inventory: Materials and supplies	–	0.1	–	0.1	0.6	0.1	0.1
Inventory: Other consumables	–	0.1	–	0.1	0.6	0.1	0.1
Travel and subsistence	0.9	0.5	–	0.1	2.1	0.1	0.1
Venues and facilities	1.2	3.6	–	0.4	6.4	0.4	0.4

Table 5.7 Auxiliary and Associated Services (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Transfers and subsidies	12.0	19.7	15.3	24.0	25.3	26.8	28.4
Departmental agencies and accounts	–	5.7	2.4	8.5	8.8	9.3	9.9
Foreign governments and international organisations	11.6	13.3	12.7	15.5	16.5	17.5	18.5
Households	0.4	0.6	0.1	0.0	0.0	0.0	0.0
Payments for capital assets	0.5	0.0	–	–	–	–	–
Machinery and equipment	0.5	0.0	–	–	–	–	–
Total	15.0	26.3	15.5	25.9	42.2	28.8	30.6

Details of selected transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	–	5.7	2.4	8.5	8.8	9.3	9.9
Sectoral Education and Training Authority	–	–	–	2.1	2.2	2.3	2.5
Parliamentary Villages Management Board	–	5.7	2.4	6.3	6.6	7.0	7.4
Foreign governments and international organisations							
Current	11.6	13.3	12.7	15.5	16.5	17.5	18.5
Commonwealth War Graves Commission	11.6	13.3	12.7	15.5	16.5	17.5	18.5

Expenditure trends

Expenditure between 2005/06 and 2008/09 increased at an average annual rate of 20 per cent, due to spending on the Parliamentary Village Management Board in 2006/07 and 2008/09.

Expenditure over the MTEF period is set to increase at an average annual rate of 5.8 per cent. The increase is largely due to the allocation of R15 million in 2009/10 for the presidential inauguration ceremony.

Public entity and other agencies**Property Management Trading Entity****Strategic overview: 2005/06 – 2011/12**

The Property Management Trading Entity originates from the decision, effective from April 2006, that accommodation related costs be devolved by the Department of Public Works to client departments. This is to ensure the long term sustainability of the Department of Public Works and its immovable assets and to comply with the Public Finance Management Act (1999), which requires the full cost of a service to be visible on each department's budget. The Department of Public Works established the entity in April 2006 as part of a longer term reform programme to provide improved property management services to client departments.

The Property Management Trading Entity has been issuing invoices and collecting user charges from clients on a quarterly basis, based on the amounts devolved to them. Additional invoices have been issued to cover the new operational leases that have been entered into after the devolution of budgets. At the end of 2007/08, 97.7 per cent of all invoices issued were paid. An additional amount of R100 million outstanding from the previous year was also recovered. Indications are that all invoices will be paid by the end of 2008/09. The entity has been operating on a modified cash basis of accounting for the first three years, but will start reporting on an accrual accounting basis in April 2009.

The main challenges faced by the entity are inadequate billing and accounting systems and the incomplete asset register. The asset valuation model for valuing assets has been approved by the Accountant General and will be implemented to reflect the value of the entity's assets in the next annual financial statements.

The Department of Health will take occupation of the Civitas building during 2009 and will pay the true cost of accommodation while the Property Management Trading Entity will maintain the building and ensure that it

does not deteriorate. More projects to rehabilitate unused buildings have been identified and this will lead to an increase in the revenue stream as additional accommodation charges will be levied against clients occupying these buildings.

Selected performance and operations indicators

Table 5.8 Property Management Trading Entity

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Amount of revenue collected	R2 492 945	R3 930 335	R4 694 048	R4 300 520	R5 089 558	R5 769 475	R6 355 919
Average number of days to collect outstanding money	–	60	60	60	60	60	60
Amount invoiced outstanding at the end of each year	–	R148 734	R32 861	R10 000	R9 000	R8 000	R7 000

Service delivery and spending focus

At the end of 2007/08, 98 per cent of all invoices issued were paid. An additional R100 million (outstanding from the previous year) was also recovered. It is expected that most of the invoices will be paid by the end of 2008/09. The entity spent 98 per cent of the revenue collected on programmes.

During 2008/09, the Property Management Trading Entity received R4.3 billion in revenue, consisting of accommodation charges (state owned and private), an augmentation from the department (528 million), and the management fee collected on the administration of municipal services accounts. This money will be used to cover property rates, cleaning and gardening services, maintenance (planned and unplanned), and the rehabilitation of unused buildings (R394 million). A further R4.7 billion will be spent on municipal services and capital works on behalf of clients.

The Property Management Trading Entity currently has 1 824 projects running on its planned maintenance building programme, of which 661 are under construction, 94 in the tender phase, and 55 in the planning phase. The remaining projects are in different stages of investigation and initiation.

The clients' building programme consists of more than 2 000 projects, of which 1 129 are under construction, 100 in the tender phase, and 406 in the planning phase. Municipal services' invoices are now sent out on time to 35 clients monthly, detailing payments made to local governments on behalf of the relevant client.

Table 5.9 Property Management Trading Entity: Objective information

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Repair, renovate, refurbish and maintain buildings	827.8	1 463.0	1 695.5	2 005.2	2 569.5	3 004.4	3 396.1
Operating leases	1 333.8	1 493.8	1 610.9	1 678.7	1 846.5	2 029.3	2 155.9
Property rates	331.3	1 034.8	1 210.3	489.6	538.6	592.5	651.7
Cleaning and gardening services: Departments of public works and justice	–	55.0	81.1	113.0	119.8	127.0	134.6
Other objectives	–	48.7	33.0	14.0	10.8	9.8	38.2
Total expense	2 492.9	4 095.3	4 630.8	4 300.5	5 085.3	5 763.0	6 376.5

Table 5.10 Property Management Trading Entity (PMTE): Financial information

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Statement of financial performance							
Revenue							
Non-tax revenue	2 492.9	3 480.3	4 218.0	3 772.5	4 476.9	5 120.0	5 701.6
Sale of goods and services other than capital assets	2 492.9	3 476.6	4 211.1	3 767.5	4 471.9	5 115.0	5 696.6
of which:							
Operating leases	1 322.9	1 336.0	1 627.0	1 751.6	1 925.7	2 116.4	2 248.2
Management fees	1 170.1	2 140.6	2 584.1	2 015.9	2 546.2	2 998.7	3 448.5
Other non-tax revenue	–	3.7	7.0	5.0	5.0	5.0	5.0
Transfers received	–	450.0	476.0	528.0	608.4	643.0	674.8
Total revenue	2 492.9	3 930.3	4 694.0	4 300.5	5 085.3	5 763.0	6 376.5

Table 5.10 Property Management Trading Entity (PMTE): Financial information (continued)

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Expenses							
Current expense	2 161.6	3 060.6	3 420.5	3 810.9	4 546.7	5 170.5	5 724.7
Goods and services	2 161.6	3 048.7	3 407.6	3 796.9	4 531.6	5 154.2	5 707.1
Interest, dividends and rent on land	–	11.9	12.9	14.0	15.1	16.3	17.6
Transfers and subsidies	331.3	1 034.8	1 210.3	489.6	538.6	592.5	651.7
Total expenses	2 492.9	4 095.3	4 630.8	4 300.5	5 085.3	5 763.0	6 376.5
Surplus / (Deficit)	–	(165.0)	63.3	–	–	–	–

Expenditure trends

Revenue has increased from R2.5 billion in 2005/06 to R4.3 billion in 2008/09, at an average annual rate of 19.9 per cent due to the increased activities in the repair, renovation and maintenance of buildings programme. The decrease in revenue in 2008/09 is because the payment of provincial property rates was devolved to provinces. Previously, this was claimed from the Department of Public Works and paid to municipalities on behalf of provinces. As provinces took over this function from April 2008, the revenue and expenditure figures show a decline.

A balanced budget is projected over the MTEF period. Expenditure and revenue are expected to increase to R6.4 billion, at an average annual rate of 14 per cent. The increase is due to the 15 per cent rise in accommodation charges, as approved by the National Treasury. The budget is set to grow by 18.2 per cent during 2009/10 due to additional funding made available during the previous MTEF cycle. 2010/11 and 2011/12 should see increases of 13.3 per cent and 10.6 per cent. Although a 15 per cent increase in accommodation charges was approved, municipal services and operating leases were only allowed a 6 per cent increase in 2010/11 and 2011/12, which will result in client departments having to find additional funding in their current baselines to make provision for these items.

Additional tables

Table 5.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R million	2007/08		2007/08	2008/09			2008/09
1. Administration	628.6	647.4	733.7	687.3	54.6	741.9	741.9
2. Provision of Land and Accommodation	2 866.6	2 898.3	2 421.8	3 195.5	105.2	3 300.7	3 250.7
3. National Public Works Programme	173.6	189.4	231.3	232.7	0.8	233.5	233.5
4. Auxiliary and Associated Services	24.4	24.4	15.5	25.9	–	25.9	25.9
Total	3 693.1	3 759.5	3 402.3	4 141.4	160.6	4 302.0	4 252.0

Economic classification							
Current payments	1 465.4	1 467.2	1 476.8	1 580.3	31.8	1 612.1	1 612.1
Compensation of employees	709.5	759.6	746.4	811.5	16.8	828.3	828.3
Goods and services	755.9	707.6	730.4	768.8	15.0	783.8	783.8
Interest and rent on land	–	–	0.0	–	–	–	–
Transfers and subsidies	1 412.1	1 412.1	1 404.2	1 512.7	–	1 512.7	1 512.7
Provinces and municipalities	836.6	836.6	836.6	889.3	–	889.3	889.3
Departmental agencies and accounts	557.9	557.9	552.2	604.6	–	604.6	604.6
Public corporations and private enterprises	0.1	0.1	–	0.1	–	0.1	0.1
Foreign governments and international organisations	14.6	14.6	12.7	15.5	–	15.5	15.5
Households	3.1	3.1	2.7	3.2	–	3.2	3.2
Payments for capital assets	815.5	880.1	521.3	1 048.4	128.8	1 177.2	1 127.2
Buildings and other fixed structures	798.5	863.0	488.0	1 031.2	123.8	1 155.0	1 105.0
Machinery and equipment	17.1	17.1	28.9	17.2	–	17.2	17.2
Software and intangible assets	–	–	4.4	–	5.0	5.0	5.0
Total	3 693.1	3 759.5	3 402.3	4 141.4	160.6	4 302.0	4 252.0

Table 5.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Permanent and full time contract employees							
Compensation (R million)	518.1	599.5	731.6	812.6	871.1	1 003.8	1 088.1
Unit cost (R million)	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Personnel numbers (head count)	4 435	4 479	5 142	5 685	5 654	5 654	5 654
Part time and temporary contract employees							
Compensation (R million)	19.3	9.2	9.8	10.3	10.8	11.3	11.9
Unit cost (R million)	0.1	0.1	0.4	0.4	0.4	0.4	0.4
Personnel numbers (head count)	168	62	27	27	27	27	27
Interns							
Compensation of interns (R million)	5.3	4.8	5.1	5.3	5.6	5.9	6.2
Unit cost (R million)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Number of interns	119	141	318	318	318	318	318
Total for department							
Compensation (R million)	542.8	613.6	746.4	828.3	887.5	1 021.0	1 106.1
Unit cost (R million)	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Personnel numbers (head count)	4 722	4 682	5 487	6 030	5 999	5 999	5 999
Learnerships							
Payments for learnerships (R million)	–	1.2	1.2	1.3	1.4	1.4	1.5
Number of learnerships (head count)	–	236	172	172	172	172	172

Table 5.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation of employees (R million)	542.8	613.6	746.4	828.3	884.5	970.2	1 032.3
Training expenditure (R million)	23.1	12.8	15.2	22.0	26.1	27.5	28.5
Training as percentage of compensation	4.3%	2.1%	2.0%	2.7%	3.0%	2.8%	2.8%
Total number trained in department (head count)	1 584	4 200	4 200	4 200			
of which:							
Employees receiving bursaries (head count)	245	600	600	562			
Leaverships trained (head count)	–	236	172	172			
Internships trained (head count)	119	141	318	312			

Table 5.D Summary of conditional grants to provinces and municipalities¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Conditional grants to provinces							
2. Provision of Land and Accommodation							
Devolution of property rate funds to provinces grant	585.4	710.1	836.6	889.3	996.5	1 096.2	1 162.0
3. National Public Works Programme							
Expanded public works programme incentive grant to provinces	–	–	–	–	151.4	400.0	800.0
Total	585.4	710.1	836.6	889.3	1 148.0	1 496.2	1 962.0
Conditional grants to municipalities							
3. National Public Works Programme							
Expanded public works programme incentive grant to local government	–	–	–	–	201.7	554.0	1 108.0
Total	–	–	–	–	201.7	554.0	1 108.0

1. Detail provided in the Division of Revenue Act (2009)

Table 5.E Summary of departmental public private partnership projects

Project description: National fleet project		Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
R million			2008/09	2009/10	2010/11	2011/12
Projects signed in terms of Treasury Regulation 16		119.3	23.8	25.0	26.2	27.6
PPP unitary charge ¹		119.3	23.8	25.0	26.2	27.6
Total		119.3	23.8	25.0	26.2	27.6

1. Phavis fleet services PPP. Disclosure notes for this project can be viewed in the PPP annexure table of the Department of Transport.

Table 5.F Summary of expenditure on infrastructure

R million	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2008/09	Medium-term expenditure estimate		
					2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)											
Border control operational coordinating committee: Lebombo border post	Border post	Redevelopment	Design	1 962.2	-	-	19.3	132.8	300.0	300.0	300.0
Large projects or programmes (costing between R50 million and R300 million per year within the MTEF period)											
Border control operational coordinating committee: Skipadhek border post	Border post	Upgrading of infrastructure	Construction	859.8	0.2	5.1	5.9	65.2	150.0	150.0	150.0
Border control operational coordinating committee: Sani-Pass	Border post	Redevelopment	Design	204.8	-	-	-	3.0	52.1	83.4	55.6
Dolomite: Programme C2: Gauteng identified projects	Waterborne subsurface infrastructure	Replacement of waterborne subsurface infrastructure	Pre-design	177.5	-	-	-	-	52.2	66.2	59.1
Dolomite: Programme C3: Detail upgrading of areas in Thaba Tshwane	Waterborne subsurface infrastructure	Replacement of waterborne subsurface infrastructure	Pre-design	119.5	-	-	-	-	6.2	62.7	50.7
Dolomite: Programme C4: Upgrading in all other provinces	Waterborne subsurface infrastructure	Replacement of waterborne subsurface infrastructure	Pre-design	72.4	-	-	-	-	-	27.1	45.2
Prestige: 120 Plein Street	Office accommodation	Refurbishment	Pre-design	190.0	-	-	-	-	15.4	136.3	38.4
Prestige: Tuynhuys	Parliamentary complex	Refurbishment	Construction	155.9	8.0	4.4	19.5	60.7	55.5	-	-
Re Kgabisa Tshwane programme: Agrivaal: Government Communication and Information System	Office accommodation	Upgrading	Design	350.1	-	-	-	20.0	45.7	169.9	114.4
Re Kgabisa Tshwane programme: Government Printing Works	Office accommodation	Construction of office accommodation	Pre-design	422.0	-	-	-	-	7.2	19.3	53.1
Re Kgabisa Tshwane programme: Salvokop	Land	Acquisition of site	Planning	66.5	-	-	-	66.5	-	-	-

Table 5.F Summary of expenditure on infrastructure (continued)

R million	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
					2005/06	2006/07		2009/10	2010/11
					2007/08	2011/12			
Small projects or programmes (costing less than R50 million per annum)									
Departmental: Various centres	Various	Upgrading and construction		–	31.5	54.1	39.7	83.8	93.6
Dolomite: Various centres	Various	Dolomite risk management		–	59.0	65.3	43.6	72.4	3.9
Border control operational coordinating committee: Various centres	Various	Border control projects		–	51.3	197.6	185.5	296.6	18.1
Prestige: Various centres	Various	Upgrading and construction		–	210.3	71.7	138.4	206.8	159.9
Re Kgabisa Tshwane programme: Various centres	Various	Development of a national government precinct		–	16.6	15.9	36.1	147.3	50.8
Total				4 580.7	376.9	414.1	488.0	1 155.0	1 288.9