

Estimates of Public Expenditure

2009

Public Works

**National Treasury
Republic of South Africa**



ISBN: 978-2-621-38384-3

RP: 01/2009

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Published by the National Treasury

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The *Estimates of National Expenditure 2009* as well as the *Estimates of Public Expenditure 2009* booklets are also available on www.treasury.gov.za

Printed by FormeSet Printers Cape (Pty) Ltd

Contents

Budget summary.....	1
Aim.....	1
Programme purposes	1
Strategic overview: 2005/06 – 2011/12.....	2
Selected performance and operations indicators.....	3
Expenditure estimates	4
Expenditure trends.....	5
Departmental receipts.....	6
Programme 1: Administration	6
Programme 2: Provision of Land and Accommodation.....	8
Programme 3: National Public Works Programme	11
Programme 4: Auxiliary and Associated Services	14
Additional tables.....	25

Vote 5

Public Works

Budget summary

R thousand	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	777 972	768 934	1 150	7 888	780 984	881 260
Provision of Land and Accommodation	3 709 274	843 133	1 607 155	1 258 986	4 062 055	4 591 796
National Public Works Programme	768 511	250 131	517 091	1 289	1 726 850	2 681 736
Auxiliary and Associated Services	42 243	16 942	25 301	–	28 849	30 581
Total expenditure estimates	5 298 000	1 879 140	2 150 697	1 268 163	6 598 738	8 185 373
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	2011/12
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		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	614 034	625 205	733 724	741 948	741 948	777 972	780 984	881 260
2. Provision of Land and Accommodation	1 583 155	2 216 281	2 421 833	3 300 678	3 250 678	3 709 274	4 062 055	4 591 796
3. National Public Works Programme	142 090	158 004	231 272	233 513	233 513	768 511	1 726 850	2 681 736
4. Auxiliary and Associated Services	14 976	26 298	15 454	25 853	25 853	42 243	28 849	30 581
Total	2 354 255	3 025 788	3 402 283	4 301 992	4 251 992	5 298 000	6 598 738	8 185 373
Change to 2008 Budget estimate				160 590	110 590	528 007	1 437 679	2 828 906
Economic classification								
Current payments	1 280 642	1 347 399	1 476 799	1 612 094	1 612 094	1 879 140	2 052 478	2 311 639
Compensation of employees	542 763	613 572	746 436	828 261	828 261	887 493	1 020 993	1 106 144
Goods and services	713 544	705 505	730 362	783 833	783 833	991 647	1 031 485	1 205 495
of which:								
Administrative fees	4 494	5 296	1 919	5 301	5 301	5 969	5 253	6 803
Advertising	10 309	17 603	38 610	24 500	24 500	39 743	46 340	51 565
Assets less than R5 000	17 296	28 310	17 863	13 996	13 996	21 150	18 342	22 172
Audit costs: External	15 798	22 443	20 152	26 000	26 000	20 227	19 000	23 300
Bursaries: Employees	2 324	2 493	2 278	5 680	5 680	2 114	2 100	2 837
Catering: Departmental activities	923	2 560	1 432	2 249	2 249	2 924	2 523	2 797
Communication	23 573	24 656	28 758	28 790	28 790	26 500	25 809	30 840
Computer services	22 852	22 486	33 407	34 594	34 594	28 963	28 076	37 293
Consultants and professional services: Business and advisory services	11 306	12 981	18 317	24 040	24 040	60 953	52 709	49 442
Consultants and professional services: Infrastructure and planning	50 826	62 553	34 974	46 849	46 849	67 319	84 021	93 393
Consultants and professional services: Legal costs	5 033	4 493	2 998	3 110	3 110	8 221	8 593	9 441
Contractors	26 904	13 742	6 314	29 650	29 650	69 372	82 749	129 002
Agency and support / outsourced services	31 824	56 768	81 000	85 415	85 415	119 220	124 452	152 483
Entertainment	1 182	1 425	1 676	1 000	1 000	1 535	1 300	1 900
Inventory: Food and food supplies	27	12	10	22	22	45	91	102
Inventory: Fuel, oil and gas	2 470	7 324	4 338	5 931	5 931	7 665	7 141	7 900
Inventory: Learner and teacher support material	38	47	85	390	390	411	441	476
Inventory: Materials and supplies	2 041	1 540	889	870	870	2 589	2 257	2 405
Inventory: Medical supplies	8	4	37	45	45	49	43	96
Inventory: Other consumables	22 217	13 236	10 131	12 478	12 478	16 079	16 068	16 672
Inventory: Stationery and printing	8 329	9 905	10 595	12 212	12 212	12 263	10 537	13 066
Lease payments	241 935	180 861	187 371	191 445	191 445	217 868	227 807	247 418
Owned and leasehold property expenditure	95 164	122 993	112 319	132 484	132 484	125 504	131 053	141 324
Transport provided: Departmental activities	12	–	1 710	2 000	2 000	2 220	1 500	1 980
Travel and subsistence	70 513	67 647	88 366	76 931	76 931	79 848	84 388	106 469
Training and development	20 757	10 280	15 197	5 300	5 300	25 710	24 500	28 500
Operating expenditure	21 602	9 473	8 877	5 601	5 601	13 271	12 305	13 163
Venues and facilities	3 787	4 374	739	6 950	6 950	13 915	12 087	12 656
Interest and rent on land	15 836	–	1	–	–	–	–	–
Financial transactions in assets and liabilities	8 499	28 322	–	–	–	–	–	–
Transfers and subsidies	639 370	1 230 649	1 404 199	1 512 706	1 512 706	2 150 697	3 172 318	4 178 669
Provinces and municipalities	586 904	710 570	836 574	889 325	889 325	1 349 705	2 050 192	3 069 964
Departmental agencies and accounts	37 049	502 945	552 248	604 634	604 634	700 657	741 482	777 720
Public corporations and private enterprises	72	2	–	50	50	50	50	50
Foreign governments and international organisations	11 607	13 348	12 701	15 545	15 545	16 478	17 467	18 515
Households	3 738	3 784	2 676	3 152	3 152	3 307	3 506	3 680

Table 5.2 Public Works (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Payments for capital assets	434 243	447 740	521 285	1 177 192	1 127 192	1 268 163	1 373 942	1 695 065
Buildings and other fixed structures	376 783	414 120	487 964	1 155 019	1 105 019	1 220 639	1 303 945	1 603 945
Machinery and equipment	29 525	29 323	28 939	17 173	17 173	42 387	64 853	85 719
Software and other intangible assets	27 935	4 297	4 382	5 000	5 000	5 137	5 144	5 401
Total	2 354 255	3 025 788	3 402 283	4 301 992	4 251 992	5 298 000	6 598 738	8 185 373

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 of the Property Management Trading Entity in April 2006. Spending on 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 coordinating 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 R 50 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 thousand							
Minister ¹	837	993	972	1 019	1 709	1 811	1 913
Deputy Minister ¹	618	814	705	790	1 407	1 492	1 575
Management	58 623	64 760	92 720	104 571	99 247	99 669	99 525
Corporate Services	332 354	310 382	362 360	349 388	358 130	344 536	416 263
Property Management	221 602	248 256	276 967	286 180	317 479	333 476	361 984
Total	614 034	625 205	733 724	741 948	777 972	780 984	881 260
Change to 2008 Budget estimate				54 631	10 856	(62 197)	(14 967)

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 thousand	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Economic classification							
Current payments	571 626	614 325	718 197	733 377	768 934	771 707	871 521
Compensation of employees	142 960	163 932	209 090	228 236	243 652	256 270	269 027
Goods and services	428 666	450 393	509 106	505 141	525 282	515 437	602 494
<i>of which:</i>							
<i>Administrative fees</i>	1 841	2 095	1 245	300	1 250	1 250	1 500
<i>Advertising</i>	8 639	13 856	23 305	20 100	20 000	19 000	23 872
<i>Assets less than R5 000</i>	9 420	4 976	5 759	3 904	5 800	5 000	6 426
<i>Audit costs: External</i>	15 798	22 443	20 152	26 000	20 227	19 000	23 300
<i>Bursaries: Employees</i>	2 268	2 297	2 257	5 000	2 000	2 000	2 700
<i>Catering: Departmental activities</i>	417	187	633	650	650	600	750
<i>Communication</i>	19 630	19 265	22 463	22 593	20 000	19 000	23 900
<i>Computer services</i>	22 426	20 091	33 076	31 782	26 000	25 000	34 000
<i>Consultants and professional services: Business and advisory services</i>	2 493	8 512	7 267	7 300	7 721	7 000	8 400
<i>Consultants and professional services: Infrastructure and planning</i>	49	1 895	873	–	960	800	1 050
<i>Consultants and professional services: Legal costs</i>	4 975	4 386	2 968	3 000	3 000	3 000	3 500
<i>Contractors</i>	18 317	2 552	1 058	1 100	1 000	1 000	1 300
<i>Agency and support / outsourced services</i>	24 328	29 804	30 663	29 015	30 000	24 000	33 700
<i>Entertainment</i>	761	717	823	300	800	500	1 050
<i>Inventory: Food and food supplies</i>	1	8	7	10	8	50	50
<i>Inventory: Fuel, oil and gas</i>	56	22	–	20	–	–	–
<i>Inventory: Learner and teacher support material</i>	17	28	16	20	17	10	20
<i>Inventory: Materials and supplies</i>	220	147	120	20	125	100	145
<i>Inventory: Medical supplies</i>	–	1	36	40	40	33	46
<i>Inventory: Other consumables</i>	244	200	476	300	500	500	600
<i>Inventory: Stationery and printing</i>	6 344	7 607	8 303	9 812	8 850	7 000	9 603
<i>Lease payments</i>	134 377	158 732	173 720	165 996	194 390	204 923	223 361
<i>Owned and leasehold property expenditure</i>	95 159	101 622	110 830	130 184	123 089	128 553	138 624
<i>Transport provided: Departmental activities</i>	8	–	1 710	2 000	2 220	1 500	1 980
<i>Travel and subsistence</i>	42 175	38 373	48 445	45 195	43 450	35 418	47 718
<i>Training and development</i>	11 282	6 544	10 846	300	10 460	9 000	12 500
<i>Operating expenditure</i>	4 878	3 417	1 517	100	2 025	1 000	1 755
<i>Venues and facilities</i>	2 543	616	538	100	700	200	644
Interest and rent on land	–	–	1	–	–	–	–
Transfers and subsidies	1 514	738	496	1 100	1 150	1 216	1 274
Provinces and municipalities	543	122	1	–	–	–	–
Public corporations and private enterprises	66	–	–	50	50	50	50
Households	905	616	495	1 050	1 100	1 166	1 224
Payments for capital assets	40 894	10 142	15 031	7 471	7 888	8 061	8 465
Machinery and equipment	13 021	5 938	10 789	2 471	2 888	3 061	3 215
Software and other intangible assets	27 873	4 204	4 242	5 000	5 000	5 000	5 250
Total	614 034	625 205	733 724	741 948	777 972	780 984	881 260

Table 5.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Details of transfers and subsidies							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	543	122	1	-	-	-	-
Regional Services Council levies	543	122	1	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	66	-	-	50	50	50	50
Non life insurance premium	66	-	-	50	50	50	50
Households							
Social benefits							
Current	905	616	495	1 050	1 100	1 166	1 224
Leave gratuities	905	616	495	1 050	1 100	1 166	1 224

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	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Infrastructure: Public Works	376 912	414 120	487 964	1 155 019	1 220 639	1 303 945	1 603 945
Property Management	1 014 414	1 126 981	1 205 967	1 337 329	1 540 448	1 700 358	1 850 825
Asset Management	191 829	225 180	251 902	280 330	339 776	414 785	462 207
Augmentation of the Property Management Trading Entity	–	450 000	476 000	528 000	608 411	642 967	674 819
Total	1 583 155	2 216 281	2 421 833	3 300 678	3 709 274	4 062 055	4 591 796
Change to 2008 Budget estimate				105 187	10 289	93 073	501 386
Economic classification							
Current payments	601 617	616 161	601 633	711 797	843 133	956 069	1 067 375
Compensation of employees	380 621	426 478	495 988	561 585	593 671	701 331	756 357
Goods and services	196 661	161 361	105 645	150 212	249 462	254 738	311 018
<i>of which:</i>							
<i>Administrative fees</i>	2 368	2 925	674	5 000	4 717	4 000	5 300
<i>Advertising</i>	547	770	473	800	1 800	1 900	2 000
<i>Assets less than R5 000</i>	7 836	23 207	11 856	10 000	14 717	13 200	15 596
<i>Bursaries: Employees</i>	56	30	21	680	114	100	137
<i>Catering: Departmental activities</i>	484	594	455	500	624	700	750
<i>Communication</i>	3 540	4 922	5 731	5 733	6 020	6 300	6 400
<i>Computer services</i>	51	2 283	319	2 565	2 695	2 800	3 000
<i>Consultants and professional services: Business and advisory services</i>	3 185	1 969	938	740	23 344	13 500	4 600
<i>Consultants and professional services: Infrastructure and planning</i>	3 559	172	73	1 451	2 737	3 000	3 000
<i>Consultants and professional services: Legal costs</i>	55	107	30	10	115	130	150
<i>Contractors</i>	3 990	5 658	3 771	23 050	57 545	75 521	121 100
<i>Agency and support / outsourced services</i>	4 780	22 700	14 331	6 400	18 000	17 500	20 000
<i>Entertainment</i>	333	478	626	700	735	800	850
<i>Inventory: Food and food supplies</i>	26	4	3	5	27	30	40
<i>Inventory: Fuel, oil and gas</i>	2 414	7 300	4 338	5 911	7 665	7 141	7 900
<i>Inventory: Learner and teacher support material</i>	21	19	69	70	74	90	95
<i>Inventory: Materials and supplies</i>	1 820	1 248	768	800	1 911	2 100	2 200
<i>Inventory: Medical supplies</i>	8	3	1	5	9	10	50
<i>Inventory: Other consumables</i>	21 920	12 903	9 651	12 125	15 016	15 500	16 000
<i>Inventory: Stationery and printing</i>	1 755	1 538	1 735	2 000	3 000	3 100	3 000
<i>Lease payments</i>	107 395	21 772	13 365	25 096	23 115	22 500	23 650
<i>Owned and leasehold property expenditure</i>	–	21 371	1 488	2 300	2 415	2 500	2 700
<i>Transport provided: Departmental activities</i>	4	–	–	–	–	–	–
<i>Travel and subsistence</i>	23 008	23 811	30 401	27 273	29 725	29 016	38 500
<i>Training and development</i>	2 740	3 775	2 091	5 000	15 250	15 500	16 000
<i>Operating expenditure</i>	4 743	1 678	2 296	5 498	11 242	11 300	11 400
<i>Venues and facilities</i>	23	124	141	6 500	6 850	6 500	6 600
<i>Interest and rent on land</i>	15 836	–	–	–	–	–	–
<i>Financial transactions in assets and liabilities</i>	8 499	28 322	–	–	–	–	–
Transfers and subsidies	588 781	1 162 869	1 314 621	1 419 426	1 607 155	1 741 498	1 839 238
Provinces and municipalities	586 302	710 431	836 573	889 325	996 538	1 096 192	1 161 964
Departmental agencies and accounts	39	450 000	476 000	528 000	608 411	642 967	674 819
Public corporations and private enterprises	6	2	–	–	–	–	–
Households	2 434	2 436	2 048	2 101	2 206	2 339	2 455
Payments for capital assets	392 757	437 251	505 579	1 169 455	1 258 986	1 364 488	1 685 183
Buildings and other fixed structures	376 783	414 120	487 964	1 155 019	1 220 639	1 303 945	1 603 945
Machinery and equipment	15 912	23 038	17 485	14 436	38 210	60 399	81 087
Software and other intangible assets	62	93	130	–	137	144	151
Total	1 583 155	2 216 281	2 421 833	3 300 678	3 709 274	4 062 055	4 591 796

Table 5.5 Provision of Land and Accommodation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Details of transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	585 410	710 131	836 573	889 325	996 538	1 096 192	1 161 964
Devolution of property rate funds to provinces grant	585 410	710 131	836 573	889 325	996 538	1 096 192	1 161 964
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	892	300	-	-	-	-	-
Regional Services Council levies	892	300	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	39	450 000	476 000	528 000	608 411	642 967	674 819
Property Management Trading Entity	-	450 000	476 000	528 000	608 411	642 967	674 819
Public Investment Commissioner	39	-	-	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	6	2	-	-	-	-	-
Non life insurance premium	6	2	-	-	-	-	-
Households							
Social benefits							
Current	2 434	2 436	2 048	2 101	2 206	2 339	2 455
Leave gratuities	2 434	2 436	2 039	2 101	2 206	2 339	2 455
Claims against the state	-	-	9	-	-	-	-

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

- *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.
- *Administration.*

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 thousand							
Construction Industry Development Programme	79 249	86 847	104 310	98 217	105 856	112 041	118 749
Expanded Public Works Programme	62 838	70 406	126 590	125 142	651 337	1 602 798	2 550 255
Property Industry Development Programme	–	751	372	10 154	11 318	12 011	12 732
Administration	3	–	–	–	–	–	–
Total	142 090	158 004	231 272	233 513	768 511	1 726 850	2 681 736
Change to 2008 Budget estimate				772	491 925	1 406 898	2 342 587
Economic classification							
Current payments	104 969	110 312	156 767	165 070	250 131	322 644	370 561
Compensation of employees	19 182	23 162	41 358	38 440	50 170	63 392	80 760
Goods and services	85 787	87 150	115 409	126 630	199 961	259 252	289 801
<i>of which:</i>							
<i>Administrative fees</i>	285	276	–	1	2	3	3
<i>Advertising</i>	1 123	2 977	14 832	3 600	17 943	25 440	25 693
<i>Assets less than R5 000</i>	40	127	46	42	80	85	90
<i>Bursaries: Employees</i>	–	166	–	–	–	–	–
<i>Catering: Departmental activities</i>	22	81	344	99	100	110	117
<i>Communication</i>	403	469	564	464	480	509	540
<i>Computer services</i>	375	112	12	247	268	276	293
<i>Consultants and professional services: Business and advisory services</i>	5 628	2 500	10 112	16 000	29 888	32 209	36 442
<i>Consultants and professional services: Infrastructure and planning</i>	47 218	60 486	34 028	45 398	63 622	80 221	89 343
<i>Consultants and professional services: Legal costs</i>	3	–	–	100	5 106	5 463	5 791
<i>Contractors</i>	4 238	5 115	1 485	5 200	5 512	5 898	6 252
<i>Agency and support / outsourced services</i>	2 716	4 264	36 006	50 000	71 220	82 952	98 783
<i>Entertainment</i>	88	137	227	–	–	–	–
<i>Inventory: Food and food supplies</i>	–	–	–	7	10	11	12
<i>Inventory: Fuel, oil and gas</i>	–	2	–	–	–	–	–
<i>Inventory: Learner and teacher support material</i>	–	–	–	300	320	341	361
<i>Inventory: Materials and supplies</i>	1	1	1	–	–	–	–
<i>Inventory: Other consumables</i>	53	11	4	3	10	11	12
<i>Inventory: Stationery and printing</i>	230	760	557	400	413	437	463
<i>Lease payments</i>	159	357	286	353	363	384	407
<i>Owned and leasehold property expenditure</i>	5	–	1	–	–	–	–
<i>Travel and subsistence</i>	4 426	4 948	9 520	4 413	4 620	19 897	20 191
<i>Training and development</i>	6 735	(39)	2 260	–	–	–	–
<i>Operating expenditure</i>	11 981	4 378	5 064	3	4	5	8
<i>Venues and facilities</i>	58	22	60	–	–	5 000	5 000
Transfers and subsidies	37 078	47 346	73 830	68 177	517 091	1 402 813	2 309 758
Provinces and municipalities	59	17	–	–	353 167	954 000	1 908 000
Departmental agencies and accounts	37 010	47 197	73 830	68 177	83 424	89 192	93 018
Non-profit institutions	–	–	–	–	80 500	359 621	308 740
Households	9	132	–	–	–	–	–
Payments for capital assets	43	346	675	266	1 289	1 393	1 417
Machinery and equipment	43	346	665	266	1 289	1 393	1 417
Software and other intangible assets	–	–	10	–	–	–	–
Total	142 090	158 004	231 272	233 513	768 511	1 726 850	2 681 736

Table 5.6 National Public Works Programme (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Details of transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	-	-	-	-	151 419	400 000	800 000
Expanded public works programme incentive grant for provinces	-	-	-	-	151 419	400 000	800 000
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	59	17	-	-	201 748	554 000	1 108 000
Regional Services Council levies	59	17	-	-	-	-	-
Expanded public works programme incentive grant for municipalities	-	-	-	-	201 748	554 000	1 108 000
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	37 010	47 197	73 830	68 177	83 424	89 192	93 018
Construction Industry Development Board	34 010	40 012	49 891	41 891	59 269	63 665	65 959
Council for the Built Environment	3 000	7 185	23 939	26 286	24 155	25 527	27 059
Non-profit institutions							
Current	-	-	-	-	80 500	359 621	308 740
Non-state sector	-	-	-	-	80 500	359 621	308 740
Households							
Social benefits							
Current	9	132	-	-	-	-	-
Leave gratuities	9	132	-	-	-	-	-

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		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Compensation for Losses	393	601	134	1 748	1 835	1 945	2 062
Distress Relief	–	–	–	1	1	1	1
Loskop Settlement	–	–	–	1	1	1	1
Assistance to Organisations for Preservation of National Memorials	11 607	13 348	12 700	15 545	16 478	17 467	18 515
Parliamentary Villages Management Board	901	5 748	2 418	6 337	6 607	6 982	7 401
State Functions	2 075	6 601	202	101	15 106	112	119
Sector Education and Training Authority	–	–	–	2 120	2 215	2 341	2 482
Total	14 976	26 298	15 454	25 853	42 243	28 849	30 581
Change to 2008 Budget estimate				–	14 937	(95)	(100)

Economic classification

Current payments	2 430	6 601	202	1 850	16 942	2 058	2 182
Goods and services	2 430	6 601	202	1 850	16 942	2 058	2 182
<i>of which:</i>							
<i>Assets less than R5 000</i>	–	–	202	50	553	57	60
<i>Catering: Departmental activities</i>	–	1 698	–	1 000	1 550	1 113	1 180
<i>Contractors</i>	359	417	–	300	5 315	330	350
<i>Entertainment</i>	–	93	–	–	–	–	–
<i>Inventory: Materials and supplies</i>	–	144	–	50	553	57	60
<i>Inventory: Other consumables</i>	–	122	–	50	553	57	60
<i>Lease payments</i>	4	–	–	–	–	–	–
<i>Travel and subsistence</i>	904	515	–	50	2 053	57	60
<i>Venues and facilities</i>	1 163	3 612	–	350	6 365	387	412
Transfers and subsidies	11 997	19 696	15 252	24 003	25 301	26 791	28 399
Departmental agencies and accounts	–	5 748	2 418	8 457	8 822	9 323	9 883
Foreign governments and international organisations	11 607	13 348	12 701	15 545	16 478	17 467	18 515
Households	390	600	133	1	1	1	1
Payments for capital assets	549	1	–	–	–	–	–
Machinery and equipment	549	1	–	–	–	–	–
Total	14 976	26 298	15 454	25 853	42 243	28 849	30 581

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	–	5 748	2 418	8 457	8 822	9 323	9 883
Sectorial Education and Training Authority	–	–	–	2 120	2 215	2 341	2 482
Parliamentary Villages Management Board	–	5 748	2 418	6 337	6 607	6 982	7 401
Foreign governments and international organisations							
Current	11 607	13 348	12 701	15 545	16 478	17 467	18 515
Commonwealth War Graves Commission	11 607	13 348	12 701	15 545	16 478	17 467	18 515
Households							
Social benefits							
Current	–	–	–	1	1	1	1
Loskop Settlement	–	–	–	1	1	1	1
Households							
Other transfers to households							
Current	390	600	133	–	–	–	–
Regional Services Council levies	390	600	–	–	–	–	–
Compensation for losses	–	–	133	–	–	–	–

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.

Expenditure estimates

Table 5.9 Property Management Trading Entity: Objective information

R thousand	Audited outcome			Revised estimate 2008/09	Medium-term estimate		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Repair, renovate, refurbish and maintain buildings	827 827	1 463 019	1 695 488	2 005 206	2 569 531	3 004 445	3 396 096
Operating leases	1 333 807	1 493 843	1 610 927	1 678 677	1 846 547	2 029 293	2 155 891
Property rates	331 311	1 034 770	1 210 288	489 637	538 600	592 460	651 706
Cleaning and gardening services: Department of Public Works and Department of Justice and Constitutional Development	–	54 974	81 057	113 000	119 780	126 967	134 585
Other objectives	–	48 719	32 998	14 000	10 811	9 815	38 174
Total expense	2 492 945	4 095 325	4 630 758	4 300 520	5 085 269	5 762 980	6 376 452

Table 5.10 Property Management Trading Entity: Financial information

R thousand	Audited outcome			Revised estimate 2008/09	Medium-term estimate		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Statement of financial performance							
Revenue							
Non-tax revenue	2 492 945	3 480 336	4 218 048	3 772 520	4 476 858	5 120 013	5 701 633
Sale of goods and services other than capital assets	2 492 945	3 476 602	4 211 087	3 767 520	4 471 858	5 115 013	5 696 633
<i>of which:</i>							
Operating leases	1 322 864	1 336 012	1 626 954	1 751 631	1 925 697	2 116 358	2 248 180
Management fees	1 170 081	2 140 590	2 584 133	2 015 889	2 546 161	2 998 655	3 448 453
Other non-tax revenue	–	3 734	6 961	5 000	5 000	5 000	5 000
Transfers received	–	450 000	476 000	528 000	608 411	642 967	674 819
Total revenue	2 492 945	3 930 336	4 694 048	4 300 520	5 085 269	5 762 980	6 376 452
Expenses							
Current expense	2 161 634	3 060 555	3 420 470	3 810 883	4 546 669	5 170 520	5 724 746
Goods and services	2 161 634	3 048 705	3 407 620	3 796 883	4 531 569	5 154 210	5 707 105
Interest, dividends and rent on land	–	11 850	12 850	14 000	15 100	16 310	17 641
Transfers and subsidies	331 311	1 034 770	1 210 288	489 637	538 600	592 460	651 706
Total expenses	2 492 945	4 095 325	4 630 758	4 300 520	5 085 269	5 762 980	6 376 452
Surplus / (Deficit)	–	(164 989)	63 290	–	–	–	–

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.

Construction Industry Development Board

Strategic overview: 2005/06 – 2011/12

The Construction Industry Development Board is a schedule 3A public entity in terms of the Public Finance Management Act (1999) and was established in terms of the Construction Industry Development Board Act (2000) to provide strategic direction for the sustainable growth, reform and improvement of the construction sector, as well as to enhance the sector's role in the economy. The board promotes an enabling regulatory and development framework for effective infrastructure delivery, improved industry performance, sustainable growth, and transformation. The board is mandated by the act to regulate the construction industry, excluding the home building industry.

Driven by an intensive rollout process, the Construction Industry Development Board legislation has taken effect to support the infrastructure delivery required by the Accelerated and Shared Growth Initiative for South Africa.

With over 2 000 officials participating in workshops around the country, the rollout of the standard for uniformity in construction procurement has resulted in streamlined tendering and contract procedures and documentation across the public sector, including in state owned entities. The phased introduction of the national construction registers service and efficient procurement methods have stabilised the tendering and award of contracts, creating an enabling delivery environment and a platform for sustainable enterprise development.

In partnership with National Treasury, the Department of Public Works and the Development Bank of Southern Africa, the Construction Industry Development Board has developed the toolkit infrastructure delivery management system, which has moved into implementation in specific departments across all provinces.

These activities have yielded significant results, including improved public spending of provincial infrastructure budgets.

The register of contractors has more than 80 000 registrations to date. More than 50 000 contractors are registered and categorised in terms of their capability to perform public sector contracts. Over 1 600 public and private sector projects are registered, with a total value of over R30 billion. With more than 278 construction clients now registered to use the i-tender register of projects, thousands of registered contractors are receiving cell phone and email notifications of public tenders. The statistical information available from the register of contractors and register of projects now enables an understanding of construction capacity and empowerment gaps across South Africa, creating a basis for targeted development interventions.

The increasing infrastructure investment envisaged by the Accelerated and Shared Growth Initiative for South Africa requires the extension of the Construction Industry Development Board's development role to further boost public sector and industry delivery capacity. The board will accordingly expand its capacity and provincial outreach. In partnership with national and provincial departments of public works, it will also raise the capacity of the public sector to implement the national infrastructure maintenance strategy as well as targeted contractor development interventions based on the statistical data from the registers. The board will also establish and roll out the national register of professional service providers to further streamline public procurement and enable the development of professional capacity.

Selected performance and operations indicators

Table 5.11 Construction Industry Development Board

Indicator	Past			Current 2008/09	Projections		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Revenue	R7m	R16.9m	R29.2m	R33.9m	R36.5m	R40.2m	R44.2m
Number of contractors registered each year	1 500	7 500	25 000	80 000	100 000	120 000	132 000
Total number of provincial departments issuing the toolkit	-	9	9	27	27	27	27
Number of provincial offices established each year	-	-	4	4	1	-	-

Service delivery and spending focus

In 2007/08, four construction contact centres (provincial offices established in conjunction with provincial departments of public works) were established. The national contractor development programme, developed in conjunction with Department of Public Works and managed through the Construction Industry Development Board, was rolled out. Quality and integrity improvements in registrations on the national construction registers service facilitated the speedy registration of contractors. Further achievements in 2007/08 included the enforcement of active prevention of fraud and corruption, the development and implementation of the national infrastructure maintenance strategy, and the submission of an independent five-year report to the Minister of Public Works.

In 2008/09, the rollout of the national contractor development programme continued, and memorandums of understanding aimed at supporting contractor development were signed with FNB and ABSA banks. 4 new construction contact centres were established. The national infrastructure maintenance strategy was launched in conjunction with the Minister of Public Works. Various second phase activities of the national infrastructure maintenance strategy, including a small medium enterprise survey and competence assessment of contractors, are at an advanced stage. Disciplinary hearings for contractors involved in fraud have been prioritised, and successful prosecutions published.

Expenditure estimates

Table 5.12 Construction Industry Development Board: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	7 670	18 890	32 326	34 940	36 313	40 692	43 914
Sale of goods and services other than capital assets	6 989	16 931	29 168	32 207	34 113	38 272	41 252
<i>of which:</i>							
Administrative fees	6 988	16 931	29 168	32 207	34 113	38 272	41 252
Sales by market establishments	1	–	–	–	–	–	–
Other non-tax revenue	681	1 959	3 158	2 733	2 200	2 420	2 662
Transfers received	34 010	40 012	49 891	41 891	59 269	63 665	65 959
Total revenue	41 680	58 902	82 217	76 831	95 582	104 357	109 873
Expenses							
Current expense	39 724	53 376	79 923	76 831	95 582	104 357	109 873
Compensation of employees	10 692	19 032	31 417	39 233	42 738	46 829	51 553
Goods and services	28 116	32 532	45 399	33 727	49 856	55 206	56 501
Depreciation	916	1 589	2 916	3 871	2 988	2 322	1 819
Interest, dividends and rent on land	–	223	191	–	–	–	–
Transfers and subsidies	232	–	–	–	–	–	–
Total expenses	39 956	53 376	79 923	76 831	95 582	104 357	109 873
Surplus / (Deficit)	1 724	5 526	2 294	–	–	–	–
Statement of financial position							
Carrying value of assets	3 764	5 089	9 240	9 775	7 764	6 219	5 022
<i>of which: Acquisition of assets</i>	804	2 931	7 075	4 406	977	777	622
Receivables and prepayments	1 375	1 655	4 165	9 000	6 000	3 000	2 571
Cash and cash equivalents	18 262	26 335	30 287	33 316	36 647	34 312	41 772
Assets not classified elsewhere	–	135	144	–	–	–	–
Total assets	23 401	33 214	43 836	52 091	50 411	43 531	49 365
Accumulated surplus / deficit	8 020	13 546	15 858	13 000	10 000	7 000	4 000
Trade and other payables	14 409	19 668	27 978	39 091	40 411	36 531	45 365
Provisions	972	–	–	–	–	–	–
Total equity and liabilities	23 401	33 214	43 836	52 091	50 411	43 531	49 365

Expenditure trends

Revenue is mainly generated from government transfers. Between 2005/06 and 2008/09, the Construction Industry Development Board received transfers of R34 million, R40 million, R49.9 million and R41.9 million. Over the medium term, transfers received are expected to increase at an average annual rate of 16.3 per cent to reach R66 million in 2011/12. The growth is mainly due to the continuous and rapid expansion of the register of contractors, the implementation of new projects, and inflationary adjustments.

Expenditure has grown at an average annual rate of 24.4 per cent between 2005/06 and 2008/09, from R40 million to R76.8 million. It is expected to increase to R109.9 million in 2011/12, showing average annual growth of 12.7 per cent over the medium term. The bulk of expenditure is on compensation of employees and goods and services.

Council for the Built Environment

Strategic overview: 2005/06 - 2011/12

The Council for the Built Environment is a schedule 3A public entity in terms of the Public Finance Management Act (1999) and was established in terms of the Council for the Built Environment Act (2000). The council's vision is to provide sustainable built environment professions, serving the public and national interests. The council is mandated to provide leadership and good governance in transforming and sustaining the built environment industry, and to advise government on the related issues. The council reports annually on the state of the built environment professions.

The Council for the Built Environment's strategic objectives focus on improving stakeholder relations, aligning the professions to national imperatives, protecting the public, improving the performance of the skills pipeline, and regulating the council and the six professional councils.

The council recognises the importance of partnerships in executing some of its programmes, and works with government and its entities, the private sector, professional councils, professional institutes or voluntary associations as well as non-governmental organisations in the built environment.

The council also recognises the importance of built environment professionals in creating a sustainable environment, and one of its projects focuses on the application of green building principles.

Built environment professionals have a critical role to play in addressing South Africa's socioeconomic and environmental issues. In responding to the challenges presented by the skills pipeline, based on research, the Council for the Built Environment has established programmes that focus on improving maths and science education for previously disadvantaged learners at the secondary education level and improving built environment graduates at tertiary institutions. The schools programme includes establishing a bursary fund. The national built environment skills task team will identify bottlenecks at the tertiary education level and make recommendations.

Selected performance and operations indicators

Table 5.13 Council for the Built Environment

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of norms and guidelines aimed at effective governance of the built environment professions published each year	0	0	3	5	10	15	0
Number of entrants into the math and science schools programme each year	0	0	0	210	300	350	400
Number of entrants into the built environment professions at tertiary institutions through the schools programme each year	0	0	0	20	70	100	150
Number of new registered historically disadvantaged individuals each year	0	0	0	4 845	7 267	9 689	12 111

Service delivery and spending focus

In 2007/08, the council developed 5 norms and guidelines, against the target of 3. Stakeholders were introduced to both implementing and monitoring the norms and guidelines. Some of the key frameworks the council developed include identification of the work policy framework, continued professional development, and recognition of prior learning.

The council hosted its first symposium, mainly intended as a platform for highlighting current concerns and exploring possible solutions. Key role players in the built environment industry were honoured by the Minister of Public Works for their exceptional contributions to the sector.

To improve stakeholder liaison, the council hosted 6 stakeholder engagement forums and remains committed to achieving its target of 10 for 2008/09 and 20 in each of the two outer years.

In 2007/08 and 2008/09, the Council for the Built Environment completed an audit on the supply and demand for built environment professional skills.

Expenditure estimates

Table 5.14 Council for the Built Environment: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
Statement of financial performance							
Revenue							
Non-tax revenue	1 244	1 285	3 480	3 597	3 716	5 981	8 975
Sale of goods and services other than capital assets	1 107	1 184	1 963	2 017	2 296	4 198	6 847
<i>of which:</i>							
<i>Sales by market establishments</i>	1 107	1 184	1 963	2 017	2 296	4 198	6 847
<i>Other non-tax revenue</i>	137	101	1 517	1 580	1 420	1 783	2 128
Transfers received	3 000	7 185	18 607	26 286	24 155	25 527	27 059
Total revenue	4 244	8 470	22 087	29 883	27 871	31 508	36 034
Expenses							
Current expense	5 174	8 951	17 551	31 497	27 871	31 508	36 034
Compensation of employees	1 315	2 635	5 635	8 013	9 345	10 905	12 565
Goods and services	3 756	6 135	11 524	23 036	18 295	20 356	23 229
Depreciation	92	168	379	436	219	240	240
Interest, dividends and rent on land	11	13	13	12	12	7	-
Total expenses	5 174	8 951	17 551	31 497	27 871	31 508	36 034
Surplus / (Deficit)	(930)	(481)	4 536	(1 614)	-	-	-
Statement of financial position							
Carrying value of assets	461	739	1 302	1 666	1 827	2 000	2 173
<i>of which: Acquisition of assets</i>	440	452	965	800	380	413	413
Receivables and prepayments	879	313	2 350	700	500	400	200
Cash and cash equivalents	3 426	2 294	10 306	8 954	8 955	8 798	8 788
Total assets	4 766	3 346	13 958	11 320	11 282	11 198	11 161
Accumulated surplus / deficit	2 612	2 132	6 668	5 054	5 054	5 054	5 054
Borrowings	69	55	40	22	7	-	-
Trade and other payables	1 985	1 003	1 918	912	889	812	775
Provisions	100	156	-	-	-	-	-
Liabilities not classified elsewhere	-	-	5 332	-	-	-	-
Total equity and liabilities	4 766	3 346	13 958	5 988	5 950	5 866	5 829

Expenditure trends

Revenue consists mainly of government transfers. The 159 per cent increase in transfers received, from R7.2 million in 2006/07 to R18.6 million in 2007/08, was attributable to the increase in staff capacity that was to address the operations of the council's projects to achieve the mandate. Before 2007/08, the council only had

administrative staff in its organisational structure. In 2007/08, strategic projects that address the council's core and expanding functions were identified and planned for, and the required funds appropriated. The increase was to mainly cover compensation of employees and the strategic projects, which included capacity development, stakeholder management, and transforming the industry.

Over the medium term, government transfers are expected to increase to R24.2 million in 2009/10, R25.5 million in 2010/11 and R27.1 million in 2011/12. The increase is aimed at developing programmes to address the skills shortage and conducting research on various issues affecting the built environment professions.

Expenditure grew at an average annual rate of 82.6 per cent between 2005/06 and 2008/09, from R5.2 million to R31.5 million. It is expected to increase to R36 million in 2011/12, showing average annual growth of 4.6 per cent over the medium term. The bulk of expenditure is on compensation of employees and goods and services.

Independent Development Trust

Strategic overview: 2005/06 – 2011/12

The Independent Development Trust is a schedule 2 public entity in terms of the Public Finance Management Act (1999).

Key strategic objectives include:

- the provision of basic services and social infrastructure to the poor and marginalised (with a primary focus on women and their dependants)
- the development of sustainable livelihoods and employment opportunities in poor and marginalised communities (with a primary focus on opportunities for women and women's groups)
- service delivery excellence, and the efficient and effective use of financial and human resources
- the promotion and piloting of innovative development practice, and advocacy for poverty eradication and the advancement of women.

Government set up the Independent Development Trust in 1999 as a grant making institution for the development of disadvantaged communities in South Africa. Over the years, the trust's mandate has shifted to that of a programme implementation agency, with a focus on development planning as well as on implementing and coordinating government development programmes. The trust's mandate is directly aligned with government priorities, such as developing and establishing a legislative framework for improving economic growth, reducing unemployment and eradicating poverty. The trust supports these priorities by providing development expertise, as well as strategic and technical capacity. In response to South Africa's socioeconomic profile and unequal delivery capacity, the trust's resources are almost exclusively directed at rural areas.

The Independent Development Trust functions as a link between poor communities which historically were denied access to resources, services and information, and the government and agencies whose development programmes target these communities. The trust invests in enhancing institutional capacity for programme delivery and sustainable development. For example, it plays a role in setting up training for school governing bodies or establishing community based legal entities in areas where development programmes are being implemented.

With the consolidation of the trust's role as programme implementation agency, a number of interesting trends have emerged.

There is growing demand for the trust to support development training aimed at improving development outcomes. This work is enhanced by government's integrated sustainable rural development strategy and the appointment of the trust to support its implementation. The trust is thus also expected to support government's coordination and integration efforts, and has had to balance its programme management and development planning capacities.

As government continues to shift its emphasis from policy development to implementation and delivery, its capacity to manage and drive this shift has come under pressure. The trust has increasingly been expanding and

enhancing government capacity, especially in setting up programme management, monitoring and reporting systems.

In order to enhance development outcomes, the trust has begun to pay more attention to partnerships, including for technical expertise, diversifying programme portfolios, and financial input into some programmes.

Selected performance and operations indicators

Table 5.15 Independent Development Trust

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Value of spending by all the trust's programmes each year	R969m	R1.1bn	R1.2bn	R1.2bn	R1.5bn	R1.6bn	R1.7bn
Number of classrooms constructed each year	731	770	1 589	1 100	1 350	1 500	1 750
Total number of community based facilities constructed	51	74	3 012	1 430	1 700	1 850	2 000
Number of women's organisations or initiatives supported each year	–	–	849	1 770	2 200	2 500	2 800
Number of women who receive training each year	–	–	3 508	4 350	5 300	6 500	7 500

Service delivery and spending focus

In 2007/08, the Independent Development Trust implemented construction and social responsibility programmes valued at R1.2 billion. The organisation exceeded its targets for the delivery of infrastructure, training and institutional capacity building.

The trust also implemented a programme to eradicate mud schools, with funding of R150 million over 2008/09 and 2009/10.

The trust continued to emphasise support for women contractors, supporting 849 women's organisations or initiatives.

Expenditure estimates

Table 5.16 Independent Development Trust: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	141 541	111 059	91 757	105 000	87 000	68 000	36 000
Sale of goods and services other than capital assets	6 597	12 233	12 082	15 000	20 000	25 000	30 000
of which:							
Administrative fees	6 326	12 233	12 082	15 000	20 000	25 000	30 000
Sales by market establishments	271	–	–	–	–	–	–
Other non-tax revenue	134 944	98 826	79 675	90 000	67 000	43 000	6 000
Total revenue	141 541	111 059	91 757	105 000	87 000	68 000	36 000
Expenses							
Current expense	156 745	194 085	250 616	421 920	333 711	365 444	444 095
Compensation of employees	82 239	103 429	145 946	200 000	218 000	241 980	301 000
Goods and services	70 707	84 767	99 284	216 789	111 474	120 441	141 000
Depreciation	2 317	3 678	3 941	3 631	3 237	2 773	2 092
Interest, dividends and rent on land	1 482	2 211	1 445	1 500	1 000	250	3
Total expenses	156 745	194 085	250 616	421 920	333 711	365 444	444 095
Surplus / (Deficit)	(15 204)	(83 026)	(158 859)	(316 920)	(246 711)	(297 444)	(408 095)

Table 5.16 Independent Development Trust: Financial information (continued)

R thousand Statement of financial position	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Carrying value of assets	29 570	31 610	31 924	31 124	29 687	28 414	27 222
<i>of which: Acquisition of assets</i>	3 073	5 236	3 992	2 831	1 800	1 500	900
Investments	1 446 861	1 327 071	1 218 779	1 000 000	700 000	450 000	384 778
Loans	60 331	30 100	108 869	30 000	–	–	–
Receivables and prepayments	18 458	17 420	13 310	13 310	–	–	–
Cash and cash equivalents	45 164	130 563	3 414	3 009	–	–	–
Total assets	1 600 384	1 536 764	1 376 296	1 077 443	729 687	478 414	412 000
Accumulated surplus / deficit	1 578 423	1 497 300	1 327 429	1 001 000	700 000	450 900	350 000
Borrowings	543	346	195	150	–	–	–
Trade and other payables	11 370	26 104	25 083	31 293	29 687	27 514	22 000
Provisions	10 048	12 401	23 139	45 000	–	–	40 000
Liabilities not classified elsewhere	–	613	450	–	–	–	–
Total equity and liabilities	1 600 384	1 536 764	1 376 296	1 077 443	729 687	478 414	412 000

Expenditure trends

The main source of funding for the Independent Development Trust is the income it derives from the investment of its main fund. This income is used to fund all operational costs.

Between 2005/06 and 2008/09, expenditure rose from R156.7 million to R421.9 million, at an average annual rate of 39.1 per cent, mainly due to costs arising from compensation of employees. The 68.4 per cent increase in expenditure in 2008/09 is due to the mud school eradication programme (R122 million) and catalytic initiatives such as the anti-xenophobia initiative (R12 million). Over the medium term, expenditure is expected to increase at an average annual rate of 1.7 per cent, to reach R444.1 million in 2011/12.

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 thousand	2007/08		2007/08	2008/09			2008/09
1. Administration	628 610	647 360	733 724	687 317	54 631	741 948	741 948
2. Provision of Land and Accommodation	2 866 556	2 898 280	2 421 833	3 195 491	105 187	3 300 678	3 250 678
3. National Public Works Programme	173 574	189 444	231 272	232 741	772	233 513	233 513
4. Auxiliary and Associated Services	24 380	24 380	15 454	25 853	–	25 853	25 853
Total	3 693 120	3 759 464	3 402 283	4 141 402	160 590	4 301 992	4 251 992

Economic classification

	1 465 430	1 467 180	1 476 799	1 580 315	31 779	1 612 094	1 612 094
Current payments							
Compensation of employees	709 544	759 567	746 436	811 482	16 779	828 261	828 261
Goods and services	755 886	707 613	730 362	768 833	15 000	783 833	783 833
Interest and rent on land	–	–	1	–	–	–	–
Transfers and subsidies	1 412 142	1 412 142	1 404 199	1 512 706	–	1 512 706	1 512 706
Provinces and municipalities	836 570	836 570	836 574	889 325	–	889 325	889 325
Departmental agencies and accounts	557 858	557 858	552 248	604 634	–	604 634	604 634
Public corporations and private enterprises	50	50	–	50	–	50	50
Foreign governments and international organisations	14 612	14 612	12 701	15 545	–	15 545	15 545
Households	3 052	3 052	2 676	3 152	–	3 152	3 152
Payments for capital assets	815 548	880 142	521 285	1 048 381	128 811	1 177 192	1 127 192
Buildings and other fixed structures	798 450	863 044	487 964	1 031 208	123 811	1 155 019	1 105 019
Machinery and equipment	17 098	17 098	28 939	17 173	–	17 173	17 173
Software and intangible assets	–	–	4 382	–	5 000	5 000	5 000
Total	3 693 120	3 759 464	3 402 283	4 141 402	160 590	4 301 992	4 251 992

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 thousand)	518 131	599 533	731 554	812 635	871 085	1 003 764	1 088 054
Unit cost (R thousand)	117	134	142	143	154	178	192
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 thousand)	19 311	9 247	9 802	10 292	10 807	11 348	11 915
Unit cost (R thousand)	115	149	363	381	400	420	441
Personnel numbers (head count)	168	62	27	27	27	27	27
Interns							
Compensation of interns (R thousand)	5 321	4 792	5 080	5 334	5 601	5 881	6 175
Unit cost (R thousand)	45	34	16	17	18	18	19
Number of interns	119	141	318	318	318	318	318
Total for department							
Compensation (R thousand)	542 763	613 572	746 436	828 261	887 493	1 020 993	1 106 144
Unit cost (R thousand)	115	131	136	137	148	170	184
Personnel numbers (head count)	4 722	4 682	5 487	6 030	5 999	5 999	5 999
Learnerships							
Payments for learnerships (R thousand)	–	1 167	1 237	1 299	1 364	1 433	1 505
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 thousand)	542 763	613 572	746 438	828 261	884 466	970 240	1 032 310
Training expenditure (R thousand)	23 082	12 773	15 197	22 000	26 110	27 500	28 500
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			
<i>of which:</i>							
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 thousand	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	585 410	710 131	836 573	889 325	996 538	1 096 192	1 161 964
3. National Public Works Programme							
Expanded public works programme incentive grant for provinces	–	–	–	–	151 419	400 000	800 000
Total	585 410	710 131	836 573	889 325	1 147 957	1 496 192	1 961 964
Conditional grant to municipalities							
3. National Public Works Programme							
Expanded public works programme incentive grant for municipalities	–	–	–	–	201 748	554 000	1 108 000
Total	–	–	–	–	201 748	554 000	1 108 000

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			
			2008/09	2009/10	2010/11	2011/12
R thousand						
Projects signed in terms of Treasury Regulation 16	119 297	23 803	24 993	26 242	27 554	
PPP unitary charge ¹	119 297	23 803	24 993	26 242	27 554	
Total	119 297	23 803	24 993	26 242	27 554	

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 thousand	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate	
					2005/06	2006/07	2007/08	2008/09		2009/10	2010/11
	Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)										
	Border post	Redevelopment	Design	1 962 243	-	-	19 347	132 825	300 000	300 000	300 000
	Various	Upgrading and construction		-	210 283	71 681	138 386	206 822	159 885	107 636	205 539
	Large projects or programmes (costing between R50 million and R300 million per year within the MTEF period)										
	Border post	Upgrading of infrastructure	Construction	859 825	157	5 083	5 895	65 241	150 000	150 000	150 000
	Border post	Redevelopment	Design	204 770	-	-	-	3 000	52 069	83 391	55 593
	Waterborne subsurface infrastructure	Replacement of waterborne subsurface infrastructure	Pre-design	177 473	-	-	-	-	52 168	66 218	59 087
	Office accommodation	Refurbishment	Pre-design	190 012	-	-	-	-	15 391	136 262	38 359
	Parliamentary complex	Refurbishment	Construction	155 916	8 008	4 414	19 523	60 716	55 484	-	-
	Office accommodation	Upgrading	Design	350 081	-	-	-	20 000	45 733	169 906	114 442
	Office accommodation	Construction of office accommodation	Pre-design	421 980	-	-	-	-	7 246	19 323	53 078
	Various	Upgrading and construction		-	31 506	54 081	39 699	83 765	54 879	93 595	93 595
	Various	Dolomite risk management		-	59 038	65 347	43 603	72 391	91 681	3 932	5 000
	Various	Border control projects		-	51 299	197 631	185 453	296 554	67 931	18 061	45 859
	Various	Development of a national government precinct		-	16 621	15 883	36 058	147 251	147 021	50 771	72 480

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

R thousand	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
	Small projects or programmes (costing less than R50 million per annum)										
	Dolomite Programme C3: Detail upgrading of areas in Thaba Tshwane	Replacement of waterborne subsurface infrastructure	Pre-design	119 526	-	-	-	-	6 151	62 707	50 688
	Dolomite Programme C4: Upgrading in all other provinces	Replacement of waterborne subsurface infrastructure	Pre-design	72 388	-	-	-	-	-	27 143	45 245
	Re Kgabisa Tshwane programme: Salvo kop	Acquisition of site	Planning	66 454	-	-	66 454	-	-	-	-
	Total			4 580 668	376 912	414 120	487 964	1 155 019	1 205 639	1 288 945	1 288 945