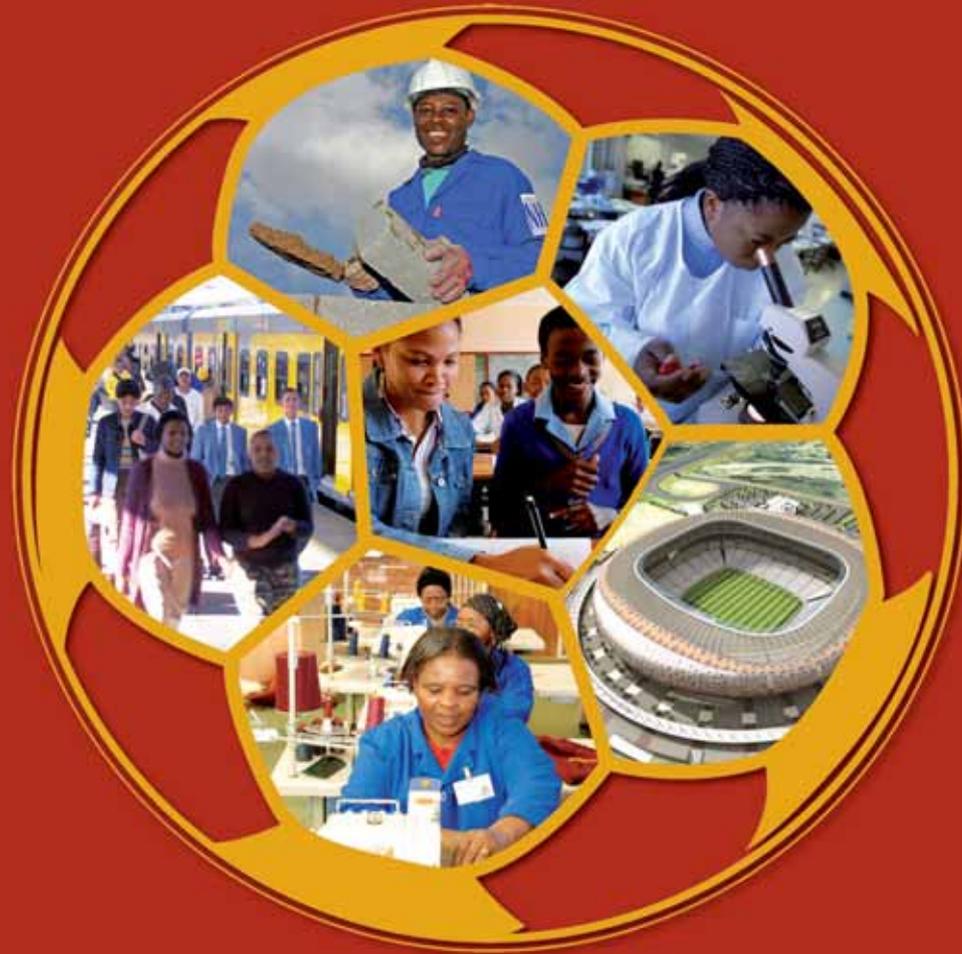


# Vote 6

## Public Works



# Estimates of National Expenditure 2010



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





# **Estimates of National Expenditure**

## **2010**

**National Treasury**

**Republic of South Africa**

17 February 2010



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The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on [www.treasury.gov.za](http://www.treasury.gov.za)

# Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



**Lesetja Kganyago**

**Director-General: National Treasury**



# Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

## Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

<b>Newly created vote</b>	<b>Department/s from which all or some functions have been shifted</b>
Agriculture, Forestry and Fisheries	Agriculture Water Affairs and Forestry Environmental Affairs and Tourism
Water Affairs	Water Affairs and Forestry
Human Settlements	Housing Water Affairs and Forestry
Environmental Affairs	Environmental Affairs and Tourism
Tourism	Environmental Affairs and Tourism
Basic Education	Education
Higher Education and Training	Education Labour (still exists)
Cooperative Governance and Traditional Affairs	Provincial and Local Government
Defence and Military Veterans	Defence
Economic Development	Trade and Industry (still exists)
Energy	Minerals and Energy
Mineral Resources	Minerals and Energy
International Relations and Cooperation	Foreign Affairs
Police	Safety and Security
Rural Development and Land Reform	Land Affairs Provincial and Local Government
Women, Children and People with Disabilities	The Presidency (still exists) Justice and Constitutional Development (still exists)

## Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget<sup>1</sup>, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

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1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.

About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

## Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

### Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

**National Treasury** receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

### Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

**Social Development's** gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

### **Justice, crime prevention and security**

**Police** is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

**Correctional Services** is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

### **Economic services and infrastructure**

**Human Settlements** is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

**Energy** receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

**Cooperative Governance and Traditional Affairs** has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

**Transport's** R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

## **Overview of expenditure**

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.



## **Summary tables**

Table 1: Main budget framework

Table 2: Additional allocation to national votes

Table 3: Expenditure by national vote

Table 4: Expenditure by economic classification

Table 5: Amounts to be appropriated from the National Revenue Fund

Table 6a: Conditional grants to provinces

Table 6b: Conditional grants to municipalities

Table 7: Training expenditure per vote

Table 8: Infrastructure expenditure per vote

Table 9: Personnel expenditure per vote

Table 10: Departmental receipts per vote

**Table 1. Main budget framework 2006/07 to 2012/13**

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue (National Revenue Fund)</b>							
Tax revenue (gross)	495 548.6	572 814.6	625 100.2	590 425.0	647 850.0	721 477.0	818 298.0
Departmental and other receipts, and repayments	10 843.3	11 671.7	12 616.2	8 982.6	10 380.3	11 483.2	12 379.4
Less: Southern Africa Customs Union payments	-25 194.9	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-11 211.0	-22 781.0
<b>Total revenue</b>	<b>481 197.0</b>	<b>559 773.8</b>	<b>608 795.7</b>	<b>571 492.1</b>	<b>643 239.0</b>	<b>721 749.2</b>	<b>807 896.4</b>
<i>Percentage of GDP</i>	26.2%	26.9%	26.2%	23.3%	23.8%	24.3%	24.5%
<b>Expenditure</b>							
State debt cost	52 192.2	52 877.1	54 393.7	57 599.8	71 357.6	88 462.7	104 022.0
<i>Percentage of GDP</i>	2.8%	2.5%	2.3%	2.4%	2.6%	3.0%	3.2%
Current payments <sup>1</sup>	77 911.5	88 599.8	103 563.2	119 215.8	130 938.5	141 636.6	148 890.9
Transfers and subsidies	332 685.1	391 023.5	458 352.8	530 553.1	579 667.8	634 811.7	674 058.0
Payments for capital assets <sup>1</sup>	6 067.8	7 182.9	8 780.8	8 687.9	9 290.5	10 676.6	13 342.9
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 760.0	20 888.6	750.0	–
Contingency reserve	–	–	–	–	6 000.0	12 000.0	24 000.0
<b>Total expenditure</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>748 816.5</b>	<b>818 142.9</b>	<b>888 337.6</b>	<b>964 313.8</b>
<i>Percentage of GDP</i>	25.6%	26.0%	27.4%	30.6%	30.3%	29.9%	29.3%
<b>Budget deficit<sup>2</sup></b>	<b>11 004.5</b>	<b>18 278.1</b>	<b>-27 267.7</b>	<b>-177 324.3</b>	<b>-174 904.0</b>	<b>-166 588.4</b>	<b>-156 417.4</b>
<i>Percentage of GDP</i>	0.6%	0.9%	-1.2%	-7.2%	-6.5%	-5.6%	-4.7%
<b>GDP</b>	<b>1 833 191.0</b>	<b>2 081 626.0</b>	<b>2 320 117.0</b>	<b>2 449 857.9</b>	<b>2 699 888.0</b>	<b>2 967 560.3</b>	<b>3 295 748.7</b>

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

**Table 2. Additional allocation to national votes 2010/11 to 2012/13<sup>1</sup>**

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
<b>Central Government Administration</b>	<b>1 882.8</b>	<b>3 072.3</b>	<b>7 510.5</b>	<b>12 465.6</b>
1 The Presidency	85.6	106.5	117.1	309.1
2 Parliament	145.9	150.0	152.5	448.4
3 Cooperative Governance and Traditional Affairs	1 206.7	2 557.8	6 958.5	10 723.1
4 Home Affairs	224.0	80.7	87.3	392.1
5 International Relations and Cooperation	92.6	105.6	115.4	313.5
6 Public Works	97.1	35.5	38.5	171.1
7 Women, Children and People with Disabilities	31.0	36.1	41.2	108.3
<b>Financial and Administrative Services</b>	<b>1 826.9</b>	<b>1 837.5</b>	<b>1 381.0</b>	<b>5 045.4</b>
8 Government Communication and Information System	24.5	25.3	25.7	75.4
9 National Treasury	1 721.7	1 660.0	1 298.6	4 680.3
10 Public Enterprises	38.7	3.2	3.5	45.4
11 Public Service and Administration	10.2	11.9	12.9	35.0
12 Statistics South Africa	31.9	137.2	40.3	209.4
<b>Social Services</b>	<b>5 143.8</b>	<b>8 479.1</b>	<b>13 507.1</b>	<b>27 130.0</b>
13 Arts and Culture	15.3	18.1	19.4	52.8
14 Basic Education	800.8	1 052.5	1 278.0	3 131.3
15 Health	1 930.7	2 896.1	3 998.8	8 825.6
16 Higher Education and Training	421.1	761.3	1 249.0	2 431.4
17 Labour	59.2	49.1	51.9	160.3
18 Social Development	1 910.3	3 694.0	6 900.6	12 505.0
19 Sport and Recreation South Africa	6.3	7.9	9.3	23.6
<b>Justice, Crime Prevention and Security</b>	<b>3 899.4</b>	<b>4 730.2</b>	<b>6 437.0</b>	<b>15 066.6</b>
20 Correctional Services	883.1	919.4	952.8	2 755.3
21 Defence and Military Veterans	1 092.7	1 400.3	2 190.1	4 683.2
22 Independent Complaints Directorate	2.2	4.6	5.8	12.7
23 Justice and Constitutional Development	358.9	529.2	686.1	1 574.1
24 Police	1 562.5	1 876.7	2 602.1	6 041.3
<b>Economic Services and Infrastructure</b>	<b>4 296.7</b>	<b>5 684.4</b>	<b>8 184.8</b>	<b>18 166.0</b>
25 Agriculture, Forestry and Fisheries	57.2	195.8	310.8	563.8
26 Communications	5.1	5.9	6.4	17.4
27 Economic Development	115.0	160.0	175.0	450.0
28 Energy	1 528.8	1 544.4	1 546.8	4 620.0
29 Environmental Affairs	88.8	111.3	216.6	416.7
30 Human Settlements	242.9	360.5	1 761.3	2 364.7
31 Mineral Resources	20.3	33.2	43.0	96.5
32 Rural Development and Land Reform	301.2	348.1	352.1	1 001.4
33 Science and Technology	34.7	40.8	93.7	169.2
34 Tourism	47.7	63.3	74.9	185.9
35 Trade and Industry	905.6	1 294.0	1 638.8	3 838.3
36 Transport	495.8	1 081.6	1 359.3	2 936.7
37 Water Affairs	453.7	445.6	606.1	1 505.4
<b>Total</b>	<b>17 049.6</b>	<b>23 803.6</b>	<b>37 020.3</b>	<b>77 873.6</b>

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

**Table 3. Expenditure by national vote 2006/07 to 2012/13**

R million	Audited Outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
<b>Central Government Administration</b>				
1 The Presidency	224.4	651.4	312.4	694.8
2 Parliament	755.1	902.1	1 135.1	1 108.0
3 Cooperative Governance and Traditional Affairs	24 571.6	30 026.2	35 343.2	36 683.5
4 Home Affairs	2 546.9	3 241.7	4 666.6	5 263.8
5 International Relations and Cooperation	2 944.7	4 069.7	5 472.3	5 553.0
6 Public Works	3 025.8	3 402.3	4 197.0	5 890.1
7 Women, Children and People with Disabilities	49.6	52.5	61.9	68.2
<b>Financial and Administrative Services</b>				
8 Government Communication and Information System	293.1	380.9	427.5	496.8
9 National Treasury	16 171.0	18 966.2	31 312.1	62 845.6
10 Public Enterprises	2 589.8	4 604.0	3 265.1	3 991.2
11 Public Service and Administration	583.7	609.6	630.6	682.8
12 Statistics South Africa	1 096.6	1 054.3	1 323.1	1 715.2
<b>Social Services</b>				
13 Arts and Culture	1 329.9	1 585.8	2 114.5	2 632.1
14 Basic Education	1 571.6	2 165.3	3 284.4	4 474.4
15 Health	11 338.0	12 762.7	15 464.5	18 423.5
16 Higher Education and Training	14 292.2	15 997.3	18 765.9	20 696.6
17 Labour	1 343.3	1 431.5	1 507.2	1 709.2
18 Social Development	61 676.1	67 191.4	76 096.7	86 508.2
19 Sport and Recreation South Africa	886.5	5 048.0	4 871.4	2 883.9
<b>Justice, Crime Prevention and Security</b>				
20 Correctional Services	9 251.2	11 122.4	12 822.6	13 834.5
21 Defence and Military Veterans	23 817.6	25 180.1	27 801.3	31 325.3
22 Independent Complaints Directorate	65.3	80.9	99.3	116.5
23 Justice and Constitutional Development	5 853.8	7 194.0	8 244.4	9 721.0
24 Police	32 634.9	36 525.9	41 635.2	47 622.0
<b>Economic Services and Infrastructure</b>				
25 Agriculture, Forestry and Fisheries	2 711.0	3 858.6	3 465.0	3 874.5
26 Communications	1 319.6	1 911.8	2 328.6	2 470.5
27 Economic Development	238.7	245.1	220.4	316.2
28 Energy	1 930.8	2 189.1	2 918.4	3 756.9
29 Environmental Affairs	1 164.2	1 654.1	1 882.7	2 244.2
30 Human Settlements	7 178.2	8 716.1	11 147.4	14 036.2
31 Mineral Resources	676.8	758.2	811.6	925.1
32 Rural Development and Land Reform	3 724.6	5 896.6	6 663.7	6 401.4
33 Science and Technology	2 613.0	3 127.3	3 703.5	4 261.7
34 Tourism	853.5	1 065.1	1 211.8	1 155.7
35 Trade and Industry	3 566.1	5 050.2	4 836.6	6 085.9
36 Transport	13 360.4	16 331.6	24 838.6	24 238.5
37 Water Affairs	3 851.9	4 802.9	5 795.3	7 342.6
<b>Total appropriation by vote</b>	<b>262 101.6</b>	<b>309 853.1</b>	<b>370 678.0</b>	<b>442 049.4</b>
Plus:				
<b>Direct charges against the National Revenue Fund</b>				
President and Deputy President salary (The Presidency)	2.2	2.3	4.0	4.3
Members remuneration (Parliament)	223.3	240.7	356.9	376.7
State debt costs (National Treasury)	52 192.2	52 877.1	54 393.7	59 995.0
Provincial equitable share (National Treasury)	149 245.6	171 053.7	201 795.6	236 877.8
General fuel levy sharing with metros (National Treasury)	-	-	-	6 800.1
Skills levy and Setas (Higher Education and Training)	5 328.4	6 284.3	7 234.1	7 750.0
Judges and magistrates salaries (Justice and Constitutional Development)	1 099.3	1 184.5	1 601.1	1 669.7
<b>Total direct charges against the National Revenue Fund</b>	<b>208 090.9</b>	<b>231 642.6</b>	<b>265 385.4</b>	<b>313 473.5</b>
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>752 522.9</b>

Table 3. Expenditure by national vote 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
				<b>Central Government Administration</b>
691.8	722.6	772.2	810.5	The Presidency
1 108.0	1 179.2	1 238.6	1 288.4	Parliament
36 629.6	43 921.5	50 449.1	57 238.3	Cooperative Governance and Traditional Affairs
5 159.4	5 719.6	5 003.5	5 144.8	Home Affairs
5 508.0	4 824.4	5 087.0	5 393.0	International Relations and Cooperation
5 740.1	6 446.3	7 984.1	8 246.2	Public Works
68.2	97.8	108.3	114.9	Women, Children and People with Disabilities
				<b>Financial and Administrative Services</b>
496.8	546.2	507.1	515.4	Government Communication and Information System
62 512.7	50 219.9	33 127.9	34 265.6	National Treasury
3 991.2	350.6	186.8	196.2	Public Enterprises
681.0	651.5	657.1	684.1	Public Service and Administration
1 715.2	1 973.4	2 845.9	1 769.6	Statistics South Africa
				<b>Social Services</b>
2 440.1	2 406.7	2 417.4	2 562.7	Arts and Culture
4 197.9	6 166.2	7 549.8	8 099.3	Basic Education
18 025.5	21 497.0	23 707.9	25 844.7	Health
20 681.8	23 720.7	26 104.6	27 856.1	Higher Education and Training
1 674.4	1 783.9	1 866.6	1 942.5	Labour
86 108.2	95 929.1	105 715.4	114 023.7	Social Development
2 872.4	1 245.6	760.5	793.7	Sport and Recreation South Africa
				<b>Justice, Crime Prevention and Security</b>
13 834.5	15 129.0	16 027.4	18 277.2	Correctional Services
30 325.3	30 715.3	33 931.4	36 386.5	Defence and Military Veterans
116.5	129.3	144.1	152.4	Independent Complaints Directorate
9 673.3	10 250.5	11 083.7	11 730.6	Justice and Constitutional Development
47 622.0	52 556.4	56 916.6	60 390.8	Police
				<b>Economic Services and Infrastructure</b>
3 305.5	3 658.0	4 361.4	4 740.5	Agriculture, Forestry and Fisheries
2 354.5	2 114.0	1 814.1	1 630.4	Communications
316.2	418.6	494.4	520.3	Economic Development
3 740.2	5 535.4	5 739.6	5 538.7	Energy
2 244.2	2 607.8	2 817.5	3 058.7	Environmental Affairs
14 036.2	16 201.5	18 483.0	19 603.8	Human Settlements
924.0	1 030.0	1 112.1	1 168.0	Mineral Resources
6 401.4	6 769.6	7 972.9	8 360.1	Rural Development and Land Reform
4 261.7	4 615.5	4 968.8	4 560.2	Science and Technology
1 155.7	1 151.8	1 223.2	1 291.2	Tourism
5 988.8	6 150.1	6 757.4	7 264.0	Trade and Industry
24 164.1	25 086.3	27 960.1	29 169.5	Transport
6 969.8	7 996.6	9 090.2	9 628.2	Water Affairs
<b>437 736.1</b>	<b>461 517.9</b>	<b>486 987.8</b>	<b>520 261.0</b>	<b>Total appropriation by vote</b>
				Plus:
				<b>Direct charges against the National Revenue Fund</b>
4.3	4.6	4.8	5.1	President and Deputy President salary (The Presidency)
376.7	392.7	409.6	430.1	Members remuneration (Parliament)
57 599.8	71 357.6	88 462.7	104 022.0	State debt costs (National Treasury)
236 877.8	260 973.7	280 688.7	294 780.0	Provincial equitable share (National Treasury)
6 800.1	7 542.4	8 531.1	8 957.7	General fuel levy sharing with metros (National Treasury)
7 750.0	8 424.2	9 148.7	9 606.1	Skills levy and Setas (Higher Education and Training)
1 671.7	1 929.9	2 104.2	2 251.9	Judges and magistrates salaries (Justice and Constitutional Development)
<b>311 080.3</b>	<b>350 625.0</b>	<b>389 349.8</b>	<b>420 052.9</b>	<b>Total direct charges against the National Revenue Fund</b>
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
<b>748 816.5</b>	<b>818 142.9</b>	<b>888 337.6</b>	<b>964 313.8</b>	<b>Total</b>

**Table 4. Expenditure by economic classification 2006/07 to 2012/13**

R million	Audited outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
<b>Current payments</b>				
<b>Compensation of employees</b>	<b>49 574.2</b>	<b>56 243.2</b>	<b>64 973.4</b>	<b>76 392.8</b>
Salaries and wages	41 022.9	46 738.9	53 788.3	63 755.1
Social contributions	8 551.3	9 504.3	11 185.1	12 637.7
<b>Goods and services</b>	<b>28 335.8</b>	<b>32 354.3</b>	<b>38 587.4</b>	<b>44 065.4</b>
<b>Interest and rent on land</b>	<b>52 193.7</b>	<b>52 879.3</b>	<b>54 396.1</b>	<b>59 995.8</b>
Interest (including interest on finance leases)	52 193.0	52 878.6	54 395.9	59 995.0
Rent on land	0.7	0.7	0.2	0.8
<b>Total current payments</b>	<b>130 103.7</b>	<b>141 476.8</b>	<b>157 956.9</b>	<b>180 454.0</b>
<b>Transfers and subsidies to:</b>				
<b>Provinces and municipalities</b>	<b>205 438.3</b>	<b>243 233.9</b>	<b>289 397.3</b>	<b>345 879.0</b>
<b>Provinces</b>	<b>178 867.2</b>	<b>205 829.6</b>	<b>245 302.3</b>	<b>295 353.2</b>
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
<b>Municipalities</b>	<b>26 571.1</b>	<b>37 404.3</b>	<b>44 095.1</b>	<b>50 525.8</b>
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
<b>Departmental agencies and accounts</b>	<b>38 102.1</b>	<b>44 531.2</b>	<b>53 572.4</b>	<b>58 512.9</b>
Social security funds	7.0	8.5	2 508.7	12.7
Departmental agencies (non-business entities)	38 095.0	44 522.7	51 063.6	58 500.3
<b>Universities and technikons</b>	<b>11 056.0</b>	<b>12 003.8</b>	<b>13 897.7</b>	<b>15 437.4</b>
<b>Foreign governments and international organisations</b>	<b>919.3</b>	<b>936.0</b>	<b>1 010.6</b>	<b>1 266.8</b>
<b>Public corporations and private enterprises</b>	<b>13 424.4</b>	<b>18 764.3</b>	<b>20 170.1</b>	<b>20 061.4</b>
<b>Public corporations</b>	<b>9 872.3</b>	<b>14 155.2</b>	<b>14 694.3</b>	<b>17 851.2</b>
Subsidies on products or production	4 101.1	3 691.7	4 676.1	5 188.9
Other transfers to public corporations	5 771.2	10 463.5	10 018.2	12 662.3
<b>Private enterprises</b>	<b>3 552.1</b>	<b>4 609.0</b>	<b>5 475.8</b>	<b>2 210.2</b>
Subsidies on products or production	3 339.6	4 111.4	5 193.5	1 855.1
Other transfers to private enterprises	212.5	497.6	282.3	355.1
<b>Non-profit institutions</b>	<b>882.1</b>	<b>1 002.8</b>	<b>1 220.2</b>	<b>1 225.3</b>
<b>Households</b>	<b>62 862.9</b>	<b>70 551.4</b>	<b>79 084.5</b>	<b>91 029.5</b>
Social benefits	59 569.1	65 170.5	73 611.2	85 989.9
Other transfers to households	3 293.8	5 381.0	5 473.3	5 039.6
<b>Total transfers and subsidies</b>	<b>332 685.1</b>	<b>391 023.5</b>	<b>458 352.8</b>	<b>533 412.3</b>
<b>Payments for capital assets</b>				
<b>Buildings and other fixed structures</b>	<b>2 481.5</b>	<b>3 838.2</b>	<b>5 566.8</b>	<b>5 961.3</b>
Buildings	2 376.9	3 325.7	4 893.8	4 843.3
Other fixed structures	104.6	512.5	673.0	1 118.0
<b>Machinery and equipment</b>	<b>3 322.8</b>	<b>3 210.7</b>	<b>2 965.0</b>	<b>2 741.0</b>
Transport equipment	1 522.3	1 528.0	1 419.6	1 467.8
Other machinery and equipment	1 800.5	1 682.7	1 545.4	1 273.1
<b>Specialised military assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.6</b>
<b>Biological assets</b>	<b>0.7</b>	<b>11.2</b>	<b>2.7</b>	<b>1.1</b>
<b>Land and subsoil assets</b>	<b>31.5</b>	<b>27.4</b>	<b>49.0</b>	<b>-</b>
<b>Software and other intangible assets</b>	<b>231.4</b>	<b>95.5</b>	<b>197.4</b>	<b>167.4</b>
<b>Total payments for capital assets</b>	<b>6 067.8</b>	<b>7 182.9</b>	<b>8 780.8</b>	<b>8 898.3</b>
<b>Payments for financial assets</b>	<b>1 335.8</b>	<b>1 812.5</b>	<b>10 972.9</b>	<b>32 758.3</b>
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>755 522.9</b>
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
<b>Total</b>	<b>470 192.5</b>	<b>541 495.7</b>	<b>636 063.5</b>	<b>752 522.9</b>

Table 4. Expenditure by economic classification 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
<b>76 008.7</b>	<b>84 093.2</b>	<b>90 167.3</b>	<b>95 232.5</b>	<b>Current payments</b>
				<b>Compensation of employees</b>
63 383.4	69 171.6	74 337.1	78 539.2	Salaries and wages
12 625.3	14 921.6	15 830.2	16 693.2	Social contributions
<b>43 205.8</b>	<b>46 843.3</b>	<b>51 466.9</b>	<b>53 656.0</b>	<b>Goods and services</b>
<b>57 601.0</b>	<b>71 359.6</b>	<b>88 465.0</b>	<b>104 024.5</b>	<b>Interest and rent on land</b>
57 600.2	71 358.7	88 464.1	104 023.5	Interest (including interest on finance leases)
0.8	0.8	0.9	1.0	Rent on land
<b>176 815.6</b>	<b>202 296.0</b>	<b>230 099.3</b>	<b>252 913.0</b>	<b>Total current payments</b>
				<b>Transfers and subsidies to:</b>
				Provinces and municipalities
<b>345 167.9</b>	<b>381 726.9</b>	<b>417 237.3</b>	<b>442 587.4</b>	<b>Provinces</b>
<b>294 968.2</b>	<b>322 858.2</b>	<b>350 547.1</b>	<b>369 348.4</b>	<b>Provincial revenue funds</b>
294 968.2	322 858.2	350 547.1	369 348.4	
<b>50 199.7</b>	<b>58 868.7</b>	<b>66 690.2</b>	<b>73 239.0</b>	<b>Municipalities</b>
50 199.7	58 868.7	66 690.2	73 239.0	Municipal bank accounts
<b>57 114.3</b>	<b>58 456.5</b>	<b>65 123.0</b>	<b>68 388.7</b>	<b>Departmental agencies and accounts</b>
12.7	11.6	12.4	13.0	Social security funds
57 101.6	58 445.0	65 110.6	68 375.7	Departmental agencies (non-business entities)
<b>15 437.4</b>	<b>17 532.0</b>	<b>19 318.5</b>	<b>20 669.2</b>	<b>Universities and technikons</b>
<b>1 260.9</b>	<b>1 313.9</b>	<b>1 288.8</b>	<b>1 380.3</b>	<b>Foreign governments and international organisations</b>
<b>19 725.2</b>	<b>20 129.1</b>	<b>20 700.1</b>	<b>21 489.8</b>	<b>Public corporations and private enterprises</b>
<b>17 555.0</b>	<b>16 988.4</b>	<b>17 034.7</b>	<b>17 355.7</b>	<b>Public corporations</b>
5 198.9	5 180.8	5 262.0	5 499.9	Subsidies on products or production
12 356.1	11 807.6	11 772.7	11 855.7	Other transfers to public corporations
<b>2 170.1</b>	<b>3 140.7</b>	<b>3 665.4</b>	<b>4 134.1</b>	<b>Private enterprises</b>
1 795.1	2 778.8	3 255.0	3 629.1	Subsidies on products or production
375.1	362.0	410.3	505.0	Other transfers to private enterprises
<b>1 225.1</b>	<b>2 275.2</b>	<b>2 339.0</b>	<b>1 894.0</b>	<b>Non-profit institutions</b>
<b>90 622.4</b>	<b>98 234.2</b>	<b>108 805.0</b>	<b>117 648.6</b>	<b>Households</b>
85 620.3	92 792.8	102 213.6	110 636.4	Social benefits
5 002.1	5 441.4	6 591.5	7 012.1	Other transfers to households
<b>530 553.1</b>	<b>579 667.8</b>	<b>634 811.7</b>	<b>674 058.0</b>	<b>Total transfers and subsidies</b>
				<b>Payments for capital assets</b>
<b>5 862.9</b>	<b>5 994.9</b>	<b>7 237.3</b>	<b>9 660.6</b>	<b>Buildings and other fixed structures</b>
4 743.8	4 537.4	4 836.4	6 935.7	Buildings
1 119.2	1 457.5	2 400.9	2 725.0	Other fixed structures
<b>2 735.2</b>	<b>3 236.9</b>	<b>3 381.4</b>	<b>3 525.6</b>	<b>Machinery and equipment</b>
1 467.8	1 352.7	1 474.3	1 690.0	Transport equipment
1 267.4	1 884.2	1 907.2	1 835.6	Other machinery and equipment
27.6	19.6	24.5	122.0	Specialised military assets
1.1	1.6	0.7	0.7	Biological assets
-	-	-	-	Land and subsoil assets
61.0	37.5	32.7	33.8	Software and other intangible assets
<b>8 687.9</b>	<b>9 290.5</b>	<b>10 676.6</b>	<b>13 342.9</b>	<b>Total payments for capital assets</b>
<b>32 760.0</b>	<b>20 888.6</b>	<b>750.0</b>	<b>0.0</b>	<b>Payments for financial assets</b>
<b>748 816.5</b>	<b>812 142.9</b>	<b>876 337.6</b>	<b>940 313.8</b>	<b>Total</b>
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
<b>748 816.5</b>	<b>818 142.9</b>	<b>888 337.6</b>	<b>964 313.8</b>	<b>Total</b>

**Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11**

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease <sup>1</sup>	
R million	2009/10	2010/11						
<b>Central Government Administration</b>								
1	The Presidency	609.6	343.0	371.9	12.2	-	727.2	117.6
2	Parliament	1 350.7	1 275.4	284.8	11.7	-	1 571.9	221.2
3	Cooperative Governance and Traditional Affairs	35 604.4	619.7	43 288.5	13.3	-	43 921.5	8 317.0
4	Home Affairs	5 050.6	3 992.4	1 587.8	139.3	-	5 719.6	669.0
5	International Relations and Cooperation	5 337.0	3 688.6	820.2	315.7	-	4 824.4	-512.6
6	Public Works	5 298.0	2 042.8	3 029.6	1 373.9	-	6 446.3	1 148.3
7	Women, Children and People with Disabilities	64.0	39.3	51.9	6.6	-	97.8	33.8
<b>Financial and Administrative Services</b>								
8	Government Communication and Information System	482.0	355.5	187.4	3.4	-	546.2	64.2
9	National Treasury	354 795.2	72 806.9	296 522.2	14.5	20 750.0	390 093.6	35 298.4
10	Public Enterprises	3 797.3	174.7	36.7	0.6	138.6	350.6	-3 446.8
11	Public Service and Administration	596.3	376.9	271.6	2.9	-	651.5	55.2
12	Statistics South Africa	1 608.6	1 871.5	3.8	98.1	-	1 973.4	364.8
<b>Social Services</b>								
13	Arts and Culture	2 623.5	311.1	2 089.1	6.6	-	2 406.7	-216.7
14	Basic Education	3 929.9	1 777.1	4 385.1	4.1	-	6 166.2	2 236.3
15	Health	17 058.1	1 063.0	20 403.3	30.7	-	21 497.0	4 438.9
16	Higher Education and Training	25 259.6	382.4	31 752.7	9.8	-	32 144.9	6 885.3
17	Labour	1 671.0	1 259.9	515.2	8.8	-	1 783.9	112.9
18	Social Development	86 408.3	543.0	95 376.0	10.1	-	95 929.1	9 520.7
19	Sport and Recreation South Africa	2 859.9	192.9	1 047.6	5.1	-	1 245.6	-1 614.3
<b>Justice, Crime Prevention and Security</b>								
20	Correctional Services	13 238.6	14 007.7	13.1	1 108.3	-	15 129.0	1 890.5
21	Defence and Military Veterans	32 024.4	23 099.0	6 830.1	786.2	-	30 715.3	-1 309.1
22	Independent Complaints Directorate	114.9	126.0	0.1	3.3	-	129.3	14.5
23	Justice and Constitutional Development	11 278.6	9 984.8	1 567.9	627.7	-	12 180.4	901.8
24	Police	46 409.7	49 336.4	438.4	2 781.7	-	52 556.4	6 146.7
<b>Economic Services and Infrastructure</b>								
25	Agriculture, Forestry and Fisheries	2 903.5	1 773.5	1 836.5	47.9	-	3 658.0	754.5
26	Communications	2 266.9	483.2	1 626.7	4.1	-	2 114.0	-152.9
27	Economic Development	292.5	95.2	318.6	4.8	-	418.6	126.1
28	Energy	3 742.3	202.1	5 328.7	4.6	-	5 535.4	1 793.1
29	Environmental Affairs	2 261.0	910.2	1 224.3	473.3	-	2 607.8	346.8
30	Human Settlements	14 020.0	599.5	15 442.8	159.3	-	16 201.5	2 181.5
31	Mineral Resources	904.9	607.3	408.7	14.1	-	1 030.0	125.1
32	Rural Development and Land Reform	6 109.4	1 878.1	4 871.6	19.8	-	6 769.6	660.2
33	Science and Technology	4 234.1	362.0	4 249.5	4.1	-	4 615.5	381.4
34	Tourism	1 109.1	196.1	953.3	2.4	-	1 151.8	42.8
35	Trade and Industry	6 051.7	1 142.9	4 992.6	14.7	-	6 150.1	98.4
36	Transport	23 734.8	743.4	24 301.3	41.6	-	25 086.3	1 351.4
37	Water Affairs	7 462.4	3 632.8	3 238.5	1 125.3	-	7 996.6	534.2
<b>Total</b>	<b>732 562.8</b>	<b>202 296.0</b>	<b>579 667.8</b>	<b>9 290.5</b>	<b>20 888.6</b>	<b>812 142.9</b>	<b>79 580.2</b>	

1. A positive number reflects an increase and a negative number a decrease.

**Table 6a. Conditional grants to provinces 2006/07 to 2012/13 <sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
<b>Central Government Administration</b>									
3	Cooperative Governance and Traditional Affairs	–	–	29.7	–	–	–	–	
6	Public Works	710.1	836.6	889.3	1 501.2	1 401.2	1 483.8	1 962.0	2 060.1
<b>Financial and Administrative Services</b>									
9	National Treasury	4 983.5	6 276.2	7 384.5	13 449.2	13 449.2	11 314.9	13 091.2	14 007.6
<b>Social Services</b>									
13	Arts and Culture	–	163.2	344.6	440.6	440.6	512.7	543.4	570.8
14	Basic Education	1 242.5	1 376.9	2 114.1	2 575.4	2 575.4	3 931.4	5 048.1	5 447.4
15	Health	10 206.5	11 552.7	14 028.7	16 702.5	16 417.5	19 852.8	21 971.8	24 030.4
16	Higher Education and Training	1 973.7	2 435.3	3 005.8	3 168.3	3 168.3	3 772.7	3 972.0	4 169.1
19	Sport and Recreation South Africa	119.0	194.0	293.7	402.3	402.3	426.4	452.0	474.6
<b>Economic Services and Infrastructure</b>									
25	Agriculture, Forestry and Fisheries	401.1	761.7	898.0	973.7	973.7	1 116.9	1 437.1	1 508.9
30	Human Settlements	6 677.8	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
32	Rural Development and Land Reform	8.0	–	–	–	–	–	–	–
35	Trade and Industry	58.2	–	–	–	–	–	–	–
36	Transport	3 241.0	3 029.4	4 340.3	6 669.9	6 669.9	4 312.4	4 158.5	4 360.9
<b>Total</b>		<b>29 621.6</b>	<b>34 775.9</b>	<b>43 506.6</b>	<b>58 475.4</b>	<b>58 090.4</b>	<b>61 884.5</b>	<b>69 858.4</b>	<b>74 568.4</b>

1. Detail provided in the Division of Revenue Act (2010).

**Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 <sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
<b>Central Government Administration</b>									
3	Cooperative Governance and Traditional Affairs	6 138.4	8 954.1	9 308.4	11 633.5	11 633.5	12 740.9	15 293.3	18 557.9
6	Public Works	–	–	–	201.7	201.7	623.0	1 108.0	1 163.4
<b>Financial and Administrative Services</b>									
9	National Treasury	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
<b>Social Services</b>									
19	Sport and Recreation South Africa	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
<b>Economic Services and Infrastructure</b>									
28	Energy	390.7	462.5	589.1	1 108.0	1 092.2	1 240.1	1 376.6	1 151.4
36	Transport	518.0	1 174.0	2 928.7	2 428.0	2 428.0	3 709.9	4 436.1	4 136.7
37	Water Affairs	385.7	732.9	994.6	925.0	854.6	890.1	380.0	399.0
<b>Total</b>		<b>8 443.1</b>	<b>16 645.0</b>	<b>18 477.3</b>	<b>19 316.2</b>	<b>18 990.1</b>	<b>21 111.1</b>	<b>24 169.1</b>	<b>26 994.8</b>

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Central Government Administration</b>							
1	1.5	2.3	1.4	1.9	2.2	2.4	2.6
2	10.7	10.6	11.9	10.1	10.4	14.2	15.0
3	1.7	2.3	1.7	1.8	2.4	2.6	2.7
4	35.6	32.4	34.0	35.1	30.9	28.2	28.5
5	4.0	13.1	8.1	12.4	14.4	14.1	14.1
6	12.8	15.2	22.0	26.1	27.5	28.5	29.9
<b>Financial and Administrative Services</b>							
8	2.4	4.7	4.2	3.7	4.4	4.2	4.4
9	9.3	16.1	16.9	33.6	19.8	20.4	21.2
10	0.8	1.6	1.7	2.2	1.9	2.0	2.0
11	2.0	2.2	3.7	2.6	3.6	3.5	3.7
12	7.7	11.9	14.0	21.2	45.1	42.1	40.0
<b>Social Services</b>							
13	2.4	3.1	4.5	2.1	2.3	2.4	2.5
14	1.6	2.8	6.5	1.7	2.5	2.4	2.5
15	5.5	9.5	1.8	4.5	5.5	6.1	6.6
16	1.8	2.5	2.9	1.9	2.6	2.8	2.9
17	8.9	6.5	8.9	8.3	8.9	9.3	9.8
18	2.2	1.7	1.8	2.3	2.5	2.6	2.8
19	0.5	0.9	0.9	1.1	1.1	1.1	1.1
<b>Justice, Crime Prevention and Security</b>							
20	111.4	125.6	76.0	89.5	64.0	100.5	105.6
21	85.6	87.4	117.7	113.6	145.6	151.0	167.0
22	0.5	0.6	0.6	0.7	0.7	0.8	0.8
23	12.4	18.3	37.5	86.4	78.9	83.6	89.4
24	807.5	966.0	1 124.0	1 006.5	1 386.6	1 449.0	1 514.2
<b>Economic Services and Infrastructure</b>							
25	27.3	20.3	24.2	16.4	20.0	21.8	23.3
26	3.1	3.7	6.0	9.0	9.4	9.9	10.4
27	-	-	-	-	0.1	0.2	0.2
28	0.6	0.7	1.6	2.1	3.5	3.9	4.1
29	2.3	2.1	2.2	2.3	2.5	2.7	2.9
30	2.0	1.2	2.9	12.9	14.1	15.2	16.1
31	1.5	1.7	3.8	9.1	3.5	3.9	4.1
32	11.6	9.0	9.4	11.9	12.6	13.3	13.9
33	1.0	3.6	5.2	6.5	5.1	5.4	5.6
34	1.5	1.4	1.5	1.0	1.0	1.0	1.1
35	3.2	1.0	2.5	9.3	11.0	11.5	12.0
36	3.0	3.2	1.8	3.9	4.0	4.0	4.1
37	37.0	38.9	40.8	63.1	65.7	67.3	70.7
<b>Total</b>	<b>1 223.1</b>	<b>1 424.2</b>	<b>1 604.9</b>	<b>1 616.8</b>	<b>2 016.3</b>	<b>2 133.7</b>	<b>2 237.8</b>

**Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 <sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Central Government Administration</b>							
2 Parliament	–	5.1	40.5	–	–	–	–
3 Cooperative Governance and Traditional Affairs	6 138.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
4 Home Affairs	45.1	61.4	68.0	56.1	67.2	132.5	129.8
5 International Relations and Cooperation	119.4	649.9	926.7	423.2	231.5	249.8	317.0
6 Public Works	414.1	488.0	988.4	1 220.6	1 303.9	1 603.9	1 634.7
<b>Financial and Administrative Services</b>							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
<b>Social Services</b>							
13 Arts and Culture	312.1	281.2	448.6	801.4	557.8	455.6	483.0
14 Basic Education	–	–	–	–	80.0	200.0	210.0
15 Health	1 498.7	2 118.5	1 884.8	3 495.2	3 939.6	3 789.7	3 805.0
16 Higher Education and Training	90.5	77.5	54.8	37.0	32.0	26.0	22.0
17 Labour	78.5	64.4	37.6	56.8	25.9	34.6	0.0
19 Sport and Recreation South Africa	600.0	4 605.0	4 295.0	1 661.1	302.3	–	–
<b>Justice, Crime Prevention and Security</b>							
20 Correctional Services	794.8	1 087.0	1 035.5	1 012.5	1 108.3	1 163.1	2 675.6
21 Defence and Military Veterans	49.2	93.4	476.5	452.0	1 120.7	841.1	1 218.3
23 Justice and Constitutional Development	323.7	361.1	479.5	515.5	631.5	759.4	865.0
24 Police	510.5	727.0	843.3	1 049.7	1 118.2	1 235.3	1 544.6
<b>Economic Services and Infrastructure</b>							
25 Agriculture, Forestry and Fisheries	120.0	112.0	108.6	115.0	172.9	270.8	253.5
26 Communications	100.0	646.0	950.0	810.0	420.9	279.0	167.0
28 Energy	1 328.9	1 525.6	1 888.8	2 400.3	4 271.9	4 366.4	4 565.5
29 Environmental Affairs	199.8	405.7	437.4	512.3	656.7	664.8	693.0
30 Human Settlements	–	3 829.9	1 885.1	1 674.3	2 014.8	2 248.4	2 341.9
32 Rural Development and Land Reform	14.4	5.6	6.3	11.8	17.4	18.3	44.7
33 Science and Technology	175.0	272.0	408.0	699.3	745.7	801.0	254.4
35 Trade and Industry	468.0	911.0	967.5	1 283.3	769.9	721.4	758.6
36 Transport	5 801.6	7 934.8	10 601.2	12 799.8	14 131.7	16 038.7	16 542.4
37 Water Affairs	85.9	644.4	1 467.1	1 976.8	2 279.9	3 358.1	3 805.1
<b>Total</b>	<b>24 304.4</b>	<b>41 988.0</b>	<b>47 205.2</b>	<b>54 408.3</b>	<b>61 099.7</b>	<b>68 813.1</b>	<b>76 057.9</b>

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

**Table 9. Personnel expenditure per vote 2006/07 to 2012/13**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
<b>Central Government Administration</b>									
1	The Presidency	100.5	118.7	144.3	187.4	184.4	218.1	242.4	258.2
2	Parliament	446.6	521.0	708.6	780.1	780.1	856.1	905.7	951.2
3	Cooperative Governance and Traditional Affairs	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
4	Home Affairs	844.7	1 087.0	1 296.0	1 659.1	1 659.1	1 896.2	2 134.8	2 243.7
5	International Relations and Cooperation	1 136.5	1 293.2	1 683.4	2 062.6	2 062.6	2 017.1	2 101.4	2 203.1
6	Public Works	613.6	746.4	916.6	1 012.2	1 012.2	1 121.4	1 201.7	1 249.6
7	Women, Children and People with Disabilities	3.8	4.8	5.9	10.0	10.0	15.7	27.5	29.9
<b>Financial and Administrative Services</b>									
8	Government Communication and Information System	84.1	116.2	114.0	137.1	136.9	147.0	157.5	166.3
9	National Treasury	230.9	272.7	321.0	438.5	408.5	538.5	573.0	598.6
10	Public Enterprises	47.2	56.0	70.4	81.4	81.4	88.0	93.5	98.3
11	Public Service and Administration	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
12	Statistics South Africa	414.9	472.0	700.7	1 015.8	1 015.8	891.0	1 065.1	992.5
<b>Social Services</b>									
13	Arts and Culture	95.1	107.2	126.8	146.3	141.3	149.0	159.4	168.7
14	Basic Education	117.0	150.4	186.3	229.9	251.4	255.4	273.8	288.1
15	Health	231.7	258.6	292.5	329.1	329.1	369.7	403.4	442.4
16	Higher Education and Training	131.7	146.2	174.8	203.3	203.6	228.9	245.8	261.1
17	Labour	435.4	497.9	491.3	632.6	611.2	738.4	760.6	811.4
18	Social Development	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
19	Sport and Recreation South Africa	30.1	43.4	54.5	67.6	59.6	75.3	73.7	77.4
<b>Justice, Crime Prevention and Security</b>									
20	Correctional Services	5 606.6	6 799.2	8 077.8	9 313.0	9 313.0	10 483.8	11 058.5	11 611.2
21	Defence and Military Veterans	9 037.6	9 735.9	10 620.0	12 223.2	12 223.2	13 450.4	14 630.1	15 686.9
22	Independent Complaints Directorate	36.8	45.7	58.0	66.5	66.5	74.1	85.5	90.4
23	Justice and Constitutional Development	3 619.7	4 250.9	5 326.2	6 277.1	6 233.7	6 834.7	7 375.3	7 846.8
24	Police	22 730.2	25 610.6	29 147.4	33 770.2	33 770.2	37 148.8	39 660.3	41 777.4
<b>Economic Services and Infrastructure</b>									
25	Agriculture, Forestry and Fisheries	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
26	Communications	99.0	97.7	108.0	147.4	147.4	160.4	169.2	177.9
27	Economic Development	-	-	-	12.6	12.6	59.5	78.0	89.8
28	Energy	49.7	68.2	84.6	113.1	112.1	133.0	140.4	142.8
29	Environmental Affairs	156.7	196.3	212.3	260.3	260.3	324.9	351.5	368.9
30	Human Settlements	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
31	Mineral Resources	196.4	222.3	245.5	287.6	287.0	352.3	392.1	414.7
32	Rural Development and Land Reform	406.0	476.4	614.2	954.8	954.8	1 072.2	1 141.5	1 199.8
33	Science and Technology	83.7	104.1	144.9	200.2	200.2	215.0	227.3	239.1
34	Tourism	102.8	130.8	106.4	89.6	89.6	98.5	112.1	160.6
35	Trade and Industry	283.6	327.5	383.1	513.0	469.0	557.8	590.4	628.5
36	Transport	111.2	131.3	182.6	221.0	221.0	259.4	282.2	296.6
37	Water Affairs	972.0	890.7	862.5	1 043.1	1 001.4	1 166.5	1 196.7	1 212.4
<b>Total</b>		<b>49 574.2</b>	<b>56 243.2</b>	<b>64 973.4</b>	<b>76 392.8</b>	<b>76 008.7</b>	<b>84 093.2</b>	<b>90 167.3</b>	<b>95 232.5</b>

Table 10. Departmental receipts per vote 2006/07 to 2012/13 <sup>1</sup>

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
<b>Central Government Administration</b>									
1	The Presidency	1.7	0.3	0.2	0.5	0.5	0.3	0.3	0.3
2	Parliament	41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
3	Cooperative Governance and Traditional Affairs	6.8	0.7	0.8	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	468.2	421.1	355.7	429.5	429.5	455.3	482.6	506.7
5	International Relations and Cooperation	46.3	65.1	43.6	39.2	18.4	31.2	33.3	33.2
6	Public Works	79.9	95.8	28.5	25.6	31.5	26.6	27.7	29.4
<b>Financial and Administrative Services</b>									
8	Government Communication and Information System	3.1	3.1	3.3	2.9	2.9	3.0	3.0	3.0
9	National Treasury	4 355.1	6 116.7	5 270.4	4 148.5	3 839.0	2 354.2	2 544.8	2 602.9
10	Public Enterprises	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.1
11	Public Service and Administration	1.8	2.7	1.0	0.9	0.9	0.7	0.7	0.7
12	Statistics South Africa	1.5	17.7	2.8	6.9	6.9	2.2	2.5	2.6
<b>Social Services</b>									
13	Arts and Culture	3.2	0.4	3.6	1.0	1.0	0.6	0.6	0.7
14	Basic Education	0.6	1.9	1.5	0.9	0.9	1.1	1.2	1.2
15	Health	33.3	41.2	31.2	33.7	33.7	31.5	32.8	32.9
16	Higher Education and Training	6.2	6.9	6.7	6.5	6.6	6.9	7.0	7.0
17	Labour	6.1	8.4	28.9	12.9	12.9	16.1	22.4	24.3
18	Social Development	865.3	237.0	16.5	0.2	20.2	510.2	10.2	10.2
19	Sport and Recreation South Africa	5.6	0.0	0.3	0.6	5.7	0.3	0.4	0.4
<b>Justice, Crime Prevention and Security</b>									
20	Correctional Services	100.0	136.3	80.5	131.2	136.7	143.4	152.0	161.0
21	Defence and Military Veterans	492.8	551.9	629.4	676.7	676.7	702.5	729.2	756.9
22	Independent Complaints Directorate	0.0	0.4	0.1	0.1	0.1	0.1	0.1	0.1
23	Justice and Constitutional Development	319.5	317.0	356.8	358.9	358.9	377.6	399.8	422.5
24	Police	251.9	345.1	376.5	332.6	332.6	341.7	321.3	324.5
<b>Economic Services and Infrastructure</b>									
25	Agriculture, Forestry and Fisheries	141.1	121.1	254.0	219.7	216.7	119.3	121.5	118.2
26	Communications	2 613.8	3 007.4	3 520.1	933.0	1 160.8	925.0	959.4	993.4
27	Economic Development	177.5	229.3	244.4	484.8	420.0	230.0	243.8	250.0
28	Energy	0.1	1.2	3.3	3.5	3.5	3.7	3.9	4.1
29	Environmental Affairs	4.9	4.7	8.5	2.7	2.7	0.8	0.8	0.8
30	Human Settlements	1.9	0.7	2.4	0.5	2.8	0.5	0.5	0.6
31	Mineral Resources	191.0	267.1	261.3	161.8	161.8	205.6	211.8	213.9
32	Rural Development and Land Reform	158.8	176.4	64.2	231.2	61.1	68.4	69.0	64.5
33	Science and Technology	1.0	0.2	0.3	1.0	1.0	0.1	0.1	0.1
35	Trade and Industry	66.6	94.2	64.9	66.7	67.0	108.3	114.9	120.2
36	Transport	330.4	362.5	215.8	231.7	116.6	127.8	137.4	144.3
37	Water Affairs	137.2	0.1	26.6	72.6	39.8	41.2	44.0	44.0
Total departmental receipts as per Estimates of National Expenditure		10 915.2	12 686.3	11 960.0	8 635.5	8 188.0	6 852.2	6 691.4	6 887.0
Less: Parliament (retained departmental receipts)		41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
Plus: South African Revenue Service departmental receipts collection		-30.0	58.0	711.4	1 205.8	812.4	3 543.6	4 803.7	5 503.9
<b>Total departmental receipts as per Budget Review</b>		<b>10 843.3</b>	<b>12 692.6</b>	<b>12 616.2</b>	<b>9 825.0</b>	<b>8 982.6</b>	<b>10 380.3</b>	<b>11 483.2</b>	<b>12 379.4</b>

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.



# Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions.

The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

The chapter for each vote contains the following information:

## Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

R million	2010/11					2011/12	2012/13
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
<b>MTEF allocation</b>							
Programme name							
Programme name							
Programme name							
<b>Subtotal</b>							
<b>Direct charge against the National Revenue Fund</b>							
Item							
Item							
<b>Total expenditure estimates</b>							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

*Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.*

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

**Current payments** are payments made by the department for its operational requirements.

**Transfers and subsidies** are payments made by the department for which the department does not directly receive anything in return.

**Payments for capital assets** are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

**Payments for financial assets** mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in departments where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

**Direct charges against the National Revenue Fund** are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide accountability information: the department's executive authority, accounting officer and website address.

## Aim

*The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the appropriation bill.*

## Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

## Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

## Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

## Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the programme associated with it.

## Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
<b>Subtotal</b>								
Direct charge against the National Revenue Fund								
Item								
Item								
<b>Total</b>								
Change to 2009 Budget estimate								

### Economic classification

<b>Current payments</b>			
Economic classification item			
Economic classification item			
<b>Transfers and subsidies</b>			
Economic classification item			
Economic classification item			
<b>Payments for capital assets</b>			
Economic classification item			
Economic classification item			
<b>Payments for financial assets</b>			
<b>Total</b>			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

**Audited outcomes** are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

**Adjusted appropriation** includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

**Direct charges against the National Revenue Fund** are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

## Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

## Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts								
Economic classification item								
Economic classification item								
<b>Total</b>								

## Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

## Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

## Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

## Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
<b>Total</b>							
Change to 2009 Budget estimate							

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
<b>Economic classification</b>							
<b>Current payments</b>							
Economic classification item							
Economic classification item							
<b>Transfers and subsidies</b>							
Economic classification item							
Economic classification item							
<b>Payments for capital assets</b>							
Economic classification item							
Economic classification item							
<b>Payments for financial assets</b>							
<b>Total</b>							

## Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

## Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

## Additional tables

Additional tables appear at the end of the vote. These include:

### Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.

### Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

**Personnel numbers** refers to the physical number (head count) of people employed by the department.

### Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

**Number of posts on approved establishment** refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

**Number of funded posts** refers to the number of departmental employment positions which are provided within the budget.

**Number of posts additional to the establishment** typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

### Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

### Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

### Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

**Unitary fee** refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

**Projects in preparation** are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

**Project monitoring costs** are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

**Advisory fees** are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

**Revenue generated** is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

### Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

### Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

**Infrastructure transfers to other spheres, agencies and departments** refers to transfers and grants to other government components for expenditure on infrastructure.

**Fixed installations transferred to households** shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

**Maintenance on infrastructure** refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

**In all tables a dash ( - ) indicates that information is unavailable or zero.**

# Public Works

National Treasury  
Republic of South Africa



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# Vote 6

## Public Works

### Budget summary

R thousand	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	663 129	653 902	1 166	8 061	752 050	790 205
Immovable Asset Management	4 250 680	1 078 520	1 807 672	1 364 488	4 787 047	4 898 298
Expanded Public Works Programme	1 479 110	276 785	1 200 963	1 362	2 386 705	2 496 608
Property and Construction Industry Policy Regulations	31 539	31 508	–	31	35 164	36 710
Auxiliary and Associated Services	21 867	2 058	19 809	–	23 180	24 339
<b>Total expenditure estimates</b>	<b>6 446 325</b>	<b>2 042 773</b>	<b>3 029 610</b>	<b>1 373 942</b>	<b>7 984 146</b>	<b>8 246 160</b>
Executive authority	Minister of Public Works					
Accounting officer	Director-General of Public Works					
Website address	<a href="http://www.publicworks.gov.za">www.publicworks.gov.za</a>					

The Estimates of National Expenditure booklets for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

### Aim

*The aim of the Department of Public Works is to provide for 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

**Purpose:** Strategic leadership and support services, including the accommodation, and overall management of the department.

#### Programme 2: Immovable Asset Management

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

#### Programme 3: Expanded Public Works Programme

**Purpose:** Ensure the creation of work opportunities and the provision of training for unskilled, marginalised and unemployed people in South Africa by coordinating the implementation of the expanded public works programme.

## **Programme 4: Property and Construction Industry Policy Regulations**

**Purpose:** 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.

## **Programme 5: Auxiliary and Associated Services**

**Purpose:** Provide for various services, including: compensation for losses on the government assisted housing scheme; assistance to organisations for the preservation of national memorials; and meeting protocol responsibilities for state functions.

## **Strategic overview: 2006/07 – 2012/13**

The mandate of the Department of Public Works is articulated in the Government 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. The Department of Public Works is thus responsible for the provision of official accommodation for all national departments and all members of Parliament, providing construction and property management services to client departments at the national level. The department is also responsible for providing leadership for and coordinating the expanded public works programme.

### *Addressing departments' accommodation needs*

The department's responsibilities include the acquisition, planning, maintenance and disposal of immovable assets, on behalf of the state. The programmes are mainly undertaken on behalf of the national departments, including the prestige portfolio, which provides accommodation for all members of Parliament.

Due to the maintenance backlog in government infrastructure, the department is developing a national infrastructure maintenance strategy responsive to the needs of a developmental state. It is currently developing the maintenance guidelines.

The department is also planning to rehabilitate unused and underutilised government buildings as a key project in helping to meet the work opportunities targets in the expanded public works programme. 105 buildings countrywide have been identified for rehabilitation. The focus of the first phase of the project is office accommodation for government departments and state owned enterprises, while the second phase will include residential accommodation.

In line with the requirements of the Occupational Health and Safety Act (1993), government is prioritising the revamping of public buildings to meet the needs of people living with disabilities. 190 buildings have been identified nationally for remodelling in 2010/11, which will involve constructing access ramps, converting existing lifts and toilets, and putting up signage.

### *The expanded public works programme*

The expanded public works programme is intended to generate 4.5 million work opportunities in the next five years, including the 500 000 work opportunities created in 2009/10. Through the maintenance and capital works programmes, the department is expected to play a direct role in supporting the expanded public works programme in meeting its multi-year targets.

### *Energy efficient installations*

In an effort to make government a more efficient user of energy, the department will retrofit a limited number of public buildings. The target for 2010/11 is to retrofit 12 per cent of state buildings with energy efficient installations.

### *Implementing BEE charters in the construction and property sectors*

The Construction Sector Charter on Black Economic Empowerment has been gazetted in terms of section 9 of the Broad-Based Black Economic Empowerment Act (2003). A charter council constitution is presently being

developed and will be finalised by February 2010. In relation to the Property Sector Transformation Charter, a council was established and an application for the gazetting of the charter, as prescribed by section 9, was submitted to the Department of Trade and Industry. The process may be finalised by the middle of 2010. The department's role in these two charters is to assist in transformation in the built environment.

#### *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 is being implemented through departmental programmes. The programme focuses on learnerships, internships and developing young professionals.

#### *Valuations and state immovable assets*

As a compliance measure, the department has developed a valuations model based on depreciated replacement costs. The department will continue with this programme and is targeting 136 089 immovable assets in 2010/11.

#### *Key policy developments*

Over the MTEF period, the department plans to conduct reviews of the following pieces of departmental legislation: the Built Environment Professions Bill, the Expropriation Bill, and the Government Immovable Asset Management Act (2007) so that it can be extended to local government.

## **Savings and cost effective service delivery**

The department has identified efficiency savings of R59.2 million in 2010/11, R65.9 million in 2011/12 and R93.1 million in 2012/13 from the following programmes and items:

The *Administration* programme: savings of R24.4 million in 2010/11, R31.1 million in 2011/12 and R35.3 million in 2012/13 have been identified in goods and services from advertising, communication, computer services, agency and support, outsourced services, and travel and subsistence.

The *Immovable Asset Investment and Management* programme: efficiency savings of R31.2 million in 2010/11, R31.1 million in 2011/12 and R53.7 million in 2012/13 have been identified in goods and services from: minor assets; communication; agency and support/outsourced services; consultant and professional services, including business advisory services; material and supplies, and other consumables under inventory; travel and subsistence; and training and development.

The *Property and Construction Industry Policy and Regulations* programme: efficiency savings of R3.6 million in 2010/11, R3.7 million in 2011/12 and R4.1 million in 2012/13 have been identified in goods and services from travel and subsistence, infrastructure and planning under consultant and professional services, and agency and support/outsourced services.

The department will implement the following measures to ensure that the services delivered by the department are not negatively impacted on due to the efficiency savings implemented:

- The department has refined its forward planning to reduce the number of meetings during the year, which will reduce travel and accommodation costs.
- The department will appoint more permanent staff to reduce expenditure on consultants. The new staff will be trained to manage particular service delivery programmes.

## Selected performance indicators

Table 6.1 Public Works

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of state owned buildings to be made accessible to people with disability per year	Immovable Asset Investment Management	-	-	76	200	64	70	75
Number of state owned buildings rehabilitated per year	Immovable Asset Investment Management	-	-	25	64	64	70	75
Percentage reduction in electricity consumption in state owned buildings due to retrofittings	Immovable Asset Investment Management	-	-	1% (13 800 kw/h)	1% (17 180 kw/h)	3% (37 180 kw/h)	7% (65 000 kw/h)	10% (68 000 kw/h)
Percentage of asset register with complete and accurate data and information out of the present 108 752 properties	Immovable Asset Investment Management	-	-	40% (43 500)	50% (54 376)	70% (76 126)	90% (97 876)	100% (108 752)
Number of youths participating in the national youth service programme per year	Expanded Public Works Programme	-	4 466	2 859	2 500	6 000	6 000	6 000
Number of learners participating in the Vuk'uphile learnership	Expanded Public Works Programme	1 600	1 635	1 000	556	1 000	1 000	1 000
Total number of municipalities reporting on expanded public works programme targets	Expanded Public Works Programme	33	71	98	105	140	170	200
Total number of expanded public works programme opportunities created on provincial access roads	Expanded Public Works Programme	-	58 913	74 616	61 176	100 000	115 000	130 000

## Expenditure estimates

Table 6.2 Public Works

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
1. Administration	625 205	733 724	801 552	688 972	688 972	663 129	752 050	790 205
2. Immovable Asset Management	2 269 226	2 498 081	3 213 564	4 516 249	4 466 249	4 250 680	4 787 047	4 898 298
3. Expanded Public Works Programme	70 406	126 590	133 038	608 523	508 523	1 479 110	2 386 705	2 496 608
4. Property and Construction Industry Policy Regulations	40 401	30 852	33 424	33 750	33 750	31 539	35 164	36 710
5. Auxiliary and Associated Services	20 550	13 036	15 409	42 636	42 636	21 867	23 180	24 339
<b>Total</b>	<b>3 025 788</b>	<b>3 402 283</b>	<b>4 196 987</b>	<b>5 890 130</b>	<b>5 740 130</b>	<b>6 446 325</b>	<b>7 984 146</b>	<b>8 246 160</b>
Change to 2009 Budget estimate				592 130	442 130	(152 413)	(201 227)	-

### Economic classification

	1 319 079	1 476 799	1 660 266	1 931 434	1 931 434	2 042 773	2 300 262	2 401 976
<b>Current payments</b>								
Compensation of employees	613 572	746 436	916 640	1 012 237	1 012 237	1 121 432	1 201 662	1 249 589
Goods and services	705 507	730 363	743 626	919 197	919 197	921 341	1 098 600	1 152 387
<i>of which:</i>								
<i>Administrative fees</i>	5 020	1 919	4 304	6 017	6 017	5 303	6 853	7 188
<i>Advertising</i>	23 180	45 638	44 102	42 543	42 543	44 740	50 243	51 831
<i>Assets less than the capitalisation threshold</i>	28 343	18 035	21 385	21 170	21 170	15 367	19 202	23 266
<i>Audit cost: External</i>	22 443	20 152	24 019	20 227	20 227	19 000	20 450	20 448
<i>Bursaries: Employees</i>	2 327	2 278	5 680	2 114	2 114	2 100	2 837	3 006
<i>Catering: Departmental activities</i>	2 509	1 146	2 127	2 929	2 929	2 529	2 804	2 953
<i>Communication</i>	24 775	28 807	29 101	26 620	26 620	22 300	26 386	28 380
<i>Computer services</i>	22 479	33 492	34 541	28 993	28 993	22 711	31 083	29 548
<i>Consultants and professional services: Business and advisory services</i>	12 324	10 877	10 939	54 453	54 453	43 259	50 122	54 678

Table 6.2 Public Works (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Economic classification</b>								
<i>Consultants and professional services: Infrastructure and planning</i>	14 511	15 016	16 613	26 799	26 799	35 820	40 833	44 182
<i>Consultants and professional services: Legal costs</i>	4 628	3 053	3 103	8 321	8 321	8 713	9 566	9 979
<i>Contractors</i>	8 952	5 079	14 521	45 212	45 212	82 249	130 317	100 683
<i>Agency and support / outsourced services</i>	105 723	107 029	79 544	98 383	98 383	89 084	121 659	135 918
<i>Entertainment</i>	1 350	1 507	1 088	1 630	1 630	1 320	1 925	2 036
<i>Inventory: Food and food supplies</i>	22	15	22	44	44	95	107	111
<i>Inventory: Fuel, oil and gas</i>	7 322	4 338	5 931	7 665	7 665	7 141	7 900	8 295
<i>Inventory: Learner and teacher support material</i>	262	410	572	91	91	441	476	500
<i>Inventory: Materials and supplies</i>	1 539	888	820	2 589	2 589	1 257	2 405	2 527
<i>Inventory: Medical supplies</i>	4	37	45	49	49	43	96	99
<i>Inventory: Other consumables</i>	13 228	10 132	12 427	16 074	16 074	11 068	13 672	19 512
<i>Inventory: Stationery and printing</i>	9 611	10 723	12 995	13 165	13 165	10 657	13 191	14 129
<i>Lease payments</i>	180 756	187 307	181 341	217 815	217 815	227 922	247 538	264 938
<i>Property payments</i>	122 993	112 318	132 484	125 504	125 504	148 604	153 884	172 425
<i>Transport provided: Departmental activity</i>	–	1 710	2 000	2 220	2 220	1 500	1 980	2 099
<i>Travel and subsistence</i>	66 909	85 751	82 775	87 258	87 258	70 221	86 832	94 636
<i>Training and development</i>	11 549	14 493	6 804	27 760	27 760	22 560	29 065	30 482
<i>Operating expenditure</i>	5 277	4 072	5 990	13 687	13 687	12 330	13 193	13 792
<i>Venues and facilities</i>	7 471	4 141	8 353	19 865	19 865	13 007	13 981	14 746
<b>Transfers and subsidies</b>	<b>1 230 647</b>	<b>1 404 199</b>	<b>1 510 685</b>	<b>2 448 847</b>	<b>2 348 847</b>	<b>3 029 610</b>	<b>3 988 799</b>	<b>4 169 386</b>
Provinces and municipalities	710 570	836 574	889 330	1 702 905	1 602 905	2 106 829	3 069 964	3 223 462
Departmental agencies and accounts	502 945	552 248	604 121	680 657	680 657	711 482	733 090	751 546
Foreign governments and international organisations	13 348	12 701	13 669	16 478	16 478	17 467	18 515	19 441
Public corporations and private enterprises	–	–	20	5 000	5 000	10 515	9 180	9 602
Non-profit institutions	–	–	–	40 500	40 500	179 811	154 370	161 471
Households	3 784	2 676	3 545	3 307	3 307	3 506	3 680	3 864
<b>Payments for capital assets</b>	<b>447 740</b>	<b>521 285</b>	<b>1 026 036</b>	<b>1 509 849</b>	<b>1 459 849</b>	<b>1 373 942</b>	<b>1 695 085</b>	<b>1 674 798</b>
Buildings and other fixed structures	414 121	487 964	988 373	1 462 325	1 412 325	1 303 945	1 603 945	1 634 742
Machinery and equipment	29 322	28 939	37 521	42 387	42 387	64 853	85 739	34 384
Software and other intangible assets	4 297	4 382	142	5 137	5 137	5 144	5 401	5 672
<b>Payments for financial assets</b>	<b>28 322</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>3 025 788</b>	<b>3 402 283</b>	<b>4 196 987</b>	<b>5 890 130</b>	<b>5 740 130</b>	<b>6 446 325</b>	<b>7 984 146</b>	<b>8 246 160</b>

## Expenditure trends

Overall expenditure has increased at an average annual rate of 24.9 per cent, from R3 billion in 2006/07 to R6 billion in 2009/10. This increase is driven by the increase in transfers and subsidies, which grew from R1.2 billion in 2006/07 to R2.4 billion in 2009/10 at an average annual rate of 25.8 per cent. This was mainly due to the implementation of the second phase of the expanded public works programme at the beginning of 2009/10 and an allocation adjustment of R353 million for the devolution of property rate funds to provinces grant.

Over the MTEF period, spending is expected to increase to R8.2 billion in 2012/13, at an average annual rate of 11.9 per cent due to the increase in expenditure for the second phase of the expanded public works programme, which is projected to increase from R1.5 billion in 2010/11 to R2.5 billion in 2012/13.

The 2010 Budget provided for additional allocations of R97 million in 2010/11, R35.5 million in 2011/12 and R38.5 million in 2012/13 for the following programmes and items: *Immovable Asset Management* (R27.1 million in 2010/11, R31.7 million in 2011/12 and R34.8 million in 2012/13) for the annual salary related inflation adjustment; *Expanded Public Works Programme* (R69.6 million in 2010/11, R3.4 million in 2011/12 and R3.3 million in 2012/13) towards performance based incentive grants to provinces and municipalities; and *Property and Construction Industry Policy Regulations* (R340 million in 2010/11, R414 million in 2011/12 and R454 million in 2012/13) for the annual salary related inflation adjustment.

#### *Infrastructure spending*

##### Large infrastructure project spending: In-land ports of entry

Redevelopment projects for key commercial land ports of entry were initiated by the Border Control Operational Coordinating Committee and the Department of Public Works to facilitate the movement of people and goods between South Africa and neighbouring countries.

The Lebombo land port of entry between Mozambique and South Africa forms part of the Maputo development corridor, which is meant to answer the needs related to the broader economic development and sociopolitical stability of the SADC region. The focus on the first phase was to make provision for the influx of people and commercial traffic passing through the border post in 2010 and beyond. The immediate requirement will be to segment people, light vehicles and cargo. The cost of the 2010 contingency plan for the border post is estimated at R60 million, which will also form part of future developments towards a one stop border post.

The redevelopment of the Golela inland port of entry will conclude in 2010/11. It is estimated that R40 million will be required to complete the remainder of the project ahead of the 2010 FIFA World Cup. Once Swaziland completes the expansion of the neighbouring border post, it is expected that revenue generated from the new infrastructure will enhance the economy of both countries.

The redevelopment of the Skilpadshek inland port of entry is scheduled for completion in 2010/11 with an estimated R115 million required to finish the project. The completion of this project is expected to enhance trade and tourism between South Africa and Botswana.

All inland ports of entry have contracts which incorporate minor but critical capital works, with repair and facilities management requirements estimated to cost R226 million in 2010/11. These projects ensure that the border post infrastructure remains functional and supportive of the border control operational coordinating committee and the department's operations, preventing disruptions of services to the public.

##### Small infrastructure project spending: Rehabilitation of unused and underutilised government buildings

The second phase of the project for the central government office started in February 2009 and will continue for 18 months. The project has been allocated R40.5 million in 2009/10 and the allocation for 2010/11 is R108 million. The central government office is currently unoccupied and in a reasonably good condition. However, it needs to be upgraded to allow the Department of Public Works to vacate the leased building and move into state owned accommodation.

##### Small infrastructure project spending: Refurbishment and maintenance of government buildings

The Department of Public Works has 1 488 refurbishment and maintenance projects for various client departments in process. R2.2 billion in 2010/2011 and R2.9 billion in 2011/2012 are allocated for these projects. Each project is valued at less than R50 million. The underlying objective is to improve the condition of buildings to ensure that clients using these facilities are able to function adequately.

##### Mega projects: Civitas building in Pretoria

The project began in 2007 and is expected to be finalised by March 2010. The project currently has an allocation of R776.8 million. The project seeks to improve the condition of the building by upgrading it to a usable condition to provide accommodation for the Department of Health, which will be vacating its leased building to move into the new building, paying user accommodation charges that will be used to maintain the building. The allocation in 2010/11 for this project is R53.1 million to cater for the final accounts of the project.

## Departmental receipts

The department 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 6.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
<b>Departmental receipts</b>	<b>79 937</b>	<b>95 818</b>	<b>28 510</b>	<b>25 581</b>	<b>31 538</b>	<b>26 628</b>	<b>27 695</b>	<b>29 357</b>
Sales of goods and services produced by department	25 497	20 505	24 614	21 123	24 102	20 970	21 469	22 757
Sales of scrap, waste, arms and other used current goods	15	449	21	–	476	504	529	561
Fines, penalties and forfeits	3	2	1	2	2	3	4	5
Interest, dividends and rent on land	1 877	572	552	597	1 681	620	643	681
Sales of capital assets	26 582	67 664	940	1 000	3 184	1 500	1 700	1 802
Transactions in financial assets and liabilities	25 963	6 626	2 382	2 859	2 093	3 031	3 350	3 551
<b>Total</b>	<b>79 937</b>	<b>95 818</b>	<b>28 510</b>	<b>25 581</b>	<b>31 538</b>	<b>26 628</b>	<b>27 695</b>	<b>29 357</b>

## Programme 1: Administration

### Expenditure estimates

Table 6.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Minister <sup>1</sup>	993	972	2 536	1 709	1 811	1 913	2 009
Deputy Minister <sup>1</sup>	814	705	1 307	1 407	1 492	1 575	1 654
Management	64 760	92 720	159 413	99 247	99 669	99 525	105 053
Corporate Services	310 382	362 360	420 925	269 130	209 130	274 493	285 080
Office Accommodation	248 256	276 967	217 371	317 479	351 027	374 544	396 409
<b>Total</b>	<b>625 205</b>	<b>733 724</b>	<b>801 552</b>	<b>688 972</b>	<b>663 129</b>	<b>752 050</b>	<b>790 205</b>
Change to 2009 Budget estimate				(89 000)	(117 855)	(129 210)	–

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.

### Economic classification

<b>Current payments</b>	<b>614 325</b>	<b>718 197</b>	<b>789 435</b>	<b>683 984</b>	<b>653 902</b>	<b>742 361</b>	<b>780 707</b>
Compensation of employees	163 932	209 090	279 055	158 652	162 820	170 904	179 450
Goods and services	450 393	509 107	510 380	525 332	491 082	571 457	601 257
<i>of which:</i>							
<i>Administrative fees</i>	2 095	1 245	300	1 300	1 300	1 550	1 619
<i>Advertising</i>	13 856	23 305	20 100	20 000	15 500	20 450	20 448
<i>Assets less than the capitalisation threshold</i>	4 976	5 759	11 124	5 800	5 000	6 426	6 692
<i>Audit cost: External</i>	22 443	20 152	24 019	20 227	19 000	20 450	20 448
<i>Bursaries: Employees</i>	2 297	2 257	5 000	2 000	2 000	2 700	2 862
<i>Catering: Departmental activities</i>	187	633	650	650	600	750	795
<i>Communication</i>	19 265	22 463	22 593	20 000	16 000	19 950	20 948
<i>Computer services</i>	20 091	33 076	31 782	26 000	20 000	27 750	26 040
<i>Consultants and professional services: Business and advisory services</i>	8 512	7 267	7 300	7 721	7 000	8 400	8 804
<i>Consultants and professional services: Infrastructure and planning</i>	1 895	873	–	960	800	1 050	1 100

Table 6.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
Consultants and professional services:	4 386	2 968	3 000	3 000	3 000	3 500	3 610
Legal costs							
Contractors	2 552	1 058	1 100	1 000	500	1 300	1 378
Agency and support / outsourced services	29 804	30 663	29 015	30 000	10 449	18 585	17 531
Entertainment	717	823	300	800	500	1 050	1 113
Inventory: Food and food supplies	8	7	10	8	50	50	50
Inventory: Fuel, oil and gas	22	–	20	–	–	–	–
Inventory: Learner and teacher support material	28	16	20	17	10	20	21
Inventory: Materials and supplies	147	120	20	125	100	145	154
Inventory: Medical supplies	1	36	40	40	33	46	49
Inventory: Other consumables	200	476	300	500	500	600	636
Inventory: Stationery and printing	7 607	8 304	9 812	8 850	7 000	9 603	10 079
Lease payments	158 732	173 720	165 996	194 390	204 923	223 361	237 553
Property payments	101 622	110 830	130 184	123 089	146 104	151 184	169 590
Transport provided: Departmental activity	–	1 710	2 000	2 220	1 500	1 980	2 099
Travel and subsistence	38 373	48 445	45 195	43 450	20 013	35 158	34 932
Training and development	6 544	10 846	300	10 460	8 000	13 000	10 250
Operating expenditure	3 417	1 517	100	2 025	1 000	1 755	1 773
Venues and facilities	616	538	100	700	200	644	683
Transfers and subsidies	738	496	452	1 100	1 166	1 224	1 285
Provinces and municipalities	122	1	1	–	–	–	–
Households	616	495	451	1 100	1 166	1 224	1 285
Payments for capital assets	10 142	15 031	11 665	3 888	8 061	8 465	8 213
Machinery and equipment	5 938	10 789	11 665	(1 112)	3 061	3 215	2 700
Software and other intangible assets	4 204	4 242	–	5 000	5 000	5 250	5 513
<b>Total</b>	<b>625 205</b>	<b>733 724</b>	<b>801 552</b>	<b>688 972</b>	<b>663 129</b>	<b>752 050</b>	<b>790 205</b>

**Details of transfers and subsidies**

<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	122	1	1	–	–	–	–
Regional Services Council levies	122	1	1	–	–	–	–
<b>Households</b>							
<b>Social benefits</b>							
Current	616	495	451	1 100	1 166	1 224	1 285
Employee Social Benefit: Leave gratuities	616	495	451	1 100	1 166	1 224	1 285

**Expenditure trends**

Between 2006/07 and 2009/10, expenditure increased at an average annual rate of 1.8 per cent, from R625.2 million to R689 million. Expenditure in this programme is dominated by current payments for compensation of employees and goods and services, and lease payments. Spending in the *Office Accommodation* subprogramme increased from R248.3 million in 2006/07 to R317.5 million in 2009/10. Funds in this programme will be utilised for the provision of leadership and support services, including accommodation needs and the overall management of the department.

Over the MTEF period, expenditure in this programme is expected to increase to R790.2 million in 2012/13 at an average annual rate of 4.7 per cent. This increase is mainly for expenditure in compensation of employees and goods and services for the *Office Accommodation* subprogramme.

## Programme 2: Immovable Asset Management

- *Infrastructure (Public Works)* funds the acquisition 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.
- *Strategic Asset Investment Analysis* 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 entity.
- *Operations Management* funds the implementation of acquisition and construction of infrastructure for the Department of Public Works and client departments. The distribution of funds is governed by the compensation and administration of the unit.
- *Prestige Management* funds the allocation for activities relating to the ministers' and deputy ministers' residences.
- *Property Management* funds the allocation for devolution of property rates funds to provinces grant. This is a conditional grant allocated to all public works provincial departments to cover the cost of property rates charges of all provincial government buildings.
- *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 for the entity.
- *Construction Industry Development Board* provides strategic direction for the sustainable growth, reform and improvement of the construction sector and enhances the sector's role in the economy. The board promotes an enabling, regulatory and developmental framework for effective infrastructure delivery, improved industry performance, sustainable growth and transformation.
- *Council for the Built Environment* focuses on improving stakeholder relations, aligning professions to the national imperative, protecting the public, improving performance of the skills pipeline, and regulating the council and the 6 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.
- *Parliamentary Village Management Board* provides financial assistance to the board.

### Objectives and measures

- Lead in the implementation of the government wide immovable asset management by:
  - facilitating the completion of 30 user asset management plans annually
  - completing the annual custodial asset management plan for the Department of Public Works.
- Support government initiatives on land reform, housing, agriculture and rural development by providing the asset register database on land quarterly.
- Ensure that all basic property information is gathered and captured on the property management information system by achieving a 20 per cent improvement towards a complete and accurate immovable asset register by March 2011.
- Provide immovable asset investment option analyses by completing 80 per cent of annual requests for project investment analyses.
- Provide immovable asset valuations by ensuring that 80 per cent of immovable assets in the portfolio are valued annually in accordance with the approved accounting valuation model.

### Service delivery focus

Over the MTEF period, the portfolio performance and monitoring unit will continue ensuring that government buildings are accessible to people with disabilities, having upgraded 76 buildings in 2008/09. Another focus area for the unit will be to improve on energy efficiency to reduce energy consumption, having achieved a reduction of 13 800kw/h in 2008/09. The portfolio analysis unit will intensify and support the options analysis

process aligned to government wide immovable asset management and National Treasury's requirements to optimise the state's asset portfolio and its investment decisions.

The new asset register management unit will be responsible for enhancing the asset register, which is the core instrument that will enable the department to carry out its mandate effectively and efficiently. The key accounts management unit represents the client's interest in providing appropriate accommodation for clients to effectively deliver on their mandates. The focus is on project planning and budgeting, and advising clients in the pre-construction phase. This unit facilitated the completion of the first group of annual user asset management plans in 2009/10 year and will ensure that these are completed and submitted to National Treasury on an annual basis.

## Expenditure estimates

Table 6.5 Immovable Asset Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Infrastructure	414 120	487 964	988 373	1 462 325	1 303 945	1 603 945	1 634 742
Property Management	710 306	836 572	889 330	1 369 738	1 096 192	1 161 964	1 220 062
Strategic Asset Investment Analysis	72 784	74 466	98 187	152 434	198 102	258 632	259 248
Operation Management	543 007	519 395	606 280	822 910	873 300	943 898	953 306
Prestige Management	-	-	-	-	38 000	46 000	40 000
Special Projects	26 064	27 436	28 880	30 400	32 000	42 000	42 000
Construction Industry Development Board	40 012	49 891	41 891	59 269	63 665	65 959	66 882
Council for the Built Environment	7 185	23 939	26 286	24 155	25 527	27 059	27 438
Parliamentary Villages Management Board	5 748	2 418	6 337	6 607	6 982	7 401	7 771
Augmentation of the Property Management Trading Entity	450 000	476 000	528 000	588 411	612 967	630 189	646 849
<b>Total</b>	<b>2 269 226</b>	<b>2 498 081</b>	<b>3 213 564</b>	<b>4 516 249</b>	<b>4 250 680</b>	<b>4 787 047</b>	<b>4 898 298</b>
Change to 2009 Budget estimate				806 975	188 625	195 251	-
<b>Economic classification</b>							
<b>Current payments</b>	<b>587 841</b>	<b>601 633</b>	<b>705 628</b>	<b>981 191</b>	<b>1 078 520</b>	<b>1 206 837</b>	<b>1 261 153</b>
Compensation of employees	426 478	495 988	580 379	779 889	854 916	919 643	965 344
Goods and services	161 363	105 645	125 249	201 302	223 604	287 194	295 809
<i>of which:</i>							
Administrative fees	2 925	674	4 004	4 717	4 000	5 300	5 565
Advertising	770	473	800	1 800	1 800	2 000	2 200
Assets less than the capitalisation threshold	23 207	11 856	10 000	14 717	10 200	12 596	16 376
Bursaries: Employees	30	21	680	114	100	137	144
Catering: Departmental activities	594	455	500	624	700	750	788
Communication	4 922	5 731	5 733	6 020	5 666	5 761	6 720
Computer services	2 283	319	2 565	2 695	2 400	3 000	3 150
Consultants and professional services: Business and advisory services	1 969	938	740	16 344	3 500	4 600	5 830
Consultants and professional services: Infrastructure and planning	172	73	1 451	2 737	3 000	3 000	3 150
Consultants and professional services: Legal costs	107	30	10	115	130	150	158
Contractors	5 658	3 771	13 050	26 385	75 521	122 415	91 373
Agency and support / outsourced services	22 700	14 331	6 400	8 000	7 500	10 000	21 000
Entertainment	478	626	700	735	800	850	893
Inventory: Food and food supplies	4	3	5	27	30	40	42
Inventory: Fuel, oil and gas	7 300	4 338	5 911	7 665	7 141	7 900	8 295

Table 6.5 Immovable Asset Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<i>Inventory: Learner and teacher support material</i>	19	69	70	74	90	95	100
<i>Inventory: Materials and supplies</i>	1 248	768	800	1 911	1 100	2 200	2 310
<i>Inventory: Medical supplies</i>	3	1	5	9	10	50	50
<i>Inventory: Other consumables</i>	12 903	9 651	12 125	15 016	10 500	13 000	18 800
<i>Inventory: Stationery and printing</i>	1 538	1 735	2 000	3 000	3 100	3 000	3 150
<i>Lease payments</i>	21 772	13 365	15 096	23 115	22 500	23 650	26 833
<i>Property payments</i>	21 371	1 488	2 300	2 415	2 500	2 700	2 835
<i>Travel and subsistence</i>	23 811	30 401	27 273	29 725	29 016	30 000	36 990
<i>Training and development</i>	3 775	2 091	5 000	15 250	14 500	16 000	20 157
<i>Operating expenditure</i>	1 680	2 296	5 531	11 242	11 300	11 400	11 970
<i>Venues and facilities</i>	124	141	2 500	6 850	6 500	6 600	6 930
<b>Transfers and subsidies</b>	<b>1 215 812</b>	<b>1 390 869</b>	<b>1 494 935</b>	<b>2 030 386</b>	<b>1 807 672</b>	<b>1 895 027</b>	<b>1 971 580</b>
Provinces and municipalities	710 431	836 573	889 329	1 349 738	1 096 192	1 161 964	1 220 062
Departmental agencies and accounts	502 945	552 248	602 514	678 442	709 141	730 608	748 940
Households	2 436	2 048	3 092	2 206	2 339	2 455	2 578
<b>Payments for capital assets</b>	<b>437 251</b>	<b>505 579</b>	<b>1 013 001</b>	<b>1 504 672</b>	<b>1 364 488</b>	<b>1 685 183</b>	<b>1 665 565</b>
Buildings and other fixed structures	414 121	487 964	988 373	1 462 325	1 303 945	1 603 945	1 634 742
Machinery and equipment	23 037	17 485	24 486	42 210	60 399	81 087	30 664
Software and other intangible assets	93	130	142	137	144	151	159
<b>Payments for financial assets</b>	<b>28 322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 269 226</b>	<b>2 498 081</b>	<b>3 213 564</b>	<b>4 516 249</b>	<b>4 250 680</b>	<b>4 787 047</b>	<b>4 898 298</b>
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
Current	710 131	836 573	889 325	1 349 738	1 096 192	1 161 964	1 220 062
Devolution of Property Rate Funds to Provinces Grant	710 131	836 573	889 325	1 349 738	1 096 192	1 161 964	1 220 062
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	300	-	4	-	-	-	-
Vehicle licenses: Municipalities	-	-	4	-	-	-	-
Regional Services Council levies	300	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
Current	502 945	552 248	602 514	678 442	709 141	730 608	748 940
Property Management Trading Entity: Augmentation of the Trading Entity	450 000	476 000	528 000	588 411	612 967	630 189	646 849
Parliamentary Villages Management Board	5 748	2 418	6 337	6 607	6 982	7 401	7 771
Construction Industry Development Board	40 012	49 891	41 891	59 269	63 665	65 959	66 882
Council for Built Environment	7 185	23 939	26 286	24 155	25 527	27 059	27 438
<b>Households</b>							
<b>Social benefits</b>							
Current	2 436	2 048	3 092	2 206	2 339	2 455	2 578
Employee Social Benefit: Leave gratuities	2 436	2 039	3 092	2 206	2 339	2 455	2 578
Claims against the state households	-	9	-	-	-	-	-

## Expenditure trends

Between 2006/07 and 2009/10, spending in this programme increased at an average annual rate of 25.8 per cent, from R2.3 billion to R4.5 billion. The increase was due to an increase in transfers and subsidies, and expenditure for buildings and other fixed structures.

Over the MTEF period, spending on departmental agencies and accounts is expected to increase from R678.4 million in 2009/10 to R748.9 million in 2012/13, at an average annual rate of 3.4 per cent. This allocation includes expenditure for the Construction Industry Development Board, the Property Management Trading Entity, the Council for the Built Environment and the Parliamentary Village Management Board.

Spending over the MTEF period will focus on providing and managing government's immovable property portfolio to support government's social, economic, functional and political objectives. Transfers to the entities are also budgeted for in this programme.

## Programme 3: Expanded Public Works Programme

- *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 incentives to municipalities and provinces are distributed on the basis of their ability to absorb unskilled labour in the expanded public works programme projects.

### Objectives and measures

- Increase the Department of Public Work's participation in the implementation of the expanded public work programme by:
  - training 6 000 youth in artisan trades of the built environment by 2014
  - facilitating the exit of youth trained through the National Youth Service programme by ensuring that at least 15 per cent of the youth trained are placed annually.
- Increase the number of public bodies reporting on the implementation of the expanded public works programme by ensuring that at least 200 municipalities are reporting on the expanded public works programme by March 2013.
- Support different public bodies to implement the EPWP in different sectors to contribute the following work opportunities and full-time equivalents by March 2014:
  - 2 374 000 work opportunities (903 478 full-time equivalents) in the infrastructure sector
  - 1 156 000 work opportunities (325 652 full-time equivalents) in the environment sector
  - 750 000 work opportunities (513 043 full-time equivalents) in the social sector
  - 640 000 work opportunities (278 261 full-time equivalents) in the non-state sector.

### Service delivery focus

The expanded public works programme is a national programme that includes the infrastructure, economic, social, and environmental and cultural sectors. Departments that were identified as coordinators for these 4 sectors are responsible for ensuring that sector business plans are prepared and consolidated by implementing bodies such as municipalities, provinces, national departments and state owned enterprises.

In 2008/09, the Department of Public Works prepared a business plan to implement the expanded public works programme throughout national and provincial departments. The business plan's focus is on the infrastructure sector, and more specifically, the maintenance of public buildings and facilities that are used by government to deliver services to the public. The principles of the business plan are informed by experiences from a number of programmes that are currently being implemented by various provincial departments, such as: Zivuseni (Gauteng), Saamstaan (Western Cape), Gundo Lasho (Limpopo), Asisebenze (KwaZulu-Natal works), Zibambele (KwaZulu-Natal transport) and Vukuzakhe (Eastern Cape).

Through the expanded public works programme, the Department of Public Works will continue to coordinate and develop policy frameworks in the 4 sectors. The expanded public works programme unit in the department will also provide technical support to public bodies in all the sectors to assist in implementing the programme. The support will include assisting with identifying and designing suitable projects and reporting on the work opportunities created by the projects.

## Expenditure estimates

Table 6.6 Expanded Public Works Programme

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate			
	2006/07	2007/08	2008/09	appropriation	2009/10	2010/11	2011/12	2012/13
R thousand								
Expanded Public Works Programme	70 406	126 590	133 038	608 523	1 479 110	2 386 705	2 496 608	
<b>Total</b>	<b>70 406</b>	<b>126 590</b>	<b>133 038</b>	<b>608 523</b>	<b>1 479 110</b>	<b>2 386 705</b>	<b>2 496 608</b>	
Change to 2009 Budget estimate				(126 238)	(216 201)	(259 867)		-

### Economic classification

<b>Current payments</b>	<b>70 148</b>	<b>125 999</b>	<b>131 889</b>	<b>208 674</b>	<b>276 785</b>	<b>313 738</b>	<b>321 135</b>
Compensation of employees	11 939	29 572	47 766	63 784	92 984	99 110	92 178
Goods and services	58 209	96 427	84 123	144 890	183 801	214 628	228 957
<i>of which:</i>							
<i>Administrative fees</i>	-	-	-	-	3	3	4
<i>Advertising</i>	5 060	20 300	20 429	17 943	25 440	25 693	26 978
<i>Assets less than the capitalisation threshold</i>	115	210	246	80	85	90	95
<i>Catering: Departmental activities</i>	20	55	973	100	110	117	123
<i>Communication</i>	433	510	660	480	509	540	567
<i>Computer services</i>	50	85	166	268	276	293	308
<i>Consultants and professional services: Business and advisory services</i>	1 058	2 352	2 442	29 888	32 209	36 442	39 264
<i>Consultants and professional services: Infrastructure and planning</i>	2 594	6 560	7 059	14 902	24 770	29 170	31 938
<i>Consultants and professional services: Legal costs</i>	-	-	-	5 106	5 463	5 791	6 081
<i>Contractors</i>	325	250	238	5 512	5 898	6 252	7 565
<i>Agency and support / outsourced services</i>	42 763	54 526	34 732	51 220	62 952	83 783	87 972
<i>Entertainment</i>	30	50	76	80	-	-	-
<i>Inventory: Food and food supplies</i>	3	4	5	6	11	12	13
<i>Inventory: Learner and teacher support material</i>	215	325	482	-	341	361	379
<i>Inventory: Other consumables</i>	3	5	2	5	11	12	13
<i>Inventory: Stationery and printing</i>	329	589	1 072	1 200	437	463	770
<i>Lease payments</i>	125	140	144	200	384	407	427
<i>Travel and subsistence</i>	2 250	5 780	8 790	10 500	19 897	20 191	21 201
<i>Training and development</i>	1 152	1 531	1 455	2 000	-	-	-
<i>Operating expenditure</i>	135	250	344	400	5	8	9
<i>Venues and facilities</i>	1 549	2 905	4 808	5 000	5 000	5 000	5 250
<b>Transfers and subsidies</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>398 667</b>	<b>1 200 963</b>	<b>2 071 550</b>	<b>2 174 473</b>
Provinces and municipalities	10	-	-	353 167	1 010 637	1 908 000	2 003 400
Public corporations and private enterprises	-	-	-	5 000	10 515	9 180	9 602
Non-profit institutions	-	-	-	40 500	179 811	154 370	161 471
<b>Payments for capital assets</b>	<b>248</b>	<b>591</b>	<b>1 149</b>	<b>1 182</b>	<b>1 362</b>	<b>1 417</b>	<b>1 000</b>
Machinery and equipment	248	581	1 149	1 182	1 362	1 417	1 000
Software and other intangible assets	-	10	-	-	-	-	-
<b>Total</b>	<b>70 406</b>	<b>126 590</b>	<b>133 038</b>	<b>608 523</b>	<b>1 479 110</b>	<b>2 386 705</b>	<b>2 496 608</b>

Table 6.6 Expanded Public Works Programme (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Details of transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial Revenue Funds</b>							
<b>Current</b>	-	-	-	151 419	387 641	800 000	840 000
Expanded Public Works Programme incentive grant to provinces for the Social Sector	-	-	-	-	56 637	-	-
Expanded Public Works Programme incentive to provincial government	-	-	-	151 419	331 004	800 000	840 000
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	10	-	-	201 748	622 996	1 108 000	1 163 400
Regional Services Council levies	10	-	-	-	-	-	-
Expanded Public Works Programme incentive grant for municipalities	-	-	-	201 748	622 996	1 108 000	1 163 400
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	-	-	-	5 000	10 515	9 180	9 602
Independent Development Trust	-	-	-	5 000	10 515	9 180	9 602
<b>Non-profit institutions</b>							
<b>Current</b>	-	-	-	40 500	179 811	154 370	161 471
Non-state sector	-	-	-	40 500	179 811	154 370	161 471

## Expenditure trends

Between 2006/07 and 2009/10, expenditure increased at an average annual rate of 105.2 per cent from R70.4 million to R608.5 million. The increase is due to the implementation of the second phase of the national expanded public works programme in 2009/10. The additional allocation for the expanded public works programme is for conditional grants to both provinces and local government, and non-profit institutions. Amounts allocated for incentive grants in the expanded public works programme in 2009/10 were: R201.7 million to local government, R151.4 million to provincial government, and R190 million to non-profit institutions.

Over the 2010 MTEF period, the budget is expected to increase to R2.5 billion at an average rate of 60 per cent due to additional allocations for the capacity and the social sector.

The following additional allocations have been made for the expanded public works programme over the MTEF period:

- capacity for the expanded public works programme incentive grant for local government: R10 million in 2010/11
- expanded public works programme incentive grant for the social sector: R56.6 million in 2010/11.

Spending over the MTEF period will focus on coordinating the implementation of the expanded public works programme.

## Programme 4: Property and Construction Industry Policy Regulations

- *Construction Industry Development Programme* creates an enabling environment for transforming the reconstruction and development industry.
- *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 standards for the compilation and maintenance of immovable asset registers and the administration of rights over state and private land.

## Objectives and measures

- Promote transformation, growth and development in the construction and property industries by:
  - developing strategies on job creation and poverty alleviation annually
  - establishing of a national task team to coordinate the implementation of the national contractor development programme by the end of June 2010.
- Regulate the construction and property industries and related professions by:
  - submitting the bill arising out of the review of the Expropriation Act (1975) to ensure consistency with the Constitution, to Parliament in the fourth quarter of 2010/11
  - Establish Agrément South Africa as a juristic person by submitting the bill to Parliament by September 2010.
- Promote uniformity and best practice in the lifecycle management of state immovable assets by providing guidance on the extension and implementation of the government wide immovable asset programme to the Department of Cooperative Governance and Traditional Affairs, and provinces in 2010/11.

## Service delivery focus

The programme is jointly managed by the department and its entity, the Construction Industry Development Board. It entails registering and empowering contractors through various developmental interventions such as the national contractor development programme and the construction contact centres.

The Construction Sector Charter on Black Economic Empowerment was gazetted in terms of section 9 of the Broad Based Black Economic Empowerment Act (2003). The Property Sector Charter Council's constitution is currently being negotiated.

The department participates fully in the Property Sector Charter Council and an application for the gazetting of the Property Sector Transformation Charter as prescribed by section 9 was lodged in 2009/10 with the Department of Trade and Industry. It is envisaged that this process will be finalised by mid-2010.

## Expenditure estimates

Table 6.7 Property and Construction Industry Policy Regulations

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
Construction Industry Development Programme	39 650	30 480	20 732	22 432	20 653	23 486	23 774
Property Industry Development Programme	751	372	12 692	11 318	10 886	11 678	12 936
<b>Total</b>	<b>40 401</b>	<b>30 852</b>	<b>33 424</b>	<b>33 750</b>	<b>31 539</b>	<b>35 164</b>	<b>36 710</b>
<b>Economic classification</b>							
Current payments	40 164	30 768	33 181	33 643	31 508	35 144	36 690
Compensation of employees	11 223	11 786	9 440	9 912	10 712	12 005	12 617
Goods and services	28 941	18 982	23 741	23 731	20 796	23 139	24 073
<i>of which:</i>							
Advertising	3 494	1 560	2 773	2 800	2 000	2 100	2 205
Assets less than the capitalisation threshold	45	8	15	20	25	30	40
Catering: Departmental activities	10	3	4	5	6	7	8
Communication	155	103	115	120	125	135	145
Computer services	55	12	28	30	35	40	50
Consultants and professional services: Business and advisory services	785	320	457	500	550	680	780

Table 6.7 Property and Construction Industry Policy Regulations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Economic classification</b>							
<b>Current payments</b>							
<i>Consultants and professional services: Infrastructure and planning</i>	9 850	7 510	8 103	8 200	7 250	7 613	7 994
<i>Consultants and professional services: Legal costs</i>	135	55	93	100	120	125	130
<i>Agency and support / outsourced services</i>	10 456	7 509	9 397	9 163	8 183	9 291	9 415
<i>Entertainment</i>	32	8	12	15	20	25	30
<i>Inventory: Food and food supplies</i>	7	1	2	3	4	5	6
<i>Inventory: Stationery and printing</i>	137	95	111	115	120	125	130
<i>Lease payments</i>	127	82	105	110	115	120	125
<i>Travel and subsistence</i>	1 960	1 125	1 517	1 530	1 238	1 423	1 450
<i>Training and development</i>	78	25	49	50	60	65	75
<i>Operating expenditure</i>	45	9	15	20	25	30	40
<i>Venues and facilities</i>	1 570	557	945	950	920	1 325	1 450
<b>Transfers and subsidies</b>	<b>139</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	7	-	-	-	-	-	-
Public corporations and private enterprises	-	-	20	-	-	-	-
Households	132	-	2	-	-	-	-
<b>Payments for capital assets</b>	<b>98</b>	<b>84</b>	<b>221</b>	<b>107</b>	<b>31</b>	<b>20</b>	<b>20</b>
Machinery and equipment	98	84	221	107	31	20	20
<b>Total</b>	<b>40 401</b>	<b>30 852</b>	<b>33 424</b>	<b>33 750</b>	<b>31 539</b>	<b>35 164</b>	<b>36 710</b>

**Details of transfers and subsidies**

<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
Current	7	-	-	-	-	-	-
Regional Council Levies	7	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
Current	-	-	20	-	-	-	-
Public corporations	-	-	20	-	-	-	-
<b>Households</b>							
<b>Social benefits</b>							
Current	132	-	2	-	-	-	-
Employee Social Benefit: Leave gratuities	132	-	2	-	-	-	-

**Expenditure trends**

Spending in the *Property Industry Development* subprogramme grew by 141.7 per cent between 2006/07 and 2009/10 due to the expansion of the property development sector to cater for the growing demand to regulate and transform the sector and absorb previously disadvantaged individuals into the mainstream economy. Over the MTEF period, total expenditure is expected to increase to R36.7 million in 2012/13 at an average annual rate of 2.8 per cent, due to adjustments for inflation.

Spending over the MTEF period will focus on promoting the growth and transformation of the construction and property industries.

## Programme 5: 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.
- *State Functions* provides for the acquisition of logistical facilities for state functions.

### Expenditure estimates

Table 6.8 Auxiliary and Associated Services

Subprogramme	Audited outcome			Adjusted appropriation 2009/10	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
R thousand							
Compensation for Losses	601	134	–	1 835	1 945	2 062	2 165
Distress Relief	–	–	–	1	1	1	1
Loskop Settlement	–	–	–	1	1	1	1
Assistance to Organisations for Preservation of National Memorials	13 348	12 700	13 669	16 478	17 467	18 515	19 441
State Functions	6 601	202	133	22 106	112	119	125
Sector Education and Training Authority	–	–	1 607	2 215	2 341	2 482	2 606
<b>Total</b>	<b>20 550</b>	<b>13 036</b>	<b>15 409</b>	<b>42 636</b>	<b>21 867</b>	<b>23 180</b>	<b>24 339</b>
Change to 2009 Budget estimate				393	(6 982)	(7 401)	–

#### Economic classification

Current payments	6 601	202	133	23 942	2 058	2 182	2 291
Goods and services	6 601	202	133	23 942	2 058	2 182	2 291
of which:							
Assets less than the capitalization threshold	–	202	–	553	57	60	63
Catering: Departmental activities	1 698	–	–	1 550	1 113	1 180	1 239
Contractors	417	–	133	12 315	330	350	367
Entertainment	93	–	–	–	–	–	–
Inventory: Materials and supplies	144	–	–	553	57	60	63
Inventory: Other consumables	122	–	–	553	57	60	63
Travel and subsistence	515	–	–	2 053	57	60	63
Venues and facilities	3 612	–	–	6 365	387	412	433
Transfers and subsidies	13 948	12 834	15 276	18 694	19 809	20 998	22 048
Departmental agencies and accounts	–	–	1 607	2 215	2 341	2 482	2 606
Foreign governments and international organisations	13 348	12 701	13 669	16 478	17 467	18 515	19 441
Households	600	133	–	1	1	1	1
Payments for capital assets	1	–	–	–	–	–	–
Machinery and equipment	1	–	–	–	–	–	–
<b>Total</b>	<b>20 550</b>	<b>13 036</b>	<b>15 409</b>	<b>42 636</b>	<b>21 867</b>	<b>23 180</b>	<b>24 339</b>

#### Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	–	–	1 607	2 215	2 341	2 482	2 606
Sectorial Education and Training Authority: Public Service directive	–	–	1 607	2 215	2 341	2 482	2 606
Foreign governments and international organisations							
Current	13 348	12 701	13 669	16 478	17 467	18 515	19 441
Commonwealth War Graves Commission (SA contribution)	13 348	12 701	13 669	16 478	17 467	18 515	19 441

Table 6.8 Auxiliary and Associated Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Households							
Social benefits							
Current	-	-	-	1	1	1	1
Loskop Settlement: Social contribution	-	-	-	1	1	1	1
Households							
Other transfers to households							
Current	600	133	-	-	-	-	-
Compensation for Losses (100% housing loan)	600	133	-	-	-	-	-

## Expenditure trends

Expenditure increased at an average annual rate of 27.4 percent, from R20.6 million in 2006/07 to R42.6 million in 2009/10. This is mainly due to the once-off costs arising from the inauguration of the president in 2009/10.

Over the MTEF period, expenditure is expected to decrease to R24.3 million in 2012/13, at an average annual rate of 17 per cent, due to the fact that the next presidential inauguration is expected to take place in 2014/15.

Spending over the MTEF period will focus on providing various services including compensation for losses, assistance to organisations for the preservation of national memorials, and meeting protocol responsibilities for state functions.

## Public entity and other agencies

### Property management trading entity

#### Strategic overview: 2006/07 – 2012/13

The property management trading entity originates from the 2006 decision that accommodation related costs be devolved by the Department of Public works to client departments. The devolution of these budgets aimed to ensure the long term sustainability of the Department of Public Works and its immovable assets as well as compliance with the Public Finance Management Act (1999), which requires the full cost of a service to be visible on each department's budget.

At the end 2008/09, 94.2 per cent of all invoices issued had been paid. An additional R81 million outstanding from previous years was also recovered. The entity has been operating on a modified cash basis of accounting, but will start reporting on accrual accounting from April 2010. The main challenges are inadequate billing and accounting systems and the incomplete immovable asset register. The asset valuation model for valuing assets is still pending approval by the accountant-general. The model will be implemented to reflect the value of the entity's assets in the next annual financial statements.

The department has engaged National Treasury and other stakeholders to discuss the way forward for the Property Management Trading Entity's operations. It is looking at establishing a government component which will still form part of the department. Short term priorities include finalising the structure, improving financial management (specifically revenue management), re-evaluating business processes and policies, as well as identifying, acquiring and implementing supportive IT. The asset register has been implemented and other accounting systems now have to be procured for invoicing, accounting and reporting. A task team has been established for this.

#### Savings and cost effective service delivery

The Property Management Trading Entity will focus on implementing systems to improve its invoicing, which should improve revenue collection and make more money available for projects. Compensation of employees

and goods and services costs are still carried by the department. Projects and properties (leases) are procured through a supply chain management structure, which ensures the best possible rates.

### Selected performance indicators

Table 6.9 Property management trading entity

Indicator	Description	Programme/Activity	Past			Current	Projections		
			2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Amount of revenue collected	Amount of revenue projected in line with budget	Revenue management	R3930 335	R4694 048	R4283 244	R5308 319	R5966 758	R6624 630	R7353 820
Average number of days to collect outstanding money	Age analysis of period between issue of invoice and receipt of money	Revenue management	60	60	60	60	60	60	60
Amount invoiced outstanding at the end of per year	Money not received at the end of the financial year	Revenue management	R148 734	R32 861	R143 015	R152 699	R10 000	R5 000	R0

### Service delivery focus

By the end of the 2008/09, 94.2 per cent of all invoices issued were paid and an additional R81 million outstanding from the previous year was recovered. Some invoices will not be paid by the end of 2009/10 due to disputes from some clients. The entity overspent its budget and reported a deficit at the end of 2008/09, but it did not overspend its budget on invoices issued.

In 2009/10, the entity received R5.3 billion in revenue for accommodation charges (state owned and private), an augmentation of R588 million from the Department of Public Works and a management fee collected on the administration of municipal services accounts. Over the MTEF period, these funds will be used to pay property rates, for cleaning and gardening services and maintenance. The cost of rehabilitating unutilised buildings will be R249 million. A further R5.5 billion will be spent over the MTEF period on municipal services and capital works on behalf of clients.

The entity has 1 600 projects currently running on its planned maintenance programme, of which 523 are currently under construction, 102 are out to tender and 577 are in the planning stage. The rest of the projects are in different stages of investigation and initiation. Municipal services invoices are sent out on a monthly basis to 35 clients, detailing payments made to local governments on behalf of the relevant client.

### Expenditure estimates

Table 6.10 Property management trading entity: Objective information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Repair, Renovate, Refurbish & Maintenance of buildings	1 463 019	1 695 488	1 992 683	2 486 376	1 718 661	1 941 511	2 201 502
Operating Leases	1 493 843	1 610 927	1 884 920	200 070	1 163 699	1 215 851	1 221 710
Property Rates	1 034 770	1 206 014	409 647	538 600	592 460	651 706	716 876
Cleaning & Gardening Services (DPW & Justice)	54 974	81 057	107 841	119 780	155 714	202 428	263 156
Other objectives	48 719	32 998	16 186	25 100	44 543	56 230	6 300
<b>Total expense</b>	<b>4 095 325</b>	<b>4 626 484</b>	<b>4 411 277</b>	<b>3 369 926</b>	<b>3 675 077</b>	<b>4 067 726</b>	<b>4 409 544</b>

Table 6.11 Property management trading entity: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
<b>Revenue</b>							
Non-tax revenue	3 480 336	4 218 048	3 755 244	4 719 908	5 353 791	5 994 441	6 706 971
Sale of goods and services other than capital assets	3 476 602	4 211 087	3 745 561	4 714 908	5 348 791	5 989 441	6 701 971
<i>of which:</i>							
Property management fees	1 336 012	4 211 087	3 745 561	2 217 613	2 407 686	2 607 171	2 812 360
Other sales	2 140 590	–	–	2 497 295	2 941 105	3 382 270	3 889 611
Other non-tax revenue	3 734	6 961	9 683	5 000	5 000	5 000	5 000
Transfers received	450 000	476 000	528 000	588 411	612 967	630 189	646 849
<b>Total revenue</b>	<b>3 930 336</b>	<b>4 694 048</b>	<b>4 283 244</b>	<b>5 308 319</b>	<b>5 966 758</b>	<b>6 624 630</b>	<b>7 353 820</b>
<b>Expenses</b>							
Current expense	3 060 555	3 416 196	4 001 630	2 831 326	3 082 617	3 416 020	3 692 668
Goods and services	3 048 705	3 407 620	3 989 478	2 816 226	3 066 307	3 398 379	3 673 563
Interest, dividends and rent on land	11 850	8 576	12 152	15 100	16 310	17 641	19 105
Transfers and subsidies	1 034 770	1 210 288	409 647	538 600	592 460	651 706	716 876
<b>Total expenses</b>	<b>4 095 325</b>	<b>4 626 484</b>	<b>4 411 277</b>	<b>3 369 926</b>	<b>3 675 077</b>	<b>4 067 726</b>	<b>4 409 544</b>
<b>Surplus / (Deficit)</b>	<b>(164 989)</b>	<b>67 564</b>	<b>(128 033)</b>	<b>1 938 393</b>	<b>2 291 681</b>	<b>2 556 904</b>	<b>2 944 276</b>
<b>Statement of financial position</b>							
Carrying value of assets	–	–	–	4 416 736	6 678 417	9 235 321	12 179 596
<i>of which: Acquisition of assets</i>	–	–	–	1 938 393	2 291 681	2 556 904	2 944 275
Receivables and prepayments	848 977	1 177 403	1 508 379	1 208 379	908 379	608 379	308 379
Cash and cash equivalents	–	758	–	–	376 480	426 480	476 480
Assets not classified elsewhere	3 677	7 952	7 952	–	–	–	–
<b>Total assets</b>	<b>852 654</b>	<b>1 186 113</b>	<b>1 516 331</b>	<b>5 625 115</b>	<b>7 963 276</b>	<b>10 270 180</b>	<b>12 964 455</b>
Accumulated surplus/deficit	(165 046)	(130 812)	(268 528)	4 081 256	6 678 417	9 235 321	12 179 596
Trade and other payables	1 017 700	1 309 964	1 783 184	1 543 859	1 284 859	1 034 859	784 859
Liabilities not classified elsewhere	–	6 961	1 675	–	–	–	–
<b>Total equity and liabilities</b>	<b>852 654</b>	<b>1 186 113</b>	<b>1 516 331</b>	<b>5 625 115</b>	<b>7 963 276</b>	<b>10 270 180</b>	<b>12 964 455</b>

### Expenditure trends

Revenue has increased from R3.9 billion in 2006/07 to R5.3 billion in 2009/10, at an average annual rate of 10.5 per cent and is expected to increase to R7.3 billion in 2012/13, at an average annual rate of 11.5 per cent over the MTEF period. This increase is informed by a 15 per cent increase in accommodation charges, while the leases and municipal services budget only received a 6 per cent increase. The difference between the budget increase and the real increase will have to be funded by the clients. The budgets for future years will be negotiated between the Property Management Trading Entity and its clients on a more detailed basis and will be calculated according to the actual space occupied and services used by the client. Revenues for the Property Management Trading Entity are generated from receipts received in relation to accommodation charges, municipal service fees and the augmentation of the trading entity.

Expenditure decreased from R4.1 billion in 2006/07 to R3.4 billion in 2009/10, at an average annual rate of 6.3 per cent, and is expected to increase to R4.4 billion over the MTEF period. This is due to the devolution of the budget for property rates to provinces.

### Construction Industry Development Board

#### Strategic overview: 2006/07 – 2012/13

The Construction Industry Development Board is a schedule 3A public entity, 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 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.

The sustained growth in the industry experienced over the last few years, in spite of the negative effects of the global economic downturn in the last year and a half, requires the board to improve its resource base. Government's increasing infrastructure investment requires the board to intensify its development role to further boost the delivery capacity of the public sector and the industry in general. Small, medium and micro contractor enterprises will receive priority, with the board playing a strong facilitating role for clients and the established sector carrying out the development of contractors.

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 continue to expand its capacity and provincial outreach. In partnership with the national and provincial public works departments, it will strengthen the capacity of the public sector to implement the national infrastructure maintenance strategy that was approved by Cabinet in 2006 and launched in 2008. It will continue with targeted contractor development interventions based on statistical data from the register of contractors.

Over the medium term, the board will continue to establish and roll out the national register of professional service providers to further streamline public procurement and to enable the development of professional capacity. This involves setting up a register for consultant firms for them to operate and handle construction projects and the finalisation of this project will be guided by consultation with industry and possible amendments to the Construction Industry Development Board Act (2000).

#### *Savings and cost effective service delivery*

A number of measures will be put in place to promote cost effectiveness in the way the board delivers services: strict monitoring mechanisms on the allocated budget will be implemented; the use of outside consultants will be strictly monitored and where possible permanent staff will be appointed to fill vacant positions; and there will be strict control measures on variable costs such as telephone, travelling and accommodation, printing and stationery, and conference fees.

#### Selected performance indicators

Table 6.12 Construction Industry Development Board: Selected performance and operations indicators

Indicator	Activity/Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue	Internal revenue generation from registers of contracts	6 988 032	16 930 688	29 167 884	33 940 000	36 528 000	40 181 000	44 199 000
Number of contractors registered	Contractors registration	7 500	25 000	80 000	100 000	120 000	130 000	140 000
Number of provincial departments using the CIDB infrastructure toolkit	Infrastructure development improvement programme	-	9	9	27	27	27	27
Number of provincial offices established	Provincial outreach	-	4	3	1	1	-	-

#### Service delivery focus

The framework for the national contractor development programme has been improved through continuous engagements with provincial departments. These engagements include a series of provincial workshops and forum and task team meetings to communicate the improvements to the programme's framework, and to assist clients in implementing their contractor development programmes and initiatives. The board has established the provincial contractor development forums where issues of contractor development are now more effectively discussed with stakeholders. Construction contact centres have been pivotal in rolling out the framework. 7 construction contact centres had been established by March 2009, 3 of which were launched in 2007/08 and 4 in 2008/09. The centres have helped to enhance registration services for contractors by reducing turnaround time of the registration processes and increasing capacity and support to clients. Centres in Limpopo and North West will be finalised in 2010/11 and memoranda of understanding have been concluded with 3 of the 4 large banks. The board is exploring new interventions to facilitate training and developing contractors. These

interventions include the development of a contractor booklet on financial and banking basics in a bid to increase understanding of the core financial components of a business, and signing memorandums of understanding with big banks and financial intermediaries. The second phase of the registers, aimed at improving performance and establishing best practice, has been prioritised. Specific components of these programmes are being piloted and will be rolled out in 2011.

Improving registration criteria in 2010/11 will continue to receive priority. Since January 2008, Grade 1 contractors have been registering over the counter and are activated on the system within 48 hours. The registration criteria for grades 2 to 9 have also been improved through the amendment of construction industry development regulations. The board will embark on other major registration improvement criteria in consultation with its stakeholders.

## Expenditure estimates

**Table 6.13 Construction Industry Development Board: Programme information**

R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Growth and contractor development	5 056	14 183	15 685	20 321	22 186	23 359	24 305
Construction industry performance	3 964	4 195	6 330	9 395	10 258	10 800	11 237
Procurement and Delivery management	7 271	12 162	9 744	10 687	11 668	12 285	12 783
Contractor register services	19 860	14 553	17 768	20 984	22 910	24 121	25 098
CEO's office	5 531	11 526	8 283	7 315	7 987	8 409	8 750
Other programmes	11 695	21 449	23 707	26 880	29 348	30 899	32 151
<b>Total expense</b>	<b>53 377</b>	<b>78 068</b>	<b>81 517</b>	<b>95 582</b>	<b>104 357</b>	<b>109 873</b>	<b>114 324</b>

**Table 6.14 Construction Industry Development Board: Financial information**

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>18 890</b>	<b>32 326</b>	<b>38 275</b>	<b>36 313</b>	<b>40 692</b>	<b>43 914</b>	<b>47 442</b>
Sale of goods and services other than capital assets <i>of which:</i>	16 931	29 167	35 277	34 113	38 272	41 252	44 552
<i>Admin fees</i>	16 931	29 167	35 277	34 113	38 272	41 252	44 552
<i>Other non-tax revenue</i>	1 959	3 159	2 999	2 200	2 420	2 662	2 890
Transfers received	40 012	49 891	41 891	59 269	63 665	65 959	66 882
<b>Total revenue</b>	<b>58 902</b>	<b>82 217</b>	<b>80 166</b>	<b>95 582</b>	<b>104 357</b>	<b>109 873</b>	<b>114 324</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>53 377</b>	<b>78 068</b>	<b>81 517</b>	<b>95 582</b>	<b>104 357</b>	<b>109 873</b>	<b>114 324</b>
Compensation of employees	19 032	31 417	37 502	42 738	46 829	51 553	55 677
Goods and services	32 532	45 117	39 680	49 856	55 206	56 501	57 179
Depreciation	1 590	1 225	4 188	2 988	2 322	1 819	1 468
Interest, dividends and rent on land	223	310	147	-	-	-	-
<b>Total expenses</b>	<b>53 377</b>	<b>78 068</b>	<b>81 517</b>	<b>95 582</b>	<b>104 357</b>	<b>109 873</b>	<b>114 324</b>
<b>Surplus / (Deficit)</b>	<b>5 525</b>	<b>4 149</b>	<b>(1 351)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>							
Carrying value of assets	5 089	12 374	12 076	7 764	6 219	5 022	4 171
<i>of which: Acquisition of assets</i>	2 931	7 075	2 800	977	777	622	617
Receivables and prepayments	1 655	3 318	5 883	6 000	3 000	2 571	3 000
Cash and cash equivalents	26 335	30 287	35 798	36 647	34 312	41 772	34 297
Assets not classified elsewhere	135	992	4 502	-	-	-	-
<b>Total assets</b>	<b>33 214</b>	<b>46 971</b>	<b>58 259</b>	<b>50 411</b>	<b>43 531</b>	<b>49 365</b>	<b>41 468</b>
Accumulated surplus/deficit	13 546	17 831	16 506	10 000	7 000	4 000	1 468
Trade and other payables	19 668	29 139	41 753	40 411	36 531	45 365	40 000
<b>Total equity and liabilities</b>	<b>33 214</b>	<b>46 971</b>	<b>58 259</b>	<b>50 411</b>	<b>43 531</b>	<b>49 365</b>	<b>41 468</b>

## Expenditure trends

Revenue is mainly generated from government transfers and averages 60.3 per cent of total revenue over the 7-year period. Between 2006/07 and 2008/09, the Construction Industry Development Board received transfers of R40 million, R49.9 million, R41.9 million. Over the medium term, transfers received are expected to increase at an average annual rate of 4.1 per cent, to reach R66.9 million in 2012/13. The growth is mainly a result of the strong growth of the register of contractors, which is expected to continue over the medium term, the implementation of new projects according to the mandate, and inflationary adjustments.

Expenditure has grown at an average annual rate of 21.4 per cent from R53.4 million in 2006/07 to R95.6 million in 2009/10, reaching R114.3 million in 2012/13. Total spending is expected to grow at a much slower rate over the medium term, averaging an annual rate of 6.1 per cent. Spending in 2007/08 grew by 46.3 per cent, driven largely by spending on compensation of employees and goods and services.

## Council for the Built Environment

### Strategic overview: 2006/07 – 2012/13

The Council for the Built Environment is a statutory body, a schedule 3A public entity 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 interest. The council is mandated to provide leadership and good governance in transforming and sustaining built environment professions that serve public and national interests. It also advises government on issues relating to the built environment professions. In delivering on its mandate since inception, the council has developed strategic objectives that focus on improved stakeholder relations, performance of the skills pipeline, alignment with national imperatives, and regulating the council and the six professional councils. Under the guidance of the Minister of Public Works, the council has championed a number of programmes with the objective of improving the skills pipeline, while also encouraging transformation in the built environment industry.

In response to the challenges presented by the skills pipeline and the findings of research reports undertaken by various built environment stakeholders, including the council's skills audit report, the council has established programmes that focus on improving maths and science education at secondary educational level. The main challenge that had to be addressed was that previously disadvantaged students were not being offered any opportunities to enable them to get exposure to the built environment and its professions. The lack of technology in rural areas was also identified as a problem. Due to the successful launch of the pilot school programme, which took on 220 learners from selected schools in 7 provinces, the council has since entered into a partnership with the Department of Public Works. Pupils were provided with tutorship in mathematics and science and the objective of the programme is to promote the built environment professions in historically disadvantaged schools through career guidance and expos and exhibitions. Maths and science teaching is also supported through capacity building workshops and seminars for teachers. The council has also created a bursary fund, which is providing bursaries for 28 students for 2009/10.

To enhance its capacity and expertise to deliver on its mandate, the council entered into a formal partnership with a number of organisations, including the Association of South African Women in Science and Engineering, and the South African Women in Construction network. Preliminary engagements have been initiated with internal agencies for exchange programmes, funding and partnering. The partnerships involve exchanging information on built environment related issues, such as regulation, skills, monitoring and evaluation, and transformation, and provides opportunities for the council to improve the management of its stakeholder relations.

Built environment professionals have a critical role to play in addressing the country's socioeconomic and environmental challenges. The council reports annually on the state of the built environment professions, highlighting particular issues affecting professionals. The council also recognises the importance of the role of professionals in achieving a sustainable environment: one of its projects focuses on applying green building principles to the built environment professions.

## Savings and cost effective service delivery

To reduce costs, the Council for the Built Environment has undertaken a vigorous recruitment drive, filling key positions in the main programmes unit. This has resulted in lower consultancy fees as most projects will be run internally over 9 months in 2010/11.

New controls that have been designed and implemented in the council's telecommunications procedures, has led to an overall decrease of more than 50 per cent in the cost of the item, despite new positions being introduced.

## Selected performance indicators

Table 6.15 Council for the Built Environment

Indicator	Programme/Activity	Past				Current	Projections		
		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of developed norms and guidelines aimed at effective governance of the built environment professions per year	Recognition of prior learning	-	-	3	5	10	13	0	0
Number of entrants into the built environment professions at tertiary institutions through the schools programme per year	Bursary scheme	-	-	-	20	28	28	35	42
Increase public protection awareness with regard to appeals	Appeals project	-	-	-	4/10 (40%)	5/10 (50%)	6/10 (60%)	9/10 (90%)	10/10 (100%)
Percentage of new registered historically disadvantaged individuals	Access project	-	-	-	10%	15%	20%	25%	30%

## Service delivery focus

The council focuses on promoting integrated planning, implementation and providing intelligence for policy making to develop sustainable built environment professions.

In pursuit of its legislative obligations, the council has shaped its service delivery around the following outcomes: defining the recognition process of built environment professionals' qualifications with scarce skills from foreign countries; providing empirical data that will inform government on the progression of built environment professions and consequently inform policy; facilitating the strengthening of the value chain for sustainable human settlements; concluding all 13 policy frameworks dealing with the legislated functions and mandates of the council and professional councils responsible for administering the professions; introducing a coordinated process to deal with agreed and identified skills gaps in the professions by using the appropriate policy instrument(s); contributing to increasing the number of built environment graduates from historically disadvantaged backgrounds; implementing the legislative provision to protect the public against illegal professional practice; and increase joint efforts with the Department of Public Works to improve relations and coordination to ensure that there is strategic congruence.

Table 6.16 Council for Built Environment: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>1 285</b>	<b>2 958</b>	<b>3 564</b>	<b>3 162</b>	<b>3 340</b>	<b>3 630</b>	<b>3 680</b>
Sale of goods and services other than capital assets <i>of which:</i>	1 184	1 441	1 591	1 900	2 000	2 200	2 200
<i>Sales by market establishments</i>	1 184	1 441	1 591	1 900	2 000	2 200	2 200
<i>Other non-tax revenue</i>	101	1 517	1 973	1 262	1 340	1 430	1 480
Transfers received	7 185	23 939	26 287	24 155	25 527	27 059	27 438
<b>Total revenue</b>	<b>8 470</b>	<b>26 897</b>	<b>29 851</b>	<b>27 317</b>	<b>28 867</b>	<b>30 689</b>	<b>31 118</b>

Table 6.16 Council for Built Environment: Financial information (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand							
<b>Expenses</b>							
<b>Current expense</b>	<b>8 951</b>	<b>18 769</b>	<b>22 193</b>	<b>44 372</b>	<b>28 860</b>	<b>30 689</b>	<b>31 118</b>
Compensation of employees	2 635	5 651	7 586	11 197	13 436	16 124	19 348
Goods and services	6 135	12 725	14 056	32 656	14 668	13 600	10 692
Depreciation	168	379	539	519	756	965	1 078
Interest, dividends and rent on land	13	14	12	-	-	-	-
<b>Total expenses</b>	<b>8 951</b>	<b>18 769</b>	<b>22 193</b>	<b>44 372</b>	<b>28 860</b>	<b>30 689</b>	<b>31 118</b>
<b>Surplus / (Deficit)</b>	<b>(481)</b>	<b>8 128</b>	<b>7 658</b>	<b>(17 055)</b>	<b>7</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>							
Carrying value of assets	739	1 302	1 734	1 925	2 579	3 294	3 518
<i>of which: Acquisition of assets</i>	452	965	858	920	1 260	1 530	1 300
Receivables and prepayments	313	702	637	300	250	200	200
Cash and cash equivalents	2 294	10 446	15 961	200	200	200	200
<b>Total assets</b>	<b>3 346</b>	<b>12 450</b>	<b>18 332</b>	<b>2 425</b>	<b>3 029</b>	<b>3 694</b>	<b>3 918</b>
Accumulated surplus/deficit	2 132	9 483	17 140	1 425	2 129	2 994	3 418
Borrowings	55	40	4	-	-	-	-
Trade and other payables	1 003	2 927	1 188	1 000	900	700	500
Provisions	156	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>3 346</b>	<b>12 450</b>	<b>18 332</b>	<b>2 425</b>	<b>3 029</b>	<b>3 694</b>	<b>3 918</b>
Contingent liabilities	-	-	7 124	-	-	-	-

### Expenditure trends

Revenue consists mainly of government transfers, which average 87.9 per cent of total revenue over the 7-year period. Revenue increased from R8.5 million in 2006/07 to R27.3 million in 2009/10, at an average annual rate of 47.7 per cent. This was mainly due to an increase in the grant allocation of R24 million in 2007/08 to accommodate the operation and the execution of the Council for the Built Environment's mandate to transform and sustain the built environment professions and to advise the Minister of Public Works on the built environment professions.

Over the medium term, the government transfer is expected to increase to R25.5 million, R27.1 million and R27.4 million. The increase is aimed at developing programmes to address the skills shortage in the built environment professions and to conduct research on various issues affecting the built environment professions.

The deficit will be covered using the council's surplus funds.

### Independent Development Trust

#### Strategic overview: 2006/07 – 2012/13

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

The trust has developed a strategy spanning 2010 – 2030. The strategy is premised on the idea that eradicating chronic intergenerational poverty requires a long term view. It supports government's draft anti-poverty strategy, which states that the creation of economic opportunities and enabling and empowering communities and individuals to access these opportunities is at the centre of the fight against poverty. The strategy for 2010–2030 embodies principles that are in line with its mission, mandate and approach. The programmes have been designed in response to the aspirations expressed by poor households and communities, and to encourage the participation of communities. Over the medium term, the trust will pursue three key strategic objectives: the attainment of sustainable livelihoods through people-centred development interventions, pioneering innovative development solutions, and ensuring excellence in service delivery.

As its role has grown and its resource base has been increased to meet its challenges, the trust has accelerated the use of its capital fund for operational purposes. Since the last peak of interest rates in 2008, the fund has been negatively affected by lower interest rates, while material inflation in the industry increased the cost of its operations.

The Independent Development Trust is at a crossroads: its capital fund has reached the point where it cannot sustain its operations for more than two years, but the need for its services continues to grow. The trust is therefore currently reflecting on its mandate, corporate form and funding model, with the aim of working out a business model that will ensure its long term viability.

### Selected performance indicators

Table 6.16 Independent Development Trust

Indicator	Activity/Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Value of spending on all programmes	Social infrastructure	R1.1 bn	R1.2 bn	R1.3 bn	R1.5 bn	R1.55 bn	R1.72 bn	R2.16 bn
Number of job opportunities created	Poverty alleviation	48 800	38 000	53 581	68 000	70 000	100 000	120 000
Number of woman contractors developed	Skills development	-	-	59	60	65	70	80
No of households impacted	Skills development and poverty alleviation	-	-	-	5 000	70 000	80 000	90 000

### Service delivery focus

In 2008/09, the Independent Development Trust implemented construction and social responsibility programmes valued at R1.3 billion, 47.9 per cent of which was transferred to BEE service providers, and 15.6 per cent to women contractors. 53 581 short term jobs were created from these programmes. These results were made possible by the trust's developmental model of social infrastructure delivery, which integrates development outputs and outcomes, such as contributions to the national contractor development programme.

In 2008/09, the trust entered into 3-year contracts with emerging contractors to enhance their technical capacity and business management proficiency to enable them to progress towards larger contracts and higher gradings. In 2008/09, the trust enrolled 73 (against a target of 45) women contractors in the programme. These contractors were trained and completed the first phase of skills development and training based on the Construction Education and Training Authority unit standards and the South African Qualifications Authority framework.

The trust focuses simultaneously on several strategic priorities, such as: speeding up growth and transforming the economy to create decent work and sustainable livelihoods, large programmes to build social and economic infrastructure, and strengthening the skills and human resource base. The trust also committed R150 million over a multi-year period from 2007/08 to eradicate mud schools.

## Expenditure estimates

Table 6.18 Independent Development Trust: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>111 059</b>	<b>136 833</b>	<b>157 523</b>	<b>67 500</b>	<b>74 485</b>	<b>94 820</b>	<b>125 398</b>
Sale of goods and services other than capital assets of which:	12 233	12 082	20 043	9 500	44 485	80 820	125 398
Admin fees	12 233	12 082	20 043	9 500	44 485	80 820	125 398
Other non-tax revenue	98 826	124 751	137 480	58 000	30 000	14 000	–
<b>Total revenue</b>	<b>111 059</b>	<b>136 833</b>	<b>157 523</b>	<b>82 000</b>	<b>85 000</b>	<b>104 000</b>	<b>135 000</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>195 259</b>	<b>301 493</b>	<b>500 897</b>	<b>383 399</b>	<b>360 264</b>	<b>379 730</b>	<b>396 737</b>
Compensation of employees	103 429	145 946	185 625	193 077	204 662	215 918	226 714
Goods and services	85 941	151 265	311 538	185 546	150 826	159 036	167 774
Depreciation	3 678	3 724	3 666	4 776	4 776	4 776	2 249
Interest, dividends and rent on land	2 211	558	68	–	–	–	–
<b>Total expenses</b>	<b>195 259</b>	<b>301 493</b>	<b>500 897</b>	<b>383 399</b>	<b>360 264</b>	<b>379 730</b>	<b>396 737</b>
<b>Surplus / (Deficit)</b>	<b>(84 200)</b>	<b>(164 660)</b>	<b>(343 374)</b>	<b>(301 399)</b>	<b>(275 264)</b>	<b>(275 730)</b>	<b>(261 737)</b>
<b>Statement of financial position</b>							
Carrying value of assets	31 610	31 924	36 267	37 123	32 347	27 571	25 322
of which: Acquisition of assets	7 173	4 223	8 157	5 632	–	–	–
Investments	1 323 994	1 218 779	948 241	651 619	356 619	76 459	(183 029)
Loans	33 177	108 869	58 093	–	–	–	–
Receivables and prepayments	17 420	13 310	33 401	–	–	–	–
Cash and cash equivalents	130 563	3 414	8 950	–	–	–	–
<b>Total assets</b>	<b>1 536 764</b>	<b>1 376 296</b>	<b>1 084 952</b>	<b>688 742</b>	<b>388 966</b>	<b>104 030</b>	<b>(157 707)</b>
Accumulated surplus/deficit	1 497 300	1 327 429	993 242	638 619	338 131	53 178	(206 310)
Borrowings	346	195	51	–	–	–	–
Trade and other payables	26 104	25 083	61 483	50 123	50 835	50 853	48 603
Provisions	12 401	23 139	30 032	–	–	–	–
Liabilities not classified elsewhere	613	450	144	–	–	–	–
<b>Total equity and liabilities</b>	<b>1 536 764</b>	<b>1 376 296</b>	<b>1 084 952</b>	<b>688 742</b>	<b>388 966</b>	<b>104 030</b>	<b>(157 707)</b>

## Expenditure trends

The main source of funding for the Independent Development Trust is the income derived from the investment of its main fund, which decreases by 100 per cent over the 7-year period. This income is used to fund the organisation's operational activities. Total revenue decreased from R111.1 million in 2006/07 to R82 million in 2009/10, at an average annual rate of 9.6 per cent, and is expected to increase to R135 million in 2012/13. The decrease between 2006/07 and 2009/10 is due to the lower capital base available for investment as well as declining interest rates, which resulted in lower returns and also account for the growing margin between revenue generated and expenditure.

Between 2006/07 and 2009/10, expenditure increased from R195.3 million to R383.4 million, at an average annual rate of 25.2 per cent. This growth can be attributed to expenditure from own funding for the eradication of mud schools programme (R94.2 million). In addition, expenditure on compensation of employees increased from R103.4 million in 2006/07 to R193.1 million in 2009/10 at an average annual rate of 23.1 per cent due to the increased capacity needed by the organisation to deliver the increased infrastructure portfolio. Growth over the MTEF period stabilises at an average annual rate of 5.5 per cent reaching R226.7 million in 2012/13.

The growing difference between revenue and expenditure indicates the unavoidable need for additional funding in 2011/12. The Independent Development Trust has taken a deliberate stance to increase its administrative fees receivable over the medium term as a form of cost recovery.

## Additional tables

Table 6.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	2008/09		2008/09	2009/10			2009/10
1. Administration	687 317	741 948	801 552	777 972	(89 000)	688 972	688 972
2. Immovable Asset Management	3 195 491	3 300 678	3 213 564	3 799 305	716 944	4 516 249	4 466 249
3. Expanded Public Works Programme	199 317	200 089	133 038	651 337	(42 814)	608 523	508 523
4. Property and Construction Industry Policy Regulations	33 424	33 424	33 424	33 750	–	33 750	33 750
5. Auxiliary and Associated Services	25 853	25 853	15 409	35 636	7 000	42 636	42 636
<b>Total</b>	<b>4 141 402</b>	<b>4 301 992</b>	<b>4 196 987</b>	<b>5 298 000</b>	<b>592 130</b>	<b>5 890 130</b>	<b>5 740 130</b>

### Economic classification

<b>Current payments</b>	<b>1 580 315</b>	<b>1 612 095</b>	<b>1 660 266</b>	<b>1 879 190</b>	<b>52 244</b>	<b>1 931 434</b>	<b>1 931 434</b>
Compensation of employees	811 482	828 261	916 640	887 493	124 744	1 012 237	1 012 237
Goods and services	768 833	783 834	743 626	991 697	(72 500)	919 197	919 197
<b>Transfers and subsidies</b>	<b>1 512 706</b>	<b>1 512 705</b>	<b>1 510 685</b>	<b>2 150 647</b>	<b>298 200</b>	<b>2 448 847</b>	<b>2 348 847</b>
Provinces and municipalities	889 325	889 325	889 330	1 349 705	353 200	1 702 905	1 602 905
Departmental agencies and accounts	604 634	604 634	604 121	700 657	(20 000)	680 657	680 657
Foreign governments and international organisations	15 545	15 545	13 669	16 478	–	16 478	16 478
Public corporations and private enterprises	50	50	20	–	5 000	5 000	5 000
Non-profit institutions	–	–	–	80 500	(40 000)	40 500	40 500
Households	3 152	3 151	3 545	3 307	–	3 307	3 307
<b>Payments for capital assets</b>	<b>1 048 381</b>	<b>1 177 192</b>	<b>1 026 036</b>	<b>1 268 163</b>	<b>241 686</b>	<b>1 509 849</b>	<b>1 459 849</b>
Buildings and other fixed structures	1 031 208	1 155 019	988 373	1 220 639	241 686	1 462 325	1 412 325
Machinery and equipment	17 173	17 173	37 521	42 387	–	42 387	42 387
Software and other intangible assets	–	5 000	142	5 137	–	5 137	5 137
<b>Total</b>	<b>4 141 402</b>	<b>4 301 992</b>	<b>4 196 987</b>	<b>5 298 000</b>	<b>592 130</b>	<b>5 890 130</b>	<b>5 740 130</b>

Table 6.B Summary of personnel numbers and compensation of employees

Programme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Permanent and full time contract employees</b>							
Compensation (R thousand)	599 533	731 554	901 014	995 829	1 104 203	1 183 572	1 230 413
Unit cost (R thousand)	134	142	158	176	194	208	217
<i>Administration</i>	366	393	470	243	249	261	274
<i>Immovable Asset Management</i>	108	111	119	153	168	181	190
<i>Expanded Public Works Programme</i>	153	237	249	251	366	390	363
<i>Property and Construction Industry Policy Regulations</i>	624	536	378	367	397	445	467
Personnel numbers (head count)	4 479	5 142	5 685	5 654	5 681	5 681	5 681
<b>Part time and temporary contract employees</b>							
Compensation (R thousand)	9 247	9 802	10 292	10 807	11 348	11 915	12 630
Unit cost (R thousand)	149	363	381	400	420	441	468
Personnel numbers (head count)	62	27	27	27	27	27	27
<b>Total for department</b>							
Compensation (R thousand)	613 572	746 436	916 640	1 012 237	1 121 432	1 201 662	1 249 589
Unit cost (R thousand)	131	136	152	169	186	199	207
Personnel numbers (head count)	4 682	5 487	6 030	5 999	6 026	6 026	6 026

Table 6.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R thousand)	613 572	746 438	916 640	1 012 237	1 121 432	1 201 662	1 249 589
Training expenditure (R thousand)	12 773	15 197	22 000	26 110	27 500	28 500	29 925
Training as percentage of compensation	2.1%	2.0%	2.4%	2.6%	2.5%	2.4%	2.4%
Total number trained in department (head count)	4 200	4 200	4 200	–			
<i>of which:</i>							
Employees receiving bursaries (head count)	600	600	562	–			
Leaverships trained (head count)	236	172	172	–			
Internships trained (head count)	141	318	312	–			

Table 6.D Summary of conditional grants to provinces and municipalities<sup>1</sup>

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Conditional grants to provinces</b>							
<b>2. Immovable Asset Management</b>							
Devolution of Property Rate Funds Grant to provinces	710 131	836 573	889 325	1 349 738	1 096 192	1 161 964	1 220 062
<b>3. Expanded Public Works Programme</b>							
Incentive grant to provinces for Infrastructure Sector	–	–	–	151 419	331 004	800 000	840 000
Expanded Public Works Programme incentive grant to provinces for the Social Sector	–	–	–	–	56 637	–	–
<b>Total</b>	<b>710 131</b>	<b>836 573</b>	<b>889 325</b>	<b>1 501 157</b>	<b>1 483 833</b>	<b>1 961 964</b>	<b>2 060 062</b>
<b>Conditional grants to municipalities</b>							
<b>3. Expanded Public Works Programme</b>							
Incentive grant to local government for Infrastructure sector	–	–	–	201 748	622 996	1 108 000	1 163 400
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>201 748</b>	<b>622 996</b>	<b>1 108 000</b>	<b>1 163 400</b>

1. Detail provided in the Division of Revenue Act (2010)

Table 6.E Summary of departmental public private partnership (PPP) projects

Project description: National fleet project	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate			
			2009/10	2010/11	2011/12	2012/13
R thousand						
Projects signed in terms of Treasury Regulation 16	119 297	24 993	26 242	27 554	28 932	
PPP unitary charge <sup>1</sup>	119 297	24 993	26 242	27 554	28 932	
<b>Total</b>	<b>119 297</b>	<b>24 993</b>	<b>26 242</b>	<b>27 554</b>	<b>28 932</b>	

1. Phavis fleet services public private partnership. Disclosure notes for this project can be viewed in the public private partnership table of the Department of Transport's chapter.

**Table 6.F Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
<b>Departmental infrastructure</b>										
Phase 3 of the parliamentary complex extension	Construction of office accommodation	Identification	1 238 800	-	-	-	-	-	-	23 033
Phase 1 of the parliamentary complex extension	Construction of parking facility	Identification	443 982	-	-	-	-	35 613	-	-
Phase 2 of the Parliamentary complex extension	Construction of office accommodation	Identification	798 282	-	-	-	-	16 650	-	-
Redevelopment of Lebombo border post	Redevelopment	Design	470 130	-	19 347	17 083	40 000	13 700	272 000	119 112
Redevelopment of Skilpadshek border post	Redevelopment	Construction	308 308	5 083	5 895	30 672	119 778	88 263	-	-
Upgrading and construction of various centres	Upgrading and construction of departmental accommodation centres	Various	-	54 081	39 699	55 263	120 865	93 595	93 595	99 742
Dolomite risk management at various centres	Dolomite risk management	Various	-	65 347	43 603	55 244	27 803	160 000	160 000	170 000
Upgrading of disabled facilities at various centres	Upgrading of disabled facilities	Various	-	-	-	1 072	20 000	15 000	15 000	-
Border control projects at various centres	Border control projects	Various	-	197 631	185 453	400 159	548 189	449 489	578 507	441 836
Upgrading and construction at various centres	Upgrading and construction of prestige accommodation	Various	-	76 095	157 909	237 328	331 386	191 635	244 843	536 019
Re Kgabisa Tshwane programme	Development of a national government precinct	Various	-	15 883	36 058	191 553	12 618	240 000	240 000	245 000
<b>Total</b>			<b>3 259 502</b>	<b>414 120</b>	<b>487 964</b>	<b>988 374</b>	<b>1 220 639</b>	<b>1 303 945</b>	<b>1 603 945</b>	<b>1 634 742</b>



