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**VOTE 7**  
Public Works

# ESTIMATES OF NATIONAL EXPENDITURE **2011**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**



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**National Treasury**

**Republic of South Africa**

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The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on [www.treasury.gov.za](http://www.treasury.gov.za)

# Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



**Lesetja Kganyago**  
**Director-General: National Treasury**





# Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at [www.treasury.gov.za](http://www.treasury.gov.za).

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

## Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

#### Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	<b>Outcome 4:</b> Decent employment through inclusive economic growth <b>Outcome 5:</b> A skilled and capable workforce to support an inclusive growth path <b>Outcome 6:</b> An efficient, competitive and responsive economic infrastructure network <b>Outcome 7:</b> Vibrant, equitable and sustainable rural communities with food security for all <b>Outcome 10:</b> Environmental assets and natural resources that are well protected and continually enhanced
Housing and community amenities	Human Settlements [31], Water Affairs [38]	<b>Outcome 4:</b> Decent employment through inclusive economic growth <b>Outcome 7:</b> Vibrant, equitable and sustainable rural communities with food security for all <b>Outcome 8:</b> Sustainable human settlements and improved quality of household life <b>Outcome 9:</b> A responsive, accountable, effective and efficient local government system
Education	Basic Education [15], Higher Education and Training [17]	<b>Outcome 1:</b> Improved quality of basic education <b>Outcome 5:</b> A skilled and capable workforce to support an inclusive growth path
Health	Health [16]	<b>Outcome 2:</b> A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	<b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	<b>Outcome 3:</b> All people in South Africa are and feel safe <b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World <b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Defence	Defence and Military Veterans [22]	<b>Outcome 3:</b> All people in South Africa are and feel safe <b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	<b>Outcome 9:</b> A responsive, accountable, effective and efficient local government system <b>Outcome 11:</b> Create a better South Africa and contribute to a better and safer Africa and World <b>Outcome 12:</b> An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship



The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

## Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

**Savings realised per function over the medium term**

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
<b>Total</b>	<b>6 359 682</b>	<b>8 794 185</b>	<b>7 862 728</b>	<b>23 016 595</b>

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

## Major areas of savings and reprioritisation

Function	Savings identified	Savings redirected
Economic affairs	Non-core goods and services (R2 billion) Underperforming programmes (R1.3 billion)	Road maintenance (R950 million) Expansion of public transport infrastructure and system grant (R580 million) Rural development and land reform (R1.3 billion)
Housing and community amenities	Underperforming programmes (R600 million) Non-core goods and services (R478 million) Rescheduling of expenditure (R759 million) Expanded public works programme: Infrastructure (R688 million)	Completion of De Hoop Dam and a portion of bulk distribution system (R1 billion) Regional bulk infrastructure (R600 million) Expanded public works programme Social sector (R825 million)
Social protection	Non-essential items such as catering and consultation fees (R927 million)	Old age grants - means threshold increased (R280 million) Efficient and effective grant payment model (R535 million)
Public order and safety	Non-essential items (R555 million)	Anti-retroviral drugs for prisoners and additional police personnel (R465 million)
Defence	Non-core goods and services (R1.3 billion)	New remuneration dispensation (R1.3 billion)

In addition to the initial exercise, a further reduction of 0.3 per cent on the budgets of provincial and national departments was also effected; this yielded an additional R6 billion in savings.

## Policy reserve

In line with the change to functional budgeting, the additional allocation made available through the national Budget framework was divided per function and a policy reserve was also retained. In the 2011 Budget process the policy reserve was created to fund key government priorities over the next three years. Including the initial identified savings of R1.4 billion that was not reprioritised and the R6 billion identified later, a policy reserve amounting to R33 billion was created. The table below shows how the policy reserve was allocated.

### Allocation of the policy reserve

R thousand	2011/12	2012/13	2013/14	Total
<b>For various functions</b>				
Job creation and youth employment	2 000 000	3 000 000	4 000 000	9 000 000
<b>Economic affairs</b>				
Economic regulatory capacity	50 000	50 000	50 000	150 000
Green economy: allocated	200 000	–	–	200 000
: unallocated	–	300 000	500 000	800 000
Broadband information and communication technology: universal access	100 000	150 000	200 000	450 000
Rural development and farmer support	150 000	350 000	600 000	1 100 000
Public transport	200 000	400 000	600 000	1 200 000
Agro-Processing Competitiveness Fund	34 000	108 000	108 000	250 000
Khula Direct	55 000	–	–	55 000
<b>Housing and community amenities</b>				
Human settlement upgrading	200 000	400 000	600 000	1 200 000
Water infrastructure and quality	50 000	150 000	200 000	400 000
<b>Education</b>				
School infrastructure	700 000	1 500 000	2 300 000	4 500 000
Further education and training colleges expansion and National Students Financial Aid Scheme	1 949 990	2 714 188	3 075 595	7 739 773
<b>Health</b>				
Public health services	600 000	1 400 000	2 000 000	4 000 000
<b>Public order and safety</b>				
Police capacity and border control	100 000	400 000	900 000	1 400 000
<b>Defence</b>				
Border control	100 000	200 000	300 000	600 000
<b>Total</b>	<b>6 488 990</b>	<b>11 122 188</b>	<b>15 433 595</b>	<b>33 044 773</b>

The largest allocation from the policy reserve amounts to R9 billion and targets job creation and youth employment, which is allocated on the National Treasury vote. It will be allocated to line departments that provide proposals for projects that meet the objectives of the fund. Of the R1 billion allocation for the green economy, R800 million is currently unallocated to any specific vote but will be announced in the 2011 Budget

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

## Additional allocations

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 percent) to provinces and R5.1 billion (5.4 percent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

## Economic affairs

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

### Transport

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

### Energy and environmental protection

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

### Industrial development

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

### Agriculture, forestry, fisheries and land affairs

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

#### Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

#### Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

#### Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

#### Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

#### Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

#### Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

## Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

## General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs** vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

## Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

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



## Summary tables

Table 1: Main budget framework 2007/08 to 2013/14

Table 2: Additional allocation to national votes 2011/12 to 2013/14

Table 3: Expenditure by national vote 2007/08 to 2013/14

Table 4: Expenditure by economic classification 2007/08 to 2013/14

Table 5: Amounts to be appropriated from the National Revenue Fund for 2011/12

Table 6a: Conditional grants to provinces 2007/08 to 2013/14

Table 6b: Conditional grants to municipalities 2007/08 to 2013/14

Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14



**Table 1 Main budget framework 2007/08 to 2013/14**

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue (National Revenue Fund)</b>							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment <sup>1</sup>	–	–	–	-2 900.0	–	–	–
<b>Total revenue</b>	<b>560 795.1</b>	<b>608 795.5</b>	<b>579 679.0</b>	<b>666 562.7</b>	<b>729 857.6</b>	<b>806 418.2</b>	<b>904 313.7</b>
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
<b>Expenditure</b>							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments <sup>2</sup>	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets <sup>2</sup>	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	–	–	–	–	40.0	330.0	530.0
Contingency reserve	–	–	–	–	4 090.4	11 405.4	23 375.2
<b>Total expenditure</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
<b>Budget deficit<sup>3</sup></b>	<b>19 351.6</b>	<b>-27 157.8</b>	<b>-167 517.7</b>	<b>-143 360.6</b>	<b>-159 065.7</b>	<b>-161 713.5</b>	<b>-148 714.9</b>
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
<b>GDP</b>	<b>2 078 822.0</b>	<b>2 312 965.0</b>	<b>2 442 593.0</b>	<b>2 666 893.9</b>	<b>2 914 861.7</b>	<b>3 201 299.3</b>	<b>3 536 001.5</b>

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

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

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

**Table 2 Additional allocation to national votes 2011/12 to 2013/14<sup>1</sup>**

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
<b>Central Government Administration</b>	<b>1 948.2</b>	<b>2 277.4</b>	<b>2 923.5</b>	<b>7 149.1</b>
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
<b>Financial and Administrative Services</b>	<b>4 067.9</b>	<b>4 190.0</b>	<b>5 261.1</b>	<b>13 519.0</b>
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
<b>Social Services</b>	<b>4 043.4</b>	<b>7 691.7</b>	<b>14 993.2</b>	<b>26 728.2</b>
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
<b>Justice, Crime Prevention and Security</b>	<b>3 740.6</b>	<b>5 760.1</b>	<b>7 583.9</b>	<b>17 084.7</b>
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
<b>Economic Services and Infrastructure</b>	<b>6 550.4</b>	<b>8 755.2</b>	<b>10 874.5</b>	<b>26 180.1</b>
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
<b>Total</b>	<b>20 350.6</b>	<b>28 674.3</b>	<b>41 636.1</b>	<b>90 661.1</b>

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

**Table 3 Expenditure by national vote 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
<b>Central Government Administration</b>				
1 The Presidency	649.4	308.8	659.1	766.9
2 Parliament	849.8	1 071.5	1 009.0	1 201.6
3 Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4 Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5 International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6 Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7 Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8 Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
<b>Financial and Administrative Services</b>				
9 Government Communication and Information System	380.9	427.5	495.4	550.2
10 National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11 Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12 Public Service and Administration	609.6	630.6	670.8	658.7
13 Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
<b>Social Services</b>				
14 Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15 Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16 Health	13 578.6	16 424.5	19 168.6	23 132.5
17 Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18 Labour	1 431.5	1 507.2	1 698.7	1 835.8
19 Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20 Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
<b>Justice, Crime Prevention and Security</b>				
21 Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22 Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23 Independent Complaints Directorate	80.9	99.3	106.2	131.4
24 Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25 Police	36 525.9	41 635.2	47 662.5	53 529.7
<b>Economic Services and Infrastructure</b>				
26 Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27 Communications	1 911.8	2 328.6	2 301.9	2 138.0
28 Economic Development	245.1	220.4	314.6	449.8
29 Energy	2 229.8	2 961.7	3 690.9	5 648.7
30 Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31 Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32 Mineral Resources	717.5	768.3	853.8	995.8
33 Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34 Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35 Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36 Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37 Transport	19 155.9	28 161.7	28 664.0	30 380.8
38 Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
<b>Total appropriation by vote</b>	<b>309 800.8</b>	<b>370 620.6</b>	<b>436 383.5</b>	<b>466 338.6</b>
Plus:				
<b>Direct charges against the National Revenue Fund</b>				
President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
Members remuneration (Parliament)	240.7	304.2	398.8	392.7
State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
General fuel levy sharing with metros (National Treasury)	–	–	6 800.1	7 542.4
Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
<b>Total direct charges against the National Revenue Fund</b>	<b>231 642.6</b>	<b>265 332.8</b>	<b>310 813.2</b>	<b>351 040.0</b>
Unallocated	–	–	–	–
Contingency reserve	–	–	–	–
Projected underspending	–	–	–	-1 700.0
<b>Total</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>815 678.6</b>

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			
2010/11	2011/12	2012/13	2013/14	R million
				<b>Central Government Administration</b>
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				<b>Financial and Administrative Services</b>
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				<b>Social Services</b>
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				<b>Justice, Crime Prevention and Security</b>
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				<b>Economic Services and Infrastructure</b>
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
<b>459 919.7</b>	<b>499 480.9</b>	<b>538 380.2</b>	<b>578 700.1</b>	<b>Total appropriation by vote</b>
				Plus:
				<b>Direct charges against the National Revenue Fund</b>
4.6	4.8	5.1	5.3	President and Deputy President salary (The Presidency)
392.7	409.6	430.1	453.8	Members remuneration (Parliament)
66 570.4	76 578.7	90 807.7	104 036.2	State debt costs (National Treasury)
265 139.4	288 492.8	305 725.4	323 604.4	Provincial equitable share (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	General fuel levy sharing with metros (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	Skills levy and Setas (Higher Education and Training)
1 929.9	2 104.2	2 401.9	2 575.7	Judges and magistrates salaries (Justice and Constitutional Development)
<b>350 003.5</b>	<b>385 312.0</b>	<b>418 016.1</b>	<b>450 423.3</b>	<b>Total direct charges against the National Revenue Fund</b>
–	40.0	330.0	530.0	Unallocated
–	4 090.4	11 405.4	23 375.2	Contingency reserve
–	–	–	–	Projected underspending
<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>	<b>Total</b>

**Table 4 Expenditure by economic classification 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
<b>Current payments</b>				
<b>Compensation of employees</b>	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
<b>Goods and services</b>	32 272.1	38 522.2	41 695.1	47 989.9
<b>Interest and rent on land</b>	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
<b>Total current payments</b>	<b>141 389.1</b>	<b>157 770.1</b>	<b>174 259.2</b>	<b>204 346.3</b>
<b>Transfers and subsidies to:</b>				
<b>Provinces and municipalities</b>	243 233.6	289 395.9	344 774.7	387 557.9
<b>Provinces</b>	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
<b>Municipalities</b>	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
<b>Departmental agencies and accounts</b>	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
<b>Universities and technikons</b>	12 004.1	13 897.7	15 443.5	17 576.1
<b>Foreign governments and international organisations</b>	935.6	1 010.6	1 366.4	1 357.1
<b>Public corporations and private enterprises</b>	19 485.7	20 188.1	21 704.6	20 492.5
<b>Public corporations</b>	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
<b>Private enterprises</b>	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
<b>Non-profit institutions</b>	1 006.7	1 222.2	1 220.3	1 470.9
<b>Households</b>	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
<b>Total transfers and subsidies</b>	<b>391 929.9</b>	<b>458 702.2</b>	<b>532 182.3</b>	<b>582 807.0</b>
<b>Payments for capital assets</b>				
<b>Buildings and other fixed structures</b>	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
<b>Machinery and equipment</b>	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
<b>Heritage assets</b>	-	0.1	0.2	-
<b>Specialised military assets</b>	-	-	83.1	19.0
<b>Biological assets</b>	10.6	2.7	2.1	2.0
<b>Land and subsoil assets</b>	27.4	49.0	83.9	0.1
<b>Software and other intangible assets</b>	187.7	198.3	193.2	40.8
<b>Total payments for capital assets</b>	<b>7 018.5</b>	<b>8 508.4</b>	<b>9 202.2</b>	<b>9 336.2</b>
<b>Payments for financial assets</b>	1 105.9	10 972.6	31 553.0	20 889.2
<b>Total</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>817 378.6</b>
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
<b>Total</b>	<b>541 443.4</b>	<b>635 953.3</b>	<b>747 196.8</b>	<b>815 678.6</b>

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
2010/11	2011/12	2012/13	2013/14	
<b>88 324.0</b>	<b>94 788.4</b>	<b>100 350.8</b>	<b>107 316.5</b>	<b>Current payments</b>
				<b>Compensation of employees</b>
74 278.1	79 661.6	84 435.8	90 409.3	Salaries and wages
14 046.0	15 126.9	15 914.9	16 907.2	Social contributions
<b>46 980.3</b>	<b>52 944.2</b>	<b>55 829.0</b>	<b>59 536.1</b>	<b>Goods and services</b>
<b>66 579.3</b>	<b>76 606.4</b>	<b>90 838.6</b>	<b>104 067.6</b>	<b>Interest and rent on land</b>
66 578.5	76 605.4	90 837.4	104 066.4	Interest (Incl. interest on finance leases)
0.8	1.1	1.2	1.2	Rent on land
<b>201 883.7</b>	<b>224 339.0</b>	<b>247 018.3</b>	<b>270 920.2</b>	<b>Total current payments</b>
<b>384 334.3</b>	<b>428 131.5</b>	<b>457 512.2</b>	<b>486 602.9</b>	<b>Transfers and subsidies to:</b>
				Provinces and municipalities
<b>323 080.3</b>	<b>357 928.6</b>	<b>380 449.6</b>	<b>404 251.4</b>	<b>Provinces</b>
323 080.3	357 928.6	380 449.6	404 251.4	Provincial revenue funds
<b>61 254.0</b>	<b>70 202.9</b>	<b>77 062.5</b>	<b>82 351.5</b>	<b>Municipalities</b>
61 254.0	70 202.9	77 062.5	82 351.5	Municipal bank accounts
<b>55 866.1</b>	<b>68 241.9</b>	<b>73 170.5</b>	<b>78 537.2</b>	<b>Departmental agencies and accounts</b>
11.6	12.4	13.0	13.7	Social security funds
55 854.6	68 229.5	73 157.5	78 523.5	Departmental agencies (non-business entities)
<b>17 571.1</b>	<b>19 365.4</b>	<b>20 766.7</b>	<b>21 953.2</b>	<b>Universities and technikons</b>
<b>1 358.2</b>	<b>1 463.4</b>	<b>1 723.6</b>	<b>1 830.5</b>	<b>Foreign governments and international organisations</b>
<b>20 459.5</b>	<b>23 642.9</b>	<b>25 011.7</b>	<b>25 561.1</b>	<b>Public corporations and private enterprises</b>
<b>18 180.6</b>	<b>20 434.1</b>	<b>21 742.4</b>	<b>22 063.1</b>	<b>Public corporations</b>
9 836.7	9 879.4	9 997.1	8 896.9	Subsidies on products or production
8 343.9	10 554.7	11 745.4	13 166.3	Other transfers to public corporations
<b>2 278.9</b>	<b>3 208.8</b>	<b>3 269.3</b>	<b>3 498.0</b>	<b>Private enterprises</b>
1 813.5	2 718.2	2 663.9	2 856.4	Subsidies on products or production
465.4	490.6	605.4	641.6	Other transfers to private enterprises
<b>1 461.7</b>	<b>1 500.4</b>	<b>1 874.8</b>	<b>2 099.0</b>	<b>Non-profit institutions</b>
<b>97 282.0</b>	<b>106 151.3</b>	<b>115 494.5</b>	<b>124 154.6</b>	<b>Households</b>
91 514.5	101 279.1	110 239.7	118 596.5	Social benefits
5 767.5	4 872.3	5 254.9	5 558.1	Other transfers to households
<b>578 332.9</b>	<b>648 496.9</b>	<b>695 554.1</b>	<b>740 738.6</b>	<b>Total transfers and subsidies</b>
<b>5 615.9</b>	<b>7 845.0</b>	<b>10 560.6</b>	<b>14 057.6</b>	<b>Payments for capital assets</b>
				<b>Buildings and other fixed structures</b>
4 479.1	5 486.6	7 813.1	11 078.5	Buildings
1 136.8	2 358.3	2 747.6	2 979.1	Other fixed structures
<b>3 144.0</b>	<b>3 302.7</b>	<b>3 202.5</b>	<b>3 344.4</b>	<b>Machinery and equipment</b>
1 699.1	1 922.9	1 645.0	1 697.5	Transport equipment
1 444.9	1 379.8	1 557.5	1 646.9	Other machinery and equipment
<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Heritage assets</b>
<b>19.0</b>	<b>20.7</b>	<b>21.3</b>	<b>22.4</b>	<b>Specialised military assets</b>
<b>2.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>Biological assets</b>
<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Land and subsoil assets</b>
<b>35.9</b>	<b>38.3</b>	<b>39.1</b>	<b>39.9</b>	<b>Software and other intangible assets</b>
<b>8 817.0</b>	<b>11 206.9</b>	<b>13 823.7</b>	<b>17 464.5</b>	<b>Total payments for capital assets</b>
<b>20 889.7</b>	<b>750.1</b>	<b>0.1</b>	<b>0.1</b>	<b>Payments for financial assets</b>
<b>809 923.3</b>	<b>884 792.9</b>	<b>956 396.3</b>	<b>1 029 123.4</b>	<b>Total</b>
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
<b>809 923.3</b>	<b>888 923.3</b>	<b>968 131.7</b>	<b>1 053 028.6</b>	<b>Total</b>

**Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12**

		Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease
R million		2010/11	2011/12					
Central Government Administration								
1	The Presidency	706.8	417.5	387.8	14.5	–	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	–	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	–	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	–	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	–	3.0	–	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	–	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	–	117.9	20.2
Financial and Administrative Services								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	–	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	–	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	–	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	–	3 240.9	1 267.5
Social Services								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	–	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	–	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	–	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	–	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	–	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	–	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	–	802.7	-442.9
Justice, Crime Prevention and Security								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	–	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	–	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	–	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	–	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	–	58 061.5	5 505.1
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	–	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	–	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	–	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	–	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	–	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	–	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	–	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	–	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	–	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	–	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	–	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	–	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	–	9 936.2	1 939.6
Total		812 142.9	224 339.0	648 496.9	11 206.9	750.1	884 792.9	72 650.0

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



Table 6a Conditional grants to provinces 2007/08 to 2013/14<sup>1</sup>

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government Administration</b>								
3 Cooperative Governance and Traditional Affairs	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7 Public Works	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
<b>Financial and Administrative Services</b>								
10 National Treasury	–	–	4 200.0	–	–	–	–	–
<b>Social Services</b>								
14 Arts and Culture	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15 Basic Education	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16 Health	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17 Higher Education and Training	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20 Sport and Recreation South Africa	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
<b>Economic Services and Infrastructure</b>								
26 Agriculture, Forestry and Fisheries	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31 Human Settlements	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37 Transport	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
<b>Total</b>	<b>33 614.6</b>	<b>42 056.3</b>	<b>56 273.0</b>	<b>60 860.7</b>	<b>57 940.8</b>	<b>69 435.8</b>	<b>74 724.2</b>	<b>80 647.0</b>

1. Detail provided in the Division of Revenue Act (2011).

Table 6b Conditional grants to municipalities 2007/08 to 2013/14<sup>1</sup>

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government Administration</b>								
3 Cooperative Governance and Traditional Affairs	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7 Public Works	–	–	100.5	623.0	551.4	679.6	665.7	779.5
<b>Financial and Administrative Services</b>								
10 National Treasury	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
<b>Social Services</b>								
20 Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
<b>Economic Services and Infrastructure</b>								
29 Energy	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31 Human Settlements	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37 Transport	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38 Water Affairs	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
<b>Total</b>	<b>17 806.4</b>	<b>19 927.6</b>	<b>20 891.8</b>	<b>23 354.9</b>	<b>23 051.2</b>	<b>27 490.3</b>	<b>30 416.4</b>	<b>32 743.1</b>

1. Detail provided in the Division of Revenue Act (2011).

**Table 7 Training expenditure per vote 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Central Government Administration</b>							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	–	–	–	0.2	0.3	0.4	0.5
<b>Financial and Administrative Services</b>							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
<b>Social Services</b>							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
<b>Justice, Crime Prevention and Security</b>							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
<b>Economic Services and Infrastructure</b>							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	–	–	–	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	–
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
<b>Total</b>	<b>1 421.9</b>	<b>1 595.3</b>	<b>1 801.5</b>	<b>2 021.3</b>	<b>2 069.6</b>	<b>2 164.4</b>	<b>2 277.3</b>

**Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14<sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Central Government Administration</b>							
3 Cooperative Governance and Traditional Affairs	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4 Home Affairs	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5 International Relations and Cooperation	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7 Public Works	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
<b>Financial and Administrative Services</b>							
10 National Treasury	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
<b>Social Services</b>							
14 Arts and Culture	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15 Basic Education	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16 Health	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18 Labour	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20 Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	–	–	–
<b>Justice, Crime Prevention and Security</b>							
21 Correctional Services	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22 Defence and Military Veterans	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24 Justice and Constitutional Development	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25 Police	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
<b>Economic Services and Infrastructure</b>							
26 Agriculture, Forestry and Fisheries	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27 Communications	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29 Energy	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30 Environmental Affairs	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31 Human Settlements	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33 Rural Development and Land Reform	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34 Science and Technology	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36 Trade and Industry	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37 Transport	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38 Water Affairs	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
<b>Total</b>	<b>49 206.1</b>	<b>56 185.0</b>	<b>64 530.2</b>	<b>74 837.7</b>	<b>86 457.1</b>	<b>96 781.5</b>	<b>104 206.1</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 2007/08 to 2013/14**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government and Administration</b>								
1 The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2 Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3 Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4 Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5 International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6 Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7 Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8 Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
<b>Financial and Administrative Services</b>								
9 Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10 National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11 Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12 Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13 Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
<b>Social Services</b>								
14 Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15 Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16 Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17 Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18 Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19 Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20 Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
<b>Justice, Crime Prevention and Security</b>								
21 Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22 Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23 Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24 Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25 Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
<b>Economic Services and Infrastructure</b>								
26 Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27 Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28 Economic Development	–	–	7.9	57.7	33.7	79.2	91.8	96.5
29 Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30 Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31 Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32 Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33 Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34 Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35 Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36 Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37 Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38 Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
<b>Total</b>	<b>56 221.9</b>	<b>64 819.2</b>	<b>75 276.3</b>	<b>88 740.8</b>	<b>88 324.0</b>	<b>94 788.4</b>	<b>100 350.8</b>	<b>107 316.5</b>

**Table 10 Departmental receipts per vote 2007/08 to 2013/14<sup>1</sup>**

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Central Government Administration</b>								
1 The Presidency	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2 Parliament	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3 Cooperative Governance and Traditional Affairs	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4 Home Affairs	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5 International Relations and Cooperation	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6 Performance Monitoring and Evaluation	–	–	–	–	–	–	–	–
7 Public Works	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8 Women, Children and People with Disabilities	–	–	–	–	–	–	–	–
<b>Financial and Administrative Services</b>								
9 Government Communication and Information System	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10 National Treasury	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11 Public Enterprises	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12 Public Service and Administration	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13 Statistics South Africa	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
<b>Social Services</b>								
14 Arts and Culture	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15 Basic Education	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16 Health	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17 Higher Education and Training	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18 Labour	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19 Social Development	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20 Sport and Recreation South Africa	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
<b>Justice, Crime Prevention and Security</b>								
21 Correctional Services	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22 Defence and Military Veterans	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23 Independent Complaints Directorate	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24 Justice and Constitutional Development	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25 Police	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
<b>Economic Services and Infrastructure</b>								
26 Agriculture, Forestry and Fisheries	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27 Communications	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28 Economic Development	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29 Energy	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30 Environmental Affairs	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31 Human Settlements	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32 Mineral Resources	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33 Rural Development and Land Reform	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34 Science and Technology	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35 Tourism	–	–	0.7	1.5	1.5	–	–	–
36 Trade and Industry	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37 Transport	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38 Water Affairs	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
<b>Total departmental receipts as per Estimates of National Expenditure</b>	<b>11 657.1</b>	<b>11 950.7</b>	<b>7 291.9</b>	<b>8 025.3</b>	<b>7 057.5</b>	<b>5 122.8</b>	<b>6 401.5</b>	<b>6 932.4</b>
<i>Less:</i> Parliament (retained departmental receipts)	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
<i>Plus:</i> Direct receipts into the National Revenue Fund (National Treasury) <sup>2</sup>	1 020.9	–	1 000.0	–	600.0	–	–	–
<i>Plus:</i> South African Revenue Service departmental receipts collection	58.0	711.4	635.1	4 255.0	4 612.0	4 890.0	5 150.0	5 430.0
<b>Total departmental receipts as per Budget Review</b>	<b>12 692.6</b>	<b>12 616.2</b>	<b>8 888.5</b>	<b>12 264.8</b>	<b>12 254.0</b>	<b>10 000.9</b>	<b>11 540.0</b>	<b>12 351.1</b>

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

2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.



# 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 main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. 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. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on [www.treasury.gov.za](http://www.treasury.gov.za). More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

## Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2011/12					2012/13	2013/14
	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 **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 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 a department for its operational requirements.

**Transfers and subsidies** are payments made by a 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 votes 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, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 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 2012 Budget.

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

**Total expenditure estimates** are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

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

## Aim

*The aim of the vote captures the department's mandate, strategic objectives or 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: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

## Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These 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		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

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. It should, however, contain key performance indicators that form part of the service delivery agreements.

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 vote 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				Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
Audited outcome								
R million	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
1. Programme name								
2. Programme name								
3. Programme name								
<b>Subtotal</b>								
<b>Direct charge against the National Revenue Fund</b>								
Item								
Item								
<b>Total</b>								
Change to 2010 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.

**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 any changes made to the appropriation voted in the main 2010 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 were included in the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 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 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 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 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

**Direct charges against the National Revenue Fund** are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. 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 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

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 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 after consideration of savings, cost reduction and reprioritisation opportunities.

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.

### Personnel information

A brief summary of the personnel posts per programme by salary level is given.

### Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

## Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

## Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

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

## 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 the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

## 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		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2010 Budget estimate							
<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>							
Total							

## 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

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 as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements 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 that relate to the key activities being carried out
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on [www.treasury.gov.za](http://www.treasury.gov.za) appears at the end of each chapter together with a short description of what the entity does and its total budget.

## 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 and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

### Details of approved 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 personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

**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 for 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 as a proportion of compensation of employees, 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.

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.

**Unitary charge or fee** refers to the total payment made to the private party for the provision of the various services.

**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.

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

## 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.

**Departmental infrastructure** refers to direct spending by a department on infrastructure assets which the department will own.

**Infrastructure transfers to other spheres, agencies and departments** refers to transfers and grants to other government institutions 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** 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 expenditure and revenue tables a dash ( - ) indicates that information is unavailable or zero.





# **Public Works**

**National Treasury  
Republic of South Africa**



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# Vote 7

## Public Works

### Budget summary

R thousand	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	751 033	740 347	594	10 092	852 748	909 928
Immovable Asset Management	5 424 945	1 206 484	2 687 093	1 531 368	5 408 332	5 919 664
Expanded Public Works Programme	1 575 198	271 634	1 301 580	1 984	1 729 367	1 996 629
Property and Construction Industry Policy Regulations	34 900	34 776	–	124	36 436	38 182
Auxiliary and Associated Services	33 180	12 182	20 998	–	34 339	35 678
<b>Total expenditure estimates</b>	<b>7 819 256</b>	<b>2 265 423</b>	<b>4 010 265</b>	<b>1 543 568</b>	<b>8 061 222</b>	<b>8 900 081</b>
Executive authority	Minister of Public Works					
Accounting officer	Director General of Public Works					
Website address	www.publicworks.gov.za					

### Aim

*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. Promote growth, job creation and transformation in the construction and property industries.*

### Programme purposes

#### Programme 1: Administration

**Purpose:** Provide 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 and assistance to organisations for the preservation of national memorials. Meet the protocol responsibilities for state functions.

## Strategic overview: 2007/08 – 2013/14

The mandate of the Department of Public Works is provided for in the Government Immovable Asset Management Act (2007). The objective of the act is to ensure efficient and effective planning of immovable asset management within government, as well as to improve service delivery. The Department of Public Works is responsible for the provision of official accommodation for all national departments and all members of Parliament, and 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.

The department's planning is aligned with government's medium term strategic framework, three of the government's 12 outcomes, the minister's performance agreement and service level agreements signed with other departments. The minister's performance agreement, which is central to the department's planning, covers three sector outcomes: decent employment through inclusive economic growth (outcome 4), sustainable human settlements and an improved quality of household life (outcome 8), and an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship (outcome 12). The expanded public works programme is supporting outcome 4, with a focus on alleviating youth unemployment and meeting targets on annual work opportunities created. The Department of Public Works is required to contribute land for low income housing to the Department of Human Settlements in support of outcome 8. In this regard, the department has identified 9 000ha of land to be transferred to the Department of Human Settlements over the medium term. In support of an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship (outcome 12), the department will continue to ensure the provision of quality infrastructure and office accommodation to its clients by implementing building and maintenance programmes that are supportive of service delivery and that will ensure that state buildings are accessible to all citizens.

### Key priorities over the medium term

#### *The expanded public works programme*

Phase 2 of the expanded public works programme is in the second year of implementation, and the programme has committed to delivering 4.5 million work opportunities over five years, beginning in 2009. In 2009/10, the programme delivered 625 859 work opportunities, exceeding the initial target of 500 000 work opportunities. The focus over the medium term is on upscaling the programme in participating sectors and in new sectors. The adoption of the new growth path by Cabinet provides more opportunities for the expanded public works programme in the area of job creation. The performance based incentive grants to both provincial and local governments, which include a new allocation for the social sector, will be distributed to incentivise these spheres. The national youth service, a critical component of the expanded public works programme, will continue to benefit from the building and maintenance programmes of the Department of Public Works and client departments. The expanded public works programme is currently a major benefactor of the infrastructure sector projects and this will continue over the medium term. The social and environmental sectors will continue to implement upscaled projects to contribute to the attainment of work opportunity targets of the expanded public works programme.

#### *Building, maintenance and capital works programmes*

All departmental programmes pertaining to building, maintenance and capital works will continue to be implemented over the medium term. Some of the projects to be implemented over the medium term include: the upgrading of 110 facilities to allow access to the disabled, the upgrading and construction of 45 department offices, the development of 12 national government precincts, and the redevelopment of 136 infrastructure related border post centres. These projects will be funded from the capital works budgets of the Department of Public Works and client departments.

#### *Transformation and regulation of the property and construction industries*

Projects funded include the ongoing implementation of the Government Immovable Asset Management Act (2007), the review of the 1997 White Paper on Public Works, the property incubator programme and the contractor incubator programme. The review of the white paper is aimed at contributing to transformation by continuing to assess the extent to which the department contributes to and is aligned with government's priorities, particularly job creation and poverty eradication among targeted constituencies, such as women and youth.

The property incubator programme and the construction incubator programme are linked to the transformation of the property and construction industries. The property incubator programme aims to bring previously disadvantaged individuals into the property sector. Under the contractor incubator programme, the department will provide support to users and custodian departments regarding the development of life cycle asset management plans.

#### *The energy efficiency programme*

The energy efficiency programme is a multi-year programme that began in 2008/09 and aims to ensure the efficient consumption of electricity in state buildings. The energy savings target of 65 000kw/h in 2011/12 will be achieved through: the implementation of shared energy contracts in all 11 of the department's regional offices and countrywide energy efficiency retrofits on public buildings with the allocation of R70 million and from additional funding from the South African National Energy Research Institute. Additional energy savings will also be effected through initiatives by the interdepartmental task team on energy for energy saving in public buildings and behavioural change, which is to be jointly implemented over the medium term by the Department of Public Works and the Government Communications and Information System.

#### *Immovable asset register management*

The department has implemented a more focused and coordinated approach to accelerate the ongoing improvement of the immovable asset register. Activities to improve the asset register to be carried out in 2011/12 include: completing essential information for the asset register to align it with generally recognised accounting practice; the vesting of state land to confirm the ownership of state immovable assets; and an amnesty call to identify immovable assets that are unaccounted for.

#### *Capacity building*

The scarcity of skills in the construction and built environment sectors requires targeted ongoing human capital development initiatives by the department. The department is facing major challenges around operational resources and the filling of strategic professional and technical skills in areas like project management, financial management and business analysis, which are critical for it to deliver on its the mandate. The department is addressing these challenges by working on a number of initiatives, such as learnerships and internships in some professional councils in partnership with the Council for the Built Environment, a bursary scheme for students, a young professionals programme, and adult basic education and training.

## **Savings and cost effectiveness measures**

Over the medium term, the department has identified savings of R294.8 million, R302.7 million and R152.1 million from expenditure on goods and services.

In the *Administration* programme, the following savings were identified over the medium term: R3.9 million, R4.5 million and R4.8 million from spending on communication; and R9.3 million, R11.5 million and R12.2 million from spending on advertising, communication, consultants and professional services, and agency and support/outsourced services. In the *Immovable Asset Management* programme, the following savings were identified over the medium term: R24 million, R23.5 million and R25.8 million from spending on travel and subsistence, and venues and facilities; R210 million in 2011/12 and R160 million in 2012/13 from the Re Kgabisa Tshwane, dolomite risk management and the energy efficiency projects; and R14.7 million, R13.1 million and R13.7 million from spending on communication, agency and support/outsourced services, and travel and subsistence. In the *Expanded Public Works Programme*, savings of R32 million, R36.3 million and R39.1 million over the medium term were identified from spending on business and advisory services. In the *Property and Construction Industry Policy Regulations* programme, savings of R876 000, R834 000 and R632 000 were identified from spending on venues and facilities.

In addition, savings of R52.9 million in 2012/13 and R55.9 million in 2013/14 were identified from the scarce skills capacity training project as the project comes to an end in 2011/12; and efficiency savings of R24 million, R24.6 million and R26 million over the medium term were identified from expenditure on goods and services in the *Administration* and *Immovable Asset Management* programme.

To ensure an uninterrupted flow to the department's operations and to facilitate improved service delivery, a review of the department's operational systems is under way to accommodate the decrease in baseline allocations for the department's operations over the medium term. The department is currently streamlining its business processes to reduce costs related to travelling, consultants, hosting meetings and workshops.

In support of the output to ensure the expansion of the expanded public works programme in the social sector as part of decent employment through inclusive economic growth (outcome 4), the Department of Public Works has reprioritised funds from the infrastructure incentive to provide funding for the social sector. The funds reprioritised from the infrastructure sector were as a result of tightening up the infrastructure incentive model and not as a result of downscaling the number of participating public bodies.

## Selected performance indicators

Table 7.1 Public Works

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Percentage of asset register with information fields populated with essential data (out of the present 108 562 properties)	Immovable Asset Management	–	40% (43 424)	50% (54 281)	70% (75 993)	90% (97 705)	100% (108 562)	–
Number of state owned buildings rehabilitated per year	Immovable Asset Management	–	25	5	64	7	10	15
Percentage reduction in electricity consumption in state owned buildings due to retrofitting	Immovable Asset Management	–	1% (13 800 kw/h)	1% (17 180 kw/h)	3% (37 180 kw/h)	7% (65 000 kw/h)	–	–
Number of state owned buildings made accessible to people with disability per year	Immovable Asset Management	–	76	200	64	110	100	100
Number of youths participating in the national youth service programme in the department per year	Expanded Public Works Programme	4 466	2 859	2 884	1 156	3 000	4 500	6 000
Total number of municipalities reporting on expanded public works programme targets	Expanded Public Works Programme	71	98	127	162	145	170	200
Total number of expanded public works programme work opportunities created per year	Expanded Public Works Programme	440 226	570 815	625 859	387 962	868 000	1 210 000	1 650 000
Total number of expanded public works programme opportunities created on provincial access roads	Expanded Public Works Programme	58 913	74 616	83 586	82 858	115 000	130 000	145 000

## Expenditure estimates

Table 7.2 Public Works

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	733 724	801 552	773 428	629 344	629 344	751 033	852 748	909 928
Immovable Asset Management	2 498 081	3 213 564	4 265 083	5 199 437	5 116 437	5 424 945	5 408 332	5 919 664
Expanded Public Works Programme	126 590	133 038	438 097	1 479 110	1 336 010	1 575 198	1 729 367	1 996 629
Property and Construction Industry Policy Regulations	30 852	33 424	17 441	30 039	30 039	34 900	36 436	38 182
Auxiliary and Associated Services	13 036	15 409	39 600	26 867	26 867	33 180	34 339	35 678
<b>Total</b>	<b>3 402 283</b>	<b>4 196 987</b>	<b>5 533 649</b>	<b>7 364 797</b>	<b>7 138 697</b>	<b>7 819 256</b>	<b>8 061 222</b>	<b>8 900 081</b>
Change to 2010 Budget estimate				918 472	692 372	(164 890)	(184 938)	–

Table 7.2 Public Works (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Economic classification</b>								
<b>Current payments</b>	<b>1 483 765</b>	<b>1 665 683</b>	<b>1 829 405</b>	<b>2 059 404</b>	<b>2 059 404</b>	<b>2 265 423</b>	<b>2 324 508</b>	<b>2 456 746</b>
Compensation of employees	721 456	801 010	976 111	1 200 887	1 200 887	1 242 062	1 241 158	1 305 054
Goods and services	746 736	831 879	847 522	856 932	856 932	1 008 019	1 065 598	1 134 059
of which:								
Administrative fees	1 372	1 461	699	551	551	664	704	747
Advertising	34 811	40 589	15 050	40 586	40 586	41 858	42 260	49 991
Assets less than the capitalisation threshold	4 456	6 937	8 538	8 534	8 534	8 953	10 408	10 893
Audit cost: External	28 053	32 000	31 554	29 215	29 215	33 708	35 764	37 099
Bursaries: Employees	3 155	3 821	4 976	3 635	3 635	4 867	5 152	6 418
Catering: Departmental activities	1 572	2 890	2 145	2 475	2 475	1 659	1 742	1 835
Communication	28 047	36 766	25 640	14 961	14 961	21 710	23 777	24 908
Computer services	11 262	13 335	7 492	3 121	3 121	8 186	8 672	10 188
Consultants and professional services: Business and advisory services	42 002	52 420	17 425	43 258	43 258	21 050	21 103	22 318
Consultants and professional services: Infrastructure and planning	14 256	15 272	27 790	30 865	30 865	37 360	40 404	42 663
Consultants and professional services: Legal costs	9 341	10 721	7 836	8 321	8 321	12 084	13 805	14 579
Contractors	49 578	120 055	49 198	30 164	30 164	67 003	57 117	54 759
Agency and support / outsourced services	116 880	109 693	78 263	103 470	103 470	137 725	143 889	149 346
Entertainment	375	517	495	581	581	620	658	695
Fleet services (including government motor transport)	132	135	112	241	241	247	262	277
Inventory: Food and food supplies	12	17	9	24	24	26	29	32
Inventory: Fuel, oil and gas	14 917	22 291	26 189	24 210	24 210	22 831	27 235	30 832
Inventory: Learner and teacher support material	352	512	10	353	353	374	394	414
Inventory: Materials and supplies	411	698	1 014	994	994	1 037	1 152	1 303
Inventory: Medical supplies	6	7	8	9	9	10	11	13
Inventory: Other consumables	8 529	9 761	11 520	11 312	11 312	11 038	12 578	12 715
Inventory: Stationery and printing	7 831	11 301	11 376	10 306	10 306	5 353	5 520	5 714
Lease payments	178 959	153 946	180 774	197 635	197 635	243 668	256 590	257 641
Property payments	125 807	95 604	263 054	220 342	220 342	258 408	273 406	309 984
Travel and subsistence	45 084	67 014	53 733	48 581	48 581	48 785	59 559	64 109
Training and development	8 234	9 517	8 369	7 972	7 972	9 247	13 307	13 903
Operating expenditure	2 961	3 380	2 902	2 992	2 992	3 210	3 445	3 662
Venues and facilities	8 341	11 219	11 351	12 224	12 224	6 338	6 655	7 021
Interest and rent on land	15 573	32 794	5 772	1 585	1 585	15 342	17 752	17 633
<b>Transfers and subsidies</b>	<b>1 404 163</b>	<b>1 509 906</b>	<b>2 376 690</b>	<b>3 788 130</b>	<b>3 645 030</b>	<b>4 010 265</b>	<b>4 164 530</b>	<b>4 611 536</b>
Provinces and municipalities	836 572	889 330	1 566 445	2 875 864	2 732 764	2 950 440	3 170 449	3 557 965
Departmental agencies and accounts	552 248	604 121	679 329	711 482	711 482	733 090	751 546	792 882
Foreign governments and international organisations	12 701	13 669	14 774	17 467	17 467	18 515	19 441	20 510
Public corporations and private enterprises	–	–	–	–	–	150 000	–	–
Non-profit institutions	–	–	107 554	179 811	179 811	154 370	219 091	236 003
Households	2 642	2 786	8 588	3 506	3 506	3 850	4 003	4 176
<b>Payments for capital assets</b>	<b>514 355</b>	<b>1 021 398</b>	<b>1 294 958</b>	<b>1 517 263</b>	<b>1 434 263</b>	<b>1 543 568</b>	<b>1 572 184</b>	<b>1 831 799</b>
Buildings and other fixed structures	487 964	988 373	1 253 581	1 375 982	1 292 982	1 443 945	1 474 742	1 724 653
Machinery and equipment	26 102	32 728	41 028	136 137	136 137	94 222	91 770	101 162
Software and other intangible assets	289	297	349	5 144	5 144	5 401	5 672	5 984
of which:								
Capitalised goods and services	–	–	–	23 084	23 084	22 366	19 670	20 465
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>32 596</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>3 402 283</b>	<b>4 196 987</b>	<b>5 533 649</b>	<b>7 364 797</b>	<b>7 138 697</b>	<b>7 819 256</b>	<b>8 061 222</b>	<b>8 900 081</b>

## Expenditure trends

Spending over the MTEF period will focus on: the provision and management of the accommodation, housing, land and infrastructure needs of national departments; leading and improving the coordination of the expanded public works programme; and promoting growth, job creation and transformation in the construction and property industries.

Expenditure has increased at an average annual rate of 29.4 per cent, from R3.4 billion in 2007/08 to R7.4 billion in 2010/11. The growth was driven by an increase in transfers and subsidies, mainly due to the implementation of the second phase of the expanded public works programme in municipalities and provinces from 2009/10. Spending on compensation of employees has also increased between 2007/09 and 2010/11, at an annual average increase of 18.5 per cent. The increase was due to the funding of additional posts for the expanded public works programme. Spending on buildings and other fixed structures increased from R488 million in 2007/08 to R1.4 billion in 2010/11, at an average annual rate of 41.3 per cent, mainly due to increased expenditure for ports of entry and additional funding provided for prestige management for the accommodation requirements of additional ministers and deputy ministers resulting from the expansion of Cabinet in 2009.

Over the MTEF period, expenditure is expected to increase to R8.9 billion, at an average annual rate of 6.5 per cent. The increase is due to additional funds allocated for the devolution of the property rates fund grant to provinces over the MTEF period to offset the anticipated shortfall resulting from further updates to the asset register and cost escalations due to the implementation of the Municipal Property Rates Act (2004). Over the medium term, spending on goods and services will increase by R277.5 million, due mainly to additional funding over the MTEF period to offset the anticipated shortfall in municipal charges expenditure.

The consultants appointed by the department are used for infrastructure and planning to provide technical expertise in the fields of construction and the built environment, particularly for the expanded public works programme, as the department currently has a shortage of skills in these areas. R120.4 million is allocated for infrastructure and planning consultants over the medium term.

The department receives the following additional allocations over the MTEF period:

R30 million in 2011/12 for updating the immovable asset register

R188.3 million over the MTEF period for municipal charges expenditure

R641.3 million, R718 million and R803.7 million for the devolution of property rates fund grant to provinces

R200 million, R241.5 million and R286 million for the social sector expanded public works programme incentive grant for provinces

R57 million in 2012/13 and R66 million in 2013/14 for the expanded public works programme in the non-state sector.

Departmental administrative costs equate to 20 per cent of line function costs in 2011/12, 22 per cent in 2012/13 and 22 per cent in 2013/14. This increase reflects the department's intention to address its current shortage of strategic, professional and technical skills over the medium term.

### Infrastructure spending

#### *Small infrastructure project spending*

In the prestige category of accommodation provision, the refurbishment of Mahlamba Ndopfu at the Bryntirion estate will begin in April 2011 for a duration of 15 months and at a total cost of R191 million. R86 million has been allocated for 2011/12. The project entails the upgrading of infrastructure such as bulk water, electrical services and roads. This prestige estate provides residential houses for cabinet members including the President.

The project for the construction of offices at the Bryntirion estate will begin in May 2011 for the duration of 20 months and at a total cost of R103 million. R27 million has been allocated for 2011/12. The project entails the construction of office blocks that will accommodate South African Police Service security personnel who provide security to Bryntirion estate residents.

An executive military health facility that will service the president, Cabinet, and VIPs from outside countries is also being provided. The project began in January 2011. The total cost of the project is R62 million, with an allocation of R13 million in 2011/12.



The accessibility programme has 120 small projects at various stages of completion, with a total allocation of R25 million in 2011/12, R28 million in 2012/13 and R30 million in 2013/14. Each project cost less than R1 million and is to improve service delivery by improving access to 310 public buildings and facilities over the MTEF period.

The department has identified 1 435 refurbishment and maintenance projects over the MTEF period for various client departments. R2.5 billion in 2011/12 and R2.7 billion in 2012/13 has been allocated for these projects. The projects are valued at less than R50 million each and aim to improve the condition of buildings to ensure that the clients using the building facilities find them in an adequate functioning condition.

#### Personnel information

The department has a total establishment of 6 283 posts, of which 4 966 are currently filled and 1 317 are unfunded. Between 2007/08 and 2010/11, the department's staff complement decreased at an annual average rate of 3 per cent. The decrease was mainly due to workshop, cleaning and gardening posts not being filled as and when they became vacant.

The department currently has a total of 965 vacant posts, the majority of which are at salary levels 2, 7, 8, 9 and 11.

## Departmental receipts

Revenue is collected through the property management trading entity. In addition, the department also generates revenue through letting properties and official quarters, and from 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. Departmental receipts are accumulated from the rental of capital assets, tender documents and minor items such as parking, waste paper, servitude rights and sales of capital assets. Over the medium term, revenue is expected to increase from R30.9 million in 2010/11 to R43 million in 2013/14, at an average annual rate of 11.3 per cent. The increase is mainly due to inflation.

Table 7.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
<b>Departmental receipts</b>	<b>95 818</b>	<b>28 510</b>	<b>39 592</b>	<b>30 946</b>	<b>30 946</b>	<b>38 658</b>	<b>40 591</b>	<b>42 622</b>
Sales of goods and services produced by department	20 505	24 614	30 018	25 638	25 638	33 896	35 591	37 371
Sales of scrap, waste, arms and other used current goods	449	21	13	154	154	445	467	490
Fines, penalties and forfeits	2	1	4	3	3	16	17	18
Interest, dividends and rent on land	572	552	2 656	620	620	520	546	574
Sales of capital assets	67 664	940	3 062	1 500	1 500	1 385	1 454	1 527
Transactions in financial assets and liabilities	6 626	2 382	3 839	3 031	3 031	2 396	2 516	2 642
<b>Total</b>	<b>95 818</b>	<b>28 510</b>	<b>39 592</b>	<b>30 946</b>	<b>30 946</b>	<b>38 658</b>	<b>40 591</b>	<b>42 622</b>

## Programme 1: Administration

### Expenditure estimates

Table 7.4 Administration

Subprogramme				Adjusted appropriation	Medium-term expenditure estimate		
R thousand	Audited outcome			2010/11			
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Ministry <sup>1</sup>	17 321	20 310	29 403	34 522	36 268	38 082	40 004
Management	77 076	142 946	50 872	63 450	65 745	69 291	73 291
Corporate Services	362 360	420 925	281 950	213 345	245 476	276 323	291 733
Office Accommodation	276 967	217 371	411 203	318 027	403 544	469 052	504 900
<b>Total</b>	<b>733 724</b>	<b>801 552</b>	<b>773 428</b>	<b>629 344</b>	<b>751 033</b>	<b>852 748</b>	<b>909 928</b>
Change to 2010 Budget estimate				(33 785)	(1 017)	62 543	–

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>728 705</b>	<b>795 490</b>	<b>735 817</b>	<b>613 717</b>	<b>740 347</b>	<b>836 381</b>	<b>893 078</b>
Compensation of employees	209 090	226 362	154 186	179 690	170 904	179 450	189 320
Goods and services	506 095	538 578	578 363	433 527	557 452	646 270	693 003
of which:							
Administrative fees	1 260	1 331	516	353	453	480	509
Advertising	10 845	14 083	9 791	8 950	8 981	10 070	10 710
Assets less than the capitalisation threshold	476	771	456	446	446	475	504
Audit cost: External	28 050	32 000	31 554	29 215	33 708	35 764	37 099
Bursaries: Employees	2 826	3 369	4 369	3 000	4 200	4 452	5 683
Catering: Departmental activities	605	759	478	750	770	814	859
Communication	11 110	12 001	9 080	4 810	7 957	8 564	9 174
Computer services	10 678	12 591	6 757	2 061	7 061	7 485	8 934
Consultants and professional services:	25 996	30 567	2 979	3 163	4 050	4 528	4 588
Business and advisory services							
Consultants and professional services:	84	–	79	85	85	91	96
Infrastructure and planning							
Consultants and professional services:	8 932	10 074	7 072	2 067	5 567	6 962	7 379
Legal costs							
Contractors	33 484	96 089	1 101	1 158	1 038	1 105	1 171
Agency and support / outsourced services	48 156	48 933	41 695	15 775	28 042	34 397	35 541
Entertainment	217	311	266	402	430	457	481
Fleet services (including government motor transport)	131	134	111	239	245	259	274
Inventory: Food and food supplies	2	4	3	3	3	4	4
Inventory: Fuel, oil and gas	536	1 434	1 324	1 417	1 417	1 616	1 607
Inventory: Learner and teacher support material	22	23	2	3	3	4	4
Inventory: Materials and supplies	24	136	71	61	21	23	124
Inventory: Medical supplies	1	1	1	1	1	1	2
Inventory: Other consumables	414	594	315	175	341	292	310
Inventory: Stationery and printing	3 235	5 047	4 716	3 501	3 592	3 595	3 743
Lease payments	169 625	142 159	166 266	184 261	228 494	240 649	240 847
Property payments	125 269	95 032	262 356	144 704	187 738	245 056	281 704
Travel and subsistence	14 059	19 572	17 608	17 312	23 186	26 456	28 578
Training and development	4 873	5 852	5 194	4 323	5 331	8 151	8 518
Operating expenditure	914	1 150	729	578	578	617	654
Venues and facilities	4 271	4 561	3 474	4 714	3 714	3 903	3 906
Interest and rent on land	13 520	30 550	3 268	500	11 991	10 661	10 755
<b>Transfers and subsidies</b>	<b>153</b>	<b>200</b>	<b>272</b>	<b>566</b>	<b>594</b>	<b>624</b>	<b>655</b>
Households	153	200	272	566	594	624	655

Table 7.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Payments for capital assets	4 866	5 862	4 743	15 061	10 092	15 743	16 195
Machinery and equipment	4 841	5 835	4 681	10 061	4 842	10 230	10 379
Software and other intangible assets	25	27	62	5 000	5 250	5 513	5 816
of which:							
Capitalised goods and services	–	–	–	7 000	3 435	3 220	3 299
Payments for financial assets	–	–	32 596	–	–	–	–
Total	733 724	801 552	773 428	629 344	751 033	852 748	909 928
Details of transfers and subsidies							
Households							
Households social benefits							
Current	153	200	272	566	594	624	655
Households: Employee social benefits	153	200	272	566	594	624	655

## Expenditure trends

Spending over the MTEF period will focus on strategic leadership and support services, including accelerating payments for office accommodation, and the overall management of the department.

Between 2007/08 and 2010/11, spending in this programme decreased at an average annual rate of 5 per cent, from R734 million to R629.3 million. Spending declined over this period mainly due to expenditure on compensation of employees, which has decreased by R29.4 million as a result of the realignment of regional office expenditure from the *Administration* programme with the *Immovable Asset Management* programme.

Over the MTEF period, expenditure is expected to increase to R909.9 million, at an average annual rate of 13.1 per cent. This is mainly due to the additional funding allocated to provide for the anticipated shortfall in the budget for municipal charges expenditure over the medium term.

## Programme 2: Immovable Asset Management

- *Infrastructure (Public Works)* funds the acquisition of infrastructure for the department, the prestige portfolio and the infrastructure component of the mandate of the border control operational coordinating committee. The acquisition of infrastructure for the prestige category and the land ports of entry comprise 30 per cent and 25 per cent of the total infrastructure budget, as these are the two largest priorities under this subprogramme.
- *Property Management* funds the allocation for devolution of the property rates funds grant to the provinces. 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. Funds are allocated per province based on the Department of Public Works' calculations, which are informed by the property list from its register of properties. The key output for this subprogramme is the payment of property rates for provincially owned properties as per the verified invoices submitted by the various municipalities in the country.
- *Strategic Asset Investment Analysis* provides for the strategic management of immovable assets owned or used for delivering various government services that are expected to yield functional, economic and social benefits to the state. The staff complement of this subprogramme is 218 and approximately 97 per cent of the budget is spent on compensation of employees and related goods and services.
- *Operation Management* funds the implementation of acquisition and construction of infrastructure for the department and client departments. The staff complement of this subprogramme is 4 079 and 84 per cent of the budget is spent on compensation of employees.
- *Prestige Management* funds the allocation for activities relating to ministers' and deputy ministers' residences. The staff complement for the subprogramme is 67 and 56 per cent of the budget is spent on compensation of employees and goods and services, and 43 per cent on payments for machinery and equipment for ministers and deputy ministers. Over the medium term, the department will upgrade and construct 154 structures in the prestige accommodation category.

- *Special Projects* funds the implementation of non-recurring and technical projects in the department. The staff complement for special projects is 34.
- *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 with the needs of the economy, protecting the public from unprofessional or illegally built environment related practices, improving performance of the skills pipeline, and regulating the council and the six professional councils. The council 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 for the transportation and related costs of parliamentarians and related officials.
- *Augmentation of the Property Management Trading Entity* is a special subprogramme for receiving funds to be transferred to the property management trading entity.
- *Independent Development Trust* makes transfers to the Independent Development Trust, which is a development agency.

## Objectives and measures

- Enhance the value of the state immovable asset portfolio and improve the condition of buildings by rehabilitating 32 buildings over the MTEF period to ensure that service delivery to client departments is improved.
- Reduce energy consumption in public buildings countrywide by 65 000 kWh in 2011/12 by retrofitting 120 prioritised government buildings with energy efficient lighting.
- Ensure that all state buildings and facilities are accessible to all, including people with disabilities, by building basic requirements such as ramps, parking facilities, ablution facilities, appropriate doorways, lifts and signage for 110 buildings in 2011/12.

## Expenditure estimates

Table 7.5 Immovable Asset Management

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Infrastructure (Public Works)	487 964	988 373	1 253 581	1 375 982	1 443 945	1 474 742	1 724 653
Property Management	836 572	889 330	1 353 946	1 865 227	1 803 230	1 938 047	2 090 853
Strategic Asset Investment Analysis	74 466	98 187	121 054	211 102	253 465	179 801	192 374
Operation Management	519 395	606 280	835 291	919 985	933 207	972 362	1 022 752
Prestige Management	–	–	–	86 000	68 495	52 445	54 595
Special Projects	27 436	28 880	22 769	32 000	41 995	41 995	44 305
Construction Industry Development Board	49 891	41 891	59 269	63 665	65 959	66 882	70 561
Council for the Built Environment	23 939	26 286	24 155	25 527	27 059	27 438	28 947
Parliamentary Village Management Board	2 418	6 337	6 607	6 982	7 401	7 771	8 198
Augmentation of the Property Management Trading Entity	476 000	528 000	588 411	612 967	630 189	646 849	682 426
Independent Development Trust	–	–	–	–	150 000	–	–
<b>Total</b>	<b>2 498 081</b>	<b>3 213 564</b>	<b>4 265 083</b>	<b>5 199 437</b>	<b>5 424 945</b>	<b>5 408 332</b>	<b>5 919 664</b>
Change to 2010 Budget estimate				948 757	637 898	510 034	–

Table 7.5 Immovable Asset Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Economic classification</b>							
<b>Current payments</b>	<b>598 091</b>	<b>704 970</b>	<b>939 300</b>	<b>1 122 605</b>	<b>1 206 484</b>	<b>1 163 217</b>	<b>1 222 302</b>
Compensation of employees	471 008	517 442	761 256	917 501	960 043	953 494	1 005 175
Goods and services	125 030	185 284	175 658	204 089	243 176	202 731	210 350
of which:							
Administrative fees	112	129	183	194	203	215	227
Advertising	2 106	3 448	4 515	4 795	5 044	6 441	8 581
Assets less than the capitalisation threshold	3 560	5 904	7 589	7 987	8 392	9 818	10 264
Bursaries: Employees	329	452	605	635	667	700	735
Catering: Departmental activities	912	1 013	1 388	1 467	608	635	664
Communication	16 324	23 943	15 458	8 543	12 664	14 072	14 573
Computer services	487	550	720	772	814	858	904
Consultants and professional services: Business and advisory services	13 334	18 954	10 552	8 536	13 128	13 921	15 602
Consultants and professional services: Infrastructure and planning	102	110	126	132	139	146	153
Consultants and professional services: Legal costs	354	554	658	691	726	762	800
Contractors	15 844	23 572	25 591	16 030	47 503	36 128	33 137
Agency and support / outsourced services	6 688	17 384	20 657	6 882	17 961	11 561	11 363
Entertainment	100	116	141	164	173	182	191
Fleet services (including government motor transport)	1	1	1	2	2	3	3
Inventory: Food and food supplies	5	5	6	7	8	9	10
Inventory: Fuel, oil and gas	14 381	20 857	24 865	22 793	21 414	25 619	29 225
Inventory: Learner and teacher support material	5	7	8	9	10	11	12
Inventory: Materials and supplies	387	562	756	795	836	879	924
Inventory: Medical supplies	5	6	7	8	9	10	11
Inventory: Other consumables	8 110	9 165	10 566	11 125	10 684	12 271	12 388
Inventory: Stationery and printing	3 913	5 053	5 906	6 273	1 311	1 453	1 478
Lease payments	9 145	11 492	13 973	12 935	14 637	15 374	16 147
Property payments	538	572	608	75 638	70 670	28 350	28 280
Travel and subsistence	24 120	36 587	25 023	10 263	8 738	15 140	16 151
Training and development	1 805	2 160	2 770	3 534	3 791	5 006	5 228
Operating expenditure	1 755	1 874	2 052	2 394	2 609	2 779	2 956
Venues and facilities	608	814	934	1 485	435	388	343
Interest and rent on land	2 053	2 244	2 386	1 015	3 265	6 992	6 777
<b>Transfers and subsidies</b>	<b>1 391 176</b>	<b>1 494 428</b>	<b>2 036 497</b>	<b>2 577 307</b>	<b>2 687 093</b>	<b>2 690 365</b>	<b>2 884 505</b>
Provinces and municipalities	836 572	889 330	1 349 739	1 865 227	1 803 230	1 938 047	2 090 853
Departmental agencies and accounts	552 248	602 514	678 442	709 141	730 608	748 940	790 132
Households	2 356	2 584	8 316	2 939	3 255	3 378	3 520
<b>Payments for capital assets</b>	<b>508 814</b>	<b>1 014 166</b>	<b>1 289 286</b>	<b>1 499 525</b>	<b>1 531 368</b>	<b>1 554 750</b>	<b>1 812 857</b>
Buildings and other fixed structures	487 964	988 373	1 253 581	1 375 982	1 443 945	1 474 742	1 724 653
Machinery and equipment	20 596	25 523	35 418	123 399	87 272	79 849	88 036
Software and other intangible assets	254	270	287	144	151	159	168
of which:							
Capitalised goods and services	–	–	–	15 000	18 097	15 616	16 332
<b>Total</b>	<b>2 498 081</b>	<b>3 213 564</b>	<b>4 265 083</b>	<b>5 199 437</b>	<b>5 424 945</b>	<b>5 408 332</b>	<b>5 919 664</b>

Table 7.5 Immovable Asset Management (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Details of transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
Current	552 248	602 514	678 442	709 141	730 608	748 940	790 132
Construction Industry Development Board	49 891	41 891	59 269	63 665	65 959	66 882	70 561
Council for the Built Environment	23 939	26 286	24 155	25 527	27 059	27 438	28 947
Parliamentary Villages Management Board	2 418	6 337	6 607	6 982	7 401	7 771	8 198
Property Management Trading Entity	476 000	528 000	588 411	612 967	630 189	646 849	682 426
<b>Households</b>							
<b>Households social benefits</b>							
Current	2 356	2 584	8 316	2 939	3 255	3 378	3 520
Officials on pension: Employee social benefit	2 356	2 584	4 109	2 939	3 255	3 378	3 520
Employees social benefits	–	–	4 207	–	–	–	–
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial revenue funds</b>							
Current	836 572	889 330	1349 739	1865 227	1803 230	1938 047	2090 853
Devolution of property rate funds grant	836 572	889 330	1349 739	1865 227	1803 230	1938 047	2090 853
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers to public corporations</b>							
Current	–	–	–	–	150 000	–	–
Independent Development Trust	–	–	–	–	150 000	–	–

## Expenditure trends

The spending focus over the medium term will be on the provision and management of government's immovable property portfolio in support of government's social, economic, functional and political objective.

Between 2007/08 and 2010/11, spending in this programme increased at an average annual rate of 27.7 per cent, from R2.5 billion to R5.2 billion. The growth is due to increased spending for the devolution of the property rates fund grant to provinces, buildings and other infrastructure expenditure, and the realignment of regional offices from the *Administration* programme to this programme.

Over the MTEF period, spending is expected to increase to R5.9 billion, at an average annual rate of 4.4 per cent. This is due to additional funding provided for the increase in expenditure for the devolution of the property rates fund grant to provinces, which is expected to increase by R641 million in 2011/12, R717 million in 2012/13 and R804 million in 2013/14.

Administrative costs equate to 6 per cent of line function costs in 2011/12, and 11 per cent in 2012/13 and 2013/14. This increase reflects the department's intent to address the shortage of support staff 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 delivering needed services. The subprogramme has a staff complement of 157 and 73 per cent of the budget is spent on performance based incentives to

municipalities and provinces, which are distributed on the basis of their ability to absorb unskilled labour into expanded public works programme projects.

- *Performance Based Incentive Allocations* disburses funds to provinces, municipalities and non-governmental organisations based on set job creation targets. Examples of projects include municipal and provincial expanded public works programme projects for refuse collection, beach cleaning, clearing foreign vegetation, pothole or road mending, and painting government buildings.

## Objectives and measures

- Increase the Department of Public Work's participation in the implementation of the expanded public works programme by:
  - training 6 000 youth in the artisan trades of the built environment by 2014
  - ensuring that at least 15 per cent of the youth who have been trained through the national youth service programme are placed in employment opportunities, 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 2014.
- Increase the number of non-state organisations participating in the expanded public works programme from 58 in 2009/10 to 140 by March 2013 by increasing funding to the sector by R57 million in 2012/13 and R66 million in 2013/14.
- Support public bodies in the different sectors to implement the expanded public works programme 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.

## Expenditure estimates

Table 7.6 Expanded Public Works Programme

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Expanded Public Works Programme	126 590	133 038	99 337	278 147	264 438	268 235	283 345
Performance Based Incentive Allocations	–	–	338 760	1 200 963	1 310 760	1 461 132	1 713 284
<b>Total</b>	<b>126 590</b>	<b>133 038</b>	<b>438 097</b>	<b>1 479 110</b>	<b>1 575 198</b>	<b>1 729 367</b>	<b>1 996 629</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>125 999</b>	<b>131 889</b>	<b>112 957</b>	<b>286 216</b>	<b>271 634</b>	<b>276 307</b>	<b>290 892</b>
Compensation of employees	29 572	47 766	54 847	92 984	99 110	95 597	97 248
Goods and services	96 427	84 123	58 004	193 182	172 460	180 646	193 580
<i>of which:</i>							
Administrative fees	–	–	–	3	3	4	5
Advertising	20 300	20 429	609	24 356	25 693	23 559	28 400
Assets less than the capitalisation threshold	210	246	347	85	90	95	100
Bursaries: Employees	–	–	2	–	–	–	–
Catering: Departmental activities	55	973	249	110	117	123	130
Communication	510	660	1 028	1 509	973	1 000	1 003
Computer services	85	166	12	276	293	308	323
Consultants and professional services: Business and advisory services	2 352	2 442	3 247	31 209	3 412	1 895	1 338
Consultants and professional services: Infrastructure and planning	6 560	7 059	19 337	24 770	29 170	31 938	33 777

Table 7.6 Expanded Public Works Programme (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Economic classification</b>							
<i>Consultants and professional services:</i>	–	–	–	5 463	5 791	6 081	6 400
<i>Legal costs</i>							
<i>Contractors</i>	250	238	1 084	5 898	6 252	7 565	8 000
<i>Agency and support / outsourced services</i>	54 526	34 732	15 411	73 467	83 102	89 296	93 640
<i>Entertainment</i>	50	76	67	–	–	–	–
<i>Inventory: Food and food supplies</i>	4	5	–	11	12	13	14
<i>Inventory: Learner and teacher support material</i>	325	482	–	341	361	379	398
<i>Inventory: Materials and supplies</i>	–	–	3	–	–	–	–
<i>Inventory: Other consumables</i>	5	2	10	11	12	13	14
<i>Inventory: Stationery and printing</i>	589	1 072	564	437	373	390	409
<i>Lease payments</i>	140	144	118	334	407	427	500
<i>Travel and subsistence</i>	5 780	8 790	10 385	19 897	15 191	16 201	17 395
<i>Training and development</i>	1 531	1 455	322	–	–	–	–
<i>Operating expenditure</i>	250	344	103	5	8	9	10
<i>Venues and facilities</i>	2 905	4 808	5 106	5 000	1 200	1 350	1 724
<i>Interest and rent on land</i>	–	–	106	50	64	64	64
<b>Transfers and subsidies</b>	–	–	324 260	1 190 448	1 301 580	1 451 493	1 703 115
Provinces and municipalities	–	–	216 706	1 010 637	1 147 210	1 232 402	1 467 112
Public corporations and private enterprises	–	–	–	–	–	–	–
Non-profit institutions	–	–	107 554	179 811	154 370	219 091	236 003
<b>Payments for capital assets</b>	591	1 149	880	2 446	1 984	1 567	2 622
Machinery and equipment	581	1 149	880	2 446	1 984	1 567	2 622
Software and other intangible assets	10	–	–	–	–	–	–
<i>of which:</i>							
<i>Capitalised goods and services</i>	–	–	–	1 084	638	638	638
<b>Total</b>	<b>126 590</b>	<b>133 038</b>	<b>438 097</b>	<b>1 479 110</b>	<b>1 575 198</b>	<b>1 729 367</b>	<b>1 996 629</b>
<b>Details of transfers and subsidies</b>							
<b>Non-profit institutions</b>							
<b>Current</b>	–	–	107 554	179 811	154 370	219 091	236 003
Non-state sector	–	–	107 554	179 811	154 370	219 091	236 003
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial revenue funds</b>							
<b>Current</b>	–	–	116 219	387 641	467 627	566 724	687 616
Expanded Public Works Programme: incentive grant for provinces	–	–	116 219	331 004	267 269	325 220	401 588
Social Sector Expanded Public Works Programme: incentive grant for provinces	–	–	–	56 637	200 358	241 504	286 028
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	–	–	100 487	622 996	679 583	665 678	779 496
Expanded Public Works Programme: Incentive grant for municipalities	–	–	100 487	622 996	679 583	665 678	779 496

## Expenditure trends

The spending focus over the medium term will be on the creation of work opportunities and the provision of training for unskilled, marginalised and unemployed people in South Africa by improving the coordination and



performance of the expanded public works programme. Between 2009/10 and 2013/14, 4.5 million work opportunities are expected to be created.

Between 2007/08 and 2010/11, expenditure increased at an average annual rate of 126.9 per cent, from 126.6 million to R1.5 billion. The growth in expenditure was mainly as a result of the increase in the allocation for transfers and subsidies to fund the expanded public works programme incentives for participating public bodies in the infrastructure, non-state sector and the social sector.

Over the MTEF period, expenditure is expected to increase at an average annual rate of 10.5 per cent, to reach R2 billion in 2013/14. This is mainly due to the additional allocations to fund the performance based incentives of the expanded public works programme over the MTEF period.

Administrative costs equate to 6 per cent of line function costs over the medium term. This is based on current funding available over the MTEF period.

## Programme 4: Property and Construction Industry Policy Regulations

- *Construction Industry Development Programme* creates an enabling environment for transforming the reconstruction and development industry by developing appropriate legislation and implementation monitoring mechanisms for the sector. The subprogramme has a staff complement of 6.
- *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 through policy development. 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 through its guidelines. The subprogramme has a staff complement of 8.

### Objectives and measures

- Promote uniformity and best practice in the management of state immovable assets by developing lifecycle asset management guidelines on state immovable assets.
- Regulate the construction and property industries and related professions, over the MTEF period by:
  - drafting the Expropriation Bill to align with the Constitution to provide a common framework to guide the processes and procedures for the expropriation of property by all organs of state
  - establishing Agrément South Africa as a juristic person through a legislation process.
- Inform policy development in the construction and property industries by reviewing the 1997 White Paper (Public Works Towards the 21st Century) and the 1999 White Paper (Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry) over the MTEF.

### Expenditure estimates

Table 7.7 Property and Construction Industry Policy Regulations

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Construction Industry Development Programme	30 480	20 732	6 103	19 653	23 225	23 513	24 548
Property Industry Development Programme	372	12 692	11 338	10 386	11 675	12 923	13 634
<b>Total</b>	<b>30 852</b>	<b>33 424</b>	<b>17 441</b>	<b>30 039</b>	<b>34 900</b>	<b>36 436</b>	<b>38 182</b>
Change to 2010 Budget estimate				(1 500)	(264)	(274)	–

Table 7.7 Property and Construction Industry Policy Regulations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Economic classification</b>							
<b>Current payments</b>	<b>30 768</b>	<b>33 201</b>	<b>17 392</b>	<b>29 808</b>	<b>34 776</b>	<b>36 312</b>	<b>38 057</b>
Compensation of employees	11 786	9 440	5 822	10 712	12 005	12 617	13 311
Goods and services	18 982	23 761	11 558	19 076	22 749	23 660	24 709
of which:							
Administrative fees	–	1	–	1	5	5	6
Advertising	1 560	2 629	135	2 485	2 140	2 190	2 300
Assets less than the capitalisation threshold	8	16	1	16	25	20	25
Audit cost: External	3	–	–	–	–	–	–
Catering: Departmental activities	–	145	14	148	164	170	182
Communication	103	162	70	99	116	141	158
Computer services	12	28	3	12	18	21	27
Consultants and professional services: Business and advisory services	320	457	647	350	460	759	790
Consultants and professional services: Infrastructure and planning	7 510	8 103	8 248	5 878	7 966	8 229	8 637
Consultants and professional services: Legal costs	55	93	106	100	–	–	–
Contractors	–	23	7	20	28	28	34
Agency and support / outsourced services	7 510	8 644	120	7 346	8 620	8 635	8 802
Entertainment	8	14	12	15	17	19	23
Inventory: Food and food supplies	1	3	–	3	3	3	4
Inventory: Materials and supplies	–	–	184	138	180	250	255
Inventory: Other consumables	–	–	1	1	1	2	3
Inventory: Stationery and printing	94	129	104	95	77	82	84
Lease payments	49	151	131	105	130	140	147
Travel and subsistence	1 125	2 065	713	1 109	1 670	1 762	1 985
Training and development	25	50	83	115	125	150	157
Operating expenditure	42	12	18	15	15	40	42
Venues and facilities	557	1 036	961	1 025	989	1 014	1 048
Interest and rent on land	–	–	12	20	22	35	37
<b>Transfers and subsidies</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Households	–	2	–	–	–	–	–
<b>Payments for capital assets</b>	<b>84</b>	<b>221</b>	<b>49</b>	<b>231</b>	<b>124</b>	<b>124</b>	<b>125</b>
Machinery and equipment	84	221	49	231	124	124	125
of which:							
Capitalised goods and services	–	–	–	–	196	196	196
<b>Total</b>	<b>30 852</b>	<b>33 424</b>	<b>17 441</b>	<b>30 039</b>	<b>34 900</b>	<b>36 436</b>	<b>38 182</b>
<b>Details of transfers and subsidies</b>							
<b>Households</b>							
<b>Households social benefits</b>							
Current	–	2	–	–	–	–	–
Construction Industry Development Programme	–	2	–	–	–	–	–

## Expenditure trends

The spending focus over the medium term will be on the development of policies that are aligned with the attainment of government's expected outcomes, and the promotion of growth and transformation of the construction and property industries.

Between 2007/08 and 2010/11, expenditure decreased from R30.9 million to R30 million, at an average annual rate of 0.9 per cent. This is due to the realignment of expenditure for regional offices.

Over the MTEF period, expenditure is expected to increase at an average annual rate of 8.3 per cent to reach R38.2 million. This is mainly due to the increase in spending on compensation of employees and related goods and services.

Administrative costs equate to 9 per cent of line function costs over the medium term.

## 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.
- *Sector Education and Training Authority* aims to influence training and skills development throughout the construction industry.

## Expenditure estimates

Table 7.8 Auxiliary and Associated Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R thousand	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compensation for Losses	134	–	–	1 945	2 062	2 165	2 284
Distress Relief	–	–	–	1	1	1	1
Loskop Settlement	–	–	–	1	1	1	1
Assistance to Organisations for Preservation of National Memorials	12 700	13 669	14 774	17 467	18 515	19 441	20 510
State Functions	202	133	23 939	5 112	10 119	10 125	10 132
Sector Education and Training Authority	–	1 607	887	2 341	2 482	2 606	2 750
<b>Total</b>	<b>13 036</b>	<b>15 409</b>	<b>39 600</b>	<b>26 867</b>	<b>33 180</b>	<b>34 339</b>	<b>35 678</b>
Change to 2010 Budget estimate				5 000	10 000	10 000	–
<b>Economic classification</b>							
<b>Current payments</b>	<b>202</b>	<b>133</b>	<b>23 939</b>	<b>7 058</b>	<b>12 182</b>	<b>12 291</b>	<b>12 417</b>
Goods and services	202	133	23 939	7 058	12 182	12 291	12 417
of which:							
Assets less than the capitalisation threshold	202	–	145	–	–	–	–
Catering: Departmental activities	–	–	16	–	–	–	–
Communication	–	–	4	–	–	–	–
Contractors	–	133	21 415	7 058	12 182	12 291	12 417
Agency and support / outsourced services	–	–	380	–	–	–	–
Entertainment	–	–	9	–	–	–	–
Inventory: Other consumables	–	–	628	–	–	–	–
Inventory: Stationery and printing	–	–	86	–	–	–	–
Lease payments	–	–	286	–	–	–	–
Property payments	–	–	90	–	–	–	–
Travel and subsistence	–	–	4	–	–	–	–
Venues and facilities	–	–	876	–	–	–	–

Table 7.8 Auxiliary and Associated Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Transfers and subsidies	12 834	15 276	15 661	19 809	20 998	22 048	23 261
Departmental agencies and accounts	–	1 607	887	2 341	2 482	2 606	2 750
Foreign governments and international organisations	12 701	13 669	14 774	17 467	18 515	19 441	20 510
Households	133	–	–	1	1	1	1
<b>Total</b>	<b>13 036</b>	<b>15 409</b>	<b>39 600</b>	<b>26 867</b>	<b>33 180</b>	<b>34 339</b>	<b>35 678</b>
<b>Details of transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
Current	–	1 607	887	2 341	2 482	2 606	2 750
Sector Education and Training Authority	–	1 607	887	2 341	2 482	2 606	2 750
<b>Households</b>							
<b>Households social benefits</b>							
Current	133	–	–	1	1	1	1
Compensation for losses	133	–	–	–	–	–	–
Loskop settlement	–	–	–	1	1	1	1
<b>Foreign governments and international organisations</b>							
Current	12 701	13 669	14 774	17 467	18 515	19 441	20 510
Compensation for losses	1	–	–	–	–	–	–
Commonwealth War Graves Commission	12 700	13 669	14 774	17 467	18 515	19 441	20 510

## Expenditure trends

The spending focus over the medium term will be on providing 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.

Between 2007/08 and 2010/11, expenditure increased from R13 million to R26.9 million, at an average annual rate of 27.3 per cent. The increase is mainly due to state function expenditure for the presidential inauguration in 2009/10.

Over the MTEF period, expenditure increases at an average annual rate of 9.9 per cent to reach R35.7 million. This is due to the increase in funds allocated for state functions.

## Public entities and other agencies

### Property management trading entity

#### Strategic overview: 2007/08 – 2013/14

The property management trading entity originates from the decision taken in 2006 that accommodation related costs be devolved by the Department of Public works to client departments. The devolution of these budgets is 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 that the full cost of a service be visible on each department's budget.

At the end of 2009/10, 92 per cent of all invoices issued to client departments had been paid. An additional R167 million outstanding from previous years was also recovered. The main challenges that the entity faces in reporting its finances are inadequate billing and accounting systems, and an incomplete immovable asset register.

The medium term priorities of the entity include finalising its structure, improving financial management (specifically revenue management), re-evaluating business processes and policies, as well as identifying, acquiring and implementing an IT system that supports its operations. The electronic asset register has been

implemented and other accounting systems are now being procured for invoicing, accounting and reporting purposes.

### Savings and cost effectiveness measures

The property management trading entity is in the process of confirming the status of occupation of state owned accommodation with its clients, to ensure correct and accurate billing for these properties. This will also improve its invoicing systems. The original devolution was based on the data available at that time, and new, upgraded and alternative accommodation had not been taken into account. Processes are being developed to identify new accommodation in time to allow clients to budget for increased expenditure through the MTEF process and to also improve the entity's revenue collection and make more money available for projects. Compensation of employees and goods and services costs are still carried by the Department of Public Works. Projects and properties (leases) are procured through a supply chain management structure, which ensures the best possible rates.

### Selected performance indicators

Table 7.9 Property management trading entity

Indicator	Description	Programme/Activity	Past			Current	Projections		
			2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Amount of revenue collected per year	Amount of revenue collected in line with projections	Revenue Management	4.7bn	4.3bn	5.4bn	6.4bn	7bn	7.8bn	8.7bn
Average number of days to collect revenue	Age analysis of period between issue of invoice and receipt of money	Revenue Management	60	60	60	60	60	60	60
Amount invoiced as outstanding at the end of the year	Money not received at the end of the financial year	Revenue Management	32.8m	143m	109.2m	100m	100m	100m	100m

### Expenditure estimates

Table 7.10 Property management trading entity

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Maintenance and Repair of Buildings	1 695 488	753 498	628 603	524 013	831 600	914 760	1 006 236
Operating Leases	1 610 927	1 884 920	2 478 959	2 700 645	2 916 697	3 150 032	3 402 035
Property Rates	1 206 014	409 647	549 813	592 460	651 706	716 876	788 564
Cleaning and Gardening Services	81 057	107 841	135 508	155 714	202 428	263 156	289 472
Other Objectives	32 998	16 186	181 233	39 582	56 230	6 300	6 201
<b>Total expense</b>	<b>4 626 484</b>	<b>3 172 092</b>	<b>3 974 116</b>	<b>4 012 414</b>	<b>4 658 661</b>	<b>5 051 124</b>	<b>5 492 508</b>

Table 7.11 Property management trading entity

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2010/11	2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>4 218 048</b>	<b>2 545 877</b>	<b>3 328 085</b>	<b>3 631 434</b>	<b>4 028 472</b>	<b>4 404 275</b>	<b>4 810 082</b>
Sale of goods and services other than capital assets	4 211 087	2 543 090	3 327 844	3 626 434	4 023 472	4 399 275	4 805 083
of which:							
Property management fees	4 211 087	2 543 090	3 327 844	2 798 791	3 029 565	3 268 544	3 532 398
Other sales	–	–	–	827 643	993 907	1 130 731	1 272 685
Other non-tax revenue	6 961	2 787	241	5 000	5 000	5 000	4 999
<b>Transfers received</b>	<b>476 000</b>	<b>528 000</b>	<b>588 411</b>	<b>612 967</b>	<b>630 189</b>	<b>646 849</b>	<b>682 426</b>
<b>Total revenue</b>	<b>4 694 048</b>	<b>3 073 877</b>	<b>3 916 496</b>	<b>4 244 401</b>	<b>4 658 661</b>	<b>5 051 124</b>	<b>5 492 508</b>

Table 7.11 Property management trading entity (continued)

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome						
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Expenses</b>							
Current expense	3 416 196	3 172 092	3 974 116	3 419 954	4 006 955	4 334 248	4 703 944
Goods and services	3 407 620	3 172 092	3 974 116	3 403 644	3 989 314	4 315 143	4 680 189
Interest, dividends and rent on land	8 576	–	–	16 310	17 641	19 105	23 755
Transfers and subsidies	1 210 288	–	–	592 460	651 706	716 876	788 564
<b>Total expenses</b>	<b>4 626 484</b>	<b>3 172 092</b>	<b>3 974 116</b>	<b>4 012 414</b>	<b>4 658 661</b>	<b>5 051 124</b>	<b>5 492 508</b>
<b>Surplus / (Deficit)</b>	<b>67 564</b>	<b>(98 215)</b>	<b>(57 620)</b>	<b>231 987</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Statement of financial position</b>							
Carrying value of assets	–	–	–	5 000	5 000	5 000	5 000
of which: Acquisition of assets	–	–	–	5 000	–	–	–
Receivables and prepayments	1 177 403	2 095 975	2 377 833	1 858 494	1 358 494	858 494	358 494
Cash and cash equivalents	758	6 567	8 997	3 997	2 000	2 000	2 000
Assets not classified elsewhere	7 952	–	–	–	–	–	–
<b>Total assets</b>	<b>1 186 113</b>	<b>2 102 542</b>	<b>2 386 830</b>	<b>1 867 491</b>	<b>1 365 494</b>	<b>865 494</b>	<b>365 494</b>
Accumulated surplus/deficit	(130 812)	(167 603)	(225 223)	–	–	–	–
Trade and other payables	1 309 964	722 196	930 581	418 006	218 006	118 006	100 000
Liabilities not classified elsewhere	6 961	1 547 949	1 681 472	1 449 485	1 147 488	747 488	265 494
<b>Total equity and liabilities</b>	<b>1 186 113</b>	<b>2 102 542</b>	<b>2 386 830</b>	<b>1 867 491</b>	<b>1 365 494</b>	<b>865 494</b>	<b>365 494</b>

## Expenditure trends

Over the medium term, the trading entity will focus on implementing systems to improve its invoicing, which should improve revenue collection and make more money available for projects. This will entail a process of confirming occupation of state owned accommodation with its clients to ensure correct and itemised billing of these properties.

Expenditure has decreased from R4.6 billion in 2007/08 to R4 billion in 2010/11, at an average annual rate of 4.6 per cent. The decrease is due to a change in reporting from cash to accrual based accounting. Repairs, rehabilitation and upgrading were previously included in the entity's expenditure, but have now been excluded as they are capital in nature and form part of departmental expenditure. These amounts are now reported under the department's disclosure note as a non-cash item as it affects the immovable assets. In 2010/11, the property management trading entity aims to realise a saving in order to finance the deficit of previous years.

Over the medium term, expenditure is expected to increase at an average annual rate of 11 per cent to reach R5.5 billion. This is mainly due to the annual escalation in lease contracts, which ranges between 8 and 10 per cent as determined by local government, and an inflationary increase in estimates for day-to-day maintenance.

## Construction Industry Development Board

### Strategic overview: 2007/08 – 2013/14

The Construction Industry Development Board is a schedule 3A public entity established in terms of the Construction Industry Development Board Act (2000) to provide leadership to stakeholders and to stimulate sustainable growth in, and the reform and improvement of, the construction sector for effective delivery, and to enhance the industry's role in the country's economy. In terms of the Public Finance Management Act (1999), the board of directors is the accounting authority and accountable to the Minister of Public Works as the executive authority. The board submits its annual business plan and budget for approval to the minister.

In order to ensure full accountability for good governance and that it is a best practice organisation that adheres to corporate standards and legislative requirements, the board has established the following committees: a remuneration committee responsible for human resource policy; an audit committee; a risk committee; a tender committee in terms of the supply chain management regulations; and an internal audit unit and assessment committee, which gives final approval for contractor registration and grading.

The board of directors is made up of private and public sector individuals, appointed by the Minister of Public Works on the basis of their knowledge and expertise. The accounting authority is supported by a knowledge based team of employees that is committed to the development objectives defined in the Construction Industry Development Board Act (2000).

The Construction Industry Development Board has maintained and improved its capacity in line with the demand for contractor registration and other value adding activities in the construction sector. Public relations and stakeholder engagements have been pursued as both formal and informal approaches at national and provincial levels. The Construction Industry Development Board has enjoyed growing support from government in the provincial offices (construction contact centres) that have been established in all nine provinces. The delays in the transfer of funds from the Department of Public Works to the Construction Industry Development Board for the development and implementation of the national infrastructure maintenance strategy have had a negative impact on planning and budgeting for public infrastructure maintenance.

Various project components, like the best practice schemes, are being piloted in different parts of the country. The national register of professional service providers, which the entity is mandated to establish, will be piloted in 2012/13. Through the register of professional service providers, the board will register consulting firms in the built environment to minimise fraud and promote transparent procurement practices of consultants by public sector clients. The register's software re-write project and electronic document management system are the biggest registration systems to be implemented to date and have been prioritised. The entity has been permitted to establish the Employment Skills Development Agency, which aims to support skills development for the youth in the construction industry. An advisory council for the agency has been put in place and a pilot project is under way. The first group of learners have been placed on learnership programmes with various employers.

In response to rampant fraud and corruption in the industry, compliance with Construction Industry Development Board requirements and the code of conduct is being enforced with the support of two major forensic investigation companies.

### Savings and cost effectiveness measures

The entity will put measures in place to promote cost effectiveness in the way the board delivers services. The measures include placing strict monitoring mechanisms on the allocated budget, monitoring the use of outside consultants and, where possible, appointing permanent staff to fill vacant positions. There will also be strict control measures on variable costs such as telephone, travelling and accommodation, printing and stationery, and conference fees.

### Selected performance indicators

Table 7.12 Construction Industry Development Board

Indicator	Activity/Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Revenue per year	Internal revenue generation from registers of contracts	32.3m	38m	50.8m	40.7m	43.9m	47.4m	50.5m
Total number of registered contractors per year	Registered number of contractors on the board's database	25 000	80 000	100 000	120 000	130 000	140 000	150 000
Total number of provincial departments complying with Construction Industry Development Board's regulations	Compliance with and enforcement of Construction Industry Development Board legislation	9	9	27	27	27	27	27
Number of construction contact centres established per year	Permanent provincial construction contact centre outreach	4	3	1	0	1	0	0

### Details of programmes/activities/objectives

**Growth and Contractor Development** promotes enterprise development, investment and spending as the basis for a stable, developing industry and the participation of the emerging sector. It does this through the provincial outreach of the nine provincial construction contact centres. R23.3 million has been budgeted for 2011/12.

**Construction Industry Performance** provides research and development support to the construction industry to improve performance and facilitate best practice for the industry. R10.8 million has been allocated for 2011/12.

**Procurement and Delivery Management** enhances public sector construction procurement and infrastructure delivery management capability to enable efficient and effective delivery of quality infrastructure to the public sector. It does this by building capacity and ensuring countrywide compliance to Construction Industry Development Board regulations by at least nine national departments, 27 provincial departments and 284 municipalities responsible for infrastructure development. R12.3 million has been budgeted for 2011/12.

**Construction Registers Services** maintains the national register of professional service providers and the registration of projects for both public and private sector projects. 150 000 registrations are projected over the MTEF period and R24.1 million has been allocated for 2011/12.

## Expenditure estimates

Table 7.13 Construction Industry Development Board

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Growth and Contractor Development	14 183	15 685	18 890	22 442	23 359	24 305	25 885
Construction Industry Performance	4 195	6 330	6 570	9 977	10 800	11 237	11 968
Procurement and Delivery Management	12 162	9 744	9 236	11 349	12 285	12 783	13 614
Contractor Register Services	14 553	15 593	16 748	21 661	24 121	25 098	26 729
CEO's Office	11 526	8 283	8 931	9 530	8 409	8 750	9 319
Other Objectives	21 449	23 707	28 715	29 398	30 899	32 151	33 572
<b>Total expense</b>	<b>78 068</b>	<b>79 342</b>	<b>89 090</b>	<b>104 357</b>	<b>109 873</b>	<b>114 324</b>	<b>121 087</b>

Table 7.14 Construction Industry Development Board

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>32 326</b>	<b>37 952</b>	<b>50 847</b>	<b>40 692</b>	<b>43 914</b>	<b>47 442</b>	<b>50 526</b>
Sale of goods and services other than capital assets	29 167	35 002	46 648	38 272	41 252	44 552	47 448
<i>of which:</i>							
<i>Sales by market establishments</i>	29 167	35 002	46 648	38 272	41 252	44 552	47 448
<i>Other non-tax revenue</i>	3 159	2 951	4 199	2 420	2 662	2 890	3 078
Transfers received	49 891	41 891	59 269	63 665	65 959	66 882	70 561
<b>Total revenue</b>	<b>82 217</b>	<b>79 843</b>	<b>110 116</b>	<b>104 357</b>	<b>109 873</b>	<b>114 324</b>	<b>121 087</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>78 068</b>	<b>79 342</b>	<b>89 090</b>	<b>104 357</b>	<b>109 873</b>	<b>114 324</b>	<b>121 087</b>
Compensation of employees	31 417	37 502	44 285	46 829	51 553	55 677	58 628
Goods and services	45 117	35 952	38 048	59 513	51 925	56 394	60 896
Depreciation	1 225	2 327	2 487	435	6 395	2 253	1 563
Interest, dividends and rent on land	310	3 561	4 270	(2 420)	-	-	-
<b>Total expenses</b>	<b>78 068</b>	<b>79 342</b>	<b>89 090</b>	<b>104 357</b>	<b>109 873</b>	<b>114 324</b>	<b>121 087</b>
<b>Surplus / (Deficit)</b>	<b>4 149</b>	<b>501</b>	<b>21 026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>							
Carrying value of assets	12 374	15 984	14 600	14 165	8 392	6 756	7 027
<i>of which: Acquisition of assets</i>	7 075	2 800	1 928	-	622	617	657
Receivables and prepayments	3 318	3 925	1 119	3 000	2 571	3 000	3 195
Cash and cash equivalents	30 287	35 798	62 313	34 312	41 772	34 297	36 526
Assets not classified elsewhere	992	7 565	4 502	-	-	-	-
<b>Total assets</b>	<b>46 971</b>	<b>63 273</b>	<b>82 533</b>	<b>51 477</b>	<b>52 735</b>	<b>44 053</b>	<b>46 748</b>
Accumulated surplus/deficit	17 831	21 520	42 546	7 000	4 000	1 468	1 563
Post-retirement benefits	-	24 274	15 956	-	-	-	-
Trade and other payables	29 139	-	-	36 531	45 365	40 000	42 600
Liabilities not classified elsewhere	-	17 479	24 031	-	-	-	-
<b>Total equity and liabilities</b>	<b>46 971</b>	<b>63 273</b>	<b>82 533</b>	<b>43 531</b>	<b>49 365</b>	<b>41 468</b>	<b>44 163</b>



## Expenditure trends

The spending focus over the medium term will continue to be on facilitating the training of contractors, fast-tracking contractor development, reviewing registration criteria, research and development for the construction industry through the centres of excellence, and piloting and rolling out the Employment Skills Development Agency.

Revenue is mainly generated from government transfers. Between 2007/08 and 2010/11, transfers to the board increased at an average annual rate of 8.5 per cent, from R49.9 million to R63.7 million. Over the medium term, transfers received are expected to increase at an average annual rate of 3.5 per cent to reach R70.6 million. The growth in both periods is mainly as a result of the continuous rapid growth of the register of contractors, the implementation of new projects according to the mandate, as well as inflationary adjustments.

Expenditure has grown at an average annual rate of 10.2 per cent, from R78.1 million in 2007/08 to R104.4 million in 2010/11. During the same period, contractor registrations grew from 25 000 to an estimated 120 000. The bulk of the growth is in expenditure on compensation for employees and goods and services, and was largely influenced by the growth in registrations, which required increased capacity requirements for administration, systems and personnel. It is expected that expenditure will increase at an average annual rate of 5.1 per cent to reach R121.1 million over the medium term. The increase is inflation related.

## Personnel information

The entity filled 35 of the 36 vacant professional positions in 2009/10. The entity intends filling all vacant positions before the end of 2011/12.

## Council for the Built Environment

### Strategic overview: 2007/08 – 2013/14

The Council for the Built Environment is a statutory entity established under the Built Environment Act (2000). The act mandates the council to oversee and regulate the six built environment professional councils responsible for regulating professions such as architects, engineers, quantity surveyors, landscape architects, property valuers, and project and construction managers. The council is classified as a schedule 3A entity in terms of the Public Finance Management Act (1999).

The work of the organisation is guided by its mandate, and its strategic and policy priorities are informed by government's policy priorities, defined through the medium term strategic framework. The organisation is therefore locating its strategy within the following key government priorities over the medium term: speeding up growth and transforming the economy to create decent work and sustainable livelihoods; expanding the skills and human resource base; and contributing to the development of the African continent and enhanced international cooperation. As a government agency under the leadership of the Minister of Public Works, the council has structured its medium term strategy to be in line with the following key outcomes that form the basis of the minister's performance agreement: creation of decent employment through inclusive economic growth (outcome 4).

The council has identified three key strategic priorities that will be used as a basis for resource planning and budgeting over the MTEF period. The first is that it will continue to ensure compliance with policies, regulations and standards within the built environment, ensuring that the six specified professions within the built environment contribute to integrated development. This will be effected through the development of policies and regulations that it operates under and that govern the six professional councils. The second priority involves monitoring and driving skills development within the built environment sectors. Here, the council will intensify measures to address bottlenecks in the skills pipeline and work towards increasing scarce skills in areas such as engineering and architecture, where there needs to be greater participation by previously disadvantaged groups. The third priority is to focus on improving stakeholder relations, including relations with the public that it has been legally mandated to protect. A cross cutting strategic priority is the provision of leadership throughout the built environment and strengthening relations with equivalent bodies in the rest of Africa.

## Savings and cost effectiveness measures

The council has implemented improvements to control measures within the administrative area, resulting in cost saving of more than R100 000 in 2010/11. The savings have been redirected to speed up service delivery. To ensure that the organisation capitalises on the reduced funding, its aim to produce research and policy internally yielded savings of up to R1.2 million in 2010/11.

## Selected performance indicators

Table 7.15 Council for the Built Environment

Indicator <sup>1</sup>	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of policies of professional councils aligned with Council for the Built Environment policy frameworks per year	Alignment of policies	–	–	–	2	9	2	–
Number of regulations promulgated per year	Regulations	–	–	–	1	2	4	–
Number of students receiving bursary support per year	Bursary scheme	–	–	20	45	68	102	153
Percentage of women receiving bursary support	Bursary scheme	–	–	30% 6/20	38% 17/45	40% 27/68	50% 51/102	50% 76/153
Number of stakeholder forums held per year	Stakeholder relations	–	–	–	4	4	2	2

<sup>1</sup>The council's new board defined a new strategy, which resulted in new indicators for this year.

## Details of programmes/activities/objectives

To realise the objectives set out in the 2011 business plan, the council has organised itself into three key operational programmes:

**Policy and Research** provides research used to inform policy response within the built environment. In the last two years, this department has developed 11 policy frameworks used as guidelines for the discharge of 13 public functions of the Council for the Built Environment and professional councils. Over the MTEF period, the focus will be on developing the remaining two policy frameworks and to facilitate the process of policy alignment and implementation at professional council level.

**Regulations and Legal Services** provides legal services to the council and to coordinate the Council for the Built Environment appeals processes. The focus over the MTEF period will be on strengthening the appeals processes and drafting and enforcing regulations on selected key public functions defined by the Council for the Built Environment Act (2000).

**Skills Development** drives the contribution of built environment industry to national priorities in areas of education and skills development. Through this programme the council has provided bursary support to students from the previously disadvantaged backgrounds. Over the MTEF period, working closely with the Department of Public Works, the council will drive the implementation of the skills pipeline strategy designed to address bottlenecks in skills development within the built environment industry.

## Expenditure estimates

Table 7.16 Council for Built Environment: Objective information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Increase built environment performance against national development indicators	–	–	3 716	7 068	7 717	7 988	8 787
Develop and implement a public protection regime	2 321	2 458	3 613	3 146	7 061	3 006	5 058
Establish an efficient, effective and compliant organisation	4 489	5 974	7 052	7 686	4 960	8 545	7 561
Strengthen the administration function of the CBE	6 674	6 637	6 347	8 134	8 028	8 698	8 951
Ensure alignment of the activities of the CBE and the built environment professional councils with national imperatives	–	706	2 715	1 814	1 924	1 603	1 764
Other objectives	5 285	6 418	12 641	–	–	–	–
<b>Total expense</b>	<b>18 769</b>	<b>22 193</b>	<b>36 084</b>	<b>27 848</b>	<b>29 689</b>	<b>29 841</b>	<b>32 121</b>

Table 7.17 Council for Built Environment

### Statement of financial performance

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>2 958</b>	<b>3 564</b>	<b>2 771</b>	<b>2 494</b>	<b>2 706</b>	<b>2 977</b>	<b>3 274</b>
Sale of goods and services other than capital assets	1 441	1 591	1 706	1 500	1 650	1 815	1 996
<i>of which:</i>							
<i>Sales by market establishments</i>	1 441	1 591	1 706	1 500	1 650	1 815	1 996
<i>Other non-tax revenue</i>	1 517	1 973	1 065	994	1 056	1 162	1 278
<b>Transfers received</b>	<b>23 939</b>	<b>26 287</b>	<b>24 155</b>	<b>25 527</b>	<b>27 059</b>	<b>27 438</b>	<b>28 947</b>
<b>Total revenue</b>	<b>26 897</b>	<b>29 851</b>	<b>26 926</b>	<b>28 021</b>	<b>29 765</b>	<b>30 415</b>	<b>32 221</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>18 769</b>	<b>22 193</b>	<b>36 084</b>	<b>27 848</b>	<b>29 689</b>	<b>29 841</b>	<b>32 121</b>
Compensation of employees	5 651	7 586	12 949	13 200	14 664	15 990	17 617
Goods and services	12 725	14 056	22 447	14 158	14 610	13 536	14 244
Depreciation	379	539	688	490	415	315	260
Interest, dividends and rent on land	14	12	–	–	–	–	–
<b>Total expenses</b>	<b>18 769</b>	<b>22 193</b>	<b>36 084</b>	<b>27 848</b>	<b>29 689</b>	<b>29 841</b>	<b>32 121</b>
<b>Surplus / (Deficit)</b>	<b>8 128</b>	<b>7 658</b>	<b>(9 158)</b>	<b>173</b>	<b>76</b>	<b>574</b>	<b>100</b>
<b>Statement of financial position</b>							
Carrying value of assets	1 302	1 734	1 735	1 384	1 034	780	586
<i>of which: Acquisition of assets</i>	965	858	791	139	65	61	66
Receivables and prepayments	702	637	960	650	450	200	200
Cash and cash equivalents	10 446	15 961	8 437	5 200	4 300	2 500	2 200
<b>Total assets</b>	<b>12 450</b>	<b>18 332</b>	<b>11 132</b>	<b>7 234</b>	<b>5 784</b>	<b>3 480</b>	<b>2 986</b>
Accumulated surplus/deficit	9 483	17 140	7 982	1 509	1 309	1 209	1 309
Borrowings	40	4	–	–	–	–	–
Trade and other payables	2 927	1 188	2 969	5 725	4 475	2 271	1 677
Provisions	–	–	180	–	–	–	–
<b>Total equity and liabilities</b>	<b>12 450</b>	<b>18 332</b>	<b>11 131</b>	<b>7 234</b>	<b>5 784</b>	<b>3 480</b>	<b>2 986</b>

## **Expenditure trends**

Spending over the MTEF period will focus on the implementation of the entity's three strategic areas: increasing the performance of built environment against national goals, developing and implementing a public protection regime, and establishing an efficient, effective and compliant organisation.

Revenue is generated mainly from transfers from the department. Revenue increased from R26.9 million in 2007/08 to R28 million 2010/11. Over the medium term, revenue is expected to increase to R32.2 million. The increase in both periods is mainly to fund inflation related adjustments to the council's operating expenditure.

Between 2007/08 and 2010/11, expenditure increased from R18.8 million to R27.8 million. Over the medium term, expenditure is expected to increase to R32.1 million. The decrease in expenditure in 2010/11 was driven by the Skills Development programme, whose expenditure decreased by R500 000 in 2010/11 due to a reduction in student intake and funding, both of which are expected to increase over the medium term. Expenditure in the Regulatory and Legal Services programme increased to R7 million in 2010/11, due to the regulatory function being strengthened. This programme's expenditure is expected to decrease by 35 per cent in the 2011/12, due to funding constraints.

The ratio of administrative costs to line function costs is 1:2 in 2010/11.

## **Independent Development Trust**

### **Strategic overview: 2007/08 – 2013/14**

The Independent Development Trust, a schedule 2 public entity in terms of the Public Finance Management Act (1999), has evolved from a grant making organisation into a responsive development agency with a well established footprint across South Africa. Since 2000, the organisation has developed and refined a model of developmental social infrastructures delivery which has contributed to reducing the backlogs in infrastructure provision in rural South Africa. Over the past five years, the trust has effectively delivered an average of 95 per cent of the contracted programme value.

In its 20-year life span, the trust remains steadfast in its commitment to its core mandate, which is to shift the frontiers of poverty and to ground its work in the most disadvantaged communities. The delivery of social infrastructure, from the perspective of the trust, entails all the necessary measures, facilities and networks required to prepare communities to receive, own, manage and sustain their own development.

The organisation's mission statement has been revised to reflect the trust's focus on enabling poor communities to recognise and unlock their own potential for sustainable development. The current strategic focus, Vision 2010/2030, is based on a comprehensive environmental scan and is grounded in the belief that chronic poverty can only be successfully fought through a targeted, integrated and comprehensive long term strategy and programme. The trust's programmes have been designed to meet the specific needs of the communities in which the organisation works. The vision will be realised in phases: the first phase involves the delivery of social infrastructure as a conduit for building cohesive communities and sustainable development.

Over the medium term, the organisation will pilot development action learning laboratories in each province. The laboratories will be flexible nodal points that are responsive to local contexts in each province, able to generate local development strategies and pioneer innovative development approaches. In addition, the laboratories will be capable of managing their own partnerships and largely securing their own development resources. In establishing the laboratories, the trust will fundamentally transform its business model by establishing a lean head office and strengthening its provincial offices, which will have the requisite professional and technical competencies.

## **Savings and cost effectiveness measures**

The trust has implemented a process of cost containment with a particular focus on key overhead expenditure. Expenditure identified for containment includes consultant fees and travel, which constituted approximately 40 per cent of administration expenses in 2010. The effect of this initiative is to ensure that the levels of expenditure are retained at prior levels or show a decline over the medium term.

## Selected performance indicators

Table 7.18 Independent Development Trust

Indicator	Activity/Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Value of programme spend per year	Social infrastructure	R1.2bn	R1.3bn	R1.6bn	R2bn	R2.2bn	R2.4bn	R2.56bn
Number of job opportunities created per year	Poverty alleviation	38 000	53 581	68 000	70 000	75 000	83 000	86 000
Number of women contractors developed per year	Skills development	0	59	60	65	75	90	110
Number of households impacted per year	Skills development and poverty alleviation	0	0	5 000	118 000	130 000	150 000	170 000

## Expenditure estimates

Table 17.19 Independent Development Trust

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
People Centred Development Interventions	62 536	100 179	85 087	73 324	86 566	86 655	91 733
Innovative Development Solutions	110 681	185 332	157 411	135 650	160 148	160 312	169 706
Excellence in Service Delivery	115 769	195 350	165 920	142 982	168 805	168 978	178 879
Governance	12 507	20 036	17 018	14 665	17 314	17 332	18 346
Total expense	301 493	500 897	425 436	366 621	432 833	433 277	458 664

## Expenditure trends

The main source of funding for the trust is investment income. The trust also generates revenue from management fees. Revenue decreased from R136.8 million in 2007/08 to R90 million in 2010/11, at an average annual rate of 13 per cent. The decline was mainly as a result of the decrease in investment income as the investment fund is being depleted to fund the organisation's operational activities. The investment fund decreased by R296 million in 2009/10 and is expected to be fully depleted by 2012/13. The decrease in investment income was offset by a R48 million increase in administration fees between 2007/08 and 2010/11. Revenue is expected to increase to R175 million over the medium term, at an average annual rate of 24.8 per cent. All new programme implementation agreements include management fees and an effort will be made to claim and recover these fees from the client departments.

Between 2007/08 and 2010/11, expenditure increased from R301 million to R366 million, at an average annual rate of 6.7 per cent. The increase of R199.3 million in 2008/09 was as a result of the trust's activities growing to meet the needs of the communities in which it operated. In 2009/10, as a result of decreasing investment income, the trust decided to aggressively contain costs to prolong the life of the organisation. This resulted in expenditure decreasing to R425 million in that year. The drop in expenditure had a negative impact on the trust's ability to deliver on its mandate. This negative effect is going to continue until a suitable funding solution has been determined. Current proposals include reviewing the trust's business and funding models, with self-funding being a possible option from 2012/13.

## Personnel information

The trust has an establishment of 390 posts, of which 380 are filled. The organisation does not have unfunded positions. Between 2007/08 and 2009/10, the entity's staff complement increased from 408 to 413. There are currently 10 vacant posts spread between job grades 4 to 12, but only urgent and priority posts will be filled.

Table 7.20 Independent Development Trust: Detail of approved establishment and personnel numbers according to salary level

	Personnel post status as at 30 September 2010			Number of personnel posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year <sup>2</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Executive management	7	7	1	4	6	7	7	7	7	7
Senior management	35	35	–	24	33	42	35	35	35	35
Middle management	121	121	–	75	114	129	121	121	121	121
Professionals	101	101	–	81	97	102	101	101	101	101
Semi-skilled	108	108	–	158	154	121	108	108	108	108
Very low skilled	12	12	–	11	11	12	12	12	12	12
<b>Total</b>	<b>384</b>	<b>384</b>	<b>1</b>	<b>353</b>	<b>415</b>	<b>413</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>384</b>
Compensation (R thousand)				145 946	188 597	213 994	199 034	211 000	222 000	233 000
Unit cost (R thousand)				413	454	518	518	549	578	607

1. As at 30 September 2010.

## Additional tables

**Table 7.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	2009/10		2009/10	2010/11			2010/11
Administration	777 972	688 972	773 428	663 129	(33 785)	629 344	629 344
Immovable Asset Management	3 799 305	4 357 249	4 265 083	4 250 680	948 757	5 199 437	5 116 437
Expanded Public Works Programme	651 337	765 837	438 097	1 479 110	–	1 479 110	1 336 010
Property and Construction Industry Policy Regulations	33 750	35 436	17 441	31 539	(1 500)	30 039	30 039
Auxiliary and Associated Services	35 636	42 636	39 600	21 867	5 000	26 867	26 867
<b>Total</b>	<b>5 298 000</b>	<b>5 890 130</b>	<b>5 533 649</b>	<b>6 446 325</b>	<b>918 472</b>	<b>7 364 797</b>	<b>7 138 697</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>1 879 190</b>	<b>1 931 434</b>	<b>1 829 405</b>	<b>2 053 288</b>	<b>6 116</b>	<b>2 059 404</b>	<b>2 059 404</b>
Compensation of employees	887 493	1 012 237	976 111	1 121 432	79 455	1 200 887	1 200 887
Goods and services	991 697	919 197	847 522	931 831	(74 899)	856 932	856 932
Interest and rent on land	–	–	5 772	25	1 560	1 585	1 585
<b>Transfers and subsidies</b>	<b>2 150 647</b>	<b>2 448 847</b>	<b>2 376 690</b>	<b>3 019 095</b>	<b>769 035</b>	<b>3 788 130</b>	<b>3 645 030</b>
Provinces and municipalities	1 349 705	1 702 905	1 566 445	2 106 829	769 035	2 875 864	2 732 764
Departmental agencies and accounts	700 657	680 657	679 329	711 482	–	711 482	711 482
Foreign governments and international organisations	16 478	16 478	14 774	17 467	–	17 467	17 467
Public corporations and private enterprises	–	5 000	–	–	–	–	–
Non-profit institutions	80 500	40 500	107 554	179 811	–	179 811	179 811
Households	3 307	3 307	8 588	3 506	–	3 506	3 506
<b>Payments for capital assets</b>	<b>1 268 163</b>	<b>1 509 849</b>	<b>1 294 958</b>	<b>1 373 942</b>	<b>143 321</b>	<b>1 517 263</b>	<b>1 434 263</b>
Buildings and other fixed structures	1 220 639	1 462 325	1 253 581	1 303 945	72 037	1 375 982	1 292 982
Machinery and equipment	42 387	42 387	41 028	64 853	71 284	136 137	136 137
Software and other intangible assets	5 137	5 137	349	5 144	–	5 144	5 144
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>32 596</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>5 298 000</b>	<b>5 890 130</b>	<b>5 533 649</b>	<b>6 446 325</b>	<b>918 472</b>	<b>7 364 797</b>	<b>7 138 697</b>

**Table 7.B Detail of approved establishment and personnel numbers according to salary level 1**

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved	Number of funded posts establishment	Number of posts additional to the establishment	Actual			Mid-year <sup>2</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Department	6 283	4 980	316	5 582	5 234	4 966	4 966	4 966	4 966	4 966
Salary level 1 – 6	3 313	2 857	130	3 376	3 096	2 840	2 840	2 840	2 840	2 840
Salary level 7 – 10	2 148	1 540	132	1 615	1 564	1 410	1 410	1 410	1 410	1 410
Salary level 11 – 12	634	442	48	454	434	576	576	576	576	576
Salary level 13 – 16	188	141	6	137	140	140	140	140	140	140
Administration	682	478	62	1 219	536	478	478	478	478	478
Salary level 1 – 6	145	113	27	543	147	113	113	113	113	113
Salary level 7 – 10	338	217	24	498	235	217	217	217	217	217
Salary level 11 – 12	116	86	9	118	88	86	86	86	86	86
Salary level 13 – 16	83	62	2	60	66	62	62	62	62	62

Table 7.B Detail of approved establishment and personnel numbers according to salary level<sup>1</sup> (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved	Number of funded posts establishment	Number of posts additional to the establishment	Actual			Mid-year <sup>2</sup>	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
<b>Immovable Asset Management</b>	5 282	4 331	227	4 191	4 544	4 317	4 317	4 317	4 317	4 317
Salary level 1 – 6	3 115	2 722	78	2 822	2 942	2 705	2 705	2 705	2 705	2 705
Salary level 7 – 10	1 699	1 261	107	1 048	1 274	1 131	1 131	1 131	1 131	1 131
Salary level 11 – 12	398	292	39	269	276	426	426	426	426	426
Salary level 13 – 16	70	56	3	52	52	55	55	55	55	55
<b>Expanded Public Works Programme</b>	301	157	25	147	140	157	157	157	157	157
Salary level 1 – 6	51	20	23	9	5	20	20	20	20	20
Salary level 7 – 10	103	56	1	56	49	56	56	56	56	56
Salary level 11 – 12	116	60	–	60	66	60	60	60	60	60
Salary level 13 – 16	31	21	1	22	20	21	21	21	21	21
<b>Property and Construction Industry Policy Regulations</b>	18	14	2	25	14	14	14	14	14	14
Salary level 1 – 6	2	2	2	2	2	2	2	2	2	2
Salary level 7 – 10	8	6	–	13	6	6	6	6	6	6
Salary level 11 – 12	4	4	–	7	4	4	4	4	4	4
Salary level 13 – 16	4	2	–	3	2	2	2	2	2	2

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2010.

Table 7.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Compensation of employees (R thousand)	721 456	746 438	916 640	1 180 349	1 242 062	1 241 158	1 305 054
Training expenditure (R thousand)	15 197	15 197	22 000	27 500	24 841	24 823	26 101
Training as percentage of compensation of employees	2.1%	2.0%	2.4%	2.3%	2.0%	2.0%	2.0%
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	–			
Learnerships trained (head count)	172	172	172	–			
Internships trained (head count)	318	318	312	–			



Table 7.D Summary of conditional grants to provinces and municipalities <sup>1</sup>

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Conditional grants to provinces</b>							
<b>Immovable Asset Management</b>							
Devolution of property rates fund grant	836 573	889 325	1 349 738	1 865 227	1 803 230	1 938 047	2 090 853
<b>Expanded Public Works Programme</b>							
Expanded Public Works Programme: Incentive grant for provinces	–	–	116 219	331 004	267 269	325 220	401 588
Social Sector Expanded Public Works Programme: Incentive grant for provinces	–	–	–	56 637	200 358	241 504	286 028
<b>Total</b>	<b>836 573</b>	<b>889 325</b>	<b>1 465 957</b>	<b>2 252 868</b>	<b>2 270 857</b>	<b>2 504 771</b>	<b>2 778 469</b>
<b>Expanded Public Works Programme</b>							
Expanded Public Works Programme: Incentive grant for municipalities	–	–	100 487	622 996	679 583	665 678	779 496
<b>Total</b>	<b>–</b>	<b>–</b>	<b>100 487</b>	<b>622 996</b>	<b>679 583</b>	<b>665 678</b>	<b>779 496</b>

1. Detail provided in the Division of Revenue Act (2011)

Table 7.E Summary of departmental public private partnership (PPP) projects

Project description:		Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
R thousand			2010/11	2011/12	2012/13	2013/14
Projects signed in terms of Treasury Regulation 16		119 297	26 242	27 554	28 932	–
PPP unitary charge		119 297	26 242	27 554	28 932	–
<b>Total</b>		<b>119 297</b>	<b>26 242</b>	<b>27 554</b>	<b>28 932</b>	<b>–</b>

Table 7.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		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand										
Departmental infrastructure										
Re Kgabisa Tshwane, Pretoria: Agrivaal Building	Rehabilitation	Design	281 449	–	10 705	11 307	6 000	20 086	117 232	116 119
Departmental: various centres	Upgrading and construction of 45 departmental accommodation sites	Various	550 166	39 699	22 657	31 015	32 163	115 204	130 000	140 000
Dolomite: various centres	Management of 50 dolomite risk areas	Various	773 369	43 603	55 244	21 168	115 000	120 000	130 000	190 000
Accessibility: various centres	Upgrading of 110 disabled facilities	Various	114 906	–	1 072	14 635	22 300	25 000	28 000	30 000
Border Control Operational Coordination Committee: various centres	Redevelopment of 136 border post centres	Various	2 811 768	193 630	420 812	531 021	408 070	362 324	335 164	400 107
Prestige: various centres	Upgrading and construction of 154 prestige accommodation sites	Various	4 005 036	157 909	237 188	399 644	440 480	439 695	494 135	624 653
Re Kgabisa Tshwane: various centres	Development of 12 national government precincts	Various	743 215	36 058	180 848	100 746	134 000	119 914	27 768	133 881
Departmental: Bloemfontein regional office	Construction of office block	Construction	162 917	17 065	32 606	31 763	70 137	4 796	–	–
Border Control Operational Coordination Committee: Skilpadshek border post	Redevelopment of border post	Construction	285 845	–	24 735	111 046	125 278	24 786	–	–
Border Control Operational Coordination Committee: Golela border post	Redevelopment of border post	Tender	172 609	–	–	–	10 814	80 964	79 567	1 264
Border Control Operational Co-Ordination Committee: Sani Pass border post	Redevelopment of border post	Design	218 315	–	2 367	1 239	1 290	22 436	60 269	88 629
Prestige, Pretoria, heritage phase 3: Mahlamba Ndopfu	Refurbishment of residential building	Design	191 937	–	140	–	10 450	108 740	72 607	–
Total			10 311 532	487 964	988 374	1 253 584	1 375 982	1 443 945	1 474 742	1 724 653





**ESTIMATES  
OF NATIONAL  
EXPENDITURE** **2011**

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