

# Vote 5

## Public Works

### Adjusted budget summary

R thousand	2008/09			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	4 141 402	4 301 992	-	160 590
<i>of which:</i>				
Current payments	1 580 315	1 612 094	-	31 779
Transfers and subsidies	1 512 706	1 512 706	-	-
Payments for capital assets	1 048 381	1 177 192	-	128 811
Executive authority	Minister of Public Works			
Accounting officer	Director-General of Public Works			

### Aim

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

### Mid-year performance status

Indicators	Annual performance	
	Projected for 2008/09 as published in the 2008 ENE	Achieved in the first six months of 2008/09 (April to September)
As published in the 2008 ENE		
Number of youths participating in the national youth service programme	6 000	1 000
Number of learners participating in the Vuk'uphile learnership	1 000	1 500
Number of municipalities reporting EPWP targets	160	97
Number of buildings maintained by the Department of Public Works that provide easy access to people with disabilities	7 000	43
Percentage of portfolio of immovable assets valued (total of 139 000: 104 land parcels and 35 000 buildings)	60% (83 400)	30%
Level of compliance by the Department of Public Works with defined service delivery standards or service level agreements	80%	30%
Percentage of portfolio of immovable assets (139 000) utilised	100% (139 000)	30%

The target of 6 000 youths participating in the national youth service programme by the end of the year is expected to be met.

The year's target of 1 000 learners participating in the Vuk'uphile learnership has been exceeded in the first six months due to the high demand. The department has revised its target for the year to 1 500 and will not be taking any more learners into the Vuk'uphile learnership due to a lack of funds.

**Table 5.1: Adjusted estimates**

Programme	2008/09						
	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
R thousand							
1. Administration	687 317	-	-	50 000	4 631	54 631	741 948
2. Provision of Land and Accommodation	3 195 491	123 811	-	(50 000)	31 376	105 187	3 300 678
3. National Public Works Programme	232 741	-	-	-	772	772	233 513
4. Auxiliary and Associated Services	25 853	-	-	-	-	-	25 853
<b>Departmental Total</b>	<b>4 141 402</b>	<b>123 811</b>	<b>-</b>	<b>-</b>	<b>36 779</b>	<b>160 590</b>	<b>4 301 992</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>1 580 315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 779</b>	<b>31 779</b>	<b>1 612 094</b>
Compensation of employees	811 482	-	-	-	16 779	16 779	828 261
Goods and services	768 833	-	-	-	15 000	15 000	783 833
<b>Transfers and subsidies</b>	<b>1 512 706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 512 706</b>
Provinces and municipalities	889 325	-	-	-	-	-	889 325
Departmental agencies and accounts	604 634	-	-	-	-	-	604 634
Public corporations and private enterprises	50	-	-	-	-	-	50
Foreign governments and international organisations	15 545	-	-	-	-	-	15 545
Households	3 152	-	-	-	-	-	3 152
<b>Payments for capital assets</b>	<b>1 048 381</b>	<b>123 811</b>	<b>-</b>	<b>-</b>	<b>5 000</b>	<b>128 811</b>	<b>1 177 192</b>
Buildings and other fixed structures	1 031 208	123 811	-	-	-	123 811	1 155 019
Machinery and equipment	17 173	-	-	-	-	-	17 173
Software and other intangible assets	-	-	-	-	5 000	5 000	5 000
<b>Total</b>	<b>4 141 402</b>	<b>123 811</b>	<b>-</b>	<b>-</b>	<b>36 779</b>	<b>160 590</b>	<b>4 301 992</b>

## Details of adjustments to Estimates of National Expenditure 2008

### Roll-over of funds – R123.811 million

Programme 2: Provision of Land and Accommodation

R66.165 million has been rolled over for infrastructure for the Re Kgabisa Tshwane programme (providing long-term accommodation for government departments and agencies in the inner city).

R18.8 million has been rolled over for the Lebombo port of entry redevelopment project.

R38.846 million has been rolled over for the Prestige programme (providing accommodation for Parliament) for purchasing land from the City of Cape Town to improve the Parliamentary precinct.

### Virements

**Table 5.2: Virements**

Programme / Economic classification	R thousand		Details and motivation
	From	To	
1. Administration	-	50 000	
Current payments	-	50 000	
Goods and services	-	50 000	From goods and services in programme 2 for IT infrastructure, and the costs of relocating to new accommodation
2. Provision of Land and Accommodation	(50 000)	-	
Current payments	(50 000)	-	
Goods and services	(50 000)	-	<b>Fewer consultants, traveling and subsistence costs reduced, and less minor equipment purchased:</b> To goods and services in programme 1
<b>Total for Vote</b>	<b>(50 000)</b>	<b>50 000</b>	

## Other adjustments – R36.779 million

### **Expenditure already announced in the budget speech of the Minister of Finance but not allocated at that stage**

Programme 2: Provision of Land and Accommodation

Additional funding of R20 million has been allocated to cover costs for retrofitting government buildings in line with the strategy for conserving energy.

### **Adjustments due to significant and unforeseeable economic and financial events**

Additional funding of R16.779 million has been allocated to cover costs related to the higher than budgeted wage increase made by the Minister for Public Service and Administration.

Programme 1: Administration

R4.631 million

Programme 2: Provision of Land and Accommodation

R11.376 million

Programme 3: National Public Works Programme

R772 000

### **Funds shifted within a vote**

Programme 1: Administration

R5 million will be reclassified from goods and services to software and other intangible assets. These funds were incorrectly classified in the 2008 ENE.

## Expenditure 2007/08 and preliminary expenditure 2008/09

**Table 5.3: Expenditure trends**

Programme	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 – Sep 07 % of adjusted appropriation	Apr 2007 - Mar 2008	Apr 07 – Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 – Sep 08 % of adjusted appropriation
1. Administration	736 059	387 658	52.7	733 724	99.7	741 948	447 494	60.3
2. Provision of Land and Accommodation	2 777 870	1 442 869	51.9	2 421 833	87.2	3 300 678	1 086 425	32.9
3. National Public Works Programme	222 704	126 563	56.8	231 272	103.8	233 513	154 004	66.0
4. Auxiliary and Associated Services	22 831	13 106	57.4	15 454	67.7	25 853	21 613	83.6
<b>Total</b>	<b>3 759 464</b>	<b>1 970 196</b>	<b>52.4</b>	<b>3 402 283</b>	<b>90.5</b>	<b>4 301 992</b>	<b>1 709 536</b>	<b>39.7</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>1 467 180</b>	<b>737 227</b>	<b>50.2</b>	<b>1 476 800</b>	<b>100.7</b>	<b>1 612 094</b>	<b>901 706</b>	<b>55.9</b>
Compensation of employees	746 438	356 553	47.8	746 436	100.0	828 261	453 504	54.8
Goods and services	720 742	380 435	52.8	730 363	101.3	783 833	448 200	57.2
Interest and rent on land	-	-	-	1	-	-	2	-
Financial transactions in assets and liabilities	-	239	-	-	-	-	-	-

**Table 5.3: Expenditure trends (continued)**

R thousand	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 – Sep 07 % of adjusted appropriation	Apr 2007 - Mar 2008	Apr 07 – Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 – Sep 08 % of adjusted appropriation
<b>Economic classification</b>								
<b>Transfers and subsidies</b>	<b>1 412 142</b>	<b>1 055 588</b>	<b>74.8</b>	<b>1 404 198</b>	<b>99.4</b>	<b>1 512 706</b>	<b>474 489</b>	<b>31.4</b>
Provinces and municipalities	836 572	627 429	75.0	836 573	100.0	889 325	143 686	16.2
Departmental agencies and accounts	557 809	414 200	74.3	552 248	99.0	604 634	315 528	52.2
Public corporations and private enterprises	50	-	-	-	-	50	23	46.0
Foreign governments and international organisations	14 612	12 700	86.9	12 701	86.9	15 545	13 670	87.9
Households	3 099	1 259	40.6	2 676	86.4	3 152	1 582	50.2
<b>Payments for capital assets</b>	<b>880 142</b>	<b>177 381</b>	<b>20.2</b>	<b>521 285</b>	<b>59.2</b>	<b>1 177 192</b>	<b>333 341</b>	<b>28.3</b>
Buildings and other fixed structures	843 044	151 965	18.0	487 964	57.9	1 155 019	313 859	27.2
Machinery and equipment	32 958	21 144	64.2	28 939	87.8	17 173	19 482	113.4
Software and other intangible assets	4 140	4 272	103.2	4 382	105.8	5 000	-	-
<b>Total</b>	<b>3 759 464</b>	<b>1 970 196</b>	<b>52.4</b>	<b>3 402 283</b>	<b>90.5</b>	<b>4 301 992</b>	<b>1 709 536</b>	<b>39.7</b>

### Selected expenditure trends for the first half of 2008/09

Expenditure in the first six months of 2008/09 was R1.71 billion, or 39.7 per cent of the adjusted appropriation of R4.302 billion for the year as a whole. Expenditure in the first six months of 2008/09 decreased by R260.7 million or 13.2 per cent compared to spending in the first six months of 2007/08 which amounted to R1.970 billion, or 52.4 per cent of the 2007/08 adjusted appropriation.

The main decreases compared to 2007/08 are related to the slow pace of spending on capital projects.

Expenditure for 2007/08 was 90.5 per cent of the adjusted appropriation for that year.

## Departmental receipts

**Table 5.4: Receipts**

R thousand	2008/09			
	Budget estimate	Adjusted estimate	Actual receipts Apr 08 - Sep 08	% of Adjusted estimate
<b>Departmental receipts</b>				
Sales of goods and services other than capital assets	3 632	20 000	10 107	50.5
Fines, penalties and forfeits	238	1	1	100.0
Interest, dividends and rent on land	8 643	500	265	53.0
Sales of capital assets	20 394	1 000	90	9.0
Financial transactions in assets and liabilities	2 728	1 499	821	54.8
<b>Total</b>	<b>35 635</b>	<b>23 000</b>	<b>11 284</b>	<b>49.1</b>

Actual departmental revenue collections for the first six months of 2008/09 were R11.3 million or 49.1 per cent of the adjusted estimate of R23 million.