

Public Works

Budget summary

R thousand	2008/09				2009/10	2010/11
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	687 317	683 746	1 100	2 471	767 116	843 181
Provision of Land and Accommodation	3 195 491	730 421	1 419 426	1 045 644	3 698 985	3 968 982
National Public Works Programme	232 741	164 298	68 177	266	276 586	319 952
Auxiliary and Associated Services	25 853	1 850	24 003	–	27 306	28 944
Total expenditure estimates	4 141 402	1 580 315	1 512 706	1 048 381	4 769 993	5 161 059
Executive authority	Minister of Public Works					
Accounting officer	Director-General of Public Works					
Website address	www.publicworks.gov.za					

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.

Programme purposes, objectives and measures

Programme 1: Administration

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

Programme 2: Provision of Land and Accommodation

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

Objectives and measures:

- Provide accommodation solutions to clients by:
 - attending to all requests for leased accommodation according to each client's specifications within a turnaround time of no more than 8 months
 - ensuring that all projects are completed in line with service level agreements signed with clients.
- Ensure that immovable properties are strategically managed by rehabilitating 30 per cent of the 539 unutilised government buildings by March 2009.
- Improve asset management practices in government by developing the custodian asset management plan guideline by April 2009.

- Provide access for people with disabilities to 20 per cent (7 000) of the 35 000 government buildings maintained by the department by March 2009. The first compliance standards for these buildings are as follows: having at least 2 access ramps per building, and converting 2 lifts and 4 toilets per building for use by people with disabilities.

Programme 3: National Public Works Programme

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; and, ensure the creation of work opportunities coupled with training for unskilled, marginalised and unemployed people in South Africa by co-ordinating the implementation of the expanded public works programme (EPWP).

Objectives and measures:

- Increase the Department of Public Works' participation in the implementation of the expanded public works programme by increasing the number of youths in its national youth service programme from 5 000 in 2007/08 to 8 000 in 2010/11.
- Contribute to the implementation of the expanded public works programme by:
 - employing 10 per cent of each year's graduates from the national youth service programme in the department's construction and maintenance projects
 - negotiating the absorption of the remaining 90 per cent of graduates by other government departments or the private sector.
- Increase the number of public bodies reporting on the implementation of the expanded public works programme by ensuring that 160 municipalities participate in and report on their EPWPs annually.
- Facilitate the increased participation of black owned enterprises in the sector by an additional 50 companies annually through the property incubator programme.

Programme 4: Auxiliary and Associated Services

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

Strategic overview and key policy developments: 2004/05 – 2010/11

In its endeavour to become a world class department, the Department of Public Works is focused on the following strategic areas:

Transforming the construction and property industries for economic growth and development

The Department of Public Works will implement a human resource development programme, which entails a bursary programme, internships and learnerships, implementing a retention strategy, and special remuneration packages for technical and scarce occupational classes. Monitoring and evaluating the implementation of both the construction and property charters will also be an important component of transformation.

As part of addressing the skills shortage, the department has started a programme of recruiting Cuban technical advisors. In the first phase, these professionals will be deployed to the provinces and used to transfer skills in architecture and engineering to South African built environment professionals and learners.

Strategic asset management

The strategic asset management of the state's property portfolio and private sector properties used by government will be optimised by improving the maintenance of public-sector occupied buildings through the national infrastructure maintenance strategy approved by Cabinet in July 2007.

Planning and general management of the state's immovable asset portfolio will be improved by implementing the Government Immovable Asset Management Act (2007), which requires national and provincial departments to promote government's service delivery objectives through the sound management of the immovable assets they use or control.

The department has facilitated the compilation and analysis of user asset management plans and custodial asset management plans, which incorporate, among others, strategic, acquisition, refurbishment and disposal plans, for 39 user departments.

Phase 1 of the asset register enhancement programme, focused on capturing floor area and relevant information, was carried out using contract workers in all the department's regions.

The strategy to administratively decentralise the management of the repair and maintenance programme (RAMP) projects is being developed for implementation over the MTEF period. The capacity of all departmental regional offices will be reviewed and, where necessary, critical posts will be created (where not existing) and filled. The possibility of appointing contract workers to boost the capacity of regions will also be explored. An appropriate monitoring model will be developed and implemented to make sure that current weaknesses are addressed.

Job creation

Opportunities for job creation and poverty alleviation will be improved by the upscaling and massification of the expanded public works programme (EPWP), and ensuring that labour intensive methodologies are applied in the department's entire building programme. The five-year EPWP is one of government's initiatives for creating work opportunities and alleviating poverty and is one of the key drivers for the second economy interventions spelt out in the Accelerated and Shared Growth Initiative for South Africa (ASGISA).

The department commissioned a mid-term review of the programme and key results suggest that EPWP projects are successful in addressing the programme's objective of delivering 1 million work opportunities by 2009. In the short term, interventions have been identified to improve efficiency, such as reducing costs per job, extending the duration of jobs created and thus making them more meaningful, and increasing access to training. The longer term recommendations explore policy options for 2009 to 2014, with the aim of ensuring that job creation is linked to government's overall imperative of reducing unemployment in the long term.

To boost the rollout of the EPWP within the department, a number of capital and maintenance projects are being implemented, using labour intensive methods. The human resource capacity of the EPWP has been augmented through the overall increase of personnel and deployments to provinces to ensure effective technical support to local spheres. In addition, technical support has been provided to specific sectoral initiatives including: the Sakhasonke programme in Limpopo, a venture creation learnership focusing on developing emerging contractors; the Zibambele programme in KwaZulu-Natal, which has successfully introduced labour intensive construction methods in civil works; and Working for Tourism and Working on Waste in the environmental sector, among others.

The current monitoring system is characterised by a long lag before quarterly results are produced. The monitoring and evaluation system is going through a review, the results of which are expected to facilitate the improvement of data collection and synthesis. In addition, a web based reporting system will be rolled out.

Improved service delivery

Service will be improved by implementing service delivery performance standards through Zimisele, the department's service delivery improvement programme. The programme is underpinned by Batho Pele principles, and is a catalyst for providing quality and cost effective service to the department's clients.

To improve service delivery turnaround times, especially on calls for maintenance, regional workshops will be re-established. A plan for the recruitment of national youth service learners and artisans is being developed for implementation.

Fostering relationships with sector entities and other stakeholders will result in better co-ordination in the delivery of the department's public entities' programmes. Sound relations with parliamentary structures and other government spheres will be maintained.

Re Kgabisa Tshwane programme

The Re Kgabisa Tshwane programme (RKTP) is a project that is designed to develop and modernise the central office landscape of the City of Tshwane. As such, the retention of government offices as well as upgrades of properties occupied by government departments within Tshwane, are meant to continue actively supporting the city's economic life. A plan has been developed to roll out RKTP principles to provinces. The RKTP will be implemented within the inner city development framework.

A database on the status of land and building management in the inner city was finalised and consideration was given to optimising existing government immovable assets as a cost saving measure.

Expropriation

The Expropriation Act (1975) must be brought in line with the Constitution and subsequent developments in property law to enable government to carry out expropriation in a correct and co-ordinated manner. As part of the review of the act, a green paper has been gazetted for comment. The bill will come before Parliament in April 2008.

Border control

The Department of Public Works is a critical player in the Border Control Operational Co-ordinating Committee (BCOCC), as it addresses the infrastructure and operational needs of the border control environment and chairs the BCOCC infrastructure committee. The Maseru bridge and Quachasnek land ports of entry were redeveloped in terms of their operational facilities, and piped water was supplied to the Nakop and Jeppes Reef ports of entry in 2007/08. Work on the establishment of the one-stop border post at Lebombo Ressano-Garcia has begun.

Devolution of property, its management and budgets

All accommodation related budgets were devolved to client departments in 2006/07 to ensure direct accountability by accounting officials for the use of assets in their respective spheres of business. As the custodian of national government owned property, the Department of Public works will implement a user-charge principle for the use of government owned property.

Similarly, budgets for the payment of property rates on properties that belong to provinces will be devolved to provinces on 1 April 2008. In preparation for this shift of function, ownership and budgets, the following has been done: assessments of provinces' readiness for the devolution, including the verification of property lists, system requirement and capacity needs; a clear handover process is being developed and mechanisms for completing or fast-tracking the vesting process are being worked on. A conditional grant has been introduced from 1 April 2008 onwards to cover provinces' rate bills.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of youths participating in the national youth service programme	-	-	-	5 000	6 000	7 000	8 000
Number of learners participating in the Vuk'uphile learnership	1 500	1 500	1 500	1 500	1 000	-	-
Number of municipalities reporting on EPWP targets	-	-	-	160	160	160	160
Number of buildings maintained by the Department of Public Works that provide easy access to people with disabilities	-	-	-	-	7 000	7 600	8 200
Percentage of portfolio of immovable assets valuated (total of 139 000: 104 000 land parcels and 35 000 buildings)	-	-	-	40% (55 600)	60% (83 400)	80% (111 200)	100% (139 000)
Level of compliance by the Department of Public Works with defined service delivery standards or service level agreements	-	-	-	75%	80%	90%	100%
Percentage of portfolio of immovable assets (139 000) utilised	-	-	-	96% (133 849)	100% (139 000)	100% (139 000)	100% (139 000)

Expenditure estimates

Table 5.1 Public Works

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	
R thousand								
1. Administration	501 423	614 034	625 205	647 360	647 360	687 317	767 116	843 181
2. Provision of Land and Accommodation	1 609 924	1 583 155	2 216 281	2 898 280	2 898 280	3 195 491	3 698 985	3 968 982
3. National Public Works Programme	96 875	142 090	158 004	189 444	189 444	232 741	276 586	319 952
4. Auxiliary and Associated Services	40 556	14 976	26 298	24 380	24 380	25 853	27 306	28 944
Total	2 248 778	2 354 255	3 025 788	3 759 464	3 759 464	4 141 402	4 769 993	5 161 059
Change to 2007 Budget estimate				66 344	66 344	19 301	61 545	231 659

Economic classification

	1 192 128	1 280 642	1 347 399	1 467 180	1 467 180	1 580 315	1 840 049	2 004 403
Current payments								
Compensation of employees	450 947	542 763	613 572	759 567	759 567	811 482	856 381	901 004
Goods and services	668 170	713 544	705 505	707 613	706 654	768 833	983 668	1 103 399
<i>of which:</i>								
Communication	21 132	23 571	24 656	19 584	19 584	28 790	31 686	33 226
Computer services	10 828	22 852	22 486	46 550	46 550	34 594	38 002	40 874
Consultants, contractors and special services	82 306	114 158	140 104	138 695	138 695	193 764	289 080	331 444
Inventory	29 070	36 643	31 860	39 935	39 935	41 848	49 085	52 032
Maintenance, repairs and running costs	68 966	67 519	6 099	41 176	41 176	7 321	12 057	19 090
Operating leases	142 426	191 947	180 862	184 025	184 025	191 445	217 038	238 333
Travel and subsistence	59 024	52 359	67 132	59 746	59 746	76 881	86 755	91 181
Owned and leasehold property expenditure	79 133	95 159	100 063	110 596	110 596	130 184	146 324	163 056
Interest and rent on land	-	15 836	-	-	-	-	-	-
Financial transactions in assets and liabilities	73 011	8 499	28 322	-	959	-	-	-
Transfers and subsidies	721 203	639 370	1 230 649	1 412 142	1 412 142	1 512 706	1 705 970	1 848 190
Provinces and municipalities	676 923	586 904	710 570	836 570	836 570	889 325	996 538	1 096 192
Departmental agencies and accounts	28 036	37 049	502 945	557 858	557 858	604 634	689 597	730 973
Public corporations and private enterprises	46	72	2	50	50	50	50	53
Foreign governments and international organisations	14 280	11 607	13 348	14 612	14 612	15 545	16 478	17 467
Households	1 918	3 738	3 784	3 052	3 052	3 152	3 307	3 505

Table 5.1 Public Works (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
Payments for capital assets	335 447	434 243	447 740	880 142	880 142	1 048 381	1 223 974	1 308 466
Buildings and other fixed structures	292 918	376 783	414 120	863 044	844 275	1 031 208	1 205 639	1 288 945
Machinery and equipment	42 505	29 525	29 323	17 098	31 567	17 173	18 335	19 521
Software and other intangible assets	24	27 935	4 297	–	4 300	–	–	–
Total	2 248 778	2 354 255	3 025 788	3 759 464	3 759 464	4 141 402	4 769 993	5 161 059

Note: Accommodation charges for client departments were devolved in 2006/07, and historical figures in this table have been adjusted accordingly.

Expenditure trends

Overall, there is an 18.7 per cent average annual increase in expenditure between 2004/05 and 2007/08. The growth rate increased from 4.7 per cent in 2005/06 to 28.5 per cent in 2006/07 and to 24.2 per cent in 2007/08. The sharp increase during 2006/07 was mainly due to the creation and then augmentation of the property management trading entity on 1 April 2006.

The average annual increase in the budget over the MTEF period is 11.1 per cent, including additional funds of R363 million for 2008/09, R586 million for 2009/10 and R221 million for 2010/11. This included allocations for ports of entry, asset management projects, making buildings accessible to the disabled, the expanded public works programme, construction and property industry development projects, the Construction Industry Development Board, and capital projects for client departments.

The department has identified efficiency savings of R34.6 million (2008/09), R40.3 million (2009/10), and R48.3 million (2010/11) from the following items:

- *Maintenance and repair of movable assets:* The department maintains a large number of movable assets. Assets maintained and serviced in time reduce the risk of breakages and reactive repair costs. The department aims to carry out maintenance regularly, thus reducing avoidable (reactive) repair costs. This aims to bring about savings of R4.6 million (2008/09), R6.3 million (2009/10) and R8.3 million (2010/11).
- *Consultant fees:* The department will appoint more permanent staff to reduce expenditure on consultants (R15 million (for 2008/09), R17 million (for 2009/10) and R20 million (for 2010/11)). The new staff will be trained to project manage particular programmes that deliver services.
- *Travel and subsistence:* The department has refined its forward planning to reduce the number of meetings during the year, ultimately bringing down travelling and accommodation costs. This will bring about savings of R15 million (for 2008/09), R17 million (for 2009/10) and R20 million (for 2010/11).

The amounts allocated for infrastructure over the MTEF period are R1 billion for 2008/09, R1.2 billion for 2009/10, and R1.3 billion for 2010/11. These allocations are for both the Department of Public Works and the Border Control Operational Co-ordinating Committee (BCOCC)'s infrastructure budget. The BCOCC receives allocations for improving border post facilities, especially for Lebombo, on the border with Mozambique (around R300 million over the MTEF period) and Skilpadshek, on the border with Botswana (nearly R500 million) ports of entry, in part, to facilitate preparations for the 2009 FIFA Confederations Cup and the 2010 FIFA World Cup.

A number of assets will be acquired/upgraded for the Re Kgabisa Tshwane project, which aims to keep national government head offices in the inner city of Pretoria. The assets include the HG de Wit building (at R66 million) for the Department of Foreign Affairs, the old TPA building (at R250 million), and the Agrivaal building for GCIS at just over R200 million over the MTEF period. Around R1 billion will be spent on the upgrading, maintenance and improvement of the immovable assets of the state.

Border control

The Department of Public Works spent approximately R203 million in 2006/07 on maintaining and repairing office and residential accommodation and securing and upgrading ICT infrastructure at land ports of entry. It is anticipated that R318 million will be spent on upgrading border posts in 2007/08. This spending, together with spending over the MTEF period, is expected to facilitate South Africa's preparations for the 2010 FIFA World Cup, among other things.

Cabinet approved the creation of a one stop border post between South Africa and Mozambique at Lebombo/Ressano Garcia, and instructed the Department of Public Works in 2007 to plan and deliver infrastructure by December 2008. The idea of one stop border posts emerged in different parts of the world in the 1980s and 1990s to facilitate trade and the movement of goods and people. A traveller needs to stop only once at an international border to be cleared by the countries of entry and exit in one process. The one stop border post incorporates modern approaches to the operation of border facilities, and in many areas introduces innovative solutions to expedite traffic flows, such as passport scanning and optical character recognition technology for capturing number plates. In addition, mutual recognition of verifications and findings and integrated processes according to management by objectives are expected to significantly improve conditions for crossing borders. The Lebombo/Ressano Garcia border post is expected to promote or facilitate trade between South Africa and Mozambique, expedite quicker movement of human, cargo and other traffic between the two countries, and simplify border clearing requirements and arrangements. Various meetings and workshops have been held between stakeholders in the two countries on, among other things, the impact of legislation, the flow of traffic and the layout of the terrain, including the placing of facilities and inspection areas, access roads and international territory. The agreement between South Africa and Mozambique to establish the Lebombo/Ressano Garcia border post was signed in October 2007 and its implementation will take place in June 2008. The allocation for the border post is R132.8 million in 2008/09, R166 million in 2009/10 and R70 million in 2010/11.

Projected spending for all land ports of entry is R478 million (2008/09), R570 million (2009/10) and R251.5 million (2010/11), and will mainly be used for the ongoing maintenance of land ports of entry and borderline bases. In addition, the BCOCC has several other strategic projects in relation to the 2010 FIFA World Cup, including completing the Vioolsdrift port of entry (estimated to cost R220 million) by December 2009. Construction of the operational area at the Skilpadshok and Golela ports of entry is estimated at R80 million.

Personnel at land ports of entry increase every year, resulting in a shortage of office and residential accommodation. Additional funding will be required over the short to medium term to address critical housing shortages.

Summary of expenditure per port type between 2004/05 and 2010/11

Type of port of entry	2004/05	2005/06	2006/07	2007/08	2008/09 (projected)	2009/10 (projected)	2010/11 (projected)
R thousand							
Air (ICT only)	-	300	-	20 000	20 000	25 000	-
Land (physical and ICT infrastructure)	32 500	53 700	203 000	300 000	458 000	545 000	251 452
Rail	-	-	-	-	-	-	-
Sea	-	-	-	-	-	-	-

Departmental receipts

Other than the revenue collected through the property management trading entity, the department also generates revenue mainly through letting property and official quarters, as well as the sale of state-owned land and buildings. Buildings that have been sold include redundant military bases and properties that are no longer cost effective to maintain.

Table 5.2 Departmental receipts

R thousand	Audited outcome			Estimate	Medium-term receipts estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Departmental receipts	41 194	98 077	79 937	71 562	35 635	40 842	43 293
Sales of goods and services produced by department	22 917	22 257	25 497	2 998	3 229	3 489	3 698
Sales of scrap, waste and other used current goods	281	18	15	618	403	475	504
Fines, penalties and forfeits	2 261	124	3	213	238	251	266
Interest, dividends and rent on land	1 762	2 848	1 877	8 023	8 643	9 311	9 870
Sales of capital assets	8 291	51 887	26 582	57 046	20 394	24 457	25 924
Financial transactions in assets and liabilities	5 682	20 943	25 963	2 664	2 728	2 859	3 031
Total	41 194	98 077	79 937	71 562	35 635	40 842	43 293

Programme 1: Administration

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

Expenditure estimates

Table 5.3 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Minister ¹	1 172	837	993	951	1 019	1 072	1 127
Deputy Minister ²	890	618	814	738	790	832	874
Management	45 931	58 623	64 760	74 897	83 601	89 218	94 631
Corporate Services	243 810	332 354	310 382	293 809	315 727	358 075	395 042
Property Management	209 620	221 602	248 256	276 965	286 180	317 919	351 507
Total	501 423	614 034	625 205	647 360	687 317	767 116	843 181
Change to 2007 Budget estimate				18 750	28 334	29 432	29 586

1. Payable as from 1 April 2007. Salary: R761 053. Car allowance: R190 262.

2. Payable as from 1 April 2007. Salary: R590 459. Car allowance: R147 614.

Economic classification	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Current payments	476 545	571 626	614 325	643 840	683 746	763 078	838 901
Compensation of employees	119 028	142 960	163 932	209 216	223 605	235 915	248 216
Goods and services	357 517	428 666	450 393	434 624	460 141	527 163	590 685
<i>of which:</i>							
Communication	18 085	20 122	19 265	15 803	22 593	24 273	25 429
Computer services	10 464	22 492	20 091	46 174	31 782	35 014	37 715
Consultants, contractors and special services	33 484	36 923	40 369	43 217	45 415	56 336	59 716
Inventory	7 864	9 871	8 012	9 883	10 222	11 270	11 946
Maintenance, repairs and running costs	1 026	2 572	1 718	1 733	1 820	2 911	3 086
Operating leases	133 423	181 523	158 732	169 627	165 996	189 595	209 751
Travel and subsistence	31 788	32 260	38 373	32 567	45 195	48 609	50 866
Owned and leasedhold property expenditure	79 133	95 159	100 063	110 596	130 184	146 324	163 056
Transfers and subsidies	469	1 514	738	1 100	1 100	1 150	1 219
Provinces and municipalities	348	543	122	–	–	–	–
Public corporations and private enterprises	43	66	–	50	50	50	53
Households	78	905	616	1 050	1 050	1 100	1 166
Payments for capital assets	24 409	40 894	10 142	2 420	2 471	2 888	3 061
Machinery and equipment	24 387	13 021	5 938	2 420	2 471	2 888	3 061
Software and other intangible assets	22	27 873	4 204	–	–	–	–
Total	501 423	614 034	625 205	647 360	687 317	767 116	843 181

Expenditure trends

Between 2004/05 and 2007/08, expenditure increased at an average annual rate of 8.9 per cent, due to the high number of vacant posts filled. Over the MTEF period, the average annual increase is approximately 9.2 per cent, mainly to provide for the department's relocation costs (R15 million for 2009/10) and additional allocations for accommodation costs of R286.2 million in 2008/09, R317.9 million in 2009/10 and R351.5 million in 2010/11.

Programme 2: Provision of Land and Accommodation

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

- *Infrastructure (Public Works)* funds the acquisition and construction of infrastructure for the Department of Public Works and the prestige property portfolio.
- *Property Management* funds the accommodation solutions that the department will implement for client departments, which will be accounted for through the property management trading entity, as well as property rates for provinces through a conditional grant.
- *Asset Management* provides for the strategic management of immovable assets owned or used for delivering various government services expected to yield functional, economic and social benefits to the state.
- *Augmentation of the Property Management Trading Entity* is a special subprogramme for receiving funds to be transferred to the entity.

Expenditure estimates

Table 5.4 Provision of Land and Accommodation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Infrastructure (Public Works)	292 655	376 912	414 120	863 044	1 031 208	1 205 639	1 288 945
<i>BCOCC: Lebombo Border Post: Redevelopment</i>	–	–	–	19 653	132 825	166 000	70 000
<i>BCOCC: Skilpadhek Border Post: Upgrading</i>	944	157	5 083	27 908	65 241	281 046	97 912
<i>BCOCC: Various centres</i>	–	51 299	197 631	270 439	280 755	122 954	83 540
<i>RKTP: Various centres</i>	2 181	16 621	15 883	157 538	167 540	200 000	240 000
<i>Prestige: Various centres</i>	136 809	218 291	76 254	231 303	224 538	200 760	243 898
Property Management	1 118 247	1 014 414	1 126 981	1 298 877	1 370 008	1 575 743	1 708 769
Asset Management	199 022	191 829	225 180	260 359	266 275	304 903	321 806
Augmentation of the Property Management Trading Entity	–	–	450 000	476 000	528 000	612 700	649 462
Total	1 762 645	1 673 699	2 335 550	3 054 483	3 355 800	3 933 864	4 522 577
Change to 2007 Budget estimate				31 724	(49 365)	(28 438)	111 405

Economic classification

Current payments	620 689	601 617	616 161	706 237	730 421	866 744	915 978
Compensation of employees	317 313	380 621	426 478	514 868	550 209	580 422	610 652
Goods and services	230 365	196 661	161 361	191 369	180 212	286 322	305 326
<i>of which:</i>							
<i>Communication</i>	2 793	3 221	4 922	3 551	5 733	6 933	7 288
<i>Computer services</i>	29	60	2 283	66	2 565	2 720	2 883
<i>Consultants, contractors and special services</i>	7 914	4 865	27 457	21 721	31 651	76 116	78 907
<i>Inventory</i>	20 803	26 413	23 075	29 682	30 916	37 062	39 286
<i>Maintenance, repairs and running costs</i>	67 923	64 944	4 340	39 440	5 498	9 142	15 999
<i>Operating leases</i>	8 857	10 292	21 772	14 252	25 096	27 080	28 198
<i>Travel and subsistence</i>	23 719	17 152	23 811	24 079	27 273	33 526	35 418
Interest and rent on land	–	15 836	–	–	–	–	–
Financial transactions in assets and liabilities	73 011	8 499	28 322	–	–	–	–
Transfers and subsidies	678 275	588 781	1 162 869	1 314 571	1 419 426	1 611 444	1 747 992
Provinces and municipalities	676 530	586 302	710 431	836 570	889 325	996 538	1 096 192
Departmental agencies and accounts	–	39	450 000	476 000	528 000	612 700	649 462
Public corporations and private enterprises	3	6	2	–	–	–	–
Households	1 742	2 434	2 436	2 001	2 101	2 206	2 338
Payments for capital assets	310 960	392 757	437 251	877 472	1 045 644	1 220 797	1 305 012
Buildings and other fixed structures	292 918	376 783	414 120	863 044	1 031 208	1 205 639	1 288 945
Machinery and equipment	18 040	15 912	23 038	14 428	14 436	15 158	16 067
Software and other intangible assets	2	62	93	–	–	–	–
Total	1 609 924	1 583 155	2 216 281	2 898 280	3 195 491	3 698 985	3 968 982

Table 5.4 Provision of Land and Accommodation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Details of major transfers and subsidies							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	675 615	585 410	710 131	836 570	889 325	996 538	1 096 192
Devolution of property rate funds grant to provinces	675 615	585 410	710 131	836 570	889 325	996 538	1 096 192
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	–	39	450 000	476 000	528 000	612 700	649 462
Property management trading entity	–	–	450 000	476 000	528 000	612 700	649 462
Public Investment Commissioner	–	39	–	–	–	–	–

Note: The conditional grant introduced for the payment of property rates in provinces will be introduced on 1 April 2008. Historical figures in this table have been included as national numbers for comparative purposes; these amounts were previously paid by the Department of Public Works on behalf of provinces.

Expenditure trends

Between 2004/05 and 2007/08, the programme shows an average annual increase in expenditure of 21.6 per cent. The significant increase in 2006/07 was because of an additional allocation of R450 million earmarked for augmenting the property management trading entity as well as an increase of R124.7 million for the increased cost of property rates for state-owned properties in provinces.

Over the MTEF period, the average annual increase is 11 per cent, and is attributable to growth in the allocation for provincial property rates by R107.2 million in 2009/10 and R99.7 million in 2010/11 as well as additional allocations for:

- ports of entry: R150 million in 2010/11
- asset management projects such as improving the data integrity of the department's asset register: R20 million in 2009/10 and R10 million in 2010/11
- augmenting the property management trading entity: R528 million in 2008/09, R612.7 million in 2009/10 and R649.5 million in 2010/11 to execute all property management related functions for national government, such as maintenance of properties and property rates payments, on behalf of the Department of Public Works.

Programme 3: National Public Works Programme

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; and, ensure the creation of work opportunities coupled with training for unskilled, marginalised and unemployed people in South Africa by co-ordinating the implementation of the expanded public works programme (EPWP).

- *Construction Industry Development Programme* creates an enabling environment for transforming, reconstructing and developing the construction industry.
- *Expanded Public Works Programme* promotes the use of government expenditure to create additional employment opportunities by introducing labour intensive delivery methods and additional employment and skills programmes for the participation of the unemployed in the delivery of needed services.
- *Property Industry Development Programme* provides leadership and guidance on the transformation of the property industry, and promotes uniformity and best practice on immovable asset management in the public sector. It also sets best practice for the compilation and maintenance of immovable assets registers and the administration of rights over state and private land.
- *Administration.*

Expenditure estimates

Table 5.5 National Public Works Programme

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Construction Industry Development Programme	72 350	79 249	86 847	94 953	97 878	105 944	112 442
Expanded Public Works Programme	24 525	62 838	70 406	84 612	124 709	159 324	195 499
Property Industry Development Programme	–	–	751	9 879	10 154	11 318	12 011
Administration	–	3	–	–	–	–	–
Total	96 875	142 090	158 004	189 444	232 741	276 586	319 952
Change to 2007 Budget estimate				15 870	40 332	60 551	90 668

Economic classification

Current payments	68 618	104 969	110 312	115 364	164 298	208 285	247 466
Compensation of employees	14 603	19 182	23 162	35 483	37 668	40 044	42 136
Goods and services	54 015	85 787	87 150	79 881	126 630	168 241	205 330
<i>of which:</i>							
Communication	254	228	469	230	464	480	509
Computer services	335	300	112	310	247	268	276
Consultants, contractors and special services	40 908	72 370	72 278	73 757	116 698	156 628	192 821
Inventory	403	359	773	370	710	753	800
Maintenance, repairs and running costs	17	3	41	3	3	4	5
Operating leases	146	132	358	146	353	363	384
Travel and subsistence	3 517	2 947	4 948	3 100	4 413	4 620	4 897
Transfers and subsidies	28 179	37 078	47 346	73 830	68 177	68 012	72 093
Provinces and municipalities	45	59	17	–	–	–	–
Departmental agencies and accounts	28 036	37 010	47 197	73 830	68 177	68 012	72 093
Households	98	9	132	–	–	–	–
Payments for capital assets	78	43	346	250	266	289	393
Machinery and equipment	78	43	346	250	266	289	393
Total	96 875	142 090	158 004	189 444	232 741	276 586	319 952

Details of major transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	28 036	37 010	47 197	73 830	68 177	68 012	72 093
Construction Industry Development Board	25 036	34 010	40 012	49 891	41 891	43 687	46 308
Council for the Built Environment	3 000	3 000	7 185	23 939	26 286	24 325	25 785

Expenditure trends

Expenditure grew at an average annual rate of 25.1 per cent between 2004/05 and 2007/08. The increase in the capacity in personnel and related costs for the expanded public works programme was the main reason for this growth.

Over the MTEF period, the budget increases at an average annual rate of 19.1 per cent, mainly due to additional allocations for the expanded public works programme (R30 million in 2008/09, R50 million in 2009/10 and R80 million in 2010/11).

Programme 4: Auxiliary and Associated Services

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

- *Compensation for Losses* provides compensation for losses in the state housing guarantee scheme when public servants fail to fulfil their obligations.
- *Distress Relief*.
- *Loskop Settlement*.
- *Assistance to Organisations for Preservation of National Memorials* provides funding to the Commonwealth War Graves Commission and to the United Nations for maintaining national memorials.
- *Parliamentary Villages Management Board* provides financial assistance to the board.
- *State Functions* provides for the acquisition of logistical facilities for state functions.
- *Sector Education and Training Authority* contributes to the Construction Sector and Education and Training Authority (CETA) in terms of the Skills Development Act (1998).

Expenditure estimates

Table 5.6 Auxiliary and Associated Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Compensation for Losses	–	393	601	1 643	1 748	1 835	1 945
Distress Relief	–	–	–	1	1	1	1
Loskop Settlement	–	–	–	1	1	1	1
Assistance to Organisations for Preservation of National Memorials	14 282	11 607	13 348	14 612	15 545	16 478	17 467
Parliamentary Villages Management Board	1 828	901	5 748	6 035	6 337	6 654	7 053
State Functions	24 446	2 075	6 601	95	101	106	112
SETA	–	–	–	1 993	2 120	2 231	2 365
Total	40 556	14 976	26 298	24 380	25 853	27 306	28 944

Economic classification

Current payments	26 276	2 430	6 601	1 739	1 850	1 942	2 058
Compensation of employees	3	–	–	–	–	–	–
Goods and services	26 273	2 430	6 601	1 739	1 850	1 942	2 058
Transfers and subsidies	14 280	11 997	19 696	22 641	24 003	25 364	26 886
Departmental agencies and accounts	–	–	5 748	8 028	8 457	8 885	9 418
Foreign governments and international organisations	14 280	11 607	13 348	14 612	15 545	16 478	17 467
Households	–	390	600	1	1	1	1
Payments for capital assets	–	549	1	–	–	–	–
Machinery and equipment	–	549	1	–	–	–	–
Total	40 556	14 976	26 298	24 380	25 853	27 306	28 944

Details of major transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	–	–	5 748	8 028	8 457	8 885	9 418
Construction Education and Training Authority	–	–	–	1 993	2 120	2 231	2 365
Parliamentary Villages Management Board	–	–	5 748	6 035	6 337	6 654	7 053
Foreign governments and international organisations							
Current	14 280	11 607	13 348	14 612	15 545	16 478	17 467
Commonwealth War Graves Commission	14 280	11 607	13 348	14 612	15 545	16 478	17 467

Expenditure trends

Expenditure showed fluctuating patterns between 2004/05 and 2007/08. Average annual growth decreased by 15.6 per cent due to state functions, such as the 10 Years of Freedom celebrations in 2004/05.

Expenditure over the MTEF period grows from R25.9 million in 2008/09 to R28.9 million in 2010/11, or at an average annual rate of 5.9 per cent, mainly to compensate for the inflationary effect.

Public entities and other agencies

Property Management Trading Entity

The property management trading entity was established in April 2006 in accordance with the framework on the devolution of budgets approved by National Treasury in line with the White Paper on Public Works (1997). The trading entity has been mandated to execute all property management related functions on behalf of the Department of Public Works. This includes maintaining buildings and other fixed structures, paying property rates, leasing accommodation on behalf of client departments, and paying municipal services.

All projects and programmes of the property management trading entity are executed by the operations and asset management units in the department. While the entity is still being operationalised, its only direct output is invoicing clients and collecting the money to fund its different programmes. The entity has experienced problems collecting debt from some clients, but 98.6 per cent of all invoices were paid in 2006/07. Collections will be improved in 2008/09 by the ongoing improvement of the asset register.

The property management trading entity is responsible for all maintenance of government buildings in fulfilment of the Department of Public Works' role as the custodian of state property. Due to a backlog in the maintenance of all government owned buildings and a lack of funding, projects have to be prioritised in accordance with set criteria, such as compliance with the Occupational Health and Safety Act (1993), to ensure effective spending over the medium term. A portion of the funding is ring fenced for upgrading projects: this ensures an increased income stream as upgraded buildings can be rented out at a rate which ensures self maintenance. The first project like this was the upgrading of the Civitas building in the Pretoria CBD, expected to be occupied by the Department of Health. Other similar projects will follow.

Projects undertaken by the property management trading entity are mainly funded from accommodation charges collected from clients and an augmentation amount transferred by the department. The funds are used for maintenance, property rates and accommodation leased from the private sector. Charges are calculated according to the type of facility and the size of the portfolio. The average rental rate is R7.81/m². Privately leased accommodation is charged at the same rate as stipulated in the lease contract. These services are delivered free of charge and overhead costs are carried by the department.

Although the payment of municipal services has been devolved to clients, most of them have opted for the property management trading entity to administer these accounts on their behalf. A 5 per cent management fee is charged on this service and the service is delivered on a cost recovery basis.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Amount of revenue collected	2 326 218	2 492 945	3 480 336	4 050 175	3 667 568	4 362 708	4 994 873
Average number of days to collect outstanding debt	–	–	60	60	60	60	60
Amount of debt outstanding at the end of each year	–	–	848 977	848 977	848 977	848 977	848 977

Expenditure estimates

Table 5.7 Property Management Trading Entity (PMTE)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	2 326 218	2 492 945	3 480 336	4 050 175	3 667 568	4 362 708	4 994 873
Sale of goods and services other than capital assets	2 326 218	2 492 945	3 476 602	4 045 175	3 662 568	4 357 708	4 989 873
<i>of which:</i>							
Operating leases	1 222 038	1 322 864	1 336 012	1 527 558	1 646 679	1 811 547	1 991 290
Management fees	1 104 180	1 170 081	2 140 590	2 517 617	2 015 889	2 546 161	2 998 583
Other non-tax revenue	–	–	3 734	5 000	5 000	5 000	5 000
Transfers received	–	–	450 000	476 000	528 000	612 700	649 462
Total revenue	2 326 218	2 492 945	3 930 336	4 526 175	4 195 568	4 975 408	5 644 335
Expenses							
Current expense	1 962 077	2 161 634	3 015 558	3 229 914	3 705 931	4 436 808	5 051 875
Goods and services	1 962 077	2 161 634	3 003 708	3 217 614	3 692 801	4 422 765	5 036 828
Interest, dividends and rent on land	–	–	11 850	12 300	13 130	14 043	15 047
Transfers and subsidies	364 141	331 311	1 079 767	1 296 261	489 637	538 600	592 460
Total expenses	2 326 218	2 492 945	4 095 325	4 526 175	4 195 568	4 975 408	5 644 335
Surplus / (Deficit)	–	–	(164 989)	–	–	–	–

Expenditure trends

The average annual growth in expenditure of 24.8 per cent between 2004/05 and 2007/08 is mainly due to transfers received from the Department of Public Works for the start-up capital of the trading entity. Over the medium term, expenditure is estimated to increase at an average annual rate of 7.6 per cent due to increased accommodation charges and increased municipal accounts administered on behalf of clients.

Construction Industry Development Board

The Construction Industry Development Board (CIDB) is a schedule 3A public entity, established in terms of the Construction Industry Development Board Act (2000) to provide strategic direction for sustainable growth, reform and the improvement of the construction sector and its role in the economy. The CIDB seeks to promote an enabling regulatory and development framework for effective infrastructure delivery, improved industry performance, sustainable growth and transformation.

Driven by an intensive rollout process, CIDB legislation has taken effect to support the construction of infrastructure required by ASGISA. Streamlined procurement, the national construction registers service (which provides information on the size, distribution and capability of contractors, and also helps to build a track record) and improved delivery capacity will establish a platform for sustained industry growth towards 2010 and beyond.

Infrastructure

The increasing infrastructure investment envisaged by ASGISA requires the extension of the CIDB's development role to further boost public sector and industry delivery capacity. The CIDB will expand its capacity and provincial outreach. In partnership with the national department and provincial departments of public works, it will raise the capacity of the public sector to implement the national infrastructure maintenance strategy as well as make targeted contractor development interventions based on the statistical data from the registers.

In partnership with National Treasury and the Department of Public Works, the CIDB's 2006 toolkit on infrastructure delivery management has moved into implementation in selected departments across the nine provinces. The impact of these activities has yielded significant results, including improved expenditure on provincial infrastructure budgets.

Procurement

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

National construction registers service

More than 20 000 contractors are registered and categorised in terms of their capability to perform public sector contracts. Over 1 000 public and private sector projects, with a total value in excess of R30 billion, have been registered. With more than 60 construction clients now using the i-tender register of projects, thousands of registered contractors are receiving cell phone and e-mail notifications of public tenders. i-Tender facilitates electronic registration of projects by public and private sector clients, and enables the matching of contractors with opportunities through online advertisements of tenders. The register of projects gathers information on the nature, value and distribution of projects, and provides the basis for a best practice project assessment scheme. The statistical information available from the register of contractors and register of projects enables an understanding of construction capacity and the empowerment gaps across the country, creating a basis for targeted development intervention.

The CIDB will establish and roll out the national register of professional service providers to further streamline public procurement and enable the development of professional capacity.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of compliant contractor registrations processed based on the expected growth of the construction industry	1 500	7 500	25 000	60 000	80 000	100 000	120 000
Number of contractors registered and categorised according to capacity*	1 296	21 000	42 000	57 774	60 662	63 693	66 877
Number of provincial departments (of Education, Transport and Health) using the CIDB infrastructure Toolkit	–	9	9	27	27	27	27

* MTEF figures based on a 5 per cent estimated growth rate

Expenditure estimates

Table 5.8 Construction Industry Development Board

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	1 373	7 670	18 886	17 998	29 707	31 302	32 430
Sale of goods and services other than capital assets	962	6 989	16 931	17 998	29 707	31 302	32 430
of which:							
Admin fees	857	6 988	16 931	17 998	29 707	31 302	32 430
Sales by market establishments	105	1	–	–	–	–	–
Other non-tax revenue	411	681	1 955	–	–	–	–
Transfers received	25 036	34 010	40 012	49 891	41 891	43 687	46 308
Total revenue	26 409	41 680	58 898	67 889	71 598	74 989	78 738
Expenses							
Current expenses	26 084	39 724	53 129	61 576	69 065	72 485	76 260
Compensation of employees	7 311	10 692	19 032	30 774	34 963	37 760	39 648
Goods and services	17 458	28 116	32 284	29 765	32 835	33 230	34 892
Depreciation	1 315	916	1 590	1 037	1 267	1 495	1 720
Interest, dividends and rent on land	–	–	223	–	–	–	–

Table 5.8 Construction Industry Development Board (continued)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Transfers and subsidies	165	232	242	–	–	–	–
Total expenses	26 249	39 956	53 371	61 576	69 065	72 485	76 260
Surplus / (Deficit)	160	1 724	5 527	6 313	2 533	2 504	2 479
Acquisition of assets	1 621	804	2 931	7 350	3 800	4 000	4 200

Expenditure trends

Revenue consists mainly of government transfers. Between 2004/05 and 2007/08, the CIDB received government transfers of R25 million, R34 million R40 million and R49.9 million. Over the medium term, the transfer fluctuates annually: it decreases to R41.9 million in 2008/09 due to a once-off allocation in 2007/08 for construction and property development industry projects, and rises to R46.3 million in 2010/11 to ensure the sustainable participation of the emerging sector and promote improved performance and best practice in the public and private sectors.

Council for the Built Environment

The Council for the Built Environment (CBE) is a statutory body, a schedule 3A public entity established by the Council for the Built Environment Act (2000). The CBE became operational in September 2002 and has, as its primary objectives, the promotion of liaison, sound governance, ongoing human resources development and appropriate standards of health, safety and environmental protection, while ensuring the uniform application of norms and standards within the built environment to promote and protect the interests of the public.

In 2005/06, the council concentrated on establishing norms and guidelines on the identification of work, codes of professional conduct, professional fees, international benchmarking and continued professional development. The 2008-2011 business plan and budget show that the organisation will implement its mandate of regulating and governing the built environment in the following six professions: architecture, engineering, landscape architecture, quantity surveying, project and construction management, and property valuation.

The medium term strategy of the CBE will focus on:

- the capacity in the professions in line with current and projected growth in the South African economy
- stakeholder engagement to promote integrated interventions and the professional development of the professions
- the transformation of the professions to ensure that those who were previously excluded now have access to the professions
- the regulatory and monitoring functions of participating coastal SADC states to promote and protect the interests of society
- institutional development to ensure the service delivery and the value adding capacities of the CBE.

Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of developed norms and guidelines aimed at effective governance of the built environment professions	–	–	–	3	5	10	15
Number of evaluations on the status of the built environment profession	–	–	–	4	6	3	2
Number of professions aware of the built environment, and its guidelines (through campaigns)	–	–	–	11/70	39/70	49/70	63/70
Number of built environment engagement forums established	–	–	–	4	10	15	20

Expenditure estimates

Table 5.9 Council for Built Environment

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	232	1 244	1 272	1 970	2 267	2 571	3 800
Sale of goods and services other than capital assets	104	1 107	1 184	1 770	2 017	2 296	3 498
<i>of which:</i>							
<i>Sales by market establishments</i>	104	1 107	1 184	1 770	2 017	2 296	3 498
Other non-tax revenue	128	137	88	200	250	275	302
Transfers received	3 000	3 000	7 185	23 939	26 286	24 325	25 785
Total revenue	3 232	4 244	8 457	25 909	28 553	26 896	29 585
Expenses							
Current expenses	2 027	5 174	8 918	24 844	27 497	26 854	28 505
Compensation of employees	–	–	1 615	4 283	4 712	5 183	5 701
Goods and services	1 981	5 071	7 122	20 256	22 574	21 442	22 556
Depreciation	46	92	168	290	199	219	240
Interest, dividends and rent on land	–	11	13	15	12	10	8
Total expenses	2 027	5 174	8 918	24 844	27 497	26 854	28 505
Surplus / (Deficit)	1 205	(930)	(461)	1 065	1 056	42	1 080
Acquisition of assets	59	440	452	766	550	530	563

Expenditure trends

Revenue consists mainly of government transfers. Transfers increased from R3 million in 2004/05 to R7.2 million in 2006/07, mainly to accommodate greater effectiveness in the operation of the organisation. Over the medium term, total revenue will further increase at an average annual rate of 4.5 per cent, from R25.9 million in 2007/08 to R29.6 million in 2010/11, to cater for the expected average inflation rate and the stabilisation of the organisation.

Additional tables

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2006/07		2006/07	2007/08			2007/08
1. Administration	593 211	593 211	625 205	628 610	18 750	647 360	647 360
2. Provision of Land and Accommodation	2 369 024	2 336 436	2 216 281	2 866 556	31 724	2 898 280	2 898 280
3. National Public Works Programme	98 808	163 896	158 004	173 574	15 870	189 444	189 444
4. Auxiliary and Associated Services	19 138	23 219	26 298	24 380	–	24 380	24 380
Total	3 080 181	3 116 762	3 025 788	3 693 120	66 344	3 759 464	3 759 464
Economic classification							
Current payments	1 251 595	1 372 706	1 347 399	1 465 430	1 750	1 467 180	1 467 180
Compensation of employees	655 829	655 829	613 572	709 544	50 023	759 567	759 567
Goods and services	595 766	716 877	705 505	755 886	(48 273)	707 613	706 654
Financial transactions in assets and liabilities	–	–	28 322	–	–	–	959
Transfers and subsidies	1 226 310	1 233 127	1 230 649	1 412 142	–	1 412 142	1 412 142
Provinces and municipalities	710 452	710 452	710 570	836 570	–	836 570	836 570
Departmental agencies and accounts	501 577	505 658	502 945	557 858	–	557 858	557 858
Public corporations and private enterprises	254	254	2	50	–	50	50
Foreign governments and international organisations	13 916	13 916	13 348	14 612	–	14 612	14 612
Households	111	2 847	3 784	3 052	–	3 052	3 052
Payments for capital assets	602 276	510 929	447 740	815 548	64 594	880 142	880 142
Buildings and other fixed structures	545 797	493 450	414 120	798 450	64 594	863 044	844 275
Machinery and equipment	56 479	17 479	29 323	17 098	–	17 098	31 567
Software and intangible assets	–	–	4 297	–	–	–	4 300
Total	3 080 181	3 116 762	3 025 788	3 693 120	66 344	3 759 464	3 759 464

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

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
A. Permanent and full-time contract employees							
Compensation (R thousand)	450 947	518 131	599 533	744 685	795 856	839 973	883 775
Unit cost (R thousand)	97	117	134	145	140	149	156
Personnel numbers (head count)	4 671	4 435	4 479	5 142	5 685	5 654	5 654
B. Part-time and temporary contract employees							
Compensation (R thousand)	–	19 311	9 247	9 802	10 292	10 807	11 348
Unit cost (R thousand)	–	115	149	363	381	400	420
Personnel numbers (head count)	–	168	62	27	27	27	27
C. Interns							
Compensation of interns	–	5 321	4 792	5 080	5 334	5 601	5 881
Unit cost (R thousand)	–	45	34	16	17	18	18
Number of interns	–	119	141	318	318	318	318
Total for department							
Compensation (R thousand)	450 947	542 763	613 572	759 567	811 482	856 381	901 004
Unit cost (R thousand)	97	115	131	138	135	143	150
Personnel numbers (head count)	4 671	4 722	4 682	5 487	6 030	5 999	5 999
D. Learnerships							
Payments for learnerships (R thousand) (G&S)	–	–	1 167	1 237	1 299	1 364	1 433
Number of learnerships (head count)	–	–	236	172	172	172	172

Table 5.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Compensation of employees (R thousand)	450 947	542 763	613 572	759 567	811 482	856 381	901 004
Training expenditure (R thousand)	14 452	23 082	12 773	20 191	22 000	27 000	30 000
Training as percentage of compensation	3%	4%	2%	3%	3%	3%	3%
Total number trained in department (head count)	2 890	1 584	4 200	4 200			
<i>of which:</i>							
Employees receiving bursaries (head count)	433	245	600	600			
Learnerships trained (head count)	–	–	236	172			
Internships trained (head count)	–	119	141	318			

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Conditional grants to provinces							
2. Provision of Land and Accommodation							
Devolution of property rates funds grant to provinces	675 615	585 410	710 131	836 570	889 325	996 538	1 096 192
Total	675 615	585 410	710 131	836 570	889 325	996 538	1 096 192

1. Detail provided in the Division of Revenue Act (2008).

Table 5.E Summary of expenditure on infrastructure

Description	Service delivery outputs			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Large infrastructure projects or programmes (between R50 and R300 million per year)							
Lebombo Border Post	–	–	–	19 653	132 825	166 000	70 000
Skilpadhek Border Post:	944	157	5 083	27 908	65 241	281 046	97 912
Upgrading							
Replacement of waterborne sub-surface	–	–	–	–	58 319	156 068	175 093
Re Kgabisa Tshwane project:	–	–	–	–	147 014	91 136	239 970
Upgrading							
United Nations building: Upgrading	–	–	–	–	6 000	60 000	–
Groups of small projects or programmes (less than R50 million)							
Departmental accommodation: Upgrading and new construction	145 680	31 506	53 922	54 020	52 210	53 461	361 751
Various centres: Dolomite projects	7 041	59 038	65 347	102 183	49 780	25 350	16 751
Border posts: Upgrading and new construction	–	51 299	197 631	270 439	280 755	122 954	83 540
Prestige accommodation: Upgrading and new construction	136 809	218 291	76 254	231 303	224 538	200 760	243 898
Re Kgabisa Tshwane project	2 181	16 621	15 883	157 538	14 526	48 864	30
Total	292 655	376 912	414 120	863 044	1 031 208	1 205 639	1 288 945

Table 5.F Summary of departmental public-private partnership projects

Project description: National fleet project	Project unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
		2007/08	2008/09	2009/10	2010/11
R thousand					
Projects signed in terms of Treasury Regulation 16	119 297	22 669	23 803	24 993	26 242
PPP unitary charge ¹	119 297	22 669	23 803	24 993	26 242
Total	119 297	22 669	23 803	24 993	26 242

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