

# TRANSPORT AND PUBLIC WORKS

## Introduction

Infrastructure is a key factor for service delivery by the social services, including education, health and social development, provided by government. Furthermore, expenditure on roads can be seen as even more important, as roads provide access to the social services provided by government.

Government's objectives for service delivery are directly linked to Infrastructure planning. Most aspects of infrastructure delivery require effective results orientated management that understands the environment within which it operates and the timely planning and execution of approved plans. The construction industry is a small and currently declining industry. Contribution to GDP has fallen, there are fewer jobs today than twenty years ago, and real wages have fallen.

Since the 2000/2001 Budget, Government has identified infrastructure investment as a priority. The major contribution by this department towards empowerment and job creation should also be recognised.

## Definition

The term infrastructure can mean many things to many people, depending on the context in which it is used. The Oxford Dictionary defines infrastructure as "the basic physical and organisational structures (e.g. buildings, roads, power supplies) needed for the operation of a society or enterprise." For the purpose of this chapter, infrastructure includes the construction and maintenance of facilities, which ensures service delivery by the Western Cape Government in both the social and economic sectors. In terms of the Provincial Budget this would include all funds voted under Vote 10: Transport and Public Works, which includes the construction, rehabilitation/upgrading, and preventative and corrective maintenance of provincial health facilities, schools, all other provincial buildings and roads, as well as funds voted for the Cape Town Convention Centre (Convenco) under Vote 13: Economic Development and Tourism.

## Historical background

During the period up to 1999/2000 the Western Cape province, along with all other provinces, sought to service debt while simultaneously providing social services. The effect was that less capital investment was made and maintenance backlogs escalated. Investment in infrastructure allows government to attain its objectives of improving the quality of life, job creation, access to services and

opportunities for the poor as well as to stimulate economic growth. For this reason infrastructure was introduced in the 2001 Budget as a key strategic thrust in both national and provincial governments.

**Table 1: Infrastructure expenditure within Provincial Expenditure (Nominal Rand value)**

Spending Entity	Actual					Voted	Medium-term estimate	
	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Province	10 788 501	10 551 755	10 747 956	11 513 533	12 516 997	13 977 704	14 534 649	15 342 997
Infrastructure	773 214	624 190	694 658	946 033	1 079 009	1 356 461	1 272 036	1 301 959
% of Province	7,17	5,92	6,46	8,22	8,62	9,70	8,75	8,49

Infrastructure includes funds for Convenco, R15 million in 2001/2002 and R85 million in 2002/2003

The aforementioned is evident in Table 1 above. Infrastructure as a percentage of total provincial expenditure increased from 5,92% in 1998/99 to over 8% from 2000/2001 and onwards.

Infrastructure's share of the provincial expenditure increases to 9,7% in the 2002/2003 financial year owing to the major part of the Convenco funding (provincial contribution) being budgeted for that year. No funding for Convenco has as yet been included in the 2003/04 and 2004/2005 financial years, although the Province has a R42 million capital liability for Convenco. Infrastructure's share of provincial expenditure therefore reverts to just over 8%.

### Spending Trend 1997/98 to 2004/05

Table 2 indicates the expenditure growth trend for infrastructure from 1997/1998 to 2004/2005. There seemed to be a surge in infrastructure spending in 2000/2001, as the nominal increase amounted to 36% in comparison with the previous year. This surge was mainly due to the rollover of approximately R200 million from 1999/2000. The rollover amount consisted of R91 million of unspent funds in 1999/2000, revenue retention of R63 million, R28 million received for the flood damage in the Gamka River area and the shifting of funds from other votes totalling R18 million.

**Table 2: Infrastructure Trends (Nominal Rand value)**

Infrastructure	Actual					Budget		
	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Expenditure Level	773 214	624 190	694 658	946 033	1 079 009	1 356 461	1 272 036	1 301 959
Difference		149 024	70 468	251 375	132 976	277 452	(84 425)	29 923
Nominal Growth%		(19,27)	11,29	36,19	14,06	25,71	(6,22)	2,35

The 2001/2002 financial year saw the introduction of the National Conditional Grant called the Provincial Infrastructure Grant. The Province received R49,524 million in that year, R96,210 million in 2002/2003, R144,094 million in 2003/2004

and R177,848 million in 2004/2005. Included in the budget for the 2001/2002 financial year is an amount of approximately R101 million rolled over from 2000/2001. This amount consisted of R33 million for unspent funds in 2000/2001, R28 million revenue retention and the shifting of R40 million from other votes for specific infrastructure projects. Together the aforementioned culminates in a 14% nominal increase in spending in the 2001/2002 financial year.

The above paragraphs illustrate that rollover funds can have a significant influence on infrastructure spending. This is mainly due to the time lag for projects between the planning, tendering, and designing phase and the ultimate construction of the road or building. Unspent funds with regard to infrastructure represent unbuilt or incomplete roads, schools and clinics, which in turn affect delivery of social services. For this reason it must be noted and applauded that the unspent funds in respect of infrastructure have decreased considerably from R91 million in 1999/2000 to R33 million in 2000/2001 and R27,5 million in 2001/2002.

As part of the provincial budget reform and as proposed in the 2002 -2005 Western Cape Fiscal Policy (WCFP), a lump -sum amount of R599,107 million has been allocated for infrastructure (roads and buildings) for the 2002/2003 - 2004/2005 period. The allocation per year amounts to R299,543 million for 2002/2003, R166,659 million for 2003/2004 and R132,905 million for 2003/2004.

Currently included in the R299,543 million allocation for 2002/2003 is R85 million for Convenco. Allocations to Convenco are not as yet repeated in the outer MTEF years, resulting in the R85 million decrease in 2003/2004.

The lump -sum allocation after accounting for the Convenco contribution allows for an equal distribution of infrastructure spending in nominal terms over the 2002 - 2005 MTEF. This allocation was made on the assumption that the Accounting Officer of Vote 10: Transport and Public Works would collaborate with all client departments, within an overall framework, to ensure the internal prioritisation of roads and buildings. The overall framework, signed 25 January 2002 by both the Head Official of Treasury and the Accounting Officer of Vote 10, *inter alia*, divided the lump -sum in a 60:40 ratio, 60% for roads and 40% for buildings. The main reason for this split is the exponential replacement value of roads in comparison with that of buildings. The rehabilitation of roads costs seven times more than the resealing of roads, and the reconstruction of roads costs 16 times more.

Present allocations for 2002/03 as well as the MTEF should be revisited to augment the infrastructure allocation in order to stimulate economic growth in the Province, thus creating job opportunities and addressing poverty, i.e. in order to regenerate economic activity so as to address economic inequalities mentioned in Chapter Two.

## PublicWorksBranch

At present, almost all the building expenditure for each department is reflected in Vote 10: Transport and Public Works, with the exception of the day-to-day maintenance, which in some instances is reflected in the relevant Department's budget.

Since July 2000, the Public Works Programme in Vote 10: Transport and Public Works consists of Property Management and Works. Property Management manages the planning, development and administration of the provincial property portfolio with regard to rental, leasing, purchasing and selling of provincial property.

In terms of the Green Paper for the management of the Western Cape Provincial Property Portfolio, a provincial strategic Accommodation and Infrastructure Plan must be developed for the Province. This Plan will include all the strategic plans for the different departments as well as an indication of the need for accommodation and infrastructure over the next five years together with the current and capital impact that these needs will have on the provincial budget. The Plan will also include strategies on how the shortfall within the budgets can be funded to provide the required additional funds for accommodation and infrastructure. This Plan will play a major role in future budget processes.

In terms of the existing maintenance framework, all the client departments of Public Works are responsible for preparing a priority list of projects involving construction, upgrading and rehabilitation. Public Works, on the other hand, will through yearly audits of the facilities compile a list of priority maintenance projects, which will be finalised for execution in consultation with user Departments based upon available budgets. Public Works is responsible for professional appointments in terms of approved programmes and procedures, planning and detailed specification of projects in terms of the preferential procurement policy of the Province, contract procurement, contract administration and the monitoring of final accounts, debriefing of projects and constant feedback to the user department.

**Table 3: Expenditure for Public Works Branch (Nominal Rand value)**

	Actual					Budget					
	1999/2000 R'000	2000/2001 R'000	Growth %	2001/2002 R'000	Growth %	2002/2003 R'000	Growth %	2003/2004 R'000	Growth %	2004/2005 R'000	Growth %
Property Mgt	110 963	104 091	(6.19)	113 807	9.33	120 019	5.46	120 017	(0.00)	125 891	4.89
Public Works	218 477	287 092	31.41	353 106	22.99	385 302	9.12	395 602	2.67	401 877	1.59
Total	329 440	391 183	18.74	466 913	19.36	505 321	8.23	515 619	2.04	527 768	2.36
Current	202 254	216 188	6.89	224 808	3.99	299 844	33.38	307 171	2.44	300 685	(2.11)
Capital	127 186	174 995	37.59	242 105	38.35	205 477	(15.13)	208 448	1.45	227 083	8.94
Total	<b>329 440</b>	<b>391 183</b>	<b>18.74</b>	<b>466 913</b>	<b>19.36</b>	<b>505 321</b>	<b>8.23</b>	<b>515 619</b>	<b>2.04</b>	<b>527 768</b>	<b>2.36</b>

Expenditure for Property Management remains relatively constant as hiring of

accommodation, approximately 78% of its budget, remains constant. A more accurate assessment can only be made once all departments have completed their individual accommodation plans in order to facilitate one provincial accommodation plan. In terms of the overall framework signed on 25 January 2002 by both the Head Official of Treasury and the Accounting Officer of Vote 10, departmental accommodation plans had to be completed by the end of August 2002.

Expenditure for Property Management remains relatively constant. At present the lease expenditure is approximately 78% of the budget. A more accurate assessment will be made once the strategic accommodation and Infrastructure plan is finalised. In terms of this plan, departments will also identify redundant accommodation that may have an impact on the expenditure pattern.

Public Works expenditure increased dramatically in the 2000/01 and 2001/02 financial years by 31,41% and 22,99% respectively. Thereafter it increases further in 2002/03, as a result of the R599 million lump-sum injection over three years financed from accumulated reserves. This injection allows expenditure for Public Works to remain more or less constant in nominal terms in the 2003/04 and 2004/05 financial years. This allows for planning in a more or less constant financial environment, which is crucial for capital planning as major projects can run over more than one financial year.

### **Building Audit Programme (BAP)**

In 1999 the Public Works Branch undertook a building audit of all provincial properties so as to provide accurate information about the extent of the property portfolio, including the reparation and maintenance costs required.

The audit, completed in the year 2000, revealed that the provincial property portfolio amounted to R19,18 billion in 2000, which includes R2,87 billion (15%) for land and R16,3 billion (85%) for buildings. The maintenance backlog amounted to R1,185 billion, of which 48% was for schools, 45% for hospitals, 5% for general buildings and 2% for rented properties. The findings of the audit were that the maintenance backlog could be eliminated over a five-year period if R508 million was budgeted in the first year and smaller budgets ranging between R100 million and R250 million the following four years. This, however, only reflects the maintenance backlog situation. Research indicated that in order to maintain one's facilities in a good condition one would need to spend between 2 to 4% of the replacement value thereof per annum. A conservative estimate indicates that we need R394 million per year in rand to maintain the provincial building infrastructure to acceptable levels.

When comparing the above budgetary requirements with the Public Works budget in Table 3, one realises that the available resources at no time meet the budgetary requirements to eliminate the maintenance backlog. The Public Works budget in Table 3 includes spending for construction, upgrading and maintenance. BAP and the yearly audit of the buildings is being utilised to

prioritise maintenance work. The maintenance work is being categorised in terms of life -threatening situations on the one hand and maintaining a pleasant work environment on the other hand.

**Table 4: Public Works Expenditure by Department**

	Actual					Budget					
	1999/2000 R'000	2000/2001 R'000	Growth %	2001/2002 R'000	Growth %	2002/2003 R'000	Growth %	2003/2004 R'000	Growth %	2004/2005 R'000	Growth %
<b>Health</b>											
Construction	5 738	6 555	14,24	10 980	67,51	24 500	123,13	20 500	(16,33)	18 000	(12,20)
Upgrading	13 055	78 065	497,97	114 288	46,40	54 052	(52,71)	67 373	24,64	77 693	15,32
Maintenance	25 600	17 069	(33,32)	18 108	6,09	46 800	158,45	44 200	(5,56)	41 700	(5,66)
<b>Total</b>	<b>44 393</b>	<b>101 689</b>	<b>129,07</b>	<b>143 376</b>	<b>40,99</b>	<b>125 352</b>	<b>(12,57)</b>	<b>132 073</b>	<b>5,36</b>	<b>137 393</b>	<b>4,03</b>
<b>Education</b>											
Construction	33 126	50 886	53,61	60 095	18,10	77 758	29,39	77 794	0,05	47 205	(39,32)
Upgrading				380				535		44 462	8,210,65
Maintenance	21 761	45 500	109,09	37 727	(17,08)	54 800	45,25	60 600	10,58	50 700	(16,34)
<b>Total</b>	<b>54 887</b>	<b>96 386</b>	<b>75,61</b>	<b>98 202</b>	<b>1,88</b>	<b>132 558</b>	<b>34,99</b>	<b>138 929</b>	<b>4,81</b>	<b>142 367</b>	<b>2,47</b>
<b>Provincial Buildings</b>											
Construction	41 359	28 036	(32,21)	31 395	11,98	36 708	16,92	29 834	(18,73)	27 311	(8,46)
Upgrading											
Maintenance	14 608	12 025	(17,68)	15 241	26,74	22 821	49,73	25 189	10,38	23 656	(6,09)
<b>Total</b>	<b>55 967</b>	<b>40 061</b>	<b>(28,42)</b>	<b>46 636</b>	<b>16,41</b>	<b>59 529</b>	<b>27,65</b>	<b>55 023</b>	<b>(7,57)</b>	<b>50 967</b>	<b>(7,37)</b>
<b>Other Departments</b>											
Construction	14 411	13 198	(8,42)	15 862	20,18	2 000	(87,39)	2 000	0	2 000	0
Upgrading											
Maintenance	9 198	9 956	8,24	9 560	(3,98)	12 300	28,66	13 300	8,13	13 300	0
<b>Total</b>	<b>23 609</b>	<b>23 154</b>	<b>(1,93)</b>	<b>25 422</b>	<b>9,80</b>	<b>14 300</b>	<b>(43,75)</b>	<b>15 300</b>	<b>6,99</b>	<b>15 300</b>	<b>0</b>
<b>TOTAL</b>	<b>178 856</b>	<b>261 290</b>	<b>46,09</b>	<b>313 636</b>	<b>20,03</b>	<b>331 739</b>	<b>5,77</b>	<b>341 325</b>	<b>2,89</b>	<b>346 027</b>	<b>1,38</b>
Total Construction	94 634	98 675		118 332		140 966		130 128		94 516	
Health	6 06	6 64		9 28		17 38		15 75		19 04	
Education	35 00	51 57		50 79		55 16		59 78		49 94	
Provincial Buildings	43 70	28 41		26 53		26 04		22 93		28 90	
Other Departments	15 23	13 38		13 40		1 42		1 54		2 12	
Total Upgrading	13 055	78 065		114 668		54 052		67 908		122 155	
Health	100 00	100 00		99 67		100 00		99 21		63 60	
Education	-	-		0 33		-		0 79		36 40	
Provincial Buildings	-	-		-		-		-		-	
Other Departments	-	-		-		-		-		-	
Total Maintenance	71 167	84 550		80 636		136 721		143 289		129 356	
Health	35 97	20 19		22 46		34 23		30 85		32 24	
Education	30 58	53 81		46 79		40 08		42 29		39 19	
Provincial Buildings	20 53	14 22		18 90		16 69		17 58		18 29	
Other Departments	12 92	11 78		11 86		9 00		9 28		10 28	

## Health

The spatial distribution of health facilities is such that a large number of health facilities are situated in historically white areas. This has been addressed in the short term by means of primary health care, with the building of clinics and community health care (CH C) facilities in previously disadvantaged areas. Construction expenditure in Table 4 increases by 123% in 2002/03 and levels out

in the outer years. As the more established hospitals still need to provide services, the main health infrastructure spending is on the upgrading and rehabilitation of these facilities which are in poor condition.

## **Education**

One of the problems facing education is keeping up with an ever -changing demand for schools as a result of changes in school populations and population settlements. For this reason construction for education in Table 4 indicates an increasing trend from 2000/01 to 2003/04. However, one must not lose track of the constant escalation in building costs. Spending on upgrading and rehabilitation augments construction spending in 2004/05. Maintenance expenditure in education makes up an average of 42% of total maintenance of Public Works. As previously stated, this maintenance expenditure excludes day - to-day maintenance, which has been decentralised to departments.

Demographic factors such as migration, population growth and the impact of HIV/Aids also plays a part in the planning and provisioning of educational facilities. The Department of Environmental Affairs and Development Planning commissioned a migration study in the Western Cape province. This study indicated that some 12 000 households are expected to enter the Province annually. Education planners use a norm of 1 000 households to justify the establishment of a primary school and 2 000 households to justify the establishment of a secondary school. This implies that 12 new primary and six new secondary schools will be required on an annual basis.

## **Provincial Buildings**

Expenditure on general provincial buildings is limited to construction and maintenance, with construction receiving the greater part of the funds. One of the reasons for this is that offices are needed in previously disadvantaged areas. Maintenance of provincial buildings increases substantially over the period 2001/02 to 2003/ 04, resulting in maintenance on general buildings averaging 10% of the total maintenance expenditure. The Provincial Building portfolio includes all office buildings, inclusive of Social Services area offices and Education Management and Development Centre (EMDC), buildings for general use such as parking areas, storage buildings, prestige buildings such as Leeuwenhof and Artscape, the Cape Administrative Academy buildings, museums and buildings for Community Safety.

## **Other Departments**

Other departments include the Departments of Social Services and Poverty Alleviation, Environmental and Development Planning, and Agriculture. Construction spending decreases dramatically from 2002/03 onwards, with only spending on experimental farms indicated. However, the Department of Agriculture has been allocated funds from the Provincial Infrastructure Grant (PIG) for capital schemes. These funds will be transferred to Public Works for the execution of some of the projects.

## **Building Audit Programme (BAP) vs Actual Allocations**

As previously stated, even though the current budgetary allocations for maintenance are nowhere near the requirements in terms of BAP, the BAP can still be used as a prioritisation tool.

Currently the total maintenance expenditure has increased from R71,167 million in 1999/2000 to a high of R143,289 million in 2003/04 before dropping to R129,356 million in 2004/05. From Table 4, the average allocation received by Education amounts to 42%, Health 29%, Provincial Buildings 17,7% and Other Departments 10,86%. The BAP indicates that the Schools/Education backlog amounts to 48% of the total maintenance backlog, Health 45%, General Buildings 5% and Rental Properties 2%.

When compiling the BAP, Provincial Buildings and Other Departments are included in General Buildings. Other Departments, on the other hand, includes the expenditure for rental properties. Thus, when comparing BAP and Table 4, BAP reflects a general building maintenance backlog of 7% (5% + 2% rental buildings) of the total backlog, and Table 4 reflects an average allocation of 28,56% (Provincial Buildings 17,7% + other departments 10,86%). The allocation for general buildings in terms of the table appear to be high and almost equals the Health allocation. However, an amount of approximately R10 million is needed for day-to-day maintenance for the Provincial Building's portfolio and this amount is reflected in the maintenance allocation. The amounts shown in Table 4 must be seen in the light of the fact that day-to-day maintenance is included in the allocation for Provincial Buildings and Other Departments, whereas day-to-day maintenance of Other Departments is reflected on their own budget. The responsibility to keep our prestige accommodation in good condition must not be ignored. Funding for items such as security for VIP accommodation and Leeuwenhof must also be funded from this item.

## **Transport**

The transport budget consists of three programmes, namely Roads, Transport Programmes and Public Transport. The main function of the Roads programme is to maintain and construct trunk, main, divisional, minor and access roads. Transport Programmes involves the monitoring and control of motor vehicle administration, and the Public Transport programme, as the name implies, involves the development and implementation of public transport services.



**Table 5: Transport Expenditure 1999/2000 to 2004/05**

Programmes	Actual					Budget					
	1999/2000 R'000	2000/01 R'000	Growth %	2001/02 R'000	Growth %	2002/03 R'000	Growth %	2003/04 R'000	Growth %	2004/05 R'000	Growth %
Roads	282 678	419 988	48,57	426 675	1,59	542 637	27,18	513 275	(5,41)	545 845	6,35
Transport Programmes	55 888	95 957	71,70	121 213	26,32	82 822	(31,67)	86 096	3,95	88 545	2,84
Public Transport	8 224	10 105	22,87	19 665	94,61	100 748	412,32	111 198	10,37	86 507	(22,20)
Total	346 790	526 050	51,69	567 553	7,89	726 207	27,95	710 569	(2,15)	720 897	1,45
Current	321 821	236 176	(26,61)	257 138	8,88	290 249	12,88	310 145	6,85	331 566	6,91
Capital	24 969	289 874	1,060,94	310 415	7,09	435 958	40,44	400 424	(8,15)	389 331	(2,77)
Total	346 790	526 050	51,69	567 553	7,89	726 207	27,95	710 569	(2,15)	720 897	1,45

As can be seen in Table 5, the expenditure trend for Transport has more than doubled from 1999/2000 to 2004/05. On the other hand, expenditure on roads for the same period has not doubled. This indicates a shift in emphasis towards Public Transport as the Department is attempting to find a balance between economic development, road expenditure, and accessible and safe transport for all citizens. The long-term goal behind this shift is to decrease the current 2 832 vehicles per kilometre of paved road and to increase the number of public transport commuters.

#### Sub-Programme 1: Roads

In 20 01/02 the sub-programme spent more than was originally voted, as R329,379 million was voted at the beginning of the year and the actual expenditure amounted to R426,675 million. The increased spending was mainly due to the dry weather experienced in February and March 2002, thus confirming the trend that roads expenditure increases considerably in the summer months. This has also shown Roads' ability to spend at a faster rate than Public Works, as roads is its own policy and implementing agent (fewer role players).

The increased spending in 2001/02 has enabled the sub-programme to achieve almost all targets set in the strategic plan. Maintenance of gravel roads met 39% of the need compared with the target of 28%, maintenance of surface roads met 61% of the need, compared with the target of 48%, 5% of the need for regravelling was met compared with the target of 6% and 37% of the resealing need was met against the targeted 20%. From these statistics it is quite obvious that current expenditure does not nearly match the need in terms of maintenance and resealing.

It is also clear that the current expenditure does not nearly meet the future need for rehabilitation/reconstruction. It is far below economic levels, making it impossible to apply optimal strategies, and only short-term, crisis management can be applied to try and protect our valuable assets. Projects involving upgrading, safety, congestion and extension of the network have low priority

under these circumstances. Failure to spend efficiently on roads in the short term makes it more expensive to retrieve the situation in the medium term by means of rehabilitation. As mentioned previously, when a road can no longer be resealed, it costs at least seven times more to rehabilitate and it costs more than 16 times to reconstruct. In the long term, as is sadly evidenced in other parts of the world, a point of no return is reached and it becomes impossibly expensive to rehabilitate the roads infrastructure, which declines to the point of disintegration. In turn, this means that the enormous amounts of money needed by then cannot be found to rehabilitate the roads because they are too bad to attract the necessary investment and facilitate the necessary wealth creation. There is thus a “shadow line” in respect of inadequate expenditure on roads, which the Western Cape has been moving towards for some time. Once crossed, this “shadow line” makes recovery impossible. Obviously, it is imperative to avoid crossing this “shadow line” altogether.

From the aforementioned statistics it is obvious that current expenditure does not nearly match the need in terms of maintenance and resealing. The road network consists of 6 350 km of paved roads and 31 600 km of gravel roads (including 21 000 km of minor roads). In terms of the 2001/02 annual report the current backlog amounts to R1,6 billion, consisting of R593 million for rehabilitation, R300 million for resealing, R488 million for regravelling and R265 million for routine maintenance.

### **Transport Programmes**

In 2002/03 the emphasis has been placed on public transport, for it no longer forms part of the Transport Programme but has been made a separate programme. The allocation for Public Transport therefore increases by 412,3%, from R19,665 million in 2001/02 to R 100,748 million in 2002/03.

Capital public transport projects are expected to increase from R10 million in 2001/02 to R83,099 million in 2002/03, R92,905 million in 2003/04 and then to fall to R70,371 million in 2004/05. The question whether these increases are realistic is a matter of concern. Added to this, the budget documentation does not give a further breakdown of the projects planned. This is a serious flaw in the current documentation as the expenditure represents 19% of Transport capital expenditure for 2002/03 and 23.4% in 2003/04.

### **Capacity for 2002/03**

As at 31 March 2002, Vote 10: Transport and Public works had 411 vacancies, 119 within Administration, 224 within Transport and 68 within Public Works. The Department is currently undergoing restructuring as in 2001/02 the programme Administration provides services not only to Transport and Public Works but also to Business Promotion and Tourism, Knowledge Economy and E-Government, and Agriculture. With Transport and Public Works being a separate department in 2002/03, the establishment for Administration could decrease, thereby decreasing the number of vacancies. The number of existing vacancies in

Transport and Public Works will probably not change, thus placing a strain on service delivery.

Vote 10: Transport and Public Works has received extra funding as a result of the emphasis on infrastructure. The vote has received R438,213 million in earmarked allocation, which amounts to 35% of their allocation for 2002/03. The department thus has to find a balance between spending all the funds received, especially their earmarked allocation, and filling posts in order to obtain targets set in their 2002/03 strategic plan.

## **Conclusion**

In order for this Department to make real inroads into the infrastructure backlogs, both in terms of maintenance and new demands, the budget allocation to this Department will need to increase in real terms and be substantially augmented. However, such increases should stimulate economic activity in the Province, with concomitant increases in job opportunities, and should have a positive impact on poverty and, hopefully, the social services sector.

With regard to Public Works it is imperative that consolidated departmental five-year accommodation plans be completed as a matter of urgency in order to determine realistic expenditure levels – demographic factors and spatial distribution in the Province, particularly in the Cape Metropole, need to be taken into account in this endeavour. The accommodation plan should ultimately ensure efficiency gains for the Province in terms of utilising resources optimally.

Similarly, future resource allocation towards road infrastructure should be underpinned by a technical, economic and socio-economic analysis of the road network or its extension in order to direct funds.

The roads allocation should be utilised to encompass and integrate economic development and tourism so as to regenerate/stimulate economic growth by creating sustainable employment opportunities and addressing black economic empowerment and economic inequalities.