

Vote 6

Public Works

| | 2005/06 | | | 2006/07 | 2007/08 |
|-------------------------------|----------------------------------|------------------|-------------------------|----------------|----------------|
| | To be appropriated | | | | |
| MTEF allocations of which: | R5 554 051 000 | | | R5 959 780 000 | R6 577 606 000 |
| | <i>Current payments</i> | <i>Transfers</i> | <i>Capital payments</i> | | |
| | R3 502 017 000 | R998 405 000 | R1 053 629 000 | | |
| Statutory amounts | - | | | - | - |
| Responsible minister | Minister of Public Works | | | | |
| Administering department | Department of Public Works | | | | |
| Accounting officer | Director-General of Public Works | | | | |

Aim

The Department of Public Works aims to provide and manage the accommodation, housing, land and infrastructure needs of national departments, to co-ordinate the national expanded public works programme, and to optimise growth, employment and transformation in the construction and property industries.

Programme purpose and measurable objective

Programme 1: Administration

Purpose: Provide for the leadership and overall management of the department.

Programme 2: Provision of Land and Accommodation

Purpose: Provide and manage immovable property which serves as the platform for the efficient delivery of various government services.

Measurable objective: Accommodate all national departments and institutions in suitable and economical properties that help them deliver on their mandate.

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 co-ordinate the national implementation of the expanded public works programme.

Measurable objective: Stimulate and regulate the built environment to create an enabling environment for government's socio-economic objectives.

Programme 4: Auxiliary and Associated Services

Purpose: Provide for various services including: compensation for losses on the government-assisted housing scheme where public servants fail to fulfil their obligations; assistance to

organisations for the preservation of national memorials; grants-in-aid; and meeting the department's protocol responsibilities for state functions.

Measurable objective: Facilitate the timely transfer of funds to organisations for the preservation of national memorials and to the Parliamentary Villages Management Board and carrying out its obligations for state functions.

Strategic overview and key policy developments: 2001/02 – 2007/08

The continued focus of the Department of Public Works is service excellence. A new organisational structure was implemented in October 2004, and vacant posts are currently being filled. The groundwork is complete for replacing archaic and incompatible information systems, and a holistic maintenance plan has been submitted to National Treasury. From April 2006, a user charges system, which requires departments to pay a commensurate charge for both owned and leased accommodation, and a service delivery programme, will be implemented. Good progress has been made with implementing the expanded public works programme, compiling a government-wide immovable asset management framework, and industry charters.

Four key objectives

The Department of Public Works has identified four key objectives for the MTEF period.

The first is to improve accommodation service provision. This involves addressing the maintenance backlog over the next 10 to 20 years, improving government accommodation in Cape Town and Pretoria, and launching a service delivery improvement programme.

The second is to improve the management of the state's immovable property portfolio. This involves reviewing and upgrading the immovable asset register and finalising the implementation of the government-wide immovable asset management framework. This depends largely on the Department of Land Affairs' vesting exercise, which is to make sure that all properties are registered in the right sphere of government.

The third is to roll out the expanded public works programme to provinces, municipalities and other national government departments.

The fourth is to lead the drafting of the construction and property industry transformation charters.

Three strategic drivers

Three strategic drivers have been identified for achieving the four key objectives.

The first is service, which comprises a programme to improve service delivery, including mechanisms such as service level agreements with client departments and managing client relationships. Transformation is also a focus, and includes developing a broad-based BEE strategy and policy, revising the department's employment equity plan, and developing industry charters.

The second is capacity. This includes people development and incentive systems, finalising business processes and systems, and implementing unit business plans. There is also a focus on budgeting, such as aligning allocations to prioritised needs, improving budget submissions, and responding to issues raised by the Standing Committee on Public Accounts (SCOPA).

The third is asset management, including implementing an asset management information system, asset life-cycle management, government-wide immovable asset management legislation and a property disposal strategy and policy. The government-wide framework for managing immovable assets emphasises: life-cycle asset management; the principle that service delivery requirements should be the primary factor in decision-making for immovable assets; and the need for analysing

alternative asset solutions, including non-asset solutions. Finalising and gazetting this framework and its enabling legislation, in consultation with the various stakeholders, will be a priority over the MTEF period.

The expanded public works programme

The expanded public works programme (EPWP) is a flagship government programme, which aims to address unemployment and poverty. The programme aims to give many unemployed people an opportunity to work, as well as to bolster investor confidence in the labour market. Under the programme, small contractors are mentored so that they can compete viably in tenders for municipal and provincial government labour-intensive projects. This aspect of the programme is important for government's broad-based BEE objectives.

The Department of Public Works is charged with co-ordinating the EPWP across all spheres of government and making sure that the EPWP's national objectives and targets are being met. The department is also responsible for informing the wider public about the EPWP.

The EPWP was successfully launched in all nine provinces by September 2004, and an implementation framework for provinces and municipalities was developed. Training capacity has strengthened and the required training programmes for the supervisory and managerial staff of contracting and engineering firms is currently being provided.

The construction and property industry

Since 1994, the department has provided the necessary leadership for transforming and regulating the construction industry. Over the MTEF period, this will extend to the property industry. Transformation charters have been drafted for both industries and preparation for adopting and implementing them will begin in 2005. The department is also currently addressing the dire shortage of built environment professional and technical skills.

Contribution to NEPAD

In line with NEPAD principles, a joint peacekeeping skills development project is being implemented with the Department of Defence. This involves looking at how providing much-needed infrastructure can contribute to conflict resolution. The intention is to bring a development perspective to bear on peacekeeping and post-conflict reconstruction in the Great Lakes region and elsewhere.

Managing fixed property

Progress has been made in compiling immovable asset management guidelines for national departments and institutions and provincial administrations, with a view to improving the management and use of the state's fixed property portfolio. These policy guidelines will be translated into a white paper and framework legislation, to be submitted to Cabinet and Parliament in 2005 after an extensive consultation process with stakeholders. In order to properly exercise its custodial responsibilities, the department is developing a revised policy on space and cost norms for office accommodation. The department is engaging with National Treasury to set timeframes for devolving the payment of municipal rates for provincial properties to provincial administrations. The department is working with the Tshwane municipality to develop an integrated plan for providing better accommodation for the headquarters of national departments in the Tshwane municipal area.

The Department of Public Works is committed to continuous improvement and delivering services cost-effectively, as the PFMA requires. Improved capacity, including business and systems, will help to achieve this.

Expenditure estimates

Table 6.1: Public Works

| Programme | Expenditure outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimate | | |
|---|---------------------|------------------|---------------------|------------------------|------------------|----------------------------------|------------------|------------------|
| | Audited | Audited | Preliminary outcome | | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | | |
| 1. Administration | 181 871 | 210 841 | 239 393 | 275 071 | 287 299 | 272 002 | 330 631 | 344 816 |
| 2. Provision of Land and Accommodation | 3 102 968 | 3 669 687 | 4 117 868 | 5 152 749 | 5 106 348 | 5 181 343 | 5 523 625 | 6 122 040 |
| 3. National Public Works Programme | 408 500 | 306 449 | 310 644 | 68 970 | 78 532 | 82 610 | 85 629 | 89 860 |
| 4. Auxiliary and Associated Services | 11 863 | 15 210 | 14 440 | 17 119 | 41 730 | 18 096 | 19 895 | 20 890 |
| Total | 3 705 202 | 4 202 187 | 4 682 345 | 5 513 909 | 5 513 909 | 5 554 051 | 5 959 780 | 6 577 606 |
| Change to 2004 Budget estimate | | | | 693 986 | 693 986 | 410 204 | 447 721 | 789 944 |
| Economic classification | | | | | | | | |
| Current payments | 2 244 551 | 2 627 164 | 2 848 834 | 3 270 113 | 3 657 299 | 3 502 017 | 3 745 275 | 3 944 119 |
| Compensation of employees | 307 785 | 350 066 | 420 645 | 464 844 | 455 442 | 626 134 | 655 829 | 708 544 |
| Goods and services | 1 921 690 | 2 237 886 | 2 421 371 | 2 800 467 | 3 196 828 | 2 870 840 | 3 084 151 | 3 230 015 |
| <i>of which:</i> | | | | | | | | |
| <i>Consultants and contractors</i> | 48 593 | 45 759 | 58 901 | 56 699 | 56 699 | 39 925 | 61 667 | 68 056 |
| <i>Travel and subsistence</i> | 17 760 | 23 199 | 23 907 | 26 563 | 26 563 | 37 781 | 60 132 | 58 457 |
| <i>Communication</i> | 10 893 | 18 416 | 10 305 | 8 991 | 8 991 | 10 891 | 20 010 | 20 161 |
| <i>Inventory</i> | 30 683 | 31 062 | 34 966 | 33 575 | 33 575 | 35 546 | 37 323 | 39 189 |
| <i>Property expenditure</i> | 716 344 | 847 189 | 835 507 | 931 357 | 931 357 | 761 352 | 790 747 | 566 448 |
| <i>Leases and rentals</i> | 781 274 | 909 923 | 1 027 166 | 1 128 971 | 1 128 971 | 1 285 752 | 1 304 530 | 1 369 680 |
| <i>Maintenance and repairs</i> | 189 989 | 224 898 | 275 874 | 378 011 | 753 004 | 292 115 | 300 394 | 301 264 |
| Interest and rent on land | 3 013 | 5 164 | 4 531 | 4 802 | 4 778 | 5 043 | 5 295 | 5 560 |
| Financial transactions in assets and liabilities | 12 063 | 34 048 | 2 287 | – | 251 | – | – | – |
| Transfers and subsidies to: | 936 491 | 1 021 576 | 1 103 500 | 1 476 927 | 1 479 356 | 998 405 | 1 149 612 | 1 348 124 |
| Provinces and municipalities | 917 856 | 993 287 | 1 067 698 | 1 433 505 | 1 433 505 | 947 867 | 1 101 528 | 1 297 654 |
| Departmental agencies and accounts | 8 433 | 16 870 | 25 307 | 31 136 | 30 833 | 37 536 | 33 817 | 35 507 |
| Foreign governments and international organisations | 8 148 | 11 314 | 9 279 | 11 935 | 12 199 | 12 651 | 13 916 | 14 612 |
| Public corporations and private enterprises | – | – | – | – | 43 | – | – | – |
| Households | 2 054 | 105 | 1 216 | 351 | 2 776 | 351 | 351 | 351 |
| Payments for capital assets | 524 160 | 553 447 | 730 011 | 766 869 | 377 254 | 1 053 629 | 1 064 893 | 1 285 363 |
| Buildings and other fixed structures | 497 148 | 523 644 | 689 642 | 724 179 | 334 486 | 1 011 494 | 1 022 679 | 1 243 046 |
| Machinery and equipment | 27 680 | 26 357 | 40 342 | 42 665 | 42 753 | 42 110 | 42 189 | 42 291 |
| Software and other intangible assets | – | – | – | – | 15 | – | – | – |
| Land and subsoil assets | (668) | 3 446 | 27 | 25 | – | 25 | 25 | 26 |
| Total | 3 705 202 | 4 202 187 | 4 682 345 | 5 513 909 | 5 513 909 | 5 554 051 | 5 959 780 | 6 577 606 |

Expenditure trends

Overall expenditure is on a steadily increasing trend. It has increased from R3,7 billion in 2001/02 to R5,5 billion in 2004/05, and is expected to rise to R6,6 billion in 2007/08. The annual average increase over the last three years was 14,2 per cent, while over the next three years it reduces to 6,1 per cent.

Payments of municipal services and rates for government-owned property have been a key driver of increased expenditure: a one-off payment of R559 million was allocated for eliminating arrears to municipalities for both services and rates. As well as for meeting municipal services and rates increases, most of the expected increase in expenditure over the next three years will be used for: addressing the maintenance backlog for government buildings; upgrading land ports of entry; the Pretoria inner city project; and improving accommodation.

Compensation of employees is expected to increase significantly over the next three years, rising from R464,8 million in 2004/05 to R708,5 million in 2007/08, an annual average increase of 15,1 per cent. This is due to an expected significant increase in staff numbers.

In the 2005 Budget, additional allocations were made of R402,5 million for 2005/06, R439,3 million for 2006/07 and R822,4 million for 2007/08, for municipal services and rates, improvements to accommodation, tackling maintenance backlogs, upgrading land ports of entry and renovations to Parliament buildings.

Departmental receipts

The main sources of revenue for the department include letting property and official quarters as well as the sale of land, buildings and structures. The assets sold are state-owned and include old military bases which have become redundant and properties that are no longer cost-effective to keep. The average revenue collection per year is about R37 million.

Table 6.2: Departmental receipts

| R thousand | Receipts outcome | | | | Adjusted appropriation | Medium-term receipts estimate | | |
|--|------------------|---------------|---------------------|---------------|------------------------|-------------------------------|---------------|---------|
| | Audited | Audited | Preliminary outcome | 2004/05 | | 2005/06 | 2006/07 | 2007/08 |
| | 2001/02 | 2002/03 | 2003/04 | | | | | |
| Sales of goods and services produced by department | 9 900 | 10 402 | 10 809 | 11 060 | 10 710 | 10 555 | 10 465 | |
| Sales of scrap, waste and other used current goods | 107 | 74 | 10 | 45 | 30 | 35 | 37 | |
| Fines, penalties and forfeits | 2 585 | 1 633 | 2 710 | 2 983 | 2 304 | 2 206 | 2 406 | |
| Interest, dividends and rent on land | 4 944 | 2 349 | 1 600 | 2 854 | 2 443 | 2 655 | 2 640 | |
| Sales of capital assets | 8 556 | 11 793 | 8 002 | 16 886 | 13 400 | 13 300 | 13 600 | |
| Financial transactions in assets and liabilities | 10 826 | 9 511 | 12 886 | 7 642 | 7 087 | 7 594 | 8 287 | |
| Total | 36 918 | 35 762 | 36 017 | 41 470 | 35 974 | 36 345 | 37 435 | |

Programme 1: Administration

Administration provides strategic management and administrative support to the department by giving political, managerial and administrative leadership and support to the work of the department. In addition, the administration and smooth running of the department is supported by the corporate services function, which seeks to create a productive, efficient and creative working environment.

Expenditure estimates

Table 6.3: Administration

| Subprogramme | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--------------------------------|---------------------|----------------|---------------------|------------------------|----------------------------------|----------------|----------------|
| | Audited | Audited | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| Minister ¹ | 646 | 691 | 2 291 | 791 | 843 | 897 | 942 |
| Deputy Minister ² | 420 | 536 | 1 526 | 585 | 623 | 663 | 696 |
| Management | 41 545 | 66 309 | 74 217 | 49 501 | 54 376 | 59 814 | 65 795 |
| Corporate Services | 139 260 | 143 305 | 161 359 | 224 194 | 216 160 | 269 257 | 277 383 |
| Total | 181 871 | 210 841 | 239 393 | 275 071 | 272 002 | 330 631 | 344 816 |
| Change to 2004 Budget estimate | | | | 34 488 | 39 405 | 27 159 | 26 170 |

¹ Payable as from 1 April 2004. Salary: R633 061. Car allowance: R158 265.

² Payable as from 1 April 2004. Salary: R467 765. Car allowance: R116 941.

Economic classification

| | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Current payments | 167 010 | 197 324 | 218 887 | 237 415 | 229 305 | 287 916 | 302 083 |
| Compensation of employees | 83 516 | 91 064 | 96 951 | 125 335 | 174 080 | 181 784 | 191 923 |
| Goods and services | 83 427 | 106 243 | 121 851 | 112 080 | 55 225 | 106 132 | 110 160 |
| of which: | | | | | | | |
| Consultants and contractors | 14 970 | 27 405 | 41 433 | 34 977 | 18 363 | 38 562 | 39 696 |
| Travel and subsistence | 9 114 | 10 285 | 7 000 | 7 420 | 15 960 | 33 517 | 34 398 |
| Communication | 9 306 | 15 247 | 5 382 | 5 705 | 7 442 | 15 628 | 16 358 |
| Inventory | 6 475 | 8 427 | 7 621 | 8 078 | 8 771 | 9 210 | 9 670 |
| Financial transactions in assets and liabilities | 67 | 17 | 85 | – | – | – | – |
| Transfers and subsidies to: | 2 313 | 383 | 1 504 | 656 | 697 | 715 | 733 |
| Provinces and municipalities | 264 | 284 | 289 | 306 | 347 | 365 | 383 |
| Households | 2 049 | 99 | 1 215 | 350 | 350 | 350 | 350 |
| Payments for capital assets | 12 548 | 13 134 | 19 002 | 37 000 | 42 000 | 42 000 | 42 000 |
| Buildings and other fixed structures | 78 | 274 | – | – | – | – | – |
| Machinery and equipment | 12 470 | 12 860 | 19 002 | 37 000 | 42 000 | 42 000 | 42 000 |
| Total | 181 871 | 210 841 | 239 393 | 275 071 | 272 002 | 330 631 | 344 816 |

Details of transfers and subsidies:

| | | | | | | | |
|-------------------------|--------------|-----------|--------------|------------|------------|------------|------------|
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | 2 049 | 99 | 1 215 | 350 | 350 | 350 | 350 |
| Bursaries | 2 049 | 99 | 1 200 | 350 | 350 | 350 | 350 |
| Ex-gratia payments | – | – | 15 | – | – | – | – |
| Total households | 2 049 | 99 | 1 215 | 350 | 350 | 350 | 350 |

Expenditure trends

Expenditure has increased steadily, rising from R181,9 million in 2001/02 to R275,1 million in 2004/05, and increasing further to an expected R344,8 million in 2007/08. This is an annual average increase of 14,8 per cent between 2001/02 and 2004/05, and 7,8 per cent between 2004/05 and 2007/08. The *Corporate Services* subprogramme has seen the fastest growth, rising from R139,3 million in 2001/02 to R277,4 million in 2007/08, an annual average increase of 12,2 per cent.

The increase over the last three years has been used to improve the department's management and administrative capacity, in both the head office and regional offices. Over the next three years, there will be a continued focus on improving the department's information systems in preparation for the user-charge system to be implemented in 2006/07. Under this system, national departments will be charged for state-owned accommodation that is currently being used free of charge.

Programme 2: Provision of Land and Accommodation

The main objective of the programme is to provide and manage immovable property which supports the economical and efficient delivery of various government services. It aims to accommodate all national departments and institutions in suitable and economical properties that help them deliver on their mandate.

This programme comprises three subprogrammes:

- *Capital Works* focuses on the acquisition and construction of infrastructure.
- *Property Management* leases, maintains, manages and disposes of immovable property.
- *Asset Management* makes sure that immovable property owned and utilised for delivering various government services yields functional, economic and social benefits to the state.

Expenditure estimates

Table 6.4: Provision of Land and Accommodation

| Subprogramme | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|---------------------|------------------|---------------------|------------------------|----------------------------------|------------------|------------------|
| | Audited | Audited | Preliminary outcome | | 2004/05 | 2005/06 | 2006/07 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| Capital Works (Public Works) | 57 197 | 120 621 | 271 069 | 284 426 | 372 180 | 363 450 | 513 450 |
| Property Management | 2 782 964 | 3 297 365 | 3 500 328 | 3 867 596 | 4 397 831 | 4 726 205 | 5 184 325 |
| <i>of which:</i> | | | | | | | |
| Office Accommodation, Official Quarters and Unimproved Property | 781 154 | 899 435 | 1 027 146 | 1 144 423 | 1 281 749 | 1 298 531 | 1 363 259 |
| Maintenance, Repair and Renovation of Buildings | 574 323 | 633 629 | 651 419 | 745 886 | 926 754 | 951 619 | 1 037 456 |
| Cleaning of Buildings and Tending of Gardens | 120 293 | 127 174 | 63 594 | 146 798 | 152 658 | 159 850 | 167 843 |
| Municipal Services | 747 417 | 904 290 | 953 941 | 1 073 118 | 1 080 841 | 1 206 316 | 1 309 282 |
| Rates on State Properties | 559 777 | 732 837 | 804 228 | 1 432 326 | 946 602 | 1 100 201 | 1 296 261 |
| Administration | – | – | – | – | 9 227 | 9 688 | 10 224 |
| Asset Management | 262 807 | 251 701 | 346 471 | 325 772 | 411 332 | 433 970 | 424 265 |
| <i>of which:</i> | | | | | | | |
| Construction Advisory Services | 35 333 | 34 251 | 26 794 | 42 146 | 42 749 | 46 221 | 48 532 |
| Property Advisory Services | 93 312 | 90 456 | 70 764 | 74 307 | 112 899 | 122 069 | 128 172 |
| Key Accounts Management | 123 735 | 116 886 | 169 671 | 196 881 | 243 067 | 252 039 | 233 238 |
| Asset Procurement and Operating Partnership System | 4 475 | 4 338 | 3 394 | 5 338 | 5 415 | 5 855 | 6 148 |
| Administration | 5 952 | 5 770 | 75 848 | 7 100 | 7 202 | 7 786 | 8 175 |
| Total | 3 102 968 | 3 669 687 | 4 117 868 | 5 152 749 | 5 181 343 | 5 523 625 | 6 122 040 |
| Change to 2004 Budget estimate | | | | 659 498 | 362 083 | 411 846 | 754 672 |

| | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|---------------------|------------------|---------------------|------------------------|----------------------------------|------------------|------------------|
| | Audited | Audited | Preliminary outcome | | 2004/05 | 2005/06 | 2006/07 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| Economic classification | | | | | | | |
| Current payments | 2 031 319 | 2 396 768 | 2 602 286 | 2 995 362 | 3 222 327 | 3 399 753 | 3 581 692 |
| Compensation of employees | 216 746 | 251 553 | 314 994 | 322 738 | 433 990 | 455 394 | 497 038 |
| Goods and services | 1 799 602 | 2 106 049 | 2 280 583 | 2 667 822 | 2 783 294 | 2 939 064 | 3 079 094 |
| <i>of which:</i> | | | | | | | |
| Inventory | 24 022 | 22 162 | 27 024 | 25 155 | 26 413 | 27 733 | 29 120 |
| Property expenditure | 716 344 | 847 189 | 835 507 | 931 357 | 759 539 | 786 949 | 562 459 |
| Leases and rentals | 781 244 | 909 706 | 1 027 146 | 1 128 845 | 1 283 791 | 1 300 943 | 1 365 913 |
| Maintenance and repairs | 189 978 | 224 884 | 275 861 | 378 008 | 291 540 | 299 190 | 300 000 |
| Interest and rent on land | 3 013 | 5 164 | 4 531 | 4 802 | 5 043 | 5 295 | 5 560 |
| Financial transactions in assets and liabilities | 11 958 | 34 002 | 2 178 | – | – | – | – |
| Transfers and subsidies to: | 560 444 | 733 166 | 805 022 | 1 433 168 | 947 487 | 1 101 129 | 1 297 235 |
| Provinces and municipalities | 560 439 | 733 160 | 805 022 | 1 433 168 | 947 487 | 1 101 129 | 1 297 235 |
| Households | 5 | 6 | – | – | – | – | – |
| Payments for capital assets | 511 205 | 539 753 | 710 560 | 724 219 | 1 011 529 | 1 022 743 | 1 243 113 |
| Buildings and other fixed structures | 497 070 | 523 370 | 689 642 | 724 179 | 1 011 494 | 1 022 679 | 1 243 046 |
| Machinery and equipment | 14 803 | 12 937 | 20 891 | 15 | 10 | 39 | 41 |
| Land and subsoil assets | (668) | 3 446 | 27 | 25 | 25 | 25 | 26 |
| Total | 3 102 968 | 3 669 687 | 4 117 868 | 5 152 749 | 5 181 343 | 5 523 625 | 6 122 040 |

Details of transfers and subsidies:

| | | | | | | | |
|---|----------------|----------------|----------------|------------------|----------------|------------------|------------------|
| Provinces and municipalities | | | | | | | |
| Municipalities | | | | | | | |
| Municipal bank accounts | | | | | | | |
| Current | 560 439 | 733 160 | 805 022 | 1 433 168 | 947 487 | 1 101 129 | 1 297 235 |
| Rates on state properties | 559 777 | 732 837 | 804 228 | 1 432 326 | 946 603 | 1 100 201 | 1 296 261 |
| Regional Services Council levies | 662 | 323 | 794 | 842 | 884 | 928 | 974 |
| Total provinces and municipalities | 560 439 | 733 160 | 805 022 | 1 433 168 | 947 487 | 1 101 129 | 1 297 235 |

Expenditure trends

The programme has seen strong expenditure growth, rising from R3,1 billion in 2001/02 to R5,2 billion in 2004/05, an annual average increase of 18,4 per cent. This growth is expected to slow, rising to R6,1 billion in 2007/08, at an annual average increase of 5,9 per cent over the next three years.

The main cost-driver in this programme is the cost of property management, with payment for municipal service charges taking up most of the spending. Expenditure on rates is expected to rise from R559,8 million in 2001/02 to R1,3 billion in 2007/08, an annual average increase of 15 per cent. In 2004/05, a once-off allocation of R559 million was made to fund the payment of arrears on municipal rates and service charges.

There has been a significant increase in expenditure on capital assets, increasing from R511,2 million in 2001/02 to an expected R1,2 billion in 2007/08, an annual average increase of 16 per cent.

Additional expenditure from within the allocations announced in the 2005 Budget will go towards improving accommodation, the Pretoria inner city project, municipal services and rates, upgrading land ports of entry, renovations to the Parliament building and maintenance costs.

Service delivery objectives and indicators

Recent outputs

Recent outputs from this programme include constructing the Port Elizabeth and Khayelitsha magistrate's offices, constructing the Bisho shooting range for the SAPS, repair and maintenance of 12 proclaimed fishing harbours, completing the Kinshasa chancery and diplomatic village, and the Berlin chancery.

Property Management managed a total leasing amount of R1 billion, based on the demands of client departments for accommodation. New acquisitions of properties were registered at the deeds office to the value of nearly R17 million. These include properties acquired for the accommodation of the SAPS national directorate of special operations and facilities at the Golela border post in Mpumalanga.

Two hundred and eleven non-commercial properties and eight commercial properties were disposed of, including the gratis transfer of a Thabazimbi farm of 1 400ha to the Baphalane-ba-Mantserre Community Development Trust in Limpopo, and the Ndongi Farm of over 144ha to the Ndongi Communal Property Trust in KwaZulu-Natal.

Selected medium-term output targets

Provision of Land and Accommodation

Measurable objective: Accommodate all national departments and institutions in suitable and economical properties that help them deliver on their mandate.

| Subprogramme | Output | Measure/Indicator | Target |
|------------------------------|--|--|--------------------------|
| Capital Works (Public Works) | Accommodation according to clients' needs | Percentage of projects delivered as per contractual conditions | 100% |
| Property Management | Provision of leased accommodation to various national client departments and institutions | Number of leases procured and managed | 6 000 |
| | Well maintained buildings | Percentage of requests successfully attended to | 80% |
| | Payment for municipal services to client departments | Percentage of correct and timeous payments of municipal services | 98% |
| | Payment of rates on all state-owned properties | Percentage of correct and timeous payments of municipal rates | 99% |
| Asset Management | Strategic management of immovable property owned and utilised for delivering various government services | Extent of suitability of property owned and used by government | 70% of property suitable |
| | | Establishment of a comprehensive, cohesive immovable asset management plans, aligned to their service delivery plans for the 5 biggest clients | 31 March 2006. |
| | | First phase of the Pretoria inner city asset management plan for national department head offices completed | 31 March 2006 |

Programme 3: National Public Works Programme

The aim of the *National Public Works Programme* is to promote growth and transformation in the construction and property industries; to promote uniformity and best practice in the construction

industry and immovable asset management in the public sector; to guide the compiling of comprehensive and accurate registers of immovable assets under the control of the national and provincial governments; and to co-ordinate the national implementation of the expanded public works programme (EPWP).

The EPWP is a job-creation and poverty alleviation programme, targeted primarily at unemployed people by providing short-term jobs and training for labour-intensive projects. All spheres of government will contribute to achieving the targets of the EPWP by implementing projects in the infrastructure, environmental, social and economic sectors. This expenditure for these projects will be funded by respective line departments, provinces and municipalities, and not by this department directly. Together with the lead departments in the different sectors, the department co-ordinates government's sectoral programmes.

Apart from *Administration*, this programme comprises four subprogrammes:

- *Construction Industry Development Programme*: is concerned with creating an enabling environment for transforming, reconstructing and developing the construction industry.
- *Expanded Public Works Programme* co-ordinates the use of government expenditure to create additional employment opportunities in the construction of provincial and municipal infrastructure.
- *Owners Activities* attends to the functions and responsibilities of the state as landowner and landlord.
- *Property Industry Development Programme* provides leadership on the growth and development of the property industry.

Expenditure estimates

Table 6.5: National Public Works Programme

| Subprogramme | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|---------------------|----------------|---------------------|------------------------|----------------------------------|---------------|---------------|
| | Audited | Audited | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| Construction Industry Development Programme | 18 496 | 31 448 | 32 942 | 53 970 | 34 295 | 30 252 | 31 747 |
| Community-based Public Works Programme | 390 004 | 275 001 | 277 702 | – | – | – | – |
| Expanded Public Works Programme | – | – | – | 15 000 | 13 000 | 15 000 | 15 750 |
| Owners Activities | – | – | – | – | 6 500 | 6 500 | 6 500 |
| Property Industry Development Programme | – | – | – | – | 3 700 | 3 700 | 3 700 |
| Administration | – | – | – | – | 25 115 | 30 177 | 32 163 |
| Total | 408 500 | 306 449 | 310 644 | 68 970 | 82 610 | 85 629 | 89 860 |
| Change to 2004 Budget estimate | | | | – | 8 716 | 8 716 | 9 101 |

| | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|---------------------|----------------|---------------------|------------------------|----------------------------------|---------------|---------------|
| | Audited | Audited | Preliminary outcome | | | | |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| Economic classification | | | | | | | |
| Current payments | 44 618 | 30 865 | 25 721 | 35 903 | 48 182 | 55 193 | 57 810 |
| Compensation of employees | 7 523 | 7 449 | 8 700 | 16 771 | 18 064 | 18 651 | 19 583 |
| Goods and services | 37 057 | 23 387 | 16 997 | 19 132 | 30 118 | 36 542 | 38 227 |
| <i>of which:</i> | | | | | | | |
| Consultants and contractors | 27 352 | 13 542 | 9 149 | 7 000 | 16 700 | 18 000 | 23 000 |
| Travel and subsistence | 1 739 | 1 978 | 1 827 | 2 808 | 2 948 | 6 798 | 3 251 |
| Financial transactions in assets and liabilities | 38 | 29 | 24 | – | – | – | – |
| Transfers and subsidies to: | 363 475 | 275 024 | 284 474 | 28 067 | 34 328 | 30 286 | 31 800 |
| Provinces and municipalities | 357 153 | 259 843 | 262 387 | 31 | 33 | 34 | 36 |
| Departmental agencies and accounts | 6 322 | 15 181 | 22 087 | 28 036 | 34 295 | 30 252 | 31 764 |
| Payments for capital assets | 407 | 560 | 449 | 5 000 | 100 | 150 | 250 |
| Machinery and equipment | 407 | 560 | 449 | 5 000 | 100 | 150 | 250 |
| Total | 408 500 | 306 449 | 310 644 | 68 970 | 82 610 | 85 629 | 89 860 |
| Details of transfers and subsidies: | | | | | | | |
| Provinces and municipalities | | | | | | | |
| Municipalities | | | | | | | |
| Municipal bank accounts | | | | | | | |
| Current | 24 | 23 | 30 | 31 | 33 | 34 | 36 |
| Regional Services Council levies | 24 | 23 | 30 | 31 | 33 | 34 | 36 |
| Capital | 357 129 | 259 820 | 262 357 | – | – | – | – |
| Community-based Public Works Programme | 357 129 | 259 820 | 262 357 | – | – | – | – |
| Total provinces and municipalities | 357 153 | 259 843 | 262 387 | 31 | 33 | 34 | 36 |
| Departmental agencies and accounts | | | | | | | |
| Current | 6 322 | 15 181 | 22 087 | 28 036 | 34 295 | 30 252 | 31 764 |
| Construction Industry Development Board | 6 322 | 13 181 | 20 087 | 25 036 | 31 295 | 27 252 | 28 614 |
| Council for the Built Environment | – | 2 000 | 2 000 | 3 000 | 3 000 | 3 000 | 3 150 |
| Total departmental agencies and accounts | 6 322 | 15 181 | 22 087 | 28 036 | 34 295 | 30 252 | 31 764 |

Expenditure trends

Overall expenditure patterns have been heavily influenced by the devolution of the community-based public works programme (CPWP) to municipalities in 2004/05. This saw expenditure fall from R310,6 million in 2003/04 to R69,0 million in 2004/05. Expenditure on the *Community-based Public Works Programme* fell from R390 million in 2001/02 to R277,7 million in 2003/04.

Programme expenditure is expected to increase over the next three years from R69,0 million to R89,9 million in 2007/08, an annual average increase of 9,2 per cent. In the 2005 Budget, allocations above baseline were made which will be used to raise awareness among beneficiaries, implementing agents and the general public of the objectives and results of the EPWP; manage the contractor learnership programme; and provide mentorship to 250 learner contractors.

Service delivery objectives and indicators

Recent outputs

Construction industry development programme

Contracts of R421,6 million have been awarded to historically disadvantaged enterprises and individuals through tender processes. A further R824 000 was awarded to professional service providers and consultants in the construction industry. Under the emerging contractor development programme, falling within this subprogramme, 1 653 small projects with a total value of R146 million have been awarded to historically disadvantaged enterprises and individuals. The majority of the enterprises are SMMEs.

Property industry development programme

In order to give appropriate guidelines to government departments on the management of immovable state-owned property, guidelines were developed and a chapter included in the Asset Management Guidelines of the National Treasury.

For the medium term, a property industry status quo framework was introduced. The process of creating property industry transformation charters has also been kick-started and will be taken forward over the MTEF period.

Co-ordinating the expanded public works programme

In 2003/04, the department was made responsible for co-ordinating the expanded public works programme (EPWP). In November 2003, a business plan for this was submitted to Cabinet for approval and adoption. A comprehensive set of guidelines for implementing labour intensive projects has been prepared and accompanies the conditions placed on provincial and municipal infrastructure grants. These guidelines have been sent to all national and provincial departments, and all municipalities. The department, together with the Construction SETA and the UK Department for International Development (DFID), put in place 10 accredited courses for the design and management of labour intensive infrastructure projects.

Selected medium-term output targets

National Public Works Programme

Measurable objective: Stimulate and regulate the built environment to create an enabling environment that supports government's socio-economic objectives.

| Subprogramme | Output | Measure/Indicator | Target |
|---|--|---|---|
| Construction Industry Development programme | Regulation and monitoring of the construction industry especially with regard to empowering emerging contractors and women | Percentage of contracts awarded to emerging contractors and women | 30% to emerging contractors and 5% to women by end of 2005 |
| Expanded Public Works Programme | Short-term jobs | Number of temporary jobs created | 1 million temporary jobs to be created over 5 years. |
| | Participation of provinces and municipalities | Provinces and municipalities implementing EPWP projects | All provinces and major municipalities to start implementing EPWP projects 100% of EPWP workers receive training |

| Subprogramme | Output | Measure/Indicator | Target |
|---|--|--|---|
| | Learnerships implemented in line with the EPWP principles | Number of learnerships | 1 500 EPWP contractor/supervisor learnerships implemented nationally by end of 2005 |
| Owner Activities | Comprehensive and accurate registers of all state-owned immovable assets | Accepted strategy to address shortcomings of immovable asset registers | End 2005. |
| Property Industry Development Programme | Legislation and regulations to govern the management of immovable assets in government Property industry transformation charter | Promulgation of the Government-wide Management Immovable Asset Management Act Gazetted industry charter | End 2005 September 2005 |

Programme 4: Auxiliary and Associated Services

This programme consists of a number of auxiliary and associated services including the following subprogrammes:

- *Compensation for Losses* compensates for losses incurred in the state housing guarantee scheme when public servants fail to fulfil their obligations.
- *Assistance to Organisations for Preservation of National Memorials* provides funding to the Commonwealth War Graves Commission and the UN for maintaining national memorials.
- *Decorations for Public Functions* provides for procuring logistical facilities for state functions.
- *Government Motor Transport* provides for official and subsidised transport.
- Sector Education and Training Authority (SETA) contributes to the Construction SETA.

Expenditure estimates

Table 6.6: Auxiliary and Associated Services

| Subprogramme | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|---------------------|---------------|---------------------|------------------------|----------------------------------|---------------|---------------|
| | Audited | Audited | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| Compensation for Losses | 1 603 | 2 057 | 1 435 | 1 342 | 1 423 | 1 565 | 1 643 |
| Distress Relief | 1 | – | – | 1 | 1 | 1 | 1 |
| Loskop Settlement | – | – | – | 1 | 1 | 1 | 1 |
| Assistance to Organisations for Preservation of National Memorials | 8 148 | 11 314 | 9 279 | 11 935 | 12 651 | 13 916 | 14 612 |
| Parliamentary Villages Management Board | 1 358 | 1 689 | 1 734 | 1 430 | 1 516 | 1 667 | 1 750 |
| Decorations for Public Functions | – | 150 | 348 | 90 | 90 | 90 | 95 |
| Government Motor Transport | – | – | 923 | 650 | 689 | 757 | 795 |
| Sectoral Education and Training Authority | 753 | – | 721 | 1 670 | 1 725 | 1 898 | 1 993 |
| Total | 11 863 | 15 210 | 14 440 | 17 119 | 18 096 | 19 895 | 20 890 |
| Change to 2004 Budget estimate | | | | – | – | – | – |

| | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|---------------------|---------------|---------------------|------------------------|----------------------------------|---------------|---------------|
| | Audited | Audited | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| Economic classification | | | | | | | |
| Current payments | 1 604 | 2 207 | 1 940 | 1 433 | 2 203 | 2 413 | 2 534 |
| Goods and services | 1 604 | 2 207 | 1 940 | 1 433 | 2 203 | 2 413 | 2 534 |
| Transfers and subsidies to: | 10 259 | 13 003 | 12 500 | 15 036 | 15 893 | 17 482 | 18 356 |
| Departmental agencies and accounts | 2 111 | 1 689 | 3 220 | 3 100 | 3 241 | 3 565 | 3 743 |
| Foreign governments and international organizations | 8 148 | 11 314 | 9 279 | 11 935 | 12 651 | 13 916 | 14 612 |
| Households | – | – | 1 | 1 | 1 | 1 | 1 |
| Payments for capital assets | – | – | – | 650 | – | – | – |
| Machinery and equipment | – | – | – | 650 | – | – | – |
| Total | 11 863 | 15 210 | 14 440 | 17 119 | 18 096 | 19 895 | 20 890 |

Details of transfers and subsidies:

| | | | | | | | |
|--|--------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Departmental agencies and accounts | | | | | | | |
| Current | 2 111 | 1 689 | 3 220 | 3 100 | 3 241 | 3 565 | 3 743 |
| Construction Education and Training Authority | 753 | – | 1 670 | 1 670 | 1 725 | 1 898 | 1 993 |
| Parliamentary Villages Management Board | 1 358 | 1 689 | 1 550 | 1 430 | 1 516 | 1 667 | 1 750 |
| Total departmental agencies and accounts | 2 111 | 1 689 | 3 220 | 3 100 | 3 241 | 3 565 | 3 743 |
| Foreign governments and international organizations | | | | | | | |
| Current | 8 148 | 11 314 | 9 279 | 11 935 | 12 651 | 13 916 | 14 612 |
| Assistance to Organisations for Preservation of National Memorials | 8 148 | 11 314 | 9 279 | 11 935 | 12 651 | 13 916 | 14 612 |
| Total foreign governments and international organisations | 8 148 | 11 314 | 9 279 | 11 935 | 12 651 | 13 916 | 14 612 |

Expenditure trends

Expenditure has increased rapidly over the past three years, rising from R11,9 million in 2001/02 to R17,1 million in 2004/05, an annual average increase of 13 per cent. Over the next three years the rate of increase slows to 6,9 per cent, with expenditure expected to be R20,9 million in 2007/08.

Public entities reporting to the minister**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 improvement of the construction sector and its improved role in the economy. CIDB promotes an enabling regulatory and development framework for effective infrastructure delivery, improved industry performance, sustainable growth and transformation.

The CIDB has set up a stakeholder forum and specialist focus groups to support quality outputs and service delivery. 2004/05 has seen the organisation's transition from programme development

and piloting into implementation and rollout. The MTEF period ahead will consolidate and expand the potential of these programmes, including outreach to provincial and municipal authorities, public enterprises, private sector clients and SMMEs.

Aligned with government's supply chain management reform, the CIDB has developed and published the standard for uniformity in construction procurement, which is supported by a library of best practice. The CIDB has also established the code of conduct for all parties engaged in construction procurement. The focus ahead is on awareness, outreach and compliance.

More than 1 000 contractors have been registered since the rollout of the registers of contractors and projects in early 2004. The initial registration process will be substantially complete by the end of 2005, and in the period ahead, the CIDB will refine these registers and introduce best practice criteria while also establishing a register of professional service providers.

In partnership with National Treasury and the Department of Public Works, the infrastructure delivery management system toolkit is being piloted in select departments across the nine provinces to prepare for full implementation from mid-2005.

The CIDB HIV and Aids specification has been adapted by eThekweni Metro and other clients to drive awareness on construction projects. CIDB has also published draft labour-based construction best practice guidelines supporting job-creation and the expanded public works programme.

Revenue for the CIDB comes mainly from transfers (in 2004/05 more than 90 per cent) but this is expected to reduce to 75 per cent by 2007/08. The shortfall will be made up from contributions received from members and member organisations using the services of the CIDB, which will increase as the services and activities offered expand over the MTEF period once the organisation reaches its full staff complement during 2005/06.

Table 6.7: Financial summary for the Construction Industry Development Board

| | Outcome | | | Estimated outcome | Medium-term estimate | | |
|---------------------------------|--------------|---------------|---------------|-------------------|----------------------|----------------|---------------|
| | Audited | Audited | Audited | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| INCOME STATEMENT SUMMARY | | | | | | | |
| Revenue | | | | | | | |
| Non-tax revenue | 100 | 498 | 320 | 2 285 | 4 800 | 7 377 | 11 310 |
| Interest | 100 | 496 | 318 | 285 | 300 | 300 | 300 |
| Other non-tax revenue | – | 2 | 2 | 2 000 | 4 500 | 7 077 | 11 010 |
| Transfers received | 6 322 | 13 181 | 20 087 | 25 036 | 31 295 | 35 296 | 34 565 |
| Total revenue | 6 422 | 13 679 | 20 407 | 27 321 | 36 095 | 42 673 | 45 875 |
| Expenses | | | | | | | |
| Current expense | 3 985 | 11 182 | 20 060 | 27 958 | 36 548 | 43 775 | 46 032 |
| Compensation of employees | 230 | 3 056 | 5 539 | 8 000 | 10 957 | 15 990 | 17 250 |
| Goods and services | 3 755 | 7 551 | 13 384 | 18 658 | 24 838 | 26 992 | 27 929 |
| Depreciation | – | 575 | 1 137 | 1 300 | 753 | 793 | 853 |
| Total expenses | 3 985 | 11 182 | 20 060 | 27 958 | 36 548 | 43 775 | 46 032 |
| Surplus / (Deficit) | 2 437 | 2 497 | 347 | (637) | (453) | (1 102) | (157) |

2005 Estimates of National Expenditure

| | Outcome | | | Estimated outcome | Medium-term estimate | | |
|--|--------------|--------------|--------------|----------------------|----------------------|--------------|--------------|
| | Audited | Audited | Audited | | | | |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| BALANCE SHEET SUMMARY | | | | | | | |
| Carrying value of assets | 1 308 | 2 852 | 2 715 | 2 815 | 2 822 | 2 717 | 2 379 |
| <i>of which: Acquisition of assets</i> | 1 308 | 2 118 | 1 001 | 1 300 | 800 | 848 | 899 |
| Receivables and prepayments | 561 | 2 715 | 3 259 | 2 457 | 1 822 | 1 186 | 1 050 |
| Cash and cash equivalents | 640 | 484 | 833 | 802 | 1 048 | 805 | 805 |
| Total assets | 2 509 | 6 103 | 6 807 | 6 074 | 5 692 | 4 708 | 4 234 |
| Capital and reserves | 2 437 | 4 934 | 5 281 | 4 644 | 4 191 | 3 089 | 2 932 |
| Trade and other payables | 54 | 1 075 | 1 393 | 1 300 | 1 300 | 1 368 | 1 100 |
| Provisions | 18 | 94 | 133 | 130 | 201 | 251 | 202 |
| Total equity and liabilities | 2 509 | 6 103 | 6 807 | 6 074 | 5 692 | 4 708 | 4 234 |

Data provided by the Construction Industry Development Board

Annexure

Vote 6: Public Works

Table 6.A: Summary of expenditure trends and estimates per programme and economic classification

Table 6.B: Summary of personnel numbers and compensation of employees per programme

Table 6.C: Summary of expenditure on training per programme

Table 6.D: Summary of information and communications technology expenditure per programme

Table 6.E: Summary of conditional grants and indirect grants to provinces and local government

Table 6.F: Summary of official development assistance expenditure

Table 6.G: Summary of expenditure on infrastructure

Table 6.A: Summary of expenditure trends and estimates per programme and economic classification

| Programme | Appropriation | | Preliminary outcome | Appropriation | | | Revised estimate |
|---|------------------|------------------|---------------------|------------------|-----------------|------------------|------------------|
| | Main | Adjusted | | Main | Additional | Adjusted | |
| R thousand | 2003/04 | | | 2004/05 | | | |
| 1. Administration | 276 632 | 277 314 | 239 393 | 240 583 | 34 488 | 275 071 | 287 299 |
| 2. Provision of Land and Accommodation | 3 845 195 | 4 029 755 | 4 117 868 | 4 493 251 | 659 498 | 5 152 749 | 5 106 348 |
| 3. National Public Works Programme | 327 754 | 327 797 | 310 644 | 68 970 | – | 68 970 | 78 532 |
| 4. Auxiliary and Associated Services | 17 119 | 17 119 | 14 440 | 17 119 | – | 17 119 | 41 730 |
| Total | 4 466 700 | 4 651 985 | 4 682 345 | 4 819 923 | 693 986 | 5 513 909 | 5 513 909 |
| Economic classification | | | | | | | |
| Current payments | 2 792 879 | 2 855 627 | 2 848 834 | 3 300 813 | (30 700) | 3 270 113 | 3 657 299 |
| Compensation of employees | 451 326 | 453 259 | 420 645 | 619 840 | (154 996) | 464 844 | 455 442 |
| Goods and services | 2 334 735 | 2 395 550 | 2 421 371 | 2 676 171 | 124 296 | 2 800 467 | 3 196 828 |
| Interest and rent on land | 4 531 | 4 531 | 4 531 | 4 802 | – | 4 802 | 4 778 |
| Financial transactions in assets and liabilities | 2 287 | 2 287 | 2 287 | – | – | – | 251 |
| Transfers and subsidies | 906 609 | 1 029 146 | 1 103 500 | 844 434 | 632 493 | 1 476 927 | 1 479 356 |
| Municipalities | 868 032 | 990 569 | 1 067 698 | 801 012 | 632 493 | 1 433 505 | 1 433 505 |
| Departmental agencies and accounts | 25 307 | 25 307 | 25 307 | 31 136 | – | 31 136 | 30 833 |
| Foreign governments and international organisations | 12 054 | 12 054 | 9 279 | 11 935 | – | 11 935 | 12 199 |
| Public corporations | – | – | – | – | – | – | 43 |
| Households | 1 216 | 1 216 | 1 216 | 351 | – | 351 | 2 776 |
| Payments for capital assets | 767 212 | 767 212 | 730 011 | 674 676 | 92 193 | 766 869 | 377 254 |
| Buildings and other fixed structures | 689 642 | 689 642 | 689 642 | 632 636 | 91 543 | 724 179 | 334 486 |
| <i>Buildings</i> | 238 266 | 238 266 | 238 266 | 192 883 | 43 350 | 236 233 | (153 460) |
| <i>Other fixed structures</i> | 451 376 | 451 376 | 451 376 | 439 753 | 48 193 | 487 946 | 487 946 |
| Machinery and equipment | 77 543 | 77 543 | 40 342 | 42 015 | 650 | 42 665 | 42 753 |
| <i>Transport equipment</i> | 10 225 | 10 225 | 10 225 | – | 650 | 650 | 650 |
| <i>Other machinery and equipment</i> | 67 318 | 67 318 | 30 117 | 42 015 | – | 42 015 | 42 103 |
| Software and intangible assets | – | – | – | – | – | – | 15 |
| Land and subsoil assets | 27 | 27 | 27 | 25 | – | 25 | – |
| Total | 4 466 700 | 4 651 985 | 4 682 345 | 4 819 923 | 693 986 | 5 513 909 | 5 513 909 |

Table 6.B: Summary of personnel numbers and compensation of employees per programme¹

| Programme | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 |
|--|--------------|--------------|--------------|--------------|--------------|
| 1. Administration | 842 | 856 | 920 | 911 | 993 |
| 2. Provision of Land and Accommodation | 3 645 | 3 665 | 3 820 | 4 408 | 4 852 |
| 3. National Public Works Programme | 51 | 52 | 55 | 122 | 124 |
| Total | 4 538 | 4 573 | 4 795 | 5 441 | 5 969 |
| Total personnel cost (R thousand) | 307 785 | 350 066 | 420 645 | 464 844 | 626 134 |
| Unit cost (R thousand) | 68 | 77 | 88 | 85 | 105 |

¹ Budgeted full-time equivalent

Table 6.C: Summary of expenditure on training per programme

| R thousand | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | | |
|--|---------------------|---------------|---------------------|------------------------|----------------------------------|---------------|---------------|---------|
| | Audited | Audited | Preliminary outcome | | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| | 2001/02 | 2002/03 | 2003/04 | | | | | |
| 1. Administration | – | 4 818 | 5 237 | 5 511 | 40 000 | 44 000 | 48 400 | |
| 2. Provision of Land and Accommodation | – | 6 487 | 6 994 | 7 364 | 3 286 | 3 615 | 39 760 | |
| 3. National Public Works Programme | – | 422 | 457 | 481 | 4 000 | 4 400 | 4 480 | |
| Total | – | 11 727 | 12 688 | 13 356 | 47 286 | 52 015 | 92 640 | |

Table 6.D: Summary of information and communications technology expenditure per programme

| R thousand | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | | |
|---|---------------------|--------------|---------------------|------------------------|----------------------------------|---------------|---------------|---------|
| | Audited | Audited | Preliminary outcome | | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| | 2001/02 | 2002/03 | 2003/04 | | | | | |
| 1. Administration | – | 4 408 | 60 690 | 37 000 | 37 000 | 37 000 | 38 850 | |
| Technology | – | 2 385 | 38 790 | 7 000 | 7 000 | 7 000 | 7 350 | |
| IT services | – | 2 023 | 21 900 | 30 000 | 30 000 | 30 000 | 31 500 | |
| 2. Provision of Land and Accommodation | – | 2 956 | 12 310 | – | – | – | – | |
| Technology | – | 1 686 | 3 610 | – | – | – | – | |
| IT services | – | 1 270 | 8 700 | – | – | – | – | |
| 3. National Public Works Programme | – | 1 569 | 2 200 | – | – | – | – | |
| Technology | – | 1 180 | 1 400 | – | – | – | – | |
| IT services | – | 389 | 800 | – | – | – | – | |
| Total | – | 8 933 | 75 200 | 37 000 | 37 000 | 37 000 | 38 850 | |

Table 6.E: Summary of conditional grants and indirect grants to provinces and local government (municipalities)¹

| R thousand | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | | |
|---|---------------------|----------------|---------------------|------------------------|----------------------------------|----------|----------|---------|
| | Audited | Audited | Preliminary outcome | | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| | 2001/02 | 2002/03 | 2003/04 | | | | | |
| Conditional grants to provinces | | | | | | | | |
| 3. National Public Works Programme | | | | | | | | |
| Community-based Public Works Programme | | | | | | | | |
| Community-based Public Works Programme | 357 129 | 259 820 | 262 357 | – | – | – | – | |
| Total | 357 129 | 259 820 | 262 357 | – | – | – | – | |

¹ Detail provided in the Division of Revenue Act (2005).

Table 6.F: Summary of official development assistance expenditure

| Donor | Project | Cash/ kind | Outcome | | | | Medium-term expenditure estimate | | |
|----------------|-----------------------------|---------------|----------|--------------|--------------|----------|----------------------------------|----------|----------|
| | | | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
| Foreign | | | | | | | | | |
| European Union | Institutional strengthening | | – | 1 423 | 4 122 | – | – | – | – |
| Total | | | – | 1 423 | 4 122 | – | – | – | – |

Table 6.G: Summary of expenditure on infrastructure

| Projects | Description | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|---|---------------------|----------------|---------------------|------------------------|----------------------------------|------------------|------------------|
| | | Audited | Audited | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| Infrastructure programmes or large infrastructure projects | | | | | | | | |
| Cape Town: | Installation of security | 28 499 | 6 504 | 4 056 | 1 087 | – | – | – |
| Parliamentary Complex | Access control | | | | | | | |
| Cape Town: Government Building | Facilities Management | – | 2 670 | 28 330 | 33 633 | 9 213 | 6 000 | – |
| Cape Town: 90 Plein Street | Partitioning for Parliament Staff | – | – | 29 899 | 4 307 | – | – | – |
| Pretoria: Union Buildings | Security Measures: inside and outside | 5 232 | 3 757 | 4 038 | 3 292 | – | – | – |
| Pretoria: Waterkloof Air Force Base | Upgrading of engineering service and sinkhole repairs | – | – | 769 | 16 089 | 184 350 | 94 946 | 16 584 |
| Small project groups | | | | | | | | |
| Various Centres | Dolomite Risk Management and prestige projects | 23 466 | 107 690 | 171 174 | 95 873 | 155 187 | 235 504 | 476 636 |
| Infrastructure transfers | | | | | | | | |
| Border Control Improvement Programme | | 139 094 | 148 606 | 19 881 | – | 23 430 | 381 447 | 545 611 |
| Maintenance on infrastructure | | | | | | | | |
| Day to day maintenance on infrastructure | | 300 857 | 254 417 | 431 495 | 569 898 | 639 314 | 304 782 | 204 215 |
| Total | | 497 148 | 523 644 | 689 642 | 724 179 | 1 011 494 | 1 022 679 | 1 243 046 |

Table 6 H: Maintenance expenditure by department

| Department | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimates | | |
|--|---------------------|----------------|---------------------|------------------------|-----------------------------------|----------------|----------------|
| | Audit | Audit | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| Central Government Administration | 123 815 | 96 113 | 198 629 | 231 902 | 242 704 | 233 110 | 236 290 |
| 1. The Presidency | – | – | – | 4 522 | 5 653 | 5 935 | 6 232 |
| 2. Parliament | – | – | – | 1 020 | 11 578 | 12 157 | 12 765 |
| 3. Foreign Affairs | 101 | – | – | – | – | – | – |
| 4. Home Affairs | 1 319 | 11 107 | 4 181 | 8 702 | 10 542 | 10 713 | 10 894 |
| 6. Public Works | 122 395 | 85 006 | 194 448 | 217 658 | 214 931 | 204 305 | 206 399 |
| Financial and Administration Services | 7 378 | 7 193 | 5 768 | 7 618 | 9 934 | 10 030 | 10 131 |
| 7. Government Communications and Information Systems | – | – | – | 10 | 59 | 62 | 65 |
| 8. National Treasury | 7 378 | 7 193 | 5 768 | 7 486 | 9 801 | 9 890 | 9 984 |
| 9. Public Service and Administration | – | – | – | 62 | 74 | 78 | 82 |
| 13. Statistics South Africa | – | – | – | 60 | – | – | – |
| Social Services | 28 034 | 15 780 | 21 397 | 19 042 | 23 972 | 24 329 | 24 703 |
| 14. Arts and Culture | 23 729 | 14 630 | 20 252 | 17 025 | 20 712 | 20 906 | 21 109 |
| 15. Education | – | – | – | 51 | 65 | 68 | 71 |
| 16. Health | 376 | 574 | 951 | 471 | 1 464 | 1 537 | 1 614 |
| 17. Labour | 3 929 | 576 | 194 | 1 495 | 1 731 | 1 818 | 1 909 |
| Justice and Protection Services | 406 948 | 511 313 | 352 283 | 481 571 | 668 523 | 679 587 | 758 924 |
| 20. Correctional Services | 63 774 | 144 347 | 24 449 | 60 222 | 171 419 | 176 843 | 82 999 |
| 21. Defence | 141 972 | 124 627 | 99 118 | 126 047 | 157 058 | 160 563 | 331 502 |
| 23. Justice and Constitutional Development | 59 639 | 89 610 | 74 172 | 91 142 | 114 709 | 115 848 | 117 045 |
| 24. Safety and Security | 141 563 | 152 729 | 154 544 | 204 160 | 225 337 | 226 333 | 227 378 |

| Department | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimates | | |
|---|---------------------|----------------|---------------------|------------------------|-----------------------------------|----------------|------------------|
| | Audit | Audit | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| Economic Services and Infrastructure | 8 148 | 3 230 | 73 342 | 5 753 | 7 121 | 7 263 | 7 408 |
| 25. Agriculture | 7 687 | 552 | 393 | 1 725 | 2 145 | 2 220 | 2 299 |
| 27. Environmental Affairs and Tourism | 351 | 423 | 71 368 | 234 | 292 | 300 | 307 |
| 29. Land Affairs | 110 | 283 | – | 2 028 | 2 503 | 2 544 | 2 586 |
| 30. Minerals and Energy | – | – | – | 9 | 11 | 12 | 12 |
| 33. Transport | – | – | – | 62 | 159 | 167 | 175 |
| 34. Water Affairs and Forestry | – | 1 972 | 1 581 | 1 695 | 2 011 | 2 020 | 2 029 |
| Total Maintenance | 574 323 | 633 629 | 651 419 | 745 886 | 952 254 | 954 319 | 1 037 456 |

Table 6 I: Rates on state properties by department

| Department | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimates | | |
|--|---------------------|----------------|---------------------|------------------------|-----------------------------------|----------------|----------------|
| | Audit | Audit | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| Central Government Administration | 457 150 | 596 413 | 609 596 | 1 084 429 | 636 472 | 721 951 | 825 322 |
| 1. The Presidency | 5 030 | 2 004 | 2 328 | 4 135 | 3 650 | 4 452 | 5 543 |
| 3. Foreign Affairs | 556 | 751 | 360 | 654 | 599 | 731 | 909 |
| 4. Home Affairs | 1 781 | 1 562 | 1 560 | 2 796 | 2 502 | 3 052 | 3 799 |
| 5. Provincial and Local Government | – | – | 19 | 34 | 30 | 36 | 45 |
| 6. Public Works | 449 783 | 592 096 | 605 329 | 1 076 810 | 629 691 | 713 680 | 815 026 |
| Financial and Administration Services | 6 457 | 4 360 | 4 888 | 8 720 | 7 755 | 9 458 | 11 776 |
| 7. Government Communications and information Systems | – | – | – | – | 1 | 1 | 2 |
| 8. National Treasury | 6 196 | 4 229 | 4 860 | 8 671 | 7 708 | 9 401 | 11 704 |
| 9. Public Enterprises | – | 9 | – | – | – | – | – |
| 10. Public Service and Administration | 16 | 30 | 5 | 9 | 9 | 10 | 13 |
| 11. Public Service Commission | 14 | – | 2 | 4 | 3 | 5 | 6 |
| 13. Statistics South Africa | 231 | 92 | 21 | 36 | 34 | 41 | 51 |
| Social Services | 9 874 | 9 187 | 4 735 | 8 421 | 7 448 | 9 085 | 11 309 |
| 14. Arts and Culture | 3 793 | 3 163 | – | – | – | – | – |
| 15. Education | 3 609 | 3 666 | 2 060 | 3 648 | 3 204 | 3 908 | 4 865 |
| 16. Health | 401 | 936 | 812 | 1 446 | 1 282 | 1 563 | 1 945 |
| 17. Labour | 1 989 | 1 422 | 1 737 | 3 107 | 2 772 | 3 382 | 4 210 |
| 18. Social Development | 82 | – | 126 | 220 | 190 | 232 | 289 |
| Justice and Protection Services | 80 002 | 115 635 | 171 399 | 306 457 | 273 307 | 333 336 | 415 005 |
| 20. Correctional Services | 9 260 | 24 219 | 50 415 | 90 367 | 80 898 | 98 666 | 122 839 |
| 21. Defence | 20 535 | 39 219 | 60 946 | 108 975 | 97 194 | 118 542 | 147 586 |
| 22. Independent Complaints Directorate | – | 7 | – | – | – | – | – |
| 23. Justice and Constitutional Development | 16 232 | 15 771 | 18 931 | 33 751 | 29 968 | 36 550 | 45 505 |
| 24. Safety and Security | 33 975 | 36 419 | 41 107 | 73 364 | 65 247 | 79 578 | 99 075 |

2005 Estimates of National Expenditure

| Department | Expenditure outcome | | | Adjusted appropriation | Medium-term expenditure estimates | | |
|---|---------------------|----------------|---------------------|------------------------|-----------------------------------|------------------|------------------|
| | Audit | Audit | Preliminary outcome | | 2005/06 | 2006/07 | 2007/08 |
| R thousand | 2001/02 | 2002/03 | 2003/04 | 2004/05 | | | |
| Economic Services and Infrastructure | 6 294 | 7 242 | 13 610 | 24 300 | 21 620 | 26 371 | 32 849 |
| 25. Agriculture | 1 979 | 1 824 | 2 532 | 4 551 | 4 091 | 4 990 | 6 232 |
| 26. Communications | 15 | 1 | 12 | 21 | 18 | 22 | 27 |
| 27. Environmental Affairs and Tourism | 944 | 3 266 | 3 674 | 6 523 | 5 754 | 7 018 | 8 736 |
| 28. Housing | 30 | 22 | – | – | – | – | – |
| 29. Land Affairs | 384 | 328 | 245 | 441 | 396 | 482 | 600 |
| 30. Minerals and Energy | 1 136 | 147 | 65 | 115 | 101 | 124 | 154 |
| 31. Science and Technology | – | – | 3 452 | 6 187 | 5 537 | 6 754 | 8 408 |
| 32. Trade and Industry | 331 | 161 | 99 | 190 | 186 | 227 | 283 |
| 33. Transport | 143 | 272 | 1 401 | 2 458 | 2 127 | 2 594 | 3 230 |
| 34. Water Affairs and Forestry | 1 332 | 1 221 | 2 130 | 3 814 | 3 410 | 4 160 | 5 179 |
| Total Rates on state properties | 559 777 | 732 837 | 804 228 | 1 432 327 | 946 602 | 1 100 201 | 1 296 261 |