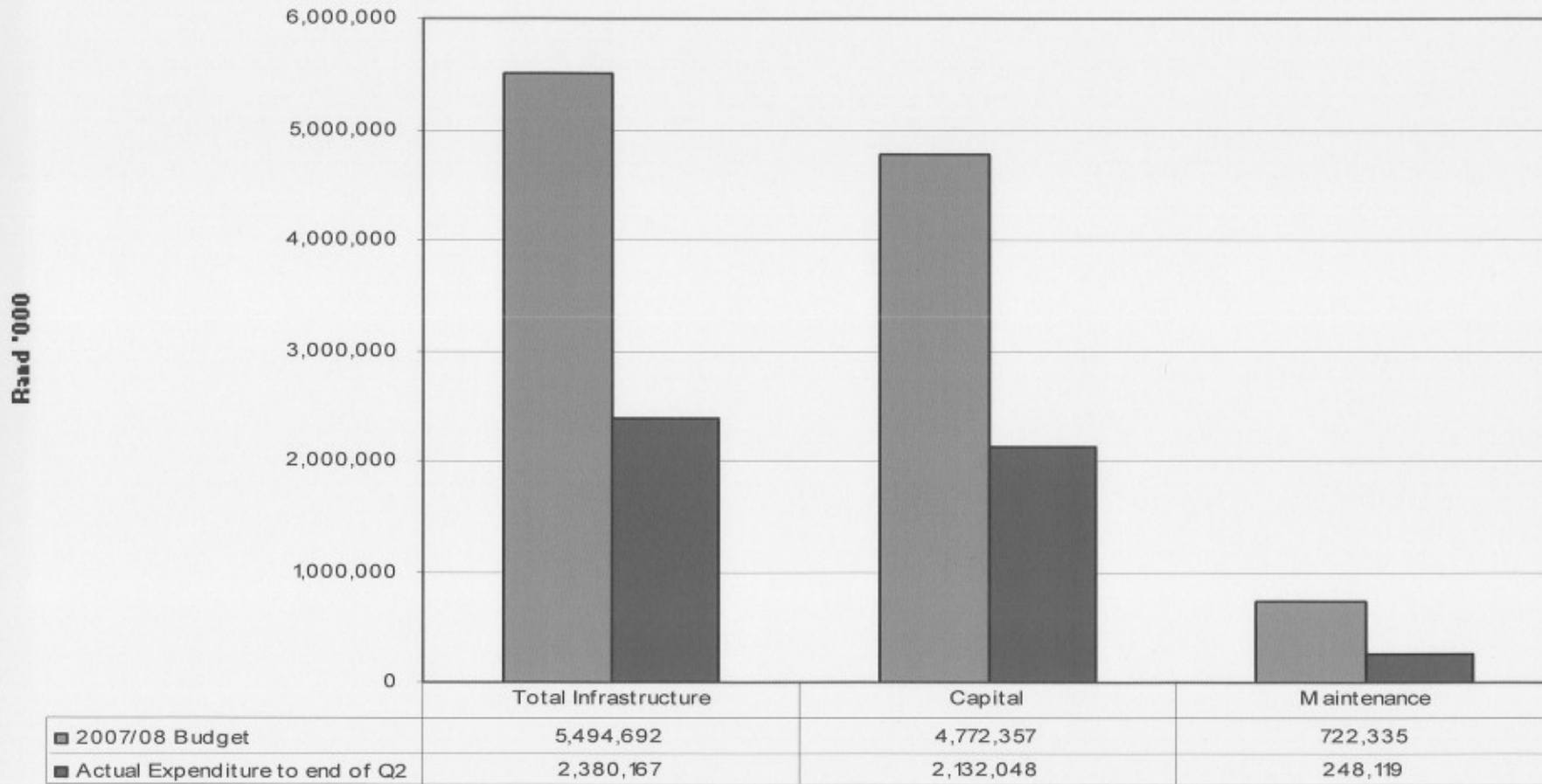


GPG Infrastructure Budgets 2007/08

Summary Table - All Votes



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Infrastructure Expenditure Analysis: Capital Projects

	1	2	3	4 = (3/1)	5	6 = 1-(3+5)
R '000	2007/08 budget	Projections to end of Q2	Actual Expenditure to end of Q2	Actual Expenditure as % of Budget	Q3-Q4 Projections	Projected Outcome
Department						
Vote 4: Health	820,666	695,915	564,905	68.8%	404,450	(148,689)
Vote 5: Education	547,074	462,992	352,360	64.4%	338,263	(143,549)
Vote 6: Social Development	108,517	10,156	8,734	8.0%	66,311	33,472
Vote 7: Housing	2,311,186	1,127,012	903,346	39.1%	1,191,605	216,235
Vote 9: Public Transport, Roads	607,096	223,070	212,360	35.0%	319,217	75,519
Vote 9: Public Works	300,418	0	68,484	22.8%	69,657	162,277
Vote 11 Agriculture Cons & Environment	7,500	843	455	6.1%	7,045	-
Vote 12: Sports Arts and Recreation	69,900	47,018	21,404	30.6%	66,904	(18,408)
TOTAL	4,732,357	2,567,006	2,132,048	44.7%	2,463,452	136,881



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Capital Projects

- Of the total infrastructure budget allocation, the major contributors are: Department of Housing, at 42%, the Department of Public Transport, Roads and Works at 22%, the Department of Health, at 20%, and the Department of Education, at 12 %. These Departments would be expected to lead spending to achieve government's strategic social and economic infrastructure priorities
- The lesser contributors are the Department of Agriculture, Conservation and Environment, at 0,2%, the Department of Social Development at 2,3 % and the Department of Sport, Arts and Culture contributes 1,3%. There is a need to address classification issues for the Department of Economic Development in this quarter.
- Of the R2,6 billion (54.2%) projected for spending on Capital projects by Q2, R2,1 billion (45,1%) has been expended by GPG Departments.
- Of the R 267,1 million (35%) projected to be spent on Maintenance projects by the end of Q2, an amount of R 248,1 million (32.5%) was actually expended.
- The Province projects to spend R2,5 billion (52,1%) in the remaining segment of the 2007/08 financial year, which if achieved will result in an under-expenditure of R136,9 million (2,9%) of the capital budget



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Capital Projects

- The highest spending in capital projects is reported by the Department of Housing at R903,4 million, and the Department of Health at R 564,9 million. Low rates of spending are reported by the Department of Agriculture, (R455 000), and the Department of Social Development, (R 8,7 million).
- Significant under-expenditure of R216,2 million is anticipated from the Department of Housing, and the Department of Public Works is expected to under spend by R162,3 million on capital projects. However, this may change after these departments revise their projections. The Department of Social Development may under spend by R33,5 million. Delays being experienced at planning stages due to a change in the implementing agents (municipalities).
- Significant over-expenditure on capital projects is anticipated from the Department of Education, and the Department of Health. This is due to the fact the Department of Education has submitted incorrect projections. The over-expenditure for the DoH is anticipated due to increased costs of the Department's Revitalisation strategy being rolled out this year. However, the National Department of Health has allocated additional funding for this.



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Infrastructure Expenditure Analysis: Maintenance Projects

	1	2	3	4 = (3/1)	5	6 = 1-(3+5)
R '000	2007/08 Budget	Projections to end of Q2	Actual Expenditure to end of Q2	Actual Expenditure as % of Budget	Q3-Q4 Projections	Projected Outcome
Department						
Vote 4: Health	264,299	147,300	139,239	52.7%	154,504	(29,444)
Vote 5: Education	122,950	95,738	44,793	36.4%	50,545	27,612
Vote 6: Social Development	21,000	6,917	5,386	25.6%	15,614	-
Vote 7: Housing	11,037	7,431	7,431	67.3%	3,606	-
Vote 9: Public Transport, Roads	269,994	9,560	46,793	17.3%	136,808	86,393
Vote 9: Public Works	31,915	0	4,477	14.0%	27,438	-
Vote 11: Agriculture Cons & Environment	1,140	140	0	0.0%	1,140	-
Vote 12: Sports Arts and Recreation	0	0	0	0.0%	0	-
TOTAL	722,335	267,086	248,119	34.3%	389,655	84,561



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Maintenance Projects

- Of the R267,1 million (35%) projected to be spent for Q2, actual spending on maintenance projects undertaken in the Province is reported at R248,1 million (32,5%)
- The highest allocation of funds towards maintenance of infrastructure projects is reported by the Department of Public Works, Roads and Transport being an amount of R269,9 million. The lowest amount is reported by the Department of Agriculture, Conservation and Environment being an amount of R1.1 million.
- The highest expenditure is reported by the Department of Health, whilst the Department of Public Works reported the lowest expenditure amounting to R4,5 million (1,8%) for Q2.
- The projected spend for the rest of the year is 51,1% of the overall maintenance budget, which would result in an 11.1% under expenditure for the 2007/08 year on maintenance projects.
- The Department of Public Transport, Roads, Works and Department of Education are expected to report under-expended year end budgets. This is due to the nature of unplanned maintenance needs (unforeseen costs).
- The Department of Health projects an over-expenditure of R29.4 million due to shortfalls in maintenance allocation



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Sectoral Infrastructure Achievements

Department of Health:

- A province wide programme of modernising, rationalising, and transforming health infrastructure and technology in line with national policy objectives is being rolled out by the Department of Health
- At least 15 capital projects new, and existing, have been completed up to the end of Q2, and 23 new projects that have commenced as part of the Revitalization strategy of the Department. Numerous upgrading and rehabilitation projects are ongoing throughout the Province. However only statutory, day-to day maintenance is being undertaken as the need arises. This is due to only 2,2% of the DoH overall budget being allocated to maintenance
- Large CAPEX projects commenced are:
 - Chris Hani Baragwanath Hospital Phase 1- anticipated completion May, 2008
 - Mamelodi Hospital – anticipated completion, December 2007
 - Natalspruit Hospital – anticipated completion 2010. Has budgetary constraints, which has slowed down its delivery and completion, which can even push it to end of 2011/12.
- The rollout of new projects in terms of the Revitalization strategy, could result in the Department reporting a year end over expenditure of at least R178 million



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Sectoral Infrastructure Achievements

Department of Education:

- In terms of the objectives of the Department of Education, the infrastructure delivery programme seeks to address the current backlogs and lack of basic learner facilities in the various under-serviced areas of the Province. The plan is especially geared towards addressing the backlogs in classrooms per previously disadvantaged geographic areas.
- The amount of R352 million has predominantly been expended on rehabilitation and maintenance works for 152 schools, the construction of 162 new projects, including fencing projects for improving school security and to ensure maintenance works where necessitated in existing educational facilities and institutions.
- Due to the need to intervene given the serious sanitation backlogs inherited from the North West and Mpumalanga Provinces through the demarcation process, a significant over-expenditure is anticipated by the Department at the close of this financial year. Budget pressures remain to address the immediate infrastructure needs and the planning of at least 22 new schools in the Province for construction to initiate early 08/09 financial year.



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Sectoral Infrastructure Achievements

Department of Housing:

→ The Department of Housing has reported the highest expenditure of R903,4 million for this period

→ A large portion of this amount was expended as:

- Compensation to project managers involved in various projects in progress
- Acquisition of land for further spatial development
- Construction of civil structures
- Completion of different phases of housing projects in progress throughout the province
- Procurement of inventory and maintenance works that were necessitated



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Sectoral Infrastructure Achievements

Department of Public Transport, Roads and Works

→ The major portion of the amount expended by the Department has been expended on projects that are geared towards the:

- Tarring of existing gravel roads
- Upgrading and maintenance of earmarked roads for improvement
- Provision of lighting on certain routes
- Operational and expansion works on the major routes, M1, R24, R21, N12, N1 to ensure traffic efficiencies for the 2010 event
- Project Managers have been appointed to fast track development and construction on 20 Townships Roads projects.

→ Overall challenges have been experienced in the overall maintenance programme, resulting in the backlogs for routes in need of urgent maintenance rising, as a number of these have reached their design life time

→ Delayed procurement processes has slowed the construction of roads in the 20 townships. Contracts were awarded two months late.

→ Delays in appointing consultants and contractors have contributed to the under-expenditure to the end of Q2



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Sectoral Infrastructure Achievements

Social Development

- Department is in the process of completing construction of a secure rehabilitation facility for delinquent youth at the Jabulani Place of Safety, scheduled for completion in 2008/09.
- ECD Infrastructure – Delays experienced during the planning stages with the new implementing agents (municipalities).

Department of Agriculture, Conservation and Environment

- Department has been undertaking ongoing upgrading and maintenance works at existing facilities at provincial nature reserves

Department of Sport, Arts, Culture and Recreation

- Department is currently involved in the second phase of main construction at two provincial stadia, HM Pitje and Sinaba
- Completion is scheduled for the 2008/09 financial year
- R120 million has been allocated for these upgrades over the life cycle of the projects



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