

URBAN DEVELOPMENT AND INFRASTRUCTURE

QUARTER 4: VOTE 3, 27, 29, 31, 37, 38

Presenter: Marissa Moore | **Designation:** Chief Director: Urban Development & Infrastructure, National Treasury | **7 August 2012**



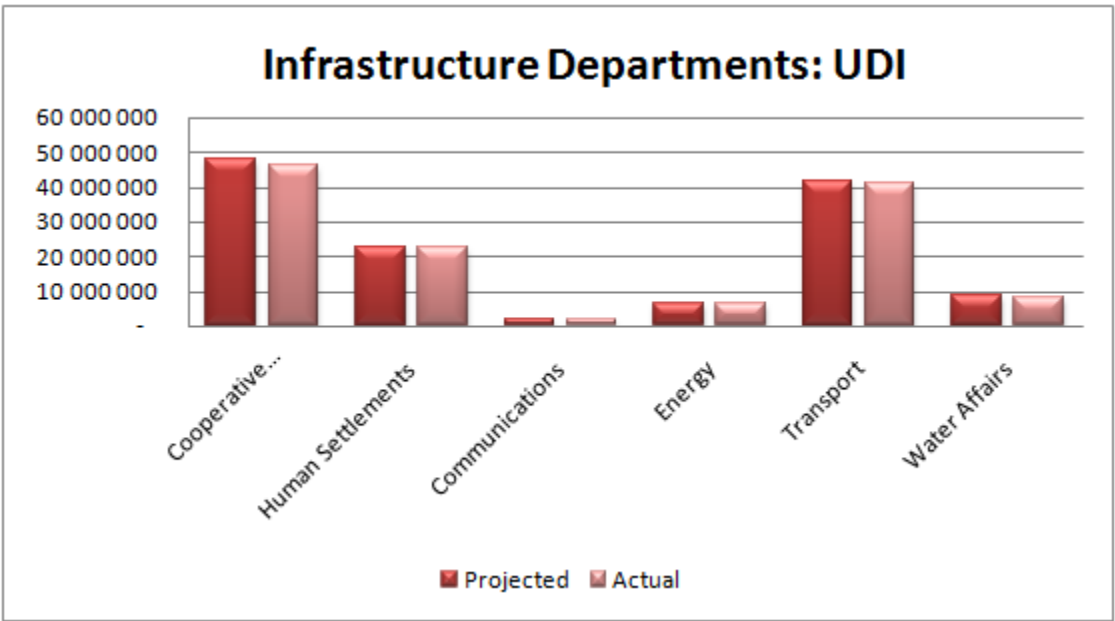
national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Urban Development and Infrastructure

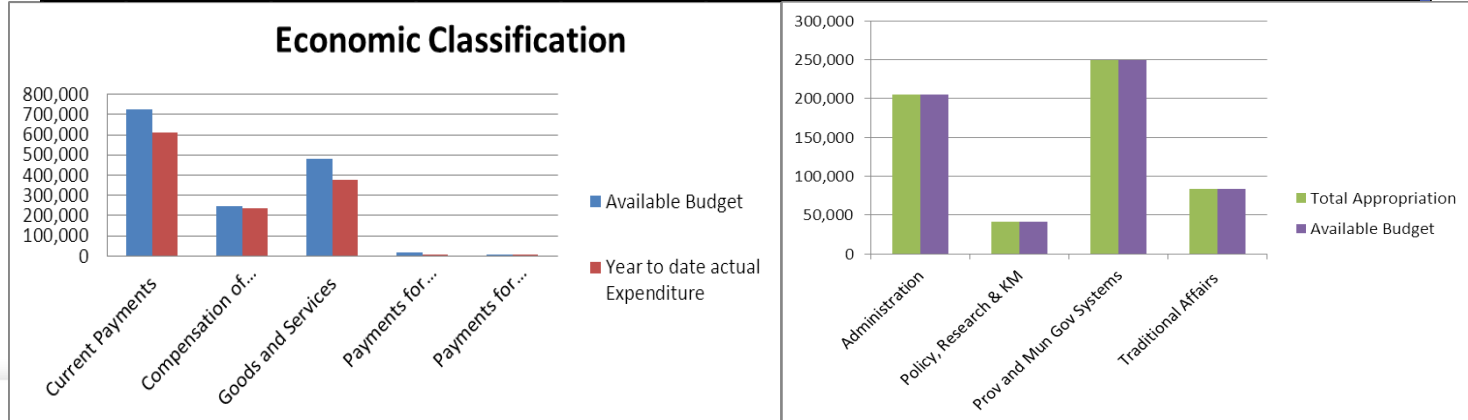
Summary

Vote	Expenditure per Appropriation Act, 2011 R'000	Main appropriation	Adjustments appropriation	Total appropriated funds	Available budget	Year-to-date actual expenditure	Percent of budget expended	Total Under expenditure
3	Cooperative Governance & Traditional Affairs	47 933 580	271 082	48 204 662	48 204 662	46 222 223	95.89%	1 982 439
31	Human Settlements	22 578 495	247 046	22 825 541	22 825 541	22 596 671	99.00%	228 870
27	Communications	1 889 112	113 753	2 002 865	2 002 865	1 791 953	89.47%	210 912
29	Energy	6 089 902	111 007	6 200 909	6 200 909	6 174 255	99.57%	26 654
37	Transport	35 084 013	6 433 407	41 517 420	41 517 420	41 196 070	99.23%	321 350
38	Water Affairs	9 936 225	(907 906)	9 028 319	9 028 319	8 244 476	91.32%	783 843
Total		123 511 327	6 268 389	129 779 716	129 779 716	126 225 648	97.26%	3 554 068



Vote 3: Cooperative Governance & Traditional Affairs

vote 3	Expenditure per Appropriation Act	Main Appropriation	Adjustment Appropriation	Total Appropriation	Available Budget	Year to date actual Expenditure	Percent of budget expended
	Programmes	R`000	R`000	R`000	R`000	R`000	
	Administration	212,569	-7,200	205,369	205,369	206,084	100.35%
	Policy, Research and Knowledge Management	46,006	-4,500	41,506	41,506	37,934	91.39%
	Governance and Intergovernmental Relations	34,213,870	262,697	34,476,567	34,476,567	33,271,411	96.50%
	Disaster Response Management	821,172	-4,940	816,232	816,232	80,658	9.88%
	Provincial and Municipal Government	248,316	1,545	249,861	249,861	252,411	101.02%
	Infrastructure and Economic Development	12,307,878	23,480	12,331,358	12,331,358	12,285,148	99.63%
	Traditional Affairs	83,769	-	83,769	83,769	88,577	105.74%
	Economic Classification						
	Current Payments	691,255	36,159	727,414	727,414	611,790	84.10%
	Compensation of Employees	232,862	15,947	248,809	248,809	234,987	94.44%
	Goods and Services	458,393	20,212	478,605	478,605	376,803	78.73%
	Other	0	0	0	0	0	
	Transfers and Subsidies	47,222,446	234,523	47,456,969	47,456,969	45,600,872	96.09%
	Payments for Capital Assets	19,779	0	19,779	19,779	8,367	42.30%
	Payments for Financial Assets	100	400	500	500	1,194	238.80%
	TOTAL	47,933,580	271,082	48,204,662	48,204,662	46,222,223	95.89%



Vote 3: Cooperative Governance & Traditional Affairs (continued)

Expenditure Trend

- The department reported actual expenditure of R46.2 billion against a total appropriation of R48.2 billion. Actual spending amounts to 95.9 per cent of the total allocation. Total under spending amounted to R2.1 billion. 4.1 or per cent. This was mainly due to local government equitable share funds being offset against conditional grants that were neither spent nor surrendered to the National Revenue Fund.

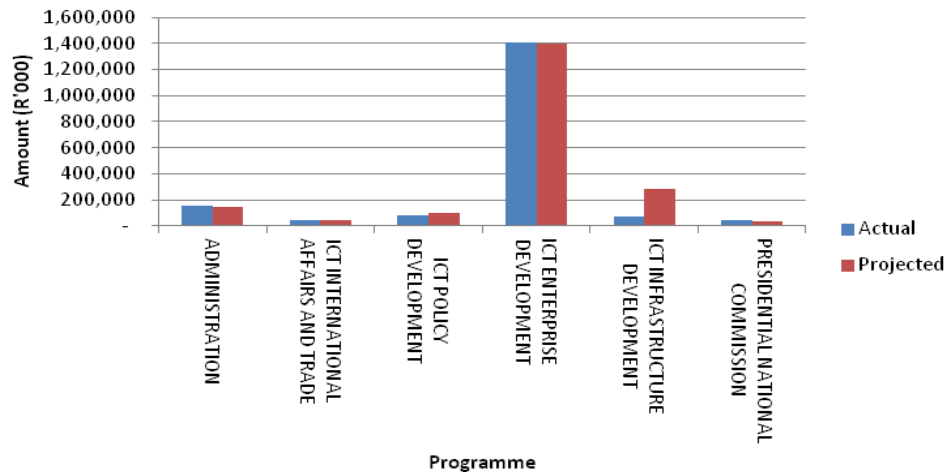
Virements

- Savings of R10.4 million from Programmes 2,3,4 and 6 current payments (compensation of employees) were identified and shifted to Programmes 1,5 and 7. The savings were realised due to vacant posts and non-renewal of a consultancy contract for ICT systems. These funds were used to offset overspending on current payments and payment of financial assets for losses which could not be budgeted for and the moving of the Technical Support Unit.

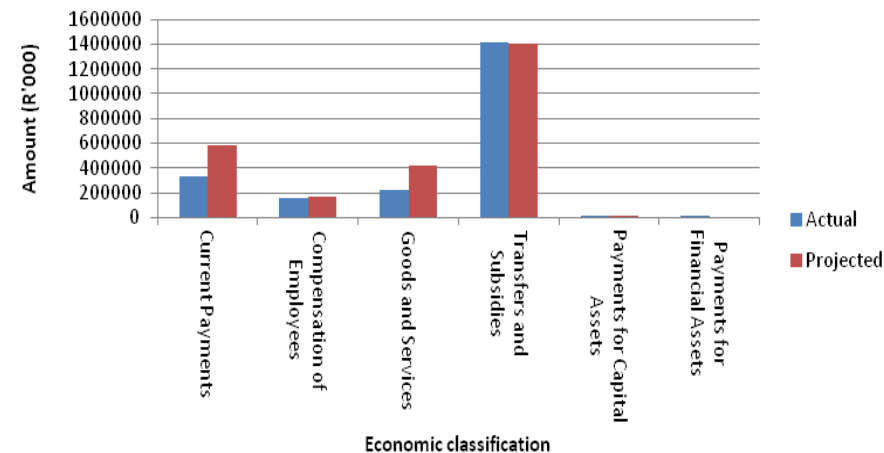
Vote 27: Communications

Vote	Expenditure per Appropriation Act, 2011	Main appropriation	Adjustments appropriation	Total appropriated funds	Available budget	Year-to-date actual expenditure	Percent of budget expended
		R'000	R'000	R'000	R'000	R'000	
38	Water Affairs	9 936 225	(907 906)	9 028 319	9 028 319	8 244 476	91.32%
	Current Payments	4 005 157	(1 085 856)	2 919 301	2 617 729	2 483 939	94.89%
	Compensation of Employees	1 195 422	(99 807)	1 095 615	1 093 565	922 834	84.39%
	Goods and Services	2 809 735	(986 777)	1 822 958	1 519 996	1 557 207	102.45%
	Other	-	728	728	4 168	3 898	93.52%
	Transfers and Subsidies	3 767 153	(254 745)	3 512 408	3 513 724	3 486 084	99.21%
	Payments for Capital Assets	2 163 915	432 695	2 596 610	2 871 420	2 249 008	78.32%
	Payments for Financial Assets	-	-	-	25 446	25 445	100.00%
	1 Administration	862 122	6 943	869 065	878 379	780 633	88.87%
	2 Water Sector Management	718 726	163 425	882 151	852 351	511 807	60.05%
	3 Water Infrastructure Management	2 607 963	(223 000)	2 384 963	2 384 963	2 384 020	99.96%
	4 Regional Implementation and Support	5 608 933	(855 274)	4 753 659	4 774 145	4 455 929	93.33%
	5 Water Sector Regulation	112 370	-	112 370	112 370	91 153	81.12%
	6 International Water Cooperation	26 111	-	26 111	26 111	20 934	80.17%
Total		9 936 225	(907 906)	9 028 319	9 028 319	8 244 476	91.32%

Actual vs projected Expenditure



Actual vs Projected Expenditure



Vote 27: Communications (continued)

As at the end of 31 March 2012, the Department expenditure was at R1.8 billion which is equivalent to 89.5 per cent of the total adjusted budget of R2 billion:

- Transfers and subsidies to public entities amounts to R 1.4 billion of the total adjusted budget of the department:

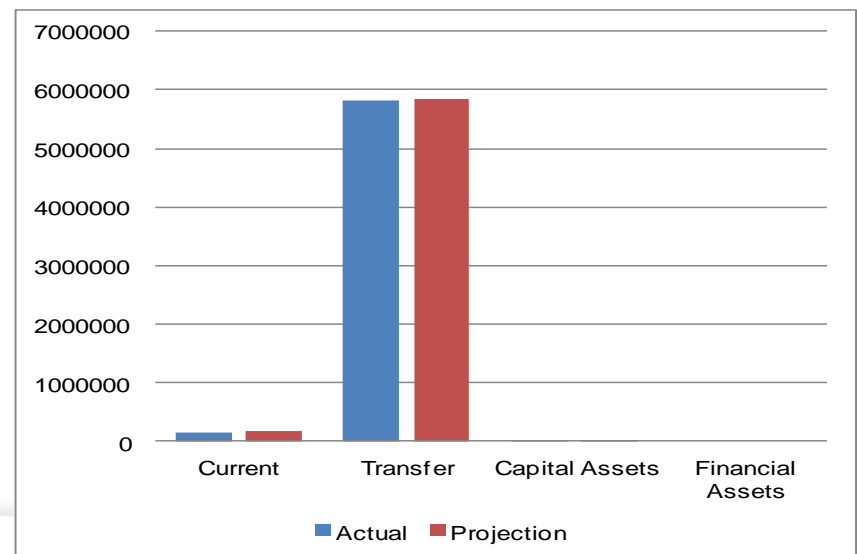
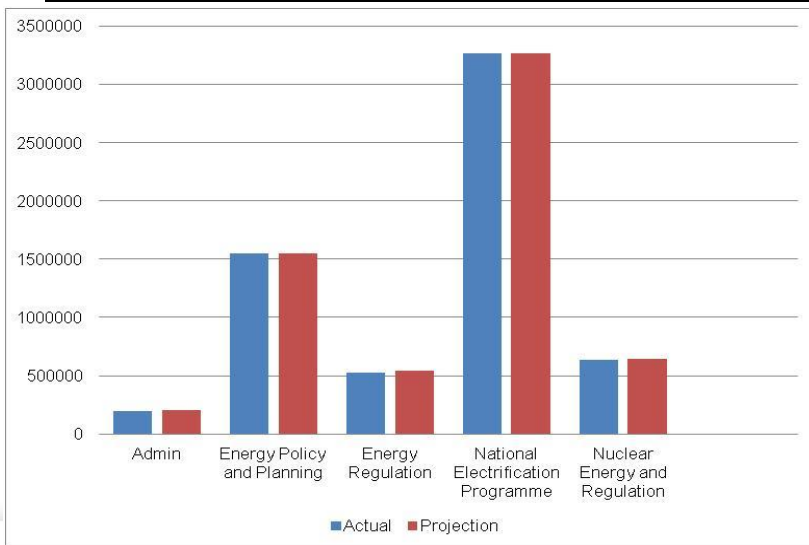
Details on the lower spending in 2011/12 financial year are provided in the following economic classifications:

Goods and services - lower spending is mainly attributed to the delays in the implementation of the 112 Emergency call center and Broadband project because of problems relating to delayed tender process and review of a feasibility study for the 112 Emergency Call center project.

Capital payments - the lower than expected spending is attributed to equipment not purchased for expected new staff members following the moratorium on appointments. No new personnel were appointed as a result of non expenditure on capital assets.

Vote 29: Energy

Vote	Expenditure per Appropriation Act, 2011	Main appropriation	Adjustments appropriation	Total appropriated funds	Available budget	Year-to-date actual expenditure	Percent of budget expended
		R'000	R'000	R'000	R'000	R'000	
29	Energy	6 089 902	111 007	6 200 909	6 200 909	6 174 255	99.57%
	Current Payments	297 188	12 624	309 812	351 071	341 163	97.18%
	Compensation of Employees	181 718	1 599	183 317	185 739	184 836	99.51%
	Goods and Services	115 470	11 025	126 495	165 332	156 327	94.55%
	Other	-	-	-	-	-	-
	Transfers and Subsidies	5 784 884	98 383	5 883 267	5 841 947	5 829 004	99.78%
	Payments for Capital Assets	7 830	-	7 830	7 830	4 030	51.47%
	Payments for Financial Assets	-	-	-	61	58	95.08%
	1 Administration	167 471	8 869	176 340	204 561	196 941	96.27%
	2 Energy Policy and Planning	1 546 958	-2 250	1 544 708	1 545 785	1 545 677	99.99%
	3 Energy Regulation	554 697	18 734	573 431	541 572	528 592	97.60%
	4 National Electrification Programme	3 207 555	57 000	3 264 555	3 265 580	3 264 540	99.97%
	5 Nuclear Energy and Regulation	613 221	28 654	641 875	643 411	638 505	99.24%
Total		6 089 902	111 007	6 200 909	6 200 909	6 174 255	99.57%



Vote 29: Energy

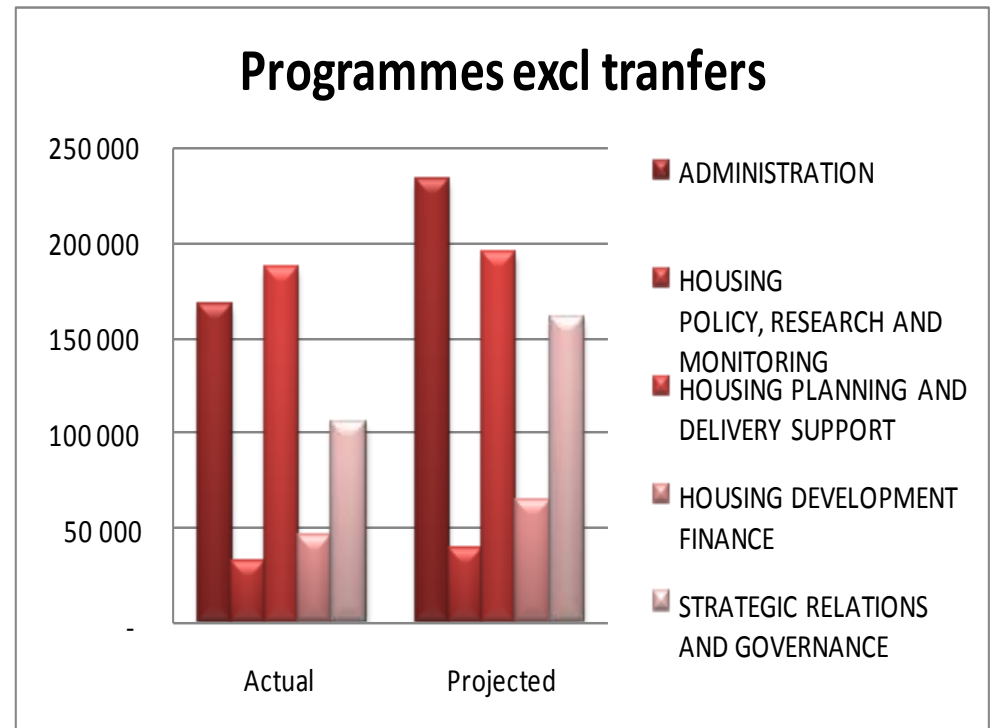
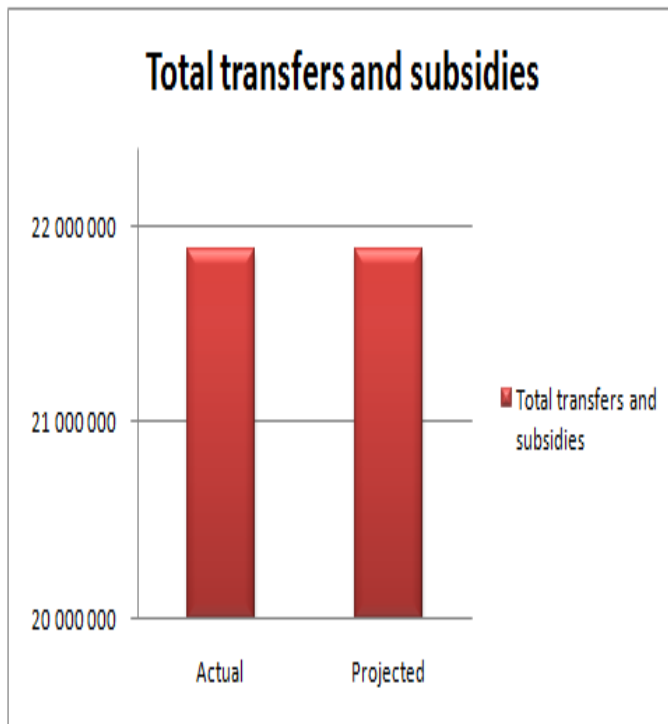
- The total adjusted budget for the Department of Energy amounted to R6.2 billion, of which R6.17 billion (99.6 per cent) was spent. Expenditure at the end of the financial year was R26.7 million or 0.43% lower than expected expenditure mainly due to delays in transfer payments.
- Programme 1: Underspending due to delays associated with procurement processes and delays in the relocation of the department to its new building, services were not delivered pending the finalization of accommodation agreements and lastly process delays in foreign currency payments and time frames related to foreign currency exchange.
- Programme 3: Delay in finalizing the memorandum of agreement between DoE and SANEDI; EDIH funds were not utilized due to the project being closed as well as late receipts of invoices and delay in payments.

Vote 31: Human Settlements

Vote 31: Programme	Total expenditure 2011/12	Main 2011/12	Adjusted 2011/12	Post AENE	Available funds	"Total" (Over)/Under available	% expenditure
Administration	166 752	232 435	233 111	-	233 111	66 359	71.5%
Housing Policy, Research and Monitoring	32 866	39 215	39 442	-	39 442	6 576	83.3%
Housing Planning and Delivery Support	186 739	156 163	195 011	-	195 011	8 272	95.8%
Housing Development Finance	22 105 255	21 995 147	22 197 499	-	22 197 499	92 244	99.6%
Strategic Relations and Governance	105 059	155 535	160 478	-	160 478	55 419	65.5%
Total expenditure	22 596 671	22 578 495	22 825 541	-	22 825 541	228 870	99.0%

- Total expenditure for 2011/12 amounts to R22.6 billion, or 99 per cent against total available funds of R22.8 billion.
- Total under expenditure amounted to R228.9 million, or 1 per cent, of total available funds for the 2011/12 financial year.
- Lower than expected spending can be seen under payments for capital assets which reflects poor spending on the Rural Household Infrastructure Grant (RHIG), and on the goods and services budget related spending on the Housing Subsidy System, the Special Investigations Unit and on office accommodation

Vote 31: Human Settlements (continued)



Vote 37: Transport

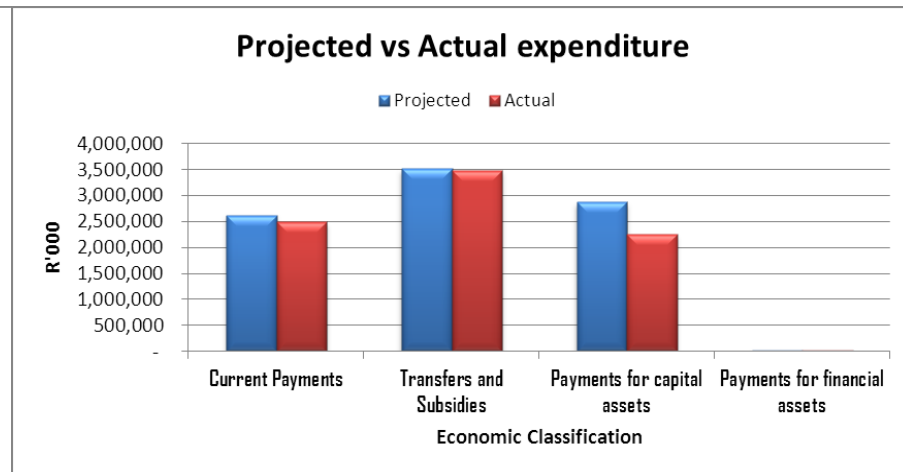
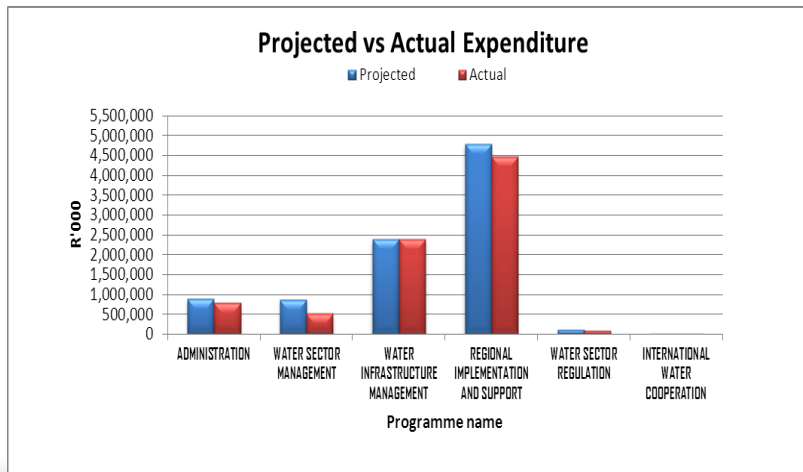
Vote 37: Programme	Total Expenditure 2011/12	Main 2011/12	Adjusted 2011/12	Available Funds	Total (Over)/Under Available	% Expenditure
Administration	276,499	273,982	289,669	300,909	24,410	91.89%
Integrated Transport Planning	92,386	147,808	140,478	133,238	40,852	69.34%
Rail Transport	9,532,042	9,542,673	9,542,526	9,540,526	8,484	99.91%
Road Transport	21,729,750	15,324,235	21,724,920	21,734,400	4,650	99.98%
Civil Aviation	64,989	57,615	66,002	72,502	7,513	89.64%
Maritime transport	138,857	152,125	140,893	140,223	1,366	99.03%
Public Transport	9,361,541	9,585,557	9,612,924	9,595,594	234,053	97.56%
Total Expenditure	41,196,064	35,083,995	41,517,412	41,517,392	321,328	99.23%

As at 31st March 2012, the end of the fourth quarter and the 2011/12 financial year, total expenditure for the department amounted to R41.196 billion and this represents 99.23 per cent of the total adjusted budget of R41.517 billion for the 2011/12 financial year. Total Under expenditure amounted to R321.million or 0.77 per cent of the total adjusted budget.

Lower than anticipated expenditure has been experienced under current payments, particularly on goods and services and compensation of employees. Lower than anticipated expenditure was due to budget structure change within the department which resulted to delays in some project implementations.

Vote 38: Water Affairs

Vote	Expenditure per Appropriation Act, 2011	Main appropriation	Adjustments appropriation	Total appropriated funds	Available budget	Year-to-date actual expenditure	Percent of budget expended
		R'000	R'000	R'000	R'000	R'000	
38	Water Affairs	9,936,225	(907,906)	9,028,319	9,028,319	8,244,476	91.32%
	Current Payments	4,005,157	(1,085,856)	2,919,301	2,617,729	2,483,939	94.89%
	Compensation of Employees	1,195,422	(99,807)	1,095,615	1,093,565	922,834	84.39%
	Goods and Services	2,809,735	(986,777)	1,822,958	1,519,996	1,557,207	102.45%
	Other	-	728	728	4,168	3,898	93.52%
	Transfers and Subsidies	3,767,153	(254,745)	3,512,408	3,513,724	3,486,084	99.21%
	Payments for Capital Assets	2,163,915	432,695	2,596,610	2,871,420	2,249,008	78.32%
	Payments for Financial Assets	-	-	-	25,446	25,445	100.00%
	1 Administration	862,122	6,943	869,065	878,379	780,633	88.87%
	2 Water Sector Management	718,726	163,425	882,151	852,351	511,807	60.05%
	3 Water Infrastructure Management	2,607,963	(223,000)	2,384,963	2,384,963	2,384,020	99.96%
	4 Regional Implementation and Support	5,608,933	(855,274)	4,753,659	4,774,145	4,455,929	93.33%
	5 Water Sector Regulation	112,370	-	112,370	112,370	91,153	81.12%
	6 International Water Cooperation	26,111	-	26,111	26,111	20,934	80.17%
Total		9,936,225	(907,906)	9,028,319	9,028,319	8,244,476	91.32%



Vote 38: Water Affairs (continued)

Expenditure Summary

The Department had spent R8.24 billion (91.32%) of its allocated budget of R9.03 billion as at the end of 31 March 2012. This represents an under spending of R784 million against DWA's total budget of R9.03 billion.

Virements (not mentioned in the 3rd Quarter Report)

A total of R29.8 million was shifted from Programme 2: Water Sector management to the following programmes:

- R9.314 million to Programme 1: Administration for capacitating water boards and water user associations)
- R20.486 million to Programme 4: Regional Implementation and Support for office accommodation in the regions and for the establishment of National Water Advisory Committee (NWAC)).

Unforeseeable and unavoidable (not mentioned in the 3rd Quarter Report)

There was no unforeseeable and unavoidable expenditure incurred, other than what was reported on in the third quarter.

Vote 38: Water Affairs (continued)

2011 ENE non-financial performance as reported by departments or 4th quarter reports on the 2011 Annual Performance Plan

- The Department has either over or under achieved in some of the targets as at the end of the fourth quarter. On infrastructure projects such as the construction of the Inyaka Water Treatment Works its achievement is 91% against a target of 98%; Nandoni water distribution network and water treatment works its achievement is 58% against a target of 79% and on the construction of the Nandoni pipeline its achievement is 20% against a target of 27%.
- On the bulk infrastructure schemes 5 schemes have been completed against a target of 7.
- A total of 68 municipalities against a target of 62 municipalities, have been supported in implementing water conservation and water demand measures to reduce water losses. This due to interventions that were put in place to support municipalities through donor funding.