Vote 11

Public Works

Adjusted budget summary

	2017/18			
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	**7 038 130**	**6 985 130**	**(85 755)**	**32 755**
of which:				
Current payments	960 366	878 611	(81 755)	–
Transfers and subsidies	6 055 742	6 088 497	–	32 755
Payments for capital assets	22 022	18 022	(4 000)	–

Executive authority	Minister of Public Works
Accounting officer	Director-General of Public Works
Website address	www.publicworks.gov.za

Vote purpose

Provide policy formulation for, as well as coordination, regulation and oversight of, the public works sector in relation to the accommodation, housing, land and infrastructure needs of national departments. Enhance intergovernmental relations by coordinating concurrent public works functions. Lead and direct the implementation of the national expanded public works programme. Promote growth, job creation and transformation in the construction and property industries.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September)	Changed target for 2017/18
Number of cooperation and protocol agreements for joint service delivery signed with provinces and municipalities per year	Intergovernmental Coordination	Outcome 12: An efficient, effective and development-oriented public service	20	9	–
Number of policy frameworks developed for the public works sector per year			2	0	–
Number of work opportunities reported on the expanded public works programme reporting system per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive growth	1 406 736	520 000	–
Number of municipalities reporting on expanded public works programme targets provided with technical support per year	Expanded Public Works Programme	Outcome 12: An efficient, effective and development-oriented public service	290	256	–
Number of prestige policies approved	Prestige Policy		4	0	–

Mid-year progress

The department plans to develop two policy frameworks for the public works sector in 2017/18. Both of these are set to be completed in the second half of the year.

520 000 work opportunities have been created thus far in 2017/18 against the target of 1 406 736. The lag in performance is attributed to delays in reporting by public bodies. The department has identified public bodies that are underperforming, and intends to fast-track reporting by providing ongoing support through data capturing, training and capacity building.

256 municipalities have been provided with technical support against a target of 290 for 2017/18. The department attributes this achievement to improved compliance.

The department aimed to approve four prestige policies in 2017/18, but none have yet been approved. To address this lag and meet its target by the end of the year, the department intends to enhance its research capability.

Adjusted Estimates of National Expenditure 2017

Programme	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Administration	493 810	–	–	(22 535)	(28 000)	–	(50 535)	443 275
Intergovernmental Coordination	60 230	–	–	(2 000)	(10 000)	–	(12 000)	48 230
Expanded Public Works Programme	2 414 583	–	–	(7 000)	–	–	(7 000)	2 407 583
Property and Construction Industry Policy and Research	3 969 871	–	–	31 535	–	–	31 535	4 001 406
Prestige Policy	99 636	–	–	–	(15 000)	–	(15 000)	84 636
Total	**7 038 130**	**–**	**–**	**–**	**(53 000)**	**–**	**(53 000)**	**6 985 130**
Economic classification								
Current payments	**960 366**	**–**	**–**	**(33 755)**	**(48 000)**	**–**	**(81 755)**	**878 611**
Compensation of employees	486 413	–	–	–	(28 000)	–	(28 000)	458 413
Goods and services	473 953	–	–	(35 561)	(20 000)	–	(55 561)	418 392
Interest and rent on land	–	–	–	1 806	–	–	1 806	1 806
Transfers and subsidies	**6 055 742**	**–**	**–**	**32 755**	**–**	**–**	**32 755**	**6 088 497**
Provinces and municipalities	1 472 615	–	–	–	–	–	–	1 472 615
Departmental agencies and accounts	3 922 086	–	–	(76 668)	–	–	(76 668)	3 845 418
Foreign governments and international organisations	26 031	–	–	(3 689)	–	–	(3 689)	22 342
Public corporations and private enterprises	–	–	–	111 066	–	–	111 066	111 066
Non-profit institutions	624 024	–	–	–	–	–	–	624 024
Households	10 986	–	–	2 046	–	–	2 046	13 032
Payments for capital assets	**22 022**	**–**	**–**	**1 000**	**(5 000)**	**–**	**(4 000)**	**18 022**
Machinery and equipment	22 022	–	–	1 000	(5 000)	–	(4 000)	18 022
Total	**7 038 130**	**–**	**–**	**–**	**(53 000)**	**–**	**(53 000)**	**6 985 130**

Programme 1: Administration

Subprogramme	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Ministry	37 181	–	–	2 500	–	–	2 500	39 681
Management	102 551	–	–	(6 751)	–	–	(6 751)	95 800
Corporate Services	238 348	–	–	1 066	(23 000)	–	(21 934)	216 414
Finance and Supply Chain Management	62 582	–	–	(13 350)	–	–	(13 350)	49 232
Office Accommodation	53 148	–	–	(6 000)	(5 000)	–	(11 000)	42 148
Total	**493 810**	**–**	**–**	**(22 535)**	**(28 000)**	**–**	**(50 535)**	**443 275**
Economic classification								
Current payments	**480 161**	**–**	**–**	**(24 755)**	**(28 000)**	**–**	**(52 755)**	**427 406**
Compensation of employees	250 032	–	–	–	(18 000)	–	(18 000)	232 032
Goods and services	230 129	–	–	(26 561)	(10 000)	–	(36 561)	193 568
Interest and rent on land	–	–	–	1 806	–	–	1 806	1 806
Transfers and subsidies	**5 264**	**–**	**–**	**1 220**	**–**	**–**	**1 220**	**6 484**
Provinces and municipalities	6	–	–	–	–	–	–	6
Households	5 258	–	–	1 220	–	–	1 220	6 478
Payments for capital assets	**8 385**	**–**	**–**	**1 000**	**–**	**–**	**1 000**	**9 385**
Machinery and equipment	8 385	–	–	1 000	–	–	1 000	9 385
Total	**493 810**	**–**	**–**	**(22 535)**	**(28 000)**	**–**	**(50 535)**	**443 275**

Programme 2: Intergovernmental Coordination

Subprogramme	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Monitoring, Evaluation and Reporting	14 026	–	–	–	–	–	–	14 026
Intergovernmental Relations and Coordination	46 204	–	–	(2 000)	(10 000)	–	(12 000)	34 204
Total	**60 230**	**–**	**–**	**(2 000)**	**(10 000)**	**–**	**(12 000)**	**48 230**
Economic classification								
Current payments	**54 355**	**–**	**–**	**(2 000)**	**(10 000)**	**–**	**(12 000)**	**42 355**
Compensation of employees	39 273	–	–	–	(10 000)	–	(10 000)	29 273
Goods and services	15 082	–	–	(2 000)	–	–	(2 000)	13 082
Transfers and subsidies	**5 150**	**–**	**–**	**–**	**–**	**–**	**–**	**5 150**
Households	5 150	–	–	–	–	–	–	5 150
Payments for capital assets	**725**	**–**	**–**	**–**	**–**	**–**	**–**	**725**
Machinery and equipment	725	–	–	–	–	–	–	725
Total	**60 230**	**–**	**–**	**(2 000)**	**(10 000)**	**–**	**(12 000)**	**48 230**

Programme 3: Expanded Public Works Programme

Subprogramme	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Expanded Public Works Programme: Monitoring and Evaluation	70 135	–	–	(7 660)	–	–	(7 660)	62 475
Expanded Public Works Programme: Infrastructure	1 191 281	–	–	2 082	–	–	2 082	1 193 363
Expanded Public Works Programme: Operations	1 077 092	–	–	(1 904)	–	–	(1 904)	1 075 188
Expanded Public Works Programme: Partnership Support	68 539	–	–	440	–	–	440	68 979
Expanded Public Works Programme: Public Employment Coordinating Commission	7 536	–	–	42	–	–	42	7 578
Total	**2 414 583**	**–**	**–**	**(7 000)**	**–**	**–**	**(7 000)**	**2 407 583**
Economic classification								
Current payments	**315 290**	**–**	**–**	**(7 000)**	**–**	**–**	**(7 000)**	**308 290**
Compensation of employees	156 379	–	–	–	–	–	–	156 379
Goods and services	158 911	–	–	(7 000)	–	–	(7 000)	151 911
Transfers and subsidies	**2 096 681**	**–**	**–**	**–**	**–**	**–**	**–**	**2 096 681**
Provinces and municipalities	1 472 609	–	–	–	–	–	–	1 472 609
Non-profit institutions	623 904	–	–	–	–	–	–	623 904
Households	168	–	–	–	–	–	–	168
Payments for capital assets	**2 612**	**–**	**–**	**–**	**–**	**–**	**–**	**2 612**
Machinery and equipment	2 612	–	–	–	–	–	–	2 612
Total	**2 414 583**	**–**	**–**	**(7 000)**	**–**	**–**	**(7 000)**	**2 407 583**

Programme 4: Property and Construction Industry Policy and Research

Subprogramme	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Construction Policy Development Programme	45 896	–	–	120	–	–	120	46 016
Property Policy Development Programme	14 954	–	–	706	–	–	706	15 660
Construction Industry Development Board	74 984	–	–	–	–	–	–	74 984
Council for the Built Environment	48 568	–	–	–	–	–	–	48 568
Independent Development Trust	–	–	–	111 066	–	–	111 066	111 066
Construction Education and Training Authority	516	–	–	–	–	–	–	516
Property Management Trading Entity	3 758 922	–	–	(76 668)	–	–	(76 668)	3 682 254
Assistance to Organisations for the Preservation of National Memorials	26 031	–	–	(3 689)	–	–	(3 689)	22 342
Total	**3 969 871**	**–**	**–**	**31 535**	**–**	**–**	**31 535**	**4 001 406**
Economic classification								
Current payments	**31 175**	**–**	**–**	**–**	**–**	**–**	**–**	**31 175**
Compensation of employees	15 546	–	–	–	–	–	–	15 546
Goods and services	15 629	–	–	–	–	–	–	15 629
Transfers and subsidies	**3 938 396**	**–**	**–**	**31 535**	**–**	**–**	**31 535**	**3 969 931**
Departmental agencies and accounts	3 912 035	–	–	(76 668)	–	–	(76 668)	3 835 367
Foreign governments and international organisations	26 031	–	–	(3 689)	–	–	(3 689)	22 342
Public corporations and private enterprises	–	–	–	111 066	–	–	111 066	111 066
Non-profit institutions	120	–	–	–	–	–	–	120
Households	210	–	–	826	–	–	826	1 036
Payments for capital assets	**300**	**–**	**–**	**–**	**–**	**–**	**–**	**300**
Machinery and equipment	300	–	–	–	–	–	–	300
Total	**3 969 871**	**–**	**–**	**31 535**	**–**	**–**	**31 535**	**4 001 406**

Programme 5: Prestige Policy

Subprogramme	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Prestige Accommodation and State Functions	89 585	–	–	–	(15 000)	–	(15 000)	74 585
Parliamentary Villages Management Board	10 051	–	–	–	–	–	–	10 051
Total	**99 636**	**–**	**–**	**–**	**(15 000)**	**–**	**(15 000)**	**84 636**

Programme 5: Prestige Policy (continued)

Economic classification R thousand	2017/18 Main appropriation	Adjustments appropriation Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Current payments	**79 385**	**–**	**–**	**–**	**(10 000)**	**–**	**(10 000)**	**69 385**
Compensation of employees	25 183	–	–	–	–	–	–	25 183
Goods and services	54 202	–	–	–	(10 000)	–	(10 000)	44 202
Transfers and subsidies	**10 251**	**–**	**–**	**–**	**–**	**–**	**–**	**10 251**
Departmental agencies and accounts	10 051	–	–	–	–	–	–	10 051
Households	200	–	–	–	–	–	–	200
Payments for capital assets	**10 000**	**–**	**–**	**–**	**(5 000)**	**–**	**(5 000)**	**5 000**
Machinery and equipment	10 000	–	–	–	(5 000)	–	(5 000)	5 000
Total	**99 636**	**–**	**–**	**–**	**(15 000)**	**–**	**(15 000)**	**84 636**

Details of adjustments to Estimates of National Expenditure 2017

Virements and shifts within votes

Programmes
1. Administration
2. Intergovernmental Coordination
3. Expanded Public Works Programme
4. Property and Construction Industry Policy and Research
5. Prestige Policy

FROM: Programme by economic classification	Motivation	R thousand	TO: Programme by economic classification	Motivation	R thousand
Programme 1		**(26 561)**	**Programme 1**		**4 026**
Goods and services	Agency and support/ outsourced services	(350)	Households	Claims against the state	350
	Agency and support/ outsourced services	(870)	Households	Claims against the state	870
	Agency and support/ outsourced services	(1 000)	Machinery and equipment	Vehicles	1 000
	Contractors	(1 806)	Interest and rent on land	Interest charges	1 806
			Programme 4		**22 535**
	Agency and support/ outsourced services, auditing services, bursaries, business and advisory services, communication, computer services, operating payments, contractors and property payments	(21 709)	Public corporations and private enterprises	Independent Development Trust[1]	21 709
	Agency and support/ outsourced services	(826)	Households	Claims against the state and leave gratuities	826
Shifts within the programme as a percentage of the programme budget		1.5%			
Virements to other programmes as a percentage of the programme budget		**4.6%**			
Programme 2		**(2 000)**	**Programme 4**		**2 000**
Goods and services	Agency and support/ outsourced services	(2 000)	Public corporations and private enterprises	Independent Development Trust[1]	2 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		**3.3%**			
Programme 3		**(7 000)**	**Programme 4**		**7 000**
Goods and services	Agency and support/ outsourced services	(7 000)	Public corporations and private enterprises	Independent Development Trust[1]	7 000
Shifts within the programme as a percentage of the programme budget		0.3%			
Virements to other programmes as a percentage of the programme budget		**0.3%**			
Programme 4		**(80 357)**	**Programme 4**		**80 357**
Departmental agencies and accounts	Property Management Trading Entity[1]	(76 668)	Public corporations and private enterprises	Independent Development Trust[1]	76 668
Foreign governments and international organisations	Transfer payment to the Commonwealth War Graves Commission[1]	(3 689)	Public corporations and private enterprises	Independent Development Trust[1]	3 689
Shifts within the programme as a percentage of the programme budget		2.0%			
Virements to other programmes as a percentage of the programme budget		**0.0%**			
Total		**(115 918)**			**115 918**

1. National Treasury approval has been obtained.

Declared unspent funds – R53 million

Programme 1: Administration

R28 million in unspent funds has been declared on compensation of employees due to vacant posts and associated goods and services due to delays in the implementation of the newly approved organisational structure.

Programme 2: Intergovernmental Coordination

R10 million in unspent funds has been declared on compensation of employees due to vacant posts as a result of delays in the implementation of the newly approved organisational structure.

Programme 5: Prestige Policy

R15 million in unspent funds has been declared on payments for capital assets and contractors due to slow spending on prestige accommodation projects.

Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	2016/17 Audited outcome					2017/18 Actual expenditure			
R thousand	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation
Administration	516 006	212 571	41.2	450 444	87.3	443 275	6.3	221 864	50.1
Intergovernmental Coordination	28 639	5 819	20.3	16 477	57.5	48 230	0.7	17 919	37.2
Expanded Public Works Programme	2 319 500	1 101 677	47.5	2 301 446	99.2	2 407 583	34.5	1 060 242	44.0
Property and Construction Industry Policy and Research	3 552 562	1 897 606	53.4	3 547 048	99.8	4 001 406	57.3	2 058 747	51.5
Prestige Policy	96 092	38 094	39.6	87 931	91.5	84 636	1.2	34 585	40.9
Total	**6 512 799**	**3 255 767**	**50.0**	**6 403 346**	**98.3**	**6 985 130**	**100.0**	**3 393 357**	**48.6**
Economic classification									
Current payments	**905 083**	**470 021**	**51.9**	**804 919**	**88.9**	**878 611**	**12.6**	**394 564**	**44.9**
Compensation of employees	471 825	262 367	55.6	438 827	93.0	458 413	6.6	218 715	47.7
Goods and services	433 258	207 654	47.9	366 092	84.5	418 392	6.0	174 043	41.6
Interest and rent on land	–	–	0.0	–	0.0	1 806	0.0	1 806	100.0
Transfers and subsidies	**5 570 208**	**2 773 003**	**49.8**	**5 571 249**	**100.0**	**6 088 497**	**87.2**	**2 988 779**	**49.1**
Provinces and municipalities	1 425 668	652 807	45.8	1 425 666	100.0	1 472 615	21.1	594 956	40.4
Departmental agencies and accounts	3 507 375	1 772 866	50.5	3 507 343	100.0	3 845 418	55.1	1 980 820	51.5
Foreign governments and international organisations	28 234	28 234	100.0	28 234	100.0	22 342	0.3	22 342	100.0
Public corporations and private enterprises	–	–	0.0	–	0.0	111 066	1.6	55 533	50.0
Non-profit institutions	600 427	315 394	52.5	600 427	100.0	624 024	8.9	326 122	52.3
Households	8 504	3 702	43.5	9 579	112.6	13 032	0.2	9 006	69.1
Payments for capital assets	**37 508**	**12 743**	**34.0**	**25 779**	**68.7**	**18 022**	**0.3**	**10 014**	**55.6**
Machinery and equipment	37 508	12 743	34.0	19 722	52.6	18 022	0.3	9 952	55.2
Total	**6 512 799**	**3 255 767**	**50.0**	**6 403 346**	**98.3**	**6 985 130**	**100.0**	**3 393 357**	**48.6**

Expenditure trends for the first six months of 2017/18

Total expenditure in 2016/17 was R6.4 billion, or 98.3 per cent of the adjusted appropriation for 2016/17. Expenditure in the first six months of 2017/18 was R3.4 billion, or 48.6 per cent of the adjusted appropriation of R7 billion for the year. In comparison, mid-year expenditure in 2016/17 was R3.3 billion, or 50 per cent of the adjusted appropriation for 2016/17. Compared to the first six months of 2016/17, expenditure over the same period in 2017/18 increased by R137.6 million, or 4.2 per cent. This is mainly due to an increase in the transfer payment to the Property Management Trading Entity and the creation of a new transfer line for the Independent Development Trust.

Departmental receipts

	2016/17					2017/18				
		Audited outcome				Actual receipts				
R thousand	Adjusted estimate	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts	**2 764**	**1 834**	**66.4**	**14 608**	**528.5**	**1 384**	**1 809**	**100.0**	**1 291**	**71.4**
Sales of goods and services produced by department	585	566	96.8	1 222	208.9	55	270	14.9	139	51.5
Sales of scrap, waste, arms and other used current goods	10	5	50.0	39	390.0	–	10	0.6	7	70.0
Interest, dividends and rent on land	1 089	690	63.4	12 361	1 135.1	300	500	27.6	274	54.8
Sales of capital assets	–	–	–	70	–	–	–	–	–	–
Transactions in financial assets and liabilities	1 080	573	53.1	916	84.8	1 029	1 029	56.9	871	84.6
Total	**2 764**	**1 834**	**66.4**	**14 608**	**528.5**	**1 384**	**1 809**	**100.0**	**1 291**	**71.4**

Revenue trends for the first six months of 2017/18

Revenue in the first six months of 2017/18 was R1.3 million, or 71.4 per cent of the adjusted revenue estimate of R1.8 million for the year. In comparison, mid-year revenue in 2016/17 was R1.8 million, or 66.4 per cent of the adjusted estimate for 2016/17. Compared to the first six months of 2016/17, revenue over the same period in 2017/18 decreased by R543 000, or 29.6 per cent. This is mainly due to accrued interest on the department's bank account, and a decrease in commission earned on insurance products and garnishee orders resulting from the migration of a number of employees from the department to the Property Management Trading Entity.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Administration								
Households								
Social benefits								
Current	**5 258**	**–**	**–**	**1 220**	**–**	**–**	**1 220**	**6 478**
Employee social benefits	5 258	–	–	1 220	–	–	1 220	6 478
Property and Construction Industry Policy and Research								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	**3 758 922**	**–**	**–**	**(76 668)**	**–**	**–**	**(76 668)**	**3 682 254**
Property Management Trading Entity	3 758 922	–	–	(76 668)	–	–	(76 668)	3 682 254
Foreign governments and international organisations								
Current	**26 031**	**–**	**–**	**(3 689)**	**–**	**–**	**(3 689)**	**22 342**
Commonwealth War Graves Commission	26 031	–	–	(3 689)	–	–	(3 689)	22 342
Public corporations and private enterprises								
Public corporations								
Other transfers								
Current	**–**	**–**	**–**	**111 066**	**–**	**–**	**111 066**	**111 066**
Independent Development Trust	–	–	–	111 066	–	–	111 066	111 066
Households								
Social benefits								
Current	**210**	**–**	**–**	**826**	**–**	**–**	**826**	**1 036**
Employee social benefits	210	–	–	826	–	–	826	1 036