

Vote 7

Public Works

Adjusted budget summary

R thousand	2012/13			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	7 993 796	7 891 248	(102 548)	-
<i>of which:</i>				
Current payments	2 325 786	2 582 273	-	256 487
Transfers and subsidies	4 085 826	4 201 011	-	115 185
Payments for capital assets	1 582 184	1 107 964	(474 220)	-
Executive authority	Minister of Public Works			
Accounting officer	Director-General of Public Works			
Website address	www.publicworks.gov.za			

Aim

Provide for and manage the accommodation, housing, land and infrastructure needs of national departments. 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	Annual performance		
		Projected for 2012/13 as published in the 2012 ENE	Achieved in the first six months of 2012/13 (April to September)	Changed estimate for 2012/13
As published in the 2012 ENE	Programme linked to the indicator			
Percentage of asset register with information fields populated with essential data (out of the present 109 293 properties)	Immovable Asset Management	100% (109 293)	0	-
Number of state owned buildings rehabilitated per year	Immovable Asset Management	10	5	-
Number of state owned buildings to be made accessible to people with disabilities per year	Immovable Asset Management	100	32	-
Number of youth participating in the national youth service programme in the department per year	Expanded Public Works Programme	3 500	660	-
Total number of municipalities reporting on expanded public works programme targets	Expanded Public Works Programme	278	204	-
Total number of expanded public works programme work opportunities created	Expanded Public Works Programme	1 210 000	350 068	-
Total number of expanded public works programme opportunities created on provincial access roads	Expanded Public Works Programme	130 000	78 549	-

Mid-year progress

The Department is on track to achieving its targets for the number of state owned buildings to be rehabilitated, municipalities reporting on the expanded public works programme and the expanded public works programme opportunities created on provincial access roads. Mid-year performance figures for these indicators are 50 per cent, 73.4 per cent and 60.4 per cent of the annual targets, respectively.

There has however been slow progress in the achievement of the Department's other targets, particularly with regard to the asset register with information fields populated with essential data. To accelerate progress on the update of the immovable assets register, a secondary service provider will be appointed within the next few months. They will be responsible for the physical verification of assets and the population of key data fields on the asset register. Efforts will also need to be increased to ensure that the performance target of

100 buildings with access for people with disabilities is also achieved within this year. Presently, only 32 buildings have been completed.

The take-up of youth for the national youth service programme has also been slower than anticipated, with only 660 participants registered in the programme for the current year. Furthermore, from the target of 1.2 million expanded public works programme work opportunities, only 350 068 have been created within the first half of the year. The Department will therefore fast-track its technical support programme in the next six months to ensure that more work opportunities are created and reported on.

Adjusted Estimates of National Expenditure 2012

Programme	2012/13							Adjusted Appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
Administration	893 978	54 660	3 753	84 478	-	10 944	153 835	1 047 813
Immovable Asset Management	5 364 043	15 040	-	(132 754)	(212 000)	4 019	(325 695)	5 038 348
Expanded Public Works Programme	1 659 000	17 395	-	48 776	-	3 641	69 812	1 728 812
Property and Construction	37 436	-	-	-	-	-	-	37 436
Industry Policy Regulations Auxiliary and Associated Services	39 339	-	-	(500)	-	-	(500)	38 839
Total	7 993 796	87 095	3 753	-	(212 000)	18 604	(102 548)	7 891 248
Economic classification								
Current payments	2 325 786	69 700	3 053	166 070	-	17 664	256 487	2 582 273
Compensation of employees	1 260 154	-	1 553	50 580	-	17 664	69 797	1 329 951
Goods and services	1 055 880	69 700	1 500	115 490	-	-	186 690	1 242 570
Interest and rent on land	9 752	-	-	-	-	-	-	9 752
Transfers and subsidies	4 085 826	17 395	-	96 850	-	940	115 185	4 201 011
Provinces and municipalities	3 028 087	17 395	-	45 500	-	-	62 895	3 090 982
Departmental agencies and accounts	751 546	-	-	500	-	940	1 440	752 986
Foreign governments and international organisations	19 441	-	-	(500)	-	-	(500)	18 941
Public corporations and private enterprises	-	-	-	50 800	-	-	50 800	50 800
Non-profit institutions	282 724	-	-	-	-	-	-	282 724
Households	4 028	-	-	550	-	-	550	4 578
Payments for capital assets	1 582 184	-	700	(262 920)	(212 000)	-	(474 220)	1 107 964
Buildings and other fixed structures	1 484 742	-	-	(273 488)	(212 000)	-	(485 488)	999 254
Machinery and equipment	91 770	-	700	(9 432)	-	-	(8 732)	83 038
Software and other intangible assets	5 672	-	-	20 000	-	-	20 000	25 672
Total	7 993 796	87 095	3 753	-	(212 000)	18 604	(102 548)	7 891 248

Programme 1: Administration

Subprogramme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
Ministry	26 309	-	3 753	-	-	-	3 753	30 062
Management	72 386	15 860	-	40 839	-	-	56 699	129 085
Corporate Services	326 231	38 800	-	43 639	-	10 944	93 383	419 614
Office Accommodation	469 052	-	-	-	-	-	-	469 052
Total	893 978	54 660	3 753	84 478	-	10 944	153 835	1 047 813

Programme 1: Administration (continued)

R thousand	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Economic classification								
Current payments	868 280	54 660	3 053	65 928	-	10 944	134 585	1 002 865
Compensation of employees	198 017	-	1 553	15 856	-	10 944	28 353	226 370
Goods and services	667 602	54 660	1 500	50 072	-	-	106 232	773 834
Interest and rent on land	2 661	-	-	-	-	-	-	2 661
Transfers and subsidies	625	-	-	550	-	-	550	1 175
Provinces and municipalities	11	-	-	-	-	-	-	11
Households	614	-	-	550	-	-	550	1 164
Payments for capital assets	25 073	-	700	18 000	-	-	18 700	43 773
Machinery and equipment	19 560	-	700	(2 000)	-	-	(1 300)	18 260
Software and other intangible assets	5 513	-	-	20 000	-	-	20 000	25 513
Total	893 978	54 660	3 753	84 478	-	10 944	153 835	1 047 813

Programme 2: Immovable Asset Management

Subprogramme	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
R thousand								
Infrastructure (Public Works)	1 484 742	-	-	(273 488)	(212 000)	-	(485 488)	999 254
Property Management	1 918 659	-	-	-	-	-	-	1 918 659
Strategic Asset Investment Analysis	158 903	-	-	50 000	-	-	50 000	208 903
Operation Management	954 627	15 040	-	14 434	-	-	29 474	984 101
Prestige Management	56 177	-	-	-	-	-	-	56 177
Special Projects	41 995	-	-	25 000	-	3 079	28 079	70 074
Construction Industry Development Board	66 882	-	-	-	-	732	732	67 614
Council for the Built Environment	27 438	-	-	500	-	208	708	28 146
Parliamentary Village Management Board	7 771	-	-	-	-	-	-	7 771
Augmentation of the Property Management Trading Entity	646 849	-	-	-	-	-	-	646 849
Independent Development Trust	-	-	-	50 800	-	-	50 800	50 800
Total	5 364 043	15 040	-	(132 754)	(212 000)	4 019	(325 695)	5 038 348
Economic classification								
Current payments	1 137 646	15 040	-	96 866	-	3 079	114 985	1 252 631
Compensation of employees	953 923	-	-	31 448	-	3 079	34 527	988 450
Goods and services	176 731	15 040	-	65 418	-	-	80 458	257 189
Interest and rent on land	6 992	-	-	-	-	-	-	6 992
Transfers and subsidies	2 670 977	-	-	51 300	-	940	52 240	2 723 217
Provinces and municipalities	1 918 674	-	-	-	-	-	-	1 918 674
Departmental agencies and accounts	748 940	-	-	500	-	940	1 440	750 380
Public corporations and private enterprises	-	-	-	50 800	-	-	50 800	50 800
Households	3 363	-	-	-	-	-	-	3 363

Programme 2: Immovable Asset Management (continued)

		2012/13						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Payments for capital assets	1 555 420	–	–	(280 920)	(212 000)	–	(492 920)	1 062 500
Buildings and other fixed structures	1 484 742	–	–	(273 488)	(212 000)	–	(485 488)	999 254
Machinery and equipment	70 519	–	–	(7 432)	–	–	(7 432)	63 087
Software and other intangible assets	159	–	–	–	–	–	–	159
Total	5 364 043	15 040	–	(132 754)	(212 000)	4 019	(325 695)	5 038 348

Programme 3: Expanded Public Works Programme

		2012/13						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Expanded Public Works Programme	257 235	–	–	3 276	–	3 641	6 917	264 152
Performance Based Incentive Allocations	1 401 765	17 395	–	45 500	–	–	62 895	1 464 660
Total	1 659 000	17 395	–	48 776	–	3 641	69 812	1 728 812
Economic classification								
Current payments	265 257	–	–	3 276	–	3 641	6 917	272 174
Compensation of employees	95 597	–	–	3 276	–	3 641	6 917	102 514
Goods and services	169 596	–	–	–	–	–	–	169 596
Interest and rent on land	64	–	–	–	–	–	–	64
Transfers and subsidies	1 392 176	17 395	–	45 500	–	–	62 895	1 455 071
Provinces and municipalities	1 109 402	17 395	–	45 500	–	–	62 895	1 172 297
Non-profit institutions	282 724	–	–	–	–	–	–	282 724
Households	50	–	–	–	–	–	–	50
Payments for capital assets	1 567	–	–	–	–	–	–	1 567
Machinery and equipment	1 567	–	–	–	–	–	–	1 567
Total	1 659 000	17 395	–	48 776	–	3 641	69 812	1 728 812

Programme 5: Auxiliary and Associated Services

		2012/13						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Compensation for Losses	2 165	–	–	–	–	–	–	2 165
Distress Relief	1	–	–	–	–	–	–	1
Loskop Settlement	1	–	–	–	–	–	–	1
Assistance to Organisations for Preservation of National Memorials	19 441	–	–	(500)	–	–	(500)	18 941
State Functions	15 125	–	–	–	–	–	–	15 125
Sector Education and Training Authority	2 606	–	–	–	–	–	–	2 606
Total	39 339	–	–	(500)	–	–	(500)	38 839
Economic classification								
Current payments	17 291	–	–	–	–	–	–	17 291
Goods and services	17 291	–	–	–	–	–	–	17 291
Transfers and subsidies	22 048	–	–	(500)	–	–	(500)	21 548
Departmental agencies and accounts	2 606	–	–	–	–	–	–	2 606
Foreign governments and international organisations	19 441	–	–	(500)	–	–	(500)	18 941
Households	1	–	–	–	–	–	–	1
Total	39 339	–	–	(500)	–	–	(500)	38 839

Details of adjustments to Estimates of National Expenditure 2012

Roll-overs – R87.095 million

Programme 1: Administration

R51.059 million has been rolled over for the implementation of a turnaround programme within the Department, specifically for the appointment of the core support team as well as finance and supply chain management interventions.

R3.601 million has been rolled over and is earmarked for payment for technical assistance for work in respect of the Department's turnaround programme.

Programme 2: Immovable Asset Management

R15.040 million has been rolled over for the lease review exercise, which also forms part of the turnaround programme.

Programme 3: Expanded Public Works Programme

R17.395 million has been rolled over for the expanded public works programme's integrated grant to municipalities.

Unforeseeable and unavoidable expenditure – R3.753 million

Programme 1: Administration

An additional R3.753 million is allocated for the establishment of the office of the newly appointed Deputy Minister of Public Works.

Virements and shifts

Programmes

1. Administration
2. Immovable Asset Management
3. Expanded Public Works Programme
4. Property and Construction Industry Policy Regulations
5. Auxiliary and Associated Services

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(2 550)	Programme 1		2 550
Goods and services	Savings on advertising costs ¹	(550)	Households	For severance package	550
Machinery and equipment	Funds incorrectly classified in the 2012 ENE have been reclassified	(2 000)	Goods and services	Funds incorrectly classified in the 2012 ENE have been reclassified	2 000
Shifts within the programme as percentage of programme budget		0.3%			
Virements to other programmes as percentage of programme budget		0.0%			
Programme 2		(282 328)	Programme 1		84 478
Buildings and other fixed structures	Reprioritisation of funds ¹	(48 622)	Goods and services	For the departmental turnaround programme, specifically for outsourced staff and related travel and subsistence costs, technical support and for the Special Investigating Unit	48 622
	Reprioritisation of funds ¹	(15 856)	Compensation of employees ¹	For improved conditions of service costs	15 856

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
	Reprioritisation of funds ¹	(20 000)	Software and other intangible assets	For a billing and accounting IT system	20 000
	Reprioritisation of funds ¹	(56 578)	Programme 2		140 234
	Reprioritisation of funds ¹	(1 408)	Goods and services	For outsourced staff and to establish a technical intervention team	56 578
	Reprioritisation of funds ¹	(31 448)	Machinery and equipment	For office furniture	1 408
	Reprioritisation of funds ¹	(50 800)	Compensation of employees ¹	For workshops as well as for the appointment of staff for the immovable assets register project	31 448
	Reprioritisation of funds ¹	(3 276)	Public corporations and private enterprises	For bridging finance to the Independent Development Trust	50 800
	Reprioritisation of funds ¹	(45 500)	Programme 3		48 776
	Reprioritisation of funds ¹	(8 840)	Compensation of employees ¹	For improved conditions of service costs	3 276
	Reprioritisation of funds ¹	(8 840)	Provinces and municipalities	For Expanded Public Works Programme incentive payments to municipalities	45 500
Machinery and equipment	Funds incorrectly classified in the 2012 ENE have been reclassified	(8 840)	Programme 2		8 840
			Goods and services	Funds incorrectly classified in the 2012 ENE have been reclassified	8 840
Shifts within the programme as percentage of programme budget		2.8%			
Virements to other programmes as percentage of programme budget		2.5%			
Programme 5		(500)	Programme 2		500
Foreign governments and international organisations	Savings on payments to the Commonwealth Wargraves Commission due to foreign exchange rate movements ¹	(500)	Departmental agencies and accounts	For operational expenditure	500
Shifts within the programme as percentage of programme budget		0.0%			
Virements to other programmes as percentage of programme budget		1.3%			
Total		(285 378)			

1. National Treasury approval has been obtained.

Declared Savings – R212 million

Programme 2: Immoveable Asset Management

Savings of R212 million have been declared as a result of underspending on infrastructure projects.

Other adjustments – R18.604 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R18.604 million has been allocated for higher personnel remuneration increases than the main budget provided for, as follows:

Programme 1: Administration

R10.944 million

Programme 2: Immoveable Asset Management

R3.079 million

R732 000 for the Construction Industry Development Board

R208 000 for the Council for the Built Environment

Programme 3: Expanded Public Works Programme

R3.641 million

Expenditure for 2011/12 and preliminary expenditure for 2012/13

Programme	2011/12					2012/13		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted appropriation	Apr 11 - Mar 12	Apr 11 - Mar 12 % of adjusted appropriation	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation
Administration	777 521	396 605	51.0	837 119	107.7	1 047 813	360 778	34.4
Immovable Asset Management	5 410 545	2 180 235	40.3	5 001 749	92.4	5 038 348	2 856 931	56.7
Expanded Public Works Programme	1 575 198	563 878	35.8	1 163 015	73.8	1 728 812	860 931	49.8
Property and Construction Industry Policy Regulations	34 900	21 506	61.6	34 352	98.4	37 436	16 069	42.9
Auxiliary and Associated Services	31 580	24 923	78.9	25 201	79.8	38 839	42 502	109.4
Total	7 829 744	3 187 147	40.7	7 061 436	90.2	7 891 248	4 137 211	52.4
Economic classification								
Current payments	2 275 861	1 133 721	49.8	2 304 050	101.2	2 582 273	1 095 531	42.4
Compensation of employees	1 252 550	606 702	48.4	1 269 579	101.4	1 329 951	680 148	51.1
Goods and services	1 007 969	526 217	52.2	1 032 904	102.5	1 242 570	414 953	33.4
Interest and rent on land	15 342	802	5.2	1 567	10.2	9 752	430	4.4
Transfers and subsidies	4 010 315	1 640 263	40.9	3 656 222	91.2	4 201 011	2 747 645	65.4
Provinces and municipalities	2 950 465	952 466	32.3	2 592 965	87.9	3 090 982	2 210 412	71.5
Departmental agencies and accounts	734 690	369 005	50.2	732 486	99.7	752 986	378 356	50.2
Foreign governments and international organisations	16 915	12 956	76.6	12 956	76.6	18 941	15 436	81.5
Public corporations and private enterprises	150 000	150 001	100.0	–	0.0	50 800	–	0.0
Non-profit institutions	154 370	154 370	100.0	313 803	203.3	282 724	139 948	49.5
Households	3 875	1 465	37.8	4 012	103.5	4 578	3 493	76.3
Payments for capital assets	1 543 568	413 163	26.8	1 099 139	71.2	1 107 964	294 035	26.5
Buildings and other fixed structures	1 443 945	401 427	27.8	1 011 408	70.0	999 254	276 430	27.7
Machinery and equipment	94 222	11 701	12.4	81 162	86.1	83 038	17 524	21.1
Software and other intangible assets	5 401	35	0.6	6 569	121.6	25 672	81	0.3
Payments for financial assets	–	–	–	2 025	–	–	–	–
Total	7 829 744	3 187 147	40.7	7 061 436	90.2	7 891 248	4 137 211	52.4

Main expenditure trends for the first half of 2012/13

Total expenditure for 2011/12 was 90.2 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 was R4.137 billion, or 52.4 per cent of the adjusted appropriation of R7.891 billion for the year as a whole. In comparison, mid-year expenditure in 2011/12 was R3.187 billion, or 40.7 per cent of the 2011/12 adjusted appropriation. Expenditure in the first six months of 2012/13 increased by R950.064 million or 29.8 per cent, compared to expenditure in the first six months of 2011/12.

The main expenditure increase compared to 2011/12 is due to the devolution of the Property Rates Fund Grant to provinces, as well as increased personnel costs due to the filling of vacant posts and improved conditions of service.

Departmental receipts

R thousand	2011/12					2012/13			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 11 - Sep 11	Apr 11 - Sep 11 adjusted estimate	Apr 11 - Mar 12	Apr 11 - Mar 12 adjusted estimate	Budget estimate	Adjusted estimate	Apr 12 - Sep 12	Apr 12 - Sep 12 adjusted estimate
Departmental receipts	38 658	18 717	48.4	75 195	194.5	36 231	36 445	24 170	66.3
Sales of goods and services produced by department	33 896	17 915	52.9	36 353	107.2	31 231	31 445	18 132	57.7
Sales of scrap, waste, arms and other used current goods	445	21	4.7	35	7.9	467	467	3	0.6
Fines, penalties and forfeits	16	8	50.0	12	75.0	17	17	-	-
Interest, dividends and rent on land	520	59	11.3	103	19.8	546	546	5 093	932.8
Sales of capital assets	1 385	2	0.1	3 154	227.7	1 454	1 454	-	-
Transactions in financial assets and liabilities	2 396	712	29.7	35 538	1 483.2	2 516	2 516	942	37.4
Total	38 658	18 717	48.4	75 195	194.5	36 231	36 445	24 170	66.3

Main departmental revenue trends for the first half of 2012/13

Departmental revenue collection in the first six months of 2012/13 was R24.170 million, or 66.3 per cent of the adjusted revenue estimate of R36.445 million for the year as a whole. In comparison, mid-year revenue collection in 2011/12 was R18.717 million, or 48.4 per cent of the 2011/12 adjusted estimate. Departmental revenue collection in the first six months of 2012/13 increased by R5.453 million or 29.1 per cent, compared to revenue in the first six months of 2011/12.

The main revenue increase compared to 2011/12 is due to interest received from the Independent Development Trust on an advance payment made to the entity in 2011/12 for work carried out on behalf of the Department.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2012/13							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments		
Administration								
Households								
Social benefits								
Current	614	-	-	550	-	-	550	1 164
Employee Social Benefits	614	-	-	550	-	-	550	1 164

Summary of changes to transfers and subsidies per programme (continued)

		2012/13							
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments			
Immovable Asset Management									
Departmental agencies and accounts									
Departmental agencies (non-business entities)									
Current									
	94 320	-	-	500	-	940	1 440	95 760	
Construction Industry Development Board	66 882	-	-	-	-	732	732	67 614	
Council for the Built Environment	27 438	-	-	500	-	208	708	28 146	
Public corporations and private enterprises									
Public corporations									
Other transfers									
Current									
	-	-	-	50 800	-	-	50 800	50 800	
Independent Development Trust	-	-	-	50 800	-	-	50 800	50 800	
Expanded Public Works Programme									
Provinces and municipalities									
Municipalities									
Municipal bank accounts									
Current									
	599 240	17 395	-	45 500	-	-	62 895	662 135	
Expanded Public Works Programme Integrated Grant for Municipalities	599 240	17 395	-	45 500	-	-	62 895	662 135	
Auxiliary and Associated Services									
Foreign governments and international organisations									
Current									
	19 441	-	-	(500)	-	-	(500)	18 941	
Commonwealth War Graves Commission	19 441	-	-	(500)	-	-	(500)	18 941	

Summary of changes to conditional grants: Local government

		2012/13							
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared savings	Other adjustments			
Expanded Public Works Programme									
Expanded Public Works Programme Integrated Grant for Municipalities	599 240	17 395	-	45 500	-	-	62 895	662 135	

