

Vote 11

Public Works

Adjusted budget summary

R thousand	2015/16			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	6 411 087	6 312 222	(98 865)	-
<i>of which:</i>				
Current payments	882 781	884 081	-	1 300
Transfers and subsidies	5 500 246	5 400 081	(100 165)	-
Payments for capital assets	28 060	28 060	-	-
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, and 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 2015/16 as published in the 2015 ENE	Achieved in the first six months of 2015/16 (April to September)	Changed target for 2015/16
Number of expanded public works programme work opportunities created per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive economic growth	1 127 186	326 207	-
Number of expanded public works programme work opportunities created by rural municipalities per year	Expanded Public Works Programme		700 000	182 609	-
Number of intergovernmental relations forums convened for oversight of the public works sector per year	Intergovernmental Coordination		12	6	-
Promulgation of a public works act	Property and Construction Industry Policy and Research	Outcome 12: An efficient, effective and development-oriented public service	Final draft of a new white paper on Public Works submitted to Cabinet for approval	0	-
Prestige norms and standards developed	Prestige Policy		Norms and standards for members of Parliament (category III) approved by Parliament	1	-

Mid-year progress

326 207 work opportunities have been created thus far in 2015/16 against the target of 1 127 186. Only 182 609 work opportunities have been created by rural municipalities against a target of 700 000. The lag in performance on the expanded public works programme is attributed to the delay in the implementation of the new reporting system. The department intends to fast track the process of reporting on the number of work opportunities created and reported.

All targets for other indicators are on track to being met.

Adjusted Estimates of National Expenditure 2015

Programme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	475 996	-	-	1 350	-	-	1 350	477 346
Intergovernmental Coordination	47 223	-	-	(1 500)	-	-	(1 500)	45 723
Expanded Public Works Programme	1 992 234	-	-	-	(38 865)	-	(38 865)	1 953 369
Property and Construction Industry Policy and Research	3 802 962	-	-	-	(60 000)	-	(60 000)	3 742 962
Prestige Policy	92 672	-	-	150	-	-	150	92 822
Total	6 411 087	-	-	-	(98 865)	-	(98 865)	6 312 222
Economic classification								
Current payments	882 781	-	-	1 300	-	-	1 300	884 081
Compensation of employees	474 995	-	-	-	-	-	-	474 995
Goods and services	407 786	-	-	1 300	-	-	1 300	409 086
Transfers and subsidies	5 500 246	-	-	(1 300)	(98 865)	-	(100 165)	5 400 081
Provinces and municipalities	1 178 866	-	-	-	(38 865)	-	(38 865)	1 140 001
Departmental agencies and accounts	3 703 137	-	-	(1 300)	(60 000)	-	(61 300)	3 641 837
Foreign governments and international organisations	23 273	-	-	-	-	-	-	23 273
Public corporations and private enterprises	50 000	-	-	-	-	-	-	50 000
Non-profit institutions	534 816	-	-	-	-	-	-	534 816
Households	10 154	-	-	-	-	-	-	10 154
Payments for capital assets	28 060	-	-	-	-	-	-	28 060
Machinery and equipment	28 060	-	-	-	-	-	-	28 060
Total	6 411 087	-	-	-	(98 865)	-	(98 865)	6 312 222

Programme 1: Administration

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Ministry	32 943	-	-	1 500	-	-	1 500	34 443
Management	109 003	-	-	-	-	-	-	109 003
Corporate Services	247 364	-	-	-	-	-	-	247 364
Finance and Supply Chain Management	86 686	-	-	(150)	-	-	(150)	86 536
Total	475 996	-	-	1 350	-	-	1 350	477 346
Economic classification								
Current payments	456 761	-	-	-	-	-	-	456 761
Compensation of employees	263 084	-	-	-	-	-	-	263 084
Goods and services	193 677	-	-	-	-	-	-	193 677
Transfers and subsidies	9 508	-	-	(150)	-	-	(150)	9 358
Provinces and municipalities	6	-	-	-	-	-	-	6
Households	9 502	-	-	(150)	-	-	(150)	9 352
Payments for capital assets	9 727	-	-	1 500	-	-	1 500	11 227
Machinery and equipment	9 727	-	-	1 500	-	-	1 500	11 227
Total	475 996	-	-	1 350	-	-	1 350	477 346

Programme 2: Intergovernmental Coordination

Subprogramme	2015/16								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Monitoring, Evaluation and Reporting	32 895	–	–	(1 500)	–	–	(1 500)	31 395	
Intergovernmental Relations and Coordination	14 328	–	–	–	–	–	–	14 328	
Total	47 223	–	–	(1 500)	–	–	(1 500)	45 723	
Economic classification									
Current payments	43 923	–	–	–	–	–	–	43 923	
Compensation of employees	31 531	–	–	–	–	–	–	31 531	
Goods and services	12 392	–	–	–	–	–	–	12 392	
Transfers and subsidies	300	–	–	–	–	–	–	300	
Households	300	–	–	–	–	–	–	300	
Payments for capital assets	3 000	–	–	(1 500)	–	–	(1 500)	1 500	
Machinery and equipment	3 000	–	–	(1 500)	–	–	(1 500)	1 500	
Total	47 223	–	–	(1 500)	–	–	(1 500)	45 723	

Programme 3: Expanded Public Works Programme

Subprogramme	2015/16								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Expanded Public Works Programme: Monitoring and Evaluation	53 738	–	–	–	–	–	–	53 738	
Expanded Public Works Programme: Infrastructure	1 012 749	–	–	–	(24 405)	–	(24 405)	988 344	
Expanded Public Works Programme: Operations	810 160	–	–	–	(14 460)	–	(14 460)	795 700	
Expanded Public Works Programme: Partnership Support	108 542	–	–	–	–	–	–	108 542	
Expanded Public Works Programme: Public Employment Coordinating Commission	7 045	–	–	–	–	–	–	7 045	
Total	1 992 234	–	–	–	(38 865)	–	(38 865)	1 953 369	
Economic classification									
Current payments	276 046	–	–	–	–	–	–	276 046	
Compensation of employees	144 077	–	–	–	–	–	–	144 077	
Goods and services	131 969	–	–	–	–	–	–	131 969	
Transfers and subsidies	1 713 828	–	–	–	(38 865)	–	(38 865)	1 674 963	
Provinces and municipalities	1 178 860	–	–	–	(38 865)	–	(38 865)	1 139 995	
Non-profit institutions	534 816	–	–	–	–	–	–	534 816	
Households	152	–	–	–	–	–	–	152	
Payments for capital assets	2 360	–	–	–	–	–	–	2 360	
Machinery and equipment	2 360	–	–	–	–	–	–	2 360	
Total	1 992 234	–	–	–	(38 865)	–	(38 865)	1 953 369	

Programme 4: Property and Construction Industry Policy and Research

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Construction Policy Development Programme	24 292	-	-	1 300	-	-	1 300	25 592
Property Policy Development Programme	11 350	-	-	-	-	-	-	11 350
Construction Industry Development Board	65 626	-	-	-	-	-	-	65 626
Council for the Built Environment	41 994	-	-	-	-	-	-	41 994
Independent Development Trust	50 000	-	-	-	-	-	-	50 000
Construction Education and Training Authority	1 775	-	-	(1 300)	-	-	(1 300)	475
Property Management Trading Entity	3 584 652	-	-	-	(60 000)	-	(60 000)	3 524 652
Assistance to Organisations for the Preservation of National Memorials	23 273	-	-	-	-	-	-	23 273
Total	3 802 962	-	-	-	(60 000)	-	(60 000)	3 742 962
Economic classification								
Current payments	35 330	-	-	1 300	-	-	1 300	36 630
Compensation of employees	14 248	-	-	-	-	-	-	14 248
Goods and services	21 082	-	-	1 300	-	-	1 300	22 382
Transfers and subsidies	3 767 520	-	-	(1 300)	(60 000)	-	(61 300)	3 706 220
Departmental agencies and accounts	3 694 047	-	-	(1 300)	(60 000)	-	(61 300)	3 632 747
Foreign governments and international organisations	23 273	-	-	-	-	-	-	23 273
Public corporations and private enterprises	50 000	-	-	-	-	-	-	50 000
Households	200	-	-	-	-	-	-	200
Payments for capital assets	112	-	-	-	-	-	-	112
Machinery and equipment	112	-	-	-	-	-	-	112
Total	3 802 962	-	-	-	(60 000)	-	(60 000)	3 742 962

Programme 5: Prestige Policy

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Prestige Accommodation and State Functions	83 582	-	-	150	-	-	150	83 732
Parliamentary Villages Management Board	9 090	-	-	-	-	-	-	9 090
Total	92 672	-	-	150	-	-	150	92 822
Economic classification								
Current payments	70 721	-	-	-	-	-	-	70 721
Compensation of employees	22 055	-	-	-	-	-	-	22 055
Goods and services	48 666	-	-	-	-	-	-	48 666
Transfers and subsidies	9 090	-	-	150	-	-	150	9 240
Departmental agencies and accounts	9 090	-	-	-	-	-	-	9 090
Households	-	-	-	150	-	-	150	150
Payments for capital assets	12 861	-	-	-	-	-	-	12 861
Machinery and equipment	12 861	-	-	-	-	-	-	12 861
Total	92 672	-	-	150	-	-	150	92 822

Details of adjustments to the Estimates of National Expenditure 2015

Virements and shifts

Programmes

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

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(150)	Programme 5		150
Households	Reclassification of funds due to an incorrect programme allocation in the 2015 ENE	(150)	Households	Reclassification of funds due to an incorrect programme allocation in the 2015 ENE	150
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(1 500)	Programme 1		1 500
Machinery and equipment	Reallocation of misallocated funds	(1 500)	Machinery and equipment	Reallocation of misallocated funds	1 500
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		3.2%			
Programme 4		(1 300)	Programme 4		1 300
Departmental agencies and accounts	Lower than anticipated expenditure on the Construction Education and Training Authority ¹	(1300)	Goods and services	Shortfall in the budget for consultants to develop legislation	1 300
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(2 950)			2 950

1. Only the legislature may approve this virement in terms of the Public Finance Management Act (1999).

Declared unspent funds – R98.865 million

Programme 3: Expanded Public Works Programme

R24.405 million and R14.460 million in unspent funds has been declared on the expanded public works programme integrated grant for provinces, as well as on the social sector expanded public works programme incentive grant for provinces. This is due to projected underspending on conditional grants to provinces.

Programme 4: Property and Construction Industry Policy and Research

R60 million in unspent funds has been declared on transfers and subsidies to the Property Management Trading Entity due to a projected underspending on infrastructure projects. This was a result of delays in the implementation of infrastructure projects relating to prestige projects.

Expenditure outcome for 2014/15 and actual expenditure for 2015/16

Programme	2014/15 Audited outcome					2015/16 Actual expenditure				
	Adjusted appropriation	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted appropriation	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	
R thousand										
Administration	474 253	202 537	42.7	615 939	129.9	477 346	7.6	216 743	45.4	
Intergovernmental Coordination	25 750	11 579	45.0	26 719	103.8	45 723	0.7	15 024	32.9	
Expanded Public Works Programme	1 951 295	964 084	49.4	1 925 580	98.7	1 953 369	30.9	1 029 925	52.7	
Property and Construction Industry Policy and Research	3 543 989	1 749 286	49.4	3 268 292	92.2	3 742 962	59.3	1 194 894	31.9	
Prestige Policy	126 033	86 356	68.5	185 508	147.2	92 822	1.5	42 123	45.4	
Total	6 121 320	3 013 842	49.2	6 022 038	98.4	6 312 222	100.0	2 498 709	39.6	
Economic classification										
Current payments	3 027 775	1 406 068	46.4	3 020 111	99.7	884 081	14.0	404 939	45.8	
Compensation of employees	1 667 797	771 488	46.3	1 591 775	95.4	474 995	7.5	219 859	46.3	
Goods and services	1 359 978	634 576	46.7	1 428 327	105.0	409 086	6.5	184 963	45.2	
Interest and rent on land	–	4	–	9	–	–	–	117	–	
Transfers and subsidies	2 563 905	1 406 920	54.9	2 577 774	100.5	5 400 081	85.5	2 083 241	38.6	
Provinces and municipalities	1 201 520	619 024	51.5	1 200 256	99.9	1 140 001	18.1	630 674	55.3	
Departmental agencies and accounts	802 506	445 004	55.5	802 476	100.0	3 641 837	57.7	1 076 200	29.6	
Foreign governments and international organisations	22 548	22 548	100.0	22 548	100.0	23 273	0.4	23 363	100.4	
Public corporations and private enterprises	50 000	50 000	100.0	50 000	100.0	50 000	0.8	50 000	100.0	
Non-profit institutions	477 481	262 198	54.9	488 502	102.3	534 816	8.5	293 154	54.8	
Households	9 850	8 146	82.7	13 992	142.1	10 154	0.2	9 850	97.0	
Payments for capital assets	529 640	200 854	37.9	420 714	79.4	28 060	0.4	10 529	37.5	
Buildings and other fixed structures	416 065	152 987	36.8	315 914	75.9	–	–	–	–	
Machinery and equipment	107 232	47 851	44.6	103 577	96.6	28 060	0.4	9 924	35.4	
Software and other intangible assets	6 343	16	0.3	1 223	19.3	–	–	605	–	
Payments for financial assets	–	–	–	3 439	–	–	–	–	–	
Total	6 121 320	3 013 842	49.2	6 022 038	98.4	6 312 222	100.0	2 498 709	39.6	

Expenditure trends for the first half of 2015/16

Total expenditure in 2014/15 was 98.4 per cent of the 2014/15 adjusted appropriation. Expenditure in the first six months of 2015/16 was R2.5 billion or 39.6 per cent of the adjusted appropriation of R6.3 billion for the year. In comparison, mid-year expenditure in 2014/15 was R3 billion, or 49.2 per cent of the 2014/15 adjusted appropriation. Compared to the first six months of 2014/15, expenditure over the same period in 2015/16 has decreased by R515.1 million, or 17.1 per cent. This is mainly due to the shifting of the functions of the provision and management of office accommodation from the department to the Property Management Trading Entity, which is becoming operational in 2015. The entity is still dependent on the department's systems for processing payments, with the department currently carrying the entity's expenditure.

Departmental receipts

R thousand	2014/15					2015/16				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted estimate	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate
Departmental receipts	13 238	8 033	60.7	16 132	121.9	1 878	1 878	100.0	1 328	70.7
Sales of goods and services produced by department	4 803	3 981	82.9	6 605	137.5	-	570	30.4	489	85.8
Sales of scrap, waste, arms and other used current goods	402	55	13.7	62	15.4	-	8	0.4	4	50.0
Fines, penalties and forfeits	-	-	-	7	-	-	-	-	-	-
Interest, dividends and rent on land	5 987	55	0.9	5 019	83.8	-	100	5.3	73	73.0
Transactions in financial assets and liabilities	2 046	3 942	192.7	4 439	217.0	1 878	1 200	63.9	762	63.5
Total	13 238	8 033	60.7	16 132	121.9	1 878	1 878	100.0	1 328	70.7

Revenue trends for the first half of 2015/16

Revenue in the first six months of 2015/16 was R1.3 million, or 70.7 per cent of the adjusted revenue estimate of R1.9 million for the year. In comparison, mid-year revenue in 2014/15 was R8 million, or 60.7 per cent of the 2014/15 adjusted estimate. Compared to the first six months of 2014/15, revenue over the same period in 2015/16 has decreased by R6.7 million, or 83.5 per cent. This is mainly due to the generated revenue being aligned to the Property Management Trading Entity, following the transfer of functions. The transfer of functions to the Property Management Trading Entity has also meant the transfer of some of the revenue towards key items directly linked to the functions of the entity.

Changes to transfer and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2015/16							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	5 402	-	-	(1 050)	-	-	(1 050)	4 352
Employee social benefits	5 402	-	-	(1 050)	-	-	(1 050)	4 352
Households								
Other transfers to households								
Current	4 100	-	-	900	-	-	900	5 000
Bursaries for non-employees	4 100	-	-	900	-	-	900	5 000
Expanded Public Works Programme								
Provinces and municipalities								
Provinces								
Provincial Revenue Funds								
Current	591 175	-	-	-	(38 865)	-	(38 865)	552 310
Expanded public works programme integrated grant for provinces	350 612	-	-	-	(24 405)	-	(24 405)	326 207
Social sector expanded public works programme incentive grant for provinces	240 563	-	-	-	(14 460)	-	(14 460)	226 103

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

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Property and Construction Industry Policy and Research								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	3 586 427	-	-	(1 300)	(60 000)	-	(61 300)	3 525 127
Construction Education and Training Authority	1 775	-	-	(1 300)	-	-	(1 300)	475
Property Management Trading Entity	3 584 652	-	-	-	(60 000)	-	(60 000)	3 524 652
Prestige Policy								
Households								
Social benefits								
Current	-	-	-	150	-	-	150	150
Employee social benefits	-	-	-	150	-	-	150	150

Summary of changes to conditional grants: Provinces

R thousand	2015/16							Adjusted appropriation	
	Main appropriation	Adjustments appropriation					Total adjustments appropriation		
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds			Other adjustments
Expanded Public Works Programme	591 175	-	-	-	-	(38 865)	-	(38 865)	552 310
Expanded public works programme integrated grant for provinces	350 612	-	-	-	-	(24 405)	-	(24 405)	326 207
Social sector expanded public works programme incentive grant for provinces	240 563	-	-	-	-	(14 460)	-	(14 460)	226 103