

Vote 11

Public Works

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	6 528 765	6 512 799	(15 966)	-
of which:				
Current payments	917 934	905 083	(12 851)	-
Transfers and subsidies	5 572 323	5 570 208	(2 115)	-
Payments for capital assets	38 508	37 508	(1 000)	-
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 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
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 economic growth	1 343 154	276 397	-
Number of work opportunities per year created in rural municipalities through the expanded public works programme aligned with the phase 3 business plan	Expanded Public Works Programme		730 000	87 237	-
Number of municipalities reporting on expanded public works programme targets provided with technical support per year	Expanded Public Works Programme		250	212	-
Number of intergovernmental relations forums convened for the oversight of the public works sector per year	Intergovernmental Coordination	Outcome 12: An efficient, effective and development-oriented public service	12	5	-
Number of cooperation and protocol agreements for joint service delivery signed with provinces and municipalities per year	Intergovernmental Coordination		10	6	-
Public Works Bill developed	Property and Construction Industry Policy and Research		Public Works Bill gazetted for public comments	-	-
Norms and standards developed for the prestige accommodation portfolio	Prestige Policy	8 Prestige policies approved (new and reviewed)	2	-	

Mid-year progress

276 397 work opportunities have been created thus far in 2016/17 against the target of 1 343 154. Only 87 237 work opportunities have been created by rural municipalities against a target of 730 000. The lag in performance in the expanded public works programme is attributed to delays by public bodies in capturing the data on the reporting system and the lack of capacity to collect all the required documentation for reporting, as well as the exclusion of a number of projects from the reporting process. The department has since identified the bodies that are underperforming. It intends to fast track the process of reporting on the

number of work opportunities created, by providing ongoing support using data capturing sessions, training and capacity building. Improvements in reporting will be monitored by using the weekly variance reports generated from the system, and will be communicated to all the reporting bodies. All public and reporting bodies with excluded projects have been encouraged to correct the projects on the reporting system.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	516 634	-	-	(628)	-	-	(628)	516 006
Intergovernmental Coordination	31 439	-	-	(2 800)	-	-	(2 800)	28 639
Expanded Public Works Programme	2 319 500	-	-	-	-	-	-	2 319 500
Property and Construction	3 565 100	-	-	3 428	-	(15 966)	(12 538)	3 552 562
Industry Policy and Research								
Prestige Policy	96 092	-	-	-	-	-	-	96 092
Total	6 528 765	-	-	-	-	(15 966)	(15 966)	6 512 799
Economic classification								
Current payments	917 934	-	-	(12 851)	-	-	(12 851)	905 083
Compensation of employees	470 825	-	-	1 000	-	-	1 000	471 825
Goods and services	447 109	-	-	(13 851)	-	-	(13 851)	433 258
Transfers and subsidies	5 572 323	-	-	13 851	-	(15 966)	(2 115)	5 570 208
Provinces and municipalities	1 425 668	-	-	-	-	-	-	1 425 668
Departmental agencies and accounts	3 510 958	-	-	12 383	-	(15 966)	(3 583)	3 507 375
Foreign governments and international organisations	24 806	-	-	3 428	-	-	3 428	28 234
Non-profit institutions	600 427	-	-	-	-	-	-	600 427
Households	10 464	-	-	(1 960)	-	-	(1 960)	8 504
Payments for capital assets	38 508	-	-	(1 000)	-	-	(1 000)	37 508
Machinery and equipment	38 508	-	-	(1 000)	-	-	(1 000)	37 508
Total	6 528 765	-	-	-	-	(15 966)	(15 966)	6 512 799

Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	31 155	-	-	-	-	-	-	31 155
Management	89 472	-	-	1 000	-	-	1 000	90 472
Corporate Services	274 875	-	-	840	-	-	840	275 715
Finance and Supply Chain Management	71 732	-	-	(2 468)	-	-	(2 468)	69 264
Office Accommodation	49 400	-	-	-	-	-	-	49 400
Total	516 634	-	-	(628)	-	-	(628)	516 006
Economic classification								
Current payments	484 697	-	-	1 332	-	-	1 332	486 029
Compensation of employees	251 447	-	-	2 800	-	-	2 800	254 247
Goods and services	233 250	-	-	(1 468)	-	-	(1 468)	231 782
Transfers and subsidies	9 610	-	-	(1 960)	-	-	(1 960)	7 650
Provinces and municipalities	6	-	-	-	-	-	-	6
Households	9 604	-	-	(1 960)	-	-	(1 960)	7 644
Payments for capital assets	22 327	-	-	-	-	-	-	22 327
Machinery and equipment	22 327	-	-	-	-	-	-	22 327
Total	516 634	-	-	(628)	-	-	(628)	516 006

Programme 2: Intergovernmental Coordination

Subprogramme	2016/17							
	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	16 803	–	–	(1 900)	–	–	(1 900)	14 903
Intergovernmental Relations and Coordination	14 636	–	–	(900)	–	–	(900)	13 736
Total	31 439	–	–	(2 800)	–	–	(2 800)	28 639
Economic classification								
Current payments	28 139	–	–	(1 800)	–	–	(1 800)	26 339
Compensation of employees	22 081	–	–	(1 800)	–	–	(1 800)	20 281
Goods and services	6 058	–	–	–	–	–	–	6 058
Transfers and subsidies	300	–	–	–	–	–	–	300
Households	300	–	–	–	–	–	–	300
Payments for capital assets	3 000	–	–	(1 000)	–	–	(1 000)	2 000
Machinery and equipment	3 000	–	–	(1 000)	–	–	(1 000)	2 000
Total	31 439	–	–	(2 800)	–	–	(2 800)	28 639

Programme 3: Expanded Public Works Programme

Subprogramme	2016/17							
	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	55 368	–	–	25 717	–	–	25 717	81 085
Expanded Public Works Programme: Infrastructure	1 143 132	–	–	23 090	–	–	23 090	1 166 222
Expanded Public Works Programme: Operations	995 950	–	–	12 429	–	–	12 429	1 008 379
Expanded Public Works Programme: Partnership Support	117 740	–	–	(61 236)	–	–	(61 236)	56 504
Expanded Public Works Programme: Public Employment Coordinating Commission	7 310	–	–	–	–	–	–	7 310
Total	2 319 500	–	–	–	–	–	–	2 319 500
Economic classification								
Current payments	290 933	–	–	–	–	–	–	290 933
Compensation of employees	154 748	–	–	–	–	–	–	154 748
Goods and services	136 185	–	–	–	–	–	–	136 185
Transfers and subsidies	2 026 079	–	–	–	–	–	–	2 026 079
Provinces and municipalities	1 425 662	–	–	–	–	–	–	1 425 662
Non-profit institutions	600 257	–	–	–	–	–	–	600 257
Households	160	–	–	–	–	–	–	160
Payments for capital assets	2 488	–	–	–	–	–	–	2 488
Machinery and equipment	2 488	–	–	–	–	–	–	2 488
Total	2 319 500	–	–	–	–	–	–	2 319 500

Programme 4: Property and Construction Industry Policy and Research

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Construction Policy Development Programme	26 243	–	–	–	–	–	–	26 243
Property Policy Development Programme	12 665	–	–	–	–	–	–	12 665
Construction Industry Development Board	52 059	–	–	–	–	–	–	52 059
Council for the Built Environment	43 413	–	–	–	–	–	–	43 413
Construction Education and Training Authority	500	–	–	–	–	–	–	500
Property Management Trading Entity	3 405 414	–	–	–	–	(15 966)	(15 966)	3 389 448
Assistance to Organisations for the Preservation of National Memorials	24 806	–	–	3 428	–	–	3 428	28 234
Total	3 565 100	–	–	3 428	–	(15 966)	(12 538)	3 552 562

Programme 4: Property and Construction Industry Policy and Research (continued)

Economic classification	2016/17						
	Main appropriation	Adjustments appropriation					Total adjustments appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand							
Current payments	38 419	–	–	(12 383)	–	–	26 036
Compensation of employees	16 284	–	–	–	–	–	16 284
Goods and services	22 135	–	–	(12 383)	–	–	9 752
Transfers and subsidies	3 526 562	–	–	15 811	–	(15 966)	3 526 407
Departmental agencies and accounts	3 501 386	–	–	12 383	–	(15 966)	3 497 803
Foreign governments and international organisations	24 806	–	–	3 428	–	–	28 234
Non-profit institutions	170	–	–	–	–	–	170
Households	200	–	–	–	–	–	200
Payments for capital assets	119	–	–	–	–	–	119
Machinery and equipment	119	–	–	–	–	–	119
Total	3 565 100	–	–	3 428	–	(15 966)	3 552 562

Details of adjustments to the Estimates of National Expenditure 2016**Virements and shifts within votes****Programmes**

- Administration
- Intergovernmental Coordination
- Expanded Public Works Programme
- Property and Construction Industry Policy and Research
- Prestige Policy

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(3 428)	Programme 4		3 428
Households	Lower than anticipated expenditure on leave gratuities	(1 960)	Foreign governments and international organisations	Commonwealth War Graves Commission, for the difference between exchange rate projections when the department compiled its budget, and the prevailing foreign exchange rate when payments are processed ¹	1 960
Goods and services	Lower than anticipated expenditure on audit fees	(1 468)	Foreign governments and international organisations	Commonwealth War Graves Commission, for the difference between exchange rate projections when the department compiled its budget, and the prevailing foreign exchange rate when payments are processed ¹	1 468
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.7%			
Programme 2		(2 800)	Programme 1		2 800
Machinery and equipment	Lower than anticipated expenditure on office furniture ¹	(1 000)	Compensation of employees	Senior management services' pay progression and performance bonus ¹	1 000
Compensation of employees	Vacant posts	(1 800)	Compensation of employees	Increases in personnel remuneration due to inflation	1 800
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		8.9% ²			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(12 383)	Programme 4		12 383
Goods and services	Reclassification of funds incorrectly classified in the 2016 ENE	(12 383)	Departmental agencies and accounts	Creation of a new transfer line for Agrément South Africa ¹	12 383
Shifts within the programme as a percentage of the programme budget		0.3%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(18 611)			18 611

1. National Treasury approval has been obtained.

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

Other adjustments – R15.966 million

Funds shifted between votes

Programme 4: Property and Construction Industry Policy and Research

R15.966 million has been shifted to the National School of Government in the Department of Public Service and Administration.

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16 Audited outcome				2016/17 Actual expenditure				
	Adjusted appropriation	Apr 15 - Sep 15 appropriation	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16 appropriation	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16 appropriation	Apr 16 - Sep 16 % of adjusted appropriation	
R thousand									
Administration	477 346	216 743	45.4	479 150	100.4	516 006	7.9	212 571	41.2
Intergovernmental Coordination	45 723	15 024	32.9	44 747	97.9	28 639	0.4	5 819	20.3
Expanded Public Works Programme	1 953 369	1 029 925	52.7	1 939 909	99.3	2 319 500	35.6	1 101 677	47.5
Property and Construction Industry Policy and Research	3 742 962	1 194 894	31.9	3 735 387	99.8	3 552 562	54.5	1 897 606	53.4
Prestige Policy	92 822	42 123	45.4	81 954	88.3	96 092	1.5	38 094	39.6
Total	6 312 222	2 498 709	39.6	6 281 147	99.5	6 512 799	100.0	3 255 767	50.0
Economic classification									
Current payments	884 081	404 939	45.8	801 893	90.7	905 083	13.9	470 021	51.9
Compensation of employees	474 995	219 859	46.3	435 858	91.8	471 825	7.2	262 367	55.6
Goods and services	409 086	184 963	45.2	364 462	89.1	433 258	6.7	207 654	47.9
Interest and rent on land	–	117	–	1 573	–	–	–	–	–
Transfers and subsidies	5 400 081	2 083 241	38.6	5 411 314	100.2	5 570 208	85.5	2 773 003	49.8
Provinces and municipalities	1 140 001	630 674	55.3	1 139 399	99.9	1 425 668	21.9	652 807	45.8
Departmental agencies and accounts	3 641 837	1 076 200	29.6	3 653 519	100.3	3 507 375	53.9	1 772 866	50.5
Foreign governments and international organisations	23 273	23 363	100.4	23 363	100.4	28 234	0.4	28 234	100.0
Public corporations and private enterprises	50 000	50 000	100.0	50 000	100.0	–	–	–	–
Non-profit institutions	534 816	293 154	54.8	535 147	100.1	600 427	9.2	315 394	52.5
Households	10 154	9 850	97.0	9 886	97.4	8 504	0.1	3 702	43.5
Payments for capital assets	28 060	10 529	37.5	23 537	83.9	37 508	0.6	12 743	34.0
Machinery and equipment	28 060	9 924	35.4	23 180	82.6	37 508	0.6	12 743	34.0
Software and other intangible assets	–	605	–	357	–	–	–	–	–
Payments for financial assets	–	–	–	44 403	–	–	–	–	–
Total	6 312 222	2 498 709	39.6	6 281 147	99.5	6 512 799	100.0	3 255 767	50.0

Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 99.5 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R3.3 billion, or 50 per cent of the adjusted appropriation of R6.5 billion for the year. In comparison, mid-year expenditure in 2015/16 was R2.5 billion, or 39.6 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 has increased by R757.1 million, or 30.3 per cent. This is mainly due to the department having

transferred the total projected payment to the Property Management Trading Entity. By contrast, in the same period in 2015/16, there was a delay in the transferring of payments to the entity.

Departmental receipts

R thousand	2015/16					2016/17				
	Adjusted estimate	Audited outcome				Budget estimate	Actual receipts			
		Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate		Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
Departmental receipts	1 878	1 328	70.7	7 106	378.4	1 474	2 764	100.0	1 834	66.4
Sales of goods and services produced by department	570	489	85.8	977	171.4	-	585	21.2	566	96.8
Sales of scrap, waste, arms and other used current goods	8	4	50.0	8	100.0	-	10	0.4	5	50.0
Interest, dividends and rent on land	100	73	73.0	2 300	2 300.0	-	1 089	39.4	690	63.4
Sales of capital assets	-	-	-	9	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 200	762	63.5	3 812	317.7	1 474	1 080	39.1	573	53.1
Total	1 878	1 328	70.7	7 106	378.4	1 474	2 764	100.0	1 834	66.4

Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R1.8 million, or 66.4 per cent of the adjusted revenue estimate of R2.8 million for the year. In comparison, mid-year revenue in 2015/16 was R1.3 million, or 70.7 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 increased by R506 000, or 38.1 per cent. Revenue collection was 24 per cent higher than anticipated, due to interests received from public corporations such as the Independent Development Trust, interest earned on the department's bank account, and other sales that were not anticipated.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2016/17							
	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	4 604	-	-	(1 960)	-	-	2 644	
Employee social benefits	4 604	-	-	(1 960)	-	-	2 644	
Property and Construction Industry								
Policy and Research								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	3 405 414	-	-	12 383	-	(15 966)	3 401 831	
Agrément South Africa	-	-	-	12 383	-	-	12 383	
Property Management Trading Entity	3 405 414	-	-	-	-	(15 966)	3 389 448	
Foreign governments and international organisations								
Current	24 806	-	-	3 428	-	-	28 234	
Commonwealth War Graves Commission	24 806	-	-	3 428	-	-	28 234	