

Public Works

Adjusted budget summary

2013/14				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	6 170 036	6 175 261	–	5 225
of which:				
Current payments	2 849 420	2 853 020	–	3 600
Transfers and subsidies	2 542 264	2 543 889	–	1 625
Payments for capital assets	778 352	778 352	–	–
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	Outcome	Annual performance		
			Projected for 2013/14 as published in the 2013 ENE	Achieved in the first six months of 2013/14 (April to September)	Changed target for 2013/14
Number of state owned buildings rehabilitated per year	Immovable Asset Management	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	15	1	–
Number of state owned buildings to be made accessible to people with disabilities per year	Immovable Asset Management		100	7	–
Total number of municipalities reporting on expanded public works programme targets	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive economic growth	255/278	190	–
Total number of expanded public works programme work opportunities created	Expanded Public Works Programme		1 230 000	448 370	–
Percentage of asset register with information fields populated with essential data (out of the present 109 293 properties)	Immovable Asset Management	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	100% (109 293)	– ¹	–
Number of youth participating in the national youth service programme in the department per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive economic growth	3 500	409	–
Total number of expanded public works programme opportunities created on provincial access roads	Expanded Public Works Programme		140 000	79 899	–

¹ Performance cannot be credibly quantified as the department has changed the process of updating the asset register and methodology used to populate essential data. The department has implemented these changes to ensure completeness and accuracy of the asset register in line with the generally recognised accounting practice requirements.

Mid-year progress

The progress of projects to rehabilitate state owned buildings and to make state owned buildings accessible to persons with disabilities has been slow. This in part was due to the department not receiving suitable bids from service providers, and poor performance on the part of appointed service providers. The department has put measures in place to ensure that the implementation of the projects is expedited.

There was a delay in implementing the projects targeted for recruitment of national youth services learners because the contractors to carry out the projects were appointed late. This delay has significantly reduced the number of national youth services learners participating in the programme by mid-year. The department is fast tracking the implementation of the planned projects.

Adjusted Estimates of National Expenditure 2013

Programme		2013/14						Adjusted appropriation
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll- overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	1 148 162	–	–	10 000	–	–	10 000	1 158 162
Immovable Asset Management	2 984 045	–	–	(7 500)	–	5 225	(2 275)	2 981 770
Expanded Public Works Programme	1 947 969	–	–	–	–	–	–	1 947 969
Property and Construction Industry Policy Regulation	39 182	–	–	(2 500)	–	–	(2 500)	36 682
Auxiliary and Associated Services	50 678	–	–	–	–	–	–	50 678
Total	6 170 036	–	–	–	–	5 225	5 225	6 175 261
Economic classification								
Current payments	2 849 420	–	–	(1 625)	–	5 225	3 600	2 853 020
Compensation of employees	1 468 242	–	–	–	–	5 225	5 225	1 473 467
Goods and services	1 371 545	–	–	8 008	–	–	8 008	1 379 553
Interest and rent on land	9 633	–	–	(9 633)	–	–	(9 633)	–
Transfers and subsidies	2 542 264	–	–	1 625	–	–	1 625	2 543 889
Provinces and municipalities	1 224 178	–	–	1 600	–	–	1 600	1 225 778
Departmental agencies and accounts	803 694	–	–	–	–	–	–	803 694
Foreign governments and international organisations	20 510	–	–	–	–	–	–	20 510
Public corporations and private enterprises	50 000	–	–	–	–	–	–	50 000
Non-profit institutions	438 281	–	–	–	–	–	–	438 281
Households	5 601	–	–	25	–	–	25	5 626
Payments for capital assets	778 352	–	–	–	–	–	–	778 352
Buildings and other fixed structures	676 206	–	–	–	–	–	–	676 206
Machinery and equipment	91 162	–	–	(250)	–	–	(250)	90 912
Software and other intangible assets	10 984	–	–	250	–	–	250	11 234
Total	6 170 036	–	–	–	–	5 225	5 225	6 175 261

Programme 1: Administration

Subprogramme		2013/14						
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	29 628	–	–	–	–	–	–	29 628
Management	152 735	–	–	(17 810)	–	–	(17 810)	134 925
Corporate Services	460 899	–	–	27 810	–	–	27 810	488 709
Office Accommodation	504 900	–	–	–	–	–	–	504 900
Total	1 148 162	–	–	10 000	–	–	10 000	1 158 162
Economic classification								
Current payments	1 116 931	–	–	–	–	–	–	1 116 931
Compensation of employees	227 403	–	–	–	–	–	–	227 403
Goods and services	886 773	–	–	2 755	–	–	2 755	889 528
Interest and rent on land	2 755	–	–	(2 755)	–	–	(2 755)	–
Transfers and subsidies	1 156	–	–	–	–	–	–	1 156
Provinces and municipalities	11	–	–	–	–	–	–	11
Households	1 145	–	–	–	–	–	–	1 145
Payments for capital assets	30 075	–	–	10 000	–	–	10 000	40 075
Machinery and equipment	19 259	–	–	10 000	–	–	10 000	29 259
Software and other intangible assets	10 816	–	–	–	–	–	–	10 816
Total	1 148 162	–	–	10 000	–	–	10 000	1 158 162

Programme 2: Immovable Asset Management

Subprogramme		2013/14						
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Infrastructure (Public Works)	676 206	–	–	–	–	–	–	676 206
Strategic Asset Investment Analysis	144 862	–	–	–	–	–	–	144 862
Operation Management	1 130 645	–	–	(7 500)	–	5 225	(2 275)	1 128 370
Prestige Management	52 283	–	–	–	–	–	–	52 283
Special Projects	129 105	–	–	–	–	–	–	129 105
Construction Industry Development Board	72 361	–	–	–	–	–	–	72 361
Council for the Built Environment	37 959	–	–	–	–	–	–	37 959
Parliamentary Village Management Board	8 198	–	–	–	–	–	–	8 198
Augmentation of the Property Management Trading Entity	682 426	–	–	–	–	–	–	682 426
Independent Development Trust	50 000	–	–	–	–	–	–	50 000
Total	2 984 045	–	–	(7 500)	–	5 225	(2 275)	2 981 770
Economic classification								
Current payments	1 383 451	–	–	2 500	–	5 225	7 725	1 391 176
Compensation of employees	1 116 526	–	–	2 500	–	5 225	7 725	1 124 251
Goods and services	260 148	–	–	6 777	–	–	6 777	266 925
Interest and rent on land	6 777	–	–	(6 777)	–	–	(6 777)	–

Programme 2: Immovable Asset Management (continued)

Programme of immediate Asset management (continued)								
		2013/14						
		Adjustments appropriation						
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand								
Transfers and subsidies	855 064	–	–	–	–	–	–	855 064
Provinces and municipalities	15	–	–	–	–	–	–	15
Departmental agencies and accounts	800 944	–	–	–	–	–	–	800 944
Public corporations and private enterprises	50 000	–	–	–	–	–	–	50 000
Households	4 105	–	–	–	–	–	–	4 105
Payments for capital assets	745 530	–	–	(10 000)	–	–	(10 000)	735 530
Buildings and other fixed structures	676 206	–	–	–	–	–	–	676 206
Machinery and equipment	69 156	–	–	(10 250)	–	–	(10 250)	58 906
Software and other intangible assets	168	–	–	250	–	–	250	418
Total	2 984 045	–	–	(7 500)	–	5 225	(2 275)	2 981 770

Programme 3: Expanded Public Works Programme

Subprogramme		2013/14						
		Adjustments appropriation						Adjusted Appropriation
		Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	
R thousand								
Expanded Public Works Programme	275 367	–	–	(1 600)	–	–	(1 600)	273 767
Performance Based Incentive Allocations	1 672 602	–	–	1 600	–	–	1 600	1 674 202
Total	1 947 969	–	–	–	–	–	–	1 947 969
Economic classification								
Current payments	282 764	–	–	(1 625)	–	–	(1 625)	281 139
Compensation of employees	111 002	–	–	–	–	–	–	111 002
Goods and services	171 698	–	–	(1 561)	–	–	(1 561)	170 137
Interest and rent on land	64	–	–	(64)	–	–	(64)	–
Transfers and subsidies	1 662 583	–	–	1 625	–	–	1 625	1 664 208
Provinces and municipalities	1 224 152	–	–	1 600	–	–	1 600	1 225 752
Non-profit institutions	438 281	–	–	–	–	–	–	438 281
Households	150	–	–	25	–	–	25	175
Payments for capital assets	2 622	–	–	–	–	–	–	2 622
Machinery and equipment	2 622	–	–	–	–	–	–	2 622
Total	1 947 969	–	–	–	–	–	–	1 947 969

Programme 4: Property and Construction Industry Policy Regulation

Subprogramme		2013/14						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted Appropriation
Construction Industry Development Programme	22 048	–	–	(2 100)	–	–	(2 100)	19 948
Property Industry Development Programme	17 134	–	–	(400)	–	–	(400)	16 734
Total	39 182	–	–	(2 500)	–	–	(2 500)	36 682

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

2013/14								
		Adjustments appropriation						
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand								
Economic classification								
Current payments	38 857	–	–	(2 500)	–	–	(2 500)	36 357
Compensation of employees	13 311	–	–	(2 500)	–	–	(2 500)	10 811
Goods and services	25 509	–	–	37	–	–	37	25 546
Interest and rent on land	37	–	–	(37)	–	–	(37)	–
Transfers and subsidies	200	–	–	–	–	–	–	200
Households	200	–	–	–	–	–	–	200
Payments for capital assets	125	–	–	–	–	–	–	125
Machinery and equipment	125	–	–	–	–	–	–	125
Total	39 182	–	–	(2 500)	–	–	(2 500)	36 682

Details of the adjustments to the Estimates of National Expenditure 2013**Virements and shifts****Programmes**

- Administration
- Immovable Asset Management
- Expanded Public Works Programme
- Property and Construction Industry Policy Regulation
- Auxiliary and Associated Services

FROM:

Programme by economic classification			Programme by economic classification		
Motivation	R thousand		Motivation	R thousand	
Programme 1		(2 755)	Programme 1		2 755
Interest and rent on land	Reclassification of funds following a change to the standard chart of accounts¹	(2 755)	Goods and services	Interest on finance leases for fleet services has been moved to goods and services	2 755
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(17 027)	Programme 2		6 777
Interest and rent on land	Reclassification of funds following a change to the standard chart of accounts¹	(6 777)	Goods and services	Interest on finance leases for fleet services has been moved to goods and services	6 777
Machinery and equipment	Reallocation of funds	(10 000)	Programme 1		10 000
			Machinery and equipment	Purchase of computer equipment	10 000
	Reallocation of funds	(250)	Programme 2		250
			Software and other intangible assets	Procurement of software and intangible assets	250
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		0.3%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(1 664)	Programme 3		1 664
Interest and rent on land	Reclassification of funds following a change to the standard chart of accounts ¹	(39)	Goods and services	Interest on finance leases for fleet services has been moved to goods and services	39
	Unspent funds on interest for finance leases	(25)	Households	Donations	25
Goods and services	Reallocation of funds	(1 600)	Provinces and municipalities	Incentive payments to municipalities	1 600
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(2 537)	Programme 4		37
Interest and rent on land	Reclassification of funds following a change to the standard chart of accounts ¹	(37)	Goods and services	Interest on finance leases for fleet services has been moved to goods and services	37
			Programme 2		2 500
Compensation of employees	Reallocation of funds	(2 500)	Compensation of employees	Shortfall in funding	2 500
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		6.4%			
Total		(23 983)			23 983

1. National Treasury approval has been obtained.

Other adjustments – R5.225 million

Adjustments due to significant and unforeseeable economic and financial events

Programme 2: Immovable Assets Management

An additional R5.225 million has been allocated to the department to cover the costs of increases in personnel remuneration that were higher than provided for in the Budget.

Expenditure for 2012/13 and preliminary expenditure for 2013/14

Programme	2012/13					2013/14			
	Expenditure outcome					Preliminary expenditure			
R thousand	Adjusted appropriation	Apr 12 - Sep 12	% of adjusted appropriation	Apr 12 - Mar 13	% of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/total (%)	Apr 13 - Sep 13	% of adjusted appropriation
Administration	1 047 813	360 778	34.4	856 185	81.7	1 158 162	18.8	403 817	34.9
Immovable Asset Management	5 038 348	2 856 931	56.7	4 563 501	90.6	2 981 770	48.3	1 245 795	41.8
Expanded Public Works Programme	1 728 812	860 931	49.8	1 704 051	98.6	1 947 969	31.5	962 328	49.4
Property and Construction Industry Policy Regulation	37 436	16 069	42.9	26 858	71.7	36 682	0.6	19 786	53.9
Auxiliary and Associated Services	38 839	42 502	109.4	53 330	137.3	50 678	0.8	30 018	59.2
Total	7 891 248	4 137 211	52.4	7 203 925	91.3	6 175 261	100.0	2 661 744	43.1
Economic classification									
Current payments	2 582 173	1 095 531	42.4	2 351 587	91.1	2 853 020	46.2	1 142 098	40.0
Compensation of employees	1 329 951	680 148	51.1	1 374 552	103.4	1 473 467	23.9	707 301	48.0
Goods and services	1 242 470	414 953	33.4	977 014	78.6	1 379 553	22.3	434 797	31.5
Interest and rent on land	9 752	430	4.4	21	0.2	–	0.0	–	0.0

R thousand	2012/13					2013/14				
	Expenditure outcome					Preliminary expenditure				
	Adjusted appropriation	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted appropriation	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted appropriation	
Transfers and subsidies	4 201 111	2 747 645	65.4	4 092 353	97.4	2 543 889	41.2	1 345 426	52.9	
Provinces and municipalities	3 090 982	2 210 412	71.5	2 969 955	96.1	1 225 778	19.8	629 882	51.4	
Departmental agencies and accounts	752 986	378 356	50.2	751 640	99.8	803 694	13.0	404 571	50.3	
Foreign governments and international organisations	18 941	15 436	81.5	15 436	81.5	20 510	0.3	17 555	85.6	
Public corporations and private enterprises	50 800	–	0.0	50 800	100.0	50 000	0.8	50 000	100.0	
Non-profit institutions	282 724	139 948	49.5	292 627	103.5	438 281	7.1	240 496	54.9	
Households	4 678	3 493	74.7	11 895	254.3	5 626	0.1	2 922	51.9	
Payments for capital assets	1 107 964	294 035	26.5	756 787	68.3	778 352	12.6	174 220	22.4	
Buildings and other fixed structures	999 254	276 430	27.7	713 003	71.4	676 206	11.0	141 349	20.9	
Machinery and equipment	83 038	17 524	21.1	43 283	52.1	90 912	1.5	27 796	30.6	
Software and other intangible assets	25 672	81	0.3	501	2.0	11 234	0.2	5 075	45.2	
Payments for financial assets	–	–	–	3 198	–	–	0.0	–	0.0	
Total	7 891 248	4 137 211	52.4	7 203 925	91.3	6 175 261	100.0	2 661 744	43.1	

Expenditure trends for the first half of 2013/14

Total expenditure in 2012/13 was 91.3 per cent of the 2012/13 adjusted appropriation. Expenditure in the first six months of 2013/14 was R2.662 billion, or 43.1 per cent of the adjusted appropriation of R6.175 billion for the year. In comparison, mid-year expenditure in 2012/13 was R4.137 billion, or 52.4 per cent of the 2012/13 adjusted appropriation. Compared to the first six months of 2012/13, expenditure over the same period in 2013/14 decreased by R1.475 billion, or 35.7 per cent. This was mainly due to the devolution of the property rates fund grant to the provinces being phased into the provincial equitable share at the beginning of 2013/14.

Departmental receipts

R thousand	2012/13					2013/14				
	Audited outcome					Actual receipts				
	Adjusted estimate	Apr 12 - Sep 12	Apr 12 - Sep 12 % of adjusted estimate	Apr 12 - Mar 13	Apr 12 - Mar 13 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ total (%)	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted estimate
Departmental receipts	36 445	24 170	66.3	53 795	147.6	38 023	12 388	100.0	6 168	49.8
Sales of goods and services produced by department	31 445	18 132	57.7	32 013	101.8	32 772	4 594	37.1	2 337	50.9
Sales of scrap, waste, arms and other used current goods	467	3	0.6	4	0.9	490	126	1.0	1	0.8
Fines, penalties and forfeits	17	–	–	3	17.6	18	18	0.1	5	27.8
Interest, dividends and rent on land	546	5 093	932.8	7 835	1 435.0	574	5 702	46.0	2 851	50.0
Sales of capital assets	1 454	942	64.8	–	–	1 527	–	–	–	–
Transactions in financial assets and liabilities	2 516	–	–	13 940	554.1	2 642	1 948	15.7	974	50.0
Total	36 445	24 170	66.3	53 795	147.6	38 023	12 388	100.0	6 168	49.8

Revenue trends for the first half of 2013/14

Revenue in the first six months of 2013/14 was R6.168 million, or 49.8 per cent of the adjusted revenue estimate of R12.388 million for the year. In comparison, mid-year revenue in 2012/13 was R24.170 million, or 66.3 per cent of the 2012/13 adjusted estimate. Compared to the first six months of 2012/13, revenue over the same period in 2013/14 decreased by R18.002 million, or 74.5 per cent. This was mainly due to the rental from capital assets being moved to the property management trading entity.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

2013/14								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Expanded Public Works Programme								
Provinces and municipalities								
Provinces								
Provincial Revenue Funds								
Current	355 914	–	–	1 000	–	–	1 000	356 914
Expanded public works programme integrated grant for provinces	355 914	–	–	1 000	–	–	1 000	356 914
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	610 674	–	–	600	–	–	600	611 274
Expanded public works programme integrated grant for municipalities	610 674	–	–	600	–	–	600	611 274
Households								
Other transfers to households								
Current	–	–	–	25	–	–	25	25
Gift and donations	–	–	–	25	–	–	25	25

Summary of changes to conditional grants: Provinces

2013/14								
R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Immovable Asset Management								
Expanded Public Works Programme	355 914	–	–	1 000	–	–	1 000	356 914
Expanded public works programme integrated grant for provinces	355 914	–	–	1 000	–	–	1 000	356 914

Summary of changes to conditional grants: Local government

2013/14								
R thousand		Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Main appropriation								
Administration								
Immovable Asset Management								
Expanded Public Works Programme	610 674	–	–	600	–	–	600	611 274
Expanded public works programme integrated grant for municipalities	610 674	–	–	600	–	–	600	611 274