

VOTE 9

**DEPARTMENT OF PUBLIC WORKS
AND INFRASTRUCTURE**

Vote 9**Department of Public Works & Infrastructure****Adjusted budget summary**

R thousand	2014/15			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 414 916	1 385 835	-29 081	
<i>of which:</i>				
Current payments	912 529	915 516		2 987
Transfers and subsidies	303 416	268 619	-34 797	
Payments for capital assets	198 971	201 700		2 729
Payments for financial assets				
Direct charge against the Provincial Revenue Fund	1 414 916	1 385 835	-34 797	5 716
Executive Authority	MEC for Public Works & Infrastructure			
Accounting Officer	Director General : Public Works & Infrastructure			
Website address	www.fsworks.gov.za			

Aim

Public Works & Infrastructure is a department committed to the provision, promotion and sound management of assets and infrastructure systems that are safe, affordable, reliable, accessible and sustainable built infrastructure.

Changes to programme purposes, objectives and measures

The Department of Public Works & Infrastructure will not change any of the purposes, objectives and measures during the 2014/15 financial year. All programmes remain as per the tabled APP.

Adjusted Estimates of Provincial Revenue & Expenditure 2014**Table 9.1(a): Adjusted Estimates per programme**

Programme	2014/15						
	Main appropriation	Adjustments Appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared unspent	Other adjustments	
R'thousand							
1. Administration	104 913						104 913
2. Public Works Infrastructure	1 131 102	2 719		-1 290	-33 800		1 098 731
3. Expanded Public Works Programme	178 901			1 290		2 000	182 191
Total	1 414 916	2 719			-33 800	2 000	1 385 835

Economic classification

Table 9.1(b): Adjusted Estimates per Economic Classification

Programme	2014/15						
	Main appropriation	Adjustments Appropriation					Adjusted appropriation
R'thousand		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared unspent	Other adjustments	
Economic classification							
Current payments	912 529			987		2 000	915 516
Compensation of employees	379 866			2 000		2 000	381 866
Goods and Services	532 663			-1 013		2 000	533 650
Interest and rent on land							
Transfers and subsidies to	303 416			-4 997	-29 800		268 619
Provinces and municipalities	298 861			-4 696	-29 800		264 365
Departmental agencies & accounts	1 135			-1			1 134
Universities and technikons							
Public corporations & private enterprises							
Non-profit institutions							
Households	3 420			-300			3 120
Payments for capital assets	198 971	2 719		4 010	-4 000		201 700
Buildings and other fixed structures	194 165	2 719		5 177	-4 000		198 061
Machinery and equipment	4 806			-1 167			3 639
Cultivated assets							
Software and other intangible assets							
Land and subsoil assets							
Heritage assets							
Payments for financial assets							
Total	1 414 916	2 719			-33 800	2 000	1 385 835

[illegible]

Programme 2: Public Works Infrastructure

Table 9.1.2: Adjusted Estimates – Public Works Infrastructure

Subprogramme		2014/15					
R'thousand	Main appropriation	Adjustments Appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared unspent	Other adjustments	
1.Programme Support	7 557			-384			7 173
2.Planning	11 100			-166			10 934
3.Design	21 653			-20			21 633
4.Construction	61 572	2 719		13 415	-4 000		73 706
5.Maintenance	150 142			-1 638			148 504
6.Immovable Asset Management	733 448			-9 356	-29 800		694 292
7.Facility Operations	145 630			-3 141			142 489
Total	1 131 102	2 719		-1 290	-33 800		1 098 731
Economic classification							
Current payments	767 083			-4 569			762 514
Compensation of employees	301 496			710			302 206
Goods and Services	465 587			-5 279			460 308
Interest and rent on land							
Transfers and subsidies to	301 436			-4 596	-29 800		267 040
Provinces and municipalities	298 861			-4 696	-29 800		264 365
Departmental agencies and accounts							
Universities and technikons							
Public corporations & private enterprises							
Non-profit institutions							
Households	2 575			100			2 675
Payments for capital assets	62 583	2 719		7 875	-4 000		69 177
Buildings and other fixed structures	60 542	2 719		8 800	-4 000		68 061
Machinery and equipment	2 041			-925			1 116
Cultivated assets							
Software and other intangible assets							
Land and subsoil assets							
Heritage assets							
Payments for financial assets							
Total	1 131 102	2 719		-1 290	-33 800		1 098 731

Programme 3: EPWP**Table 9.1.3: Adjusted Estimates – EPWP**

Subprogramme		2014/15						
R'thousand	Main appropriation	Adjustments					Total adjustment appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared unspent	Other adjustments		
1.Programme Support	13 181			1 275			1 275	14 456
2.Community Development	139 578			-3 623			-3 623	135 955
3.Innovation and Empowerment	26 142			3 638		2 000	5 638	31 780
Total	178 901			1 290		2 000	3 290	182 191
Economic classification								
Current payments	45 143			4 928		2 000	6 928	52 071
Compensation of employees	11 233			1 290			1 290	12 523
Goods and Services	33 910			3 638		2 000	5 638	39 548
Interest and rent on land								
Transfers and subsidies to								
Provinces and municipalities								
Departmental agencies and accounts								
Universities and technikons								
Public corporations & private enterprises								
Non-profit institutions								
Households								
Payments for capital assets	133 758			-3 638			-3 638	130 120
Buildings and other fixed structures	133 623			-3 623			-3 623	130 000
Machinery and equipment	135			-15			-15	120
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Heritage assets								
Payments for financial assets								
Total	178 901			1 290		2 000	3 290	182 191

Details of adjustments to Estimates of Provincial Revenue & Expenditure 2014**Roll-overs – R2.719 million****Programme 2: Public Works Infrastructure**

The department will use the roll over funds to complete the infrastructure projects at the Psychiatric Complex and the Revolving Restaurant.

Unforeseeable/ unavoidable expenditure

None

Programme Administration experienced a need to pay legal fees to external practitioners attending arbitrations hearings. Professionals working in the infrastructure environment have a need for specialized software to be able to perform the work.

A virement of R1.290 million was effected from Programme Public Works Infrastructure to Programme EPWP to alleviate budget pressure within the programme. Funds were reclassified to address training needs and to pay stipends.

Programmes Summary					
1.Administration					
2.Public Works Infrastructure					
3. EPWP					
FROM:			TO:		
Programme by Economic classification	Motivation	R' thousand	Programme by Economic classification	Motivation	R' thousand
Programme 1		-628	Programme 1		628
Households	Payments for transfers (leave gratuity) were lower than the norm due to less than expected resignations	-401	Goods & Services	The department experience a shortage on legal fees for arbitration and specialized IT software for professionals	628
Machinery & equipment	The department scaled down on purchase of equipment	-227			
Percentage of programme budget		0.00%			
Programme 2		-10 900	Programme 3		10 900
Goods & Services	Surplus funds were identified to make provision for the need under compensation and payment for a settlement claim	-5 279	Compensation of employees	Compensation funds were needed to fund new appointments	1 290
			Programme 2		
Provinces & municipalities	The department scaled down due to settlement payment	-4 696	Compensation of employees	Security learnerships (260) implemented	710
			Programme 2		
Machinery & equipment	The department scaled down on purchase of equipment	-925	Households	Funding of leave gratuity due to officials leaving the service	100
			Programme 2		
			Buildings & Other fixed structures	Funds needed for a settlement payment of a clinic	8 800
Percentage of programme budget		0.31%			
Total		-11 528			11 528

Table 9.2: Details on virements and shifts within a department

Programmes Summary					
1.Administration					
2.Public Works Infrastructure					
3. EPWP					
FROM:			TO:		
Programme by Economic classification	Motivation	R' thousand	Programme by Economic classification	Motivation	R' thousand
Programme 3		-3 638	Programme 3		3 638
Buildings & Other Fixed Structures	Funds were reclassified to address training needs for beneficiaries working on infrastructure projects	-3 623	Goods & Services	Funds were needed to pay stipends and provide training for beneficiaries working on infrastructure projects	3 638
Machinery & equipment	The department scaled down on purchase of equipment	-15			
Percentage of programme budget		1.81%			
Total		-3 638	3 638		

Declared unspent – (R33.800 million)

Programme Public Works Infrastructure declared unspent funds under Buildings & other fixed structures of R4.000 million as well as Transfers to Provinces & Municipalities of R29.800 million, to be allocated towards other provincial pressures.

Other adjustments – R2.000 million

Programme 3: Expanded Public Works Programme

An additional amount of R2 million was received towards funding for poverty alleviation in Ficksburg.

Expenditure 2013/14 and preliminary expenditure 2014/15

Table 9.3 Expenditure trends

R thousand	2013/14 Expenditure outcome					2014/15 Preliminary expenditure		
	Adjusted appropriation	Apr 2013 - Sep 2013 % adjusted appropriation		Apr 2013 - Mar 2014 % adjusted appropriation		Adjusted appropriation	Apr 14 - Sep 14 % of adjusted appropriation	
		Apr - Sep 2013	Apr 2013 - Mar 2014	Apr 2013 - Mar 2014	Apr 2013 - Mar 2014		Apr - Sep 2014	
1. Administration	98 024	49 062	50.05%	93 484	95.37%	104 913	49 358	47.05%
2. Public Works Infrastructure	1 111 879	617 400	55.53%	1 106 768	99.54%	1 098 731	548 996	49.97%
3. EPWP	195 406	71 225	36.45%	198 443	101.55%	182 191	127 040	69.73%
Total	1 405 309	737 687	52.49%	1 398 695	99.53%	1 385 835	725 394	52.34%
Current payments	876 213	500 678	57.14%	878 640	100.28%	915 516	516 485	56.41%
Compensation of employees	345 648	170 451	49.31%	339 107	98.11%	381 866	186 951	48.96%
Goods and services	530 565	330 227	62.24%	539 533	101.69%	533 650	329 534	61.75%
Interest and rent on land								
Transfers and subsidies	288 327	147 718	51.23%	284 608	98.71%	268 619	95 928	35.71%
Provinces and municipalities	282 904	145 535	51.44%	279 925	98.95%	264 365	93 029	35.19%
Departmental agencies and accounts	1 071		0.00%	1 070	99.91%	1 134	1 140	100.53%
Universities and technikons								
Public corporations & private enterprises				51				
Non-profit institutions								
Households	4 352	2 183	50.16%	3 562	81.85%	3 120	1 759	56.38%
Payments for capital assets	240 769	89 291	37.09%	235 010	97.61%	201 700	112 981	56.01%
Buildings and other fixed structures	234 958	87 469	37.23%	230 873	98.26%	198 061	111 396	56.24%
Machinery and equipment	5 811	1 822	31.35%	4 137	71.19%	3 639	1 585	43.56%
Cultivated assets								
Software and other intangible assets								
Land and subsoil assets								
Payments for financial assets				437				
Total	1 405 309	737 687	52.49%	1 398 695	99.53%	1 385 835	725 394	52.34%

Main expenditure trends for the first half of the 2014/15 financial year

Programme: 1: Administration

Expenditure in the first six months of 2014/15 amounted to R49.358 million or 47.05 percent of the adjusted appropriation of R104.913 million.

Programme: 2: Public Works Infrastructure

Expenditure in the first six months of 2014/15 amounted to R548.996 million or 49.97 percent of the adjusted appropriation of R1.099 billion. The expenditure for rates and taxes was at 31.12 percent and the department projects an over expenditure of R122.907 million. The expenditure for utility payments to municipalities was 72.22 percent and the department projects an over expenditure of R185.340 million which relates to tariff increases, account adjustments and incorrect billing by municipalities.

Programme: 3: EPWP

Expenditure in the first six months of 2014/15 was R127.040 million or 69.97 percent of the adjusted appropriation of R182.191 million. The expenditure for infrastructure projects are high but no over expenditure is projected.

Economic Classification

Current Payments

Expenditure in the first six months of 2014/15 was R516.485 million or 56.41 percent of the adjusted appropriation of R915.516 million. The deviation is due to utility payments and operating lease payments and the department project to overspend with R122.907 million.

Transfers and subsidies

Expenditure during the first six months of 2014/15 amounted to R95.928 million or 35.71 percent of the adjusted appropriation of R268.619 million.

Payments for capital assets

Expenditure in the first six months of 2014/15 amounted to R112.981 million or 56.01 percent of the adjusted appropriation of R201.700 million. The expenditure for infrastructure projects are high but no over expenditure is projected.

Departmental receipts

Table 9.4 Revenue Collection trends

2013/14						2014/15			
Audited outcome						Actual receipts			
R thousand	Adjusted estimate	Apr - Sep 2013	Apr 2013 - Sep 2013 % adjusted appropriation	Apr 2013 - Mar 2014	Apr 2013- Mar 2014 % adjusted estimate	Budget estimate	Adjusted estimate	Apr - Sep 2014	Apr 2014 - Sep 2014 % of adjusted estimate
Departmental receipts	32 400	10 082	31.12%	37 481	115.68%	34 920	42 308	15 650	36.99%
Tax receipts									
Sales of goods and services other than capital receipts	31 961	9 863	30.86%	36 986	115.72%	32 447	39 000	12 599	32.31%
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	57	28	49.12%	142	249.12%	61	28	14	50.00%
Sales of capital assets						2 000			
Financial transactions in assets and liabilities	382	191	50.00%	353	92.41%	412	3 280	3 037	92.59%
Total	32 400	10 082	31.12%	37 481	115.68%	34 920	42 308	15 650	36.99%

Main departmental revenue trends for the first half of 2014/15

Revenue collected in the first six months of 2014/15 amounted to R15.650 million or 36.99 percent of the adjusted appropriation of R42.308 million. The under collection is due to revenue not yet received for rentals and boarding fees interface incorrectly into the bank account of Department of Health.

Changes to transfers and subsidies, including conditional grants

Table 9.5: Summary of changes to transfers and subsidies per programme

2014/15							
R thousand	Main appropriation	Adjustment appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virement and shifts	Declared unspent	Other adjustments	
1. Administration	1 980			-401			1 579
Provinces and municipalities				21			21
Departmental agencies and accounts	1 135			5			1 140
Households	845			-427			418
2. Public Works Infrastructure	301 436			100	-34 496		267 040
Provinces and municipalities	298 861				-34 496		264 365
Households	2 575			100			2 675
Total transfers and subsidies	303 416			-301	-34 496		268 619

Table 9.6: Summary of changes to conditional grants: Public Works and Infrastructure

2014/15							
R thousand	Main appropriation	Adjustment appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virements and shifts	Declared unspent	Other adjustments	
3.EPWP	5 955						5 955
EPWP Integrated Grant of Prov	5 955						5 955
Total conditional grant	5 955						5 955

Changes to Earmarked funds

Table 9.7: Summary of changes: Revenue Enhancement Allocation per programme

2014/15								
R thousand	Main appropriation	Adjustment appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virement and shifts	Declared unspent	Other adjustments		
2. Public Works Infrastructure	1 200	2 719					2 719	3 919
Goods & Services	1 200	2 719					2 719	3 919
Total Revenue Enhancement Allocation	1 200	2 719					2 719	3 919

Table 9.8: Summary of changes: Provincial Earmarked funds per programme

2014/15								
R thousand	Main appropriation	Adjustment appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable / unavoidable	Virement and shifts	Declared unspent	Other adjustments		
2. Public Works Infrastructure	323 346			-4 696	-33 800		-38 496	284 850
IEA	24 485				-4 000		-4 000	20 485
Prop Rates & Taxes	298 861			-4 696	-29 800		-34 496	264 365
3. EPWP	130 000							130 000
IEA	130 000							130 000
Total Earmarked funds	453 346			-4 696	-33 800		-38 496	414 850

Revised Infrastructure Project list

Table 9.9: Revised infrastructure project list

No.	Project name	Municipality	Region/ district	Source of funding	Project description	Project duration		Pro- gramme	Date Captured on IRM	Total project cost	Expenditure to date from previous years	Prof fees budget	Cons/ maint budget	Total budget 2013/14 (TO)	Total budget 2013/14 (FROM)	Captured on EPR&E Yes/ No	EPWP Yes/No
1. New and replacement assets (R thousand)																	
1	FSPG OFF BLD MANGAUNG PW/FS/27	Mangaung	Mangaung	IEA	OFFICE	APR 07	FEB 16	2	April-07	970 000	58 685	4 000			-4 000	Yes	No
2	SOC DEV OFF BLD KROONST PW/FS/28	Mochaka	Mochaka	IEA	OFFICE	APR 08	MAR 15	2	April-08	23 000	14 797		3 000	7 000		Yes	No
3	ROUXVILLE CLINIC	Xhariep	Kopanong	ES	CLINIC	JAN 15	16	2	Dec-14	28 000		4 000		4 000		No	Yes
Total New replacement assets														11 000	-4 000		
2. Upgrades and additions (R thousand)																	
1	PROV BUILD UPGR PW/FS/12/17	Mangaung	Mangaung	IEA	DEP FACILITY	APR 12	MAR 17	2	April-12	98 500	40 000		14 000		-7 000	Yes	No
2	PARYS TEST/S UPGR PW/FS/13/81	Ngwathe	Ngwathe	ES	TEST CENTRE	APR 14	MAR 15	2	April-14	2 000			2 000		-2 000	Yes	No
3	SAND DU PLESSIS LIFT PW/FS/13/74	Mangaung	Mangaung	ES	OFFICE	APR 13	MAR 15	2	April-13	7 000	5 000		2 000		-1 465	Yes	No
4	THABA NCHU PW UPGR PW/FS/13/73	Mangaung	Mangaung	ES	OFFICE	April-11	Mar-15	2	April-12	3 700	2 700		1 000		-880	Yes	No
5	SASOLBURG TEST/S UPGR	Metsimaholo	Metsimaholo	ES	TEST CENTRE	April-11	Mar-15	2	Nov-14	1 000				1 000		Yes	Yes
6	VIRGINIA TEST/S UPGR	Matjhabeng	Matjhabeng	ES	TEST CENTRE	APR 12	MAR 14	2	Nov-14	1 000				1 000		Yes	No
7	BOIKETLO O/A T/S REV PW/FS/13/75	Mangaung	Mangaung	ES	COMM HALL	APR 14	MAR 15	2	April-14	3 000	453			2 300		Yes	Yes
8	PSYCHIATRIC COMPH PW/FS/12/01	Mangaung	Mangaung	REA	DEP FACILITY	APR 13	MAR 15	2	April-13	1 143	883			250		Yes	No
9	REVOLVING REST PGB PW/FS/12/07	Mangaung	Mangaung	REA	DEP FACILITY	APR 13	MAR 15	2	April-13	5 607	1 855		1 200	2 469		Yes	Yes
10	THABA NCHU/SREVITAL PW/FS/12/12	Mangaung	Mangaung	IEA	ACCESS ROAD	APR 14	MAR 17	3	April-11	39 000			13 000	2 927		Yes	Yes
11	BOTSHABELO T/S CH UPGR	Mangaung	Mangaung	IEA	COMM HALL	APR 14	MAR 15	3	Dec-14	3 623				1 200		No	Yes

Table 9.9: Revised infrastructure project list

No.	Project name	Municipality	Region/ district	Source of funding	Project description	Project duration		Pro- gramme	Date Captured on IRM	Total project cost	Expenditure to date from previous years	Prof fees budget	Const/ maint budget	Total budget 2013/14 (TO)	Total budget 2013/14 (FROM)	Captured on EPR&E Yes/ No	EPWP Yes/No
						Date: Start	Date: Finish										
12	VIRGINIA T/S C/H UPRGR	Lejweleputswa	Matjhabeng	IEA	COMM HALL	DEC 14	MAR 15	3	Dec-14	550				550		No	Yes
13	BOTSHABELO C/H UPRGR	Mangaung	Mangaung	ES	COMM HALL	APR 14	MAR 15	3	April-14	3 623					-3 623	Yes	Yes
14	ALLENRIDGE T/S REVIT	Lejweleputswa	Matjhabeng	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	27 000			9 000		-360	Yes	Yes
15	ARLINGTON T/S REVIT	Thabo Mofutsanyane	Nketoana	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	40 000	12 387		9 000		-360	Yes	Yes
16	BATHO T/S REVITAL	Mangaung	Mangaung	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	45 000	20 000		8 000		-320	Yes	Yes
17	CORNELIA T/S REVITAL	Fezile Dabi	Matjhabeng	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	29 000	8 834		5 000		-200	Yes	Yes
18	HEILBRON T/S REVIT	Fezile Dabi	Ngwathe	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	39 000			10 000		-400	Yes	Yes
19	HENNEMAN T/S REVIT	Lejweleputswa	Matjhabeng	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	35 000	10 000		6 000		-240	Yes	Yes
20	JAGERS T/S REVITAL	Xhariep	Koparong	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	36 000	9 000		8 000		-320	Yes	Yes
21	MARABASTAD T/S REVIT	Fezile Dabi	Mochaka	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	38 000	8 421		8 000		-320	Yes	Yes
22	ODENDAALS T/S REVITAL	Lejweleputswa	Matjhabeng	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	42 000	6 500		8 000		-319	Yes	Yes
23	PARYS T/S REVITAL	Fezile Dabi	Ngwathe	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	77 290	19 729		17 000		-679	Yes	Yes
24	PETRUSBURG T/S REVIT	Mangaung Metro	Letsemeng	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	30 000			10 000		-400	Yes	Yes
25	VIRGINIA T/S REVITAL	Lejweleputswa	Matjhabeng	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	38 000	9 999		9 000		-360	Yes	Yes
26	VREDEFORT T/S REVIT	Fezile Dabi	Ngwathe	IEA	ACCESS ROAD	APR 14	MAR 15	3	April-14	39 000	9 000		10 000		-399	Yes	Yes
Total Upgrades and additions														11 696	-19 645		
Total Infrastructure														22 696	-23 645		

Table 9.10: Revised non infrastructure project list

No.	Project name	Municipality	Region/ district	Source of funding	Project description	Project duration		Pro-gramme	Total project cost	Prof fees budget	Const/ maint budget	Total budget 2013/14 (TO)	Total budget 2013/14 (FROM)
						Date: Start	Date: Finish						
1	COMM WORKER SAL	FS	FS	EQUITABLE SHARE	Other	APR 12	MAR 15	3	550	10 883		2 000	
2	SKILLS TRAINING	FS	FS	EQUITABLE SHARE	Other	APR 12	MAR 15	3	3 623	4 000		3 623	
Total non infrastructure projects												5 623	

The table below illustrates the summary of infrastructure adjustments according to infrastructure categories.

Table 9.11: Summary of Adjusted Infrastructure Appropriated

Infrastructure	Main Appropriation 2014/15	Increase/ Decrease	Adjusted Appropriation 2014/15
New infrastructure assets	7 000	-3 668	3 332
Existing infrastructure assets	182 510	2 719	185 229
Upgrading and additions	182 510	2 719	185 229
Rehabilitation, renovations and refurbishment			
Maintenance and repair			
Infrastructure transfers			
Current			
Capital			
<i>Capital infrastructure</i>			
<i>Current infrastructure</i>			
Total Infrastructure	189 510	-949	188 561