

VOTE 11

**DEPARTMENT OF PUBLIC WORKS AND
ROADS**

DEPARTMENT OF PUBLIC WORKS AND ROADS

Adjusted budget summary

R thousand	2016/17				
	Main Appropriation	Special Appropriation	Adjusted Appropriation	Decrease	Increase
Amount to be appropriated	2 720 913		2 742 546		21 633
<i>Of which</i>					
Current payments	2 176 698		2 178 723		2 025
Transfers and subsidies	208 390		289 720		81 330
Payments for capital assets	335 825		274 103	-61 722	
Payments for Financial Assets					
Direct Charge against the Provincial Revenue Fund					
Executive authority	MEC for Public Works and Roads				
Accounting officer	Deputy Director General of the Department of Public Works and Roads				

Vote Purpose

To provide provincial infrastructure and ensure better service delivery.

Programme

1. Administration
2. Public Works Infrastructure
3. Transport Infrastructure
4. Community Based Programme

Changes to programme purposes and measurable objective

None

Summary of receipts

SUMMARY OF RECEIPTS

Item Description	Source of Funding			
	Conditional Grant	Equitable Share	Own Revenue	Financing
Main appropriation	898 264	1 755 730	66 919	
Additional allocations		80 000		
Rates and Taxes		80 000		
Less: Budget Reductions		-38 432	-19 935	
Own Revenue			-19 935	
Compensation of Employees		-30 256		
ICT and Communications		-8 176		
Totals	898 264	1 797 298	46 984	
				2 742 546

Mid-year performance status

Indicators	Programme	Outcome to which it contributes	Annual performance		
			Projected for 2016/17 as published in the 2016 EPRE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
As published in the 2016 EPRE	Programme linked to the indicators	Outcome the indicators is linked to	Projected for 2016/17 as published in the 2016 EPRE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Number of infrastructure design ready for tender	Public Works Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	8	-	15
Number of capital project completed within the agreed time period	Public Works Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	16	1	20
Number of capital project completed within the agreed time period (Client Dept)	Public Works Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	7	2	20
Number of capital project completed within the agreed budget	Public Works Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	16	1	20
Number of planned maintenance projects awarded	Public Works Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	34	8	37
Number of planned maintenance projects completed within agreed budget	Public Works Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	42	-	39
Number of planned maintenance projects completed within agreed time period	Public Works Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	42	-	39
C-AMP compiled and submitted to Provincial Treasury in accordance with GIAMA	Public Works Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	2017 March 31	-	2017 March 31
Number of kilometres of surfaced road visually assessed as per applicable TMH manual	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	5,083	-	-
Number of kilometres of gravel road visually assessed as per applicable TMH manual	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	14,700	-	-
Number of bridges constructed	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	1	-	2
Number of bridges repaired	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	7	-	-
Number of kilometres of gravel roads upgraded to surfaced roads	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	62	-	88
Number of square metres of surfaced roads rehabilitated	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	140,000	14,281	177,000
Number of square metres of surfaced roads resealed	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	140,000	38,418	-
Number of square metres of blacktop patching	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	85,607	38,497	83,607
Number of kilometres of gravel roads bladed	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	44,849	31,136	45,649
Number of kilometres of gravel roads regavelled	Transport Infrastructure	An efficient, competitive and responsive infrastructure network (Policy Outcome 6)	320	-	40
Number of EPWP work opportunities created by DPW & R	Community Based Programme	Decent employment through inclusive economic growth (Outcome 4)	3,000	3,400	3,180
Number of full time equivalent by DPW & R	Community Based Programme	Skilled and capable workforce to support an inclusive growth path (Outcome 5)	1,252	29	1,244
Number of beneficiary trained on related skills programmes learnership and apprenticeship	Community Based Programme	Skilled and capable workforce to support an inclusive growth path (Outcome 5)	2,425	78	-
Number of contractors developed	Community Based Programme	Skilled and capable workforce to support an inclusive growth path (Outcome 5)	120	-	63
Number of beneficiary empowerment intervention implemented	Community Based Programme	Skilled and capable workforce to support an inclusive growth path (Outcome 5)	3	1	-
Number of public bodies reporting on EPWP target within the province	Community Based Programme	Skilled and capable workforce to support an inclusive growth path (Outcome 5)	30	27	33
Number of interventions implemented to support public bodies in the recreation target number	Community Based Programme	Decent employment through inclusive economic growth (Outcome 4)	2	2	-
Number of work opportunities created provincially	Community Based Programme	Decent employment through inclusive economic growth (Outcome 4)	48,292	13,947	-
Number of fulltime equivalent created provincially	Community Based Programme	Decent employment through inclusive economic growth (Outcome 4)	18,815	3,764	-
Number of employment days created	Community Based Programme	Decent employment through inclusive economic growth (Outcome 4)	4,829,200	865,774	-

Discussion of mid-year progress

The overall departmental performance is at 33 per cent and the following factors attributed to the respective performance:

Programme 2: Public Works Infrastructure

Various factors contributed to the Programme 2 under performance, including:

- Some projects were put on hold due to budgetary constraints.
- Delays were experienced due to electricity connection by Eskom.
- Delays due to poor performance by contractor.
- Internal processes pertaining to finalization of bid documents.

Programme 3: Transport infrastructure

- 38 418 square metres of surfaced roads were resealed out of the target of 25 000.
- 17 474 kilometres of gravel roads have been bladed out of the target of 13 850.
- The department overachieved on gravel roads blading, due to the utilisation of hired plant.

Programme 4: Community Based Programme

- The programme exceeded the set target for work opportunities created against the annual target of 1 180. The recorded EPWP work opportunities created in the reported six month is 2 910.

Changes to the indicators

None

Changes to the target

The targets indicated in the Estimates of Provincial Revenue and Expenditure (EPRE) were changed before the tabling of the departmental Annual Performance Plan.

Adjusted Estimates of Provincial Expenditure 2016

Departmental summary of 2016 Adjustment Estimates of Provincial Expenditure according to programmes

Programme	2016/17								Adjusted Appropriation
	Main Appropriation	Special Appropriation	Adjustments appropriation					Total adjustments appropriation	
			Rollovers	Unforeseeable / Unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds		
R thousand									
ADMINISTRATION	236 907							-24 803	212 104
PUBLIC WORKS INFRASTRUCTURE	894 603							80 692	945 039
TRANSPORT INFRASTRUCTURE	1 448 155			15 090				-4 000	1 459 245
COMMUNITY BASED PROGRAMME	141 248			-15 090					126 158
Subtotal	2 720 913							-30 256 51 889	2 742 546
Direct charge against the Provincial Revenue Fund									
Total	2 720 913							-30 256 51 889	2 742 546
Economic Classification									
Current payments	2 176 698			53 243				-30 256 -20 982	2 178 723
Compensation of employees	775 743			-16 994				-2 250	726 243
Goods and services	1 400 955			68 055				-18 712	1 450 298
Interest and rent on land				2 182					2 182
Transfers and subsidies	208 390			1 418				79 912	289 720
Provinces and municipalities	195 058							80 000	275 058
Departmental agencies and accounts				500					500
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	13 332			918				-88	14 162
Payments for capital assets	335 825			-54 661				-7 061	274 163
Buildings and Other fixed structures	308 695			-54 661				-2 596	251 428
Buildings	151 951			-11 104				-2 596	138 251
Other fixed structures	156 734			-43 557					113 177
Machinery and equipment	27 140							-4 465	22 675
Transport assets	15 112								15 112
Other Machinery and equipment	12 028							-4 465	7 563
Biological assets									
Software and Other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Payments for Financial Assets									
Total	2 720 913							-30 256 51 889	2 742 546

Programme summary of estimates according to subprogrammes

Programme 1: ADMINISTRATION	2016/17								Adjusted Appropriation
	Main Appropriation	Special Appropriation	Adjustments appropriation					Total adjustments appropriation	
			Rollovers	Unforeseeable / Unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds		
R thousand									
Office of the MEC	10 320					-500		-1 800	8 020
Office of the HOD	28 117							-583	27 534
Corporate Support	193 805							-22 420	171 385
Departmental Strategy	4 665					500			5 165
Subtotal	236 907							-24 803	212 104
Direct charge against the Provincial Revenue Fund									
Statutory payment									
Total	236 907							-24 803	212 104
Economic Classification									
Current payments	222 040							-20 250	201 790
Compensation of employees	127 798					-8 800		-2 250	116 748
Goods and services	94 242					8 800		-18 000	85 042
Interest and rent on land									
Transfers and subsidies	3 989							-88	3 901
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	3 989							-88	3 901
Payments for capital assets	10 878							-4 465	6 413
Buildings and Other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	10 878							-4 465	6 413
Transport assets									
Other Machinery and equipment	10 878							-4 465	6 413
Biological assets									
Software and Other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Payments for Financial Assets									
Total	236 907							-24 803	212 104

2016/17 Adjusted Estimates of Provincial Revenue and Expenditure

Programme summary of estimates according to subprogrammes

Programme 2: PUBLIC WORKS INFRASTRUCTURE

R thousand	2016/17								Adjusted Appropriation	
	Main Appropriation	Special Appropriation	Adjustments appropriation					Total adjustments appropriation		
			Rollovers	Unforeseeable /unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds			Other adjustments
Programme Support	8 799				-1 082				-1 082	7 717
Planning	8 788				630				630	9 418
Design	11 583				3 000				3 000	14 583
Construction	182 235				-18 544			-4 756	-2 596	156 339
Maintenance	346 752				14 400			-15 500		345 652
Immovable Asset Management	14 705				-5 630				2 596	11 671
Facility Management	321 741				7 918			-10 000	80 000	399 659
Subtotal	894 603				692			-30 256	80 000	945 039
Direct charge against the Provincial Revenue Fund										
Statutory payment										
Total	894 603				692			-30 256	80 000	945 039
Economic Classification										
Current payments	542 406				10 186			-30 256	3 288	525 624
Compensation of employees	362 930				-4 194			-30 256		328 480
Goods and services	179 476				14 380				3 288	197 144
Interest and rent on land										
Transfers and subsidies	199 146				918			80 000	80 918	280 064
Provinces and municipalities	195 058							80 000		275 058
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	4 088				918					5 006
Payments for capital assets	153 051				-10 412			-3 288	-13 700	139 351
Buildings and Other fixed structures	151 951				-10 412			-3 288		138 251
Buildings	151 951				-10 412			-3 288		138 251
Other fixed structures										
Machinery and equipment	1 100									1 100
Transport assets										
Other Machinery and equipment	1 100									1 100
Biological assets										
Softw are and Other intangible assets										
Land and subsoil assets										
Heritage assets										
Specialised military assets										
Payments for Financial Assets										
Total	894 603				692			-30 256	80 000	945 039

Programme summary of estimates according to subprogrammes

Programme 3: TRANSPORT INFRASTRUCTURE

R thousand	2016/17								Adjusted Appropriation	
	Main Appropriation	Special Appropriation	Adjustments appropriation					Total adjustments appropriation		
			Rollovers	Unforeseeable /unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds			Other adjustments
Programme Support: Roads	39 784									39 784
Infrastructure Planning: Roads	5 385									5 385
Infrastructure Design: Roads	10 904									10 904
Construction: Roads	975 611					5 090			5 090	980 701
Maintenance: Roads	416 471					9 308		-3 308	6 000	422 471
Subtotal	1 448 155					14 398		-3 308	11 090	1 459 245
Direct charge against the Provincial Revenue Fund										
Statutory payment										
Total	1 448 155					14 398		-3 308	11 090	1 459 245
Economic Classification										
Current payments	1 271 076					57 455		-3 308	54 147	1 325 223
Compensation of employees	278 630					-4 000			-4 000	274 630
Goods and services	992 446					59 273		-3 308	55 965	1 048 411
Interest and rent on land						2 182			2 182	2 182
Transfers and subsidies	5 233					500			500	5 733
Provinces and municipalities										
Departmental agencies and accounts						500			500	500
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	5 233									5 233
Payments for capital assets	171 846					-43 557			-43 557	128 289
Buildings and Other fixed structures	156 734					-43 557			-43 557	113 177
Buildings										
Other fixed structures	156 734					-43 557			-43 557	113 177
Machinery and equipment	15 112									15 112
Transport assets	15 112									15 112
Other Machinery and equipment										
Biological assets										
Softw are and Other intangible assets										
Land and subsoil assets										
Heritage assets										
Specialised military assets										
Payments for Financial Assets										
Total	1 448 155					14 398		-3 308	11 090	1 459 245

Department of Public Works and Roads

Programme summary of estimates according to subprogrammes

	2016/17								Adjusted Appropriation
	Main Appropriation	Special Appropriation	Adjustments appropriation					Total adjustments appropriation	
			Rollovers	Unforeseeable /unavoidable	Virements and Shifts	Function Shifts	Declared unspent funds		
R thousand									
Programme Support	6 975								6 975
Community Development	128 226					-15 090		-15 090	113 136
Innovation and Empowerment	5 777								5 777
EPWP Coordination & Monitoring	270								270
Subtotal	141 248					-15 090		-15 090	126 158
Direct charge against the Provincial Revenue Fund									
Statutory payment									
Total	141 248					-15 090		-15 090	126 158
Economic Classification									
Current payments	141 176					-15 090		-15 090	126 086
Compensation of employees	6 385								6 385
Goods and services	134 791					-15 090		-15 090	119 701
Interest and rent on land									
Transfers and subsidies	22								22
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	22								22
Payments for capital assets	50								50
Buildings and Other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	50								50
Transport assets									
Other Machinery and equipment	50								50
Biological assets									
Software and Other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Payments for Financial Assets									
Total	141 248					-15 090		-15 090	126 158

Special appropriation

None

Earmarked Funds

None

Roll-overs

None

Unforeseeable and unavoidable expenditure (per programme)

None

Summary of Virements and Shifts

Programmes					
ADMINISTRATION					
PUBLIC WORKS INFRASTRUCTURE					
TRANSPORT INFRASTRUCTURE					
COMMUNITY BASED PROGRAMME					
From			To		
Programme by Economic Classification	Motivation	R thousand	Programme by Economic Classification	Motivation	R thousand
Programme : Administration			Programme : Administration		
			9 300		
Compensation of Employees	Savings identified from Office of MEC w as a results of vacancies not filled	(500)	Compensation of Employees	Projected overspending of subprogramme Departmental Strategy	500
	Savings identified from Office of MEC due to positions not filled	(800)	Goods and services	Office of MEC is projecting overspending on Travelling and Subsistence allow ances	800
	Savings as a results of vacancies unfilled from Corporate Services	(8 000)	Goods and services	Projected expenditure on telephone and stationery	8 000
Shift within the programme as a percentage of the programme budget			3.9%		
Virements of the programme as a percentage of the programme budget					
Programme : Public Works Infrastructure			Programme : Public Works Infrastructure		
			22 602		
Compensation of Employees	Savings identified from Programme Support as a result of overallocation	(700)	Compensation of Employees	Projected overspending on subprogramme Planning	630
	Savings from subprogramme Construction as a results of overallocation	(2 244)	Goods and services	Projected spending of consultancy services on subprogramme Design	-
	Savings from subprogramme Maintenance asa results of non filling of vacant posts	(630)		Projected overspending on property payments on Maintenance	14 204
	Savings identified from immovable assets management	(880)		Projected expenditure of property paymets on facility management	5 976
	Identified savings as a results of non filling of posts from Facility Management.	(370)	Households	Projected shortfall on Maintenance due to number of officials retiring	1 100
Goods and Services	Identified savings from non core items from Programme Support	(300)	Programme : Public Works Infrastructure		
	Identified savings from non core items from Programme Support	(5 000)	Capital Payments	Projected spending of consultancy services on subprogramme Design	692
Households	Identified savings from immovable assets management	(82)			
	Projected savings from Programme Support	(100)			
	Identified savings from Construction	(11 104)			
Building and Other Fixed Structure	Identified savings from projects that will be deffered to the next financial years				
Shift within the programme as a percentage of the programme budget			2.5%		
Virements of the programme as a percentage of the programme budget			0.3%		
Programme : Transport Infrastructure			Programme : Transport Infrastructure		
			18 682		
Compensation of Employees	Identified savings from Programme Support due to vacancies not filled	(6 000)	Compensation of Employees	Projected overspending on Maintenance due to new appointees.	2 000
Goods and Services	Identified savings on non core items of Programme Support to interest incurred	(605)	Goods and Services	The expenditure is for the pro rata payment of Microsoft ow ed to the Office of Premier	4 000
	Reclassification of expenditure from Design to interest incurred	(1 577)	Interest and Rent on Land	The shifting is to net off the spending of interest on overdue accounts for Programme Support	605
	Identified savings on non core items from Maintenance	(500)		Net off interest on overdue accounts	1 577
	Identified savings on non core items from Maintenance	(692)	Departmental Agency and accounts	Settlement of outstanding tv licences on Subprogrammes Maintenance	500
Building and Other Fixed Structure	Identified savings on Construction for legal claim	(10 000)	Goods and Services	Settlement of court order in relation to road accident	10 000
Building and Other Fixed Structure	Identified savings to settle court order	(33 557)	Community Based Programme		
			Goods and Services	Part payment of court order	33 557
Shift within the programme as a percentage of the programme budget			1.3%		
Virements of the programme as a percentage of the programme budget			2.3%		
Programme : Community Based Programme			Programme :Transport Infrastructure		
			48 647		
Goods and services	Reclassification of the Provincial Road Maintenance Grant	(48 647)	Goods and Services	Reclassification of the budget	48 647
Shift within the programme as a percentage of the programme budget			0%		
Virements of the programme as a percentage of the programme budget			34.4%		
Total		(132 788)			132 788

The 34.4 per cent which is higher than the 8 per cent threshold is a correction of an allocation from Programme 4 to Programme 3. The purpose of funding is not adjusted as the allocation remains intended for PRMG projects.

Programme 1: Administration

The identified savings of R9.3 million from compensation of employees came as a results of late appointment of personnel. The programme will utilise R8.8 million to ease the burden on goods and services items within the Programme.

Programme 2: Public Works Infrastructure

The programme has a projected expenditure of R152 million arising from arrears municipal rates and taxes, as well as a projected over spending of R30 million on property payments. The identified savings from compensation of employees is subjected to budget reduction as outlined in the allocation letter. An amount of R11.104 million accumulated from projects that are deferred to the next financial year will be utilised to defray over expenditure on property payments.

Programme 3: Transport Infrastructure

The total programme budget has increased by R 48.647 million, which was as a result of reclassification of provincial road infrastructure grant from Community Based Programme. The respective virement has a net effect of R15.090 million against the R33.557 million sourced to cover for court order payment which will be settled under Community Based Programme. A legal claim of R10 million was reallocated within the Programme from Construction to Maintenance sub-programme.

Community Based Programme

The R48.647 million reclassification of budget to programme 3 came as a result of five projects which are declared complete.

Declared unspent funds

Programme 2: Public Works Infrastructure - R30.256 million

R30.256 million has been declared on compensation of employees due to delays in recruitment processes for advertised posts. The Department anticipates to conclude appointments late in the financial year.

Other Adjustments

Funds shifted between votes following a transfer of a function

None

Funds shifted within a vote following a fund shift

None

Appropriation of expenditure earmarked in the 2016 Budget speech for future allocation

None

Adjustments due to significant and unforeseeable economic and financial events

None

Use of funds in emergency situations in terms of Section 25 of the PFMA

None

Self - financing expenditure

None

Gifts, donations and sponsorships from the vote

None

Direct charges against the Provincial Revenue Fund

None

Additional allocations

Programme 2: Public Works Infrastructure - R80 million

The department received an additional allocation of R80 million to relief pressure on rates and taxes allocation.

Amounts surrendered

Programme 1: Administration – R4.868 million

Programme 3: Transport Infrastructure – R3.308 million

An amount of R8.176 million has been reallocated to the Office of the Premier for the implementation of ICT and Communication Transformation programme.

Programme 1: Administration - R19.935 million

The departmental own revenue has been reduced by R19.935 million based on the half yearly assessment which registered under collection by 29.1 percentage points.

Expenditure outcome for 2015/16 and actual expenditure for 2016/17 as at 30th September 2016

Programme	2015/16					2016/17			
	Adjusted appropriation	Actual Expenditure			Preliminary expenditure				
		Apr 15-Sep 15	Apr 15-Sep 15	% of Adjusted appropriation	Apr 15-Mar 16	Apr 15-Mar 16	Adjusted appropriation/ total (%)	Apr 16-Sep 16	% of Adjusted appropriation
R thousand									
ADMINISTRATION	179 296	89 828	50.1%	175 543	97.9%	212 104	7.7%	93 969	44.3%
PUBLIC WORKS INFRASTRUCTURE	1 031 964	459 710	44.5%	1 025 112	99.3%	945 039	34.5%	495 696	52.5%
TRANSPORT INFRASTRUCTURE	1 342 835	594 996	44.3%	1 335 530	99.5%	1 459 245	53.2%	584 521	40.1%
COMMUNITY BASED PROGRAMME	166 448	82 770	49.7%	162 952	97.9%	126 158	4.6%	29 788	23.6%
Subtotal	2 720 543	1 227 304	45.1%	2 699 137	99.2%	2 742 546	100.0%	1 203 974	43.9%
Direct charge against the Provincial Revenue Fund									
Subtotal									
Total	2 720 543	1 227 304	45.1%	2 699 137	99.2%	2 742 546	100.0%	1 203 974	43.9%
Economic classification									
Current payments	1 244 123	636 929	51.2%	1 226 761	98.6%	2 178 723	79.4%	923 590	42.4%
Compensation of employees	691 937	339 378	49.0%	685 653	99.1%	726 243	26.5%	350 051	48.2%
Goods and services	552 186	297 551	53.9%	541 108	98.0%	1 450 298	52.9%	573 539	39.5%
Interest and rent on land						2 182	0.1%		
Transfers and subsidies	238 708	82 916	82.5%	239 351	100.3%	289 720	10.6%	200 406	69.2%
Provinces and municipalities	226 080	76 792	34.0%	229 578	101.5%	275 058	10.0%	193 668	70.4%
Departmental agencies and accounts		1		1		500	0.0%		
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Nonprofit institutions									
Households	12 628	6 123	48.5%	9 772	77.4%	14 162	0.5%	6 738	47.6%
Payments for capital assets	1 237 712	507 459	41.0%	1 233 025	99.6%	274 103	10.0%	79 978	29.2%
Buildings and Other fixed structures	1 229 903	506 426	41.2%	1 225 713	99.7%	251 428	9.2%	78 637	31.3%
Machinery and equipment	7 809	1 033	13.2%	7 312	93.6%	22 675	0.8%	1 341	5.9%
Biological assets									
Software and Other intangible assets									
Land and subsoil assets									
Heritage assets									
Specialised military assets									
Payments for Financial Assets									
Total	2 720 543	1 227 304	45.1%	2 699 137	99.2%	2 742 546	100.0%	1 203 974	43.9%

Expenditure trends for the first half of 2016/17

Programme 1: Administration

The identified savings from compensation of employees is due to a number of vacant positions identified in the programme, which will be partly filled in January/February 2017. The department will use the identified savings to defray excess expenditure in other economic classifications, as well as to adhere to reductions stipulated in the allocation letter. Due to the delay in the completion of the Head Office Wellness Centre the department will be unable to spend the budget allocated for gym equipment, hence the related budget forms part of the R28.111 million reductions. The programme incurred a total expenditure of 45 per cent against the adjusted budget, which is 5 per cent below the expected expenditure target for period six.

Programme 2: Public Works Infrastructure

The programme is overspending by 2.5 percentage points, which is attributed to municipal rates and taxes. Despite the overall programme over expenditure, delay in appointments for vacant and funded positions has incurred under expenditure by 6.3 percentage points. The identified savings of R30.256 million from compensation of employees has been declared back to the provincial fiscus, meanwhile R4.194 million will be utilized to defray excess expenditure on property payments. Household payment indicates the projected overspending of R918 thousand, which is as a results of retirements. The projected overspending on rates and taxes as well as household payments will be defrayed through the additional allocation and the identified savings, respectively.

Programme 3: Transport Infrastructure

The programme has advertised 77 positions, which comprise of both OSD and non-OSD posts. The filling of the mentioned positions which will include screening of candidates and verification of qualifications is set to be during the fourth quarter of the 2016/17 financial year. Current expenditure trend envisage an underspending by R4 million on compensation of employees after consideration of the mentioned vacancies and salary pay progressions.

An amount of R10 million will be transferred from Capital Payments to form part of goods and services on the item of legal claims against the department.

Due to the practical completion of five projects related to EPWP, the PRMG budget initially allocated for the same under Community Based Programme will be transferred to Transport Infrastructure.

Programme 4: Community Based Programme

The PRMG budget under this programme will be transferred to Transport Infrastructure to continue funding roads maintenance projects.

Economic Classifications

Compensation of Employees

The departmental under expenditure of R49.5 million was mainly attributed to Public Works Infrastructure Programme. The identified under spending is as a results of vacant positions which are part of the departmental establishment; of which part of the savings have been shifted to areas of immense fiscal pressure such as property payments.

Goods and Services

The department anticipates overspending on property payments, which include water, electricity and security services. The amount of R20.18 million has been put aside to counter the projected expenditure of property payments. An amount R10 million which was set aside for wellness gym equipment has been reprioritised due to the late completion of the Centre.

Transfer and Subsidies

The department received an additional allocation of R 80 million from the Provincial Treasury to curtail the financial constrictions on rates and taxes allocation.

Payments of Capital Assets

Most of the project related to upgrade and construction of new assets are set to commence in January 2017. The savings of R 11.104 million as a results of late commencement of infrastructure projects was transferred to goods and services to defray excess expenditure on property payments.

Departmental Receipts

Departmental Receipts										
R thousand	Adjusted appropriation	Audited outcome				Actual				
		Apr 15-Sep 15		Apr 15-Mar 16		Budget estimate	Adjusted estimate	Adjusted appropriation/total (%)	Apr 16-Sep 16	
		Apr 15 Sep 15	% of Adjusted appropriat	Apr 15 Mar 16	% of Adjusted appropriati				Apr 16 Sep 16	% of Adjusted appropriation
Departmental receipts	60 835	13 039	21.4%	30 186	49.6%	66 919	46 984	100.0%	13 998	29.8%
Tax receipts										
Sales of goods and services Other than capital	47 685	11 913	25.0%	27 269	57.2%	52 454	37 294	78.4%	11 451	30.7%
Interests,dividends and rent on land		6		22			50		6	12.0%
Sales and capital assets and liabilities	7 150	350	4.9%	726	10.2%	7 865	5 740	11.8%	814	14.2%
Financial transactions in assets and liabilities	6 000	770	12.8%	2 169	36.2%	6 600	3 900	9.9%	1 727	44.3%
Subtotal	60 835	13 039	21.4%	30 186	49.6%	66 919	46 984	100.0%	13 998	29.8%

Sales of goods and services other than capital assets

The department has a revised annual target of R 46.9 million for the financial year 2016/17. The revenue collection as at 30 September 2016 registered R13.998 million, which is 29.8 per cent against 50 per cent target mark.

The department mainly collected from Sales of goods and services other than capital assets, which include rental of dwelling and rental of other capital assets. The item accumulated R11.451 million at the end of period six. At R6 thousand collection, the interests, dividend and rent on land is the least revenue contributing item.

An amount of R1.727 million collected from financial transaction in assets and liabilities includes the previous years' revenues collected in the current financial year.

Changes to transfers and subsidies, and conditional grants

Departmental summary of conditional Grants									
Conditional Grant									
R thousand	Main Appropriation	Special Appropriation	Adjustments appropriation					Adjusted Appropriation	
			Unforeseeable Rollovers	Virements /unavoidable	and Shifts	Function Shifts	Declared unspent funds		Other adjustments
Provincial Roads Maintenance Grant	867 524								867 524
Expanded Public Works Programme Incentive Grant For Provinces	30 740								30 740
Total	898 264								898 264

No changes were recorded for both the EPWP integrated grant and the PRMG.