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Department of Public Works, 25 February 2015

1. In During 2014 financial year, Government launched the third phase of the Expanded Public Works Programme. Over the next five years, the initiative aims to create 6 million short- to medium-term jobs, up from just over 4 million in the elapsing five-year period. According to the 2014 budget review, when provincial and municipal infrastructure funding are taken into account, the total funding for expanded public works recorded a significant increase.

Socio-economic strategic issues

Table 1 shows the funding allocated to public employment programmes over the MTEF period.

Funding for employment programmes, 2011/12 – 2017/18

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Average annual growth 2014/15 – 2017/18
	Outcome			Estimate	Medium-term estimates			
R million								
National								
Community Work Programme	624	1 290	1 731	2 258	2 385	3 254	4 016	21.2%
Expanded Public Works Programme management unit	210	237	262	262	266	284	298	4.4%
Non-state sector	154	283	438	477	485	600	630	9.7%
Tourism programmes	301	314	291	320	493	631	633	25.5%
Environmental programmes	1 977	2 705	2 835	3 286	3 399	3 950	4 039	7.1%
Jobs Fund	272	590	953	1 339	1 318	1 387	1 318	-0.5%
National Rural Youth Service Corps	289	536	862	678	343	473	437	-13.6%
Provincial								
Incentive grant for provincial infrastructure	225	293	354	349	357	412	432	7.4%
Incentive grant for social sector	200	217	256	258	268	375	393	15.1%
Local government								
Incentive grant for municipal infrastructure	364	662	611	595	619	706	741	7.6%
Total	4 617	7 126	8 593	9 822	9 931	12 071	12 939	9.6%

Source: National Treasury, MTBPS 2014

2. The Department needs to improve linkages of the expanded public works programme with overall government building investment programme. The Department needs to enhance the performance of the incentive grant paid to eligible provinces, municipalities and non-profit organisations in order to increase job creation efforts.
3. Over the next three years, aligned to the MTSF targets to be achieved by 2019: creating 6 million short to medium term jobs through the Expanded Public Works Programme including the work of other sector departments.
4. Strong spending growth is proposed in the Community Work Programme, which will be rolled out to every municipality by 2017.
5. The Department needs to manage effectively the geographic distribution of the grants earmarked for job creation, also to track municipal spending of the grants.
6. The Expanded Public Works Programme is expected to achieve its targets without additional resources because municipalities and provinces are incorporating expanded public works jobs into their infrastructure projects.
7. Coordination of jobs opportunity with other sector departments such as Economic Development, Trade and Industry, Small Business Development including Public Works should be prioritised.
8. Alignment of the rehabilitation programme of 34 state owned buildings with regional economic development, including providing support to SMMEs. That means the Department should take into account integrated regional economic development approach in planning, resource allocation and monitoring in relation to employment creation programmes.
9. Work closer with various development finance institution to improve black people participation in the construction and property industry-support broad black economic empowerment initiatives.
10. Improve working relations with industry players to support workforce development, strengthen working relations with higher education and training institutions, including sector training agencies. In order to support skills development programmes.

According to the 2014 budget review, the Jobs Fund has contributed so far to employment creation:

- The Jobs Fund provides a model for tackling unemployment and promoting growth. It matches private-sector funding for projects that will generate sustainable jobs and catalyse economic activity.
- The fund has supported initiatives ranging from agricultural projects working on market linkages in rural areas to emerging entrepreneurs in Johannesburg's townships.
- With a strong focus on evaluation and learning, the fund has also started to generate lessons that can inform policy, particularly in the areas of business incubation and workplace-readiness training.
- The fund has contracted 61 projects that will receive grant funding of R3.2 billion over the next three years. These projects are expected to create 96 102 permanent jobs and place 48 933 individuals into existing jobs by 2016.
- The fund concluded its third funding round in December 2013, when an additional 27 projects were approved. Over the MTEF period, the fund is allocated R4.6 billion.

2014 Budget Review, National Treasury