



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

COMMITTEES

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Department of Public Works, 6 April 2016

Public Works

- For the 2016 FY, the Department would receive R6.5 billion.
 - 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.
 - The Department needs to manage effectively the geographic distribution of the grants earmarked for job creation, also to track municipal spending of the grants.
 - Coordination of jobs opportunity with other sector departments such as Economic Development, Trade and Industry, Small Business Development including Public Works should be prioritised.
 - Alignment of the rehabilitation programme of 34 state owned buildings with regional economic development, including providing support to SMMEs, is critical. 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.
 - Slow pace of transformation in the build environment. The low numbers of women, youth and previously disadvantaged people in the environment shows very slow improvement
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- The Department needs to work closer with various development finance institution to improve black people participation in the construction and property industry-support broad black economic empowerment initiatives (CIDB, PMTE remain red-flags).
 - Furthermore the Department needs to 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.
 - Lift the functioning of the Independent Development Trust, thus to improve the organisational capacity and capability to meeting government policy priorities.
 - Improve lease management, to manage compliance and legal risks (governance management).
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Risk Areas:

- The global slow economic recovery, coupled with the South Africa's depressed economic growth.
- Exchange rate depreciation, making imports expensive-capital goods.
- Significant Delays in the Public Sector Building programme. Government infrastructure investment is welcomed by the private sector, however awarding of tenders still remains a challenge.
- Translating capital expenditure into action, particular for provinces and municipalities.
- Infrastructure at municipal level remains poor and is deteriorating in many places. Further, the resilience of all new and previously existing infrastructures is questionable without a much improved commitment to maintenance (SAICE Infrastructure Report Card for South Africa 2011).
- The rating agencies downgrades-implication on the government capital expenditure programme. Sourcing financing is likely to be expensive following the downgrade.

Table 1: Summary of the Departmental Expenditure

Programme	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2015/16	2016/17	2017/18		
R million								
	2015/16	2012/13 - 2015/16	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	
Programme 1	471.3	-23.4%	8.5%	516.6	544.3	582.7	7.3%	7.6%
Programme 2	45.7	-	0.4%	31.4	33.9	35.7	-7.9%	0.5%
Programme 3	1953.4	4.2%	29.5%	2 319.5	2 475.9	2 627.9	10.4%	33.9%
Programme 4	3 693.0	-9.8%	59.7%	3 565.1	4 064.2	4 307.2	5.3%	56.5%
Programme 5	88.8	2.2%	1.9%	96.1	102.9	108.3	6.8%	14%
Total	6 252.2	-7.5%	100.0%	6 528.8	7 221.2	7 661.8	7.0%	100.0%
Change to 2015 Budget estimate	(158.9)			(406.4)	(146.5)	(133.2)		

Source: 20016/17 Estimates of National Expenditure, National Treasury

Table 2: Summary of the Budget in terms of programme and economic classification

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	516.6	484.7	9.6	22.3	544.3	582.7
Intergovernmental Coordination	31.4	28.1	0.3	3.0	33.9	35.7
Expanded Public Works Programme	2 319.5	290.9	2 026.1	2.5	2 475.9	2 627.9
Property and Construction Industry Policy and Research	3 565.1	38.4	3 526.6	0.1	4 064.2	4 307.2
Prestige Policy	96.1	75.7	9.8	10.6	102.9	108.3
Total expenditure estimates	6 528.8	917.9	5 572.3	38.5	7 221.2	7 661.8
Executive authority	Minister of Public Works					
Accounting officer	Director General of Public Works					
Website address	www.publicworks.gov.za					

Source: 20016/17 Estimates of National Expenditure, National Treasury

