

Vote 33

Transport

2006/07				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	12 870 458	13 746 790	-	876 332
<i>of which:</i>				
Current payments	538 852	724 802	-	185 950
Transfers and subsidies	12 293 670	12 984 052	-	690 382
Payments for capital assets	37 936	37 936	-	-
Executive authority	Minister of Transport			
Accounting officer	Director-General of Transport			

Aim

The aim of the Department of Transport is to lead the provision of an integrated, sustainable, reliable and safe transport system, through safety and economic regulation, planning, development, co-ordination, promotion and the implementation of transport policies and strategies.

Changes to programme purposes and measurable objectives

There were no changes to programme purposes or measurable objectives.

Adjusted Estimates of National Expenditure 2006

Table 33.1: Transport

Programme		2006/07					
		Additional appropriation				Total additional appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	126 038	3 000	-	7 811	-	10 811	136 849
2. Transport Policy, Research and Economic Analysis	28 312	-	-	(722)	-	(722)	27 590
3. Transport Regulation and Accident and Incident Investigation	151 859	3 300	-	59 670	-	62 970	214 829
4. Integrated Planning and Inter-sphere Co-ordination	3 161 253	1 200	-	(2 859)	-	(1 659)	3 159 594
5. Freight Logistics and Corridor Development	27 846	-	-	(1 452)	-	(1 452)	26 394
6. Public Transport	9 165 827	204 000	45 100	(1 661)	619 732	867 171	10 032 998
7. Public Entity Oversight and Economic Regulation	209 323	-	-	(60 787)	-	(60 787)	148 536
Total	12 870 458	211 500	45 100	-	619 732	876 332	13 746 790
Economic classification							
Current payments	538 852	58 500	-	127 450	-	185 950	724 802
Compensation of employees	157 678	-	-	(14 000)	-	(14 000)	143 678
Goods and services	381 174	58 500	-	141 450	-	199 950	581 124

Table 33.1: Transport (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	12 293 670	153 000	45 100	(127 450)	619 732	690 382	12 984 052
Provinces and municipalities	3 760 086	-	-	-	-	-	3 760 086
Departmental agencies and accounts	2 483 623	-	-	(59 670)	-	(59 670)	2 423 953
Universities and technikons	7 085	3 000	-	-	-	3 000	10 085
Foreign governments and international organisations	4 420	-	-	-	-	-	4 420
Public corporations and private enterprises	5 756 375	-	45 100	-	619 732	664 832	6 421 207
Non-profit institutions	11 975	-	-	220	-	220	12 195
Households	270 106	150 000	-	(68 000)	-	82 000	352 106
Payments for capital assets	37 936	-	-	-	-	-	37 936
Buildings and other fixed structures	34 779	-	-	-	-	-	34 779
Machinery and equipment	3 157	-	-	-	-	-	3 157
Total	12 870 458	211 500	45 100	-	619 732	876 332	13 746 790

Details of adjustments to Estimates of National Expenditure 2006

Roll-overs – R211,5 million

Programme 1: Administration

R3 million has been rolled over for academic institutions that are currently assisting in strengthening both research and human capacity in the transport sector.

Programme 3: Transport Regulation and Accident and Incident Investigation

R3,3 million has been rolled over for oil pollution prevention services, for which the invoice was received after the financial year-end.

Programme 4: Integrated Planning and Inter-sphere Co-ordination

R1,2 million was rolled over for the integrated rural mobility access project, a labour-intensive infrastructure project which is part of the expanded public works programme.

Programme 6: Public Transport

R54 million has been rolled over for service providers currently assisting the department with the rollout and implementation of the taxi recapitalisation programme, and for the provinces to finalise the permit conversion process.

R150 million has been rolled over for scrapping a higher than envisaged number of old taxi vehicles.

Unforeseeable and unavoidable expenditure – R45,1 million

Programme 6: Public Transport

R45,1 million has been allocated for additional funding for bus subsidies, to cover increases in the fuel price.

Virements

Table 33.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	(6 189)	14 000	
Current payments	(6 189)	14 000	
Compensation of employees	(6 189)	-	Savings are due to vacant posts.
Goods and services	-	14 000	Funds shifted from compensation of employees (in this programme and in programmes 2, 4, 5, 6 and 7) will be used for promoting Transport Month in October 2006.
2. Transport Policy, Research and Economic Analysis	(722)	-	
Current payments	(722)	-	
Compensation of employees	(722)	-	Savings are due to vacant posts.
3. Transport Regulation and Accident and Incident Investigation	-	59 670	
Current payments	-	59 450	
Goods and services	-	59 450	Funds shifted from the Road Traffic Management Corporation (RTMC) under transfers to households (in programme 7) will be used for maintaining and updating the National Traffic Information System (NaTIS) and eNaTIS.
Transfers and subsidies	-	220	
Non-profit institutions	-	220	Funds shifted from programme 7 will be used to increase the National Sea Rescue Institute's capacity to perform its mandate effectively.
4. Integrated Planning and Inter-sphere Co-ordination	(2 859)	-	
Current payments	(2 859)	-	
Compensation of employees	(2 859)	-	Savings are due to vacant posts.
5. Freight Logistics and Corridor Development	(1 452)	-	
Current payments	(1 452)	-	
Compensation of employees	(1 452)	-	Savings are due to vacant posts.
6. Public Transport	(69 661)	68 000	
Current payments	(1 661)	68 000	
Compensation of employees	(1 661)	-	Savings are due to vacant posts.
Goods and services	-	68 000	Funds shifted from transfers to households (in this programme) will be used for the Scrapping Administrative Agency.
Transfers and subsidies	(68 000)	-	
Households	(68 000)	-	Savings arose due to the delay in initiating the taxi recapitalisation project.
7. Public Entity Oversight and Economic Regulation	(60 787)	-	
Current payments	(1 117)	-	
Compensation of employees	(1 117)	-	Savings are due to vacant posts.
Transfers and subsidies	(59 670)	-	
Departmental agencies and accounts	(59 670)	-	Savings arose in the RTMC for NaTIS and eNaTIS, which remain in programme 3.
Total for vote	(141 670)	141 670	

Other adjustments – R619,732 million

Expenditure already announced in the budget speech of the Minister of Finance but not allocated at that stage

Programme 6: Public Transport

R439,732 million has been allocated for operational costs for the South African Rail Commuter Corporation Limited (SARCC), which must bear all liabilities for employees transferring from other passenger rail entities and for Transnet's former Metrorail employees in respect of their service with Transnet before May 2006.

R180 million has been allocated to the SARCC for the shortfall in its operational subsidy, following a due diligence report. The cost of operational maintenance has risen considerably faster than the annual escalation, due to, among others, rampant theft and vandalism and hence increased security, stagnant fares, fare evasion, litigation by aggrieved commuters, increased maintenance due to the ageing rolling stock fleet, emergency breakdowns and repairs, market-related costs charged by Transnet business units, and low levels of capital investment.

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 33.3: Transport

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
1. Administration	129 783	45 264	116 314	89,6	136 849	52 797	16,6
2. Transport Policy, Research and Economic Analysis	42 054	8 886	33 268	79,1	27 590	9 287	4,5
3. Transport Regulation and Accident and Incident Investigation	143 681	10 350	287 613	200,2	214 829	112 287	984,9
4. Integrated Planning and Inter-sphere Co-ordination	2 079 226	885 281	2 038 869	98,1	3 159 594	1 347 760	52,2
5. Freight Logistics and Corridor Development	19 023	3 388	7 710	40,5	26 394	9 442	178,7
6. Public Transport	5 431 431	2 236 441	5 186 498	95,5	10 032 998	2 682 351	19,9
7. Public Entity Oversight and Economic Regulation	2 895 807	93 149	2 740 008	94,6	148 536	15 595	(83,3)
Total	10 741 005	3 282 759	10 410 280	96,9	13 746 790	4 229 519	28,8
Current payments	579 047	169 359	411 450	71,1	724 802	288 737	70,5
Compensation of employees	114 018	47 453	96 856	84,9	143 678	52 407	10,4
Goods and services	465 029	121 876	314 564	67,6	581 124	236 261	93,9
Financial transactions in assets and liabilities	-	30	30	-	-	69	130,0
Transfers and subsidies	10 147 470	3 111 715	9 973 466	98,3	12 984 052	3 937 987	26,6
Provinces and municipalities	242 060	164	242 015	100,0	3 760 086	181 346	110476,8
Departmental agencies and accounts	4 590 720	878 207	4 567 734	99,5	2 423 953	1 167 250	32,9
Universities and technikons	6 684	4 721	6 684	100,0	10 085	4 403	(6,7)
Foreign governments and international organisations	4 170	2 322	2 755	66,1	4 420	1 367	(41,1)
Public corporations and private enterprises	5 142 430	2 215 527	5 142 430	100,0	6 421 207	2 580 438	16,5
Non-profit institutions	11 306	10 555	11 305	100,0	12 195	1 650	(84,4)
Households	150 100	219	543	0,4	352 106	1 533	600,0
Payments for capital assets	14 488	1 685	25 364	175,1	37 936	2 795	65,9
Buildings and other fixed structures	11 462	-	10 323	90,1	34 779	2 795	(100,0)
Machinery and equipment	3 026	1 685	15 041	497,1	3 157	-	(100,0)
Total	10 741 005	3 282 759	10 410 280	96,9	13 746 790	4 229 519	28,8

Selected expenditure trends for the first half of the 2006/07 financial year

Expenditure in the first six months of 2006/7 was R4,2 billion, or 30,8 per cent of the adjusted appropriation of R13,7 billion for the year as a whole.

Expenditure is lagging behind the allocated budget due to vacant posts, transfer payments not made or outstanding and delays in the initiation of the taxi recapitalisation project, and because spending on the Gautrain begins in October 2006.

Summary of changes to transfers and subsidies, and conditional grants

Table 33.4: Summary of changes to transfers and subsidies per programme

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	7 376	3 000	-	-	-	3 000	10 376
Universities and technikons							
Current	7 085	3 000	-	-	-	3 000	10 085
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	7 085	3 000	-	-	-	3 000	10 085
3. Transport Regulation and Accident and Incident Investigation	9 736	-	-	220	-	220	9 956
Non-profit institutions							
Current	739	-	-	220	-	220	959
National Sea Rescue Institute	589	-	-	220	-	220	809
6. Public Transport	9 098 621	150 000	45 100	(68 000)	619 732	746 832	9 845 453
Public corporations and private enterprises							
Public corporations							
Subsidies on products and production							
Current	2 131 542	-	-	-	619 732	619 732	2 751 274
South African Rail Commuter Corporation	2 131 542	-	-	-	619 732	619 732	2 751 274
Private enterprises							
Subsidies on products and production							
Current	2 415 235	-	45 100	-	-	45 100	2 460 335
Bus subsidies	2 415 235	-	45 100	-	-	45 100	2 460 335
Households							
Other transfers							
Current	270 000	150 000	-	(68 000)	-	82 000	352 000
Taxi recapitalisation	270 000	150 000	-	(68 000)	-	82 000	352 000
7. Public Entity Oversight and Economic Regulation	185 841	-	-	(59 670)	-	(59 670)	126 171
Departmental agencies and accounts							
Entities							
Current	185 840	-	-	(59 670)	-	(59 670)	126 170
Road Traffic Management Corporation	150 120	-	-	(59 670)	-	(59 670)	90 450

