

VOTE 9

DEPARTMENT OF PUBLIC TRANSPORT, ROADS AND WORKS

To be appropriated by Vote	R 7 832 564 000
Responsible MEC	MEC of Public Transport, Roads and Works
Administering Department	Department of Public Transport, Roads and Works
Accounting Officer	Head of Department

1. OVERVIEW

The overall goal and purpose of the Gauteng Department of Public Transport, Roads and Works (GDPTRW) is to create the necessary transport and socio-economic infrastructural conditions that allow all the people of our province to actively participate in economic and social life.

Vision

For socio-economic growth, development, and an enhanced quality of life for all people in Gauteng.

Mission

Develop an integrated, sustainable infrastructure, which promotes a people-centred, innovative, developmental public works and an accessible, safe and affordable movement of people, goods and services.

Departmental Strategic Objectives

- Provision of an accessible, affordable, reliable, safe, integrated and environmentally sustainable public transport system.
- Effective management and transformation of transport and socio-economic infrastructure related institutions, systems and processes.
- Support economic growth and investments through the provision of appropriate transport systems and socio-economic infrastructure.
- Integrate transport and socio-economic infrastructure systems in the Gauteng Growth and Development Strategy and development plans of other spheres of government.
- Implement the Expanded Public Works Programme (EPWP) in a manner that optimizes employment and addresses economic and social needs of the poor.

Legislative Mandates

Schedule 4 and 5 of the Constitution of South Africa empowers provinces with concurrent competencies (with National Government) and with exclusive legislative competencies on specific functional areas such as public transport, provincial road and public works.

There are many pieces of legislation and policies which impact on our mandate. Some of the key ones are:

- Standards Act, 1982 (and particularly the associated National Building Regulations)
- Occupational Health and Safety Act, 1993 (and particularly the associated construction regulations)
- National Road Traffic Act, 1996
- Road Traffic Act, 1989
- Road Traffic Management Corporation Act, 1999
- Architectural Profession Act, 2000
- Built Environment Profession Act, 2000

- Construction Industry Development Board, 2000
- Engineering Profession Act, 2000
- Landscape Architect Profession Act, 2000
- National Land Transport Transition Act, 2000
- Planning Professions Act, 2002
- Project and Construction Management Act, 2000
- Property Valuers Profession Act, 2000
- Gauteng Public Passenger Road Transport Act, 2001
- Gauteng Transport Infrastructure Act, 2001
- National Spatial Development Perspective
- Gauteng Transport Framework Revision Bill, 2008
- Gauteng Planning and Development Act, 2003
- Gauteng Transport Framework Revision Act, 2002
- Government Immoveable Asset Management Bill, 2006
- National Environmental Management Act, 1998

Overview of the main services to be delivered by the department

Service	Level and quality of service
Delivery of integrated public infrastructure (capital works and maintenance works)	<ul style="list-style-type: none"> • Strategic integration of Public Works in Gauteng to ensure effective and efficient infrastructure planning, construction and maintenance (including generic model development). • The quality of service will include 100% statutory compliance to all new works, adherence to planned time, cost and quality indicators, as well as minimum maintenance standard of statutory compliance at 100%.
Performing a planning, co-ordinating and stewardship role in respect of transport and other socio-economic infrastructure provision in Gauteng	<ul style="list-style-type: none"> • The department is responsible for developing certain planning guidelines such as the Provincial Land Transport Framework, development of a socio-economic infrastructure investment framework as well as site development plans for provincial facilities in Gauteng providing capacity to municipalities to develop their Integrated Transport Plans. • It also plays an intergovernmental co-ordination role in the establishment and maintenance of urban transport information management systems (intelligent transport systems).
Provisioning of transport infrastructure which entails planning, construction, maintenance and protection of provincial road network	<ul style="list-style-type: none"> • The department presently surfaces approximately 72 kilometres of unsurfaced roads per year and maintains 5 223 kilometres of provincial roads. • Improving the accessibility to the provincial road network from previously disadvantaged areas through spatial reprioritisation of capital and maintenance of roads so as to be consistent with the provincial priorities and development framework. • Implementation of special projects on behalf of client departments, including Blue IQ (e.g. Cradle of Humankind Cullinan road – Dinokeng).
Oversight of provision of motor and driver licenses and related services	<ul style="list-style-type: none"> • The department in partnership with local government is responsible for the issuing of motor vehicle and driver licenses, vehicle fitness testing, permits for abnormal loads and other related functions.
Plan, co-ordinate and inform implementation of EPWP by all provincial departments	<ul style="list-style-type: none"> • Establishment of an appropriate centralized coordination and management structure to ensure speedy and qualitative service delivery. • Up scaling of EPWP in the roads sector (including application of EPWP principles in all infrastructure projects). • Maintenance of public infrastructure, including buildings.
Promotion and regulation of public transport	<ul style="list-style-type: none"> • The department is responsible for the promotion of public transport through the office of Transport Registrar and Gauteng Operating License Board. Business, development, capacity and institutional formation of the taxi and emerging bus operators (Taxi Recapitalisation)
Provision of accommodation	<ul style="list-style-type: none"> • To provide functional, safe, secure office accommodation for nine Gauteng Provincial Government line Departments
Provision of accessible infrastructure and buildings to all Citizen of the Province.	<ul style="list-style-type: none"> • The Department is responsible for the promotion of public buildings access to persons with disabilities and compliance to OSHA

External activities and events relevant to budget decisions

- Construction of Gautrain which is in progress and will continue over the next two years. The department performs an oversight and monitoring role as well as ensuring the obtaining of the rail reserve in terms of the Gauteng Transport Infrastructure Act, 2001.
- Other key growth projects such as the development of OR Tambo International Airport precinct, completion of Dinokeng and Cradle of Humankind tourism projects depend on quality transport infrastructure for their success.
- Various interventions are being proposed in support of the 2010 FIFA World Cup Soccer event, which may have resource implications for the department.
- A critical need for infrastructure in communities in order to create sustainable and habitable communities,

- to which the department proposes to respond to.
- Implementation of the Kopanong Government Precinct which will be situated in the Johannesburg Central Business District.
- Scaling up of EPWP in all roads projects.
- Scaling up of EPWP in the maintenance of infrastructure (including buildings).
- A critical need for infrastructure management throughout the province under property portfolio.
- Implementation of the Regional Facilities Management demarcated according to metropolitans.

2. REVIEW OF THE FINANCIAL YEAR (2008/09)

Implementation of Policy Priorities and Strategic Objectives

The following progress was made in respect of the implementation of policy priorities and strategic objectives linked to provincial priorities:

- The Department introduced and implemented a Road Maintenance Strategy aimed at outsourcing routine maintenance to the private sector.
- The Freeway Improvement Scheme has been commenced, with the upgrading of freeways including the Albertina Sisulu (R21) through a partnership with the South African National Roads Agency Limited (SANRAL).
- A dedicated Project Team has been established. The Team is currently working on a legislative framework and attempting to advance the construction of new freeways within financial constraints related to construction costs.
- Devolution of property rates and taxes payment function. On 1 April 2008, 8 506 rates and taxes accounts were transferred from the National Department of Public Works to the province. A professional team is currently assisting with this transition, with an allocated amount of R155.3 million for the financial year.
- Property Management is currently implementing a policy on leasing of provincially-owned properties and the allocation charter thereof. This will address the procedure for leasing provincially owned properties.

In respect of economic growth and contribution to growing Gauteng as a globally competitive city region, the following progress has been achieved:

- The road reserve has been proclaimed for development of K71 (P66-1): (Centurion) Monavoni circle to K103 and K103 to Laudium.
- Line plans have been completed for K71 (P66-1) Phase 2 from K103 to Laudium. The widening of the road reserve must still be proclaimed. Surveyors are currently in process with survey.
- Beacons have been placed for construction of K29- N14 to Lanseria Airport, and the surveyors must still finalize the proclamation in order to proclaim the road reserve.
- Beacons have been placed between Fourways and the Juskei River for the construction of K46 (William Nicol Road) as well as between Fourways and Diepsloot. However, the funding for completing this project is not available.
- The reserve has been proclaimed for the Pine Haven interchange (P126/N14).
- The doubling of R511 (K46- William Nicol) between Fourways and Diepsloot- Pine Haven Interchange (P126/N14) design is in the completion stages.
- The doubling of Malibongwe drive and intersections from Cosmo City to the N14 (3 km). The site has been handed over to contractor, clearing has commenced and site has been established. Concrete slab for the box culvert bridge has been poured.
- With regard to the construction and surfacing of Phase 2 Cayman Road D2529, the Eye of Africa development site has been handed over and the contractor has commenced with site establishment.
- In the process of contractual outsourcing of 500km roads 400 people were employed on the program and 120 people on this program are registered on a 12 month skills program and a total of 481 youth are currently involved in the EPWP infrastructural project.

Key Programmes for 2010

Projects that were developed for the 2010 Priority Projects include:

- Identification of the core route network (including tourism and event routes).
- An audit of the route signage on the identified core route network; and a refinement of the Policy on Special Event Signage developed for the WSSD and design of a navigation strategy for signage on the identified tourism and event routes and the implementation of the above navigation strategy.

Challenges facing Road Infrastructure include:

- Gauteng provincial road network has degenerated in condition and capacity due to insufficient funds being allocated to maintenance and improvements.
- Currently, 31 percent of the total provincial surfaced road network is in a poor and very poor condition compared to 10 percent benchmark of the World Bank.
- Only 33 percent of Gauteng roads are in very good and good condition although the Road Infrastructure Framework for South Africa (RIFSA) recommendation is 75 percent. Furthermore, the planned funding level of the next five years, as shown in MTEF, will result in further deterioration of the road network condition.
- The length of roads in a poor and very poor condition will drastically increase from 31 percent to 55 percent by 2013 and roads in a good and very good condition will correspondingly decrease from 33 percent to 28 percent.
- The current rehabilitation rate on the network is a major cause for concern. An average of only 25 km per year was rehabilitated since the year 2000. This translates to a 160-year rehabilitation cycle meaning that a road will only receive a rehabilitation action once in 160 years.
- The current resurfacing rate on the network is an average of 165 km per year since the year 2000. This translates to a surfacing cycle of 24 years. The road network will deteriorate drastically if surfacing is only applied once every 24 years on a specific road.
- There is a backlog of about 780 km of unsurfaced provincial roads and Backlog of 3 300 km unsurfaced municipal roads growing annually due to new housing developments.

Challenges in respect of Bus Commuter services include:

- Conflicts and misunderstanding between the Commuter Forums and bus operators,
- Overloading on some bus contracts.
- Conflict between Buses and Taxis experienced no control or non subsidized buses.
- Insufficient funding for the migrated function (North West Star).

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2009/10)

To accelerate economic growth and contribute to growing Gauteng as a globally competitive city region, the department will rehabilitate and upgrade provincial roads to reduce road user costs and the cost of transporting people and freight..

To bridge the gap between the first and second economy, create jobs and reduce poverty, the department will:

- Through Expanded Public Works Programme continue implementation of projects targeted in areas within the 20 priority township programme.
- Construct K29 between Cosmo City and then 14 as well as the link from then 14 to the access road for the Lanseria airport.
- Continue with the upgrading of gravel roads to surfaced roads within the 20 Prioritised Townships Programme areas as part of the up scaling of the EPWP in the roads sector.
- The department continues to maintain the existing road network in terms of the day-to-day operations like road marking, repair of guardrails and pothole repair.
- The pavement management system (pms) will be used to obtain a prioritised list of projects for the resurfacing and/or rehabilitation actions to be taken on road sections.
- Prioritise accessibility and mobility from the previously disadvantage areas
- Increase the participation of idb level 1 to 4 contractors in our infrastructure projects as part of the contractor development programme.
- Develop the Provincial Public Viewing Site (PVS) Strategy as preparation for the 2010 soccer world cup and to ensure a legacy.
- Develop and operationalise integrated ticketing strategy.
- Development and implementation of 2010 Call Centre.
- Provision of regional intermodal facilities in City of Johannesburg and Tshwane

- Develop the provincial 2010 Operating Licence Strategy (OLS).
- Develop road signage navigational aids strategy.

To enhance service delivery and contribute to the re-organisation of the state, the department will:

- Strategically redevelop and rebrand provincial facilities incorporating minor works and maintenance at a higher level of service;
- Implement the Government Immovable Asset Management Act of 2007 (GIAMA) towards management of immovable assets to maintain cost effectiveness, efficiency and uniformity in the overall management of these assets.
- Implement the revised master plan for Regional Facilities Management of space and specific building's for the Departments.
- Re-align the Department district boundaries. The Department needs to change the 12 offices to 6 regional offices; each office should render the services of both Transport and Public Works to the Public. These offices should also function as transport and Public Works Communities hubs.

Challenges that the department will need to respond to in the next MTEF period include:

- Working with the metro, district and local municipalities to develop integrated transport plans, in terms of the National Land Transportation Transition Act (NLTTA) towards improving public transport infrastructure in keeping pace with the economic boom and population growth in Gauteng.
- Play an oversight role in the next 4 years during construction of the Gautrain to ensure implementation of the Gauteng Transport Infrastructure Act.
- Accelerate infrastructure delivery and maintenance obligations to the acquired cross border areas incorporated from other provinces as a result of the demarcation process.
- Transformation of the Construction Industry Development Programme with specific focus on the industry.
- Addressing the public dissatisfaction raised during the car free day campaign held in October 2006 about the public transport services.
- An incubator strategy for the emerging contractors, in particular women and youth enterprises, will be aligned to the BBBEE Act.
- The development of an EPWP strategy as well as business and implementation plans for each EPWP sector Department.
- Developing a database of information on overall EPWP contributions.
- Implementation of EPWP projects.
- Upscale EPWP principles in all transport infrastructure projects
- Implement alternative contracting models, innovative construction methods and new construction materials to reduce overall construction costs; e.g. ultra thin reinforced concrete pavements
- Research on inter-modal solutions that combine road carrier consistency with the railway economy.
- Processing of about approximately 20 000 taxi permits and resolution of conflicts within the taxi industry, caused by the 20 percent outstanding taxi routes.
- Establishment of TOLABS in Sedibeng, Ekurhuleni and Soweto metropolises.
- Designing of public transport infrastructure projects in Soshanguve, Pinehaven, William Nicol, Vosloorus, Olifantsfontein, Kibler Park and Soweto. In other areas, like Tembisa, Daveyton and Sebokeng routine maintenance of roads.
- Improving road signage and the road marking navigational system for the 2010 WCS.
- Finalising the careful rollout of taxi recapitalisation.
- Finalising the financial and institutional framework for the implementation of the Gauteng Freeway Improvement Scheme.
- Facilitation of the implementation of transportation plans for 2010.
- Finalise the Valuation and Verification of GPG properties which is currently at 70 percent complete.
- Continual updating of the Asset Register.
- Appointment of Contractors for conditional assessments of buildings within the Regions.
- Implementation of OSHA to all the buildings within the Regional offices.
- Accelerate infrastructure delivery and maintenance obligation through compliance to all Building Regulations.

4. RECEIPTS AND FINANCING

4.1 Summary of receipts

The department revenue is sourced from the equitable share and conditional grants. The conditional grants allocated to the department are the following:

- Infrastructure grant, which is utilized to fund the maintenance of roads in Gauteng as well as Gautrain Rapid Rail Link for the implementation of Gautrain.
- Gautrain grant, which is utilized to fund the Gautrain Rapid Rail Link for the implementation of Gautrain.
- Devolution of Property Rate Funds for the payment of rates and taxes for all provincially owned properties.

TABLE1: SUMMARY OF RECEIPTS: PUBLIC TRANSPORT, ROADS AND WORKS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Equitable share	2 540 096	3 211 523	3 876 233	3 862 818	3 962 074	7 829 698	5 019 784	4 831 069	5 185 034
Conditional grants	147 911	3 015 341	3 305 025	3 736 337	3 737 337	3 737 337	4 822 106	987 966	688 959
Departmental receipts	980 241	1 141 938	23 266	1 557 110	238 731	1 566 307	1 666 108	1 782 735	1 865 958
Total receipts	3 668 248	7 368 802	7 204 524	9 156 265	7 938 142	13 133 342	11 507 998	7 601 770	7 739 951

The receipts of the department comprise of the equitable share which is primarily for conducting the operational activities of the department. The conditional grants received from the National Department of Transport are for financing the implementation of national and provincial transport programmes, and maintenance of road infrastructure in the province. The Gauteng Rail Rapid Link grant is for the implementation of the Gautrain project.

The equitable share increases to R5 billion in the 2009/10 financial year from R3.8 billion in the 2008/09 financial year. This is an increase of 12 percent year on year. Contributing to the increase is the provincial allocation of R2 billion to Gautrain, topping up the Gautrain conditional grant from national government. However, analysis of trends indicates that expenditure will decline slightly to R4.8 billion in 2010/11, increasing again to R5.1 billion in 2011/12.

The conditional grant shows significantly higher growth from R148 million in the fiscal year 2005/06 to R3.7 billion in the year 2007/08. This is mainly for the Gautrain project. During the 2009 MTEF, the Gautrain is allocated additional funding totaling R348.6 million to counter the effect of inflation on infrastructure development costs during its term which expires in 2010/11. The conditional grants funding is estimated to decrease by an amount of R3.8 billion during the 2010/11 financial year and to decline further to R688.9 million in the 2011/12 financial year. The major decrease in conditional grant funding for the Department is mainly due to the Gautrain nearing its completion.

4.2 Departmental receipts collection

TABLE 2: DEPARTMENTAL RECEIPTS: PUBLIC TRANSPORT, ROADS AND WORKS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Tax receipts	959 577	1 130 346	1 443 711	1 506 234	1 506 234	1 506 234	1 611 670	1 724 487	1 802 089
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences	959 577	1 130 346	1 443 711	1 506 234	1 506 234	1 506 234	1 611 670	1 724 487	1 724 487
Sales of goods and services other than capital assets				26 589	26 589	26 589	28 452	30 442	31 812
Transfers received									
Fines, penalties and forfeits	21								
Interest, dividends and rent on land	366	658	459	21 935	21 935	21 935	23 470	25 113	26 243
Sales of capital assets	103								
Financial transactions in assets and liabilities	20 174	10 934	4 385	2 352	2 352	11 549	2 516	2 693	5 814
Total departmental receipts	980 241	1 141 938	1 448 555	1 557 110	1 557 110	1 566 307	1 666 108	1 782 735	1 865 958
# Direct Charges	- 389 559	- 389 559		- 741 876	- 741 876	- 741 876	- 793 807	- 849 374	- 877 000

The department is major contributor to the revenue collected in the province. As the major contributor to the provincial revenue collection the department collects revenue mainly through motor vehicle licenses administrative fees, rental of buildings and camping fees. It is also liable for direct charges, which include the charges that the Department deducts from total revenue collected to reimburse the primary collectors of that revenue on behalf of the Department.

The Department's receipts are estimated to increase by annual average of 10.5 percent from R980 million in the financial year 2005/06 to R1.8 billion in the financial year 2011/12. The Department recorded an increase of 19 percent in revenue in the 2007/08 financial year. Over the 2009 MTEF, revenue growth is estimated at an annual average of 7 percent. The Department generates 95 percent of its revenue from motor vehicle licenses.

Legal framework

The Road Traffic Act provides for collection of motor vehicle licenses. The Act also provides for agreements between the Department, metropolitan areas and local authorities for the collection of license fees on an agency basis. The Department is then liable for about 30 percent of the collected sum in the form of direct charges to the other agencies.

Analysis of existing own revenue sources

The following are the major sources of revenue in the department:

Motor vehicle licenses

The registration of new and used vehicles is the main reason for an increase in the vehicle population and for the past year it averaged 0.4 percent per month and stood at 3 567 155 million on 1 October 2008. Motor license fees increased by an average of 5.5 percent as from 1 April 2008. Provision was made for an average of 5 percent for the MTEF period. Tariffs for the categories with the highest number of vehicles were increased with an additional percentage resulting in an increase of up to 40 percent in some instances.

The revenue from vehicle licenses is calculated by multiplying the number of registrations and renewals, per license type, to the relevant fees. These will then be added to get the total revenue from vehicle licenses.

Current provincial revenue sources and trends

As indicated in the preceding paragraphs, motor vehicle licenses are the main source generating item. They are followed by administrative fees and interest. In respect of administrative fees, special and personal motor vehicle registration plates are the main generators of revenue. They are followed by camping fees and rental of buildings adds as further source of revenue.

5. Payment summary**5.1 Key assumptions**

The Department budgeted for a 5.5 percent wage increase for this financial year, which is based on the projected CPIX plus 1 percent.

Projected salary increases for the 2009 MTEF

2008/09	2009/10	2010/11	2011/12
10.5%	5.5%	5%	4.5%

The following elements have been taken into account when determining personnel budgets for the new MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary costs including ICS adjustments from 1 July and January each year;
- Salary increases for people with scarce skills;
- Grades and level of each staff;
- Increased take up of benefits such as medical aid, homeowners allowance, etc.
- Contract employees;
- Overtime pay;
- Merit bonuses;
- Pension fund contributions, thirteenth cheque and overtime all linked to the basic salary cost (increases at the same rate);
- Medical aid contributions which normally increase more rapidly than inflation;
- Homeowners allowance which changes with the interest rate; and Skills development.

5.2 PROGRAMME SUMMARY**TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC TRANSPORT, ROADS AND TRANSPORT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Administration	157 966	208 612	227 328	294 026	294 026	331 827	312 243	333 911	346 220
2. Public Works	428 075	441 599	560 979	744 050	760 051	832 617	823 378	874 607	918 851
3. Road Infrastructure	609 626	658 234	1 078 818	1 467 161	1 470 940	1 470 940	1 677 883	1 745 416	1 958 528
4. Public and Freight Transport	67 397	77 347	142 407	131 906	197 997	226 135	1 604 761	211 501	228 184
5. Community-Based Programmes	217 894	219 624	224 436	209 434	209 434	209 434	210 934	222 940	233 980

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
6. Gautrain Rapid Rail Link	599 669	4 621 448	4 890 116	4 765 993	4 766 993	8 566 993	5 212 691	2 430 660	2 188 230
Total payments and estimates	2 080 627	6 226 864	7 124 084	7 612 570	7 699 441	11 637 946	9 841 890	5 819 035	5 873 993

TABLE 4: SUMMARY OF ECONOMIC CLASSIFICATION: PUBLIC TRANSPORT, ROADS AND WORKS.

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Current payments	874 249	782 633	1 149 270	1 386 787	2 376 982	2 515 472	4 074 756	3 010 486	3 246 060
Compensation of employees	335 027	365 335	441 819	444 112	475 591	504 455	492 629	518 549	543 101
Goods and services	537 796	415 953	707 004	942 675	1 901 391	2 011 017	3 582 127	2 491 937	2 702 959
Interest and rent on land									
Financial transactions in assets and liabilities	1 426	1 345	447						
Transfers and subsidies	799 665	4 836 276	5 104 931	5 183 589	5 286 459	9 086 474	5 660 247	2 739 041	2 518 755
Provinces and municipalities	7 469	6 733	1 893		18 000	18 015			
Departmental agencies and accounts	599 669	4 621 448	4 928 231	5 183 589	5 036 863	8 836 863	5 620 247	2 689 041	2 458 755
Universities and technikons			1						
Public corporations and private enterprises	867	6 735			223 596	224 596			
Foreign governments and international organisations									
Non-profit institutions					1 000				
Households	191 660	201 360	174 806		7 000	7 000	40 000	50 000	60 000
Payments for capital assets	406 713	607 955	869 883	1 042 194	36 000	36 000	106 887	69 508	109 178
Buildings and other fixed structures	379 987	543 836	816 311	1 036 194	10 000	10 000	11 887	25 008	55 178
Machinery and equipment	8 543	27 977	7 990		20 000	20 000	15 000	19 500	24 000
Cultivated assets									
Software and other intangible assets	896	30 845	273						
Land and subsoil assets	17 287	5 297	45 309	6 000	6 000	6 000	80 000	25 000	30 000
Total economic classification: PTRW	2 080 627	6 226 864	7 124 084	7 612 570	7 699 441	11 637 946	9 841 890	5 819 035	5 873 993

The largest share of the budget is allocated for the delivery of strategic economic infrastructure to facilitate sustainable economic growth and contribute to job creation within the Programme 6: Gautrain. Programme 3: Road Infrastructure receives the second largest share of the budget mainly to plan, design, construct innovate and maintain the provincial road network, the provincial public transport network, and public transport infrastructure. The third biggest share of the budget is allocated to Programme 4: Public Transport to facilitate the implementation of multi-sectoral projects across the province. Through this, in particular youth, women and people with disabilities being provided with training and productive employment opportunities so that skills and enterprises are developed and sustained, infrastructure is developed and maintained, and local economies enhanced.

The Department's total payments increased from R2 billion in 2005/06 to R7.1 billion in the 2006/07 financial year, an annual growth rate of 77.5 percent. The very large increase was related mainly to the Gautrain national conditional grant allocation and the provincial allocation totalling R10.1 billion over this period. The trend continues in the 2008/09 financial year, with a R4.8 billion allocation for Gautrain and a R1.5 billion allocation for road infrastructure. The 2008/09 allocation was increased by R86.9 million during the adjustments budget process to fund the shortfall in personnel funding of R16 million. R1 million from the City of Tshwane was allocated to Gautrain in terms of the cooperation agreement and shared vision agreement between GPG, the City of Tshwane and Bombela Concession Company, and R69.9 million in terms of the revenue incentive agreement to finance the operations of the Urban Transport Fund (UTF).

The budget declines significantly from R9.8 billion in 2009/10 to R5.8 billion in 2011/12, a decrease of R4 billion or 36 percent over the 2009 MTEF. This decline is related to Gautrain as the project will be reaching completion.

Allocations made to Public Transport, Roads and Works for the provincial key programmes amount to R11.7 billion over the MTEF. These programmes relate to the Gautrain Rapid Link, the infrastructure grant, Workfare, the Gauteng Provincial Government Kopanong Precinct project, road infrastructure and the North West bus subsidies.

The provincial allocation to augment national funding for the construction of the Gautrain Rapid Link project totals R6.3 billion, and R1.6 billion is allocated to augment the road infrastructure conditional grant over the term. The provincial road infrastructure is allocated a further R1.6 billion for maintenance and upgrading. The balance of the provincially earmarked allocations includes the subsidy of R90.6 million for the bus service inherited from the North West Province through the demarcation process, R772.7 million for the Gauteng Provincial Government precinct, and R627.8 million for Workfare programmes.

The Department's major cost drivers are the transfers and subsidies to departmental agencies and current payments, mainly goods and services. Total transfers and subsidies allocations increase from R799 million in 2005/06 to R5.1 billion in 2007/08, an average annual growth of 24 percent. The total current payments increased from R874 million in the 2005/06 financial year to R1.1 billion in the 2008/7 financial year, an annual average growth of 42 percent. Goods and services reflect an annual growth rate of 55 percent during the same period. Compensation of employees grows at an annual average rate of 14 percent. The significant growth in compensation of employees was to cover the higher than anticipated salaries cost resulting from the wage settlement in the 2008/09 financial year.

The very large growth rate in transfer and subsidies is due to transfers made to the Gautrain Management Agency which is responsible for managing of Gautrain projects. However, there is a substantial decline in the outer year of the MTEF as the Gautrain project nearing the end.

Payment for capital assets sharply declined from R406 million in 2005/06 to R36 million in 2008/09, an annual average rate of 55.5 percent. The 2008/09 adjustment budget process resulted in a 95 percent decrease, because the Department reclassified the capital budget that was formulated using the 2007/08 Standard Chart of Accounts (SCOA) to be aligned with the new SCOA that was implemented in 2008/09.

5.3 INFRASTRUCTURE PAYMENTS

5.3.1 Departmental Infrastructure payments

	2005/06	2006/07	2007/08	2008/09			2009/10	2010/2011	2011/2012
Programme	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Payments for infrastructure by category									
New infrastructure assets									
	74 121	74 200	4 613 990	5 140 057	1 000	5 205 293	5 335 458	2 434 171	2 188 230
Gautrain				4 765 993	1 000	4 766 993	5 212 691	2 430 660	2 188 230
Other new	74 121	74 200	4 613 990	374 064		438 300	122 767	3,511	

	2005/06	2006/07	2007/08	2008/09			2009/10	2010/2011	2011/2012
Programme	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Existing infrastructure assets	269 010	247 925	611 903	1 083 681		1 083 681	1 628 068	1 578 771	1 606 670
Maintenance and repair	130 955	112 700	178 425	151 216		151 216	411 950	449,667	458 647
Upgrading and additions	138 055	135 225	433 478	896 665		896 665			
Rehabilitation and refurbishment				35 800		35 800	1 216 118	1 129 104	1 148 023
Infrastructure transfers									
Current Capital									
Current infrastructure	130 955	112 700	178 425	151 216		151 216	411 950	449 667	458 647
Capital infrastructure	212 176	209 425	5 047 468	6 072 522	1 000	6 073 522	5 946 576	3 563 275	3 336 253
Total DPTRW infrastructure	343 131	322 125	5 225 893	6 223 738	1 000	6 288 974	6 963 526	4 012 942	3 794 900

The new construction category relates to the construction of the new roads throughout the province as well as to the Gautrain project that will construct the rail infrastructure and its stations.

The rehabilitation category relates to the renovations of various offices, the rehabilitation of various roads and other miscellaneous upgrades of different government institution.

Maintenance relates to the maintenance of various government buildings throughout the province, and routine maintenance on the road infrastructure. These funds for maintenance are utilised for this purpose.

Other capital Projects include the tarring of roads throughout the province, most of which are in various townships.

6. PROGRAMME DESCRIPTION

PROGRAMME1: ADMINISTRATION

To conduct the overall management and administrative support function to the Office of the MEC and for the department.

Programme objectives

- To render advisory, secretarial, administrative and office support service to the MEC
- To render a strategic support to the department in the areas of finance, human resources, procurement, systems communication and policy.

TABLE 6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Management	28 321	24 811	47 633	40 439	51 839	89 640	54 858	74 058	77 760
2. MEC's Office	9 422	8 429	5 110	7 637	7 737	7 737	10 233	13 712	15 812

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
3. Corporate support	120 223	175 372	174 585	170 763	159 263	159 263	198 021	194 799	201 306
4. Project Support Office (PMU)				75 187	75 187	75 187	49 131	51 342	51 342
Total payments and estimates	157 966	208 612	227 328	294 026	294 026	331 827	312 243	333 911	346 220

TABLE 7: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Current payments	146 953	157 391	220 580	294 026	287 026	324 812	310 243	330 911	342 220
Compensation of employees	63 730	71 025	93 174	81 753	91 754	117 677	105 436	112 109	117 558
Goods and services	81 992	86 006	127 385	212 273	195 272	207,135	204 807	218 802	224 662
Interest and rent on land									
Financial transactions in assets and liabilities	1 231	360	21						
Transfers and subsidies	4 771	4 147	2 980		3 000	3 015			
Provinces and municipalities	226	86				15			
Departmental agencies and accounts									
Universities and technicians			1						
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	4 545	4 061	2 979		3 000	3 000			
Payments for capital assets	6 242	47 074	3 768		4 000	4 000	2 000	3 000	4 000
Buildings and other fixed structures		41 636			1 000	1 000			
Machinery and equipment	6 238	5 438	3 495		3 000	3 000	2 000	3 000	4 000
Cultivated assets									
Software and other intangible assets	4		273						
Land and subsoil assets									
Total economic classification	157 966	208 612	227 328	294 026	294 026	331,827	312 243	333 911	346 220

Over the period 2005/06 to 2008/09 expenditure increased at an annual average rate of 29 percent from R157.9 million to R294 million. High financial injection in the Office of the MEC, Financial Management and Corporate Support Services sub-programmes during the 2006/07 financial year mainly was made to increase capacity in these sub-programmes.

The budget over the MTEF grows steadily from R312 million in 2009/10 financial year to R346 million in 2011/12 to accommodate the inflationary adjustments. The Corporate Support Services sub-programme receives the largest share of the total funding allocated to the program mainly because senior management of trading entity get paid under this sub-programme.

The programme expenditure is allocated mainly to current payments. The share of current payment expenditure ranges between 75 and 90 percent during the year under review. Goods and services are the main drive of the programme expenditure with the share of the total programme ranging between 42 and 55 percent during the first four year. This share is set to increase to an annual average of 10 percent over the MTEF. This is mainly informed by the nature of services of the PMU unit which relate to the use of consultancy services.

PROGRAMME 2: PUBLIC WORKS**Programme description**

To provide accommodation for all provincial departments, manage the provincial property portfolio for the optimum benefit of all concerned and to render maintenance, professional and technical services to departments in respect of buildings and related infrastructure.

Programme objective

- To construct new facilities and to upgrade, rehabilitate and maintain existing facilities as identified in consultation with the relevant user departments.
- To manage the property portfolio of the province.

TABLE 8: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC WORKS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Construction	89 242	89 876	64 414	128 353	40 266	112 832	155 307	180 156	169 183
2. Maintenance	225 108	254 322	270 551	164 130	266 218	266 218	252 374	264 129	276 279
3. Property Management	113 725	97 401	226 014	451 567	453 567	453 567	415 697	430 322	473 389
Total payments and estimates	428 075	441 599	560 979	744 050	760 051	832 617	823 378	874 607	918 851

TABLE 9: SUMMARY OF ECONOMIC CLASSIFICATION: PUBLIC WORKS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Current payments	351 254	325 108	453 503	407 367	517 455	590 021	573 622	609 726	641 326
Compensation of employees	148 012	161 202	169 474	185 035	201 036	201 036	194 722	204 400	214 007
Goods and services	203 242	163 906	284 024	222 332	316 419	388 985	378 900	405 326	427 319
Interest and rent on land									
Financial transactions in assets and liabilities			5						
Transfers and subsidies	7 079	1 093	39 579	221 596	236 596	236 596	243 756	258 381	270 525
Provinces and municipalities	6 090	569	226		13 000	13 000			
Departmental agencies and accounts			38 115	221 596	221 596	221 596	243 756	258 381	270 525
Universities and technikons									
Public corporations and private enterprises					221 596				
Foreign governments and international organizations									
Non-profit institutions									
Households	989	524	1 238		2 000	2 000			
Payments for capital assets	69 742	115 398	67 897	115 087	6 000	6 000	6 000	6 500	7 000
Buildings and other fixed structures	68 850	113 244	66 000	115 087	3 000	3 000			
Machinery and equipment		2 154	1 897		3 000	3 000	6 000	6 500	7 000
Cultivated assets									
Software and other intangible assets	892								
Land and subsoil assets									

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Total economic classification	428 075	441 599	560 979	744 050	760 051	832 617	823 378	874 607	918 851

The total payments increase at an average annual rate of 15.3 percent between 2005/06 and 2011/12 financial years. The expenditure averages at R477 million during the first three year and is estimated at R823 million in 2009/10. Over the MTEF period the programme estimates a budget allocation of R823 million; R875 million and R907 million for the financial years 2009/10; 2010/11 and 2011/12 respectively. An estimated increase of R52 million from R823 to R875 million in the financial year 2010/11 mainly is attributed to increased in spending in Maintenance and Property Management sub- programmes.

The expenditure trends in Maintenance and Property Management sub-programmes largely influence the programme expenditure. The two programme account for more than 80 percent of the programme expenditure during the first three years with the Maintenance accounting for the largest share of the programme expenditure. The increases in the sub-programmes mentioned above can be attributed to payment of water, municipal rates and maintenance of assets register for all properties under public works.

The cost drivers for this programme are the current payments which form approximately 80 percent of the total budget over the 7-year period under review. Compensation of employees grow from R148 million in 2005/06 to R185 million in 2008/09 or a growth rate of 12 percent year on year. Goods and services increased from R203 million to R222 million between 2005/06 to 2008/09 financial years. An increase in allocation for compensation of employees and goods and services is to accommodate inflationary increases and salary adjustments.

Transfers and subsidies are increasing significantly from a base of R7 million in 2005/06 to R221 million in 2008/9 at an annual average of 313 percent. The increase is due to the introduction of devolution of property grant that was introduced in 2007/08 financial year.

Total payments for capital assets show significant decline over the seven year period from R69 million in 2005/06 financial to R7 million 2011/12 financial year. The decline is mainly attributed to changes brought about by the new SCOA items classification.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

Programme 2: Public works

Measurable objective	Performance measure	Actual	Estimates	Performance Target		
		2007/08	2008/09	2009/10	2010/11	2011/12
Maintenance of GPG fixed assets	No. of education facility		2	2	2	
	No. health projects		248	250	252	252
	Nature reserve			6		
	Other		12	12	12	12
Development of necessary technical skill	No. of learnerships			30		
	Training courses			50		
Property Management	Maintain GPG owned					
	Properties		627			
	Physical verification of GPG					
	Owned Properties	6290		9102		
	Renew residential leased property agreements		209	437		
	Renew office accom. leased property agreements	8	28	35		
Facilities Management	Create access friendly measures to GPG building for people with disabilities	20 buildings	20 buildings			
	Ensure occupational health and safety					

PROGRAMME 3: TRANSPORT INFRASTRUCTURE**Programme description**

- To plan, design, construct innovate and, maintain the provincial road network, the provincial public transport network, and public transport infrastructure;

Programme Objective

- To manage and execute the design, construction, innovation and maintenance of transport infrastructure.
- Manage transport systems and related institutions.
- Development of transport plans for the province.
- Ensure integrated and inter- modal transport system.

TABLE 10: SUMMARY OF PAYMENTS AND ESTIMATES: ROAD INFRASTRUCTURE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Road Planning	20 183	22 468	34 801	32 910	34 150	34 150	36 019	37 460	38 958
2. Design	51 895	39 982	52 888	50 072	42 441	42 441	55 006	57 206	59 494
3. Construction	115 373	177 351	570 386	652 311	368 848	426 699	687 028	706 271	858 858
4. Maintenance	362 746	170 777	246 335	665 868	888 131	830 280	667 618	876 066	930 070
5. Development Projects	4	1 602	45 846						
6. Infrastructure Grant		164 921	128 562						
7. Transport admin and Licensing	59 425	81 133		66 000	137 370	137 370	232 212	68 413	71 148
Total payments and estimates	609 626	658 234	1 078 818	1 467 161	1 470 940	1 470 940	1 677 883	1 745 416	1 958 528

TABLE 11: SUMMARY OF ECONOMIC CLASSIFICATION: ROAD INFRASTRUCTURE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Current payments	274 805	230 113	283 669	344 054	1 175 070	1 175 070	1 417 196	1 688 408	1 864 350
Compensation of employees	99 749	115 963	136 958	141 367	141 367	141 367	150 706	157 637	165 046
Goods and services	174 861	113 165	146 290	202 687	1 033 703	1 033 703	1 266 490	1 530 771	1 699 304
Interest and rent on land									
Financial transactions in assets and liabilities	195	985	421						
Transfers and subsidies	5 241	7 183	7 125	196 000	272 870	272 870	163 800		
Provinces and municipalities	294	437	23		5 000	5 000			
Departmental agencies and accounts				196 000	265 870	265 870	163 800		
Universities and technikons									
Public corporations and private enterprises	867	6 171				1 000			
Foreign governments and international organizations									
Non-profit institutions					1 000				
Households	4 080	575	7 102		1 000	1 000			
Payments for capital assets	329 580	420 938	788 024	927 107	23 000	23 000	96 887	57 008	94 178
Buildings and other fixed structures	311 137	373 660	740 655	921 107	6 000	6 000	11 887	25 008	55 178
Machinery and equipment	1 156	11 136	2 060		11 000	11 000	5 000	7 000	9 000
Cultivated assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Software and other intangible assets		30 845							
Land and subsoil assets	17 287	5 297	45 309	6 000	6 000	6 000	80 000	25 000	30 000
Total economic classification	609 626	658 234	1 078 818	1 467 161	1 470 940	1 470 940	1 677 883	1 745 416	1 958 528

The largest share of the budget is allocated for addressing roads maintenance and construction of new roads and infrastructure projects. The programme expenditure rose notably from R609 million to R1.4 billion during the first three years. Spending is further projected to increase at an annual average of 7 percent over the MTEF. The provincial road infrastructure is allocated a further R1.6 billion to augment the road infrastructure conditional grant over the term for maintenance and upgrading. Allocations are set to increase from R1.4 billion to R1.9 billion over the MTEF financial year.

The increased roads infrastructure related activities are largely informed by preparation for the 2010 FIFA world cup. The department continues to focus on the coordination and alignment of transport plans in the province.

The cost drivers of Roads Infrastructure expenditure are the current payments. This expenditure is mainly on goods and services, growing from R174 million in 2005/06 to R1 billion in 2008/09. Indicating an annual average growth rate of 17 percent. The huge expenditure increase in 2008/09 occurred during the adjustment budget period where payments capital assets budgeted was shifted to goods and services.

Transfers and subsidies grew from R5.2 million in 2005/06 financial year to R196 million in 2008/09 financial. The increase resulted from the GDS allocation for the Integrated Transport System that includes navigational and information signal. An allocation of R163 million is made available for this in the 2009/10 financial year.

Total payments for capital assets decline sharply from R927 million to R96 million between 2008/09 and 2009/10 financial years. The decrease occurred during the 2008/09 adjustments when the budget (R565. million) for equipment planning, designing and construction that was formulated as per the 2007/08 SCOA is reclassified as per new SCOA implemented in 2008/09.

ROAD INFRASTRUCTURE

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

Programme 3: Road Infrastructure

Measurable objective	Performance measure	Actual	Estimates	Performance Target		
		2007/08	2008/09	2009/10	2010/11	2011/12
Upgrading	Gravel roads to surfaced roads in km	15		6	15	
	No. of km surfaced roads rehabilitated		26	14	13	20
	Upgrading of gravel roads to surfaced roads in 20 T	22	60	72		
	Roads network widening				15	
	EPWP jobs created		1 353	6 800	7 480	6 800
Maintenance	No. of KM re-sealed tarred roads	47.2	55	70	100	
	No. of KM of roads re-graveled		6 000	6 500	6 500	
	No. of KM routine maintenance on all roads	5 200		5 223		

PROGRAMME 4: PUBLIC TRANSPORT

Programme description

To promote, regulate, and develop an integrated public transport system, incorporating transformation of the bus and taxi industries, and the integration of Gautrain into the public transport network and commuter rail system.

Programme Objective

- To manage and co-ordinate all modes of public transport.
- To administer transport legislation, regulations and services.
- To implement the Gauteng Public Transport Action Agenda.
- To plan and co-ordinate commuter rail policies and development of strategies and projects.
- To regulate Public Passenger Transport through issuing of operating licenses.

TABLE 12: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC TRANSPORT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Institutional Management	35 803	36 722	82 050	114 406	171 406	171 406	1,578 551	183 457	198 738
2. Regulation and Control	31 594	40 625	60 357	17 500	26 591	54 729	26 210	28 044	29 446
Total payments and estimates	67 397	77 347	142 407	131 906	197 997	226 135	1,604 761	211 501	228 184

TABLE 13: SUMMARY OF ECONOMIC CLASSIFICATION: PUBLIC TRANSPORT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Current payments	65 463	61 847	140 340	131 906	188 997	217 135	1 602 176	208 501	224 184
Compensation of employees	20 824	15 266	29 084	30 102	32 000	34 941	31 860	34 003	35 601
Goods and services	44 639	46 581	111 256	101 804	156 997	182 194	1 570 901	174 498	188 583
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies	853	6 309	1 644		7 000	7 000			
Provinces and municipalities	853	5 641	1 644						
Departmental agencies and accounts					4 000	4 000			
Universities and technikons									
Public corporations and private enterprises		564			2 000	2 000			
Foreign governments and international organisations									
Non-profit institutions									
Households		104			1 000	1 000			
Payments for capital assets	1 081	9 191	423		2 000	2 000	2 000	3 000	4 000
Buildings and other fixed structures									
Machinery and equipment	1 081	9 191	423		2 000	2 000	2 000	3 000	4 000
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	67 397	77 347	142 407	131 906	197 997	226 135	1,604 761	211 501	228 184

The programme expenditure estimates allocation totals R201 million, R212 million and R228 million in the financial years 2009/10; 2010/11 and 2011/12 respectively. The increase of R11 million and R16 million in the financial years 2010/11 and 2011/12 can be attributed to estimated increase in spending on Empowerment and Institutional Management.

The expenditure is expected to grow at an average annual rate of 22.5 percent between 2005/06 and 2011/12 financial year from R67 million to R228 million respectively. The Institutional Management sub-programme contributes significantly from an amount of R35 million in the year 2005/06 to R199 million in 2011/12 financial year. This is mainly driven expenditure incurred as result of provincial demarcation process which led to the payment of bus subsidies that were previously the responsibility of North West Province. It is important to note that an amount of R55 million was reallocated for the internally shifted public transport registration and operating licensing function from programme 3.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

Programme 4: Public Transport

Measurable objective	Performance measure	Estimates	Performance Target		
		2008/09	2009/10	2010/11	2011/12
Taxi recapitalization	Number of licenses issued to new vehicles	23 000	25 958	6 000	6 600
Empowerment and institutional	No. of small bus operators, taxis, women and				
Management	youth trained		100		

PROGRAMME 5: EXPANDED PUBLIC WORKS PROGRAMME

Programme description

Facilitating the implementation of multi-sectoral projects across the province whereby particularly youth, women and people with disabilities are provided with relevant training and productive employment opportunities such that skills and enterprises are developed and sustained, infrastructure is developed and maintained, and local economies enhanced.

Objectives of Expanded Public Works Programme

- Coordinate and lead EPWP in Gauteng Province by Promoting linkages between sectors.
- Address unemployment by generating short and sustainable jobs.
- Monitor and facilitate evaluation of EPWP projects in Gauteng.
- Facilitate skills development through technical and institutional training
- Facilitate job opportunities by targeting the vulnerable sector of society/the community especially women, youth and people with disabilities

TABLE 14: SUMMARY OF PAYMENTS AND ESTIMATES: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Community Development	3 609	22 222	27 369						
2. Innovation and Empowerment	190 581	197 402	157 520						
3. Job Creation Works	15 281		346						
4. Job Creation Roads	8 423		8 724						
5. Project Management Project (PMU)			30 477						
6. Programme Support				9 434	14 013	14 013	10 434	13 940	15 157
7. Project Implementation				200 000	195 421	195 421	200 500	209 000	218 823
Total payments and estimates	217 894	219 624	224 436	209 434	209 434	209 434	210 934	222 940	233 980

TABLE 15: SUMMARY OF ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Current payments	35 774	8 174	51 178	209 434	208 434	208 434	170 934	172 940	173 980
Compensation of employees	2 712	1 879	13 129	5 855	9 434	9 434	9 905	10 400	10 889
Goods and services	33 062	6 295	38 049	203 579	199 000	199 000	161 029	162 540	163 091
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies	182 052	196 096	163 487				40 000	50 000	60 000
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	182 046	196 096	163 487				40 000	50 000	60 000
Payments for capital assets	68	15 354	9 771		1 000	1 000			
Buildings and other fixed structures		15 296	9 656						
Machinery and equipment	68	58	115		1 000	1 000			
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	217 894	219 624	224 436	209 434	209 434	209 434	210 934	222 940	233 980

Total payments for the programme grew from R217.9 million in 2005/06 to 209.4 million in 2008/09 achieving an annual average of 10 percent. In 2008/09 financial year the programme was restructured to constitute only two sub-programmes namely: Programme Support and Project Implementation. Expenditure for the programme is mainly attributed to Project Implementation sub programme. Over the MTEF the programme expenditure is estimated at R210 million, R222 million and R233 million in 2009/10; 2010/11 and 2011/12 financial year respectively.

Current payments are the main driver of expenditure mainly attributed to goods and services. The expenditure increases from R33.1 million in 2005/06 to 203.6 million in 2008/09 or annual average growth of 61 percent. The spending is estimated to grow from R160 million to R163 million over the 2009 MTEF period showing an annual growth rates of 1 percent.

Transfers and subsidies budget is estimated to grow from R40 million in 2009/10 financial year and accumulates to R90 million over the MTEF.

EXPANDED PUBLIC WORKS PROGRAMME**KEY OUTPUTS AND SERVICE DELIVERY MEASURES****Programm5:EPWP**

Measurable objective	Performance measure	Actual	Estimates	Performance Target		
		2007/08	2008/09	2009/10	2010/11	2011/12
Community- Based programmes	No. of EPWP programmes	73	46	50	56	
	No. of employment days created				14 089	
	No. of youths(16-25) employed		2 456	6 000	14 227	6 600

PROGRAMME 6: GAUTRAIN RAPID RAIL LINK**Programme description**

The purpose of the programme is to plan, design and the construction of the Rapid Rail Link between the Tshwane- Sandton -OR Tambo International airport and the Johannesburg CBD.

Objectives of Gautrain Rapid Rail Link

The strategic objectives of the Gautrain Rapid Rail Link are:

- Stimulation of economic growth, development and job creation;
- Contribution to the alleviation of the severe traffic congestion in the Tshwane – Johannesburg corridor;
- Achievement of the Province's goals with SMME's, tourism and BBBEE;
- Promotion of the public transport usage;
- Improving the image of public transport and attract more car users to public transport;
- Promotion of business tourism through the link between Sandton and ORTIA;
- Significant contribution towards urban restructuring, shortening of travel distances and improving city sustainability;
- Provision of a link(s) to the Tshwane ring rail project – linking also Mamelodi, Atteridgeville, Soshanguve and Mabopane;
- Stimulation of the renovation and upliftment of the Johannesburg and Tshwane Central, Business Districts;
- Linking the main economic nodes in Gauteng; and to comprise a significant part of a holistic transport plan and network for Gauteng.

TABLE 16: SUMMARY OF PAYMENTS AND ESTIMATES: 6 GAUTRAIN RAPID RAIL LINK

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Gautrain	599 669	4 621 448	4 890 116	4 765 993	4 766 993	8 566 993	5 212 691	2 430 660	2 188 230
Total payments and estimates	599 669	4 621 448	4 890 116	4 765 993	4 766 993	8 566 993	5 212 691	2 430 660	2 188 230

TABLE 17: SUMMARY OF ECONOMIC CLASSIFICATION: GAUTRAIN RAPID RAIL LINK

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Current payments									
Compensation of employees									
Goods and services									
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies	599 669	4 621 448	4 890 116	4 765 993	4 766 993	8 566 993	5 212 691	2 430 660	2 188 230
Provinces and municipalities									
Departmental agencies and accounts	599 669	4 621 448	4 890 116	4 765 993	4 766 993	8 566 993	5 212 691	2 430 660	2 188 230
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	599 669	4 621 448	4 890 116	4 765 993	4 766 993	8 566 993	5 212 691	2 430 660	2 188 230

The expenditure on Gautrain project increased from R600 million in the year 2005/06 to R2.2 billion in the financial year 2011/12. It can be observed that the expenditure grew sharply by amount of R4 billion from R600 million to R4.6 billion in the financial year 2006/07 and thereafter increased marginal in the year 2007/08. The programme expenditure indicated some significant growth in expenditure during the 2008/09 financial year. The provincial allocation to augment the national funding for the construction of the Gautrain Rapid Link project totals R6.3 billion over the MTE. The significant decreases in the other year signify the completion of the project.

Over the medium term the expenditure is estimated to decrease substantial by an amount of R2 billion in the financial years 2010/11 and 2011/12. This trend reflects the completion stage of the project and the beginning of maintenance phase.

KEY OUTPUTS AND SERVICE DELIVERY MEASURE

Programme 6: Gautrain

Measurable objective	Performance measure	Actual	Estimates	Performance Target		
		2007/08	2008/09	2009/10	2010/11	2011/12
Construction of Gautrain	Construction and commission progress by the end of financial year			94%	100%	N/A
	Total jobs created			18 500	6 000	5 500
	Amount procured from, sub-contracted to BEE			R690 000	R240 000	R100 000
	Amount procured from, sub-contracted to SMMEs			R45 000	R10 000	

7. OTHER INFORMATION

7.1 Personnel number and cost

TABLE 18: PERSONNEL NUMBERS AND COSTS1: PUBLIC TRANSPORT, ROADS AND WORKS

Personnel numbers	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012
1: Administration	264	401	422	422	422	422	422
2: Public Works	1 597	1 713	1 960	1 960	2 366	2 366	2 366
3: Road Infrastructure	1 197	1 468	1 678	1 678	1 771	1 771	1 771
4: Public Transport	233	309	390	390	452	452	452
5: Community Based Programme	20	35	35	35	35	35	35
6: Gautrain Rapid Rail Link							
Total provincial personnel numbers	3 311	3 926	4 485	4 485	5 046	5 046	5 046
Total provincial personnel cost (R thousand)	335 027	365 335	441 819	504 455	492 629	518 549	543 101
Unit cost (R thousand)	101	93	99	112	98	103	108

According to the table above the departments personnel numbers increased from 3 311 as at 31 March 2006 and the number is expected grow up to 4 485 by 31 March 2008. Indications are personnel numbers and costs for the department are mainly concentrated in programme 2: Public works and programme 3: Roads Infrastructure. The personnel costs are expected to increase from R441 million in 2008/09 financial year to R543 million in 2011/12. This is mainly to cover for inflationary increases as the personnel number are estimated to remain constant over the MTEF.

TABLE 19: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1: Administration	11 694	4 279	12 517	10 065	5 034	14 811	11 629	11 849	12 077
of which									
Subsistence and travel			9 115	201	4 301	10 913	232	237	250
Payments on tuition	11 694	4 279	3 402	9 864	733	3 898	11 397	11 612	11 827
2: Public Works	2 118	1 080	19 340	2 332	1 386	9 735	2 694	2 745	2 796
Subsistence and travel			17 936	47	1 386	7 408	54	55	56
Payments on tuition	2 118	1 080	1 404	2 285		2 327	2 640	2 690	2 740
3: Roads Infrastructure	958	1 231	6 730	1 521	1 491	5 200	1 757	1 791	1 824
Subsistence and travel			6 730	30	1 486	4 250	35	36	36
Payments on tuition	958	1 231		1 491	5	950	1 722	1 755	1 788
4: Public Transport	1 170	164	5 900	445	352	6 252	515	525	536
Subsistence and travel			5 890	9	352	3 792	11	12	13
Payments on tuition	1 170	164	10	436		2 460	504	513	523
5: Community-Based Programme	150	195	349	1 044	42	2 041	1 205	1 228	1 251
Subsistence and travel			349	21	42	1 164	24	25	26
Payments on tuition	150	195		1 023		877	1 181	1 203	1 225
Total payments on training:	16 090	6 949	44 836	15 407	8 305	38 039	17 800	18 138	18 484

TABLE 19: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Total for department									
Personnel numbers (head count)	3 311	3 926	4 485	4 485	4 485	4 485	5 046	5 046	5 046
Personnel cost (R thousands)	335 027	365 335	441 819	444 112	475 591	504 455	492 629	518 549	543 101
Human resources component									
Personnel numbers (head count)	55	67		67			67	72	74
Personnel cost (R thousands)	5 815	7 507		7 957			7 957	8 594	8 753
Head count as % of total for department	2%	2%	0%	2%			2%	2%	2%
Personnel cost as % of total for department	2%	2%	0%	2%			2%	2%	2%
Finance component									
Personnel numbers (head count)	32	52	55	63			63	68	69
Personnel cost (R thousands)	3 456	5 952	6 250	8 102			8 589	9 276	9 448
Head count as % of total for department	1%	1%	1%	1%			1%	1%	1%
Personnel cost as % of total for department	1%	2%	2%	2%			2%	2%	2%

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Full time workers									
Personnel numbers (head count)	3 311	3 926	4 122	5 046			5 046	5 450	5 551
Personnel cost (R thousands)	335 027	355 803	373 593	394 492			412 256	445 236	453 482
Head count as % of total for department	100%	100%	105%	113%			100%	108%	110%
Personnel cost as % of total for department	100%	97%	102%	89%			84%	86%	83%
Part-time workers									
Personnel numbers (head count)	385	249	261	100			50	50	50
Personnel cost (R thousands)									
Head count as % of total for department	12%	6%	7%	2%			1%	1%	1%
Personnel cost as % of total for department									
Contract workers									
Personnel numbers (head count)	385	435	457	350			350	371	378
Personnel cost (R thousands)	33 420	38 873	40 817	31 271			32 554	34 507	35 158
Head count as % of total for department	12%	11%	12%	8%			7%	7%	7%
Personnel cost as % of total for department	10%	11%	11%	7%			7%	7%	6%

7.2 Training

TABLE: 20: PAYMENT ON TRAINING: PUBLIC TRANSPORT, ROADS AND WORKS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1: Administration	11 694	4 279	12 517	10 065	5 034	14 811	11 629	11 849	12 077
<i>of which</i>									
Subsistence and travel			9 115	201	4 301	10 913	232	237	250
Payments on tuition	11 694	4 279	3 402	9 864	733	3 898	11 397	11 612	11 827
2: Public Works	2 118	1 080	19 340	2 332	1 386	9 735	2 694	2 745	2 796
Subsistence and travel			17 936	47	1 386	7 408	54	55	56
Payments on tuition	2 118	1 080	1 404	2 285		2 327	2 640	2 690	2 740
3: Roads Infrastructure	958	1 231	6 730	1 521	1 491	5 200	1 757	1 791	1 824
Subsistence and travel			6 730	30	1 486	4 250	35	36	36
Payments on tuition	958	1 231		1 491	5	950	1 722	1 755	1 788
4: Public Transport	1 170	164	5 900	445	352	6 252	515	525	536
Subsistence and travel			5 890	9	352	3 792	11	12	13
Payments on tuition	1 170	164	10	436		2 460	504	513	523
5: Community-Based Programme	150	195	349	1 044	42	2 041	1 205	1 228	1 251
Subsistence and travel			349	21	42	1 164	24	25	26
Payments on tuition	150	195		1 023		877	1 181	1 203	1 225

Total payments on training:	16 090	6 949	44 836	15 407	8 305	38 039	17 800	18 138	18 484
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TABLE 21: INFORMATION ON TRAINING: PUBLIC TRANSPORT, ROADS AND WORKS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Number of staff	2 260	1 512		1 753	1 753	1 881	1 995	2 029	2 133
Number of personnel trained	1 697	1 023		1 239	1 239	1 357	1 445	1 472	1 479
of which									
Male	1 463	879		1 066	1 066	1 168	1 243	1 266	1 272
Female	234	144		173	173	189	202	206	207
Number of training opportunities	90	151		100	100	100	100	100	100
of which									
Tertiary	90	151		100	100	100	100	100	100
Workshops									
Seminars									
Other									
Number of bursaries offered	173	33		95	95	98	105	105	105
Number of interns appointed	130	130		136	136	139	147	150	153
Number of learnerships appointed	170	175		183	183	187	198	202	296
Number of days spent on training									

The total allocation for training, including bursaries, amounts to R54.4 million (or 3.5 percent of the total personnel budget) over the MTEF, which exceeds the one percent of the personnel budget that is required in terms of the Skills Development Levy.

The department has offered a total of 206 bursaries during the first two years under review. A total of 95 bursaries are budget for in 2008/09, which are projected to increase to 105 in the MTEF. The internship opportunities provided amount to 260 during the first two years. A total of 183 interns are budget for in 2008/09 which will rise to 296 in the MTEF.

