

VOTE 9

DEPARTMENT OF ROADS AND TRANSPORT

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	6 152 859	6 033 416	(119 443)	
<i>of which:</i>				
Current payments	1 621 952	1 537 828	(84 124)	
Transfers and subsidies	3 245 082	3 495 321		250 239
Payments for capital assets	1 285 825	1 000 267	(285 558)	
Payment for financial assets				
Executive authority	MEC for Roads and Transport			
Accounting officer	Head of the Department			

1. Vision and mission

Vision

An integrated and efficient transport system in Gauteng that promotes sustainable economic growth, skills development and job creation, fosters quality of life, socially includes all communities and preserves the environment.

Mission

To provide an environmentally sustainable road infrastructure and integrated transport system and services that are reliable, accessible, safe, and affordable and which promote socio-economic development in Gauteng.

2. Changes to programme purpose and objectives

Not applicable.

3. Summary of Adjusted Estimates of Departmental Expenditure 2014/15

TABLE 9.1: ROADS AND TRANSPORT

Programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Administration	289 457				(16 000)				(16 000)	273 457
2. Transport Infrastructure	2 099 296	(156 722)			85 174			60 000	(11 548)	2 087 748
3. Transport Operations	2 134 067	(6 272)			(9 287)				(15 559)	2 118 508
4. Transport Regulation	318 291	(16 449)			(59 887)				(76 336)	241 955
5. Gautrain	1 311 748									1 311 748
Total for programmes	6 152 859	(179 443)						60 000	(119 443)	6 033 416

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	1 621 952	(51 455)			(32 669)				(84 124)	1 537 828
Compensation of employees	640 092				(48 728)				(48 728)	591 364
Goods and services	981 360	(51 455)			16 059				(35 396)	945 964
Interest and rent on land	500									500
Transfers and subsidies	3 245 082				190 239			60 000	250 239	3 495 321
Provinces and municipalities	1 800				(495)				(495)	1 305
Departmental agencies and accounts	1 311 748									1 311 748
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	1 927 854									1 927 854
Non-profit institutions										
Households	3 680				190 734			60 000	250 734	254 414
Payments for capital assets	1 285 825	(127 988)			(157 570)				(285 558)	1 000 267
Buildings and other fixed structures	1 221 393	(127 988)			(159 691)				(287 679)	933 714
Machinery and equipment	64 432				(4 379)				(4 379)	60 053
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets					6 500				6 500	6 500
Payments for financial assets										
Total economic classification	6 152 859	(179 443)						60 000	(119 443)	6 033 416

The tables above indicate the main appropriation, adjustments for the current financial year as well as the resultant adjusted budget for the Department as a whole. The department was allocated with an original budget of R6.1 billion at the start of the financial year. An additional amount of R60 million is allocated as part of the adjustments to ensure that the department is able to settle the court order of the same amount. The department

will further surrender an amount of R179.4 million back to the Provincial Revenue Fund (PRF) for infrastructure projects which are not ready for implementation during the current financial year. The total Adjusted Appropriation will amount to R6 billion.

The department further shifted the allocated budget internally to ensure that:

- Another court order of R190 million is settled accordingly;
- Other operational requirements are catered for, such as the air-conditioning system within the department that was causing serious health and wellness issues for the staff; and
- The areas of anticipated over-spending are addressed to ensure that there is no unauthorized expenditure at the end of the financial year.

4. Details of Adjustments to Estimates of Departmental Expenditure 2014/15

Programme 1: Administration

TABLE 9.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Office of the MEC	11 647									11 647
2. Management of the Department	23 626				(8 193)				(8 193)	15 433
3. Corporate Support	248 816				(7 807)				(7 807)	241 009
4. Departmental Strategy	5 368									5 368
Total for programme	289 457				(16 000)				(16 000)	273 457

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	282 557				(32 509)				(32 509)	250 048
Compensation of employees	130 440									130 440
Goods and services	151 987				(32 509)				(32 509)	119 478
Interest and rent on land	130									130
Transfers and subsidies	500				9				9	509
Provinces and municipalities					5				5	5
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	500				4				4	504
Payments for capital assets	6 400				16 500				16 500	22 900
Buildings and other fixed structures										
Machinery and equipment	6 400				10 000				10 000	16 400
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Vote 9 - Roads and Transport • Adjustment Budget - 2014/15

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Software and other intangible assets					6 500				6 500	6 500
Payments for financial assets										
Total economic classification	289 457				(16 000)				(16 000)	273 457

TABLE 9.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(47 664)		15 155
Compensation of employees	The departmental recruitment drive has been slower than planned. Not all posts have been filled.	(8 193)	Funds are redirected to Management sub-programme which has incurred additional costs not anticipated at the start of the financial year.	8 193
Goods and services	The anticipated underspending is as a result of cost saving measures being implemented by the department.	(39 471)	Funds are redirected to cover the costs which were not adequately budgeted for at the beginning of the financial year.	6 962
Interest and rent on land				
Transfers and subsidies				9
Provinces and municipalities			Funds are directed to cover costs which were not anticipated at the beginning of the financial year.	5
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Funds are directed to supplement the budget for payments for injury on duty.	4
Payments for capital assets				16 500
Buildings and other fixed structures			Funds are redirected to cover expenditure for air conditioner installations at regional offices maintained by the department.	10 000
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets			Funds are redirected to where Software licenses expenditure is incurred.	6 500
Payments for financial assets				
Total economic classification		(47 664)		31 664

Virements and shifts

The shifts within this programme are mainly to address the areas of possible over-spending within the programme, such as the compensation of employees within the Corporate Services sub-programme and the funds are therefore shifted from the Management sub-programme.

The virements that are effected include an amount of R16 million from Corporate Services to the property payments item in the Roads Infrastructure programme. This is to ensure that the bills for water, lights and sanitation that would be received for the regional offices would be settled accordingly and there would therefore be no over-spending within that item as well as to ensure that the installation of air conditioner at regional offices are maintained.

Programme 2: Transport Infrastructure**TABLE 9.4: PROGRAMME 2: TRANSPORT INFRASTRUCTURE**

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Infrastructure Planning	70 349	(1 322)			(17 000)				(18 322)	52 027
2. Infrastructure Design	237 241	(46 101)			(77 769)				(123 870)	113 371
3. Construction	438 878	(84 949)			509 920				424 971	863 849
4. Maintenance	1 309 526	(24 350)			(525 164)				(549 514)	760 012
5. Programme Support Infrastructure	43 302				195 187			60 000	255 187	298 489
Total for programme	2 099 296	(156 722)			85 174			60 000	(11 548)	2 087 748

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	1 067 240	(51 455)			(580)				(52 035)	1 015 205
Compensation of employees	317 305				(48 728)				(48 728)	268 577
Goods and services	749 865	(51 455)			48 148				(3 307)	746 558
Interest and rent on land	70									70
Transfers and subsidies	4 822				189 550			60 000	249 550	254 372
Provinces and municipalities	1 800				(500)				(500)	1 300
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	3 022				190 050			60 000	250 050	253 072
Payments for capital assets	1 027 234	(105 267)			(103 796)				(209 063)	818 171
Buildings and other fixed structures	972 102	(105 267)			(90 517)				(195 784)	776 318
Machinery and equipment	55 132				(13 279)				(13 279)	41 853
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	2 099 296	(156 722)			85 174			60 000	(11 548)	2 087 748

TABLE 9.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: TRANSPORT INFRASTRUCTURE

Economic classification	Motivation	From	Motivation	To
Current payments		(391 445)		390 865
Compensation of employees	The departmental recruitment drive has been slower than planned. Not all posts have been filled.	(59 541)	Funds are redirected for the payment for the court order issued against the Department.	10 813
Goods and services	Certain projects are delayed due to readiness for implementation. The projects are expected to be finalized in the next financial year.	(331 904)	Funds are shifted to accommodate changes in the SGOA items.	380 052
Interest and rent on land				
Transfers and subsidies		(500)		190 050

Vote 9 - Roads and Transport • Adjustment Budget - 2014/15

Economic classification	Motivation	From	Motivation	To
Provinces and municipalities	The new fleet that was anticipated to be delivered in the current financial year will be delivered in 2015/16.	(500)	Funds are redirected for the payment of the court order issued against the Department.	190 050
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
Payments for capital assets		(774 093)		670 297
Buildings and other fixed structures	Certain projects are delayed due to readiness for implementation. The projects are expected to be finalized in the next financial year. Part of the new fleet that was anticipated to be delivered in the current financial year will be delivered in 2015/16.	(759 986)	Funds are redirected to projects which are ready for implementation in the current financial year and for the payment of the court order issued against the department Funds are redirected to cater for the purchase of GTC office equipment and furniture.	669 469
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(1 166 038)		1 251 212

Surrenders: R156.7 million

At the commencement of the financial year, the department was allocated an infrastructure budget as follows:

- Provincial Roads Maintenance Grant (PRMG) – R514.9 million
- Earmarked Infrastructure Allocation (Equitable Share) – R1.5 billion
- EPWP Incentive Grant – R3.1 million

The department will surrender a total of R179.4 million to the provincial revenue fund (PRF) with an amount of R156.7 million coming from programme 2. The surrender is part of the earmarked infrastructure allocation while the conditional grant allocation remains unchanged.

Virements and shifts

The majority of the shifts occurred within this programme and are to cater for the following:

The shifts to accommodate the payment of the court order of R190 million. This amount is shifted from the programmes infrastructure allocation as well as compensation of employees. The total is shifted to the households item within transfers and subsidies from which the court order will be paid.

A virement of R16 million from Administration (Corporate Services) to the property payments item within the same programme. This is to ensure that the bills for water, lights and sanitation that would be received for the regional offices would be settled accordingly.

A virement of R9.3 million is moved to the K46 William Nicol project from the Transport Operations programme. This project is experiencing budget constraints due to it progressing faster than anticipated.

Provincial additional funding: R60 million

The department is allocated an additional amount of R60 million to cater for the court order issued against the department. The department does not have adequate funds and the Treasury allocated this additional amount to assist with the payment of the court order.

Programme 3: Transport Operations

TABLE 9.6: PROGRAMME 3: TRANSPORT OPERATIONS

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support Operations	19 012									19 012
2. Public Transport Services	2 115 055	(6 272)			(9 287)				(15 559)	2 099 496
Total for programme	2 134 067	(6 272)			(9 287)				(15 559)	2 118 508

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	79 963									79 963
Compensation of employees	42 213									42 213
Goods and services	37 750									37 750
Interest and rent on land										
Transfers and subsidies	1 927 954									1 927 954
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	1 927 854									1 927 854
Non-profit institutions										
Households	100									100
Payments for capital assets	126 150	(6 272)			(9 287)				(15 559)	110 591
Buildings and other fixed structures	125 450	(6 272)			(9 287)				(15 559)	109 891
Machinery and equipment	700									700
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	2 134 067	(6 272)			(9 287)				(15 559)	2 118 508

TABLE 9.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRANSPORT OPERATIONS:

Economic classification	Motivation	From	Motivation	To
Current payments		(1 300)		1 300
Compensation of employees	The department reduced the allocation on the use of G-fleet, consumables and travel and subsistence given the pattern of spending to date.	(1 300)	The shift is for the additional budget required to cover the legal costs which were not adequately budgeted for.	1 300
Goods and services				
Interest and rent on land				
Transfers and subsidies				

Vote 9 - Roads and Transport • Adjustment Budget - 2014/15

Economic classification	Motivation	From	Motivation	To
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
Payments for capital assets		(9 287)		
Buildings and other fixed structures	Certain projects are delayed due to readiness for implementation. Funds are redirected towards areas of priority.	(9 287)		
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(10 587)		1 300

Surrenders: R6.2 million

The surrender of R6.2 million is made to the PRF which is for the Pienaarspoort Intermodal Facility as well as the Walkways in the Kaalfontein area which will not be completed in 2014/15 financial year due to delays.

Virements and shifts

The virement effected within this programme amounts to R9.3 million and is shifted to the K46 William Nicol project within the Transport Infrastructure programme. This project is experiencing budget constraints due to it progressing faster than anticipated. In addition, shifts are effected to deal with areas of budget pressures.

Programme 4: Transport Regulations

TABLE 9.8: PROGRAMME 4: TRANSPORT REGULATIONS

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Transport Admin & Licensing	219 739	(16 449)			(47 517)				(63 966)	155 773
2. Operators Licence & Permits	98 552				(12 370)				(12 370)	86 182
Total for programme	318 291	(16 449)			(59 887)				(76 336)	241 955

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	192 192				420				420	192 612
Compensation of employees	150 134									150 134
Goods and services	41 758				420				420	42 178
Interest and rent on land	300									300
Transfers and subsidies	58				680				680	738
Provinces and municipalities										

Economic classification R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	58				680				680	738
Payments for capital assets	126 041	(16 449)			(60 987)				(77 436)	48 605
Buildings and other fixed structures	123 841	(16 449)			(59 887)				(76 336)	47 505
Machinery and equipment	2 200				(1 100)				(1 100)	1 100
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets										
Payments for financial assets										
Total economic classification	318 291	(16 449)			(59 887)				(76 336)	241 955

TABLE 9.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: TRANSPORT REGULATIONS

Economic classification	Motivation	From	Motivation	To
Current payments				2 164
Compensation of employees Goods and services			The shift to this programme is to supplement the original budget which was not adequately catered for at the beginning of the financial year.	2 164
Interest and rent on land				
Transfers and subsidies				680
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households			The shift to this programme is to cater for additional budget requirements since it was not adequately budgeted for at the beginning of the financial year.	680
Payments for capital assets		(61 287)		300
Buildings and other fixed structures	Certain projects are delayed due to readiness for implementation.	(60 187)	The shift to this programme is to supplement the original budget which was not adequately catered for at the beginning of the financial year.	300
Machinery and equipment	The anticipated underspending is due to the department reprioritizing and moving the funds from machinery and equipment.	(1 100)		
Heritage assets Specialised military assets Biological assets Land and sub-soil assets				

Economic classification	Motivation	From	Motivation	To
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(61 287)		3 144

Surrenders: R16.4 million

A total of R16.4 million will be surrendered to the PRF from this programme. This allocation is for the construction of Kagiso and Sebokeng DLTCs, as well as the Upgrading of Temba and Mabopane DLTCs which will not be implemented in the current financial year due to delays with the project.

Virements and shifts

The virements that will be effected within this programme are as follows:

An amount of R8.3 million is shifted to the K46 William Nicol project within the Transport Infrastructure programme. This project is experiencing budget constraints due to it progressing faster than anticipated.

An amount of R51.6 million is shifted to the transfers and subsidies item in the Transport Infrastructure programme from the infrastructure programme to cater for the court order of R190 million that will be paid by the department. In addition, shifts are effected to deal with areas of budget pressures.

Programme 5: Gautrain

TABLE 9.10: PROGRAMME 5: GAUTRAIN

Sub-programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Gautrain	1 311 748									1 311 748
Total for programmes	1 311 748									1 311 748

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments										
Compensation of employees										
Goods and services										
Interest and rent on land										
Transfers and subsidies	1 311 748									1 311 748
Provinces and municipalities	1 311 748									1 311 748
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
Payments for capital assets										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	1 311 748									1 311 748

Virements and shifts

There are no virements and shifts performed under this programme.

5. Expenditure 2013/14 and preliminary expenditure 2014/15

TABLE 9.11: EXPENDITURE 2013/14 AND PRELIMINARY EXPENDITURE 2014/15

Department	2013/14				2014/15		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2013 - September 2013	April 2013 - March 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	April 2014-September 2014	% Change 13/14-14/15 Apr-Sept
R thousand							
1. Administration	226 453	100 601	197 786	87%	273 457	97 265	(3%)
2. Transport Infrastructure	1 866 373	726 010	1 673 919	90%	2 087 748	901 147	24%
3. Transport Operations	1 911 232	756 997	1 847 366	97%	2 118 508	825 212	9%
4. Transport Regulation	241 486	106 319	222 160	92%	241 955	84 672	(20%)
5. Gautrain	1 424 943	799 961	1 424 943	100%	1 311 748	731 085	(9%)
Total for programmes	5 671 487	2 489 888	5 366 174	95%	6 033 416	2 639 381	6%
Current payments	1 413 058	587 792	1 321 951	94%	1 537 828	600 577	2%
Compensation of employees	520 304	234 654	472 100	91%	591 364	246 541	5%
Goods and Services	890 538	353 022	849 464	95%	945 964	353 823	0%
Interest and rent on land	2 216	116	387	17%	500	213	84%
Transfers and subsidies	3 197 201	1 526 156	3 180 679	99%	3 495 321	1 691 384	11%
Provinces and municipalities	2 400	383	783	33%	1 305	528	38%
Departmental agencies and accounts	1 422 724	799 961	1 424 943	100%	1 311 748	731 085	(9%)
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises	1 764 794	723 942	1 750 973	99%	1 927 854	776 982	7%
Non-profit institutions							
Households	7 283	1 870	3 980	55%	254 414	182 789	97
Payments for capital assets	960 876	375 940	843 290	88%	993 767	347 246	(8%)
Buildings and other fixed structures	946 536	370 158	832 297	88%	933 714	343 854	(7%)
Machinery and equipment	14 015	5 782	9 900	1	60 053	3 392	(41%)
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets	325		1 093	336%			
Payments for financial assets	100 352		20 254	20%	6 500	174	0%
Total economic classification	5 671 487	2 489 888	5 366 174	95%	6 033 416	2 639 381	6%

Expenditure trends for 2013/14

During 2013/14 financial year, the department spent 95 per cent of its total adjusted budget allocation. In the 2013/14 financial year the department received the allocation of R4.7 billion which was then adjusted to R5.7 billion. The department managed to spend 95 per cent of that allocation and underspent its budget by R225.2 million. The underspending is attributed to the following programme: Programme 1 and programme 3 has under spend its budget by R28.7 million and R64.9 million respectively as a result of the budget for compensation of employees that was not depleted by the end of the financial year as well as the delays with the infrastructure projects within programme 3 that were not completed as anticipated by the end of the financial year.

Programme 2 transport infrastructure underspent its budget allocation by R192.5 million as a result of slow spending on the infrastructure projects. The late confirmation of an additional amount for a grant contributed to the underspending.

Programme 4 underspent its budget allocation by R19.3 million as a result of very slow spending on infrastructure projects. There were serious supply chain issues for the TOLABS and DLTC projects that are implemented by DID on behalf of the department.

An underspending of R115.5 million was recorded under building and other fixed structure.

The department spent the majority of the conditional grants. The underspending within the PTOG is as a result of instances where the operators did not operate up to hours that they were allocated in terms of the contract.

Expenditure trends for the first half of 2014/15

The department's total spending for the first half of the current financial year amounted to R2.6 billion or 44 per cent of the adjusted budget of R6 billion.

Programme 1: Administration

This programme spent R 97.2 million or 36 per cent of the adjusted budget as compared to R100.6 million spent in the second quarter of the 2013/14. The performance is anticipated to improve in the last half of the financial year due to the department's recruitment drive as well as the installation of the new chillers for the air-conditioning system which is currently not operational. Part of the savings that were realized as a result of the cost-containment measures being implemented are shifted to other areas that are experiencing budget pressures.

Programme 2: Transport Infrastructure

Expenditure for the first two quarter of the 2014/15 financial year amounts to R901.1 million or 43 per cent of the adjusted allocated budget as compared to R 726 million of the second quarter of 2013/14 financial year. It is anticipated that the performance will improve since challenges with projects have been addressed. All areas that may have impacted on the spending were addressed as part of the surrender of funds to the PRF.

Programme 3: Transport Operations

The spending to date within this programme amounts to R825.2 million or 39 per cent of the adjusted allocated budget as compared to R756.9 million spent in the second quarter of 2013/14. This expenditure may seem slow but is due to the lag in time in the manner in which claims are processed. It is anticipated that the programme will spend the full budget as it does in every financial year.

Programme 4: Transport Regulations

The programme spent R84.6 million for the second quarter of the 2014/15 financial year or 35 per cent of the budget has been spent to date as compared to R106.3 million in 2013/14 financial year. There are no challenges within this programme and it is anticipated that the budget will be fully spent given that challenges with the infrastructure projects have been addressed.

Programme 5: Gautrain

The programme spent R731 million in the second quarter of 2014/15 financial year as compared to R799.9 million in the 2013/14 financial year. The transfers to Gautrain are based on the payment schedule that is received from the National Treasury. All the funds will be transferred to Gautrain accordingly so that there is no over- or under-spending at the end of the financial year.

6. Departmental Receipts

TABLE 9.12: DEPARTMENTAL RECEIPTS

Department	2013/14				2014/15		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2013 - Sep 2013	April 2013 - Mar 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	Apr 2014-Sep 2014	% Change 13/14-14/15 Apr-Sept
R thousand							
Tax receipts	2 542 908	1 335 919	2 644 876	104%	2 743 798	1 436 456	8%
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences	2 542 908	1 335 919	2 644 876	104%	2 743 798	1 436 456	8%
Sales of goods and services other than capital assets	58 564	28 916	55 661	95%	63 191	26 284	(9%)
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	400	15	38	10%	723	7	(53%)
Sales of capital assets	7 000		5 983	85%			
Financial transactions in assets and liabilities	1 684	527	885	53%	4 838	486	(8%)
Total receipts	2 610 556	1 365 377	2 707 443	347%	2 812 550	1 463 233	(63%)

Revenue trends for the first half of the 2014/15 financial year

There were no changes made to the revenue budget for the current financial year.

The total revenue collected by the department in the first half of 2014/15 financial year is 6.98 per cent higher than revenue collected in the first half of the previous financial period (i.e. 59.28 per cent versus 52.30 per cent). This is due to the fact that tariffs were increased by 7.9 per cent in this financial period against no increase in the previous financial period. In addition, the vehicle population is growing steadily, hence these collected revenues. Motor vehicle licenses is the main contributor with the collection that amounts to R1.43 billion in the second quarter of 2014/15. Sale of goods and services other than capital assets is the second contributor with the collection of R26.2 million collected to date.

Financial transactions in assets and liabilities contributed R486 million with the main contributing item being incurred in the 2013/14

7. Changes to transfers and subsidies, conditional grants and infrastructure

7.1 Changes to transfers and subsidies

No changes.

7.2 Changes to conditional grants

No changes.

7.3 Changes to Infrastructure

TABLE 9.13: CHANGES TO INFRASTRUCTURE

R thousand	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
New infrastructure assets	222 203	(11 289)			(62 173)				(73 462)	148 741
Existing Infrastructure assets	1 760 096	(168 154)			(79 099)				(247 253)	1 512 843
Upgrading and additions	572 018	(75 410)			(114 924)				(190 334)	381 684
Rehabilitation, renovation and refurbishment	489 389	(42 611)			1 319				(41 292)	448 097
Maintenance and repair	698 689	(50 133)			34 506				(15 627)	683 062
Infrastructure transfers										
Current										
Capital										
Capital infrastructure	1 283 610	(129 310)			(175 778)				(305 088)	978 522
Current infrastructure	698 689	(50 133)			34 506				(15 627)	683 062
Total changes to infrastructure	1 982 299	(179 443)			(141 272)				(320 715)	1 661 584

Surrenders: R179.4 million

The department will surrender an amount of R179.4 million back to the Provincial Revenue Fund (PRF) for infrastructure projects that are not yet ready for implementation during the current financial year.

Virements and shifts

The changes to infrastructure were mainly a reduction of R141.572 million to the infrastructure allocation, which was shifted to ensure that the court order can be settled accordingly. Furthermore, there were classification changes made to some of the projects to ensure that the budget was in line with SCOA.