

Vote 12

Transport

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	9 058 860	9 049 150	(9 710)	
MEC remuneration	1 735	1 735		
Total amount to be appropriated	9 060 595	9 050 885	(9 710)	
<i>of which:</i>				
Current payments	5 050 727	4 428 768	(621 959)	
Transfers and subsidies	922 357	1 036 808		114 451
Payments for capital assets	3 087 511	3 585 078		497 567
Payments for financial assets	-	231		231
Responsible MEC	Mr. T.W. Mchunu, MEC for Transport and Community Safety and Liaison			
Administering department	Transport			
Accounting Officer	Head: Transport			

1. Vision and mission

Vision

The department's vision is: *Prosperity through mobility.*

Mission statement

The department's mission is: *While delivering on the department's mandate and addressing the developmental needs of the province, the department will strive to provide the public with a road transportation system that is safe, integrated, regulated, affordable and accessible.*

2. Strategic objectives

Strategic policy direction: The department's strategic policy direction is to support rural development, poverty alleviation and job creation as the department builds roads and bridges, provides safe integrated public transport systems, and manages traffic and the safety of all road users.

The department has set the following goals and strategic objectives in order to achieve this:

- Provide access and mobility within the province.
- Effective management of the transport infrastructure network.
- Create an integrated land transport system.
- Promote a safe road environment.

3. Summary of adjusted estimates for the 2014/15 financial year

The main appropriation of the Department of Transport was R9.061 billion in 2014/15. During the year, the department's budget decreased by R9.710 million to R9.051 billion, which is the amount that is to be appropriated in the 2014/15 Adjustments Estimate.

The main adjustments that led to this overall decrease in the budget are summarised below, and further details are given in Section 4:

- *Virement between programmes:* The following virements were undertaken between programmes:
 - Savings of R1.100 million and R29.539 million were identified in Programme 1: Administration and Programme 4: Transport Regulation, respectively, against *Compensation of employees* as a result of the slower than anticipated filling of vacant posts due to lengthy recruitment processes and the difficulty in finding suitable candidates, as well as resignations.
 - Funds of R49.750 million were identified in Programme 2: Transport Infrastructure, against *Goods and services (Maintenance and repairs: Current)* mainly due to the slower than anticipated progress with some maintenance projects, such as re-gravelling of roads that are still at tender stage, delays caused by tender processes in the awarding of contracts, as well as unfavourable dry weather conditions.
 - These funds, amounting to R80.389 million, were moved as follows:
 - R79.289 million was moved to Programme 3: Transport Operations, against *Transfers and subsidies to: Public corporations and private enterprises* to cater for spending pressures relating to the Public Transport Operations grant (PTOG) in respect of the bus subsidies claims. The pressures resulted from the under-funding of the grant from its inception, as well as the increase in fuel prices and labour costs, which have resulted in higher than anticipated claims in respect of the bus subsidies. Also, the PTOG is a Schedule 4 or supplementary grant, and provinces are meant to supplement the funding from the equitable share. In view of the financial cut backs facing the province, as well as confirmation from National Treasury that no additional funding will be forthcoming, the department was told to reprioritise within its budget to fund the pressures and, as such, the department undertook various virements to offset the spending pressures.
 - R1.100 million was moved to Programme 5: Community Based Programme, against *Goods and services* to cater for the higher than anticipated costs relating to transportation costs, as well as the costs of consultants appointed to assist with the training of *Zibambele* contractors who undertake road maintenance work for the department.

The department undertook further virements between sub-programmes and economic categories within programmes, and details are provided under Section 4 below. All of these virements are permissible in terms of the PFMA and the Treasury Regulations. Where applicable, the increases in *Transfers and subsidies* were approved by Provincial Treasury.

- *Other adjustments:* The following adjustments were made to the main appropriation:
 - R10 million was suspended from the department to be allocated back in 2015/16, in respect of learner transport services. The department was allocated an additional R37 million in January 2014, fairly late during the process of compiling the *EPRE*. Also, the learner transport contracts that needed to be in place for the department to fully spend the entire additional allocation were not awarded due to delays experienced with the appointment of service providers. Accordingly, as the department was not able to spend the entire additional allocation, an amount of R10 million was suspended to 2015/16, when all contracts will be in place. The amount was suspended from Programme 3, against *Goods and services*. As this is portion of a specifically and exclusively appropriated allocation in terms of the KZN Main Appropriation Act, 2014, Legislature approval is required for this reduction and re-appropriation.
 - This was offset by an amount of R290 000 that was allocated to the department to cater for the costs relating to the RTI Commission in respect of the nine applicants who were hospitalised as a result of the recruitment process, as well as the one applicant who was hospitalised for an extended period. This amount was allocated to Programme 1, against *Transfers and subsidies to: Households*.

Tables 12.1 and 12.2 below reflect a summary of the 2014/15 adjusted appropriation of the department, summarised according to programme and economic classification.

Table 12.1: Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	unavoidable	Virement	Shifts	Other adjustments		
1. Administration	254 624	-	-	(1 100)	-	290	(810)	253 814
2. Transport Infrastructure	6 877 668	-	-	(49 750)	-	-	(49 750)	6 827 918
3. Transport Operations	1 184 123	-	-	79 289	-	(10 000)	69 289	1 253 412
4. Transport Regulation	699 740	-	-	(29 539)	-	-	(29 539)	670 201
5. Community Based Programme	44 440	-	-	1 100	-	-	1 100	45 540
Total	9 060 595	-	-	-	-	(9 710)	(9 710)	9 050 885
Amount to be voted								(9 710)

Table 12.2: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	unavoidable	Virement	Shifts	Other adjustments		
Current payments	5 050 727	-	-	(611 959)	-	(10 000)	(621 959)	4 428 768
Compensation of employees	1 507 280	-	-	(151 582)	-	-	(151 582)	1 355 698
Goods and services	3 543 447	-	-	(460 377)	-	(10 000)	(470 377)	3 073 070
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies to:	922 357	-	-	114 161	-	290	114 451	1 036 808
Provinces and municipalities	1 600	-	-	2 382	-	-	2 382	3 982
Departmental agencies and accounts	-	-	-	4 522	-	-	4 522	4 522
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	910 783	-	-	92 046	-	-	92 046	1 002 829
Non-profit institutions	-	-	-	-	-	-	-	-
Households	9 974	-	-	15 211	-	290	15 501	25 475
Payments for capital assets	3 087 511	-	-	497 567	-	-	497 567	3 585 078
Buildings and other fixed structures	2 947 285	-	-	491 077	-	-	491 077	3 438 362
Machinery and equipment	140 226	-	-	5 397	-	-	5 397	145 623
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	1 093	-	-	1 093	1 093
Payments for financial assets	-	-	-	231	-	-	231	231
Total	9 060 595	-	-	-	-	(9 710)	(9 710)	9 050 885
Amount to be voted								(9 710)

4. Changes to programme purposes and service delivery measures

The department made no changes to the purpose of its programmes, which conform to the sector specific programme and budget structure for the Transport sector for 2014/15.

The non financial information currently reflected in the 2014/15 *EPRE* largely corresponds to the department's 2014/15 *APP*. It is noted, however, that there are a few discrepancies between the *EPRE* and the *APP*. According to the department, when the *EPRE* was finalised, it was still in the process of finalising the *APP*. As such, some of the targets were amended and these changes were not brought into the *EPRE*. The department is now aligning the non financial information to the *APP* information.

4.1 Programme 1: Administration

The purpose of Programme 1 is to provide the department with the overall management and administrative, strategic, financial and corporate support services (including human resource management, labour relations and legal services) in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

Tables 12.3 and 12.4 below reflect a summary of the 2014/15 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall decrease of R810 000, are provided in the paragraphs following the tables.

Table 12.3: Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Office of the MEC	12 530						-	12 530
Management	10 150						-	10 150
Corporate Support	211 284					290	290	211 574
Departmental Strategy	20 660			(1 100)			(1 100)	19 560
Total	254 624	-	-	(1 100)	-	290	(810)	253 814
Amount to be voted								(810)

Table 12.4: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	242 568	-	-	(7 486)	-	-	(7 486)	235 082
Compensation of employees	134 608			(21 596)			(21 596)	113 012
Goods and services	107 960			14 110			14 110	122 070
Interest and rent on land							-	-
Transfers and subsidies to:	6 901	-	-	4 570	-	290	4 860	11 761
Provinces and municipalities	30			48			48	78
Departmental agencies and accounts				4 522			4 522	4 522
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	6 871					290	290	7 161
Payments for capital assets	5 155	-	-	1 767	-	-	1 767	6 922
Buildings and other fixed structures							-	-
Machinery and equipment	5 155			917			917	6 072
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets				850			850	850
Payments for financial assets				49			49	49
Total	254 624	-	-	(1 100)	-	290	(810)	253 814
Amount to be voted								(810)

Virement – Programme 1: Administration: (R1.100 million)

The main appropriation of Programme 1 was decreased by R1.100 million as a result of the following, which affected the sub-programme: Departmental Strategy:

- Savings of R21.596 million were identified under *Compensation of employees* in various sub-programmes due to non-filling of vacant posts, as previously explained. These savings were moved as follows:
 - R1.100 million was moved from the sub-programme: Departmental Strategy to Programme 5, against *Goods and services* in respect of the higher than anticipated costs relating to transportation, as well as the costs of consultants appointed to assist with the training of the *Zibambele* contractors who undertake road maintenance, which were higher than budgeted.
 - R20.496 million remained within Programme 1, as follows:
 - R14.110 million was moved to *Goods and services* to cater for the higher than anticipated spending on campaigns in respect of the 20 years of democracy, which highlighted the key achievements of the department on radio stations and newspapers, as well as legal services.
 - R48 000 was moved to *Transfers and subsidies to: Provinces and municipalities* to cater for the payment of motor vehicle licences, which were higher than budgeted.
 - R4.522 million was moved to *Transfers and subsidies to: Departmental agencies and accounts* for payment to the Public Service Education and Training Authority (PSETA), and the Construction Education and Training Authority (CETA) levies in terms of the Skills Development Act. This was not paid prior to 2014/15, as it was introduced late in 2013/14 by DPSA.

- R917 000 was moved to *Machinery and equipment* to cater for motor vehicles ordered in 2013/14 and only delivered and paid for in 2014/15.
- R850 000 was moved to *Software and other intangible assets* in respect of Microsoft software licences, which were not budgeted for.
- R49 000 was moved to *Payments for financial assets* for the write-off of thefts and losses.

These virements are permissible in terms of the PFMA and Treasury Regulations, and the increase in *Transfers and subsidies to: Departmental agencies and accounts* was approved by Provincial Treasury.

Other adjustments – Programme 1: Administration: R290 000

An amount of R290 000 was allocated to the sub-programme: Corporate Support against *Transfers and subsidies to: Households* relating to the RTI Commission, in respect of the nine applicants who were hospitalised as a result of the recruitment process, as well as the one applicant who was hospitalised for an extended period, as discussed.

4.2 Programme 2: Transport Infrastructure

The purpose of Programme 2 is to promote accessibility, safe and affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth. Tables 12.5 and 12.6 below reflect a summary of the 2014/15 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification. Details of the main adjustments, which resulted in an overall decrease of R49.750 million, are provided in the paragraphs following the tables.

Table 12.5: Programme 2: Transport Infrastructure

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Programme Support Infrastructure	133 140			58 954		58 954	192 094
Infrastructure Planning	22 480			1 000	26 000	27 000	49 480
Infrastructure Design	15 170			7 800	4 000	11 800	26 970
Construction	2 947 285			498 000		498 000	3 445 285
Maintenance	3 759 593			(615 504)	(30 000)	(645 504)	3 114 089
Total	6 877 668	-	-	(49 750)	-	(49 750)	6 827 918
Amount to be voted							(49 750)

Table 12.6: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts		
Current payments	3 824 790	-	-	(561 136)	-	(561 136)	3 263 654
Compensation of employees	794 192			(70 606)		(70 606)	723 586
Goods and services	3 030 598			(490 530)		(490 530)	2 540 068
Interest and rent on land						-	-
Transfers and subsidies to:	3 695	-	-	15 469	-	15 469	19 164
Provinces and municipalities	1 300			1 934		1 934	3 234
Departmental agencies and accounts						-	-
Higher education institutions						-	-
Foreign governments and international organisations						-	-
Public corporations and private enterprises						-	-
Non-profit institutions						-	-
Households	2 395			13 535		13 535	15 930
Payments for capital assets	3 049 183	-	-	495 800	-	495 800	3 544 983
Buildings and other fixed structures	2 947 285			491 077		491 077	3 438 362
Machinery and equipment	101 898			4 480		4 480	106 378
Heritage assets						-	-
Specialised military assets						-	-
Biological assets						-	-
Land and subsoil assets						-	-
Software and other intangible assets				243		243	243
Payments for financial assets				117		117	117
Total	6 877 668	-	-	(49 750)	-	(49 750)	6 827 918
Amount to be voted							(49 750)

Virement – Programme 2: Transport Infrastructure: (R49.750 million)

The main appropriation of Programme 2 was decreased by R49.750 million due to the following virements that affected all sub-programmes, particularly Construction and Maintenance:

- Funds amounting to R561.136 million were identified in the sub-programme: Maintenance against *Compensation of employees* (R70.606 million) due to slower than anticipated filling of vacant posts, and *Goods and services* (R490.530 million) as a result of the slow progress with regard to road maintenance work, as previously explained. These funds were moved as follows:
 - R49.750 million was moved from *Goods and services* to Programme 3 against *Transfers and subsidies to: Public corporations and private enterprises* in respect of the higher than anticipated claims relating to the PTOG, as mentioned previously.
 - R511.386 million remained within Programme 2 as follows:
 - R1.934 million was moved to *Transfers and subsidies to: Provinces and municipalities* to cater for the payment of motor vehicle licences, which were under-budgeted for.
 - R13.535 million was moved to *Transfers and subsidies to: Households* relating to the payment for the expropriation of land to land owners to compensate them for the use of their land for road construction, which was higher than anticipated. In addition, the movement caters for payments in respect of leave gratuities, as well as injury on duty and claims against the state by individuals that were not budgeted for due to the unpredictable nature of these items.
 - R491.077 million was moved to *Buildings and other fixed structures* under the sub-programme: Construction for the fast-tracking of the upgrading of gravel roads to surfaced roads in order to avoid possible delays in the rainy season, as well as the carry-over costs of some completed construction projects from 2013/14.
 - R4.480 million was moved to *Machinery and equipment* to cater for the payment of replacement motor vehicles, as well as the procurement of new mechanical plant and trucks, which were higher than anticipated.
 - R243 000 was moved to *Software and other intangible assets* for the purchase of the Civil Engineering Designer software. This is a civil design and documentation solution that supports Building Information Modelling (BIM) workflows. The software is used by infrastructure professionals to better understand project performance, maintain more consistent data and processes, and respond faster to change.
 - R117 000 was moved to *Payments for financial assets* relating to thefts and losses written off.

These virements are permissible in terms of the PFMA and Treasury Regulations.

Shifts – Programme 2: Transport Infrastructure

An amount of R30 million was moved within Programme 2 from the sub-programme: Maintenance to the sub-programmes: Infrastructure Planning (R26 million) and Infrastructure Design (R4 million), within *Goods and services (Maintenance and repair: Current)* due to a misallocation that occurred during the preparation of the 2014/15 EPRE. The funds are in respect of consulting services relating to planning and design for maintenance and construction projects. The purpose of the funds remains unchanged.

Service delivery measures – Programme 2: Transport Infrastructure

Table 12.7 shows the original service delivery targets for Programme 2 as per the APP of Transport, as well as the actual achievement for the first six months of the year.

Three targets have been adjusted, as reflected in Table 12.7 (under the column “2014/15 Revised target”), to align the targets in the *EPRE* to the department’s tabled 2014/15 APP.

Some of the targets were not achieved by mid-year, as the department projected to undertake them in the third and fourth quarters, as well as some targets being annual targets as indicated in the table.

Table 12.7: Service delivery measures – Programme 2: Transport Infrastructure

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
2. Transport Infrastructure				
2.1. Construction	• No. of lane-km of new surfaced roads constructed	1	5	
	• No. of kilometres of new gravel roads constructed	255	84	
	• No of square metres of surfaced road upgraded	32 900	5 625	
	• No. of kilometres of gravel roads upgraded to surfaced roads	78	11	
	• No. of square metres of non-motorised transport facility constructed	20 000	2 915	30 000
	• No. of bridges constructed	7	1	
	• No. of pedestrian bridges constructed	13	-	
	• No. of design of integrated public transport networks	3	-	
	• No. of public transport infrastructure projects implemented	1	-	
2.2. Maintenance	• No. of lane-km of surfaced roads rehabilitated	530	53	
	• No. of square metres of surfaced roads resealed	2 000 000	429 351	2 200 000
	• No. of kilometres of roads re-gravelled	2 540	778	
	• No. of square metres of blacktop patching (including pothole repairs)	240 000	182 602	
	• No. of kilometres of gravel roads bladed	120 000	34 964	100 000
	• No. of kilometres of surfaced roads assessed (VCIs completed as per TMH 12) - annual	3 670	Annual	
	• No. of kilometres of gravel roads assessed (VCIs completed as per TMH 9) - annual	8 190	Annual	
	• No. of weighbridges calibrated to SABS standard - annual	15	13	
	• No. of kilometres of road infrastructure assessed through road safety audits	1 875	-	
	• No. of kilometres maintained using <i>Zimbabwe</i> contractors	26 650	55 938	
	• % of provincial road network in poor to very poor condition	43%	-	

4.3 Programme 3: Transport Operations

The purpose of Programme 3 is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, non-governmental organisations (NGOs) and the private sector to enhance the mobility of all communities, especially those without or with limited access, and to implement road safety education and awareness programmes.

Tables 12.8 and 12.9 below reflect a summary of the 2014/15 adjusted appropriation of Programme 3, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R69.289 million, are provided in the paragraphs following the tables.

Table 12.8: Programme 3: Transport Operations

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Programme Support Operations	12 990			7 168			7 168	20 158
Public Transport Services	1 095 323			74 589		(10 000)	64 589	1 159 912
Transport Safety and Compliance	75 810			(2 468)			(2 468)	73 342
Total	1 184 123	-	-	79 289	-	(10 000)	69 289	1 253 412
Amount to be voted							69 289	

Table 12.9: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Other adjustments			
Current payments	279 049	-	-	(12 988)	-	(10 000)	(22 988)	256 061
Compensation of employees	42 445			(11 231)			(11 231)	31 214
Goods and services	236 604			(1 757)		(10 000)	(11 757)	224 847
Interest and rent on land							-	-
Transfers and subsidies to:	904 798	-	-	92 277	-	-	92 277	997 075
Provinces and municipalities	15						-	15
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises	904 783			92 046			92 046	996 829
Non-profit institutions							-	-
Households				231			231	231
Payments for capital assets	276	-	-	-	-	-	-	276
Buildings and other fixed structures							-	-
Machinery and equipment	276						-	276
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets							-	-
Total	1 184 123	-	-	79 289	-	(10 000)	69 289	1 253 412
Amount to be voted								69 289

Virement – Programme 3: Transport Operations: R79.289 million

The main appropriation of Programme 3 increased by R79.289 million due to the following virements, against all sub-programmes:

- R49.750 million was identified in Programme 2, against *Goods and services* as a result of slow progress with regard to road maintenance work, as previously discussed.
- R29.539 million was identified in Programme 4, against *Compensation of employees* resulting from the slower than anticipated filling of vacant posts, as well as resignations.
- These funds, amounting to R79.289 million, were moved to the sub-programme: Public Transport Services against *Transfers and subsidies to: Public corporations and private enterprises* to cater for the higher than anticipated claims relating to the PTOG, as discussed previously.

In addition to the virements to Programme 3, the following virements were undertaken across economic categories within the programme as follows:

- Savings of R12.988 million were identified from the sub-programme: Transport Safety and Compliance against *Compensation of employees* (R11.231 million) due to slower than anticipated filling of vacant posts and *Goods and services* (R1.757 million) as a result of savings associated with slower than anticipated filling of vacant posts and resignations, as well as the implementation of financial controls. These savings were moved as follows:
 - R12.757 million was moved to *Transfers and subsidies to: Public corporations and private enterprises* in the sub-programme: Public Transport Services in respect of the higher than anticipated claims in respect of the PTOG, as previously mentioned.
 - R231 000 was moved to *Transfers and subsidies to: Households* in the sub-programme: Programme Support Operations in respect of the payment of leave gratuities, injury on duty and claims against the state by individuals, which were higher than anticipated.

These virements are permissible in terms of the PFMA and Treasury Regulations. The increase in *Transfers and subsidies to: Public corporations and private enterprises* was approved by Provincial Treasury.

Other adjustments – Programme 3: Transport Operations: (R10 million)

As previously explained, R10 million was suspended from the department to be allocated back in 2015/16, in respect of learner transport services. The amount was suspended from the sub-programme: Transport Operations, against *Goods and services*. This is portion of a specifically and exclusively appropriated allocation and, thus, Legislature approval is required.

Service delivery measures – Programme 3: Transport Operations

Table 12.10 shows the original service delivery targets for Programme 3 as per the APP of Transport, as well as the actual achievement for the first six months of the year. As indicated in Table 12.10, most of the outputs have been adjusted under the column “2014/15 Revised target”, to align the targets in the *EPRE* to the department’s tabled 2014/15 APP. It is noted that the department had not finalised the targets when the *EPRE* was finalised and, as such, most targets were amended and these changes were not brought into the *EPRE*. The department is now aligning the non financial information to the APP information.

Table 12.10: Service delivery measures – Programme 3: Transport Operations

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
3. Transport Operations				
3.1. Public Transport Services	<ul style="list-style-type: none"> • No. of vehicles subsidised • No. of routes subsidised • No. of vehicle kilometres subsidised • No. of kilometres operated per vehicle • No. of passengers per vehicle • No. of passengers per trip operated • No. of staff per vehicle • No. of subsidised passengers • No. of unsubsidised passengers • No. of trips subsidised • No. of trips monitored • Subsidy per passenger • No. of passenger trips subsidies • No. of schools receiving learner transport services • No. of learners transported 	1 320	2 620	
		1 715	3 410	1 710
		44 645 000	21 189 985	41 888 710
		32 170	16 174	31 570
		4 350	6 763	4 260
		57	118	
		2.1	4.3	
		138 800	274 165	142 680
		17 800	38 362	22 820
		1 221 800	600 126	1 198 870
		939 100	397 870	839 210
		R14.01	R29.12	R14.66
		69 306 800	34 804 880	69 800 000
		260	465	226
		24 000	44 591	21 760
3.2. Transport Safety and Compliance	<ul style="list-style-type: none"> • No. of road safety awareness interventions conducted • No. of schools involved in road safety education prog. • Undertake goal directed enforcement of public transport (Operation <i>Shanela</i>) – No. of compulsory road blocks for public transport • No. of school children trained on road safety • No. of adults trained on road safety • No. of crossing patrols provided 	5	2	
		950	670	1 000
		500	167	550
		235 000	203 722	249 000
		43 000	21 651	43 800
		105	360	180

4.4 Programme 4: Transport Regulation

The purpose of this programme is to ensure the provision of a safe road environment through the regulation of traffic on public infrastructure, law enforcement and the registration and licensing of vehicles and drivers.

Tables 12.11 and 12.12 below reflect a summary of the 2014/15 adjusted appropriation of Programme 4, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall decrease of R29.539 million, are provided in the paragraphs below the tables.

Table 12.11: Programme 4: Transport Regulation

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Programme Support Regulation	5 000			(4 480)			(4 480)	520
Transport Administration and Licensing	113 440			(3 120)			(3 120)	110 320
Operator Licence and Permits	25 170			7 600			7 600	32 770
Law Enforcement	556 130			(29 539)			(29 539)	526 591
Total	699 740	-	-	(29 539)	-	-	(29 539)	670 201
Amount to be voted								(29 539)

Table 12.12: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	666 270	-	-	(31 449)	-	-	(31 449)	634 821
Compensation of employees	515 620			(40 449)			(40 449)	475 171
Goods and services	150 650			9 000			9 000	159 650
Interest and rent on land							-	-
Transfers and subsidies to:	958	-	-	1 845	-	-	1 845	2 803
Provinces and municipalities	250			400			400	650
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households	708			1 445			1 445	2 153
Payments for capital assets	32 512	-	-	-	-	-	-	32 512
Buildings and other fixed structures							-	-
Machinery and equipment	32 512						-	32 512
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets				65			65	65
Total	699 740	-	-	(29 539)	-	-	(29 539)	670 201
Amount to be voted								(29 539)

Virement – Programme 4: Transport Regulation: (R29.539 million)

The main appropriation of Programme 4 was reduced by R29.539 million due to the following virements that affected all sub-programmes:

- Savings of R40.449 million were identified against *Compensation of employees* under the sub-programmes: Programme Support Regulation (R4.480 million), Transport Administration and Licensing (R3.120 million) and Law Enforcement (R29.539 million) as a result of the slower than anticipated filling of vacant posts, as well as resignations. These savings were moved as follows:
 - o R29.539 million was moved to Programme 3 against *Transfers and subsidies to: Public corporations and private enterprises* for the higher than anticipated claims relating to the PTOG.
 - o R10.910 million remained within the programme as follows:
 - R9 million was moved to the sub-programme: Operator Licence and Permits against *Goods and services* relating to the higher than anticipated consultant fees for implementing the consolidated public transport regulation processes at the Provincial Regulatory Entity (PRE), which have been centralised to regions to allow the lodging of applications for operating licences and permits for the public transport operators in the province to be more accessible.
 - R400 000 was moved to *Transfers and subsidies to: Provinces and municipalities* to cater for the payment of motor vehicle licences, which were under-budgeted for.
 - R1.445 million was moved to *Transfers and subsidies to: Households* in respect of the payment of leave gratuities, injury on duty and claims against the state by individuals, which were higher than anticipated.

- R65 000 was moved to *Payments for financial assets* relating to thefts and losses written off.

These virements are permissible in terms of the PFMA and Treasury Regulations.

Service delivery measures – Programme 4: Transport Regulation

Table 12.13 shows the original service delivery targets for Programme 4: Transport Regulation as per the APP of Transport, as well as the actual achievement for the first six months of the year. Four outputs have been adjusted, as reflected in Table 12.13 (under the column “2014/15 Revised target”), to align them to the targets included in the department’s tabled 2014/15 APP.

It should be noted that the output 4.1: Transport administration and licensing target was substantially reduced. The department indicated that the substantial reduction in the number of licence compliance inspections executed is because previously, the total number of vehicle roadworthy inspections conducted by the public, as well as the private vehicle testing stations, was recorded. However, following several strategic planning sessions, the department realised that the requirement was for the total number of compliance inspections conducted by the department per entity (registering authorities, Manufacturer, Importer and Builder (MIB) motor dealers, etc.), and hence the substantial adjustment.

Table 12.13: Service delivery measures – Programme 4: Transport Regulation

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
4. Transport Regulations				
4.1. Transport administration and licensing	• No. of licence compliance inspections executed	291 000	556	870
4.2. Operator Licence and Permits	• No. of operator permits to be converted to licences	400	-	
	• No. of abnormal load permits issued	19 600	-	
4.3. Traffic Law Enforcement	• No. of speed operations conducted	18 250	5 095	
	• No. of K78 roadblocks held	1 100	1 032	
	• No. of hours weighbridges operated	15 000	5 302	
	• No. of road side vehicles check point operations	36 000	16 147	
	• No. of kilometres patrolled	6 090 000	2 716 945	
	• No. of law enforcement officers trained: Diploma courses	90	-	
	• No. of law enforcement officers employed	940	1 654	837
	• Hours of manual speed timing activities	40 000	-	
	• No. of vehicles exceeding the speed limit	267 000	-	
	• No. of vehicles checked in roadblocks	2 040 000	570 993	
	• No. of heavy vehicles screened	3 200 000	593 111	
	• No. of heavy vehicles weighed	155 000	60 571	
• No. of vehicles which are overloaded	24 600	11 000	22 200	
• No. of vehicles detained	7 050	2 328	7 370	

4.5 Programme 5: Community Based Programme

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities.

Tables 12.14 and 12.15 below reflect a summary of the 2014/15 adjusted appropriation of Programme 5, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R1.100 million, are provided in the paragraphs following the tables.

Table 12.14: Programme 5: Community Based Programme

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Programme Support Community Based	7 990			(1 950)			(1 950)	6 040
Community Development	11 650						-	11 650
EPWP Co-ordination and Monitoring	17 940						-	17 940
Innovation and Empowerment	6 860			3 050			3 050	9 910
Total	44 440	-	-	1 100	-	-	1 100	45 540
Amount to be voted								1 100

Table 12.15: Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	38 050	-	-	1 100	-	-	1 100	39 150
Compensation of employees	20 415			(7 700)			(7 700)	12 715
Goods and services	17 635			8 800			8 800	26 435
Interest and rent on land							-	-
Transfers and subsidies to:	6 005	-	-	-	-	-	-	6 005
Provinces and municipalities	5						-	5
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises	6 000						-	6 000
Non-profit institutions							-	-
Households							-	-
Payments for capital assets	385	-	-	-	-	-	-	385
Buildings and other fixed structures							-	-
Machinery and equipment	385						-	385
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	44 440	-	-	1 100	-	-	1 100	45 540
Amount to be voted								1 100

Virement – Programme 5: Community Based Programme: R1.100 million

Programme 5's main appropriation was increased by R1.100 million due to the following virement:

- Savings of R1.100 million were realised in Programme 1 against *Compensation of employees* due to the slower than anticipated filling of vacant posts. These savings were moved to the sub-programme: Innovation and Empowerment in Programme 5 against *Goods and services* for the higher than anticipated transportation and training costs of the *Zibambele* contractors, as previously explained.

In addition to the virement to this programme, the following virement was undertaken within the programme:

- Savings of R7.700 million were identified against *Compensation of employees* in the sub-programme: Programme Support Community Based due to the slower than anticipated filling of vacant posts, as discussed previously. These savings were moved to *Goods and services* in the Innovation and Empowerment sub-programme for the higher than anticipated transportation and training costs of the *Zibambele* contractors, as previously explained.

These virements are permissible in terms of the PFMA and Treasury Regulations.

Service delivery measures – Programme 5: Community Based Programme

Table 12.16 shows the original service delivery target for Programme 5: Community Based Programme as per the APP of Transport, as well as the actual achievement for the first six months of the year.

Two have been adjusted, as reflected in Table 12.16 (under the column 2014/15 Revised target), to align them to the targets included in the department's tabled 2014/15 APP.

Table 12.16: Service delivery measures – Programme 5: Community Based Programme

Outputs	Performance indicators	Performance targets		
		2014/15 Original target	2014/15 Mid-year actual	2014/15 Revised target
5. Community Based Programme				
5.1. Community Development	<ul style="list-style-type: none"> No. of <i>Zimbabwe</i> contractors employed No. of small contractors created through the Vukuzakhe Emerging Contractor Development Prog. 	41 000 300	86 059 312	
5.2. EPWP Co-ordination and Monitoring	<ul style="list-style-type: none"> No. of jobs created No. of full-time equivalents No. of youth employed (18 – 35) No. of women employed No. of people living with disabilities employed No. of employment days created No. of people trained 	60 000 23 200 11 850 43 850 18 5 336 000 11 430	49 308 9 980 16 079 40 207 44 2 210 145 5 450	30 000 300

5. Gifts, donations and sponsorships

The department is not envisaging any gifts, donations and sponsorship in excess of R100 000 during the current financial year.

6. Infrastructure

Table 12.17 shows the summary of infrastructure payments per main category. Note that the *Maintenance and repairs* category includes the salaries of the *Zimbabwe* contractors and other departmental staff that undertake maintenance. Details of the main adjustments, which resulted in an overall decrease of R154.427 million, are provided in the paragraphs following the table.

Table 12.17: Summary of infrastructure payments by category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/		Virement	Shifts	Other adjustments		
		Roll-overs	unavoidable					
Existing infrastructure assets	6 350 535	-	-	(193 436)	(30 000)	-	(223 436)	6 127 099
Maintenance and repair: Current	3 759 593			(615 504)	(30 000)		(645 504)	3 114 089
Upgrades and additions: Capital	1 704 282			621 863			621 863	2 326 145
Refurbishment and rehabilitation: Capital	886 660			(199 795)			(199 795)	686 865
New infrastructure assets: Capital	356 343			69 009			69 009	425 352
Infrastructure transfers	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital								
Infrastructure transfers: Current								
Infrastructure: Payments for fin assets	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-
Capital infrastructure	2 947 285	-	-	491 077	-	-	491 077	3 438 362
Current infrastructure	3 759 593	-	-	(615 504)	(30 000)	-	(645 504)	3 114 089
Total	6 706 878	-	-	(124 427)	(30 000)	-	(154 427)	6 552 451
Amount to be voted								(154 427)

- *Virement*: The following virements were undertaken against the infrastructure budget of the department resulting in a decrease of R124.427 million, as follows:
 - o R615.504 million was identified against *Maintenance and repair: Current* as a result of slow progress with regard to road maintenance work, as discussed previously.
 - o R199.795 million was identified against *Refurbishment and rehabilitation: Capital* attributed to road rehabilitation works that were not undertaken due to unfavourable dry weather.
 - o These funds of R815.299 million were moved as follows:

- R621.863 million was moved to *Upgrades and additions: Capital* for the fast-tracking of the upgrading of gravel roads to surfaced roads in order to avoid possible delays in the rainy season, and to cater for the carry-over costs of completed construction projects from 2013/14.
- R69.009 million was moved to *New infrastructure assets: Capital* to cater for the completion of some construction projects carried over from 2013/14, as well as to cater for escalation costs relating to new construction projects.

The balance of R124.427 million was moved as follows:

- R49.750 million was moved to Programme 3, against *Transfers and subsidies to: Public corporations and private enterprises* in respect of the PTOG, as discussed.
 - R10.854 million was moved to Programme 2, against *Compensation of employees* to cater for the filling of critical vacant posts.
 - R55 million was moved to Programme 2, against *Goods and services* to cater for the higher than anticipated expenditure relating to consultation services in respect of programme management for maintenance and construction projects in the sub-programme: Programme Support Infrastructure.
 - R1.900 million was moved to Programme 2, against *Transfers and subsidies to: Provinces and municipalities* to cater for the higher than anticipated payment of motor vehicle licences.
 - R6.923 million was moved to Programme 2, against *Transfers and subsidies to: Households* in respect of the payment for the expropriation of land to land owners to compensate them for the use of their land for road construction, which were higher than anticipated, as well as for the payment of leave gratuities, claims against the state, injury on duty, etc.
- *Shifts*: An amount of R30 million was moved from *Maintenance and repair: Current* in the sub-programme: Maintenance to the sub-programmes: Infrastructure Planning and Infrastructure Design against *Goods and services* in respect of consultation services relating to planning and design of maintenance and construction projects, as previously explained.

7. Conditional grants

The department receives national conditional grant allocations for the maintenance and construction of road infrastructure (Provincial Roads Maintenance grant), the subsidising of bus transport in the province (Public Transport Operations grant) and creating job opportunities through EPWP projects (EPWP Integrated Grant for Provinces).

The Provincial Road Maintenance grant and the EPWP Integrated Grant for Provinces are under Programme 2 and are classified against *Goods and services*, and the Public Transport Operations grant is under Programme 3 against *Transfers and subsidies to: Public corporations and private enterprises*. It should be noted that the department had to reprioritise from its equitable share allocation to supplement the spending pressures against the PTOG, as previously indicated.

Tables 12.18 and 12.19 illustrate the adjusted appropriation of the above-mentioned grants, which remain unchanged.

Table 12.18 Summary of changes to conditional grants

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Unforeseeable/		Virement	Shifts	Other adjustments		
		Roll-overs	unavoidable					
2. Transport Infrastructure	1 847 601	-	-	-	-	-	1 847 601	
Provincial Roads Maintenance grant	1 788 158						1 788 158	
EPWP Integrated Grant for Provinces	59 443						59 443	
3. Transport Operations	904 783	-	-	-	-	-	904 783	
Public Transport Operations grant	904 783						904 783	
Total	2 752 384	-	-	-	-	-	2 752 384	
Amount to be voted							-	

Table 12.19: Summary of conditional grants by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
Current payments	1 847 601	-	-	-	-	-	-	1 847 601
Compensation of employees							-	-
Goods and services	1 847 601						-	1 847 601
Interest and rent on land							-	-
Transfers and subsidies to:	904 783	-	-	-	-	-	-	904 783
Provinces and municipalities							-	-
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises	904 783						-	904 783
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 subsoil assets							-	-
Software and other intangible assets							-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	2 752 384	-	-	-	-	-	-	2 752 384
Amount to be voted								-

8. Transfers and subsidies

Table 12.20 shows the summary of transfers and subsidies per programme. Details of the main adjustment, which resulted in an overall increase of R113.071 million, are given in the paragraphs after the table below.

Table 12.20: Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
1. Administration	8 281	-	-	4 570	-	(1 090)	3 480	11 761
Provinces and municipalities	30	-	-	48	-	-	48	78
Motor vehicle licences	30			48			48	78
Departmental agencies and accounts	-	-	-	4 522	-	-	4 522	4 522
PSETA and CETA				4 522			4 522	4 522
Households	8 251	-	-	-	-	(1 090)	(1 090)	7 161
Social benefits	1 712					(1 380)	(1 380)	332
Other transfers to households	6 539					290	290	6 829
2. Transport Infrastructure	3 695	-	-	15 469	-	-	15 469	19 164
Provinces and municipalities	1 300	-	-	1 934	-	-	1 934	3 234
Motor vehicle licences	1 300			1 934			1 934	3 234
Households	2 395	-	-	13 535	-	-	13 535	15 930
Social benefits	1 300			-			-	1 300
Other transfers to households	1 095			13 535			13 535	14 630
3. Transport Operations	904 798	-	-	92 277	-	-	92 277	997 075
Provinces and municipalities	15	-	-	-	-	-	-	15
Motor vehicle licences	15			-			-	15
Public corporations and private enterprises	904 783	-	-	92 046	-	-	92 046	996 829
Bus operators	904 783			92 046			92 046	996 829
Households	-	-	-	231	-	-	231	231
Social benefits				231			231	231
4. Transport Regulation	958	-	-	1 845	-	-	1 845	2 803
Provinces and municipalities	250	-	-	400	-	-	400	650
Motor vehicle licences	250			400			400	650
Households	708	-	-	1 445	-	-	1 445	2 153
Social benefits	694			1 445			1 445	2 139
Other transfers to households	14			-			-	14
5. Community Based Programme	6 005	-	-	-	-	-	-	6 005
Provinces and municipalities	5	-	-	-	-	-	-	5
Motor vehicle licences	5			-			-	5
Public corporations and private enterprises	6 000	-	-	-	-	-	-	6 000
VECA	6 000			-			-	6 000
Total	923 737	-	-	114 161	-	(1 090)	113 071	1 036 808
Amount to be voted								113 071

It should be noted that R1.380 million was inadvertently allocated to Programme 1, against *Households* during the preparation of the 2014/15 *EPRE*. This is now being corrected in the column *Other adjustments*.

- *Virement*: The following virements were undertaken against *Transfers and subsidies*:
 - The following virements were undertaken within Programme 1, against *Compensation of employees* due to slower than anticipated filling of vacant posts:
 - R48 000 was moved to *Provinces and municipalities* in respect of motor vehicle licences resulting from the procurement of new motor vehicles, which was under-budgeted for.
 - R4.522 million was moved to *Households* relating to the provision for the Skills Development Levy to PSETA and CETA, which was not budgeted for, as previously explained.
 - The following virements were undertaken within Programme 2, against *Compensation of employees* due to slower than anticipated filling of vacant posts:
 - R1.934 million was moved to *Provinces and municipalities* in respect of the higher than budgeted payment of motor vehicle licences.
 - R13.535 million was moved to *Households* relating to the payment of leave gratuities, injury on duty, claims against the state by individuals, etc. This category is difficult to project for due to its uncertain nature.
 - The following virements were undertaken to Programme 3:
 - R92.046 million was moved from Programme 2 against *Goods and services* (R49.750 million), Programme 4 against *Compensation of employees* (R29.539 million) and within Programme 3 against *Compensation of employees* (R12.757 million), as previously explained. This was moved to *Public corporations and private enterprises* in respect of the higher than anticipated claims relating to the PTOG, as discussed previously.
 - R231 000 was moved from *Compensation of employees* due to slower than anticipated filling of vacant posts to *Households* within Programme 3 to cater for the payments of leave gratuities, which were higher than budgeted.
 - The following virements were undertaken within Programme 4, against *Compensation of employees* due to slower than anticipated filling of vacant posts:
 - R400 000 was moved to *Provinces and municipalities* in respect of the higher than budgeted payment of motor vehicle licences.
 - R1.445 million was moved to *Households* relating to the payments of leave gratuities, which were under-budgeted for.
- *Other adjustments*: An amount of R290 000 was allocated to Programme 1, against *Households* relating to the RTI Commission, in respect of the nine applicants who were hospitalised as a result of the recruitment process, as well as one applicant who was hospitalised for an extended period, as discussed. This was offset by the amount of R1.380 million that was inadvertently allocated against *Households*, as previously explained, hence the net reduction of R1.090 million.

9. Transfers to local government

The amounts against *Provinces and municipalities* in Table 12.20 above cater for motor vehicle licences. These funds will not be transferred to any municipality, and therefore the table for transfers to local government has not been included.

10. Actual payments and revised spending projections for the rest of 2014/15

Tables 12.21 and 12.22 reflect actual payments as at the end of September 2014, projected payments for the rest of the financial year in rand value and as a percentage of the adjusted appropriation per programme and economic classification, and the total revised spending. The tables also show the 2013/14 audited outcome.

Table 12.21: Actual payments and revised spending projections by programme

R thousand	2013/14 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '14 - September 2014	% of budget	October '14 - March 2015	% of budget	
1. Administration	257 304	253 814	180 075	70.9	73 739	29.1	253 814
2. Transport Infrastructure	5 990 958	6 827 918	3 336 520	48.9	3 491 398	51.1	6 827 918
3. Transport Operations	1 143 133	1 253 412	623 589	49.8	629 823	50.2	1 253 412
4. Transport Regulation	621 318	670 201	316 853	47.3	353 348	52.7	670 201
5. Community Based Programme	42 474	45 540	24 143	53.0	21 397	47.0	45 540
Total	8 055 187	9 050 885	4 481 180	49.5	4 569 705	50.5	9 050 885

Table 12.22: Actual payments and revised spending projections by economic classification

R thousand	2013/14 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April '14 - September 2014	% of budget	October '14 - March 2015	% of budget	
Current payments	3 947 180	4 428 768	2 076 224	46.9	2 352 544	53.1	4 428 768
Compensation of employees	1 266 775	1 355 698	659 561	48.7	696 137	51.3	1 355 698
Goods and services	2 680 332	3 073 070	1 416 663	46.1	1 656 407	53.9	3 073 070
Interest and rent on land	73	-	-	-	-	-	-
Transfers and subsidies to:	931 273	1 036 808	525 223	50.7	511 585	49.3	1 036 808
Provinces and municipalities	4 281	3 982	2 389	60.0	1 593	40.0	3 982
Departmental agencies and accounts	-	4 522	-	-	4 522	100.0	4 522
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	915 867	1 002 829	512 544	51.1	490 285	48.9	1 002 829
Non-profit institutions	-	-	-	-	-	-	-
Households	11 125	25 475	10 290	40.4	15 185	59.6	25 475
Payments for capital assets	3 176 152	3 585 078	1 879 503	52.4	1 705 575	47.6	3 585 078
Buildings and other fixed structures	3 096 671	3 438 362	1 788 993	52.0	1 649 369	48.0	3 438 362
Machinery and equipment	75 151	145 623	89 848	61.7	55 775	38.3	145 623
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	4 330	1 093	662	60.6	431	39.4	1 093
Payments for financial assets	582	231	230	99.6	1	0.4	231
Total	8 055 187	9 050 885	4 481 180	49.5	4 569 705	50.5	9 050 885

The department spent 49.5 per cent of its adjusted appropriation in the first six months, which is largely on track when compared to the 50 per cent straight-line benchmark at mid-year. The department is projecting to spend 50.5 per cent of the adjusted appropriation in the second half of the year.

Spending in the first six months against Programme 1 was significantly above the straight-line benchmark of 50 per cent, at 70.9 per cent, due to the purchase of replacement motor vehicles, which was under-budgeted for. Also, the purchase of six park homes for the head office staff due to additional office space required, which was higher than anticipated, contributed to the high expenditure. The projections for the second half of the year are low, at 29.1 per cent, due to the bulk of the expenditure occurring in the first six months of the year.

Spending against Programme 2 was slightly below the straight-line benchmark, at 48.9 per cent at mid-year. This resulted from the slow progress with regard to road maintenance work such as re-gravelling and blading undertaken against *Goods and services (Maintenance and repairs: Current)*, as previously discussed. The slow spending was offset by the spending pressures against *Buildings and other fixed structures*, which resulted from the fast-tracking of the upgrading of gravel roads to surfaced roads to avoid possible delays in the rainy season, as well as the carry-over costs of completed construction projects from 2013/14. In addition, the slower than anticipated filling of vacant posts contributed to the

slow spending against *Compensation of employees*. The projections for the second half of the year seem realistic, at 51.1 per cent.

Spending against Programme 3 was largely on track, at 49.8 per cent at mid-year. Spending against this programme mainly relates to the PTOG. The projections for the second half of the year seem fairly reasonable, at 50.2 per cent. It should be noted that R10 million was suspended from this programme to be allocated back in 2015/16 in respect of learner transport services, as discussed previously.

Spending against Programme 4 was, at 47.3 per cent at mid-year, below the straight-line benchmark. This was mainly attributed to the slower than anticipated progress in the filling of vacant posts. The projections for the second half of the year seem fairly reasonable, at 52.7 per cent.

Spending against Programme 5 was, at 53 per cent at mid-year, above the straight-line benchmark due to the provision of transport for the *Zimbabwe* contractors who undertake road maintenance, and the costs of consultants appointed to assist with the training of the *Zimbabwe* contractors.

Compensation of employees reflects spending at 48.7 per cent, at mid-year, which is slightly below the 50 per cent benchmark, due to the slower than anticipated filling of vacant posts, as well as resignations. The department is in the process of filling critical service delivery posts. The projections for the remaining six months appear realistic, at 51.3 per cent.

Spending against *Goods and services* was low, at 46.1 per cent at mid-year when compared to the 50 per cent benchmark, largely due to the lower than projected expenditure on maintenance projects, as discussed. The projections for the remaining six months appear realistic, at 53.9 per cent.

Spending against *Transfers and subsidies to: Provinces and municipalities* was high, at 60 per cent, at mid-year. This relates to motor vehicle licences.

The amount against *Transfers and subsidies to: Departmental agencies and accounts* is in respect of the Skills Development Levy to PSETA and CETA.

Transfers and subsidies to: Public corporations and private enterprises caters for claims in respect of bus subsidies relating to the PTOG. Spending was at 51.1 per cent at mid-year, which is slightly above the straight-line benchmark due to under-funding of the grant, as well as the increase in fuel prices and labour costs, which resulted in higher than anticipated claims in respect of bus subsidies, as explained previously. The projections for the remaining six months appear reasonable, at 48.9 per cent.

Spending against *Households* was, at 40.4 per cent at mid-year, below the straight-line benchmark of 50 per cent. The expenditure against this category is mainly in respect of the payment of leave gratuities, injury on duty, claims against the state by individuals, among others. This category is difficult to project for due to its uncertain nature.

Spending in respect of *Buildings and other fixed structures* was high, at 52 per cent, at mid-year. The high spending is mainly attributed to the fast-tracking of the upgrading of gravel roads to surfaced roads in order to avoid possible delays in the rainy season, as well as carry-over costs of completed construction projects from 2013/14. The projections for the remaining six months appear reasonable, at 48 per cent.

The spending against *Machinery and equipment* in the first half of the year is quite high, at 61.7 per cent when compared to the straight-line benchmark of 50 per cent. This can be attributed to the replacement of motor vehicles and plant.

The spending against *Software and other intangible assets* relates to the purchase of Microsoft software licences, as well as the Civil Engineering Designer software which is a civil design and documentation solution that supports BIM workflows.

The spending reflected against *Payments for financial assets* relates to the write-off of irrecoverable staff debts.

The department is projecting a balanced budget at the end of the year.