

Budget and Reporting Processes and Formats

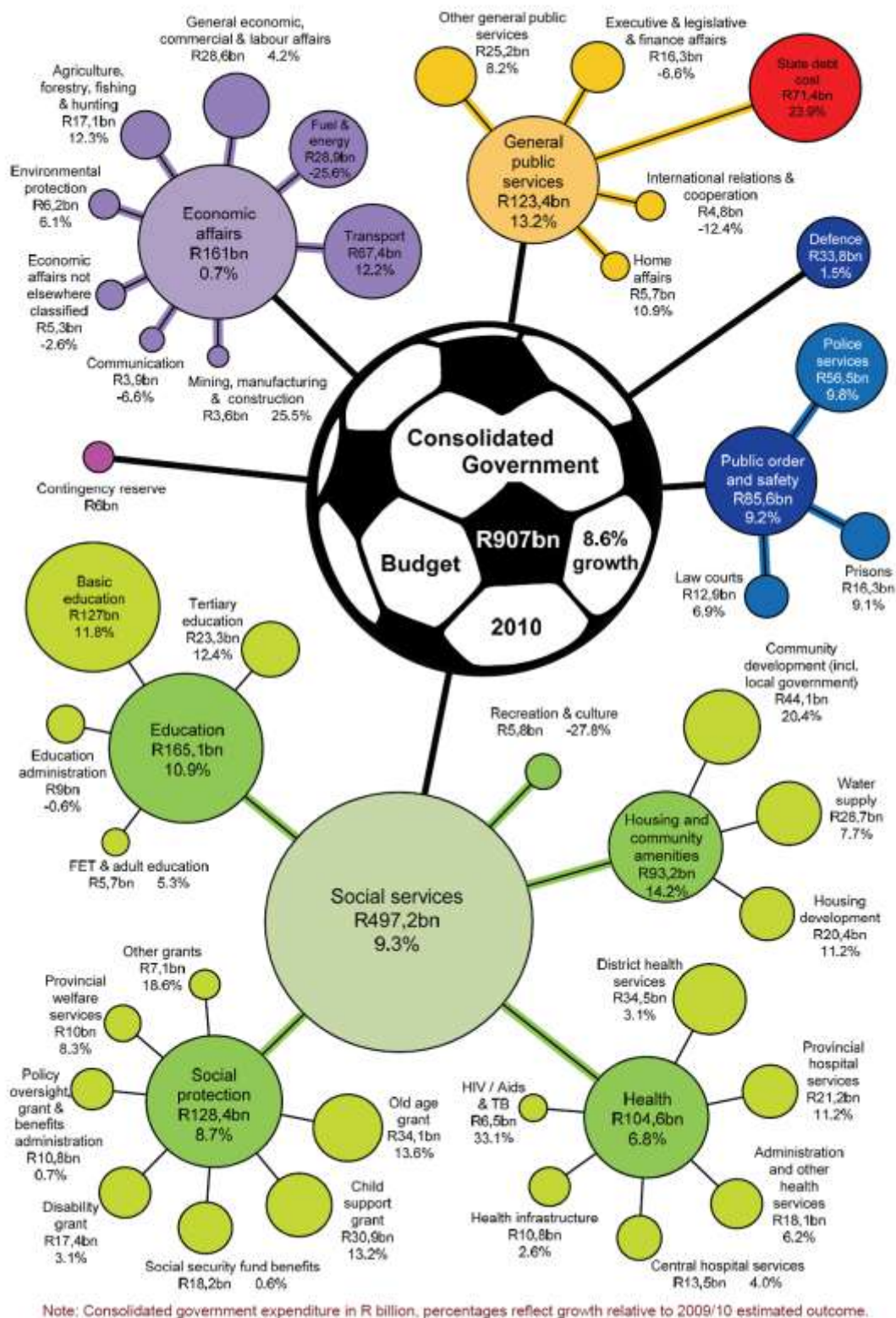
Facilitating Improved Decision Making for Service Delivery

International Example Pack

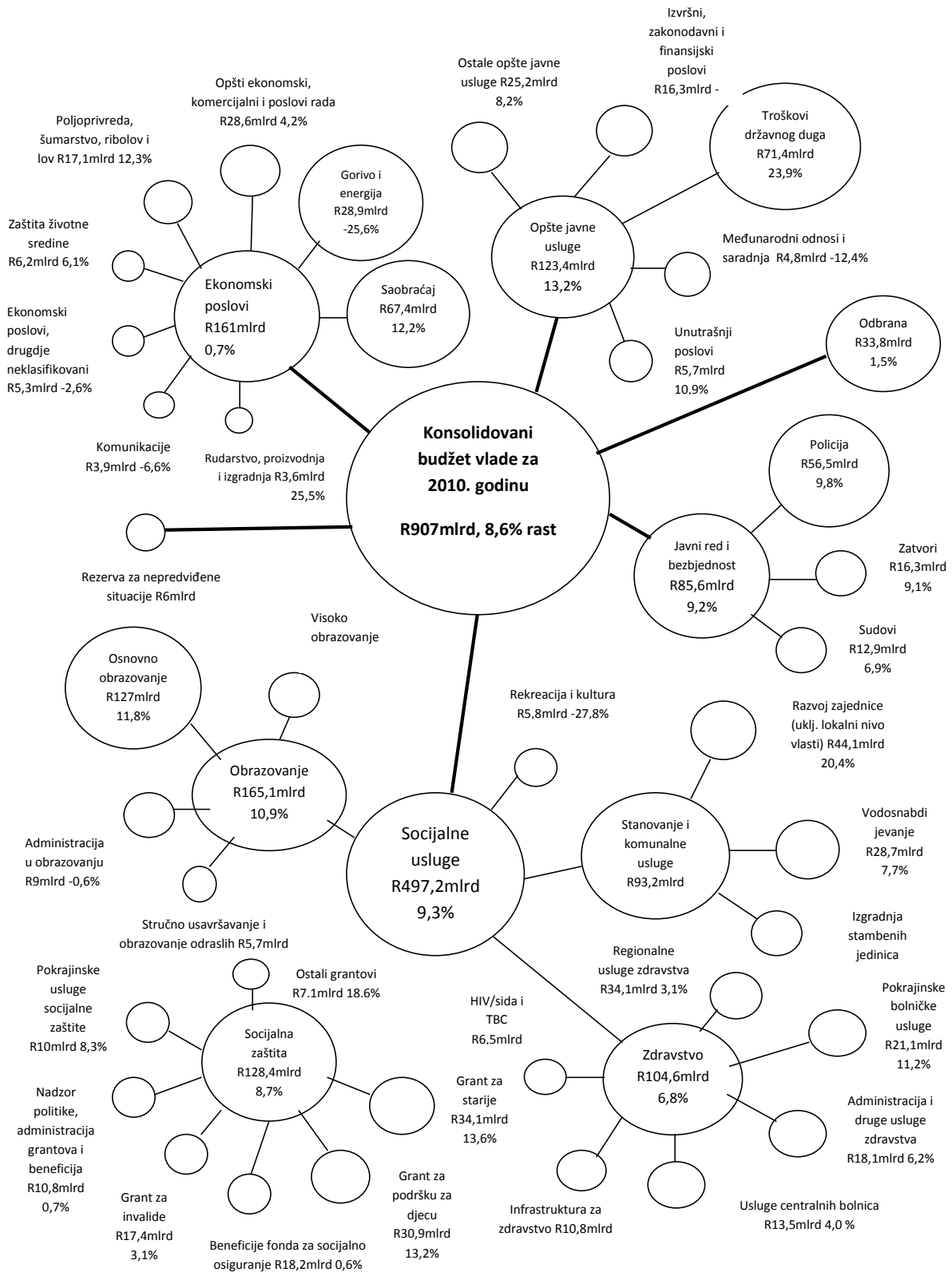
David Krywanio

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Source: Government of South Africa 2010 Budget retrieved from www.treasury.gov.za on 20 Nov 2010



Source: Government of South Africa 2010 Budget, editable diagram provided by Budget Office, National Treasury of South Africa November 2010

8

Outcome targets and medium-term spending priorities

The 2010 Budget expresses government's commitment to increase efficiency and improve performance. Additional expenditure is channelled to government's main targeted outcomes: improving the quality of education, upgrading health care, promoting public safety, supporting rural development, creating decent jobs, building sustainable human settlements and encouraging efficient local government.

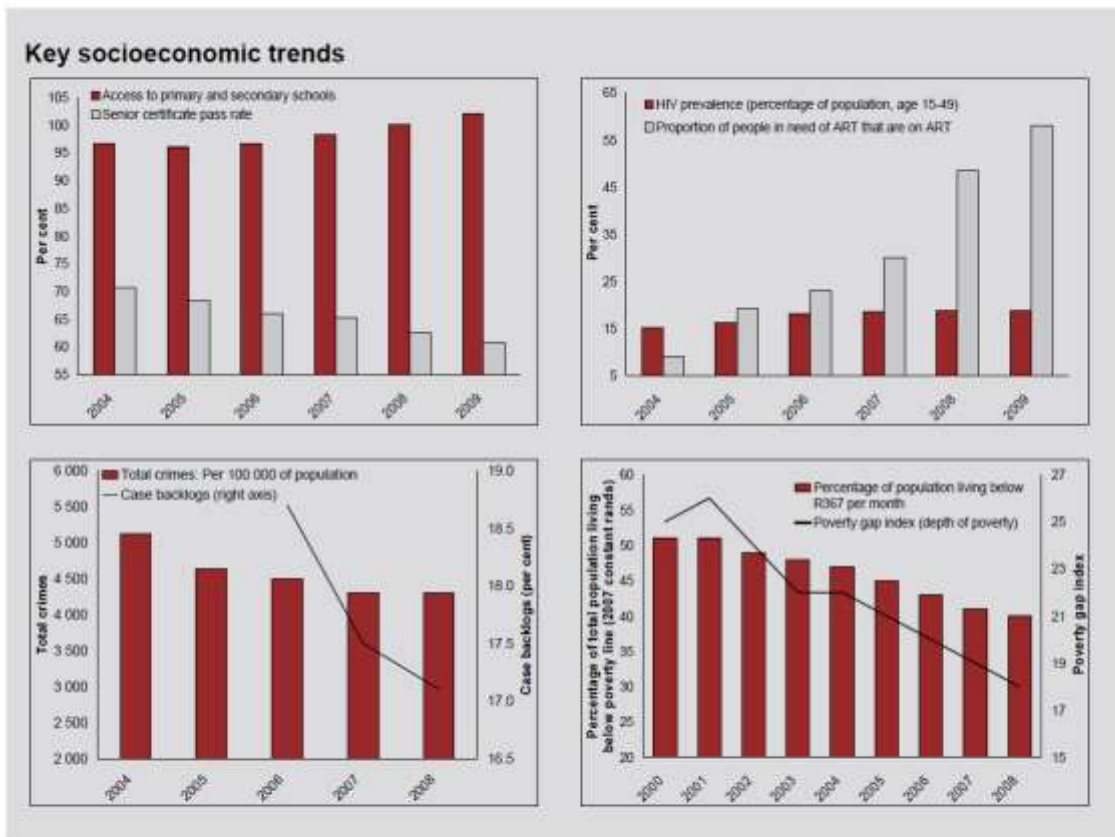
Spending growth will moderate over the medium term. Additional funds to support outcomes have been sourced from departmental budgets through a savings exercise. Budgets have also been shifted extensively within departments from low- to high-priority programmes. Total savings of R25.6 billion have been identified for reallocation and, including these savings, additional allocations amounting to R112.2 billion are proposed over the medium-term expenditure framework.

■ Enhancing efficiency and service delivery

If the developmental objectives identified in the 2009 medium-term strategic framework (MTSF) are to be met, service delivery must improve. Given moderate economic growth and rising public debt interest costs, government is scrutinising departmental performance to improve efficiency, obtain better value for money and move resources to where they are needed most.

Government is scrutinising departmental performance to get better value for money and reprioritise spending

While expenditure has grown and access to services has improved since 1994, performance has often lagged, with outcomes in key areas such as education, health, policing and employment creation falling short of expectations. The trends highlighted in the box on the next page underline some of the challenges the country faces, as well as gains on which South Africa needs to build.



Budget accountability has traditionally focused on departmental activities. In light of the need to speed up progress on South Africa's developmental challenges, government is shifting to target *outcomes*. To improve service delivery and increase accountability, the Presidency has announced the adoption of 12 measurable outcomes that will become the focus of policy and implementation. These objectives, with associated activities and defined targets to be reached by 2014, have helped to shape the 2010 Budget.

This chapter discusses additional allocations directed towards the outputs and activities prioritised in most of these areas. Further work to refine these outputs and activities will be undertaken in the months ahead.

A focus on development outcomes, with performance targets to be defined over the next several months

Specific departmental performance targets will be finalised once service delivery agreements are concluded in support of the identified outcomes. This process will be overseen by new functions within the Presidency, with R180 million allocated over the medium-term expenditure framework (MTEF) for this purpose. Departmental performance targets and service agreements will improve coordination and speed up service delivery.

Government has also established new functions, and reconfigured others, through a ministerial and departmental reorganisation. A table of the new budget votes, and how they relate to previous departments, can be found in the overview section of the *Estimates of National Expenditure*.

Outcome targets: 2010-2014

1. Improve the quality of basic education
2. Create decent employment through inclusive economic growth
3. Develop a skilled and capable workforce
4. Improve health care and life expectancy among all South Africans
5. Build a safer country
6. Support an efficient, competitive and responsive economic infrastructure network
7. Develop vibrant, equitable and sustainable rural communities that contribute to adequate food supply
8. Protect our environment and natural resources
9. Create sustainable human settlements and improved quality of household life
10. Build a responsive, accountable, effective and efficient local government system
11. Create a better South Africa, a better Africa and a better world
12. Generate an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.

■ Reallocation, reprioritisation and cost savings

Within departments, improving performance requires better planning and execution, and making existing resources work more efficiently. In the 2010 Budget, additional funds for reallocation include funds sourced from national departmental budget baselines through a savings exercise. At the time of the *Medium Term Budget Policy Statement*, R14.5 billion of savings had been identified. Savings realised over the next three years now amount to R25.6 billion, of which R7.1 billion is in 2010/11, R9.3 billion in 2011/12 and R9.2 billion on 2012/13. In addition, about R13.4 billion has been identified within provincial budgets for reprioritisation, mainly to education and health.

Departments have been able to decrease spending on noncore goods and services, reschedule expenditure, effect savings on overseas payments, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Major adjustments over the MTEF period include:

- Defence and Military Veterans, R4.5 billion (cancelled A400M military aircraft contract)
- Correctional Services, R4.5 billion (rescheduled prison building plans)
- Transport, R3.4 billion (including deferred public transport infrastructure projects where planning and design have been delayed)
- International Relations and Cooperation, R1.5 billion (revised foreign costs and deferred construction of the Pan African Parliament building)
- Social Development, R1.2 billion (rationalised social grant payments).

To reduce costs and improve value for money, government is tackling fraud and corruption, with particular focus on enhancing transparency and competitive tendering in the procurement systems.

■ Consolidated expenditure and revised estimates

Of a total non-interest expenditure of R830 billion planned for 2010/11, rising to R946 billion in 2012/13, the education sector receives the highest share (19.9 per cent), followed by social protection (15.5 per cent); health

Government has identified total savings of R25.6 billion for reallocation to priorities over the MTEF.

Savings from Defence, Correctional Services, Transport, International Relations and Cooperation and Social Development

(12.6 per cent); public order and safety (10.3 per cent); and transport (8.1 per cent). The budget also provides a contingency reserve of R6 billion, R12 billion and R24 billion to be accommodated within the available resources over the three years ahead. These amounts are set aside to provide funding for events that cannot be foreseen, such as natural disasters. In the outer years, part of the contingency reserve can be drawn down to fund new policy priorities.

Table 8.1 Consolidated government expenditure by function, 2009/10 – 2012/13

R million	2009/10	2010/11	2011/12	2012/13	Average annual growth	
	Revised estimate	Medium-term estimates			2006/07–2009/10	2009/10–2012/13
General public services	51 382	52 016	55 347	55 167	18.0%	2.4%
Defence	33 293	33 793	37 485	39 966	8.1%	6.3%
Public order and safety	78 407	85 615	92 682	99 420	14.6%	8.2%
Police services	51 465	56 488	61 284	64 902	13.9%	8.0%
Law courts	12 021	12 855	13 977	14 805	17.8%	7.2%
Prisons	14 921	16 272	17 420	19 713	14.9%	9.7%
Economic affairs	154 073	154 810	138 861	144 578	30.2%	-2.1%
General economic, commercial and labour affairs	32 961	33 970	35 340	36 571	30.8%	3.5%
Agriculture, forestry, fishing and hunting	15 192	17 067	19 437	20 569	11.5%	10.6%
Fuel and energy	38 810	28 868	9 263	9 529	91.4%	-37.4%
Mining, manufacturing and construction	2 888	3 623	4 025	4 343	4.0%	14.6%
Transport	60 094	67 427	67 067	69 908	25.0%	5.2%
Communication	4 128	3 856	3 728	3 657	19.6%	-4.0%
Environmental protection	5 841	6 198	6 591	7 043	14.5%	6.4%
Housing and community amenities	81 614	93 194	105 270	113 483	20.7%	11.6%
Housing development	18 345	20 403	23 299	24 179	25.2%	9.6%
Community development	36 669	44 135	49 490	53 743	20.4%	13.6%
Water supply	26 600	28 656	32 481	35 560	18.3%	10.2%
Health	97 969	104 640	113 432	120 519	18.4%	7.1%
Recreation and culture	8 081	5 832	5 283	5 581	24.7%	-11.6%
Education	148 867	165 074	179 889	189 710	16.4%	8.4%
Social protection	118 198	128 435	142 060	155 133	14.5%	9.5%
Allocated expenditure	777 725	829 606	876 898	930 600	18.6%	6.2%
State debt cost	57 600	71 358	88 463	104 022	3.3%	21.8%
Contingency reserve	–	6 000	12 000	24 000		
Consolidated expenditure¹	835 324	906 964	977 361	1 058 622	17.2%	8.2%

1. Consisting of national, provincial, social security funds and selected public entities. Refer to Annexure W2 for a detailed list of entities included.

Consolidated government expenditure grows at an average rate of 8.2 per cent a year over the MTEF

A functional classification of government expenditure is set out in Table 8.1. It takes into account consolidated national and provincial spending, spending by various public entities and transfers to local government. Consolidated government expenditure is projected to increase from R835 billion in 2009/10 to R1 059 billion in 2012/13, largely financed through the national budget. Over the next three years, consolidated government expenditure grows by an annual average of 8.2 per cent, compared with growth of 17.2 per cent over the previous three years. State debt cost, in contrast increases by 21.8 per cent over the period ahead following an average increase of 3.3 per cent a year since 2006/07.

Table 8.2 2010 Budget priorities – additional MTEF allocations, 2010/11 – 2012/13

R million	2010/11	2011/12	2012/13	Total
Provincial equitable share	6 400	7 000	7 600	21 000
Includes general adjustment and wage increases				
Compensation of employee adjustments	3 600	4 000	4 400	12 000
Social grants	1 785	3 598	6 809	12 192
Education and skills development				
Workbooks	750	930	1 000	2 680
Dinaledi schools	–	70	100	170
Higher education subsidies	–	300	700	1 000
Further education and training college sector grant	400	430	450	1 280
Occupation-specific dispensation for educators	3 000	3 000	3 000	9 000
Health care				
Comprehensive HIV and Aids grant	1 700	2 800	3 900	8 400
Hospital revitalisation grant	140	–	–	140
Occupation-specific dispensation for health professionals	1 281	1 302	1 324	3 907
Justice, crime prevention and policing				
Additional policing personnel	200	230	250	680
Military skills development system	50	70	100	220
New SA National Defence Force remuneration system	600	730	850	2 180
Implementation of Children's Act, Child Justice Act and Sexual Offences and Related Matters Act	30	60	90	180
Landward defence modernisation	–	100	500	600
Occupation-specific dispensation for correctional services workers	300	300	300	900
Rural development				
Rural development	260	300	300	860
Land Bank recapitalisation	750	750	–	1 500
Job creation, infrastructure and environment				
Expanded public works programme incentive	567	800	1 100	2 467
Clothing and textile production incentive	400	600	750	1 750
Automotive production and development programme	450	600	700	1 750
Regional bulk infrastructure	54	200	300	554
Municipal infrastructure grant	–	–	2 500	2 500
Public transport, roads and rail infrastructure	468	1 052	1 329	2 849
Transnet fuel pipeline	1 500	1 500	1 500	4 500
Human settlements and local government				
Rural households infrastructure grant	100	350	750	1 200
Human settlements development grant	–	–	1 000	1 000
Local government equitable share	900	2 050	3 750	6 700
Other adjustments	2 145	2 134	3 793	8 072
Total	27 831	35 256	49 144	112 231

■ Proposed revisions to expenditure plans

The MTEF operates as a three-year budget framework, revised annually. This chapter discusses *additional* allocations to departments as they relate to government's key priorities. These amounts are added to funds already in departmental baselines.

The Estimates of National Expenditure provides details on spending throughout departments

National budget spending allocations are increased by R86.7 billion relative to the 2009 Budget. Including the R25.6 billion in savings realised for reallocation, revisions of R112.2 billion to the spending estimates are summarised in Table 8.2. The *Estimates of National Expenditure* provides greater detail on national government spending across all departments.

Public service remuneration

About 1.2 million people are employed by national and provincial government, comprising about 9 per cent of total employment. The major categories are education (40 per cent), health (22 per cent), policing (15 per cent), defence (6 per cent) and correctional services (3 per cent).

Public servants received salary increases of between 6 and 13 per cent in 2009. An additional R12 billion was allocated to partially fund the higher costs of these increases. A total of R13.8 billion was allocated for the cost of occupation-specific dispensations in education, health and correctional services. Departments and provinces have had to absorb further costs of salary improvements from savings within their budgets.

Due to higher nominal salary increases and the introduction of several occupation-specific dispensations, public-sector remuneration rose substantially, from R154.7 billion in 2006/07 to an estimated R258.1 billion in 2009/10. Over the period ahead, more moderate salary increases are budgeted for, to allow for continued increases in public employment in priority service delivery areas.

*'The teacher in class, on time and teaching' —
Minister of Basic Education
Angie Motshekga*

Improving the quality of basic education and skills training

South Africa's numeracy and literacy levels for schoolchildren are unacceptably low by any standard, despite a high level of spending on education, set to rise from R148.9 billion in 2009/10 to R165.1 billion in 2010/11 (see Table 8.1). Challenges within the education system include poor school management, inappropriately trained teachers, insufficient time on task and a lack of basic resources in poor schools. Low levels of achievement in science, mathematics and languages are also symptomatic of these problems.

South Africa's lack of skilled labour hampers economic development. Twice as many students are enrolled in universities as are enrolled in vocational colleges, while in many other countries this ratio is reversed. Existing skills training programmes are often inadequate to support the needs of individuals and the economy.

Over the next three years funding will be reprioritised to address these challenges, with key outputs and activities summarised below.

Government aims to improve literacy and numeracy. An additional R2.7 billion is allocated to provide workbooks in all 11 official languages for learners in grades R to 9. The workbooks will help teachers to map out clear daily plans and guide effective use of the curriculum.

Towards quality basic education and skills development

Outputs	Activities
<ul style="list-style-type: none"> • High quality of teaching and learning • Improve overall literacy and numeracy results <ul style="list-style-type: none"> - Improve grade 3 scores from 36% and 35% to 60%, and grade 6 scores from 38% and 27% to 60% • Better senior certificate examination performance <ul style="list-style-type: none"> - Increase Bachelor's degree qualifiers from 107 000 to 175 000 - Increase maths passes from 136 184 to 250 000 - Increase science passes from 148 678 to 171 600 • Early childhood development 	<ul style="list-style-type: none"> • Assess literacy and numeracy each year • Conduct curriculum coverage assessment at each school at least once per year • Deliver learning and teaching support materials on time • 100% of schools participation in early childhood development
<ul style="list-style-type: none"> • Availability of reliable information to guide skills development planning • Strengthened providers and accessible training and skills development • Quality and relevance of training and skills <ul style="list-style-type: none"> - Increase university, technikon and artisan trade test pass rates from 42% to 50-70% 	<ul style="list-style-type: none"> • Integrate processes of the South African Qualifications Authority, education institutions, Home Affairs and Sector Education and Training Authorities (SETAs) • Expand incentives for industrial apprenticeships and learnerships • Strengthen partnerships with industry for internship placement

Source: *Measurable Performance and Accountable Delivery*, The Presidency

An amount of R28 million is provided for annual national assessments of literacy and numeracy at the key stages of grades 3, 6 and 9. These assessments will measure performance, and allow educators and parents to make the necessary interventions to enhance performance.

National literacy and numeracy assessments to take place in grades 3, 6 and 9

To improve the quality of teaching and to attract new talent to the profession, government has refined the occupation-specific dispensation for educators that was introduced in 2008. An additional R9 billion is provided over the MTEF for teachers' salaries and, to retain experience, there will be improved remuneration for longer service. The Funza Lushaka teacher bursary programme currently funds over 9 000 students enrolled at universities in 2010.

To contribute to strengthening the performance of further education and training (FET) colleges, R1.3 billion has been allocated over the next three years. Government will also promote higher training standards to meet the requirements of a changing economy, address the lack of training in certain skills areas, and systematically increase institutions' capacity to train larger numbers of people. To improve value for money, high failure rates in FET colleges must also be addressed.

FET colleges must develop higher training standards to meet economy's needs.

Allocations to higher education institutions have grown from R7.1 billion in 2001/02 to R15.3 billion in 2009/10. An additional R1 billion is provided over the MTEF to increase subsidies to universities, and R5.6 billion is allocated to the National Student Financial Aid Scheme for financial support for poor students to access higher education. About 140 000 students will receive financial aid from the scheme in 2010.

'It is critical that civil society, organised business and labour, researchers and academics in our country work with us to turn our health system around.' – Minister of Health Aaron Motsoaledi

Treatment of Aids is broadened, with a large increase in antiretroviral therapy from 2010

Upgrading health care and increasing life expectancy

Life expectancy has declined in South Africa over the past decade, largely as a result of deaths attributable to HIV and Aids. Tuberculosis (TB) is also a major cause of death, and its co-infection rate with HIV infection is roughly 70 per cent. The child mortality rate is also very high, at 69 per 1000. South Africa is one of 12 countries that have experienced an increase in maternal mortality since 1990. Challenges in the public health system include poor infrastructure, weak hospital management and lack of critical resources including skilled health workers.

Provision is made in the 2010 Budget to broaden Aids treatment. Previously, government hospitals and clinics provided antiretroviral treatment to individuals with a cluster of differentiation 4 (CD4) count of less than 200. Policy has been adjusted to begin this therapy at an earlier stage, when the CD4 count falls below 350 for patients with TB and pregnant women, and for all HIV-infected infants. Scientific evidence indicates that this will contribute to saving about 10 000 lives a year, and to improved health indicators for TB, and maternal and child health. It is anticipated that from 2010 the number of new Aids treatment patients will grow by over 400 000 a year. Additional funding amounting to R8.4 billion over the medium term is provided for the Aids treatment programme. An amount of R50 million has also been set aside for a national mass immunisation campaign to combat measles and polio.

In addition R2.6 billion is provided for the doctors' occupation-specific dispensation, and R1.3 billion to cover the dispensation for therapeutic practitioners (physiotherapy, psychology, etc). These additions benefit about 44 000 medical and related personnel. Nurses benefited from a similar dispensation in 2008. These adjustments will help the public health system retain qualified and experienced staff. Between December 2006 and December 2009, public health staffing levels rose by 27 470.

Consolidated government expenditure on health services amounted to R98 billion in 2009/10 and is projected to rise to R104.6 billion in 2010/11.

Towards improved health and life expectancy

Outputs

- Mortality and life expectancy
 - Decrease child deaths from 69-91 per 1 000 live births to 30-35 per 1 000 live births-
 - Increase life expectancy from 47-51 to 55 years
- HIV and Aids
 - Decrease nationwide prevalence among 15-24 year olds from 10.65% to 5.2%
 - Increase the number of HIV-positive people on antiretroviral treatment from 700 000 to 2 million
- Tuberculosis (TB) case load
 - Decrease total number of new cases of TB per year from 341 185 to 175 000
 - Increase successful treatment from 65% to 85% of total cases
- Health system effectiveness

Activities

- Ensure well-coordinated rollout of ARV treatment, and greatly strengthen maternal health services
- Ensure more effective rollout of measures to prevent mother-to-child transmission of HIV infection, and integrate HIV prevention in health services
- Integrate HIV and TB services and expand rollout of United Nations programme for TB
- Implement a hospital audit process in 2010, covering 25% of all hospitals per year

Source: *Measurable Performance and Accountable Delivery*, The Presidency

Table 8.3 Social services: expenditure by vote, 2006/07 – 2012/13

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	Outcome			Revised estimate	Medium-term estimates		
R million							
Appropriation by vote							
Arts and Culture	1 330	1 586	2 114	2 440	2 407	2 417	2 563
<i>Grants to provinces</i>	–	163	345	441	513	543	571
Basic Education	1 572	2 165	3 284	4 198	6 166	7 550	8 099
<i>Grants to provinces</i>	1 243	1 377	2 114	2 575	3 931	5 048	5 447
Health	11 338	12 763	15 464	18 025	21 497	23 708	25 845
<i>Grants to provinces</i>	10 207	11 553	14 029	16 417	19 853	21 972	24 030
Higher Education and Training	14 292	15 997	18 766	20 682	23 721	26 105	27 856
<i>Grants to provinces</i>	1 974	2 435	3 006	3 168	3 773	3 972	4 169
Labour	1 343	1 432	1 507	1 674	1 784	1 867	1 942
Social Development	61 676	67 191	76 097	86 108	95 929	105 715	114 024
Sport and Recreation South Africa	887	5 048	4 871	2 872	1 246	760	794
<i>Grants to provinces</i>	119	194	294	402	426	452	475
<i>Grants to local government</i>	600	4 605	4 295	2 169	513	–	–
Total	92 438	106 182	122 105	136 000	152 749	168 122	181 123
Direct charges against the National Revenue Fund							
Higher education and training: Skills development	5 328	6 284	7 234	7 750	8 424	9 149	9 606
Total	97 766	112 466	129 339	143 750	161 173	177 271	190 729

Building a safer country

Reducing crime and corruption is one of government's top priorities. The rates of violent contact crimes, although decreasing, are unacceptably high by international comparison. Recent trends indicate that house and business robbery rates have increased. Additional funds are provided to bring down crime levels, clear court case backlogs, reduce parole condition violations, and integrate processes in the criminal justice system.

Consolidated government expenditure on public order and safety is R78.4 billion in 2009/10, rising to R85.6 billion in 2010/11.

Police staffing levels expand from 185 371 in 2009/10 to 200 660 in 2012/13. Government is allocating R680 million over the next three years to recruit additional personnel in detective services, crime intelligence and visible policing. A further R150 million will be used to intensify the fight against organised and serious crime through the Directorate for Priority Crime Investigation (the Hawks).

An amount of R230 million is allocated over the medium term to the Department of Justice and Constitutional Development and the Legal Aid Board for the appointment of more public defenders, family advocates, family counsellors, sexual offences court officers and court clerks. These funds aim to hasten progress towards an accessible and efficient court system that assists vulnerable groups, and to support effective implementation of the Children's Act, Child Justice Act, and the Sexual Offences and Related Matters Act.

Allocations support implementation of sexual offences legislation and laws protecting children

Funding to provide for more equitable remuneration in the defence force

Over the next three years, R600 million is provided for the renewal of landward defence in the South African Army. An additional amount of R2.2 billion is allocated for a new salary structure in the South African National Defence Force. A further R220 million is provided to expand the military skills development system, increasing intake to 5 570 recruits by 2012/13.

Towards a safer country

Outputs	Activities
<ul style="list-style-type: none"> • Levels of overall, contact and "trio" crimes (hijacking, housebreaking and business robbery) and effectiveness and integration of systems <ul style="list-style-type: none"> - Increase contact crime detection rate from 52.5% to 57.5% - Increase trio crime detection rate from 13.8% to 34% - Decrease court backlogs from 37 459 to 22 100 cases - Decrease number of parole violations from 37 608 to 22 200 • Crime perception management <ul style="list-style-type: none"> - Increase the percentage of contact/trio crimes reported by victims / members of public from 48.9% to 80% • Border management • Corruption <ul style="list-style-type: none"> - Raise Corruption Perception Index Ranking from 160 to within the top 40 countries 	<ul style="list-style-type: none"> • Focus on apprehending known perpetrators • Remove easy access to guns • Develop specialised units to fight housebreaking, business robberies and hijackings • Re-engineer business processes in and around courts and construct more prisons to prevent overcrowding • Add financial forensic capacity to the Directorate of Priority Crime and Investigation • Design and introduce a victim survey to be conducted annually

Source: *Measurable Performance and Accountable Delivery*, The Presidency

Table 8.4 Justice and protection services: expenditure by vote, 2006/07 – 2012/13

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	Outcome			Revised estimate	Medium-term estimates		
R million							
Appropriation by vote							
Correctional Services	9 251	11 122	12 823	13 835	15 129	16 027	18 277
Defence and Military Veterans	23 818	25 180	27 801	30 325	30 715	33 931	36 387
Independent Complaints Directorate	65	81	99	116	129	144	152
Justice and Constitutional Development	5 854	7 194	8 244	9 673	10 250	11 084	11 731
Police	32 635	36 526	41 635	47 622	52 556	56 917	60 391
Total	71 623	80 103	90 603	101 572	108 781	118 103	126 937
Direct charges against the National Revenue Fund							
Justice and Constitutional Development: Judges and magistrates salaries	1 099	1 185	1 601	1 672	1 930	2 104	2 252
Total	72 722	81 288	92 204	103 243	110 711	120 207	129 189

Developing equitable and sustainable rural communities

About 85 per cent of the poorest South Africans reside in rural areas. Rural communities face economic marginalisation, high unemployment, environmental deterioration, ineffective land management and slow progress in agricultural land reform. To develop vibrant, equitable and sustainable communities, significant investments are proposed.

Government expenditure on agriculture, forestry and fishing will amount to R17.1 billion in 2010/11, while R6.2 billion will be spent on environmental protection.

Towards accelerated rural development	
Outputs	Activities
<ul style="list-style-type: none"> • Land and agrarian reform and protection of natural resources <ul style="list-style-type: none"> - Increase number of commercial farm holders from 780 000 to 800 000 - Increase percentage of small farmers producing for sale from 4.07% to 10% • Rural development and sustainable livelihoods <ul style="list-style-type: none"> - Decrease percentage of households with inadequate housing from 5.6% to 2% - Increase percentage of households with access to water from 74.7% to 90% • Enabling institutional environment for land reform <ul style="list-style-type: none"> - Decrease number of outstanding land claims from 4 296 to 1 000 	<ul style="list-style-type: none"> • Develop an effective agrarian reform programme • Review land reform • Resolve all land claims by mid-2019 • Review water allocation, pricing, tariffs and payment systems

Source: *Measurable Performance and Accountable Delivery paper*, The Presidency

The 2010 Budget supports several complementary programmes for rural development. The aim is to raise income, increase food production and improve the viability of small farms. A two-year pilot project has been launched to inform the rollout of the programme. Over the MTEF, additional funding amounting to R860 million has been allocated to the comprehensive rural development programme for research, planning, design and development of rural development projects. The Department of Rural Development and Land Affairs will also leverage private, donor and development finance funds. The Human Settlements vote receives R1.2 billion for water and sanitation infrastructure associated with rural housing. The Land Bank receives a R1.5 billion capital injection to improve its liquidity and its ability to support emerging farmers.

Building a more inclusive economy, creating jobs and developing network infrastructure

South Africa requires faster, more inclusive economic growth to achieve its developmental goals. While job creation is the country's greatest socioeconomic challenge, creating a more inclusive economy requires a comprehensive package of measures (see Chapters 2 and 3) to promote employment, alongside continued network infrastructure investment. In addition, South Africa has the potential to create jobs through its efforts to reduce its greenhouse gas emissions and protect the environment. Spending on economic services and investment infrastructure amounts to

South Africa needs faster, more inclusive and job-creating economic growth

about 20 per cent of consolidated government expenditure, or an estimated R154 billion, in 2009/10.

Towards job creation, infrastructure development and environmental protection

Outputs	Activities
<ul style="list-style-type: none"> • Decent employment <ul style="list-style-type: none"> - Increase labour absorption rate from 43% to 45% - Increase GDP per capita from R46 907 to R57 618 - Increase median income from R26 291 per annum to R35 185 per annum • Inclusive economic growth <ul style="list-style-type: none"> - GDP growth average 5% (2010-2014) - Decrease level of income inequality, lowering Gini coefficient from 0.66 to 0.59 - Increase the share of national income going to the poorest 40% of the population 	<ul style="list-style-type: none"> • Adopt industrial strategies that promote labour absorption • Improve firm and sector competitiveness • Increase equality through community works and low-skilled employment opportunities • Strategically use business regulations to support development objectives • Develop systems to regulate the coherence of microeconomic policies
<ul style="list-style-type: none"> • Electricity <ul style="list-style-type: none"> - Increase household access from 74% to 100% - Decrease distribution network maintenance backlog from R27.4 billion to R15 billion • Integration across rail networks and increased access to passenger rail travel • Communication/technology <ul style="list-style-type: none"> - Increase broadband speed from 256 kbps to 1 gbps - 100% rollout of infrastructure for migration from analogue to digital broadcasting • Water <ul style="list-style-type: none"> - Decrease household water access backlog from 9% to 5% • Maintain and expand roads 	<ul style="list-style-type: none"> • Create an independent water regulator to implement price regulation • Electricity system operator independent from Eskom Holdings by 2010 • Consider a single regulatory authority under the Competition Commission to enhance competition in network industries • Cabinet approval of national internet broadband policy finalised by March 2010 • Implement the Rail Act under safety and economic regulators
<ul style="list-style-type: none"> • Enhanced quality and quantity of water <ul style="list-style-type: none"> - Increase number of rehabilitated wetlands from 95 to 150 a year • Reduced climate change <ul style="list-style-type: none"> - Decrease CO₂ emissions from 319 million tons • Sustainable natural resource management <ul style="list-style-type: none"> - Decrease percentage of land affected by soil degradation from 70% to 55% • Protect biodiversity 	<ul style="list-style-type: none"> • Finalise White Paper on Climate Change by the end of 2010 • Ensure that South African Air Quality Information System is fully operational by end of 2010 • Develop and implement an integrated water conservation strategy

Source: *Measurable Performance and Accountable Delivery paper*, The Presidency

Incentives to promote labour-intensive public works

Over the 2009-2014 period, the second phase of the expanded public works programme aims to create 4.5 million short-term jobs lasting for an average duration of 100 days. The programme focuses on delivery of public and community services. To increase hiring and labour-intensity in the public works programme activities, a wage-based incentive will be disbursed to provinces, municipalities and the non-state sector on the basis of employment targeted performance.

Large investments continue in electricity, roads, rail and public transport

Government and the state-owned enterprises continue to make large investments in electricity, road, rail and public transport infrastructure, increasing the long-term growth potential of the country and providing better service to all South Africans. An additional R1.8 billion supports the

work of the South African National Roads Agency in maintaining strategic roads over the medium term. Of this, R1.5 billion is allocated for the coal haulage road network in Limpopo and Mpumalanga, which forms an essential link in the country's power-generation chain. A new fuel pipeline levy is introduced that will raise about R1.5 billion a year to support construction of the Durban to Gauteng fuel pipeline.

Allocations for rail infrastructure are increased by R497 million, of which R103 million is for cost increases on the Gautrain project and R394 million for the Passenger Rail Agency of South Africa to enable it to refurbish about 100 coaches and upgrade signalling infrastructure. Public transport receives additional funding of R305 million for the purchase of buses for the 2010 FIFA World Cup and the establishment of the Public Transport Regulator. A further R281 million is allocated for the Arrive Alive campaign and for the Road Traffic Management Corporation.

South Africa will host the 17th session of the Conference of Parties of the United Nations Framework Convention on Climate Change in 2011. An allocation is made to the Department of Environmental Affairs to prepare for this important conference.

South Africa to host major UN climate change conference in 2011

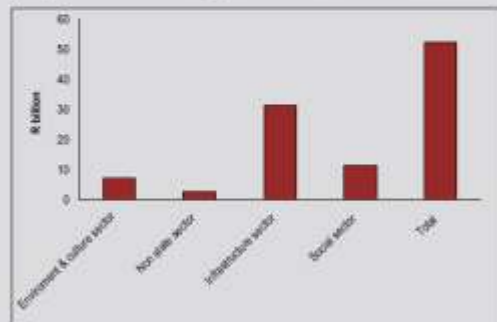
Expanded public works programme

An estimated total of R52 billion is available for various expanded public works projects over the next three years, allocated to national and provincial departments, municipalities and to non-state implementing agencies. This includes both direct funding – such as the infrastructure incentive conditional grants and allocations to non-governmental organisations and the community works programme – and indirect funding for labour intensive projects through the *infrastructure grant for provinces* and the *municipal infrastructure grant*. Provinces also contribute to social sector employment initiatives, through budget allocations over and above their conditional grant receipts.

The MTEF allocations include an additional R2.5 billion that will support labour-intensive projects in the social, non-state and environmental sectors. It is envisaged that jobs created in these sectors will be of a longer duration than in previous years. The community work programme receives an additional R1.5 billion over the period, and focuses on initiatives at the local level.

A projected 642 000 job opportunities will be created in 2010/11, rising to 1.2 million in 2012/13. As these jobs are of varying duration, they are equivalent to 260 900 people employed on a full-time equivalent basis (FTE) in 2010/11, rising to 502 000 in 2012/13. Just over half of the jobs created will be in infrastructure projects.

MTEF allocations for expanded public works programme sectors, 2010/11 - 2012/13



Expanded public works, FTE targets, 2010/11 - 2012/13

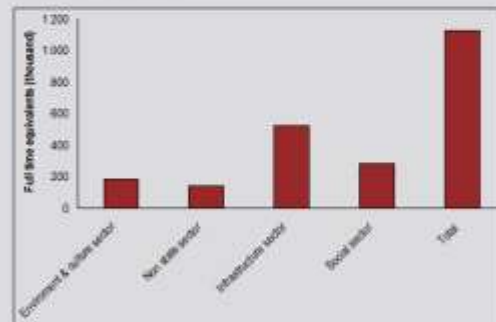


Table 8.5 Economic services and infrastructure: expenditure by vote, 2006/07 – 2012/13

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	Outcome			Revised estimate	Medium-term estimates		
R million							
Appropriation by vote							
Agriculture, Forestry and Fisheries	2 711	3 859	3 465	3 306	3 658	4 361	4 741
<i>Grants to provinces</i>	401	762	898	974	1 117	1 437	1 509
Communications	1 320	1 912	2 329	2 354	2 114	1 814	1 630
Economic Development	239	245	220	316	419	494	520
Energy	1 931	2 189	2 918	3 740	5 535	5 740	5 539
<i>Grants to local government</i>	391	462	589	1 092	1 240	1 377	1 151
Environmental Affairs	1 164	1 654	1 883	2 244	2 608	2 818	3 059
Human Settlements	7 178	8 716	11 147	14 036	16 201	18 483	19 604
<i>Grants to provinces</i>	6 678	8 150	10 178	12 592	15 161	17 222	17 939
Mineral Resources	677	758	812	924	1 030	1 112	1 168
Rural Development and Land Reform	3 725	5 897	6 664	6 401	6 770	7 973	8 360
<i>Grants to provinces</i>	8	–	–	–	–	–	–
Science and Technology	2 613	3 127	3 703	4 262	4 616	4 969	4 560
Tourism	854	1 065	1 212	1 156	1 152	1 223	1 291
Trade and Industry	3 566	5 050	4 837	5 989	6 150	6 757	7 264
<i>Grants to provinces</i>	58	–	–	–	–	–	–
Transport	13 360	16 332	24 839	24 164	25 086	27 960	29 170
<i>Grants to provinces</i>	3 241	3 029	4 340	6 670	4 312	4 159	4 361
<i>Grants to local government</i>	518	1 174	2 929	2 428	3 710	4 436	4 137
Water Affairs	3 852	4 803	5 795	6 970	7 997	9 090	9 628
<i>Grants to local government</i>	386	733	995	855	890	380	399
Total	43 189	55 607	69 824	75 862	83 335	92 795	96 534

Electrification and energy efficiency

Since its inception in 1992, the integrated national electrification programme has provided electricity to 4.9 million South African households and 5 000 schools, and electrified all health clinics. To date, government has spent R10.6 billion on this programme, with a further R9.2 billion allocated over the MTEF ahead. Last year, R1.5 billion was allocated for energy efficiency and demand-side management measures, along with R250 million for projects such as the rollout of compact fluorescent light bulbs, retrofitting of government buildings, light fittings and street illumination. Nineteen municipalities have been provided with R114 million for energy-efficiency projects, and other municipalities are conducting pre-engineering work.

Ensuring sustainable human settlements

The legacy of apartheid spatial planning, along with rapid urbanisation and new household formation since 1994, presents South Africa with a significant challenge in providing affordable, suitable accommodation to its citizens. Informal settlements remain widespread and many households are still without access to water, sanitation, refuse removal and electricity. There are frequent allegations of corruption in the housing sector and project implementation has been undermined by poor management.

The majority of housing backlogs (up to 60 per cent) are in urban areas. While housing is a concurrent function between national and provincial government, government recognises the capacity of large municipalities to deliver basic services in communities. Therefore, the accreditation of large municipalities to administer national housing programmes will be fast-

tracked in 2010/11. An additional R1 billion is allocated to the *integrated housing and human settlement development grant* to ensure accelerated housing delivery. Consolidated spending on housing, water services and community amenities amounts to R81.6 billion in 2009/10, rising to R93.2 billion in 2010/11.

People who earn between R3 000 and R9 000 a month often find that they earn too much to qualify for a state housing subsidy, but too little to be able to access a bond from a bank. To broaden access to housing, government intends to establish a guarantee scheme to share the risks with banks in lending into this market.

Guarantee scheme to support the 'gap' housing market

Towards sustainable human settlements

Outputs

- Accelerated delivery of houses
 - Decrease number of households with inadequate shelter from 1.1 million to 600 000
 - Increase number of new affordable rental units from 5 000 a year to 20 000 a year
- Access to basic services
 - Increase number of households with access to basic sanitation from 69% to 100%
- More efficient land utilisation
 - Increase average number of formal affordable subsidised dwelling units from 40 units per hectare to 60 units per hectare

Activities

- Housing accreditation for metropolitan municipalities and the top 21 municipalities
- Review of standards and densities of housing developments
- Establishment of bulk infrastructure planning and funding coordination mechanism
- Municipal support interventions, including the development of comprehensive infrastructure plans aligned to human settlement plans

Source: *Measurable Performance and Accountable Delivery paper*, The Presidency

Promoting accountable and efficient local government

Stepped up support for poorly performing municipalities will be coordinated by the Department of Cooperative Governance. The rise in community protests is an indication of poor governance and accountability in local government. A high top-management vacancy rate contributes to poor financial management. A third of municipalities received disclaimers or adverse opinions on their 2008 financial statements.

Department of Cooperative Governance to coordinate support for poorly performing municipalities

Towards accountable and efficient local government

Outputs

- Meet basic needs of communities
- Clean, responsive and accountable administration
 - Increase the number of municipalities with a clean audit from 53.4% to 80%
- Improve performance and professionalism
- Improve policy oversight and support
 - Sign binding memorandum of understanding setting out roles and responsibilities of all departments by 31 June 2010

Activities

- Develop intergovernmental agreements on ideal scope of services provision
- Develop and implement differentiated approach to municipal financing and support
- Implement and expand Operation Clean Audit 2014
- Implement and support Municipal Budget and Reporting Regulations
- Skills audit of top 4 posts in all municipalities

Source: *Measurable Performance and Accountable Delivery paper*, The Presidency

The total allocations for capacity-building grants to local government amount to R6.4 billion over the three-year period. These grants include the

financial management grant and the municipal systems and improvement grant. In addition to the capacity-building grants, the local government equitable share increases by 15.2 per cent a year over the MTEF.

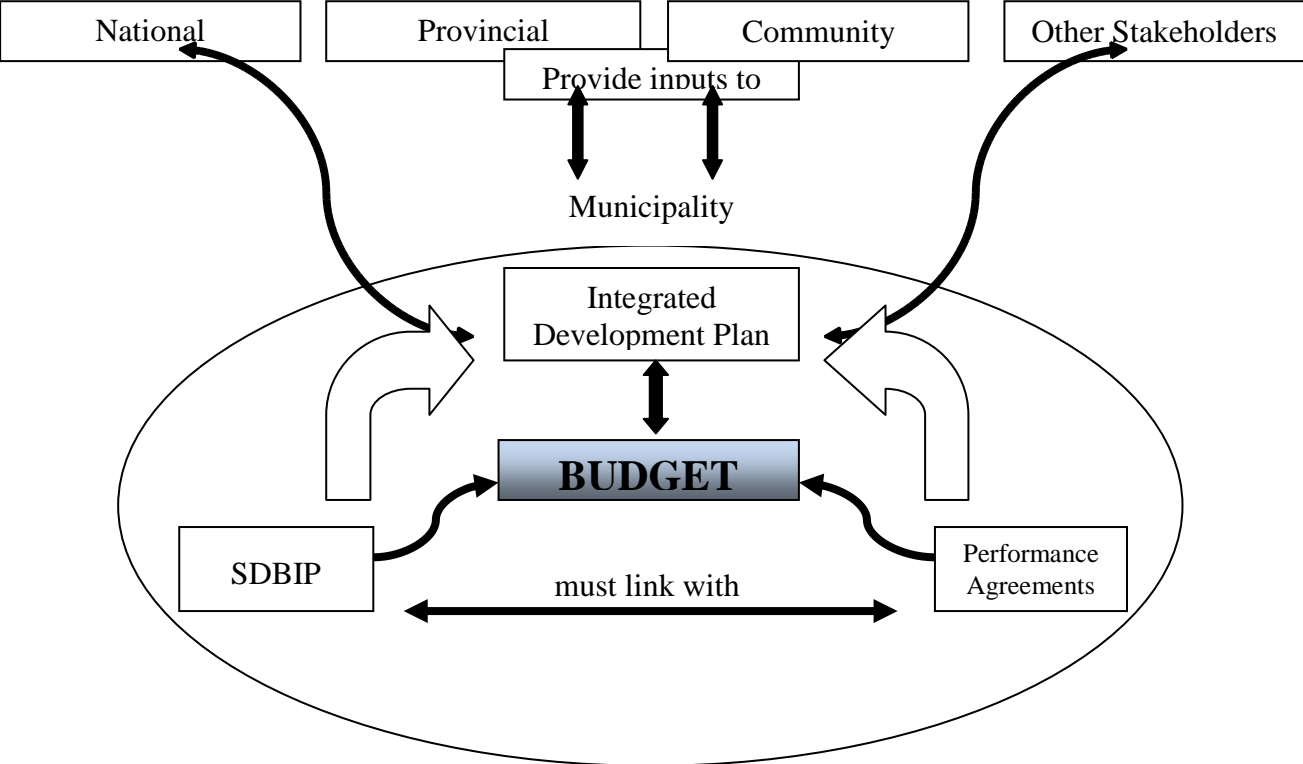
Allocations to meet universal access targets in household water and sanitation

An additional R2.5 billion is provided for the *municipal infrastructure grant* in the outer year. Further allocations support government's long-term goal of meeting universal access targets for water and sanitation and are also focused on rural municipalities. An amount of R6.7 billion is allocated to the local government equitable share over the MTEF to cover the increase in the cost of providing free basic electricity. The *neighbourhood development partnership grant* receives an additional R1 billion over the next three years for projects that focus on the regeneration of townships.

Table 8.6 Central government administration: expenditure by vote, 2006/07 – 2012/13

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	Outcome			Revised estimate	Medium-term estimates		
R million							
Appropriation by vote							
Presidency	224	651	312	692	723	772	811
Parliament	755	902	1 135	1 108	1 179	1 239	1 288
Cooperative Governance and Traditional Affairs	24 572	30 026	35 343	36 630	43 921	50 449	57 238
<i>Local government equitable share</i>	18 058	20 676	25 560	24 356	30 168	33 940	37 234
<i>Grants to provinces</i>	–	–	30	–	–	–	–
<i>Grants to local government</i>	6 138	8 954	9 308	11 633	12 741	15 293	18 558
Home Affairs	2 547	3 242	4 667	5 159	5 720	5 004	5 145
International Relations and Cooperation	2 945	4 070	5 472	5 508	4 824	5 087	5 393
Public Works	3 026	3 402	4 197	5 740	6 446	7 984	8 246
<i>Grants to provinces</i>	710	837	889	1 401	1 484	1 962	2 060
<i>Grants to local government</i>	–	–	–	202	623	1 108	1 163
Women, Children and People with Disabilities	50	53	62	68	98	108	115
Government Communication and Information System	293	381	427	497	546	507	515
National Treasury	16 171	18 966	31 312	62 513	50 220	33 128	34 266
<i>South African Revenue Service</i>	4 875	5 511	6 303	7 148	8 067	8 744	9 324
<i>Secret Services</i>	2 223	2 584	2 844	3 052	3 307	3 536	3 669
<i>Grants to local government</i>	410	716	361	611	1 395	1 575	1 586
<i>Grants to provinces</i>	4 983	6 276	7 384	13 449	11 315	13 091	14 008
<i>Eskom loan</i>	–	–	10 000	30 000	20 000	–	–
Public Enterprises	2 590	4 604	3 265	3 991	351	187	196
Public Service and Administration	584	610	631	681	651	657	684
Statistics South Africa	1 097	1 054	1 323	1 715	1 973	2 846	1 770
Total	54 852	67 961	88 147	124 302	116 653	107 968	115 667
Direct charges against the National Revenue Fund							
The Presidency	2	2	4	4	5	5	5
Parliament	223	241	357	377	393	410	430
State debt cost	52 192	52 877	54 394	57 600	71 358	88 463	104 022
General fuel levy sharing with metros	–	–	–	6 800	7 542	8 531	8 958
Provincial equitable share	149 246	171 054	201 796	236 878	260 974	280 689	294 780
Total	256 515	292 135	344 697	425 960	456 924	486 065	523 862

Chart 1: South Africa Municipal Government linkages between planning, budget and performance



OVERVIEW OF REPORTING FRAMEWORK IN SOUTH AFRICAN MUNICIPAL GOVERNMENT

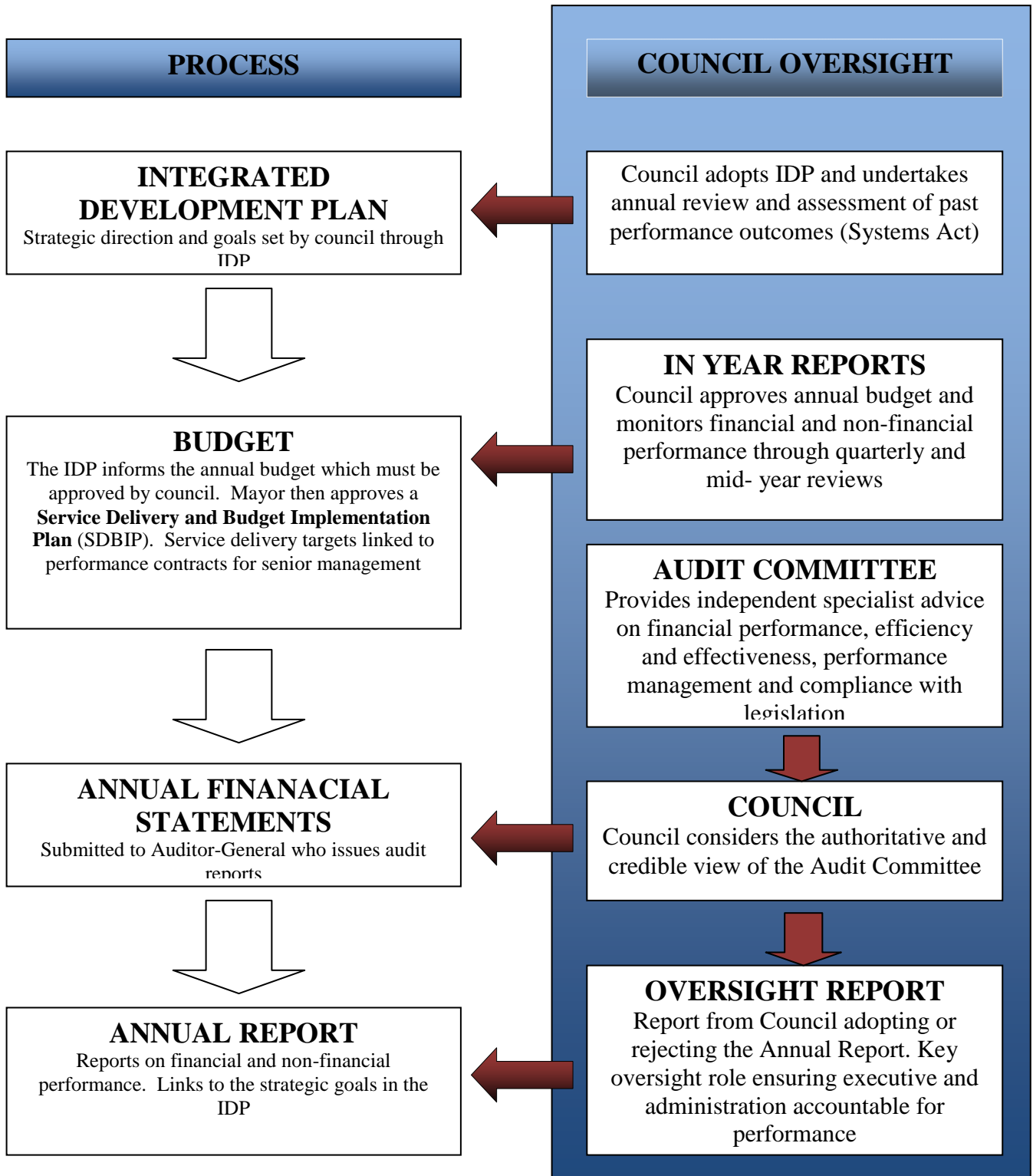
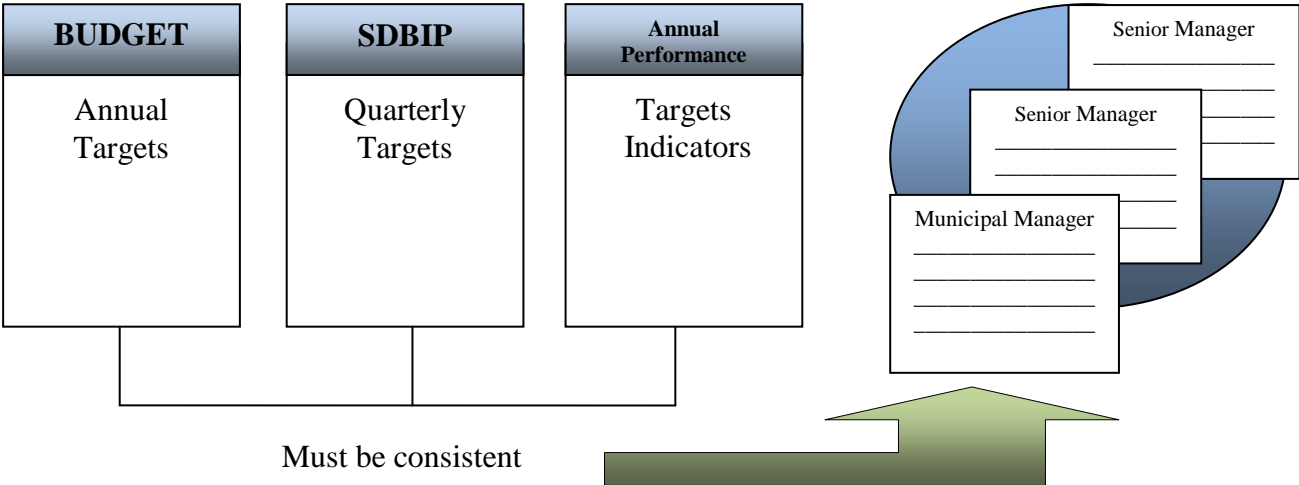


Chart 2: South African linkages between budget planning documents



NOTE: SDBIP can only be revised by council subject to an approved adjustment
 budget
 MFMA
 Section 54 (1)(c)

Source: MFMA Learning, www.mfma.treasury.gov.za on 20 November 2010

CEO Performance Assessment 2009-2010

A Responsible Authority's Assessment of the Extent to
Which Agreed Agency Outcomes and Targets
Have Been Achieved

(Example)

Public Sector Commission

197 St Georges Terrace, Perth, WA 6000

Phone: (08) 9219 6200

Email: admin@psc.wa.gov.au

Website: www.publicsector.wa.gov.au

Publication Date: June 2009

CHIEF EXECUTIVE OFFICER:	RESPONSIBLE AUTHORITY -
AGENCY:	

Under section 47 of the *Public Sector Management Act 1994*, each agency's Responsible Authority¹ is required to determine the extent to which key outcomes and performance targets outlined in the agency CEO's performance agreement have been achieved. The process of assessment should involve a meeting between the Responsible Authority and the CEO² to discuss results, areas of significance that may have impacted on performance and considerations for future agency performance. This process is undertaken on an annual basis, on or before the end of the financial year; however, ongoing discussion during the course of the year is encouraged and recommended.

SECTION ONE: HIGH LEVEL AGENCY OUTCOMES

Agency Outcomes agreed to by CEO and Responsible Authority (As per approved 2009/2010 CEO Performance Agreement)

Agency Service	Target/s for 2009/10	Results for 2009/10

¹ Responsible authority is defined in the *Public Sector Management Act 1994* as a board, committee or other body administering the agency (e.g. statutory authority) or if no such body exists, the Minister of the Crown responsible for the agency (e.g. Department),

² In this document CEO is taken to encompass a Chief Executive Officer, Director General, Managing Director or equivalent position in the public sector.

Agency Service	Target/s for 2009/10	Results for 2009/10

SECTION TWO: MANAGING THE AGENCY

In this section an assessment is undertaken of the achievement of financial targets in the agency's resource agreement, equity and diversity targets, and accountability and governance arrangements.

Agency Outcomes agreed to by CEO and Responsible Authority (As per approved 2009/2010 CEO Performance Agreement)

Key outcomes for CEO Functions and the Management of the Agency *	Targets for 2009/10	Results for 2009/10
Meet financial targets in the Agency's Resource Agreement (or Statement of Corporate Intent or equivalent).	Achieve targeted: <ul style="list-style-type: none"> ○ total cost of services; ○ net cost of services ○ total equity ○ net increase/(decrease) in cash held ○ Full time equivalent staff level 	Results achieved: \$,000 \$,000 \$,000 \$,000) \$000 ###
Meet equity and diversity targets for agency (Exemptions may apply to small agencies).	Targets for the following categories: <ul style="list-style-type: none"> ● Representation (%) of women in Management Tiers 2 & 3 ● The Equity index for women ● Representation (%) of people from culturally diverse backgrounds ● Representation (%) of Indigenous Australians ● Representation (%) of people with disabilities ● Representation (%) of youth 	Results for the following categories: <ul style="list-style-type: none"> ● Representation (%) of women in Management Tiers 2 & 3 ● The Equity index for women ● Representation (%) of people from culturally diverse backgrounds ● Representation (%) of Indigenous Australians ● Representation (%) of people with disabilities ● Representation (%) of youth

Key outcomes for CEO Functions and the Management of the Agency *	Targets for 2009/10	Results for 2009/10
Effective accountability and governance arrangements in agency	<p>% of staff within Department that have received accountability training.</p> <p>Internal Audit risk management plan, policies and processes developed and endorsed by Corporate Executive (or equivalent).</p>	<p>Results achieved: % of staff trained.</p> <p>Corporate Executive (or equivalent) reviewed and endorsed Internal Audit risk assessment on (date) and received quarterly updates on key issues.</p>

SECTION THREE: SECTOR WIDE INITIATIVES

In this section CEOs are required to report on results achieved in advancing sector wide initiatives for 2009/10 observing and practising values and identifying professional learning opportunities.

Initiatives	Targets for 2009/10	Results for 2009/10
Contribute to the development of public sector goals.	Public sector goals promoted and implemented within the agency and across the sector.	Describe how public sector goals were implemented and promoted within the agency.
Contribute to Strategic Directions for the Public Sector Workforce 2009-2014	List agreed actions (from 2009/2010 CEO Performance Agreement).	Describe results achieved.

Values

Public sector values actively demonstrated within agency and across sector.

Describe results achieved.

Professional learning and personal development.

Personal development plan prepared

Describe results achieved.

CHIEF EXECUTIVE OFFICER	<Name>
AGENCY	<Title>

COMMENTS

SIGNED _____
CHIEF EXECUTIVE OFFICER

Date _____

RESPONSIBLE AUTHORITY ³(Chair of Board or Authority)

Overall Satisfaction with Performance	Rating Scale
Achieving consistently and substantially beyond what is expected	5
Performance exceeds expectations	4
Satisfactory performance	3
Performance agreement substantially met	2
Under delivering on agreed performance	1

SIGNED _____
CHAIR <Title>

Date _____

MINISTER ⁴

Overall Satisfaction with Performance	Rating Scale
Achieving consistently and substantially beyond what is expected	5
Performance exceeds expectations	4
Satisfactory performance	3
Performance agreement substantially met	2
Under delivering on agreed performance	1

SIGNED _____
Minister for <Title>

Date _____

APPROVED

³ Where the Responsible Authority is a board or authority, overall satisfaction and performance is completed by the Chair of the board or authority. Where there is no board or authority it is the responsibility of the Minister to complete the overall ratings and performance assessment). The Responsible Authority and Minister can both complete the satisfaction and performance rating

⁴ See footnote 3. Minister in capacity as Responsible Authority or Minister responsible for agency.

SIGNED _____
PUBLIC SECTOR COMMISSIONER

Date _____

Part 2: Unforeseen and unavoidable expenditure by municipal entities

73. Approval of unforeseen and unavoidable expenditure

CHAPTER 6

UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

Part 1: Unauthorised, irregular or fruitless and wasteful expenditure by municipalities

74. Issues to be considered by council committee

Part 2: Irregular or fruitless and wasteful expenditure by municipal entities

75. Recovery of irregular or fruitless and wasteful expenditure
76. Board may not delegate authority to certify expenditure as irrecoverable
77. Short title and commencement

SCHEDULES

- Schedule A – Annual Budget and Supporting Documentation of Municipalities
Schedule B – Adjustments Budget and Supporting Documentation of Municipalities
Schedule C – In-year Reports of Municipalities
Schedule D – Annual Budget and Supporting Documentation of Municipal Entities
Schedule E – Adjustments Budget and Supporting Documentation of Municipal Entities
Schedule F – In-year Reports of Municipal Entities
Schedule G – Extensions and Non-compliance with Time Provisions

SCHEDULE A

ANNUAL BUDGETS AND SUPPORTING DOCUMENTATION OF MUNICIPALITIES

Format and content of annual budget and supporting documentation

1. An annual budget and supporting documentation of a municipality must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedule and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168 of the Act.³⁴

Table of contents

2. An annual budget and supporting documentation must commence with a table of contents and show the headings in the sequence set out below:

- *PART 1 – ANNUAL BUDGET*
 - Mayor's report
 - Resolutions
 - Executive summary
 - Annual budget tables
- *PART 2 – SUPPORTING DOCUMENTATION*
 - Overview of annual budget process
 - Overview of alignment of annual budget with Integrated Development Plan
 - Measurable performance objectives and indicators
 - Overview of budget-related policies
 - Overview of budget assumptions
 - Overview of budget funding
 - Expenditure on allocations and grant programmes
 - Allocations and grants made by the municipality
 - Councillor and board member allowances and employee benefits
 - Monthly targets for revenue, expenditure and cash flow

- Annual budgets and service delivery and budget implementation plans – internal departments
- Annual budgets and service delivery agreements – municipal entities and other external mechanisms
- Contracts having future budgetary implications
- Capital expenditure details
- Legislation compliance status
- Other supporting documents
- Annual budgets of municipal entities attached to the municipalities annual budget
- Municipal manager's quality certification

Quality certificate

I, municipal manager of (name of municipality), hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of (name and demarcation code of municipality)

Signature _____

Date _____

SCHEDULE B

ADJUSTMENTS BUDGETS AND SUPPORTING DOCUMENTATION OF MUNICIPALITIES

Format and content of adjustments budgets and supporting documentation

1. An adjustments budget and supporting documentation of a municipality that is –
 - (a) contemplated in subregulation 23(1) must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedule and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act²⁶, and
 - (b) is contemplated in subregulations 23 (3), (4), (5) and (6) must have all the headings in the sequence shown in Part 1 of the table of contents below, and the headings that are relevant to the particular adjustments budget from Part 2 of the table of contents below, and contain the information described in relation to the relevant headings in this Schedule and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act

Table of contents

2. An adjustments budget and supporting documentation must commence with a table of contents and show the relevant headings in the sequence set out below –
 - *PART 1 – ADJUSTMENTS BUDGET*
 - Mayor's report
 - Resolutions
 - Executive summary
 - Adjustments budget tables
 - *PART 2 – SUPPORTING DOCUMENTATION*
 - Adjustments to budget assumptions

- Adjustments to budget funding
- Adjustments to expenditure on allocations and grant programmes
- Adjustments to allocations and grants made by the municipality
- Adjustments to councillor allowances and employee benefits
- Adjustments to service delivery and budget implementation plan
- Adjustments to capital expenditure
- Other supporting documents
- Municipal manager's quality certification

SCHEDULE C

IN-YEAR REPORTS OF MUNICIPALITIES

Format and content of in-year reports

1. An in-year report of a municipality must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedule and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.⁴⁰

Table of contents

2. An in-year report must commence with a table of contents and show the headings in the sequence set out below –

- *PART 1 – IN-YEAR REPORT*
 - Mayor's report (required if tabled in the municipal council)
 - Resolutions (required if tabled in the municipal council)
 - Executive summary
 - In-year budget statement tables
- *PART 2 – SUPPORTING DOCUMENTATION*
 - Debtors' Analysis
 - Creditors' Analysis
 - Investment portfolio analysis
 - Allocation and grant receipts and expenditure
 - Councillor and board member allowances and employee benefits
 - Material variances to the service delivery and budget implementation plan
 - Parent municipality financial performance
 - Municipal entity financial performance
 - Capital programme performance
 - Other supporting documents
 - In-year reports of municipal entities attached the municipality's in-year report
 - Municipal manager's quality certification

⁴⁰ See *MFMA Budget Formats Guide* published on the National Treasury's website.

Source: Municipal Budget & Reporting Regulations www.mfma.treasury.gov.za 20 November 2010

Example municipality Table A1 Budget summary										
Description	2004/05	2005/06	2006/07	Current Year 2007/08				2008/09 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
R million										
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-	-
Transfers recognised	-	-	-	-	-	-	-	-	-	-
Other own revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-	-	-	-
Employee costs	-	-	-	-	-	-	-	-	-	-
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	-	-	-
Total Expenditure	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	-	-	-
Capital transfers recognised	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-	-
Financial position										
Total current assets	-	-	-	-	-	-	-	-	-	-
Total non current assets	-	-	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth	-	-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating	-	-	-	-	-	-	-	-	-	-
Net cash from (used) investing	-	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	-	-	-
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	-	-	-	-	-	-	-
Application of cash and investments	-	-	-	-	-	-	-	-	-	-
Balance - surplus (shortfall)	-	-	-	-	-	-	-	-	-	-
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-
Renewal of existing assets	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-
Basic services										
Cost of free basic services provided	-	-	-	-	-	-	-	-	-	-
Households < national min. service										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Example municipality Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2004/05	2005/06	2006/07	Current Year 2007/08				2008/09 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
Capital expenditure - Municipal Vote											
Multi-Year expenditure to be appropriated	2										
Example 1 - Vote1		-	-	-	-	-	-	-	-	-	-
Example 2 - Vote2		-	-	-	-	-	-	-	-	-	-
Example 3 - Vote3		-	-	-	-	-	-	-	-	-	-
Example 4 - Vote4		-	-	-	-	-	-	-	-	-	-
Example 5 - Vote5		-	-	-	-	-	-	-	-	-	-
Example 6 - Vote6		-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7		-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8		-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9		-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10		-	-	-	-	-	-	-	-	-	-
Capital Multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single Year expenditure to be appropriated	2										
Insert single year appropriations and indicative estimates not approved as a multi-year appropriation (remove this section if not applicable) (list departments, functions or Municipal Entities)											
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	8	-	-	-	-	-	-	-	-	-	-
Capital Expenditure - Standard											
Executive & Council											
Budget & Treasury Office											
Corporate Services											
Planning & Development											
Health											
Community & Social Services											
Housing											
Public Safety											
Sport and Recreation											
Environmental Protection											
Waste Management											
Waste Water Management											
Road Transport											
Water											
Electricity											
Total Capital Expenditure - Standard	3	-	-	-	-	-	-	-	-	-	-
Funded by:											
National Government											
Provincial Government											
District Municipality											
Other Grants & Subsidies											
Total Capital transfers recognised	4	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	5										
Borrowing	6										
Internally generated funds											
Total Capital Funding	7	-	-	-	-	-	-	-	-	-	-

Example municipality Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2004/05	2005/06	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue &		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
R thousand												
			1	-	-	-	-	-	-	-	-	-
<i>References</i>												
1. Total capital expenditure must reconcile to Budgeted Capital Expenditure												
2. Goal code must be used on Table A36												
	check capital balance			-	-	-	-	-	-	-	-	-

VOTE 7

DEPARTMENT OF ROADS AND TRANSPORT

To be appropriated	R 6 178 849 000
Responsible MEC	MEC for Roads and Transport
Administering Department	Department of Roads and Transport
Accounting Officer	Head of Department

1. OVERVIEW

The overall goal and purpose of the Gauteng Department of Roads and Transport (GDRT) is to create transport and socio-economic infrastructure conditions that all the people of our province to participate actively in economic and social life.

Vision

World-class roads and transport infrastructure networks and systems that facilitate seamless mobility of goods and people within Gauteng.

Mission

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

Departmental Strategic Goals

- To create decent work and achieve economic growth by investing in road infrastructure and maintenance and the development of road infrastructure systems, thereby enabling Gauteng to become a competitive city region.
- To stimulate Urban and Rural development through the development of a modern integrated transport system that provides high quality, accessible, efficient, safe, affordable and environmentally sustainable transport services.
- To contribute towards the fight against crime and corruption by improving the efficiency of transport facilities.
- To promote the empowerment of women, youth and people living with disabilities through the transformation of the construction and transport sector.
- Ensuring good governance and strengthening the developmental state by building the department's technical and management capacity.

Legislative framework and other mandates

Schedules 4 and 5 of the Constitution of South Africa empower provinces with concurrent competencies with National Government and with exclusive legislative competencies on specific functional areas such as public transport, provincial roads and public works.

Key legislation and policies that impact on our mandate include:

- Gauteng Transport Framework Revision Bill, 2008
- Government Immoveable Assets Management Bill, 2006
- Gauteng Planning and Development Act, 2003
- Gauteng Transport Framework Revision Act, 2002
- Planning Professions Act, 2002
- Gauteng Public Passenger Road Transport Act, 2001
- Gauteng Transport Infrastructure Act, 2001
- National Spatial Development Perspective, 2006
- Architectural Profession Act, 2000

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- Built Environment Professions Act, 2000
- Construction Industry Development Board, 2000
- Engineering Profession Act, 2000
- Landscape Architectural Profession Act, 2000
- National Land Transport Transition Act, 2000
- Project and Construction Management Act, 2000
- Property Valuers Profession Act, 2000
- Road Traffic Management Corporation Act, 1999
- National Environmental Management Act, 1998
- National Road Traffic Act, 1996
- Occupational Health and Safety Act, 1993 (and particularly the associated construction regulations)
- Road Traffic Act, 1989
- Standards Act, 1982 (and particularly the associated National Building Regulations)

Overview of the main services to be delivered by the department

Service	Level and quality of service
Performing a planning, co-ordinating and stewardship role in respect of transport and other socio-economic infrastructure provision in Gauteng	The Department is responsible for developing certain planning guidelines such as the Provincial Land Transport Framework, development of a socio-economic infrastructure investment framework as well as site development plans for provincial facilities in Gauteng providing capacity to municipalities to develop their Integrated Transport Plans. It also plays an intergovernmental co-ordination role in the establishment and maintenance of urban transport information management systems (Intelligent transport systems).
Provisioning of transport infrastructure which entails planning, construction, maintenance and protection of the provincial road network	The Department presently surfaces approximately 72 kilometres of unsealed roads per year and maintains 5223 kilometres of provincial roads. It improves accessibility to the provincial road network from previously disadvantaged areas through spatial reorientation of capital and maintenance of roads so as to be consistent with the provincial priorities and development framework. Implementation of special projects on behalf of client departments, including Blue IQ (e.g. Cradle of Humankind, Cullinan road – Dinokeng).
Overseeing provision of motor and driver licenses and related services	The Department in partnership with local government is responsible for the issuing of motor vehicle and driver licenses, vehicle fitness testing, permits for abnormal loads and other related functions.
Promotion and regulation of public transport	Promotion of public transport through the office of the Transport Registrar and the Gauteng Operating License Board. Development, capacity-building and institutional formation of taxi and emerging bus operators and commuter organisations (taxi recapitalisation).

2. REVIEW OF THE 2009/10 FINANCIAL YEAR

The following progress was made in implementing policy and strategic objectives linked to provincial priorities:

Development of Gauteng strategy on freight rail with an immediate focus on West Rand and Sedibeng

During the financial year, the province is set to develop a policy and strategy on rail freight. The policy will inform the integrated municipal transport plans. Amongst milestones achieved to date, the Department developed an implementation strategy and engaged with Transnet regarding the National Rail Infrastructure Plan

Improving functions of the Driver Learner Training Centres (DTLC) and Registering Authorities

In implementing the best practice model further, the Department launched two new DTLCs to provide additional services to Gauteng citizen. In these new DTLCs, in Xavier in Johannesburg and Three Rivers in Sedibeng, it the Department's own personnel as opposed to those of local government provide services. To improve service delivery the Department also increased the number of driving instructors/assessors. The Department plans to establish two additional centers in Kliptown, Johannesburg and Mamelodi (Tshwane) by the financial year-end.

To further improve service delivery, the Department centralized control and administration at the call centre for all scheduling of resources. This enables the call centre to make accurate future bookings. Improvement in the eNatis system during the year enabled the call centre to generate unique reference numbers to indicate that the booking was initiated from the call centre.

During the school holiday season, the Department doubled its capacity to process learner license applications by extending working hours and adding temporary seats in the call centre.

Provision of regional intermodal facilities for Tshwane and Johannesburg:

The Department supported the Bus Rapid Transit (BRT) system launched in August 2009. BRT provides a fast, safe, high quality and affordable high-technology bus transport system for Johannesburg commuters using designated routes. The department issued operating licences, engaged in an extensive publicity campaign on BRT and worked closely with the Department of Community Safety to ensure the safety of BRT passengers and the security of the infrastructure.

The Department launched and operated the Gauride Transport Service, a mini and midi bus system for transporting soccer fans to the various Confederation Cup matches, in June 2009. The project involved establishment of temporary transport hubs catering for all modes of road transport for regional travel between the match venues and the City of Johannesburg, West Rand, Sedibeng, City of Tshwane and Ekurhuleni.

The project also involved procurement and branding of vehicles. The system transported 20 000 spectators in 1 833 taxi trips and 45 bus trips.

Develop Gauteng intermodal transport system

Designs for an integrated public transport network are complete. The planning of various intermodal public transport facility projects was at an advanced stage. This stage includes completion of feasibility studies, stakeholder engagements, designs, memoranda of understanding and traffic impact studies. Projects at this stage include Zandspruit/Beyers Naude, Boipatong/Bophelong and HM Pitje. The department agreed a memorandum of understanding with the Passenger Rail Agency of South Africa for development of facilities in various train stations.

Provision of non motorised transport facilities in support of the Shova Kalula Project benefitted three schools, Swartkop, Diepoort and Lesego Primary. The National Department of Transport launched this project in 2001 to help pupils with transport to and from school and to maximize the use of non-motorised transport by handing out bicycles to previously disadvantaged communities. Gauteng extended the project by targeting pupils in the urban periphery, thus addressing challenges like the growing air pollution, traffic congestion and excessive demand for fossil fuels. Moreover the project promotes healthy lifestyles and the optimum use of space.

Implementation of intelligent transport system

The department established a project team including officials from SANRAL and National Department of Transport. The department drafted a Toll Roads Framework Bill, reviewed phases 1 and 1B of the strategic road network and started a review of phase 2 of the strategic road network. It continued issuing permits for abnormal vehicle loads and with managing four weigh bridges in partnership with the Department of Community Safety.

Monitoring and evaluation of bus subsidies through the electronic monitoring system continued during the year. Discussions on migrating the learner transport function from the Department of Education to DRT that started before 2006 continued and resulted in the resolution to eventually migrate the function in 2009/10.

Road infrastructure development and maintenance

Upgrade of Adcock (K15) road to a dual carriageway from Leratong Hospital (K198) to Bambayi (K102) is complete and traffic started using it in October 2009. The department also completed the construction of the R550 (P174) between Devon and Nigel. Upgrading of the K29 Phase 2 Malibongwe Drive (3.3 km) road to a dual carriageway from Cosmo City to the N14 will be complete by end of the financial year. Rehabilitation of Voortrekker Road R55/K71 between the N14 and Wierda Road (M10, Sunderlandridge) reached 85 percent completion. Upgrading of Malibongwe Drive (K29) Phase 3 (5.7 km) to a dual carriageway from N14 (Krugersdorp highway) to Lanseria Airport continued during the year and is set for completion in the next financial year. Upgrade of Beyers Naude (D374) into a dual carriageway from Honeydew to Zandspruit exceeded the 30 percent mark during the year.

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The department outsourced maintenance of 3 957 km of provincial paved and gravel roads to 69 contractors created 1 863 decent jobs in line with the EPWP up-scaling of roads. These roads are in rural and urban areas.

Gautrain Rapid Rail Link Project

In line with the provincial strategic priority of creating decent work, the Gautrain Rapid Rail Link Project created more than 93 100 direct and indirect jobs up to 2009/10. This total includes more than 19 000 local direct jobs. The project employed 9 169 people (including 8 414 local people). Of this total, 7 544 are historically disadvantaged individuals, 579 women and 49 are people with disabilities. These amounts exceed the obligated employment targets set for the project. To benefit BEE and SMMEs, the project sub contracted to more than 290 existing BEE firms, more than 100 new BEE firms and 240 SMMEs. Unskilled and semi skilled staff attended more than 90 courses to improve their skills.

Road infrastructure in disadvantaged communities

The department continued with the provision of roads in the 20 Prioritised Township Programme. In the City of Johannesburg Metropolitan Municipality, it upgraded gravel roads to surfaced roads including storm water and pedestrian sidewalks in Soweto (Zola and Orlando). The department also started widening Bolani Road in March 2009.

In the City of Tshwane Metropolitan Municipality, upgrade of gravel roads to surfaced roads including storm water and pedestrian sidewalks in Atteridgeville, Soshanguve and Mamelodi, by employing learner contractors and subcontractors. The department handed over all the complete projects in Soshanguve to the municipality. The plan is to complete Mamelodi and Atteridgeville projects by end of 2009/10.

In Ekurhuleni, upgrade of gravel roads to surfaced roads including storm water and pedestrian sidewalks took place in the townships of Tembisa, Daveyton, Kattlehong and Wattville. The department completed nine streets and handed them over to the municipality. These types of projects are complete in Sebokeng region (Rathanda and Sebokeng) and West Rand (Kagiso, Mhlakeng and Munsieville). Projects in Metsweding are 90 percent complete.

3. OUTLOOK FOR THE 2010/11 FINANCIAL YEAR

In accelerating economic growth and contributing toward growing Gauteng as a globally competitive city region, the department will rehabilitate and upgrade provincial roads to reduce the cost of transporting people and freight.

The department will bridge the gap between the first and second economy, create jobs and reduce poverty by reprioritizing the social facilitation to include the newly introduced townships i.e Mabopane, Garankuwa, Winterveldt, Khutsong, Themba and Enkangala. Furthermore, with the assistance of the municipalities and the ward councilors the department will identify roads in areas that were built prior to 1994. The Department advertised tenders for planned projects in Tshwane (Mamelodi West), Westrand, Sedibeng, Metsweding and Ekurhuleni in the previous financial year to ensure that construction commences in the 2010/11 financial year.

In 2010/11, the department will continue the upgrade of K29 phase 3 (Malibongwe Drive - N14 to Lanseria Airport) and D374 (Beyers Naude from Honeydew to Zandspruit), rehabilitation of D2529 (Cayman Road - access to aye of Africa) and K71/R55 phase 1 (Voortrekker road from N14 to K103).

New projects that will commence include R55/K71 phase 2 (Voortrekker road between K103 and Laudium), K15 phase 3 (Adcock Road to Protea Glen), K46 phase 1 (William Nicol from Four Ways to PWV5) and P126 phase 1 (Pinehaven).

The Department will revise the detailed design for the Old Vereeniging Rd (P1-1) and design the K46 (William Nicol Ave) between the Jukskei River and Diepsloot to the N14. It will continue with research to identify suitable materials for roads construction and will assess provincial roads conditions to compile the maintenance programme.

Implementation of traffic calming measures will continue in the Cradle of Humankind Heritage Site and Dinokeng Game Reserve in liaison with the Department of Economic Development. The Department will finalize proclamation of K46 (Fourways to PWV 5) and K71 Phase 2 (K103 to Laudium). To prepare for the 2010 FIFA World Cup, it

will develop the Provincial Public Viewing Site (PVS) strategy to ensure the public will be able to view all World Cup matches and thus maximising the number of people participating in the World Cup.

To enhance service delivery and contribute to the re-organisation of the state, the department will; re-align its district boundaries. The department needs to change 12 current offices into six regional offices, with each rendering the transport services to the public. The offices should also function as transport community hubs.

Key interventions by the department in the 2010 MTEF period include:

- Creating decent work and sustainable livelihoods
- Promoting sustainable human development through improving education, health and skills
- Stimulating equitable urban and rural development
- Intensifying the fight against crime
- Consolidating the developmental state, good governance and partnerships

4. RECEIPTS AND FINANCING

4.1 Summary of receipts

TABLE 1: SUMMARY OF RECEIPTS: DEPARTMENT OF ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Equitable share	2 110 541	2 617 823	2 893 406	3 880 027	5 143 142	5 143 142	3 781 883	4 070 061	4 274 459
Conditional grants	3 404 098	3 305 025	3 581 012	4 647 623	4 796 686	4 796 686	2 396 966	2 074 999	2 173 016
Total receipts	5 514 639	5 922 848	6 474 418	8 527 650	9 939 828	9 939 828	6 178 849	6 145 060	6 447 475

The department's receipts consist of the equitable share, and conditional grants from the national Department of Transport for financing national and provincial transport programmes and the maintenance of roads infrastructure in the province. The Gautrain Rapid Link grant is for the completion of the Gautrain project.

The equitable share allocated to the department increases to R3.8 billion in the 2009/10 financial year from R2.8 billion in the previous financial year. This is a 34 percent increase year on year. The increase is due to the provincial allocation of R2 billion for topping up the conditional grant from national government

The conditional grant funding decreases by about R2.4 billion in the 2010/11 financial year and remains stable at around R2 billion over the MTEF period. The major reason for the decrease in the conditional grant funding is that the Gautrain is nearing completion. Allocations to fund the operations of the Gautrain after completion in 2011/12 amount to R6.2 billion over the MTEF. The department also received the new Public Transport Operations Grant in 2009/10, to fund public transport services.

4.2 Departmental receipts collection

TABLE 2: SUMMARY OF DEPARTMENTAL RECEIPTS: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Tax receipts	1 127 382	1 443 711	1 197 077	1 611 670	1 611 670	1 625 580	1 614 089	1 742 732	1 742 732
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences	1 127 382	1 443 711	1 197 077	1 611 670	1 611 670	1 625 580	1 614 089	1 742 732	1 742 732
Sales of goods and services other than capital assets				38 270	38 270	25 618	17 500	19 250	19 250
Transfers received									
Fines, penalties and forfeits									

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Interest, dividends and rent on land	658	459	866	1 000	1 000	2 361	1 200	1 500	1 500
Sales of capital assets									
Transactions in financial assets and liabilities	5 467	2 192	10 661	1 258	1 258	1 258	1 346	1 460	1 460
Total departmental receipts	1 133 507	1 446 362	1 208 604	1 652 198	1 652 198	1 654 817	1 634 135	1 764 942	1 764 942

The department contributes to the revenue collected in the province through motor vehicle licenses and administrative fees. It is also liable for direct charges, which include the amounts that the department deducts from revenue collected to reimburse the primary collectors of that revenue on behalf of the department. The department's receipts are estimated to increase by annual average of 9.7 percent from R1.1 billion in the financial year 2006/07 to R1.7 billion in the financial year 2012/13. Over the 2010 MTEF, revenue will grow at an annual average of 8.5 percent. The Department generates 95 percent of revenue from the motor vehicle licenses.

Analysis of own revenue sources

Motor vehicle licenses

Vehicle license fees are charged for the registration of new and used vehicles. During the recession which had limited vehicle sales, the department collected less in licence fees than had been forecast. As at 30 June 2009, the vehicle population in Gauteng was 3.6 million, or 38 percent of the country's total.

5. PAYMENT SUMMARY

5.1 Key assumptions

The Department has budgeted for a 6 percent wage increase for this financial year, based on the projected CPI inflation.

Projected salary increases for the 2010 MTEF

2010/11	2011/12	2012/13
5.3%	5.5%	5%

The following have been taken into account when determining personnel budgets for the 2010 MTEF:

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

5.2 Programme summary

TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
1. Administration	104 306	113 664	118 944	130 306	189 891	271 107	221 632	234 911	249 005
2. Roads Infrastructure	658 234	1 078 818	1 447 688	1 579 894	1 614 928	1 734 743	1 532 715	1 715 325	1 766 031
3. Public and Freight Transport	77 347	142 407	272 897	1 604 761	1 604 761	1 604 761	1 896 142	2 001 294	2 134 797
4. Capital	4 621 448	4 890 116	7 524 015	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642
Total payments and estimates	5 461 335	6 225 005	9 363 544	8 527 652	9 939 828	10 140 859	6 178 849	6 145 060	6 447 475

5.3 Summary of economic classification

TABLE 4: SUMMARY OF ECONOMIC CLASSIFICATION: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Current payments	391 473	559 397	1 644 709	3 052 503	3 313 020	3 483 446	3 590 481	3 853 352	4 071 333
Compensation of employees	166 741	212 629	228 668	224 629	363 189	387 350	441 301	467 823	495 606
Goods and services	223 567	346 347	1 411 445	2 827 874	2 949 831	3 096 096	3 149 180	3 385 529	3 575 727
Interest and rent on land	1 165	421	4 596						
Transfers and subsidies to:	4 636 970	4 900 485	7 675 747	5 377 332	6 594 333	6 608 729	2 528 360	2 193 530	2 297 642
Provinces and municipalities	437	1 650	5 717	69 978	63 800	8 355			
Departmental agencies and accounts	4 621 448	4 890 116	7 661 641	5 212 691	6 530 248	6 600 255	2 528 360	2 193 530	2 297 642
Universities									
Foreign governments and international organizations									
Public corporations and private enterprises	12 480	(6)	2 563			119			
Non-profit institutions			875						
Households	2 605	8 725	4 951	94 663	285				
Payments for capital assets	432 892	765 123	43 088	97 817	32 475	48 684	60 008	98 178	78 500
Buildings and other fixed structures	368 073	725 286	25 477	11 887	350	1 110	25 008	55 178	30 500
Machinery and equipment	28 677	5 302	12 083	5 930	9 677	12 450	10 000	13 000	15 000
Heritage Assets									
Specialised military assets									
Biological assets	5 297	10 699	5 528	34 012	22 448	35 124			
Land and sub-soil assets		23 836		45 988			25 000	30 000	33 000
Software and other intangible assets	30 845								
Payments for financial assets									
Total economic classification	5 461 335	6 225 005	9 363 544	8 527 652	9 939 828	10 140 859	6 178 849	6 145 060	6 447 475

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The largest share of the budget is allocated to the delivery of strategic economic infrastructure to facilitate sustainable economic growth and contribute to job creation within Programme 4: Gautrain. Programme 2: Road Infrastructure receives the second largest share of the budget. This is mainly for planning, designing, constructing, renovating and maintaining the provincial road network, the provincial public transport network, and the public transport infrastructure. Through this, in particular youth, women and people with disabilities are provided with training and productive employment opportunities to develop and sustain the skills and enterprises, infrastructure is developed and maintained, and local economies enhanced.

Between 2009/10 and 2010/11, the department's budget declines significantly by R2.4 billion from R8.5 billion to R6.1 billion, a decrease of 27.5 percent. It rises again to about R6.4 billion in 2012/13. The decrease in budget is related to the Gautrain project which will reach be completed in the 2011/12 financial year. The additional allocation in 2011/12 for Gautrain is mainly for its operational costs and to cover for CPIX and foreign exchange adjustments.

Payments increased by R139 million during the 2009/10 budget adjustment. This was for funding personnel costs of officials transferred from Emoyeni and Impophoma public entities that closed down. The departments therefore projects to have over-spent on personnel by 6.6 percent by the end of the 2009/10 financial year.

The department's major cost drivers are transfers and subsidies to departmental agencies and current payments, mainly goods and services. The increase in transfer and subsidies is due to transfers made to the Gautrain Management Agency which is responsible for managing Gautrain projects. However, there is a substantial decline in the outer year of the MTEF as the Gautrain project nears its end.

5.4 Infrastructure payments

TABLE 5: SUMMARY OF DEPARTMENTAL INFRASTRUCTURE PAYMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
New Infrastructure assets	4 688 048	4 890 116	7 524 015	5 277 691	5 277 691	5 212 691	2 719 880	2 394 990	2 477 542
Gautrain	4 621 448	4 890 116	7 524 015	5 212 691	5 212 691	5 212 691	2 528 360	2 193 530	2 297 642
Other new	66 600			65 000			191 520	201 460	179 900
Existing Infrastructure assets	171 049	578,468	1 297 685	1 158 754	1 020 554	282 443	871 164	1 243 686	985 831
Maintenance and repair	112 700	178 425	260 980	312 498	312 498	211 643	468 103	491 556	503 569
Upgrading and additions	58 349	400 043	1 036 705	846 256	708 056	70 800	403 061	752 130	482 262
Rehabilitation and refurbishment									
Infrastructure transfers:									
Current									
Capital									
Current infrastructure	35 824	144 990	151 216	114 185	114 185	211 643	468 103	491 556	503 569
Capital infrastructure	201 825	5 041 968	8 670 484	6 322 260	6 119 060	5 283 491	3 122 941	3 147 120	2 959 804
Total infrastructure	237 649	5 186 958	8 821 700	6 436 445	6 233 245	5 495 134	3 591 044	3 638 676	3 463 373

The new construction category relates to the construction of new roads throughout the province, and to the Gautrain project including its rail infrastructure and stations.

The Rehabilitation and Refurbishment category relates to the rehabilitation of various roads. Maintenance and Repair relates to the maintenance on the road infrastructure.

Other capital projects include the tarring of roads throughout the province, mainly in townships.

6. PROGRAMME DESCRIPTION AND INPUT

PROGRAMME 1: ADMINISTRATION

Programme objectives

The purpose of the programme is to provide the overall management and administrative support function for the Office of the MEC and for the department.

Programme objectives

To render advisory, secretarial, administrative and office support service to the MEC

- To render strategic support to the department in the areas of finance, human resources, procurement, communication systems and policy.

TABLE 6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
1.Management	4 214	2 555	3 952	5 116	5 116	5 338	15 852	16 803	17 811
2.MEC's Office	12 405	23 816	31 715	27 428	36 281	37 472	35 807	37 955	40 232
3.Corporate Services	87 687	87 293	83 277	97 762	148 494	228 297	169 973	180 153	190 962
Total payments and estimates	104 306	113 664	118 944	130 306	189 891	271 107	221 632	234 911	249 005

TABLE 7: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Current payments	99 513	110 279	117 593	129 306	188 891	269 107	221 632	234 911	249 005
Compensation of employees	35 512	46 587	47 076	52 718	101 571	131 451	93 571	99 185	105 136
Goods and services	63 821	63 692	70 517	76 588	87 320	137 656	128 061	135 726	143 869
Interest and rent on land	180								
Transfers and subsidies to:	2 030	1 489	12						
Provinces and municipalities									
Departmental agencies and accounts									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	2 030	1 489	12						
Payments for capital assets	2 763	1 896	1 339	1 000	1 000	2 000			
Buildings and other fixed structures									

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Machinery and equipment	2 763	1 896	1 339	1 000	1 000	2 000			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-sal assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	104 306	113 664	118 944	130 306	189 891	271 107	221 632	234 911	249 005

Over the period 2006/07 to 2008/9, expenditure increased at an annual average rate of 6.5 percent from R104 million to R118 million. Taking into account inflation-related adjustments, the budget grows steadily over the MTEF from R130 million in 2009/10 to R147 million in 2011/12. The increase of 70 percent from R130 million in 2009/10 to R221 million in the 2010/11 financial year is mainly attributable to compensation of employees.

The Corporate Support Service sub-programme receives the largest share of the total funding allocated to the programme. This mainly funds remuneration of senior management of the trading entity. Programme expenditure is allocated mainly to current payments. The share of current payment expenditure ranges between 75 and 90 percent of the total budget during the period under review. Goods and services are the main drivers of the programme expenditure, with its share of the total programme ranging between 42 and 55 percent during the first three years.

PROGRAMME 2: ROADS INFRASTRUCTURE

Programme description

- To plan, design, construct, renovate and maintain the provincial road network, the provincial public transport network, and public transport infrastructure.

Programme objective

- To manage and execute the design, construction, renovation and maintenance of transport infrastructure.
- To manage transport systems and related institutions.
- To develop transport plans for the province.
- To ensure an integrated and inter-modal transport system.

TABLE 8: SUMMARY OF PAYMENTS AND ESTIMATES: ROADS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
1. Road Planning	22 468	34 801	35 204	36 019	182 053	187 906	81 561	86 454	91 641
2. Design	39 982	52 888	82 216	55 006	55 006	70 918	140 000	59 494	63 063
3. Construction	177 351	570 386	504 117	687 028	762 768	762 768	645 350	830 145	827 222
4. Maintenance	170 777	246 335	777 179	667 618	486 878	584 928	427 750	503 261	533 456
5. Transport Admin and licensing	81 133	45 846	48 972	134 223	128 223	128 223	250 873	265 898	281 855
6. Infrastructure Grant	164 921	128 562							
Total payments and estimates	658 234	1 078 818	1 447 688	1 579 894	1 614 928	1 734 743	1 545 534	1 745 252	1 797 237

Vote 7: Roads and Transport

TABLE 9: SUMMARY OF ECONOMIC CLASSIFICATION: ROADS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments	230 113	308 778	1 260 309	1 320 436	1 521 368	1 609 578	1 488 526	1 651 074	1 722 737
Compensation of employees	115 963	136 958	140 153	140 051	197 258	195 600	283 370	300 417	318 156
Goods and services	113 165	171 399	1 115 560	1 180 385	1 324 110	1 413 978	1 205 156	1 350 657	1 404 581
Interest and rent on land	985	421	4 596						
Transfers and subsidies to:	7 183	7 236	146 012	164 641	64 085	78 481			
Provinces and municipalities	437	23	4 767	69 978	63 800	8 355			
Departmental agencies and accounts			135 606			70 007			
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises	6 171		874			119			
Non-profit institutions			875						
Households	575	7 213	3 890	94 663	285				
Payments for capital assets	420 938	762 804	41 367	94 817	29 475	46 684	57 008	94 178	74 500
Buildings and other fixed structures	368 073	725 286	25 477	11 887	350	1 110	25 008	55 178	30 500
Machinery and equipment	16 723	2 983	10 362	2 930	6 677	10 450	7 000	9 000	11 000
Heritage Assets									
Specialised military assets									
Biological assets	5 297	10 699	5 528	34 012	22 448	35 124			
Land and sub-soil assets		23 836		45 988			25 000	30 000	33 000
Software and other intangible assets	30 845								
Payments for financial assets									
Total economic classification	658 234	1 078 818	1 447 688	1 579 894	1 614 928	1 734 743	1 545 534	1 745 252	1 797 237

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The largest share of the budget is allocated for roads maintenance, the construction of new roads and infrastructure projects. The programme expenditure increased from R658 million in 2006/07 to R1.5 billion in 2009/10. The programme budget is set to increase from R1.5 billion to R1.7 billion over the MTEF financial year.

The cost drivers for the programme are mainly current payments. This is mainly on goods and services. The budget for these increased by R143 million or 12 percent during the adjustment period for the 2009/10 financial year. The increase relates to additional funding of R30 million for the further development of Albertina Sisulu Corridor as part of the department's contribution to the 2010 FIFA World Cup preparations. When the overload control function and the HIV/Aids awareness function shifted Community Safety and Local Government respectively to the department, the province reallocated R55 million to the department, R5 million of which was for the overload control function. The grant is allocated for funding initiatives to ensure the preservation of roads and infrastructure through the reduction of overload practices. Because the grant is allocated specifically for infrastructure maintenance, funds were reallocated to the department as it is responsible for infrastructure maintenance in the overload control function.

An amount of R50.4 million was moved from the Department of Infrastructure Development to fund a portion of the Programme Management Unit that remained with the department after the split on 23rd June 2009. Transfers and subsidies grew from R7.1 million in 2006/07 to R163 million in 2009/10. The increase resulted from the GDS allocation for the Integrated Transport System that includes navigational and information signals.

Total payments for capital assets declined sharply from R420 million to R41 million between the 2006/07 and 2008/09 financial years. The decrease during the 2008/09 adjustments took place when the budget of R565 million for equipment planning, designing and construction that had been formulated in terms of the 2007/08 Standard Chart of Accounts (SCOA) was reclassified in terms of the new SCOA that was implemented in 2008/09.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

Programme 2: Road Infrastructure

Performance measure	Estimated Annual Targets		
	2010/11	2011/12	2012/13
Growl roads to surfaced roads in km	7	12	12
No. of km surfaced roads rehabilitated	34,4	46,4	46,4
Upgrading of gravel roads to surfaced roads in 20 PTP	80	85	85
EPWP jobs created	7 200	6 800	7 200
No. of km of surfaced roads maintained	3 700	3 700	3 700
No. of km of roads re-graveled	6 500	3 700	3 700
No. of km routine maintenance on all roads	5 040	5 040	5 040

PROGRAMME 3: PUBLIC TRANSPORT

Programme description

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

Programme objective

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

Vote 7: Roads and Transport

TABLE 10: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC AND FREIGHT TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
1. Institutional Management	36 722	82 050	213 658	1 578 551	1 512 161	1 512 161	1 799 142	1 898 474	2 025 808
2. Regulation and Control	40 625	60 357	59 239	26 210	92 600	92 600	97 000	102 820	108 989
Total payments and estimates	77 347	142 407	272 897	1 604 761	1 604 761	1 604 761	1 896 142	2 001 294	2 134 797

TABLE 11 : SUMMARY OF ECONOMIC CLASSIFICATION: PUBLIC AND FREIGHT TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Current payments	61 847	140 340	266 487	1 602 761	1 602 761	1 604 761	1 893 142	1 997 294	2 130 797
Compensation of employees	18 607	29 084	41 439	31 860	64 360	60 299	64 360	68 221	72 314
Goods and services	43 240	111 256	225 048	1 570 901	1 538 401	1 544 462	1 828 782	1 929 073	2 058 483
Interest and rent on land									
Transfers and subsidies to:	6 309	1 644	6 028						
Provinces and municipalities		1 627	950						
Departmental agencies and accounts			2 340						
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises	6 309	- 6	1 689						
Non-profit institutions									
Households		23	1 049						
Payments for capital assets	9 191	423	382	2 000	2 000		3 000	4 000	4 000
Buildings and other fixed structures									
Machinery and equipment	9 191	423	382	2 000	2 000		3 000	4 000	4 000
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	77 347	142 407	272 897	1 604 761	1 604 761	1 604 761	1 896 142	2 001 294	2 134 797

Expenditure increased from R77 million in 2006/07 to R272 million in 2008/09, an average annual increase of 87 percent. The increased expenditure by the Institutional Management sub-programme from R36 million in 2006/07 to R213 million in 2008/09 resulted from the takeover of the bus subsidies function from North West province after the provincial demarcation process. The introduction of a new conditional grant, the Public

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Transport Operations grant, increased the budget of the Institutional Management sub-programme from R213 million in 2008/09 to R1.6 billion in 2009/10.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

PROGRAMME 3: PUBLIC AND FREIGHT TRANSPORT

Performance measure	Estimated Annual Targets		
	2010/11	2011/12	2012/13
Number of operating licenses issued	50 000	23 000	23 000
No. of small bus operators, taxis, women and youth trained	1 000	1 000	1 000

PROGRAMME 4: GAUTRAIN RAPID RAIL LINK

Programme description

To plan, design and construct the Rapid Rail Link and ensure efficient management and implementation of the Gautrain.

Programme objectives

The strategic objectives of the Gautrain Rapid Rail Link are:

- Stimulation of economic growth, development and job creation;
- To contribute to the alleviation of the severe traffic congestion along the Tshwane–Johannesburg corridor;
- Achievement of the province's goals in relation to SMMEs, tourism and BBBEE;
- Promotion of the use of public transport;
- Improving the image of public transport and attracting more car users to public transport;
- Promotion of business tourism through the link between Sandton and ORTA;
- To contribute significantly towards urban restructuring, shortening of travel times and improving city sustainability;
- Provision of links to the Tshwane ring-rail project, linking Mamelodi, Atteridgeville, Soshanguve and Mabopane;
- Stimulation of the renovation and upliftment of the Johannesburg and Tshwane Central Business Districts;
- To link the main economic nodes in Gauteng, and form a significant part of the province's overall transport plan and network.

TABLE 12: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
1. Gautrain	4 621 448	4 890 116	7 524 015	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642
Total payments and estimates	4 621 448	4 890 116	7 524 015	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642

TABLE 13: SUMMARY OF ECONOMIC CLASSIFICATION: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Current payments									
Cooperation of employees									
Goods and services									
Interest and rent on land									
Transfers and subsidies to:	4 621 448	4 890 116	7 523 695	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642
Provinces and municipalities									

Vote 7: Roads and Transport

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Departmental agencies and accounts	4 621 448	4 890 116	7 523 695	5 212 691	6 530 248	6 530 248	2 520 360	2 193 530	2 297 642
Universities									
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									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	4 621 448	4 890 116	7 523 695	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642

For the period between 2006/07 and 2008/09, there was an increase of R2.9 billion in the programme's expenditure from R4.6 billion to R7.5 billion. It decreased to R5.2 billion in 2009/10. The budget was adjusted increased by R1.2 billion in that year to take account of the impact of CPIX and foreign exchange changes.

The provincial allocation to augment national funding for the construction of the Gautrain Rapid Link project totals R6.3 billion over the MTEF. Expenditure is estimated to decrease by R2.8 billion in the financial years 2010/11 and 2011/12. This reflects the completion stage of the project, and the beginning of the maintenance phase.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

PROGRAMME 4: GAUTRAIN

Performance measure	Estimated Annual Targets		
	2010/11	2011/12	2012/13
Total jobs created	18 500	6 000	5 500
Amount processed from, sub-contracted to BEE	R690 000	R240 000	R100 000
Amount processed from, sub-contracted to SMMEs	R45 000	R10 000	R20 000

7. OTHER INFORMATION

7.1 Personnel numbers and costs

TABLE 14: PERSONNEL NUMBERS AND COSTS: ROADS AND TRANSPORT

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2007	31 March 2008	31 March 2009	31 March 2010	31 March 2011	31 March 2012	31 March 2013
1. Administration	132	200	211	211	211	211	211
2. Roads Infrastructure	1197	1468	1678	1678	1771	1771	1771
3. Public and Freight Transport	233	309	390	390	452	452	452
4. Gauthrin							
Total departmental personnel numbers	1562	1977	2279	2279	2434	2434	2434
Total departmental personnel cost (R thousand)	166 741	212 629	228 668	224 629	441 301	467 823	495 606
Unit cost (R thousand)	107	108	100	99	149	159	181

The table above shows that the department's personnel numbers increased from 1 977 in March 2007 to 2 279 in March 2009. Personnel numbers and costs are mainly concentrated in Programme 2: Roads Infrastructure. Total personnel costs are expected to increase from R235 million in the 2009/10 financial year to R259 million in 2012/13. This is mainly to cover inflationary increases, as personnel numbers have increased due to absorbing staff from public entities Emoyeni and Impophoma which closed during the 2009/10 financial year.

TABLE 15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Total for department									
Personnel numbers (head count)	1 740	7 331	2 122	2 154	5 863	2 420	2 454	2 487	2 487
Personnel cost (R thousands)	144 732	212 629	224 252	224 629	363 189	341 336	388 048	415 158	420 654
Human resources component									
Personnel numbers (head count)	28	34	34	34	34	34	34	37	34
Personnel cost (R thousands)	2 908	3 753	3 753	3 978	3 978	3 978	3 978	3 978	3 978
Head count as % of total for province	2%	0%	2%	2%	1%	1%	1%	1%	1%
Personnel cost as % of total for department	2%	2%	2%	2%	1%	1%	1%	1%	1%
Finance component									
Personnel numbers (head count)	26	28	32	32	32	32	32	35	35
Personnel cost (R thousands)	2 976	3 125	4 051	4 294	4 294	4 294	4 638	4 724	
Head count as % of total for province	1%	0%	2%	1%	1%	1%	1%	1%	1%
Personnel cost as % of total for department	2%	1%	2%	2%	1%	1%	1%	1%	0%

Vote 7: Roads and Transport

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Full time workers									
Personnel numbers (head count)	1 636	1 921	2 054	2 234	2 234	2 234	2 234	2 234	2 234
Personnel cost (R thousands)	138 097	179 335	211 197	216 094	216 094	216 094	226 486	236 742	236 742
Head count as % of total for province	94%	26%	97%	104%	38%	92%	91%	90%	90%
Personnel cost as % of total for province	95%	84%	94%	96%	59%	63%	58%	57%	56%
Part-time workers									
Personnel numbers (head count)	124	130	50	25	25	25	25	25	25
Personnel cost (R thousands)	10 416	12 090	5 150	2 400	2 400	2 400	2 400	2 400	2 400
Head count as % of total for province	7%	2%	2%	1%	0%	1%	1%	1%	1%
Personnel cost as % of total for province	7%	6%	2%	1%	1%	1%	1%	1%	1%
Contract workers									
Personnel numbers (head count)	217	228		175					
Personnel cost (R thousands)	16 228	21 204		16 800					
Head count as % of total for province	12%	3%	0%	8%	0%	0%	0%	0%	0%
Personnel cost as % of total for province	13%	10%	0%	7%	0%	0%	0%	0%	0%

7.2 Training

TABLE 16: PAYMENTS ON TRAINING: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Administration	2 139	4 258	5 032	5 814	5 814	5 814	5 924	6 388	6 388
of which									
Subsistence and travel			2 557	100			116	118	175
Payments on tuition	2 139	1 701	4 932	5 698			5 806	6 213	6 213
Roads and Transport	1 231	6 730	1 491	1 757	1 757	1 757	1 791	1 824	1 824
of which									

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Subsistence and travel		6 730	30						
Payments on tuition	1 231		1 491	1 722			1 755	1 788	1 788
Public and Freight Transport	164	5 900	352	515	515	515	525	536	536
of which									
Subsistence and travel		5 890	9	11			12	13	14
Payments on tuition		164	10	504			513	523	523
Gautrain									
of which									
Subsistence and travel									
Payments on tuition									
Total payments on training: Roads and Transport	3 534	16 888	6 875	8 086	8 086	8 086	8 240	8 748	8 748

TABLE 17 : INFORMATION ON TRAINING: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Number of staff	755	772	940	993	993	993	1015	1062	1062
Number of personnel trained	511	519	678	722	722	722	736	739	739
of which									
Male	439	444	584	621	621	621	633	636	636
Female	72	75	94	101	101	101	103	103	103
Number of training opportunities	75	81	50	50	50	50	50	50	50
of which									
Tertiary	75	81	50	50	50	50	50	50	50
Workshops									
Seminars									
Other									
Number of bursaries offered	17	18	50	53	53	53	53	53	53
Number of interns appointed	65	66	69	74	74	74	75	72	72
Number of learnerships appointed	87	88	93	94	94	94	101	148	148
Number of days spent on training									

The total allocation during the 2010/11 financial year for training, including bursaries, amounts to R25.7 million, or 1.8 percent of the total personnel budget. This exceeds the 1 percent of the personnel budget required in terms of the Skills Development Act.

The department provided 85 bursaries during the period 2006/07 and 2008/09. Fifty-three bursaries were budgeted for in 2009/10. Two hundred and sixty eight internships are provided during the first three years for the period under review. Over the MTEF, the department plans to appoint 397 interns.

ANNEXURE TO ESTIMATES OF PROVINCIAL EXPENDITURE

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TABLE 18: SPECIFICATION OF RECEIPTS: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Tax receipts	1 127 382	1 443 711	1 197 077	1 611 670	1 611 670	1 625 580	1 614 089	1 742 732	1 742 732
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences	1 127 382	1 443 711	1 197 077	1 611 670	1 611 670	1 625 580	1 614 089	1 742 732	1 742 732
Sales of goods and services other than capital assets				38 270	38 270	25 618	17 500	19 250	19 250
Sale of goods and services produced by department (excluding capital assets)				38 270	38 270	25 618	17 500	19 250	19 250
Sales by market establishments				38 270	38 270	25 618	17 500	19 250	19 250
Fines, penalties and forfeits									
Interest, dividends and rent on land	658	459	866	1 000	1 000	2 361	1 200	1 500	1 500
Interest			866	1 000	1 000	2 361	1 200	1 500	1 500
Dividends									
Rent on land	658	459							
Sales of capital assets									
Land and sub-soil assets									
Other capital assets									
Transactions in financial assets and liabilities	5 467	2 192	10 661	1 258	1 258	1 258	1 346	1 460	1 460
Total departmental receipts	1 133 507	1 446 362	1 208 604	1 652 198	1 652 198	1 654 817	1 634 135	1 764 942	1 764 942

TABLE 19: PAYMENTS BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Current payments	99 513	110 279	117 593	129 306	188 891	269 107	221 632	234 911	249 005
Compensation of employees	35 512	46 587	47 076	52 718	101 571	131 451	93 571	99 185	105 136
Salaries and wages	35 512	46 587	47 076	52 718	101 571	131 451	93 571	99 185	105 136
Goods and services of which	63 821	63 692	70 517	76 588	87 320	137 656	128 061	135 726	143 869
Administrative fees			1 402	854	295	340	2 815	1 089	1 197
Advertising	1 256	3 786	7 876	6 079	121 205	121 815	21 001	24 400	30 033
Assets <R5000	1 633	593	2 481	4 847	3 969	5 918	13 431	17 655	16 057
Audit cost: External			2 120		250	800	8 935	12 191	21 593
Bursaries (employees)			44		452	500	6 435		
Coning: Departmental activities	2 215	2 854	1 095	2 294	2 425	3 066	1 681	1 820	1 981
Communication	13 456	13 078	12 644	7 630	3 006	3 953	41 398	46 308	52 925
Computer services	3 467	28 958	16 377	6 558	9 951	12 440	19 080	19 424	20 609
Cons./prof.business & advisory services	97 573	129 736	277 864	197 699	252 980	214 586	329 673	270 687	321 388
Cons./prof. infrastructure & planning	5 755	24 324	243 313	71 999	101 524	102 798	122 379	31 179	33 049

Vote 7: Roads and Transport

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
<i>Cons./prof. Laboratory services</i>							13 500		
<i>Cons./prof. Legal cost</i>	1 391	1 984	20 250	1 971	3 054	6 264	15 301	11 793	12 506
<i>Contractors</i>	22 763	27 899	620 963	948 183	971 349	1 055 173	498 325	649 978	591 372
<i>Agency & support/ outsourced services</i>	18 048	7 022	121 465	61 906	66 673	50 901	219 857	249 525	284 716
<i>Entertainment</i>	245		484	103	98	100	1 564	1 861	1 759
<i>Government motor transport</i>			653	754		700	1 200	878	931
<i>Housing</i>									
<i>Inventory: Food and food supplies</i>	877	559	1 145	1 042	1 127	1 205	22 576	25 762	32 939
<i>Inventory: Fuel, oil and gas</i>	70	41	524	199		109	8 594	10 634	10 647
<i>Inventory: Locom & tractors support material</i>			275	325	489	550	1 803	1 911	2 033
<i>Inventory: Raw materials</i>			8 209	27 592	18 906	18 906	36 301	37 903	37 903
<i>Inventory: Other consumables</i>	10 217	31 316	5 470	691	703	367	2 136	4 167	2 460
<i>Inventory: Stationary and printing</i>	11 751	9 196	7 935	8 548	9 113	19 002	35 302	37 349	45 113
<i>Lease payments</i>	9 039	43 513	19 040	3 486	4 302	22 921	30 002	33 651	41 131
<i>Owned & leasehold property expenditure</i>	2 616	3 142	3 425	2 285	85	85	11 421	13 911	20 025
<i>Transport provided dept activity</i>			71	30			56	59	63
<i>Travel and subsistence</i>	12 908	13 448	25 345	14 520	16 207	31 340	45 164	50 792	59 656
<i>Training & staff development</i>	2 912	1 058	8 304	7 346	4 889	12 699	22 040	23 534	31 336
<i>Operating expenditure</i>			760	1 446 150	1 349 819	1 401 598	1 607 846	1 796 955	1 885 357
<i>Venues and facilities</i>	5 376	3 840	1 911	4 783	6 760	7 960	9 364	10 113	16 948
<i>Other (big spending items not included above)</i>									
<i>Interest and rent on land</i>	180								
<i>Interest</i>	180								
<i>Rent on land</i>									
Transfers and subsidies	2 030	1 489	12						
<i>Foreign governments and international organisations</i>									
<i>Public corporations and private enterprises</i>									
<i>Public corporations</i>									
<i>Subsidies on production</i>									
<i>Other transfers</i>									
<i>Private enterprises</i>									
<i>Subsidies on production</i>									
<i>Other transfers</i>									
<i>Non-profit institutions</i>									
<i>Households</i>	2 030	1 489	12						
<i>Social benefits</i>	1 213	15	12						
<i>Other transfers to households</i>	817	1 474							

2010 Estimates of Provincial Expenditure

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Payments for capital assets	2 763	1 896	1 339	1 000	1 000	2 000			
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	2 763	1 896	1 339	1 000	1 000	2 000			
Transport equipment									
Other machinery and equipment	2 763	1 896	1 339	1 000	1 000	2 000			
Heritage Assets:									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	104 306	113 664	118 944	130 306	189 891	271 107	221 632	234 911	249 005

TABLE 20: PAYMENTS BY ECONOMIC CLASSIFICATION: ROAD INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Current payments	230 113	308 778	1 260 309	1 320 436	1 521 368	1 609 578	1 488 526	1 651 074	1 722 737
Compensation of employees	115,963	136,958	140,153	140,051	197,258	195,600	283,370	300,417	318,156
Salaries and wages	114,869	118,767	127,026	122,422	173,027	167,453	283,370	300,417	318,156
Social contributions	1,094	18,191	13,127	17,629	24,231	28,147			
Goods and services	113,165	171,399	1,115,560	1,180,385	1,324,110	1,413,978	1,205,156	1,350,657	1,404,581
of which									
Administrative fees			1 100	719			776	822	872
Advertising	627	223	1 075	445	115 583	116 225	14 248	15 378	22 393
Assets <R5000	340	495	1 201	2 331	600	2 263	10 581	12 766	12 810
Audit cost: External									
Bursaries (employees)			36						
Catering: Departmental activities			62	20		41	81	114	121
Communication	10 039	7 761	7 565	1 553	536	798	29 596	33 791	39 526
Computer services	663	24 844	12 044	254	167	2 276	11 763	11 668	12 369
Cons./prof.business & advisory services	29 596	-6 445	53 921	52 031	64 690	70 126	153 994	83 930	99 813
Cons./prof: Infrastructure & planning	5 755	24 324	239 948	71 999	101 524	102 798	122 379	31 179	33 049
Cons./prof: Laboratory services							13 500		
Cons./prof: Legal cost	501	1 151	17 272	897		412	6 850	2 835	3 005
Contractors	11 773	26 323	617 208	947 590	967 819	1 050 463	492 335	643 629	584 591

Vote 7: Roads and Transport

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Agency & support/ outsourced services	15 277	3 708	113 760	56 800	45 713	34 243	158 981	185 376	217 335
Entertainment	14		41						
Government motor transport			653	754		700	1 200	878	931
Inventory: Food and food supplies	227	203	75	112	29	33	19 850	22 872	29 776
Inventory: Fuel, oil and gas	70	41	524	199		109	8 594	10 634	10 647
Inventory: Learn & teacher support material			10						
Inventory: Raw materials			8 209	27 592	18 900	18 900	36 301	37 903	37 903
Inventory: Medical supplies									
Medica inventory									
Inventory: Military stores									
Inventory: Other consumables	7 791	27 978	5 381	222		22	398	468	496
Inventory: Stationary and printing	9 361	6 535	4 729	4 958	4 016	4 795	27 589	29 135	36 380
Lease payments	7 729	42 040	16 379	1 750	1 222	2 135	21 814	24 937	31 879
Owned & leasehold property expenditure	2 616	3 142	3 312	2 270			11 393	13 881	19 994
Transport provided dept activity			- 16						
Travel and subsistence	7 635	6 730	8 598	5 182	2 210	5 381	24 225	28 572	35 570
Training & staff development	2 850	1 042	1 664	1 630	87	1 119	13 359	14 332	21 329
Operating expenditure			546	8	14	139	10 604	113 314	113 989
Venues and facilities	301	1 304	263	1 069	1 000	1 000	1 926	2 316	8 597
Other (big spending items not included above)									
Interest and rent on land	985	421	4 596						
Interest	985		4 358						
Rent on land		421	238						
Transfers and subsidies	7 183	7 236	146 012	164 641	64 085	78 481			
Provinces and municipalities (1)	437	23	4 767	69 978	63 800	8 355			
Provinces	72		2 565						
Provincial Revenue Funds									
Provincial agencies and funds	72		2 565						
Municipalities	365	23	2 202	69 978	63 800	8 355			
Municipalities	365	23	2 112	69 978	63 800				
Municipal agencies and funds			90			8 355			
Departmental agencies and accounts			135 606			70 007			
Social security funds			135 606						
Entities						70 007			
Universities									

2010 Estimates of Provincial Expenditure

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Foreign governments and international organisations									
Public corporations and private enterprises	6 171		874			119			
Public corporations	1		874			119			
Subsidies on production	1								
Other transfers			874			119			
Private enterprises	6 170								
Subsidies on production	6 170								
Other transfers									
Non-profit institutions			875						
Households	575	7 213	3 890	94 663	285				
Social benefits	575	1 590	3 887	94 663					
Other transfers to households	575	1 590	3 887	94 663					
Payments for capital assets	420 938	762 804	41 367	94 817	29 475	46 684	57 008	94 178	74 500
Buildings and other fixed structures	420 938	762 804	41 367	94 817	29 475	46 684	57 008	94 178	74 500
Buildings	368 073	725 286	25 477	11 887	350	1 110	25 008	55 178	30 500
Other fixed structures	174 908	596 324	6 000	11 887			5 008	10 178	10 178
Machinery and equipment	1 896	1 339	1 000	1 000	2 000				
Transport equipment	6 960								
Other machinery and equipment	9 763	2 983	10 362	2 930	6 677	10 450	7 000	9 000	11 000
Heritage assets									
Specialised military assets									
Biological assets	5 297	10 699	5 528	34 012	22 448	35 124			
Land and sub-soil assets		23 836		45 988			25 000	30 000	33 000
Software and other intangible assets	30 845								
Payments for financial assets									
Total economic classification	658 234	1 078 818	1 447 688	1 579 894	1 614 928	1 734 743	1 545 534	1 745 252	1 797 237

Vote 7: Roads and Transport

TABLE 21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC AND FREIGHT TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10		
Current payments	61 847	140 340	266 487	1 602 761	1 602 761	1 604 761	1 893 142	1 997 294	2 130 797
Compensation of employees	15 266	29 084	41 439	31 860	64 360	60 299	64 360	68 221	72 314
Salaries and wages	13 532	26 948	37 358	28 790	60 312	56 251	64 360	68 221	72 314
Social contributions	1 734	2 136	4 081	3 070	4 048	4 048			
Goods and services	46 581	111 256	225 048	1 570 901	1 538 401	1 544 462	1 828 782	1 929 073	2 058 483
of which									
Administrative fees			159	135	140	140	252	267	325
Advertising	381	75	609	360	1 090	1 090	674	715	798
Assets <R5000	124	48	726	656	811	811	1 227	1 301	1 428
Audit cost: External									
Bursaries (employees)			8						
Catering: Departmental activities			918	198	1 310	1 290	370	393	465
Communication	608	440	1 777	1 308	950	950	2 446	2 592	2 879
Computer services		2	457	250	164	164	867	919	993
Cons./prof/business & advisory services	27 243	103 503	196 338	110 723	167 515	121 952	161 516	171 207	207 002
Cons./prof: Infrastructure & planning			613						
Cons./prof: Legal cost	890	758	906	515	530	530	963	1 021	1 087
Contractors	10 228	51	894	163	700	700	305	323	393
Agency & support/outsourced services			3 354	1 400	112	112	45 994	48 757	51 701
Entertainment	157		10	5			9	10	12
Government motor transport									
Housing									
Inventory: Food and food supplies	650	356	548	390	272	272	729	773	919
Inventory: Fuel, oil and gas									
Inventory: Lamps & teacher support material			22	24			45	48	58
Inventory: Medical supplies									
Motor inventory: interface									
Inventory: Military stores									
Inventory: Other consumables	54	109	38	31	70	70	58	61	68
Inventory: Stationery and printing	701	614	1 216	537	2 182	2 182	1 004	1 064	1 153

2010 Estimates of Provincial Expenditure

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Lease payments	377	630	1 542	255	1 065	1 065	664	704	771
Owned & leasehold property expenditure			9	15	85	85	28	30	31
Transport provided dept activity			87	30			56	59	61
Travel and subsistence	3 296	4 707	11 518	5 574	7 800	7 800	10 424	11 045	12 181
Training & staff development	9		3 713	1 679	655	655	3 028	3 210	3 651
Operating expenditure			18	1 446 142	1 349 725	1 401 369	1 597 242	1 683 641	1 771 361
Venues and facilities	1 864	563	168	471	3 225	3 225	887	933	1 121
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	6 309	1 644	6 028						
Provinces and municipalities (1)		1 627	950						
Provinces			950						
Provincial Revenue Funds									
Provincial agencies and funds			950						
Municipalities		1 627							
Municipal agencies and funds		1 627							
Departmental agencies and accounts			2 340						
Social security funds			2 340						
Entities									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises	6 309	- 6	1 689						
Public corporations	6 309	- 6	1 689						
Subsidies on production		- 6	1 689						
Other transfers	6 309								
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households		23	1 049						
Social benefits		23							

Vote 7: Roads and Transport

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Other transfers to households		23							
Payments for capital assets	9 191	423	382	2 000	2 000		3 000	4 000	4 000
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	9 191	423	382	2 000	2 000		3 000	4 000	4 000
Transport equipment									
Other machinery and equipment	9 191	423	382	2 000	2 000		3 000	4 000	4 000
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	77 347	142 407	272 897	1 604 761	1 604 761	1 604 761	1 896 142	2 001 294	2 134 797

TABLE 22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments			320						
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services of which			320						
Specify item									
Specify item									
Specify item									
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies	4 621 448	4 890 116	7 523 695	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642
Provinces and municipalities									

2010 Estimates of Provincial Expenditure

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2009/10	2010/11	2011/12
Provinces ²									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities ³									
Municipal agencies and funds									
Departmental agencies and accounts	4 621 448	4 890 116	7 523 695	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642
Social security funds	4 621 448	4 890 116	7 523 695	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642
Provide list of entities receiving transfers ⁴									
Universities and technicians									
Payments for capital assets									
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
Heritage Assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Software and other intangible assets									
Payments for financial assets									
Total economic classification	4 621 448	4 890 116	7 524 015	5 212 691	6 530 248	6 530 248	2 528 360	2 193 530	2 297 642

EXAMPLES OF PERFORMANCE INDICATORS USED BY THE SOUTH AFRICAN NATIONAL ROAD AGENCY

Source: 'Strategic Vision of the South African National Road Agency Limited for the Year 2010' Extracted from www.sanral.co.za/content/horizon2010.pdf on 11 November 2010.

Smooth Travel Exposure (STE)

Descriptions

The proportion of travel undertaken each year on roads with roughness conditions less than the specified level.

Purpose

To monitor whether the roads are providing acceptable travel conditions.

Considerations

The Smooth Travel Exposure (STE) indicator represents the proportion of travel undertaken each year on roads with surface roughness less than the defined level.

Target

95% of travel on less than 4.2 m/km roughness

Low Rut Exposure (LRE)

Description

The proportion of travel undertaken each year on roads with rut depth conditions less than the specified level. Rut depth refers to surface depressions that can hold water and can cause a vehicle to aqua-plane.

Purpose

To monitor where the roads are providing acceptable travel conditions

Considerations

The low LRE indicator represents the proportion of travel undertaken each year on roads with RUT depth less than the defined level.

Target

95% of travel on less than 20 mm of rut depth.

Return on Construction Expenditure (RCE)

The weighted internal rate of return of total capital construction expenditure per annum.

Purpose

To monitor the predicted economic benefits to the community from road agency capital programmes.

Considerations

The return on construction expenditure indicator is based on weighted internal rate of return estimates of capital projects undertaken by the road agency.

The internal rate of return is calculated as the discount rate for which community life cycle benefits equal the road agency life cycle costs.

Target

IRR > 15%

Expenditure Efficiency Index (EEI)

Description

The percentage of annual expenditure spent on overhead costs.

Purpose

To monitor the efficiency of the road agency.

Considerations

The Expenditure Efficiency Index (EEI) is the annual percentage spent on overheads by the agency compared to the total expenditure of the agency.

Target

5%

Private Sector Investment Index (PSII)

Description

The proportion of total annual expenditure secured from private sector.

Purpose

To monitor the attraction of private sector investment.

Considerations

The Private Sector Investment Index (PSII) is the ratio between expenditure funded from private sector and expenditure from the fiscus (ie government budget).

Target

0.85 (DK to confirm 85%??)

Road Maintenance Effectiveness (RME)

Description

A cost index reflecting the proportion of the road network which is being maintained to target conditions and the expenditure per kilometre required.

Purpose

To monitor the effectiveness of maintenance functions undertaken by the agency.

Considerations

The Road Maintenance Effectiveness (RME) Indicator represents the cost per kilometre to maintain the roads in smooth condition (less than defined roughness level).

Target

Under development

User Satisfaction Index (USI)

Description

Index of users' qualitative evaluation of satisfaction with national road network.

Purpose

To provide a qualitative indication of users' perceptions of the performance of the national road network.

Considerations

The User Satisfaction Index (USI) is a measure of road users' satisfaction with the national road network. The index is based on road users' ratings (roadside surveys) of a number of attribute related to the national road network.

Target

Under development

Extract from

www.treasury.sa.gov.au/df/budget/publications_and_downloads/current_budget.jsp
on 20 November 2010

PORTFOLIO: TRANSPORT, ENERGY AND INFRASTRUCTURE

MINISTERIAL RESPONSIBILITIES

Minister	Agency	Programs	Sub-programs
The Hon. Patrick Conlon Minister for Transport Minister for Infrastructure Minister for Energy	Department for Transport, Energy and Infrastructure	1. Policy and Planning	Nil
		2. Transport Infrastructure Services	2.1 Operating and Maintaining Roads
			2.2 Operating and Maintaining Marine Facilities
			2.3 Managing Public Transport Infrastructure Assets
		3. Transport Safety and Regulation Services	3.1 Driver and Vehicle Regulation
			3.2 Transport Safety Regulation
		4. Public Transport Services	4.1 Asset Management
			4.2 Passenger Services
		5. Energy Policy and Regulation	5.1 Energy Policy and Programs
5.2 Technical and Safety Regulation			
6. State Infrastructure Facilitation	Nil		
7. Information and Communication Technology Services	Nil		
8. Building Management	8.1 Facilities Services		
	8.2 Project Services		
	8.3 Strategic Services		
	8.4 Commercial Property Management		
	8.5 Government Employee Residential Property Management		
9. Land Services	Nil		
	TransAdelaide	1. Operate and Maintain Metropolitan Rail Passenger Transport Services	Nil
The Hon. Gail Gago Minister for Government Enterprises	Department for Transport, Energy and Infrastructure	10. Service SA	Nil
The Hon. Jack Smelling Minister for Road Safety	Department for Transport, Energy and Infrastructure	11. Road Safety Policy, Planning and Services	11.1 Safer Roads
			11.2 Safety and Community

Sub-program 2.1: Operating and Maintaining Roads				
Provision of services to efficiently and effectively maintain and operate the department's controlled road and bridge infrastructure, including road lighting, traffic signals, management systems and River Murray ferries.				
	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
Expenditure	\$305 769 000	\$291 151 000	\$278 007 000	\$300 040 000
Revenue	\$168 418 000	\$392 512 000	\$369 429 000	\$304 285 000
Net Cost of Sub-program	\$137 351 000	-\$101 361 000	-\$91 422 000	-\$4 245 000
Reason for Variance				
Expenditure				
The 2010-11 Budget reflects additional expenditure associated with the Greater Edinburgh Parks road development and the reallocation of State Black Spot Cycling expenditure from Sub-program 11.1 Safer Roads.				
The 2009-10 Estimated Result reflects an increase in depreciation costs associated with a change in depreciation policy.				
The 2009-10 Budget reflects a reclassification of corporate overheads to Sub-program 3.2 Transport Safety Regulation. The 2009-10 Budget also reflects expenditure on road resurfacing and rehabilitation works being reclassified from operating expenditure to investing expenditure and transferred to the investing program.				
The 2008-09 Actual contains maintenance expenditure under the Nation Building — Economic Stimulus Plan.				
The 2008-09 Actual, 2009-Estimated Result and 2010-11 Budget incorporate a transfer of depreciation to Sub-program 2.2 Operating and Maintaining Marine Facilities and Sub-program 2.3 Managing Public Transport Infrastructure Assets. As this transfer was made at the time of the 2008-09 Actual, it was not reflected in the 2009-10 Budget figures.				
Revenue				
The 2010-11 Budget reflects lower Commonwealth revenue following completion of the Northern Expressway and Start Highway upgrade.				
The 2009-10 Estimated Result includes reimbursements from other government agencies for works done on their behalf and accelerated receipt of Commonwealth funding for the Northern Expressway.				
The 2009-10 Budget reflects increased Commonwealth funding for the Northern Expressway, South Road Superway and the O-Bahn City Access projects. The 2009-10 Budget also contains additional reimbursement works for road infrastructure.				
	2010-11 Target	2009-10 Estimated Result	2009-10 Target	2008-09 Actual
Performance Indicators:				
Average travel speed on arterial roads in Adelaide	39.2 kph	39.3 kph	39.5 kph	39.7 kph
Variability of travel speed (% variability caused by traffic controls and conditions) ^(a)	12.6%	12.8%	12.5%	12.3%
Bridge health index ^(b)	64	64	64	64
Road pavement surface condition — percentage of travel taken on roads with acceptable or better smoothness (a roughness level of less than 110 NRM) ^(c)	91.0	91.0	90.0	91.4
Footnotes:				
(a) It is expected that the rate of decline in the average travel speed and variability of travel speed will lessen in 2010-11 as a result of the rectification of a number of congestion hot spots in the metropolitan road network.				
(b) The health index of a structure is its current condition expressed as a percentage of its as-built condition. The higher the number, the better its condition.				
(c) National Association of Australian State Road Authorities (NAASRA) Roughness Measure.				

Sub-program 3.2: Transport Safety Regulation				
Provision of efficient and effective regulatory services for the safety, behaviour and security of transport system users, rail safety and rail access regulation services.				
	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
Expenditure	\$33 371 000	\$35 301 000	\$34 026 000	\$21 241 000
Revenues	\$16 397 000	\$14 947 000	\$14 720 000	\$15 089 000
Net Cost of Sub-program	\$16 974 000	\$20 354 000	\$19 306 000	\$6 152 000
Reason for Variance				
Expenditure				
The 2009-10 Estimated Result contains expenditure associated with the implementation of National Chain of Responsibility measures for heavy vehicle speed compliance legislation.				
The 2009-10 Budget reflects a reclassification of corporate overheads from Sub-program 2.1 Operating and Maintaining Roads.				
	2010-11 Target	2009-10 Estimated Result	2009-10 Target	2008-09 Actual
Performance Indicators:				
No. of heavy vehicle inspections ^(a)	6 900	6 900	6 300	7 146
No. of vehicle ID inspections	37 000	36 600	36 000	35 667
% of compliant heavy vehicles at inspection ^(b)	90.00%	91.10%	90.00%	95.11%
Footnotes:				
(a) Includes heavy vehicles inspected at Regency Park only.				
(b) Includes heavy vehicles inspected at weigh stations only.				

Sub-program information

Sub-program 4.1: Asset Management				
Provision of services for effective and efficient management of public transport bus infrastructure, including vehicles.				
	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
Expenditure	\$38 177 000	\$29 705 000	\$31 149 000	\$34 574 000
Revenues	\$1 429 000	\$1 207 000	\$1 207 000	\$1 067 000
Net Cost of Sub-program	\$36 748 000	\$28 498 000	\$29 942 000	\$33 507 000
Reason for Variance				
Expenditure				
The 2010-11 Budget reflects increased depreciation costs associated with additions to the bus fleet. The 2010-11 Budget also reflects increased expenditure due to the recognition of SA Government Radio Network costs in public transport assets, which were previously recorded under Program 7 Information and Communication Technology Services.				
The 2009-10 Budget reflects a reclassification of corporate support costs to Sub-program 4.2 Passenger Services, partially offset by increased depreciation expense due to an increase in the bus fleet.				
	2010-11 Target	2009-10 Estimated Result	2009-10 Target	2008-09 Actual
Performance Indicators:				
No. of buses used for Metroticket services	884	844	844	824
% of buses air-conditioned	97%	92%	93%	90%
Cost to run ticketing system per 10 000 ticket validations ^(a)	\$1 350	\$1 300	\$1 320	\$1 320
Footnotes:				
(a) A new smartcard ticketing system is planned to be implemented in 2012-13.				