

DEPARTMENT OF TRANSPORT

SABOA Annual Conference Presentation Contract and Subsidy Management Update



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

15 August 2024



Outline of Presentation

- Public Transport Operations Grant (PTOG) MTEF Allocations
- Compliance with the Division of Revenue Act 24 of 2024 and its framework
- Compliance with the Division of Revenue Act 24 of 2024 and its framework (withholding, stopping & reallocation)
- Progress on the Development of a National Public Transport Subsidy Policy (NPTSP)



Public Transport Operations Grant MTEF Allocations

Name of Conditional Grant:

Public Transport Operations Grant

Provinces	Column A	Column B	
	Allocation	MTEF Estimates	
	2024/25	2025/26	2026/27
	R'000	R'000	R'000
Eastern Cape	308 298	322 110	336 927
Free State	340 849	356 119	372 500
Gauteng	2 978 930	3 112 386	3 255 556
KwaZulu-Natal	1 428 401	1 492 393	1 561 043
Limpopo	460 754	481 396	503 540
Mpumalanga	775 812	810 568	847 854
Northern Cape	69 364	72 472	75 806
North West	142 587	148 975	155 828
Western Cape	1 230 401	1 285 523	1 344 657
Unallocated			
Total	7 735 396	8 081 942	8 453 711

Allocated Amount
Check

-	-	-
7 735 396	8 081 942	8 453 711



Compliance with the Division of Revenue Act 24 of 2024 and its framework

- The Department disburses and manages the Public Transport Operations Grant (PTOG) in compliance with DoRA and its **framework**. PTOG is a schedule 4 supplementary grant
- The provisions of **section 9** in particular 9 (1) (b) requires of DoT to monitor information on financial and non-financial performance of the programme partially or fully funded by an allocation
- Section 9 (1) (e) requires DoT to submit quarterly financial & non financial performance report within **45 days after the end of each quarter** to National Treasury in terms of the applicable framework
- Section 9 (1) (f) states that DoT /transferring officer must evaluate the performance of the programmes funded of partially funded by the allocation and submit the evaluation report to National Treasury within **4 months after the end financial year**



Compliance with the Division of Revenue Act 24 of 2024 and its framework

- The monitoring system, in terms 9 (2) must (a) be approved by National Treasury
(b) not impose any excessive administrative responsibility on receiving officers/provinces beyond the provision of standard management and budget information
- Section 11 (1) requires receiving officers to comply with the applicable framework and is responsible for the manner in which the allocation received from the transferring officer is allocated and spent
- Section 11 (4) (b) requires the receiving officers to submit to the transferring officers quarterly non-financial performance report of programmes partially or fully funded by schedule 4 grant within **30 days** after the end of each quarter
- Section 11 (6) requires of the receiving officers to evaluate the financial and non-financial performance report within **two months** after the end of the financial year



Compliance with the Division of Revenue Act 24 of 2024 and its framework (withholding, stopping & reallocation)

- The provisions of section **17** allow the transferring officer to withhold the allocation for a period not exceeding **30 days** for non-compliance with the Act and its framework or for under-expenditure
- This must be done, in terms of section 17 (4), after giving the receiving officer a **7 days** notice of intention to withhold allowing them an opportunity to submit written representation as to why the allocation should not be withheld
- Should it be necessary to withhold for more than **30 days**, the transferring officer has to request National Treasury for such an approval
- Section **18** allows for the **stopping** of the grant while section **19** allows for its **reallocation**



Progress on the Development of a National Public Transport Subsidy Policy (NPTSP)

- The draft policy was gazetted on 23 February 2024 under gazette no. 50176 and closed on 30 April 2024
- SABOA's comments were also received and all inputs that were received are being considered and will be responded to
- NEDLAC resolved to subject the draft Policy to their internal process which includes setting up a three-a-side task team
- The draft task team Terms Of Reference are developed
- Outstanding internal siter Departments will be engaged
- Cabinet clusters (Social and Economic) process will follow
- Final draft submission to Cabinet



Thank You

