

ANNEXURE C: DETAILS OF NEW INFRASTRUCTURE SEGMENT

INFRASTRUCTURE SEGMENT

A new Infrastructure segment has been introduced as an extension of the previous Project segment. In essence the old Project segment has now been split into two segments, namely the new Infrastructure segment and the Project segment. This adjustment was required mainly for the following reasons:

- The introduction of category links requires the use of a segment where breakdown of posting items are not allowed. In the old Project segment, departments could create posting level projects within incorrect economic classification categories (for example current maintenance projects in capital project categories). This practice undermined the effectiveness of the category links. With the introduction of the Infrastructure segment departments will not be in a position to manipulate the category links in this way.
- In the previous Project segment departments had to duplicate projects within the different posting level categories (for example a project for the maintenance and repair of all elevators in a certain geographical area with an element of refurbishment of the shafts) in order to record the economic classification correctly. With the separation of the two segments this problem has now been addressed.

At the highest level the Infrastructure segment distinguishes between expenditure and non-expenditure (i.e. revenue, assets and liabilities) transactions. Expenditure is sub-classified into Infrastructure, which includes all previous infrastructure project payments and Non-Infrastructure categories.

The infrastructure segment is centrally controlled and standardised for all departments with allowance for the further breakdown of posting level items. The segment provides for the economic classification of transactions and is fully aligned to the Infrastructure Reporting Model (IRM). Detail of projects previously recorded as posting levels must now be captured in the project segment.

The Standard Chart of Accounts (SCOA) must provide for all relevant aspects of the Economic Classification within the ERF. This is not possible to do within a single segment of the chart, but is provided for by using a combination of the Infrastructure, Item and Asset segments. This is not a new development; the only difference in the new version of the chart is that the Infrastructure segment replaces the old Project segment as the key segment to determine the economic classification.

In the new version of the SCOA, the Infrastructure segment should be used as the main segment for deciding the economic classification and departments should structure their transactions such as to ensure that capturing starts with the Infrastructure segment. This will ensure optimal use of the category links and will limit the possibility of misclassification.

The purpose of the **infrastructure category type** is to provide the link between the posting level items in the **Infrastructure** segment and those in the **Item** segment of the chart. The **infrastructure category type** in the financial system ensures that the correct items in the Item segment is linked to the correct posting level projects in the Infrastructure segment, so ensuring correct classification and the elimination of inconsistencies. This link is pre-set in the systems environment, and when an **infrastructure category type** is identified a set of posting level items are provided in the Item segment that is linked to such category.

Within the infrastructure category, provision is made for a distinction between existing infrastructure, new infrastructure, infrastructure transfers and payments for financial assets (concessional loans).

1. Existing infrastructure

Existing infrastructure is further disaggregated to provide for own account and outsourced maintenance & repairs, upgrade & additions and refurbishment & rehabilitation, categories as defined in the Infrastructure Reporting Model (IRM) and within each category provision is made for outsourced and own account transactions.

Old Item Lowest Level			Old Segment Detail No	New Item Lowest Level			New Segment Detail No
3	4	5		3	4	5	
PRJ:EXISTING INFRASTRUC ASSETS			55	EXISTING INFRASTRUC ASSETS			17
	MAINTENANCE & REPAIR CURRENT		93		MAINTENANCE & REPAIR CURRENT		18
		MAINTENANCE & REPAIR CURRENT	96			EX INFR:MAINT&REP:OUTSOURCE(CUR)	30
		OUTS MAINTENANCE&REPAIR CURRENT	97			EX INFR:MAINT&REP:OWN ACCOU(CUR)	31
	UPGRADE & ADDITIONS CAPITAL		94		UPGRADE & ADDITIONS CAPITAL		19
		UPGRADE & ADDITIONS CAPITAL	98			EX INFR:UPGRADE&ADD:OUTSOUR(CAP)	32
		OUTS UPGRADE & ADDITIONS CAPITAL	99			EX INFR:UPGRADE&ADD:OWN ACC(CAP)	33
	REFURB & REHAB CAPITAL		95		REFURB & REHAB CAPITAL		20
		REFURB & REHAB CAPITAL	100			EX INFR:REFURB&REHAB:OUTSOU(CAP)	34
		OUTS REFURB & REHAB CAPITAL	101			EX INFR:REFUR&REHA:OWN ACCO(CAP)	35

2. New Infrastructure Assets

A department may purchase a completely new infrastructure asset or have a project to construct new infrastructure. In both cases the expenditure incurred is capital in nature and should be classified under new infrastructure assets. A distinction is made at a lower level between purchased, constructed through outsourcing of the project and constructed using own account transactions.

Old Item Lowest Level			Old Segment Detail No	New Item Lowest Level			New Segment Detail No
3	4	5		4	5		
PRJ:NEW INFRASTRUC ASSETS(CAP)			79	NEW INFRASTRUC ASSETS CAPITAL			22
	PRJ:NEW INFRASTRUC ASSETS(CAP)		80		CONSTRUCTION - OWN ACCOUNT(CAP)		38
	NEW INFRSTRUC:NO PROJECT LISTED		115		PURCHASE OF NEW INFRASTRUCT(CAP)		36
	OUTS PRJ:NEW INFRASTR ASSTS(CAP)		89		CONSTRUCTION - OUTSOURCED (CAP)		37

3. Infrastructure Payments for Financial Assets: Concessional Loans

A new category for Payments for financial assets has been added on infrastructure segment for concessional loans.

This includes all moneys loaned to other sectors of governments for construction of infrastructure assets. An example will be monies loaned for the construction of the Gautrain.

New Item Lowest Level		New Segment Detail No
3	4	
INFRASTRUCTURE: PAY FIN ASS		24
CONCESSIONAL LOANS-INFRASTRUCTURE		39

4. Infrastructure Leases: Finance and Operating

A new category for infrastructure Leases has been created to cater for both Finance and Operating Leases. The category is used to classify the monthly repayment as per the lease.

New Item Lowest Level
INFRASTRUCTURE: LEASES
INFRASTRUCTURE:FINANCE LEASES(CAP)
INFRASTRUCTURE:OPERATING LEAS (CUR)

5. Non Infrastructure

This category is specifically for spending not directly related to the construction or purchase of infrastructure assets. Such spending can be either of a current or capital nature.

- Non Infrastructure Current**

This refers to payments for the purchase stand-alone goods and services and projects not related to infrastructure assets.

Old Item Lowest Level			Old Segment Detail No	New Item Lowest Level				Old Segment Detail No
1	2	3		2	3	4	5	
PROJECTS			1	NON INFRASTRUCTURE				72
	NOT RELTED INFRASTRU ASS PRJ CUR		67	NON INFRASTRUCTURE: CURRENT				75
	N/INFR/ASS REL:PRJ CUR		73	NON INFRASTRUCTURE: CURRENT				76
	NON INFRA PROJECT CURRENT		108	NON INFRASTRUT/STAND ALONE CUR				95
STAND ALONE ITEM (NO PROJECTS)			2					
	NO PROJ S/ALONE CURRENT		102					
	NOT RELTED INFRASTRU ASS PRJ CUR		67	NON INFRA MAINTENANCE & REPAIR				77
	N/INFR/ASS REL:MAINT&REP PRJ CUR		74	NON INFRA MAINT&REPAIR:OUTS(CUR)				96
	OUTS N/INF/A REL:MNT&REP PRJ CUR		90	NON INFRA MAINT&REP:OWN ACC(CUR)				97

- Non Infrastructure Capital**

This refers to standalone purchases of capital asset and own account as well as outsourced capital (upgrade and additions and refurbishment and rehabilitation) spending of non-infrastructure.

Old Item Lowest Level			Old Segment	New Item Lowest Level		New Segment	
1	2	3	Detail No	3	4	5	Detail No
PROJECTS			1	NON INFRASTRUCTURE: CAPITAL			78
	NOT RELTED INFRASTRU ASS PRJ CAP		68		NON INFRASTRUCTURE: CAPITAL		79
		N/INFR/ASS REL:PROJECT CAPITAL	69			NON INFRASTRUCT/STAND ALONE CAP	98
		NON INFRA PROJECT CAPITAL	109			NON INFRA: CAPITAL :OUTSOURCED	99
STAND ALONE ITEM (NO PROJECTS)			2			NON INFRA: CAPITAL:OWN ACCOUNT	100
	NO PROJ S/ALONE CAPITAL		103				
PROJECTS					NON INFRA:UPGRADE & ADDITIONS		80
	NOT RELTED INFRASTRU ASS PRJ CAP				NON INFRA:UPGR&ADDIT:OUTS(CAP)		101
		N/INFR/ASS REL:UPGRADE&ADD CAP	70		NON INFR:UPGR&ADDIT:OWN ACC(CAP)		102
		OUTS N/INFR/A REL:UPGRAD&ADD CAP	91	NON INFRA:REFURB & REHAB			81
		N/INFR/ASS REL:REFURB&REHAB CAP	71	NON INF:REFURB&REHAB:OUTS(CAP)			103
		OUTS N/INFR/ASS REL:REF&REH CAP	92	NON INF:REFURB&REHAB:OWN AC(CAP)			85

6.6 Non-Infrastructure Leases:

This category caters for both Finance Leases and Operating Leases. The category is used to classify the monthly repayment as per the lease agreement.

New Item Lowest Level		New Segment
3	4	
NON INFRASTRUCTURE: LEASES		74
	NON INFRA:OPERATING LEASES CURRENT	106
	NON INFRA:CARA EXPENDITR CAPITAL	107

6.7 Non-Expenditure

All posting levels not directly related to payments have been provided for within the Non expenditure category.

Old Item Lowest Level			Old Segment	New Item Lowest Level		New Segment
1	2		Detail No	1	2	Detail No
NO PROJECTS: NON EXPENDITURE			35	NON EXPENDITURE		3
	NO PRJ:STND/A REVENUE		36	GEN ACC OF REC		57
	NO PRJ:STND/A GEN ACC OF VOTE		41	GEN ACC OF VOTE		58
	NO PRJ:S/A D/CHRG REV FND GEN AC		43	D/CHRG REV FND GEN AC		59
	NO PRJ:STND/A GEN ACC DONOR EXP		44	GEN ACC DONOR EXP		60
	NO PRJ:STND/A GEN ACC CARA EXP		51	GEN ACC CARA EXP		61
	NO PRJ:STND/A GEN ACC TRADE REV		47	GEN ACC TRADE REC		62
	NO PRJ:STND/A GEN ACC TRADE EXP		48	GEN ACC TRADE EXP		63
	NO PRJ:STND/A GEN ACC TRUST EXP		49	GEN ACC TRUST REC		64
	NO PRJ:STND/A GEN ACC TRUST REV		50	GEN ACC TRUST EXP		65

Old Item Lowest Level		Old Segment	New Item Lowest Level		New Segment
1	2	Detail No	1	2	Detail No
NO PROJECTS: NON EXPENDITURE		35	RECEIPTS		11
	NO PRJ:STND/A REVENUE	36	RECEIPTS		66
	NO PRJ:STND/A ASSETS	37	ASSETS & LIABILITIES		12
	NO PRJ:STND/A LIABILITY	38	ASSETS		13
	NO PRJ:STND/A NET EQUITY	39	LIABILITIES		14
			NET ASSETS/EQUITY		15
			CONVERSION		16