

# Vote 33

## Transport

	2004/05 To be appropriated	2005/06	2006/07
MTEF allocations	R6 759 044 000	R7 125 427 000	R7 584 500 000
Statutory amounts	-	-	-
Responsible Minister	Minister of Transport		
Administering Department	Department of Transport		
Accounting Officer	Director-General of Transport		

### Aim

*The aim of the Department of Transport is to establish a national transport system that enables the national, provincial and local provision of efficient, affordable and fully integrated infrastructure and services, that best meet the needs of transport users and promote economic and social development while being environmentally and economically sustainable.*

### Programme purpose and measurable objectives

#### Programme 1: Administration

**Purpose:** Provide proactive, cost-effective support services to increase the efficiency of the department and the Ministry, and to strategically lead and manage the provision of fleet management services to government.

#### Programme 2: Transport Infrastructure

**Purpose:** Provide leadership in the provision of transport infrastructure that supports equitable economic, social and regional development in line with national strategic objectives.

**Measurable objective:** Develop a national transport infrastructure framework that: promotes co-ordinated investment in infrastructure; reduces transport input costs; improves access to markets and amenities by rural communities; and facilitates integrated regional infrastructure investment planning and implementation.

#### Programme 3: Land Transport Regulation and Safety (road and rail)

**Purpose:** Create an enabling environment for road and rail safety, by co-ordinating the activities of the different spheres of government and developing appropriate mandates and monitoring mechanisms for the land transport regulators.

**Measurable objective:** Improve road and rail safety through: developing standards and regulations; providing reliable data and systems; co-ordinating provincial activities; facilitating access to resources at all levels of government; and setting up and monitoring appropriate institutions.

#### **Programme 4: Transport Policy**

**Purpose:** Formulate and continually review transport policy, develop cross-cutting strategic options for decision-making, and monitor the impact of transport policies and strategies.

**Measurable objective:** Create an efficient transport system by developing policies that improve travel times, increase service predictability, reliability, quality and safety, and reduce delays.

#### **Programme 5: Aviation and Maritime Transport**

**Purpose:** Create an enabling environment for the aviation and maritime sectors, and develop appropriate mandates and monitoring mechanisms for air and maritime transport public entities.

**Measurable objective:** Develop, implement and maintain sector strategies and regulatory frameworks to ensure a high standard of aviation and maritime safety and services.

#### **Programme 6: Public Transport Operations**

**Purpose:** Develop practices and norms which will increase access to appropriate and quality public transport which meets the socio-economic needs of both rural and urban passengers.

**Measurable objective:** Increased provision of safe and affordable public transport that aims to benefit the most vulnerable passengers.

#### **Programme 7: Transport Planning**

**Purpose:** Put in place national guidelines and standards for the development of transport plans to ensure the provision of adequate and appropriate public transport services and infrastructure, based on user needs.

**Measurable objective:** Fully established, integrated transport plans that will incrementally improve public transport services and related infrastructure.

#### **Programme 8: Road Traffic Infringements**

**Purpose:** Facilitate the administrative adjudication of road traffic transgressions to reduce the road traffic offence rate and create a safer environment for road users.

**Measurable objective:** Promote better road user behaviour and create a safe road environment that reduces the road traffic offence rate to an acceptable level.

### **Strategic overview and key policy developments 2000/01 – 2006/07**

Transport is an enabling industry and the role of the Department of Transport within government is to provide the means to ensure that the transport system delivers against both the goals of national development and the needs of the users of transport services. It is widely accepted that the existing transport system in South Africa does not satisfy the needs of users, and there are two key areas where the system's shortcomings are acute.

Firstly, there is a shortage of affordable, safe public transport. Apartheid-defined spatial development patterns continue to consign a majority of the population to the fringes of settlements, remote from social amenities and economic opportunities, and the transport system was designed to facilitate commuter transport to destinations of work. Meeting the demand for public transport to broaden access to social services and stimulate new economic activities remains one of the critical challenges.

Secondly, the freight transport system does not fully satisfy user cost requirements, and current levels of investment in the system are not sufficient to sustain present service standards and user costs in the long run.

Transport policy is built on the framework set out by the Moving South Africa strategy (1998) and action agenda (1999), and the National Land Transport Transition Act (22 of 2000) (NLTTA). These set out the vision of an efficient public transport system with the use of targeted subsidies and a high-quality, comprehensive transport infrastructure network.

#### *Public transport (rail, bus and taxi)*

The overarching objectives for a sustainable public transport system that contributes to the economic growth of the country are to improve the public transport system, broaden access to social equity, and stimulate economic activities. This will require the department to:

- increase investment in public transport infrastructure, primarily through the refurbishment of the commuter rail fleet
- promote public transport by upgrading key public transport facilities
- increase the efficiency of passenger rail services through policy development, restructuring the sector, enhancing revenue collection and improving safety and security at railway stations
- increase access to affordable public transport services through: the ongoing conversion of the remaining interim bus contracts into tender or negotiated contracts; the transformation of public transport; and the selective targeting of subsidies
- transform the minibus taxi industry through the taxi recapitalisation process
- promote non-motorised transport and the development of the required supporting infrastructure.

To realise these objectives, the department is also leading the process of preparing transport plans across the country, through demonstration planning projects in selected areas. Integrated transport plans are an important input into the integrated development planning (IDP) process, ensuring that transport infrastructure investment is planned and developed in accordance with local development needs.

Financing public transport remains a challenge. Strategic investment plans need to be developed for the public transport sector. The monitoring of service providers will become increasingly important, since approximately 70 per cent of the transport budget is transferred to public transport operations, particularly rail and bus operations.

#### *Freight*

Freight logistics have not previously received focused attention from the Department of Transport. Currently, an interdepartmental task team, led by the department, is working on a national freight logistics strategy designed to inform the transport planning and infrastructure development processes, and to achieve the seamless movement of goods, services and people.

Work needs to be done in the area of financing investment in the provision of freight infrastructure and on monitoring the impact of existing freight policies, regulations and administrative pricing, to ensure that the intended impact is achieved.

The process of restructuring port administration through the establishment of an independent Ports Regulator is also expected to have a positive impact on the efficiency of freight logistics.

#### *Roads*

The road network is a vital part of transport infrastructure. It is critical to the economic health of many industries, an important means of passenger transport, and key to overcoming the

inequalities of the past. The Department of Transport is continuing to work on improving the road network, ensuring that it is well maintained and safe. The 2003 Road Infrastructure Strategic Framework for South Africa (RISFSA) is intended to guide and co-ordinate investment in road infrastructure across the three spheres of government. An additional allocation of R200,0 million, R250,0 million and R300,0 million has been made for national road infrastructure over the 2004 MTEF.

#### *Other initiatives*

The National Road Traffic Information System (NaTIS) forms the backbone of information on driver and vehicle licences and vehicles registered in the country. A new system (eNaTIS) is being developed with new technology, and the department will oversee its introduction. The eNaTIS will consolidate the various existing databases into one, properly safeguarded by back-up facilities and a disaster recovery plan. It will be compatible with current operating systems, more secure, and able to meet the needs of users such as banks, insurers and the police.

Safety in road transport and traffic operations will remain a priority. The department launched the Road to Safety Strategy: 2001–2005 to address road safety-related issues. Short-, medium- and long-term implementation plans have been developed, and the department will continue to play a fundamental role in facilitating and partially funding these. An additional allocation of R50,0 million per year over the MTEF has been made, as a contribution to the Arrive Alive communications and awareness-raising campaign.

The promotion of infrastructure investment will include a drive towards extending job-creation initiatives by supporting investment in labour-based employment projects. The implementation of the Road Infrastructure Strategic Framework for South Africa and the 2003 National Overload Control Strategy will improve the co-ordination of expenditure on the road network, and development of overload control infrastructure.

Many transport operations, which address transport service delivery, infrastructure provision, planning, and safety regulation, are performed by public entities reporting to the Minister of Transport. Much work needs to be done in the area of developing mandates for these regulators, and a framework for economic regulation in the industry needs to be reviewed and further developed.

Over the last two years, the Railway Safety Regulator and the Road Traffic Management Corporation (RTMC) have been created. The RTMC is still not functional and its mandate will be reviewed. Over the medium term, it is envisaged that a Ports Regulator as well as a Ports Authority will be established, and effect will be given to the Administrative Adjudication of Road Traffic Offences Act (46 of 1998) (the AARTO Act), which is intended to reduce the road traffic offence rate and thereby create a safer environment for all road users.

The projected widening deficit in the budget of the Road Accident Fund (RAF) has highlighted the pressing need to reform the fund's operations and reduce its claims liability. The fund, which is financially unsustainable, will be restructured into a social benefit or other financially sustainable scheme over the medium term. A feasibility study relating to the establishment of a National Highway Patrol will be done. More effective management of the Minister's shareholding responsibility is also envisaged through increased interactions with the RAF board's chairperson and the chief executive officer.

## Expenditure estimates

Table 33.1: Transport

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited Preliminary outcome						
R thousand	2000/01	2001/02	2002/03	2003/04		2004/05	2005/06	2006/07
1 Administration	38 686	48 322	57 505	69 719	69 719	76 751	80 986	85 601
2 Transport Infrastructure	701 523	1 068 072	1 203 389	1 306 253	1 306 253	1 472 366	1 599 829	1 730 774
3 Land Transport Regulation and Safety	57 301	105 553	124 117	174 456	174 456	255 451	220 340	231 080
4 Transport Policy	14 013	19 518	47 607	62 323	62 323	38 778	40 516	42 424
5 Aviation and Maritime Transport	87 246	67 432	138 433	114 824	114 824	117 503	124 641	132 061
6 Public Transport Operations	3 176 170	3 584 470	4 087 066	4 481 923	4 481 923	4 709 848	4 965 543	5 263 573
7 Transport Planning	24 536	43 561	51 908	74 937	74 937	83 347	88 572	93 987
8 Road Traffic Infringements	-	-	-	5 000	5 000	5 000	5 000	5 000
<b>Total</b>	<b>4 099 475</b>	<b>4 936 928</b>	<b>5 710 025</b>	<b>6 289 435</b>	<b>6 289 435</b>	<b>6 759 044</b>	<b>7 125 427</b>	<b>7 584 500</b>
Change to 2003 Budget Estimate				130 726	130 726	307 872	307 905	

### Economic classification

<b>Current payments</b>	<b>170 227</b>	<b>217 952</b>	<b>353 064</b>	<b>400 667</b>	<b>400 667</b>	<b>498 849</b>	<b>473 784</b>	<b>498 827</b>
Compensation of employees	33 578	40 741	53 044	79 396	79 396	99 633	105 578	111 350
Goods and services	136 649	177 211	300 020	321 271	321 271	399 216	368 206	387 477
Interest and rent on land	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>3 927 168</b>	<b>4 715 091</b>	<b>5 355 199</b>	<b>5 854 919</b>	<b>5 854 919</b>	<b>6 238 762</b>	<b>6 629 616</b>	<b>7 062 394</b>
Provinces and municipalities	29	34	181	227	227	250	280	297
Departmental agencies and accounts	740 594	1 123 595	1 260 265	1 372 806	1 372 806	1 531 361	1 667 116	1 802 143
Universities and technikons	5 942	6 773	8 253	9 475	9 475	6 306	6 684	7 085
Foreign governments & international organisations	2 062	689	3 828	3 958	3 958	4 170	4 170	4 420
Public corporations & private enterprises	3 177 943	3 583 083	4 076 290	4 445 493	4 445 493	4 686 590	4 940 666	5 237 107
Non-profit institutions	-	862	6 312	22 370	22 370	10 000	10 600	11 236
Households	598	55	70	590	590	85	100	106
<b>Payments for capital assets</b>	<b>2 080</b>	<b>3 885</b>	<b>1 762</b>	<b>33 849</b>	<b>33 849</b>	<b>21 433</b>	<b>22 027</b>	<b>23 279</b>
Buildings and other fixed structures	-	-	-	28 000	28 000	17 938	18 249	19 344
Machinery and equipment	2 080	3 885	1 762	5 849	5 849	3 495	3 778	3 935
Cultivated assets	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 099 475</b>	<b>4 936 928</b>	<b>5 710 025</b>	<b>6 289 435</b>	<b>6 289 435</b>	<b>6 759 044</b>	<b>7 125 427</b>	<b>7 584 500</b>

### Expenditure trends

The expenditure of the department has increased from R4,1 billion in 2000/01 to an estimated R6,3 billion in 2003/04. It will rise to an estimated R7,6 billion in 2006/07. This is an annual average increase of 10,8 per cent over the seven-year period, and reflects government's policy of increasing allocations for the maintenance and development of infrastructure and the provision of affordable public transport.

Subsidies for public transport (bus and rail) and infrastructure funding for roads continue to drive expenditure. *Public Transport Operations* reflects bus subsidies paid to bus operators through provinces, and rail operating and capital subsidies paid to the South African Rail Commuter

Corporation (SARCC). This programme's expenditure is forecast to grow by an annual average of 5,5 per cent between 2003/04 and 2006/07, following annual growth of an average of 12,2 per cent between 2000/01 and 2003/04. Contributing to this growth is an additional once-off allocation in 2002/03 of R40,0 million for bus subsidies and R306,0 million for railways (including infrastructure funding of R60,0 million for refurbished rolling stock and R86,0 million for rail extensions in Khayelitsha and Umtata).

During 2003/04, the programme structure was amended significantly, with the previous four programmes being divided into eight programmes. While the new programme structure allows for a more detailed focus on the purpose, measurable objective and outputs for each functional unit, it also makes it difficult to compare expenditure from the 2003 ENE by programme.

The budget for national roads within the *Transport Infrastructure* programme expanded significantly in recent years, increasing by an average of 23,0 per cent annually between 2000/01 and 2003/04 – from R701,5 million to R1,3 billion – due to a shifting of funds from *Public Transport Operations* in 2001/02. The shift aimed to reverse a previous reallocation of funds between *Transport Infrastructure* and *Public Transport Operations* that addressed an urgent shortfall in funding for rail subsidies. The *Transport Infrastructure* budget will rise to an estimated R1,7 billion in 2006/07, reflecting growth over the medium term of 9,8 per cent - largely due to additional allocations for road infrastructure of R200,0 million, R250,0 million and R300,0 million in 2004/05, 2005/06 and 2006/07 respectively.

Compensation of employees increases by an annual average of 33,2 per cent between 2000/01 and 2003/04 as a result of restructuring within the department. Significant additional numbers of employees have been appointed in all programmes with the largest increases in *Administration* (from 106 employees in 2000/01 to 175 in 2003/04) and *Land Transport Regulation* (from 39 employees in 2000/01 to 118 in 2003/04). This trend is set to continue in the medium term, with a forecast average annual growth of 11,9 per cent over the MTEF period.

In 2003/04 the contribution to non-profit organisations rose substantially as a result of funding for the democratisation and transformation of the minibus taxi industry through the establishment of a national taxi association, the South African National Taxi Council (Santaco). With the successful establishment of the Santaco, funding is expected to stabilise at just more than R10,0 million per year over the MTEF period for core administrative and communications functions, including the implementation of the taxi recapitalisation project.

## Departmental receipts

Departmental receipts arise mainly from dividend payments from the Airports Company of South Africa (Acsa), reflected under interest, dividends and rent on land, in which the department is a shareholder, and from shared revenue of salvage tugs, reflected under sales of goods and services, which are responsible for oil pollution prevention services.

Total earnings from receipts decreased from R97,9 million in 2000/01 to a low of R29,3 million in 2001/02. This decline is misleading, because in 2001/02 dividend income of R78,3 million from Acsa was erroneously omitted from the department's financial records. Total revenue is forecast to grow to R199,2 million over the next three years in line with the growth trend in dividends since 2001/02.

Earnings from shared revenue of salvage tugs is estimated to decrease over the medium term, because in September 2003 a new contract was awarded for one salvage tug as opposed to two salvage tugs in the previous contract.

Table 33.2: Departmental receipts

R thousand	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate			
	Audited	Audited	Preliminary		2003/04	2004/05	2005/06	2006/07
	2000/01	2001/02	outcome 2002/03					
Tax receipts	–	–	–	–	–	–	–	
Sales of goods and services produced by department (excl capital assets)	49 445	25 800	37 853	36 104	22 230	24 230	26 410	
Sales of scrap, waste, arms and other used current goods (excl capital assets)	–	–	–	–	–	–	–	
Transfers received	–	–	–	–	–	–	–	
Fines, penalties and forfeits	–	–	–	–	–	–	–	
Interest, dividends and rent on land	47 602	3 260	119 317	246 182	144 450	158 280	172 500	
Sales of capital assets	–	–	–	–	–	–	–	
Financial transactions in assets and liabilities	883	194	262	49 146	212	278	300	
<b>Total departmental receipts</b>	<b>97 930</b>	<b>29 254</b>	<b>157 432</b>	<b>331 432</b>	<b>166 892</b>	<b>182 788</b>	<b>199 210</b>	

## Programme 1: Administration

*Administration* provides for the strategic leadership of the department by the Minister and the department's senior management, as well as for various activities associated with organising, managing and administering the department. The programme also plays a role in building capacity, supporting identified centres of development among the tertiary institutions that provide transport-related education, and supporting the Transport Sector Education and Training Authority.

## Expenditure estimates

Table 33.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary		2003/04	2004/05	2005/06	2006/07
	2000/01	2001/02	outcome 2002/03					
R thousand								
Minister <sup>1</sup>	498	646	691	747	791	831	872	
Management	8 127	10 761	11 575	13 750	21 417	22 466	23 515	
Corporate Services	30 061	36 915	45 239	55 222	54 543	57 689	61 214	
<b>Total</b>	<b>38 686</b>	<b>48 322</b>	<b>57 505</b>	<b>69 719</b>	<b>76 751</b>	<b>80 986</b>	<b>85 601</b>	
Change to 2003 Budget Estimate				1 036	108	109		

<sup>1</sup> Payable as from 1 April 2003. Salary: R597 228. Car allowance: R149 307.

### Economic classification

	30 242	40 702	47 239	58 040	68 813	72 574	76 709
<b>Current payments</b>							
Compensation of employees	15 550	18 779	22 922	25 578	33 665	35 652	37 607
Goods and services	14 692	21 923	24 317	32 462	35 148	36 922	39 102
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>6 569</b>	<b>6 862</b>	<b>8 504</b>	<b>9 942</b>	<b>6 641</b>	<b>7 064</b>	<b>7 488</b>
Provinces and municipalities	29	34	181	227	250	280	297
Departmental agencies and accounts	–	–	–	–	–	–	–
Universities and technikons	5 942	6 773	8 253	9 475	6 306	6 684	7 085
Foreign governments & international organisations	–	–	–	–	–	–	–
Public corporations & private enterprises	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–
Households	598	55	70	240	85	100	106

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 2000/01	Audited 2001/02	Preliminary outcome 2002/03		2004/05	2005/06	2006/07
R thousand							
<b>Payments for capital assets</b>	<b>1 875</b>	<b>758</b>	<b>1 762</b>	<b>1 737</b>	<b>1 297</b>	<b>1 348</b>	<b>1 404</b>
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	1 875	758	1 762	1 737	1 297	1 348	1 404
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
<i>Of which: Capitalised compensation</i>	–	–	–	–	–	–	–
<b>Total</b>	<b>38 686</b>	<b>48 322</b>	<b>57 505</b>	<b>69 719</b>	<b>76 751</b>	<b>80 986</b>	<b>85 601</b>

**Details of transfer payments and subsidies:**

Provinces and municipalities							
<b>Municipalities</b>							
<b>Current</b>	<b>29</b>	<b>34</b>	<b>181</b>	<b>227</b>	<b>250</b>	<b>280</b>	<b>297</b>
Regional Services Council levies	29	34	181	227	250	280	297
<b>Universities and technikons</b>							
<b>Current</b>	<b>5 942</b>	<b>6 773</b>	<b>8 253</b>	<b>9 475</b>	<b>6 306</b>	<b>6 684</b>	<b>7 085</b>
University of Pretoria, University of Natal, Rand Afrikaanse University, University of Stellenbosh	5 942	6 773	8 253	9 475	6 306	6 684	7 085
<b>Households (Social benefits)</b>							
<b>Current</b>	<b>598</b>	<b>55</b>	<b>70</b>	<b>240</b>	<b>85</b>	<b>100</b>	<b>106</b>
Leave gratuity	598	55	70	240	85	100	106
<b>Total</b>	<b>6 569</b>	<b>6 862</b>	<b>8 504</b>	<b>9 942</b>	<b>6 641</b>	<b>7 064</b>	<b>7 488</b>

**Expenditure trends**

The average annual growth rate of *Administration* from 2000/01 to 2006/07 is 14,2 per cent. This is marked by an average annual growth rate of 21,7 per cent between 2000/01 and 2003/04, due to the creation of additional human resource capacity in subdivisions such as legal services, internal audit and secretarial services. Growth levels off at an average of 7,1 per cent per year over the medium term.

Funding for goods and services increases by 33,5 per cent between 2002/03 and 2003/04 as a result of spending on the establishment of the new legal and internal audit subdivisions. On the other hand, transfers to universities and technikons decline by 33,4 per cent between 2003/04 and 2004/05 as a result of the completion of departmental training courses provided by institutions such as the Universities of Pretoria, Natal and Stellenbosch and the Rand Afrikaans University.

**Programme 2: Transport Infrastructure**

*Transport Infrastructure* manages strategic infrastructure planning and the monitoring of the infrastructure requirements for all modes of transport. The aim of the programme is to ensure integrated, well-managed, viable and sustainable transport infrastructure, which meets national and regional economic development goals. Transport infrastructure comprises the physical elements that are required for transport operations to take place. This includes roads, railways, airports, harbours, pipeline interchange facilities and the associated power and communications systems. The programme will play an important role in the New Partnership for Africa's Development

(NEPAD) and the Southern African Development Community (SADC) region. It also funds and monitors the South African National Roads Agency Ltd. (SANRAL).

## Expenditure estimates

**Table 33.4: Transport Infrastructure**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Infrastructure Planning and Coordination	–	–	–	15 152	9 641	11 097	11 746
Infrastructure Management	701 149	1 067 612	1 203 064	1 290 556	1 461 725	1 587 672	1 717 910
Infrastructure Administration	374	460	325	545	1 000	1 060	1 118
<b>Total</b>	<b>701 523</b>	<b>1 068 072</b>	<b>1 203 389</b>	<b>1 306 253</b>	<b>1 472 366</b>	<b>1 599 829</b>	<b>1 730 774</b>
Change to 2003 Budget Estimate				10 590	200 000	300 000	

### Economic classification

	432	436	325	15 371	13 313	15 997	16 914
<b>Current payments</b>							
Compensation of employees	266	309	202	7 028	7 400	7 844	8 272
Goods and services	166	127	123	8 343	5 913	8 153	8 642
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>701 081</b>	<b>1 067 612</b>	<b>1 203 064</b>	<b>1 290 556</b>	<b>1 440 789</b>	<b>1 565 236</b>	<b>1 694 150</b>
Provinces and municipalities	–	–	–	–	–	–	–
Departmental agencies and accounts	701 081	1 067 612	1 203 064	1 290 556	1 440 789	1 565 236	1 694 150
Universities and technikons	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–
Public corporations & private enterprises	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>10</b>	<b>24</b>	<b>–</b>	<b>326</b>	<b>18 264</b>	<b>18 596</b>	<b>19 710</b>
Buildings and other fixed structures	–	–	–	–	17 938	18 249	19 344
Machinery and equipment	10	24	–	326	326	347	366
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
<i>Of which: Capitalised compensation</i>	–	–	–	–	–	–	–
<b>Total</b>	<b>701 523</b>	<b>1 068 072</b>	<b>1 203 389</b>	<b>1 306 253</b>	<b>1 472 366</b>	<b>1 599 829</b>	<b>1 730 774</b>

### Details of transfer payments and subsidies:

Departmental agencies and accounts (Entities)							
<b>Current</b>	<b>455 703</b>	<b>693 948</b>	<b>781 992</b>	<b>825 862</b>	<b>936 513</b>	<b>999 903</b>	<b>1 066 198</b>
South African National Roads Agency Ltd	455 703	693 948	781 992	825 862	936 513	999 903	1 066 198
<b>Capital</b>	<b>245 378</b>	<b>373 664</b>	<b>421 072</b>	<b>464 694</b>	<b>504 276</b>	<b>565 333</b>	<b>627 952</b>
South African National Roads Agency Ltd	245 378	373 664	421 072	444 694	504 276	565 333	627 952
South African National Roads Agency Ltd: Border posts	–	–	–	20 000	–	–	–
<b>Total</b>	<b>701 081</b>	<b>1 067 612</b>	<b>1 203 064</b>	<b>1 290 556</b>	<b>1 440 789</b>	<b>1 565 236</b>	<b>1 694 150</b>

## **Expenditure trends**

Expenditure by *Transport Infrastructure* grew by 23,0 per cent from 2000/01 to 2003/04, and is forecast to grow by 9,8 per cent between 2003/04 and 2006/07, with average growth of 16,2 per cent over the seven-year period.

Nearly all the programme spending is allocated to the development, upgrading and maintenance of national roads, through transfers to the South African National Roads Agency Ltd (SANRAL), as reflected in departmental agencies and accounts. These transfers totalled R1,3 billion in 2003/04, up from R701,1 million in 2000/01, and are forecast to rise to R1,7 billion in 2006/07. Average growth rates for the programme underestimate the extent of growth in allocations for national roads given once-off allocations made to SANRAL, for road infrastructure poverty relief projects, spatial development initiatives, flood relief and border post roads, amounting to a total of R547,2 million between 2000/01 and 2003/04.

Expenditure for compensation of employees grows dramatically from R0,2 million in 2002/03 to R7,0 million in 2003/04 as a result of the restructuring of the department and a significant increase in the number of employees. This increase is matched by growth in expenditure on goods and services from R0,1 million in 2002/03 to R8,3 million in 2003/04. As a result of the restructuring, this programme's activities have been expanded to include strengthened oversight and co-ordination of road infrastructure as well as greater focus on the infrastructure needs of other transport modes such as rail. For example, contributions for overloading control centres on national routes and upgrading of strategically important access roads are introduced at R17,9 million in 2004/05 and grow to R19,3 million in 2006/07 (as reflected under payments for capital assets, buildings and other fixed structures).

## **Service delivery objectives and indicators**

### **Recent outputs**

#### *Overload control*

The Overload Control Strategy was finalised during 2003, and implementation has begun on elements such as developing a weighbridge infrastructure network, establishing public private partnerships for the provision of this infrastructure, supporting self-regulation by road freight operators, making relevant legislative changes and developing information management systems.

#### *Road infrastructure*

The Road Infrastructure Strategic Framework for South Africa (RISFSA) was also finalised in mid-2003. Implementation of some actions identified by the strategy has begun, including establishing a roads co-ordinating body, integrating labour-intensive construction programmes, and auditing roads authority information systems.

#### *Trans-Kalahari Corridor*

The Trans-Kalahari Corridor Memorandum of Understanding between Namibia, Botswana and South Africa was signed in Walvis Bay on 4 November 2003. This will guide the upgrading and management of the N4 trunk road that links Gauteng with Walvis Bay through Botswana.

## Medium-term output targets

### Transport Infrastructure

**Measurable objectives:** Develop a national transport infrastructure framework that promotes co-ordinated investment in infrastructure; reduces transport input costs; improves access to markets and amenities by rural communities; and facilitates integrated regional infrastructure investment planning and implementation.

Subprogramme	Output	Measure/Indicator	Target	
Infrastructure Planning and Co-ordination	Road services integrated through a functional Roads Co-ordinating Body	Roads Co-ordinating Body established	March 2004	
		Number of meetings of Roads Co-ordinating Body per year	4	
		Completion of roads classification process	December 2004	
	Transport Infrastructure Network Information and Decision Support System	Standardised reporting by provinces on transport infrastructure	6 provinces by April 2005 9 provinces by April 2006	
		Improved regional transport services in support of NEPAD	Establishment of a regional public-private forum	July 2005
			Implementation of Trans-Kalahari Corridor Memorandum of Understanding provisions	December 2004
			Implementation of regional spatial development initiatives through identification of regional public-private partnership transport projects	2 regional transport projects presented to Cabinet by December 2005
Infrastructure Management	Co-ordinated implementation of the short- and medium-term recommendations of the Road Infrastructure Strategic Framework, subject to funding allocation	Uniform road classification system approved by Minister	August 2004	
		Increased spending on access road development	10% of roads budgets spent on access roads by 2006/07	
	Co-ordinated implementation of the National Overload Control Strategy	Development and upgrading of the overload control infrastructure network	Overload control infrastructure completed by 2006	
		Incidences of overloaded trucks	10% reduction in overloading by 2006	
	Contribution towards job creation objectives of the Expanded Public Works Programme, by facilitating training and co-ordinating delivery by roads authorities	Number of supervisors and contractors trained	250 supervisors, 500 assistant supervisors and 250 contractors trained by 2006/07	

### Programme 3: Land Transport Regulation and Safety (road and rail)

*Land Transport Regulation and Safety*, through its road traffic management oversight role, enables, co-ordinates and promotes activities which include: quality and safety in land transport; safety information systems and programmes; legislation and agency oversight; national inspectorates; and standards and guidelines. These activities include implementing the Road to Safety strategy and Arrive Alive, and initiating legislation and regulations to improve road safety, including through the reduction of fraud and corruption. Offence surveys and other data are also analysed so that the department can be certain that the correct strategic focus areas are covered.

## Expenditure estimates

Table 33.5: Land Transport Regulation

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Information Systems	38 547	59 328	83 969	78 486	113 955	67 565	71 655
Land Transport Legislation and Agency Oversight	1 774	5 435	5 392	22 795	28 511	35 201	37 777
National Standards and Guidelines	11 120	19 273	6 986	8 795	6 579	6 893	7 448
National Inspectorate	2 494	17 380	6 014	39 202	32 356	35 899	38 155
Safety Promotions	-	-	18 830	20 269	69 405	69 993	71 192
Land Transport Regulation Administration	3 366	4 137	2 926	4 909	4 645	4 789	4 853
<b>Total</b>	<b>57 301</b>	<b>105 553</b>	<b>124 117</b>	<b>174 456</b>	<b>255 451</b>	<b>220 340</b>	<b>231 080</b>
Change to 2003 Budget Estimate				10 870	100 100	100	

## Economic classification

	57 301	102 455	120 793	153 057	229 072	186 694	195 416
<b>Current payments</b>							
Compensation of employees	8 516	8 881	14 724	19 715	22 638	24 110	25 533
Goods and services	48 785	93 574	106 069	133 342	206 434	162 584	169 883
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>3 098</b>	<b>3 324</b>	<b>19 823</b>	<b>25 681</b>	<b>32 902</b>	<b>34 876</b>
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	-	3 098	3 324	19 473	25 681	32 902	34 876
Universities and technikons	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	-	-	-	350	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 576</b>	<b>698</b>	<b>744</b>	<b>788</b>
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	1 576	698	744	788
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
<b>Total</b>	<b>57 301</b>	<b>105 553</b>	<b>124 117</b>	<b>174 456</b>	<b>255 451</b>	<b>220 340</b>	<b>231 080</b>

## Details of transfer payments and subsidies:

Departmental agencies and accounts (Entities)							
<b>Current</b>	-	<b>3 098</b>	<b>3 324</b>	<b>19 473</b>	<b>25 681</b>	<b>32 902</b>	<b>34 876</b>
Railway Safety Regulator	-	-	-	10 000	15 000	20 000	21 200
Road Traffic Management Corporation	-	3 098	3 324	8 473	10 681	12 902	13 676
Cross Border Road Traffic Agency	-	-	-	1 000	-	-	-
Households (Other transfers to households)							
<b>Current</b>	-	-	-	<b>350</b>	-	-	-
Leave gratuity	-	-	-	350	-	-	-
<b>Total</b>	<b>-</b>	<b>3 098</b>	<b>3 324</b>	<b>19 823</b>	<b>25 681</b>	<b>32 902</b>	<b>34 876</b>

## **Expenditure trends**

The expenditure of *Land Transport Regulation and Safety* grew significantly by an annual average of 44,9 per cent from 2000/01 to 2003/04. This growth was due largely to additional funding: in 2002/03 in the Information Systems subprogramme for the National Road Traffic Information System (NaTIS); in 2003/04 in the Land Transport Legislation and Agency Oversight subprogramme for the creation of the Road Traffic Management Corporation (RTMC); and in 2003/04 in the National Inspectorate subprogramme for the regulation of the transportation of dangerous goods and accident investigations.

Programme expenditure growth over the medium term is at an annual average rate of 9,8 per cent. This growth is the result of the introduction of an additional allocation of R50,0 million per year over the MTEF period for the Arrive Alive campaign and the introduction of transfer payments to provinces for the upgrading of driver's licence testing centres, rising from R9,7 million in 2004/05. The growth in expenditure would be even higher if it were not for reduced allocations to NaTIS as the development phase of the project is completed in 2004/05. This average growth rate also obscures an additional once-off allocation of R50,0 million in 2004/05 for the migration to the new eNaTIS system.

Expenditure on compensation of employees in this programme saw significant growth (65,8 per cent) in 2002/03. This was due to the restructuring of the department and an increase in the number of employees in the programme from 26 in 2001/02 to 94 in 2002/03 as a result of the introduction of the new activities.

The transfers and subsidies paid by this programme also grow significantly, at an average annual increase of 62,3 per cent between 2001/02 and 2006/07. This is due to the establishment of two new public entities: The Road Traffic Management Corporation in 2001/02 and the Railway Safety Regulator in 2003/04.

## **Service delivery objectives and indicators**

### **Recent outputs**

#### *Road traffic control and enforcement*

A very large collaborative festive season road safety campaign, with participation from Arrive Alive and provincial and local road traffic authorities, was undertaken between November 2003 and January 2004. Arrive Alive used advertising and public relations to support provincial and local enforcement activities. In support of the campaign, Project E-Force was also implemented as a pilot project from mid-November 2003, using advanced technology (a driver's licence card verification device) to increase the productivity of traffic officers and reduce traffic offences.

The resulting decline of 25 per cent in festive season road fatalities between December 2000 and December 2003 (a 3 per cent decline between December 2002 and December 2003) is an indication of the success of the interventions.

To strengthen the regulation of freight transport, a national campaign, Operation Juggernaut, was launched in November 2003 to focus and co-ordinate road traffic law enforcement on heavy freight and passenger transport vehicles. The screening of more than 450 000 vehicles, the issue of over 200 000 offence notices, and the suspension of over 2 000 vehicles also contributed to the overall reduction in fatalities in December 2003.

A number of legislative and regulatory matters were finalised during 2003, and guidelines and training manuals were produced. These include pedestrian and bicycle facility guidelines; a driver and vehicle fitness manual, which provides directives for roadblocks; and legislation, regulations and standards for packaging, testing, labelling and transporting dangerous goods. In addition,

4 000 traffic officers have been trained in the enforcement of the regulations and standards for transporting dangerous goods.

### *National Road Traffic Information System (NaTIS)*

During 2003, the department's primary focus was on the development of the upgraded eNaTIS. A pilot site for eNaTIS is operating successfully, and second and third pilot sites are currently being set up. The installation of the eNaTIS hardware and network has started at two further sites. The department has also implemented an interface between eNaTIS and the manufacturers, importers and builders of vehicles. Despite the emphasis on developing eNaTIS, the department also ensured that the existing NaTIS was available 97 per cent of the time throughout the year.

### *Monitoring of road traffic incidents*

A Fatal Accident Information Centre – which collects information and produces monthly reports on statistics, contributory factors and rates and trends – has been operational since November 2000. Annual traffic offence surveys have also been conducted to determine rates and trends in critical offences.

In addition, a pilot project for a National Public Traffic Call Centre was launched in Limpopo in October 2003 to provide commuters and road users with a point at which unfit vehicles and bad driver behaviour can be reported.

## **Medium-term output targets**

### **Land Transport Regulation and Safety**

**Measurable objectives:** Improve road and rail safety by: developing standards and regulations; providing reliable data and systems; co-ordinating provincial activities; facilitating access to resources at all levels of government; and setting up and monitoring appropriate institutions.

<b>Subprogramme</b>	<b>Output</b>	<b>Measure/Indicator</b>	<b>Target</b>
Information systems	Maintained National Traffic Information System (NaTIS) and transport infrastructure databank	Availability of NaTIS to users and the public Number of pilot sites for eNaTIS Completion of data-migration from NaTIS to eNaTIS	System available for 97% of the time 4 new pilot sites in 2004/05 April 2005
Land Transport Legislation and Agency Oversight	New or revised legislation for regulatory agencies and transport safety in the land transport environment  Legislation and projects to combat fraud and corruption	Cabinet approval for Road Accident Fund Amendment Act Cabinet approval of new Road Accident Benefit Scheme proposal Review of mandate of regulatory agencies Number of irregularly issued driving licenses and roadworthiness certificates	April 2004 August 2004 December 2004 10% reduction per year
National Standards and Guidelines	Up-to-date standards, manuals and guidelines for road traffic management	Number of existing standards, manuals and guidelines reviewed for accuracy and relevance Number of existing standards, manuals and guidelines revised Number of new standards manuals and guidelines	100% reviewed annually As necessary At least 6 per year
National Inspectorates	Efficient and compliant vehicle testing stations and examiners of vehicles	Degree of compliance with the Road Traffic Act Number of vehicle testing stations fully compliant with standards Number of reported corruption cases	100% compliance 10% increase in number of compliant test stations per year 10% reduction per year

Subprogramme	Output	Measure/Indicator	Target
Safety Promotions	Road safety campaigns, including communication, pedestrian safety, education and professionalism in traffic law enforcement.	Number of road accident fatalities	Reduction of 5% per year

## Programme 4: Transport Policy

*Transport Policy* is responsible for developing and monitoring policies and strategies that cover all modes and users in the transport sector. Its activities include: providing a research and information service to the department; developing, monitoring, updating, facilitating and promoting passenger, rail and freight transport policy and policy for aviation and maritime freight transport; and providing an economic analysis and policy co-ordination, and monitoring and evaluation service for the department.

### Expenditure estimates

**Table 33.6: Transport Policy**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Passenger Transport Policy Development	7 311	9 566	7 614	12 054	11 331	11 943	12 510
Freight Transport Policy Development	1 743	1 938	2 372	33 593	10 869	10 939	11 472
Economic Analysis	–	–	–	2 000	1 950	2 050	2 048
Research and Development	4 573	7 529	37 044	9 473	9 536	10 138	10 621
Transport Policy Administration	386	485	577	1 203	892	946	1 003
Aviation and Maritime Policy	–	–	–	4 000	4 200	4 500	4 770
<b>Total</b>	<b>14 013</b>	<b>19 518</b>	<b>47 607</b>	<b>62 323</b>	<b>38 778</b>	<b>40 516</b>	<b>42 424</b>
Change to 2003 Budget Estimate				26 039	–	–	

#### Economic classification

	7 177	11 141	45 645	30 754	38 496	40 101	41 994
<b>Current payments</b>							
Compensation of employees	4 771	6 310	5 841	9 388	12 510	13 261	13 984
Goods and services	2 406	4 831	39 804	21 366	25 986	26 840	28 010
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>6 690</b>	<b>5 847</b>	<b>1 962</b>	<b>3 345</b>	–	–	–
Provinces and municipalities	–	–	–	–	–	–	–
Departmental agencies and accounts	2 490	1 210	–	–	–	–	–
Universities and technikons	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–
Public corporations & private enterprises	4 200	4 637	1 962	3 345	–	–	–
Non-profit institutions	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
<b>Payments for capital assets</b>	<b>146</b>	<b>2 530</b>	<b>-</b>	<b>28 224</b>	<b>282</b>	<b>415</b>	<b>430</b>
Buildings and other fixed structures	-	-	-	28 000	-	-	-
Machinery and equipment	146	2 530	-	224	282	415	430
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
<b>Total</b>	<b>14 013</b>	<b>19 518</b>	<b>47 607</b>	<b>62 323</b>	<b>38 778</b>	<b>40 516</b>	<b>42 424</b>

**Details of transfer payments and subsidies:**

<b>Departmental agencies and accounts (Entities)</b>							
<b>Current</b>	<b>2 490</b>	<b>1 210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Council for Scientific and Industrial Research: Strategic support	2 490	1 210	-	-	-	-	-
<b>Public corporations (subsidiaries on production)</b>							
<b>Current</b>	<b>4 200</b>	<b>4 637</b>	<b>1 962</b>	<b>3 345</b>	<b>-</b>	<b>-</b>	<b>-</b>
SA National Roads Agency Ltd: Transport policy development bicycle project.	4 200	4 637	1 962	3 345	-	-	-
<b>Total</b>	<b>6 690</b>	<b>5 847</b>	<b>1 962</b>	<b>3 345</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Expenditure trends**

The programme's expenditure grows by an annual average of 20,3 per cent from 2000/01 to 2006/07. This is due to the introduction of additional funding for the Passenger Transport Policy Development subprogramme for the preparatory work to inform the establishment of a Railway Economic Regulator, and the Freight Transport Policy Development subprogramme for the preparation of legislation to inform the establishment of a National Ports Authority. The growth in expenditure is also due to the introduction of new Economic Analysis and Aviation and Maritime policy subprogrammes. This average growth also obscures once-off allocations of R30,0 million on a transport survey during 2002/03, reflected under the Research and Development subprogramme, and R28,0 million in 2003/04 for the revitalisation of railway branch lines in Khayelitsha and Umtata, reflected under the Freight Transport Policy Development subprogramme.

The restructuring of the department during 2002/03 once again explains the increase of 60,7 per cent in expenditure for compensation of employees in 2003/04. In this programme the increase in the number of employees is largely attributable to the introduction of the new subprogrammes.

The large change from the 2003 Budget Estimate is due to the inclusion of *Public Transport Operations* within the previous Programme 4: *Public Transport and Planning*. The change in programme structure results in the creation of a new Programme 6: *Public Transport Operations*.

## Service delivery objectives and indicators

### Recent outputs

#### *Freight logistics*

In the year under review, a key programme highlight was the establishment of a Cabinet-level committee on logistics infrastructure investment. This emerged from the work of a multi-departmental task team that was led by the Freight Transport Policy Development subprogramme. The task team made recommendations to the July 2003 Cabinet lekgotla on how to address the short-term inefficiencies in the transport logistics system. Over the next two years, the subprogramme will also co-ordinate a team that will conduct further research to develop a medium-term national freight logistics strategy.

#### *The railway sector*

During 2003, good progress was made in establishing the Railway Safety Regulator (RSR) following the proclamation of the Railway Safety Regulator Act (16 of 2002) in 2002. This included appointing the RSR board and developing two key sets of regulations as well as the General Standard for Railway Safety. In addition, an investigation into the creation of the competent authority for the transportation of dangerous goods by rail was completed.

A proposal on the restructuring of the passenger railway sector was finalised for the Cabinet's consideration. In addition, preparatory work began on a new regulatory and oversight mechanism for the railway sector. A project to develop optimal network and capital expenditure options for the passenger railway sector was also initiated.

### Medium-term output targets

#### Transport Policy

<b>Measurable objective:</b> Create an efficient transport system by developing policies that improve travel times, increase service predictability, reliability, quality and safety, and reduce delays.			
<b>Subprogramme</b>	<b>Output</b>	<b>Measure/Indicator</b>	<b>Target</b>
Passenger Transport Policy Development	Policy and strategy on accessible transport for people with special needs	Adoption of the final policy and strategy and implementation project plan by the Minister and Cabinet	October 2004
	A restructured passenger railway sector	Approved project plan to establish the new integrated passenger railway operator Completed feasibility study on the regulatory options Completed network optimisation study	June 2004 June 2004 August 2004
Freight Transport Policy Development	A national freight logistics strategy	Strategy adopted by Cabinet	October 2004
Economic Analysis	Analysis of the impact of transport on the economy in terms of performance indicators, black economic empowerment (BEE) implementation, and the development of pricing mechanisms	Detailed annual report of the transport sector performance in the overall economy	First report in March 2005
		Monitoring and evaluation system design completed	December 2004
		Completed studies on: externality pricing, infrastructure investment and modal forecasts	March 2005
		Annual report on impact of BEE in the transport sector	First report in March 2005

Subprogramme	Output	Measure/Indicator	Target
Research and Development	Coherent transport research, development and innovation strategy	Long-term research strategy adopted by the department	October 2004
Aviation and Maritime Policy	Revised national aviation policy  A national maritime transport policy	Completion of draft White Paper Adoption of White Paper Policy discussion document Draft White Paper Adoption of White Paper	June 2004 October 2004 April 2004 November 2004 July 2005

## Programme 5: Aviation and Maritime Transport

*Aviation and Maritime Transport* facilitates the development of an economically viable air transport and maritime industry, which is safe, efficient and compliant with international standards. This programme creates an enabling environment for promoting and developing domestic and international air transport for passengers and freight, provides a search and rescue capability in South Africa and the SADC region; and provides an oil pollution prevention service.

### Expenditure estimates

**Table 33.7: Aviation and Maritime Transport**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Air Transport Regulation	15 121	13 874	14 715	18 168	19 345	20 575	21 810
Maritime Transport Regulation	71 224	52 426	122 366	93 849	96 077	101 859	107 912
Aviation Infrastructure and Agency Liaison	901	1 132	1 352	2 807	2 081	2 207	2 339
<b>Total</b>	<b>87 246</b>	<b>67 432</b>	<b>138 433</b>	<b>114 824</b>	<b>117 503</b>	<b>124 641</b>	<b>132 061</b>
Change to 2003 Budget Estimate				4 513	7 600	7 600	

### Economic classification

<b>Current payments</b>	<b>70 255</b>	<b>53 066</b>	<b>122 472</b>	<b>93 349</b>	<b>95 646</b>	<b>101 531</b>	<b>107 581</b>
Compensation of employees	3 543	4 328	5 907	11 615	9 720	10 303	10 864
Goods and services	66 712	48 738	116 565	81 734	85 926	91 228	96 717
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>16 976</b>	<b>14 153</b>	<b>15 961</b>	<b>20 203</b>	<b>21 491</b>	<b>22 724</b>	<b>24 087</b>
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	14 914	13 464	12 133	16 245	17 321	18 554	19 667
Universities and technikons	-	-	-	-	-	-	-
Foreign governments & international organisations	2 062	689	3 828	3 958	4 170	4 170	4 420
Public corporations & private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>15</b>	<b>213</b>	<b>-</b>	<b>1 272</b>	<b>366</b>	<b>386</b>	<b>393</b>
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	15	213	-	1 272	366	386	393
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
<b>Total</b>	<b>87 246</b>	<b>67 432</b>	<b>138 433</b>	<b>114 824</b>	<b>117 503</b>	<b>124 641</b>	<b>132 061</b>

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
<b>Details of transfer payments and subsidies:</b>							
<b>Departmental agencies and accounts (Entities)</b>							
<b>Current</b>	<b>14 914</b>	<b>13 464</b>	<b>12 133</b>	<b>16 245</b>	<b>17 321</b>	<b>18 554</b>	<b>19 667</b>
South African Civil Aviation Authority	10 000	7 039	5 442	5 687	6 028	6 390	6 773
South African Maritime Safety Agency	4 514	5 985	6 224	6 504	6 894	7 308	7 747
Maritime Rescue Co-ordination Centre	-	-	-	3 554	3 874	4 300	4 558
National Sea Rescue Institute	400	440	467	500	525	556	589
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>2 062</b>	<b>689</b>	<b>3 828</b>	<b>3 958</b>	<b>4 170</b>	<b>4 170</b>	<b>4 420</b>
Membership fees: International Maritime Organisation	-	466	-	816	820	820	869
Membership fees: Cospas Sarsat Contribution	-	223	-	261	270	270	286
Membership fees: Indian Ocean Memorandum of Understanding	-	-	-	172	180	180	191
Membership fees: International Civil Aviation Organisation	1 509	-	3 242	2 202	2 300	2 300	2 438
Membership fees: African Civil Aviation Commission	366	-	285	507	600	600	636
Membership fees: South African Development Community	102	-	-	-	-	-	-
Membership fees: United Nations Convention on the Law at Sea (UNCLOS)	85	-	-	-	-	-	-
Membership fees: Southern African Transport Communication Commission	-	-	301	-	-	-	-
<b>Total</b>	<b>16 976</b>	<b>14 153</b>	<b>15 961</b>	<b>20 203</b>	<b>21 491</b>	<b>22 724</b>	<b>24 087</b>

### Expenditure trends

*Aviation and Maritime Transport* grew by 9,6 per cent from 2000/01 to 2003/04, while expenditure over the medium term grows by 4,8 per cent.

Expenditure is uneven between 2000/01 and 2003/04, with a low of R67,4 million in 2001/02, and a high of R138,4 million in 2002/03. The Maritime Transport Regulation subprogramme contributed to the decline in 2001/02 because of a significant reduction in the goods and services purchased by this subprogramme. Air Transport Regulation also contributed to the decline as a result of a decrease in the transfer to the SA Civil Aviation Authority and not paying membership fees for international aviation organisations during this year. The increase for the programme in 2002/03 is significant at 105,3 per cent, due to a large increase in expenditure by Maritime Transport Regulation. This funded new activities introduced in 2002/03 to establish a Maritime Rescue Control Centre (reflected also in goods and services).

Over the MTEF period the steady growth in expenditure is largely driven by new activities in Maritime Transport Regulation related to the establishment of a Ports Regulator.

## Service delivery objectives and indicators

### Recent outputs

#### *Legislative reform*

The key legislative reform in the aviation and maritime sector in the past year has been the process of setting up an independent Ports Regulator. This process will continue in 2004/05. The South African Maritime Safety Authority (SAMSA) also initiated a review of revenue collection in the maritime sector with a view to developing a new revenue collection framework.

#### *International Civil Aviation*

During 2003, the department established an operational office at the International Civil Aviation Organisation (ICAO) in Montreal, with an elected South African representative. The office is central in influencing decisions taken by the ICAO council for the developing states. This will help South Africa in championing continental initiatives such as NEPAD and the African Union.

The department has ensured almost complete compliance with ICAO minimum standards in the South African civil aviation sector.

### Medium-term output targets

#### Aviation and Maritime Transport

**Measurable objective:** Develop, implement and maintain sector strategies and regulatory frameworks to ensure a high standard of aviation and maritime safety and services.

Subprogramme	Output	Measure/Indicator	Target
Air Transport Regulation	Aviation security and safety	Cabinet approval of the aviation security programme	May 2004
		Completion of security oversight of South African airports	June 2004
		Degree of implementation of International Civil Aviation Organisation (ICAO) conventions acceded to	All minimum standards of ICAO implemented in each year
Maritime Transport Regulation	The Ports Regulator	Successful establishment of the independent Ports Regulator	December 2004
	Oil pollution prevention, maritime safety and security, and a maritime search and rescue facility	Number of incidents of oil pollution	0 incidents
		An operational and functional maritime rescue control centre	April 2005
	Review of the maritime revenue collection framework	Report on current revenue collection and options for future pricing and administration	December 2004
Harmonisation of air transport regulations within the SADC region	SADC approval and adoption of air transport regulations	September 2004	

## Programme 6: Public Transport Operations

*Public Transport Operations* promotes and facilitates the implementation of public transport policies and strategies. This programme oversees the payment of bus subsidies and facilitates the transformation of the subsidised bus industry and system; oversees the payment of rail commuter subsidies, and facilitates the cost-effective and sustainable optimisation of the rail commuter system; and facilitates the transformation of the minibus taxi industry and the taxi recapitalisation process.

## Expenditure estimates

Table 33.8: Public Transport Operations

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Bus Operations	1 425 700	1 714 796	1 846 724	2 082 000	2 158 040	2 278 523	2 415 235
Rail Operations	1 747 000	1 856 415	2 227 419	2 360 148	2 528 550	2 662 143	2 821 872
Taxi Operations	1 043	8 097	10 334	22 370	10 000	10 600	11 236
Public Transport Operations Administration	2 427	5 162	2 589	17 405	13 258	14 277	15 230
<b>Total</b>	<b>3 176 170</b>	<b>3 584 470</b>	<b>4 087 066</b>	<b>4 481 923</b>	<b>4 709 848</b>	<b>4 965 543</b>	<b>5 263 573</b>
Change to 2003 Budget Estimate				72 678	-	-	

## Economic classification

	2 410	4 982	6 426	16 798	13 145	14 158	15 103
<b>Current payments</b>							
Compensation of employees	466	1 067	1 724	3 036	6 300	6 678	7 042
Goods and services	1 944	3 915	4 702	13 762	6 845	7 480	8 061
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>3 173 743</b>	<b>3 579 308</b>	<b>4 080 640</b>	<b>4 464 518</b>	<b>4 696 590</b>	<b>4 951 266</b>	<b>5 248 343</b>
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-
Public corporations & private enterprises	3 173 743	3 578 446	4 074 328	4 442 148	4 686 590	4 940 666	5 237 107
Non-profit institutions	-	862	6 312	22 370	10 000	10 600	11 236
Households	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>17</b>	<b>180</b>	<b>-</b>	<b>607</b>	<b>113</b>	<b>119</b>	<b>127</b>
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	17	180	-	607	113	119	127
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
<b>Total</b>	<b>3 176 170</b>	<b>3 584 470</b>	<b>4 087 066</b>	<b>4 481 923</b>	<b>4 709 848</b>	<b>4 965 543</b>	<b>5 263 573</b>

## Details of transfer payments and subsidies:

<b>Public corporations (subsidies on production)</b>							
<b>Current</b>	<b>1 747 000</b>	<b>1 366 250</b>	<b>1 536 419</b>	<b>1 695 148</b>	<b>1 873 550</b>	<b>1 973 843</b>	<b>2 092 274</b>
South African Rail Commuter Corporation	1 747 000	1 366 250	1 536 419	1 695 148	1 873 550	1 973 843	2 092 274
<b>Capital</b>	<b>-</b>	<b>490 165</b>	<b>691 000</b>	<b>665 000</b>	<b>655 000</b>	<b>688 300</b>	<b>729 598</b>
South African Rail Commuter Corporation	-	490 165	691 000	665 000	655 000	688 300	729 598
<b>Private enterprises (subsidies on production)</b>							
<b>Current</b>	<b>1 426 743</b>	<b>1 722 031</b>	<b>1 846 909</b>	<b>2 082 000</b>	<b>2 158 040</b>	<b>2 278 523</b>	<b>2 415 235</b>
Bus subsidies	1 425 700	1 714 796	1 846 724	2 082 000	2 158 040	2 278 523	2 415 235
Taxi	1 043	7 235	185	-	-	-	-
<b>Non-profit institutions</b>							
<b>Current</b>	<b>-</b>	<b>862</b>	<b>6 312</b>	<b>22 370</b>	<b>10 000</b>	<b>10 600</b>	<b>11 236</b>
Taxi : Santaco	-	-	6 286	22 370	10 000	10 600	11 236
Taxi : Council for Scientific Industrial Research	-	862	26	-	-	-	-
<b>Total</b>	<b>3 173 743</b>	<b>3 579 308</b>	<b>4 080 640</b>	<b>4 464 518</b>	<b>4 696 590</b>	<b>4 951 266</b>	<b>5 248 343</b>

## Expenditure trends

*Public Transport Operations* is the largest programme on the department's vote, accounting for over 72,9 per cent of the department's expenditure in the period 2000/01 to 2003/04. Allocations as a percentage of total expenditure amount to 69,6 per cent over the medium term due to additional allocations being directed towards roads through the *Transport Infrastructure* programme.

Almost all programme spending is devoted to bus and rail transport subsidies. Total programme spending rose by an average of 12,2 per cent annually between 2000/01 and 2003/04, and increases by an annual average of 5,5 per cent between 2003/04 and 2006/07.

Over the full seven-year period, Bus Operations will have increased by an annual average rate of 9,2 per cent a year, from R1,4 billion in 2000/01 to R2,4 billion in 2006/07. Expenditure on Rail Operations increases by an average rate of 8,3 per cent a year, from R1,7 billion to R2,8 billion, over the same period. Taxi Operations expenditure to facilitate the taxi transformation process, including the legalisation and democratisation processes and the recapitalisation of the taxi fleet, grows by an annual average rate of 48,6 per cent from 2000/01 to 2006/07, with a high of R22,4 million in 2003/04 when the South African National Taxi Council (Santaco) was established, as reflected in the item transfers and subsidies to non-profit institutions.

Significant growth in compensation of employees, from R466 000 in 2000/01 to R7,0 million in 2006/07, is due to the restructuring of the department and the resultant shift of personnel between programmes.

## Service delivery objectives and indicators

### Recent outputs

#### *Bus subsidies to BEE companies*

Before 1994, a few large bus companies received the majority of government's bus subsidy budget. With the formal introduction of competitive tendering in the bus industry in April 1997, there has been a gradual increase in the amount of the subsidy paid to black economic empowerment bus companies. By November 2003, the proportion of bus subsidies paid to BEE bus companies reached 60 per cent, three years ahead of the target set in the 2003 ENE. By 2003/04, 55 per cent of all contracts had been converted to either tendered or negotiated contracts. This falls short of the 100 per cent target, but it is expected that the remaining contracts will be converted by April 2005.

#### *Taxi recapitalisation*

The Best and Final offer (BAFO) process to identify the preferred supplier of new taxi vehicles for the taxi recapitalisation project closed on 12 September 2003, and government is in the process of evaluating the BAFOs before a recommendation will be made to Cabinet.

#### *Commuter rail services*

The department has secured funding for the 4,5km extension of the Khayelitsha commuter rail line, the provision of the rail infrastructure, and the refurbishment of the rolling stock that will be introduced upon completion of the extension. The preliminary designs and conceptual planning of two new rail stations are being considered and construction is expected to begin in 2004.

Further progress has been made with the refurbishment of commuter rail rolling stock during the last financial year. The rolling stock refurbishment programme was intensified with the increase in

allocations for rail capital to the South African Rail Commuter Corporation Ltd (SARCC). Since 2002/03, 140 coaches have been refurbished, and it is expected that another 60 will be refurbished in 2004/05. A total of 324 coaches have been undergoing a general overhaul each year since 2002/03.

### Medium-term output targets

#### Public Transport Operations

<b>Measurable objective:</b> Increased provision of safe and affordable public transport targeted to benefit the most vulnerable passengers.			
<b>Subprogramme</b>	<b>Output</b>	<b>Measure/Indicator</b>	<b>Target</b>
Bus Operations	Restructured bus subsidy system	Proportion of contracts that are tendered or negotiated	100% by March 2006
		Percentage of subsidies paid to BEE companies	80% by March 2006
Rail Operations	Safe and sustainable commuter rail services	Percentage of current commuter rail fleet refurbished	50% by March 2008
		Decrease in fare evasion	50% decrease in 3 years
Taxi Operations	Safe and sustainable minibus taxi services	First new taxi vehicles delivered	March 2005

### Programme 7: Transport Planning

*Transport Planning* facilitates the implementation of the National Land Transport Transition Act, promotes and monitors integrated transport planning, and manages pilot and infrastructure projects through the Urban Transport Fund.

### Expenditure estimates

**Table 33.9: Transport Planning**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Land Transport Planning	–	188	7 575	22 000	23 320	24 719	26 202
Land Transport Promotions	22 109	38 211	41 744	41 532	47 570	50 424	53 449
Transport Planning Administration and Information	2 427	5 162	2 589	11 405	12 457	13 429	14 336
<b>Total</b>	<b>24 536</b>	<b>43 561</b>	<b>51 908</b>	<b>74 937</b>	<b>83 347</b>	<b>88 572</b>	<b>93 987</b>
Change to 2003 Budget Estimate				–	64	96	

#### Economic classification

	2 410	5 170	10 164	33 298	35 664	38 029	40 410
<b>Current payments</b>							
Compensation of employees	466	1 067	1 724	3 036	5 500	5 830	6 148
Goods and services	1 944	4 103	8 440	30 262	30 164	32 199	34 262
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>22 109</b>	<b>38 211</b>	<b>41 744</b>	<b>41 532</b>	<b>47 570</b>	<b>50 424</b>	<b>53 450</b>
Provinces and municipalities	–	–	–	–	–	–	–
Departmental agencies and accounts	22 109	38 211	41 744	41 532	47 570	50 424	53 450
Universities and technikons	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–
Public corporations & private enterprises	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–
Households	–	–	–	–	–	–	–

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary		2004/05	2005/06	2006/07
	2000/01	2001/02	outcome				
			2002/03	2003/04			
<b>Payments for capital assets</b>	17	180	-	107	113	119	127
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	17	180	-	107	113	119	127
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
<b>Total</b>	<b>24 536</b>	<b>43 561</b>	<b>51 908</b>	<b>74 937</b>	<b>83 347</b>	<b>88 572</b>	<b>93 987</b>

**Details of transfer payments and subsidies:**

Departmental agencies and accounts (Entities)							
<b>Current</b>	-	-	2 000	-	3 546	3 759	3 985
SA National Roads Agency Ltd: Bicycle project	-	-	2 000	-	3 546	3 759	3 985
<b>Capital</b>	<b>22 109</b>	<b>38 211</b>	<b>39 744</b>	<b>41 532</b>	<b>44 024</b>	<b>46 665</b>	<b>49 465</b>
Urban Transport Fund: Grant	22 109	38 211	39 744	9 100	-	-	-
Urban Transport Fund	-	-	-	32 432	44 024	46 665	49 465
<b>Total</b>	<b>22 109</b>	<b>38 211</b>	<b>41 744</b>	<b>41 532</b>	<b>47 570</b>	<b>50 424</b>	<b>53 450</b>

**Expenditure trends**

Expenditure in *Transport Planning* grew by an annual average of 45,1 per cent from 2000/01 to 2003/04, because of increased allocations to the Land Transport Planning subprogramme for support to local transport planning processes in 2002/03 and 2003/04; to Land Transport Promotions for the implementation of the National Land Transport Transition Act in 2001/02; and to Transport Planning Administration and Information for information management during 2003/04. The growth in expenditure then flattens out to 7,8 per cent from 2003/04 to 2006/07.

Expenditure on compensation of employees increases by an annual average rate of 78,6 per cent between 2002/03 and 2004/05 as a result of the restructuring of the department and an anticipated expansion in the number of employees within the programme. Expenditure on goods and services increases even faster, growing by 258,6 per cent in 2003/04 as a result of services purchased by Land Transport Promotions in implementing the National Land Transport Transition Act. This includes support to the Metropolitan Municipalities to assist them in establishing transport authorities as required by the Act.

**Service delivery objectives and indicators****Recent outputs***Planning*

The first phase of the development of municipal transport plans (the collection of current public transport records) was completed during 2003, and provincial land transport frameworks are in the final stages of completion. These processes set the basis for the development of integrated transport plans, which form part of the transport sector input into the integrated development planning process.

*Transport infrastructure*

The contracts for the development of transport infrastructure in two Urban Renewal Nodes have been finalised. In the Inanda-Ntuzuma-Kwamashu (INK) node, the design of the public transport facilities and identification of areas for upgrading have been finalised, and the construction contract is out on tender. In Galeshewe in the Northern Cape, the tenders for the construction are being evaluated and construction is imminent.

*Implementation of the National Land Transport Transition Act*

The primary focus in implementing the National Land Transport Act (NLTTA) has been on assisting metropolitan municipalities to establish transport authorities as required by the Act. eThekweni Municipality is the first municipality to restructure its transport administration and public transport operations. The bus services provided by Durban Transport were outsourced during 2003/04, and the department is providing funding to assist the municipality to establish a transport authority that will administer transport services. A founding agreement between eThekweni and the MEC for Transport in KwaZulu-Natal was signed in 2003 to ensure that the project serves as a demonstration project for the implementation of the NLTTA.

The NLTTA is also currently being amended based on the findings of the Parliamentary Portfolio Committee. The Amendment Bill has been approved by the Minister and will proceed to Cabinet during 2004/05. The main changes to be brought about through the Amendment Act include: the extension of the transport planning cycle from one to two years, the incorporation of light delivery vehicles into the public transport domain (where appropriate), and the regulation of metered taxis and tourist transport.

*Non-motorised transport*

The promotion of non-motorised transport, through the Shova Kalula bicycle project, is proceeding. Acceptable business plans were received from eight provinces during 2003, on the basis of which these provinces are now putting out tenders for acquiring new bicycles.

**Medium-term output targets****Transport Planning**

<b>Measurable objective:</b> Fully established integrated transport plans that will incrementally improve public transport services and related infrastructure.			
<b>Subprogramme</b>	<b>Output</b>	<b>Measure/Indicator</b>	<b>Target</b>
Land Transport Planning	Transport services and infrastructure based on approved transport plans	Finalisation of all local sphere transport plans	March 2005
		Plans to address backlog in public transport infrastructure	10% by March 2007
		Percentage of public transport services based on transport plans adopted by local government	70% by March 2007
Land Transport Promotion	Implementation of the National Land Transport Transition Act	Cabinet approval for the NLTTA Amendment Act	March 2005
		Publication of regulations to support implementation	March 2005
		Draft framework for final national land transport legislation approved by Cabinet	December 2007

Subprogramme	Output	Measure/Indicator	Target
Land Transport Planning, Administration and Information	A national transport register of all road-based public transport operations	Registration administration system for road-based public transport operations introduced Public transport subsidy management system implemented Operating licences administration system introduced	All by March 2006

## Programme 8: Road Traffic Infringements

The programme will manage the implementation of the Administrative Adjudication of Road Traffic Offences Act (AARTO Act). The AARTO Act aims to establish systems and procedures for the effective and expeditious adjudication of road traffic infringements and offences. The *Road Traffic Infringements* programme will: establish a public-private partnership (PPP) to implement the administrative adjudication procedures, the points demerit system and associated NaTIS linkages; manage, support and facilitate the implementation of the points demerit system and the administrative adjudication procedures; monitor progress in promoting compliance with road traffic laws; identify and recommend institutional, technical and logistical support to assist the prosecution of road traffic offenders; and advise the Minister on amendments to the AARTO Act or other road traffic legislation.

### Expenditure estimates

Table 33.10: Road Traffic Infringements

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
Road Traffic Offences	-	-	-	5 000	5 000	5 000	5 000
<b>Total</b>	-	-	-	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
Change to 2003 Budget Estimate				5 000	-	-	

### Economic classification

<b>Current payments</b>	-	-	-	-	<b>4 700</b>	<b>4 700</b>	<b>4 700</b>
Compensation of employees	-	-	-	-	1 900	1 900	1 900
Goods and services	-	-	-	-	2 800	2 800	2 800
Interest and rent on land	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	-	-	-	<b>5 000</b>	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	5 000	-	-	-
Universities and technikons	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R thousand	2000/01	2001/02	2002/03	2003/04			
<b>Payments for capital assets</b>	-	-	-	-	300	300	300
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	300	300	300
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>

#### Details of transfer payments and subsidies:

Departmental agencies and accounts (Entities)							
<b>Current</b>	-	-	-	5 000	-	-	-
Road Traffic Infringement Agency	-	-	-	5 000	-	-	-
<b>Total</b>	-	-	-	<b>5 000</b>	-	-	-

### Expenditure trends

This new programme was created in 2003/04 with funding that remains constant, R5,0 million every year, over the medium term. The majority of expenditure will be on: compensation of employees for legal administration and support; information systems management; and road traffic standardisation, compliance and monitoring. In 2003/04 the full allocation for this programme was transferred to the Road Traffic Infringement Agency (RTIA), but from 2004/05 the functions will be absorbed within the department and the mandate of the RTIA will be reviewed.

### Service delivery objectives and indicators

#### Recent outputs

To inform the activities of this new programme, a feasibility study was undertaken during 2003/04 to determine: the appropriate institutional form necessary for the implementation of the AARTO Act; the financial feasibility and risk related to the roll-out of AARTO; and business processes for AARTO procedures and systems.

#### Medium-term output targets

##### Road Traffic Infringements

<b>Measurable objective:</b> Promote better road user behaviour and create a safe road environment that reduces the road traffic offence rate to an acceptable level.			
Subprogramme	Output	Measure/Indicator	Target
Road Traffic Offences	Set up public-private partnership to implement Administrative Adjudication of Road Traffic Offences (AARTO)	Treasury Approval 3	March 2004
	Categorisation and standardisation of offences, infringements and demerit points	Publication in Government Gazette	July 2004
	System compliance of national traffic information system and AARTO procedures and point demerit systems	Successful localised pilot in Tshwane metropolitan area	March 2005

Subprogramme	Output	Measure/Indicator	Target
	Co-ordination of new system implementation with issuing authorities	Rollout to all major metropolitan areas Standardised fines across issuing authorities Financial transfer system in place Accessible national pay point system in place	All by March 2006
	Integrated adjudication system in place	National rollout	March 2007

## Public entities reporting to the Minister

### Airports Company of South Africa

The Airports Company of South Africa Ltd (Acsa) was established in terms of the Airports Company Act (44 of 1993) and has three core activities:

- airport services, including providing and maintaining runways, taxiways and aprons, terminal facilities, and security, fire and rescue services
- retail activities, including the provision of space within terminals to appropriate retailers (generally through turnover-related concessions) and other sites to operators such as car hire firms, banks and advertisers
- property activities, including the development of airport infrastructure, retail and office premises, and car parking facilities, as well as functioning as commercial landlords.

As a registered company, Acsa's activities are self-financing. Acsa charges airlines and air passengers user fees for airport services. In 2003/04, Acsa's total revenue is expected to reach R1,8 billion, rising to an anticipated R2,5 billion in 2006/07. Over the medium term, Acsa is anticipated to realise a surplus of between R619,0 million in 2004/05 and R765,4 million in 2006/07.

**Table 33.14: Summary of revenue and expenses for the Airports Company of South Africa**

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R Thousand	2000/01	2001/02	2002/03	2003/04			
<b>Revenue</b>							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	1 042 255	1 316 299	1 535 555	1 769 104	2 001 584	2 260 791	2 469 580
Sale of goods and services other than capital assets	1 042 255	1 216 291	1 459 849	1 666 060	1 941 212	2 199 174	2 401 595
Of which:							
Aeronautical	623 831	718 021	840 861	947 938	1 166 212	1 355 248	1 480 581
Non-aeronautical	418 424	498 270	618 988	718 122	775 000	843 926	921 014
Other non-tax revenue	-	100 008	75 706	103 044	60 372	61 617	67 985
Transfers received	-	-	-	-	-	-	-
Sale of capital assets	8 183	(1 872)	122 836	14 142	-	-	-
<b>Total revenue</b>	<b>1 050 438</b>	<b>1 314 427</b>	<b>1 658 391</b>	<b>1 783 246</b>	<b>2 001 584</b>	<b>2 260 791</b>	<b>2 469 580</b>

	Outcome			Estimated outcome	Medium-term estimate		
	Audited 2000/01	Audited 2001/02	Preliminary outcome 2002/03		2003/04	2004/05	2005/06
R Thousand							
<b>Expenses</b>							
<b>Current expense</b>	<b>625 893</b>	<b>723 998</b>	<b>943 805</b>	<b>1 237 173</b>	<b>1 382 555</b>	<b>1 514 118</b>	<b>1 704 157</b>
Compensation of employees	202 932	259 748	285 918	302 046	353 320	374 572	407 013
Use of goods and services	278 386	307 422	348 431	398 316	455 560	485 741	545 555
Depreciation	118 243	136 396	152 377	219 407	254 689	276 436	299 944
Interest, dividends and rent on land	26 332	20 432	157 079	317 404	318 986	377 369	451 645
Interest	26 332	20 432	157 079	317 404	318 986	377 369	451 645
Rent on land	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>625 893</b>	<b>723 998</b>	<b>943 805</b>	<b>1 237 173</b>	<b>1 382 555</b>	<b>1 514 118</b>	<b>1 704 157</b>
<b>Surplus / (Deficit)</b>	<b>424 545</b>	<b>590 429</b>	<b>714 586</b>	<b>546 073</b>	<b>619 029</b>	<b>746 673</b>	<b>765 423</b>
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	(142 823)	(207 023)	(193 157)	(94 787)	(9 002)	(39 166)	(39 606)
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>281 722</b>	<b>383 406</b>	<b>521 429</b>	<b>451 286</b>	<b>610 027</b>	<b>707 507</b>	<b>725 817</b>
<b>Changes in working capital</b>	<b>(30 824)</b>	<b>13 821</b>	<b>80 013</b>	<b>29 371</b>	<b>(38 623)</b>	<b>5 356</b>	<b>(33 414)</b>
<b>Cash flow from operating activities</b>	<b>250 898</b>	<b>397 227</b>	<b>601 442</b>	<b>480 657</b>	<b>571 404</b>	<b>712 863</b>	<b>692 403</b>
<i>Of which: Transfers from government</i>	-	-	-	-	-	-	-
<b>Cash flow from investing activities</b>	<b>(573 916)</b>	<b>(451 455)</b>	<b>(733 597)</b>	<b>(511 032)</b>	<b>(876 665)</b>	<b>(1 000 922)</b>	<b>(832 942)</b>
<b>Cash flow from financing activities</b>	<b>336 335</b>	<b>(15 372)</b>	<b>90 411</b>	<b>10 447</b>	<b>305 260</b>	<b>288 059</b>	<b>140 536</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>13 317</b>	<b>(69 600)</b>	<b>(41 744)</b>	<b>(19 928)</b>	<b>(1)</b>	<b>-</b>	<b>(3)</b>

Data provided by the Airports Company of South Africa

### Air Traffic and Navigation Services Company

The Air Traffic and Navigation Services Company Ltd (ATNS) is responsible for safe, orderly and expeditious air traffic, and navigational and associated services in its area of control. It provides extensive air traffic information services and related aeronautical support services in the major airspace and at 21 airports throughout South Africa. The company college is a well-established facility, currently used by a large number of African countries for air traffic services training and for technical training for equipment support.

ATNS does not receive government transfers and derives its funding from its operations.

Air traffic service fees contribute 90,0 per cent to total revenue earned in 2003/04, while revenue from the air traffic satellite communication system in the SADC region contributes 5,0 per cent. The balance of revenue is earned from technical maintenance services, aeronautical information services, and the provision of training in air traffic control.

ATNS aims to achieve a return on capital employed of 11,1 per cent over a five-year period, with medium-term targets of 6,1 per cent, 6,9 per cent and 8,2 per cent. It will improve service delivery targets, reduce pilot and controller workloads, and enhance the efficiency of the system by implementing the South African Advanced Air Traffic System over the medium term.

### **Cross-Border Road Transport Agency**

The Cross-Border Road Transport Agency (CBRTA) regulates freight and passenger transport across the borders of the Republic of South Africa. It facilitates the smooth flow of goods and people to promote prosperity and encourage social and economic development within SADC. It regulates the industry by means of a single permit system, undertakes law enforcement, and maintains and builds relationships between the governments of the region and the transport industry through partnerships between public and private sector institutions with an interest in cross-border road transport.

Over the medium term, the CBRTA aims to implement the second phase of deregulation, as stipulated in the Protocol on Transport, Communication and Meteorology, and to maintain the free flow of transport in the region by harmonising permits and traffic standards and operating its border posts on a 24-hour basis.

The CBRTA is self-sustaining, and earns its revenue through cross-border transport permit fees and fines for transport-related offences.

### **Railway Safety Regulator**

The Railway Safety Regulator was created to:

- provide for and promote safe railway operations
- encourage the collaboration and participation of interested and affected parties in improving railway safety
- recognise the prime responsibility and accountability of railway operators in ensuring the safety of railway operations
- facilitate a modern, flexible and efficient regulatory regime, which ensures the continuing enhancement of safe railway operations
- promote the harmonisation of the railway safety regime of the Republic of South Africa with the objectives and requirements of SADC.

The main objectives of the Railway Safety Regulator over the medium term are to:

- create a specific police unit to combat crime on railway premises
- issue safety management and safety standards development regulations
- issue railway safety management standards
- develop a national information and monitoring system
- undertake investigations and audits of rail safety incidents
- develop protocols, agreements and procedures with SADC and the African Union.

The Railway Safety Regulator is dependent on government grants for its revenue.

### **Road Accident Fund**

The Road Accident Fund (RAF) is government's instrument for compensating victims of motor vehicle accidents for injuries or loss of financial support following the death of breadwinners, under terms and conditions provided for in the Road Accident Fund Act (56 of 1996). The fund receives a dedicated levy, imposed on petrol and diesel, currently at 21,5 cents per litre.

The RAF faces a significant deficit in 2003/04, forecast to be R770,9 million. This deficit is predicted to vary between R1,3 billion and R0,7 billion per year over the MTEF period, unless a major restructuring of the fund is undertaken. Attempts to limit the claims liability of the fund are already under way, with the implementation of certain recommendations of the Road Accident Fund Commission's report, which highlights options for improving the financial health of the

fund. The findings of the commission were tabled in Parliament in January 2003, and final recommendations on the implementation of the recommendations will be made to Cabinet during 2004/05.

On the operational side, the crackdown on fraudulent activities has borne fruit, with several fraudsters being brought to justice. Other activities relating to reducing the incidence of fraudulent claims is continuing through co-operation with other law enforcement agencies.

**Table 33.13: Summary of revenue and expenses for the Road Accident Fund**

R Thousand	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03				
<b>Revenue</b>							
Tax revenue	2 133 850	2 610 688	3 219 025	3 715 900	4 340 000	5 190 000	6 070 000
Non-tax revenue	224 339	208 582	44 601	69 620	–	–	–
Sale of capital assets	169	1 471	21	–	–	–	–
Transfers received	–	–	–	–	–	–	–
<b>Total revenue</b>	<b>2 358 358</b>	<b>2 820 741</b>	<b>3 263 647</b>	<b>3 785 520</b>	<b>4 340 000</b>	<b>5 190 000</b>	<b>6 070 000</b>
<b>Expenses</b>							
Current expenses	2 699 094	3 141 374	3 537 272	4 516 248	5 582 717	6 031 759	6 695 509
<i>Compensation of employees</i>	124 775	142 706	238 890	298 764	341 549	375 703	413 274
<i>Goods and services</i>	50 170	172 191	180 696	213 407	304 551	316 284	342 340
<i>Transfer payments and subsidies</i>	2 524 149	2 826 465	3 117 662	4 004 077	4 936 617	5 339 772	5 939 895
<i>Other expenditure</i>	–	12	24	–	–	–	–
Capital expenditure	4 926	22 704	37 898	40 172	10 000	18 000	24 000
<i>Transfer payments</i>	–	–	–	–	–	–	–
<i>Fixed assets</i>	4 926	22 704	37 898	40 172	10 000	18 000	24 000
<i>Land and subsoil assets</i>	–	–	–	–	–	–	–
<b>Total Expenses</b>	<b>2 704 020</b>	<b>3 164 078</b>	<b>3 575 170</b>	<b>4 556 420</b>	<b>5 592 717</b>	<b>6 049 759</b>	<b>6 719 509</b>
<b>Surplus / (Deficit)</b>	<b>(345 662)</b>	<b>(343 337)</b>	<b>(311 523)</b>	<b>(770 900)</b>	<b>(1 252 717)</b>	<b>(859 759)</b>	<b>(649 509)</b>

*Audited financial statements for 2001/02 adjusted for 12 months.*

## Road Traffic Management Corporation

The Road Traffic Management Corporation Act (20 of 1999) provided for the establishment of the Road Traffic Management Corporation (RTMC) in recognition of the importance of the regulation of public transport and road traffic for the development, safety, and quality of life of all South Africans. The RTMC aims to:

- enhance the overall quality of road traffic management and service provision
- strengthen co-operation and co-ordination between the national, provincial and local spheres of government in the management of road traffic
- maximise the effectiveness of provincial and local government efforts, particularly in road traffic law enforcement
- create business opportunities, particularly for the previously disadvantaged sectors, to supplement public sector capacity
- guide and sustain the expansion of private sector investment in road traffic management.

Over the medium term, the RTMC plans to establish itself with appropriate systems, controls and capacity to: develop a financial model for all the established functional units; establish a National Traffic Academy and Traffic Practitioner's Council; improve safety on roads; and develop sources of revenue to sustain itself.

Revenue sources will include penalties and fines from road traffic law enforcement and transaction fees charged for testing and licensing drivers, vehicle registration and licensing, vehicle testing, and the sale of online information.

The mandate of the RTMC will be reviewed during 2004/05.

### **South African Civil Aviation Authority**

The primary purpose of the South African Civil Aviation Authority is to promote, regulate and support high levels of safety throughout the civil aviation industry. Its core activities relate to overseeing aviation safety for operations, aircraft, personnel, airports and airspace.

The authority receives transfers as subsidies and user charges for ministerial directives on aircraft accident investigations. These grow from R7,6 million in 2000/01 to R9,7 million in 2002/03. In the medium term, they are projected to grow to R11,5 million by 2006/07. The authority receives most of its revenue from industry user fees and levies, and total revenue is projected to increase from R105,8 million in 2003/04 to R145,0 million in 2006/07.

### **South African Maritime Safety Authority**

The Department of Transport supervises the activities of the South African Maritime Safety Authority, which aims to ensure the safety of life and property at sea, prevent oil pollution by ships, and promote South Africa as a maritime nation.

The authority derives its funding from a combination of: government service fees; direct user charges, which account for 10,6 per cent of its operating income in 2003/04; and levies on ships calling at South African ports, which account for 74,2 per cent of total revenue. The authority's total revenue is estimated at an average of R64,4 million a year over the medium term. A review of the revenue collection framework will be carried out during 2004/05.

### **South African National Roads Agency**

The South African National Roads Agency Ltd – a corporate entity operating at arm's length from government, with government (represented by the Minister of Transport) as its sole shareholder – manages and operates the national road network on behalf of government. The agency is responsible for the existing national road network of 9 200km with an estimated asset value of more than R40,0 billion. Its enabling Act charges the agency, a registered company, with the following principal tasks:

- strategically plan, design, construct, operate, rehabilitate and maintain national roads
- deliver and maintain a world-class national road network
- generate revenues from the development and management of its assets
- undertake research and development to enhance the quality of roads
- advise the Minister of Transport on matters relating to national and other roads.

The agency finances its operations from various sources, including transfer payments from the department, loans, and income from tolls other PPPs. It currently earns two-thirds of its income from government transfer payments. The other third is generated through income from the tolls collected at its 24 toll plazas.

The transfers received do not include grants for capital projects or deferred revenue because of the difference in accounting practices. As a result of the life-cycle of many of SANRA's projects, (such as toll-roads), medium-term losses are assessed on the basis of the going concern principle.

Table 33.12: Summary of revenue and expenses for the South African National Roads Agency

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R Thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Revenue</b>							
<b>Tax revenue</b>	–	–	–	–	–	–	–
<b>Non-tax revenue</b>	<b>80 760</b>	<b>582 338</b>	<b>664 162</b>	<b>697 446</b>	<b>877 587</b>	<b>951 315</b>	<b>1 005 774</b>
Sale of goods and services other than capital assets	80 760	106 766	123 177	49 489	49 838	50 209	50 601
Of which:							
Admin fees	37 093	63 099	79 510	5 822	6 171	6 542	6 934
Interest	43 667	43 667	43 667	43 667	43 667	43 667	43 667
Other non-tax revenue	–	475 572	540 985	647 957	827 749	901 106	955 173
<b>Transfers received</b>	<b>526 741</b>	<b>668 295</b>	<b>709 243</b>	<b>676 664</b>	<b>1 168 291</b>	<b>1 231 810</b>	<b>1 386 142</b>
<b>Sale of capital assets</b>		<b>7 507</b>	<b>5 417</b>				
<b>Total revenue</b>	<b>607 501</b>	<b>1 258 140</b>	<b>1 378 822</b>	<b>1 374 110</b>	<b>2 045 878</b>	<b>2 183 125</b>	<b>2 391 916</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>1 389 041</b>	<b>1 509 772</b>	<b>1 841 294</b>	<b>2 054 314</b>	<b>2 280 545</b>	<b>2 237 138</b>	<b>2 547 575</b>
Compensation of employees	24 597	33 587	24 575	33 320	36 138	39 387	41 750
Use of goods and services	636 053	713 308	986 474	1 282 647	1 494 345	1 492 614	1 832 171
Depreciation	216 237	221 926	228 265	225 000	235 000	236 000	246 000
Interest, dividends and rent on land	512 154	540 951	601 980	513 347	515 062	469 137	427 654
Interest	512 154	540 951	601 980	513 347	515 062	469 137	427 654
Rent on land	–	–	–	–	–	–	–
<b>Transfers and subsidies</b>	–	–	–	–	–	–	–
<b>Total expenses</b>	<b>1 389 041</b>	<b>1 509 772</b>	<b>1 841 294</b>	<b>2 054 314</b>	<b>2 280 545</b>	<b>2 237 138</b>	<b>2 547 575</b>
<b>Surplus / (Deficit)</b>	<b>(781 540)</b>	<b>(251 632)</b>	<b>(462 472)</b>	<b>(680 204)</b>	<b>(234 667)</b>	<b>(54 013)</b>	<b>(155 659)</b>
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	640 641	627 129	721 172	694 680	706 395	661 470	629 987
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>(140 899)</b>	<b>375 497</b>	<b>258 700</b>	<b>14 476</b>	<b>471 728</b>	<b>607 457</b>	<b>474 328</b>
<b>Changes in working capital</b>	<b>(91 387)</b>	<b>136 211</b>	<b>10 312</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash flow from operating activities</b>	<b>(232 286)</b>	<b>511 708</b>	<b>269 012</b>	<b>14 476</b>	<b>471 728</b>	<b>607 457</b>	<b>474 328</b>
Of which: Transfers from government	701 081	1 067 612	1 203 064	1 290 556	1 440 789	1 615 236	1 794 150
<b>Cash flow from investing activities</b>	<b>(406 774)</b>	<b>(283 748)</b>	<b>(663 859)</b>	<b>(989 233)</b>	<b>(455 911)</b>	<b>(549 427)</b>	<b>(582 393)</b>
<b>Cash flow from financing activities</b>	<b>(140 390)</b>	<b>320 174</b>	<b>(179 766)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(779 450)</b>	<b>548 134</b>	<b>(574 613)</b>	<b>(974 757)</b>	<b>15 817</b>	<b>58 030</b>	<b>(108 065)</b>

Data provided by the South African National Roads Agency

### South African Rail Commuter Corporation

The purpose of the South African Rail Commuter Corporation (SARCC) is to ensure that rail commuter services are provided in the public interest, and to promote rail as the primary mode of mass commuter transportation.

The main objectives of the SARCC over the medium term are to:

- reduce and eventually eliminate factors contributing to poor reliability, poor safety and financial losses
- roll out and extend new rail service networks where required, within constraints
- enforce compliance to the required level of service provided by the operators
- rationalise services and optimise government funding

- spearhead industry restructuring supported by information intelligence, skills development and communication
- design a commuter rail strategic plan.
- support socio-economic development and transformation in line with government policy guidelines.

Its main source of revenue is the subsidy government provides to cover operations and capital expenditure. The SARCC received transfers of R2,3 billion in 2003/04, and the medium-term allocations are R2,5 billion, R2,7 billion, and R2,8 billion. The SARCC also generates income through its wholly owned subsidiary, Intersite (Pty) Ltd, from the exploitation of assets transferred to the SARCC by the Minister of Transport under Section 25 of the Legal Succession Act (9 of 1989).

The transfers received do not include grants for capital projects or deferred revenue because of the difference in accounting practices.

**Table 33.11: Summary of revenue and expenses for the South African Rail Commuter Corporation**

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07
R Thousand	2000/01	2001/02	2002/03	2003/04			
<b>Revenue</b>							
<b>Tax revenue</b>	-	-	-	-	-	-	-
<b>Non-tax revenue</b>	<b>200 806</b>	<b>242 603</b>	<b>277 353</b>	<b>247 000</b>	<b>263 830</b>	<b>282 175</b>	<b>302 170</b>
Sale of goods and services other than Capital assets	198 242	238 663	274 609	247 000	263 830	282 175	302 170
Of which:							
Rental income	138 242	178 663	214 609	187 000	203 830	222 175	242 170
Grant amortisation	60 000	60 000	60 000	60 000	60 000	60 000	60 000
Other non-tax revenue	2 564	3 940	2 744	-	-	-	-
<b>Transfers received</b>	<b>1 372 000</b>	<b>1 366 250</b>	<b>1 545 919</b>	<b>1 678 840</b>	<b>1 873 550</b>	<b>1 973 843</b>	<b>2 092 274</b>
<b>Sale of capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>1 572 806</b>	<b>1 608 853</b>	<b>1 823 272</b>	<b>1 925 840</b>	<b>2 137 380</b>	<b>2 256 018</b>	<b>2 394 444</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>635 341</b>	<b>743 171</b>	<b>759 499</b>	<b>633 085</b>	<b>772 674</b>	<b>839 241</b>	<b>922 268</b>
Compensation of employees	48 856	53 676	67 452	75 164	80 425	86 055	92 079
Use of goods and services	405 320	478 510	520 633	345 306	456 930	500 455	559 766
Depreciation	176 441	238 648	228 709	244 719	261 849	280 178	299 791
Interest, dividends and rent on land	4 724	(27 663)	(57 295)	(32 104)	(26 530)	(27 447)	(29 368)
Interest	4 724	(27 663)	(57 295)	(32 104)	(26 530)	(27 447)	(29 368)
Rent on land	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 153 414</b>	<b>1 156 628</b>	<b>1 223 872</b>	<b>1 292 755</b>	<b>1 364 706</b>	<b>1 416 777</b>	<b>1 472 176</b>
<b>Total expenses</b>	<b>1 788 755</b>	<b>1 899 799</b>	<b>1 983 371</b>	<b>1 925 840</b>	<b>2 137 380</b>	<b>2 256 018</b>	<b>2 394 444</b>
<b>Surplus / (Deficit)</b>	<b>(215 949)</b>	<b>(290 946)</b>	<b>(160 099)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
R Thousand	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Cash flow summary</b>							
Adjust surplus / (deficit) for accrual transactions	181 165	183 174	124 697	212 615	235 319	252 731	270 423
<b>Operating surplus / (deficit) before changes in working capital</b>	<b>(34 784)</b>	<b>(107 772)</b>	<b>(35 402)</b>	<b>212 615</b>	<b>235 319</b>	<b>252 731</b>	<b>270 423</b>
<b>Changes in working capital</b>	<b>(1 218 604)</b>	<b>(1 143 398)</b>	<b>(1 212 174)</b>	<b>(1 646 736)</b>	<b>(1 847 020)</b>	<b>(1 946 396)</b>	<b>(2 062 906)</b>
<b>Cash flow from operating activities</b>	<b>(1 253 388)</b>	<b>(1 251 170)</b>	<b>(1 247 576)</b>	<b>(1 434 121)</b>	<b>(1 611 701)</b>	<b>(1 693 665)</b>	<b>(1 792 483)</b>
<i>Of which: Transfers from government</i>	1 372 000	1 366 250	1 545 919	1 678 840	1 873 550	1 973 843	2 092 274
<b>Cash flow from investing activities</b>	<b>(292 307)</b>	<b>(457 510)</b>	<b>(527 055)</b>	<b>(685 400)</b>	<b>(655 000)</b>	<b>(688 300)</b>	<b>(729 598)</b>
<b>Cash flow from financing activities</b>	<b>3 385 000</b>	<b>252 385</b>	<b>2 269 419</b>	<b>2 364 240</b>	<b>2 528 550</b>	<b>2 662 143</b>	<b>2 821 872</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1 839 305</b>	<b>(1 456 295)</b>	<b>494 788</b>	<b>244 719</b>	<b>261 849</b>	<b>280 178</b>	<b>299 791</b>

Data provided by the South African Rail Commuter Corporation

### Urban Transport Fund

The Urban Transport Fund (UTF) was established in terms of the Urban Transport Act (78 of 1977). The fund is used for: promoting transport planning; providing, improving and maintaining public transport facilities; assisting suburban railway services; research; and training in transport engineering and transport economics.

The UTF is funded through a transfer from the *Transport Planning* programme, and it provides capital finance for numerous corridor development projects and the development of public transport facilities in some of the urban renewal nodes. The UTF also funds demonstration projects such as transport for the disabled. It enters into partnerships with metropolitan transport areas and provincial departments of transport to ensure inclusiveness and monitoring of implementation.

Over the medium term, the UTF will receive transfers of R44,0 million in 2004/05, R46,7 million in 2005/06 and R49,5 million in 2006/07.

## **Annexure**

### **Vote 33: Transport**

Table 33.15: Summary of expenditure trends and estimates per programme

Table 33.16: Summary of expenditure trends and estimates per economic classification

Table 33.17: Summary of personnel numbers and compensation of employees

Table 33.18: Summary of expenditure on training

Table 33.19: Summary of information and communications technology expenditure

Table 33.20: Summary of conditional grants to local government (municipalities)

Table 33.21: Summary of official development assistance expenditure

Table 33.21: Summary of expenditure on infrastructure

**Table 33.15: Summary of expenditure trends and estimates per programme**

R thousand	Expenditure outcome			Medium-term expenditure estimate						
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate			
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07			
1 Administration	38 686	48 322	57 505	68 683	1 036	69 719	69 719	76 751	80 986	85 601
2 Transport Infrastructure	701 523	1 068 072	1 203 389	1 295 663	10 590	1 306 253	1 306 253	1 472 366	1 599 829	1 730 774
3 Land Transport Regulation and Safety	57 301	105 553	124 117	163 586	10 870	174 456	174 456	255 451	220 340	231 080
4 Transport Policy	14 013	19 518	47 607	36 284	26 039	62 323	62 323	38 778	40 516	42 424
5 Aviation and Maritime Transport	87 246	67 432	138 433	110 311	4 513	114 824	114 824	117 503	124 641	132 061
6 Public Transport Operations	3 176 170	3 584 470	4 087 066	4 409 245	72 678	4 481 923	4 481 923	4 709 848	4 965 543	5 263 573
7 Transport Planning	24 536	43 561	51 908	74 937	–	74 937	74 937	83 347	88 572	93 987
8 Road Traffic Infrastructures	–	–	–	–	5 000	5 000	5 000	5 000	5 000	5 000
<b>Total</b>	<b>4 099 475</b>	<b>4 936 928</b>	<b>5 710 025</b>	<b>6 158 709</b>	<b>130 726</b>	<b>6 289 435</b>	<b>6 289 435</b>	<b>6 759 044</b>	<b>7 125 427</b>	<b>7 584 500</b>
Change to 2003 Budget Estimate						130 726	130 726	307 872	307 905	

Table 33.16: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Medium-term expenditure estimate					
	Audited		Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2000/01	2001/02	2002/03					2004/05	2005/06	2006/07
<b>Current payments</b>										
<b>Compensation of employees</b>	33 578	40 741	53 044	81 536	(2 140)	79 396	79 396	99 633	105 578	111 350
- Salaries and wages	28 912	35 315	46 983	69 430	(1 940)	67 490	67 490	86 603	91 933	97 057
- Social contributions	4 666	5 426	6 061	12 106	(200)	11 906	11 906	13 030	13 645	14 293
<b>Goods and services</b>	136 649	177 211	300 020	306 947	14 324	321 271	321 271	399 216	368 206	387 477
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	-	-
- Interest	-	-	-	-	-	-	-	-	-	-
- Rent on land	-	-	-	-	-	-	-	-	-	-
<b>Financial transactions in assets and liabilities</b>	-	-	-	-	-	-	-	-	-	-
<b>Unauthorised expenditure</b>	-	-	-	-	-	-	-	-	-	-
<b>Total current payments</b>	170 227	217 952	353 064	388 483	12 184	400 667	400 667	498 849	473 784	498 827
<b>Transfers and subsidies to:</b>										
<b>Provinces and municipalities</b>										
- Provinces	29	34	181	227	-	227	227	250	280	297
- Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-
- Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-
- Municipalities	29	34	181	227	-	227	227	250	280	297
- Municipalities	29	34	181	227	-	227	227	250	280	297
- Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>	740 594	1 123 595	1 260 265	1 343 252	29 554	1 372 806	1 372 806	1 531 361	1 667 116	1 802 143
- Social security funds	-	-	-	-	-	-	-	-	-	-
- Departmental agencies (non-business entities)	740 594	1 123 595	1 260 265	1 343 252	29 554	1 372 806	1 372 806	1 531 361	1 667 116	1 802 143

**Table 33.16: Summary of expenditure trends and estimates per economic classification (continued)**

	Expenditure outcome				Medium-term expenditure estimate						
	Audited		Audited	Preliminary outcome	2003/04		Adjusted appropriation	Revised estimate	2004/05	2005/06	2006/07
	2000/01	2001/02	2001/02	2002/03	Main appropriation	Additional appropriation					
R thousand											
<b>Universities and technikons</b>	5 942	6 773	6 773	8 253	8 439	1 036	9 475	9 475	6 306	6 684	7 085
<b>Foreign governments &amp; international organisations</b>	2 062	689	689	3 828	3 958	-	3 958	3 958	4 170	4 170	4 420
<b>Public corporations and private enterprises</b>	3 177 943	3 583 083	3 583 083	4 076 290	4 391 185	54 308	4 445 493	4 445 493	4 686 590	4 940 666	5 237 107
- Public corporations	1 751 200	1 861 052	1 861 052	2 229 381	2 347 185	16 308	2 363 493	2 363 493	2 528 550	2 662 143	2 821 872
- Subsidies on production	1 751 200	1 861 052	1 861 052	2 229 381	2 347 185	16 308	2 363 493	2 363 493	2 528 550	2 662 143	2 821 872
- Other transfers	-	-	-	-	-	-	-	-	-	-	-
<b>- Private enterprises</b>	1 426 743	1 722 031	1 722 031	1 846 909	2 044 000	38 000	2 082 000	2 082 000	2 158 040	2 278 523	2 415 235
- Subsidies on production	1 426 743	1 722 031	1 722 031	1 846 909	2 044 000	38 000	2 082 000	2 082 000	2 158 040	2 278 523	2 415 235
- Other transfers	-	-	-	-	-	-	-	-	-	-	-
<b>Non-profit institutions</b>	-	862	862	6 312	10 000	12 370	22 370	22 370	10 000	10 600	11 236
<b>Households</b>	598	55	55	70	590	-	590	590	85	100	106
- Social benefits	598	55	55	70	240	-	240	240	85	100	106
- Other transfers to households	-	-	-	-	350	-	350	350	-	-	-
<b>Total transfers and subsidies</b>	3 927 168	4 715 091	4 715 091	5 355 199	5 757 651	97 268	5 854 919	5 854 919	6 238 762	6 629 616	7 062 394
<b>Payments on capital assets</b>											
<b>Buildings and other fixed structures</b>	-	-	-	-	10 000	18 000	28 000	28 000	17 938	18 249	19 344
- Buildings	-	-	-	-	-	-	-	-	-	-	-
- Other fixed structures	-	-	-	-	10 000	18 000	28 000	28 000	17 938	18 249	19 344
<b>Machinery and equipment</b>	2 080	3 885	3 885	1 762	2 575	3 274	5 849	5 849	3 495	3 778	3 935
- Transport equipment	-	-	-	-	-	451	451	451	-	-	-
- Other machinery and equipment	2 080	3 885	3 885	1 762	2 575	2 823	5 398	5 398	3 495	3 778	3 935

Table 33.16: Summary of expenditure trends and estimates per economic classification (continued)

	Expenditure outcome					Medium-term expenditure estimate					
	Audited		Preliminary outcome		Revised estimate	2003/04			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	Main appropriation		Additional appropriation	Adjusted appropriation				
R thousand	2 080	3 885	1 762	12 575	21 274	33 849	33 849	21 433	22 027	23 279	
<b>Cultivated assets</b>	-	-	-	-	-	-	-	-	-	-	
<b>Software and other intangible assets</b>	-	-	-	-	-	-	-	-	-	-	
<b>Land and subsoil assets</b>	-	-	-	-	-	-	-	-	-	-	
<i>Of which: Capitalised compensation</i>	-	-	-	-	-	-	-	-	-	-	
<b>Total payments on capital assets</b>	<b>2 080</b>	<b>3 885</b>	<b>1 762</b>	<b>12 575</b>	<b>21 274</b>	<b>33 849</b>	<b>33 849</b>	<b>21 433</b>	<b>22 027</b>	<b>23 279</b>	
<b>Total</b>	<b>4 099 475</b>	<b>4 936 928</b>	<b>5 710 025</b>	<b>6 158 709</b>	<b>130 726</b>	<b>6 289 435</b>	<b>6 289 435</b>	<b>6 759 044</b>	<b>7 125 427</b>	<b>7 584 500</b>	

Table 33.17: Summary of personnel numbers and compensation of employees<sup>1</sup>

Personnel numbers	2000/01	2001/02	2002/03	2003/04	2004/05
1 Administration	106	109	138	175	175
2 Transport Infrastructure	54	91	23	28	28
3 Land Transport Regulation and Safety	39	26	94	118	118
4 Transport Policy	10	15	32	39	39
5 Aviation and Maritime Transport	30	30	22	57	57
6 Public Transport Operations	5	10	21	26	26
7 Transport Planning	-	-	-	25	25
8 Road Traffic Infrastructures	-	-	-	5	5
<b>Total</b>	<b>244</b>	<b>281</b>	<b>330</b>	<b>473</b>	<b>473</b>
Total compensation of employees (R thousand)	33 578	40 741	53 044	79 396	99 633
Unit cost (R thousand)	137.6	145.0	160.7	167.9	210.6

<sup>1</sup> Full-time equivalent

**Table 33.18: Summary of expenditure on training**

	Expenditure outcome				Adjusted appropriation		Medium-term expenditure estimate		
	Audited		Preliminary outcome		2003/04				
	2000/01	2001/02	2002/03	2002/03	2003/04	2004/05	2005/06	2006/07	
R thousand									
1 Administration	350	374	3 451	3 451	3 011	2 864	3 036	2 900	
2 Transport Infrastructure	225	233	-	-	-	-	-	-	
3 Land Transport Regulation and Safety	179	202	-	-	-	-	-	-	
<b>Total</b>	<b>754</b>	<b>809</b>	<b>3 451</b>	<b>3 451</b>	<b>3 011</b>	<b>2 864</b>	<b>3 036</b>	<b>2 900</b>	

**Table 33.19: Summary of information and communications technology expenditure**

	Expenditure outcome				Adjusted appropriation		Medium-term expenditure estimate		
	Audited		Preliminary outcome		2003/04				
	2000/01	2001/02	2002/03	2002/03	2003/04	2004/05	2005/06	2006/07	
R thousand									
<b>1 Administration</b>	<b>682</b>	<b>489</b>	<b>868</b>	<b>868</b>	<b>683</b>	<b>800</b>	<b>270</b>	<b>290</b>	
Technology	682	489	868	868	683	800	270	290	
IT services	-	-	-	-	-	-	-	-	
<b>2 Transport Infrastructure</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>28</b>	<b>-</b>	<b>200</b>	<b>472</b>	<b>500</b>	
Technology	-	-	28	28	-	200	472	500	
IT services	-	-	-	-	-	-	-	-	
<b>3 Land Transport Regulation and Safety</b>	<b>287</b>	<b>314</b>	<b>434</b>	<b>434</b>	<b>305</b>	<b>300</b>	<b>85</b>	<b>100</b>	
Technology	287	314	434	434	305	300	85	100	
IT services	-	-	-	-	-	-	-	-	
<b>4 Transport Policy</b>	<b>117</b>	<b>312</b>	<b>685</b>	<b>685</b>	<b>140</b>	<b>200</b>	<b>200</b>	<b>300</b>	
Technology	117	312	685	685	140	200	200	300	
IT services	-	-	-	-	-	-	-	-	
<b>5 Aviation and Maritime Transport</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>327</b>	<b>200</b>	<b>-</b>	
Technology	84	-	-	-	161	327	200	-	
IT services	-	-	-	-	-	-	-	-	

Table 33.19: Summary of information and communications technology expenditure (continued)

R thousand	Expenditure outcome				Adjusted appropriation 2003/04	Medium-term expenditure estimate		
	Audited		Preliminary outcome			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
<b>6 Public Transport Operations</b>	-	34	236	-	100	-	-	
Technology	-	34	236	-	100	-	-	
IT services	-	-	-	-	-	-	-	
<b>7 Transport Planning</b>	-	2 553	94	291	200	-	-	
Technology	-	2 553	94	291	200	-	-	
IT services	-	-	-	-	-	-	-	
<b>8 Road Traffic Infringements</b>	-	-	-	-	80	100	100	
Technology	-	-	-	-	80	100	100	
IT services	-	-	-	-	-	-	-	
<b>Total</b>	<b>1 170</b>	<b>3 702</b>	<b>2 345</b>	<b>1 580</b>	<b>2 207</b>	<b>1 327</b>	<b>1 290</b>	

Table 33.20: Summary of conditional grants to local government

R thousand	Expenditure outcome				Adjusted appropriation 2003/04	Medium-term expenditure estimate		
	Audited		Preliminary outcome			2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04				
<b>7 Transport Planning</b>	-	-	-	-	9 100	-	-	
Urban Transport Fund	22 109	38 211	39 744	39 744	9 100	-	-	
<b>Total</b>	<b>22 109</b>	<b>38 211</b>	<b>39 744</b>	<b>39 744</b>	<b>9 100</b>	<b>-</b>	<b>-</b>	

<sup>1</sup> Detail provided in the Division of Revenue Act, 2004.

**Table 33.21: Summary of official development assistance expenditure**

Donor	Programme / Project name	Cash or kind	Expenditure outcome					Medium-term expenditure estimate				
			2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07			
R thousand												
Road Accident Fund	Arive Alive	Cash	24 975	15 274	26 241	-	-	-	-	-	-	-
<b>Total</b>			<b>24 975</b>	<b>15 274</b>	<b>26 241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 33.22: Summary of expenditure on infrastructure**

	Expenditure outcome			Adjusted appropriation 2003/04	Medium-term expenditure estimate			Long-term planning		
	Audited	Audited	Preliminary outcome		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
R thousand										
Infrastructure transfers	267 487	934 140	1 144 116	1 164 227	1 203 300	1 282 798	1 372 016	-	-	-
<b>Total</b>	<b>267 487</b>	<b>934 140</b>	<b>1 144 116</b>	<b>1 164 227</b>	<b>1 203 300</b>	<b>1 282 798</b>	<b>1 372 016</b>	<b>-</b>	<b>-</b>	<b>-</b>