

Vote 32

Transport

To be appropriated by Vote	R4 649 711 000
Statutory appropriations	–
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 facilitate the provision of an affordable, safe and sustainable national transport system, which is responsive, accountable and transparent to all key stakeholders.

Key objectives and programmes

Government sees transport infrastructure and services as priority areas for socio-economic development over the medium term. The effectiveness of the transport is dictated largely by the soundness of transport policy and by the strategies utilised in implementing the policy. The Department of Transport's vision is to provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure, which will best meet the needs of freight and passenger customers. It aims at improving levels of service and cost in support of government strategies for economic and social development, while being environmentally and economically sustainable.

The Department's main objective is to formulate, implement and monitor transport strategies and policies in general, and on safety, public transport and infrastructure development in particular. The principal aim is to integrate a safe transport system, and the other objectives include:

- Facilitation of access to and affordability of public transport to the commuting public
- Planning, development and maintenance of transport infrastructure to improve mobility and quality of life, and to contribute to economic development
- Promotion of sector and enterprise reforms in order to create a reliable, safe and integrated transport system
- Catering for users with special needs
- Developing a comprehensive rural transport strategy

These objectives are met through the activities of three programmes:

- *Administration* comprises policy formulation by the Minister and Director-General, financial management, personnel and provisioning administration, and legal and other office support services.
- *Regulation and safety* is responsible for overseeing the activities of the departmental agencies, road traffic management, aviation and maritime regulation, administration, and management.
- *Policy, strategy and implementation* are responsible for rail and bus subsidy transfers, and land transport policy.

Strategic overview and key policy developments: 1997/98 – 2003/04

The White Paper on Transport Policy of 1996 reviewed and realigned the role of the Department to focus on policy and strategy formulation, sectoral regulation and infrastructure development. This decreased its direct involvement in operational activities and resulted in the creation of arm's-length operational agencies. These agencies undertake most operational activities, while the Department has a supervisory role and provides policy direction. Four agencies were established in 1998: the National Roads Agency, the Maritime Safety Authority, the Cross-Border Road Transport Agency and the Civil Aviation Authority. Legislation has also been promulgated to establish the Road Traffic Infringement Agency and the Road Traffic Management Corporation.

The principle of competitive tendering for bus services was accepted in September 1996. To this end, interim bus contracts were entered into with bus operators who were previously subsidised by the Department. In its second phase, interim contracts are being renewed as fully tendered contracts.

Rail commuter transport has also been restructured. The Department has developed a strategic framework for the concessioning of rail services; the current Metrorail service contract is already based on concessioning principles. A pilot concession for a portion of the service will be initiated in 2002. Parliament has also passed legislation to effect the transfer of the South African Rail Commuter Corporation debt of about R2,2 billion to Government. From 2001/02, the corporation's total expenditure will be funded from the budget of the Department of Transport. In the past, capital expenditure was funded through borrowing – hence the accumulation of debt.

The taxi industry is also undergoing reform. Following the Taxi Task Team's recommendations to formalise, regulate and provide economic assistance, the Department has facilitated a programme for the establishment of provincial taxi registrars, taxi offices and provincial taxi cooperatives, in conjunction with the provinces. This process will be consolidated in the medium term through the facilitation of fair competition in the industry within a regulated registration and legalisation framework. Economic viability and high safety standards form the basis of the transformation process.

Significant progress has been made on improving road safety through the Arrive Alive campaign. The Department intends to expand the campaign into a year-round traffic law enforcement operation. It will be complemented by the activities of the Road Traffic Infringement Agency and the Road Traffic Management Corporation.

Over the medium term, the Department will focus on:

- Developing a comprehensive road safety strategy involving law enforcement, vehicle roadworthiness and road maintenance issues
- Establishing a rail safety regulator to enhance rail safety for commuters
- Developing a national ports policy as the basis for future ports operations and regulation
- Integrating the Southern African Development Community (SADC) region's aviation and maritime resources and other cross-border transport activities
- Facilitating the new institutional, funding and planning framework for public transport services
- Developing a comprehensive and sustainable programme to rehabilitate and further develop the transport infrastructure

Expenditure estimates

Table 32.1: Transport

Programme	Expenditure outcome			Adjusted appropriation 2000/01	Revised estimate	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00			2001/02	2002/03	2003/04
R thousand								
Administration ¹	43 093	27 841	28 488	33 994	32 994	37 395	33 912	35 517
Regulation and safety	756 442	858 283	1 055 376	885 446	864 724	1 234 082	1 373 819	1 484 614
Policy, strategy and implementation	2 804 196	2 666 961	2 977 757	3 260 177	3 254 524	3 378 234	3 587 331	3 769 537
Total	3 603 731	3 553 085	4 061 621	4 179 617	4 152 242	4 649 711	4 995 062	5 289 668
Change to 2000 Budget Estimate				86 008	58 633	173 567	295 708	

¹ Authorised losses of R232 000 in 1998/99 included

Economic classification

Current	2 561 606	2 803 541	3 113 970	3 418 786	3 391 411	3 096 930	3 341 608	3 491 645
Personnel	69 891	41 660	31 540	46 642	36 340	49 481	52 232	54 835
Transfer payments	2 318 341	2 628 456	2 958 109	3 210 975	3 210 975	2 856 668	3 096 133	3 257 004
Other current	173 374	133 425	124 321	161 169	144 096	190 781	193 243	179 806
Capital	1 042 125	749 544	947 651	760 831	760 831	1 552 781	1 653 454	1 798 023
Transfer payments	999 040	717 689	925 147	731 695	731 695	1 516 545	1 614 775	1 756 458
Acquisition of capital assets	43 085	31 855	22 504	29 136	29 136	36 236	38 679	41 565
Total	3 603 731	3 553 085	4 061 621	4 179 617	4 152 242	4 649 711	4 995 062	5 289 668

Standard items of expenditure

Personnel	69 891	41 660	31 540	46 642	36 340	49 481	52 232	54 835
Administrative	18 130	12 286	13 613	19 712	15 701	21 947	19 211	20 692
Inventories	9 971	7 523	4 004	6 517	5 379	8 130	8 424	9 045
Equipment	4 580	2 120	1 513	3 354	3 514	3 270	3 377	3 575
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	182 904	142 537	126 423	160 036	148 186	193 668	200 908	188 057
Transfer payments	3 317 381	3 346 145	3 883 256	3 942 670	3 942 670	4 373 213	4 710 908	5 013 462
Miscellaneous	874	814	1 272	686	452	2	2	2
Total	3 603 731	3 553 085	4 061 621	4 179 617	4 152 242	4 649 711	4 995 062	5 289 668

Departmental receipts

The Department is projected to receive departmental revenue of R101,8 million in 2000/01. About 95 per cent of this revenue is extraordinary and miscellaneous revenue from the sale of Government vehicles, dividends from the Airports Company of South Africa and operational salvage tugs revenue in terms of the Maritime Safety Agreement. The remaining 5 per cent is made up of unclaimed monies, recoveries from previous years, interest and other revenue.

Expenditure trends

The Transport Vote was reorganised in 1999 from eight to three programmes. These previous programmes, namely the *Civil aviation authority*, *Shipping*, and *Roads and road traffic* were combined into the current *Regulation and safety* programme. The previous programmes: *Land transport*, *Research and development* and *Auxiliary and associated services* were combined under the *Policy, strategy and safety* programme.

The total Vote increases by 6,6 per cent a year from 1997/98 to 2003/04. A relatively higher increase of 8,4 per cent a year occurs between 2000/01 and 2003/04, after a 4,8 per cent average annual increase from 1997/98 to 2000/01. This is in line with Government's undertaking to make

relatively higher allocations towards the maintenance and development of infrastructure. Transport has also benefited from additional special infrastructure allocations of R100 million for the next two years as part of the rolling stock refurbishment for the Rail Commuter Corporation, and R50 million for 2001/01 for the completion of main road 439 of the Lubombo Spatial Development Initiative.

The *Regulation and safety* programme shows significant increases of 19,7 per cent a year from 2000/01 to 2003/04, as against 4,6 per cent a year between 1997/98 and 2000/01. This trend signals the correction of the National Roads Agency baseline, which has previously been reallocated to accommodate increases in rail subsidies in the *Policy, strategy and implementation* programme. As a result, the percentage share of the *Regulation and safety* programme increases from 21 to 28 per cent of the Vote over the seven-year period.

The *Policy, strategy and implementation* programme shows stable growth of about 5 per cent a year between 1997/98 and 2003/04. However, its share of the total Vote decreases from 77,8 per cent in 1997/98 to 71,3 per cent by 2003/04, in response to the correction of the Roads Agency baseline.

This is also reflected in the change of the balance between current and capital expenditure. Current expenditure accounted for 71,1 per cent of the total in 1997/98, increasing to about 82 per cent in 2000/01, and eventually declines to 66 per cent by 2003/04. Meanwhile, capital expenditure increases markedly by 33,2 per cent a year between 2000/01 and 2003/04. This follows a decline of 10 per cent a year between 1997/98 and 2000/01.

These changes have been supported by additional allocations of R173,6 million in 2001/02 and R295,7 million in 2002/03 over the 2000 Budget baseline allocations. The additional allocations will enable the Department to extend access to public transport, implement the National Land Transport Transition Act of 2000, and further its poverty relief and infrastructure investment projects.

Programme 1: Administration

The programme conducts the overall management of the Department. It includes policy formulation by the Minister, Deputy Minister, Director-General and other members of the Department's management. Other activities comprise organising the Department; rendering centralised administrative, legal and office support services; managing departmental personnel and financial administration; determining working methods and procedures; and exercising control through head office and regional offices. The programme is also responsible for promoting the efficient use of government motor transport and for determining policy for Government's subsidised motor transport scheme.

Table 32.2: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Minister ¹	475	475	498	498	634	669	702
Management	5 480	6 195	7 578	10 336	9 453	9 790	10 186
Corporate services ²	33 393	19 390	18 968	22 252	26 437	22 526	23 662
Government motor transport	3 745	1 781	1 444	908	871	927	967
Total	43 093	27 841	28 488	33 994	37 395	33 912	35 517
Change to 2000 Budget Estimate				3 492	5 426	611	

¹ Payable as from 1 April 2000: salary: R 478 530, car allowance: R 119 632

² Spending on land, buildings and maintenance subject to Public Works agreement

Economic classification							
Current	41 481	27 827	28 488	32 686	37 145	33 625	34 587
Personnel	28 528	15 094	13 718	17 828	17 721	18 604	19 766
Transfer payments	–	–	–	–	–	–	–
Other current	12 953	12 733	14 770	14 858	19 424	15 021	14 821
Capital	1 612	14	–	1 308	250	287	930
Transfer payments	598	9	–	1	–	–	–
Acquisition of capital assets	1 014	5	–	1 307	250	287	930
Total	43 093	27 841	28 488	33 994	37 395	33 912	35 517

Standard items of expenditure							
Personnel	28 528	15 094	13 718	17 828	17 721	18 604	19 766
Administrative	4 867	5 080	6 024	7 702	6 856	5 330	5 592
Inventories	925	745	763	563	1 100	1 405	1 428
Equipment	1 569	1 281	819	1 716	1 621	1 672	1 715
Land and buildings	–	–	–	–	–	–	–
Professional and special services	6 297	5 148	6 157	5 942	10 095	6 899	7 014
Transfer payments	598	9	–	1	–	–	–
Miscellaneous							
Civil Pensions	236	250	181	240	–	–	–
Stabilisation Fund							
Levy on salary recalls	2	2	2	2	2	2	2
Thefts and losses	71	232	824	–	–	–	–
Total	43 093	27 841	28 488	33 994	37 395	33 912	35 517

Expenditure trends

The *Administration* programme grows by 2,5 per cent a year between 2001/02 and 2003/04, as against a decline of 8,5 per cent a year between 1997/87 and 2000/01. The share of the total has declined from 1,2 per cent in 1997/98 to 0,8 per cent in 2000/01, and remains stable over the medium term.

Programme 2: Regulation and safety

The programme facilitates the development of safe, efficient and internationally competitive air transport and maritime industries, and promotes efficient and safe mobility on roads. Programme activities are funded under 12 subprogrammes:

- Regulation and international cooperation maintain institutional arrangements in the aviation and maritime industries to ensure safety, effective economic regulation, and a search and rescue capability.
- Air transport regulation creates an environment for the development of international air transport for passenger and freight services.
- Aviation and maritime regulation management and administration provide and manage financial and administrative services.
- The Agencies subprogramme monitors and provides funding to portfolio entities, including the Civil Aviation Authority, the National Roads Agency, the Maritime Safety Authority and the Cross-Border Road Transport Agency.
- The Road Traffic Management Corporation promotes a uniform strategy for road traffic management regarding standards, training and law enforcement, and facilitates communication about road traffic quality and safety.

- The Road Traffic Information System manages a national traffic information system (NaTIS) and administers contract services for the development and operation of the system.
- Road traffic operational policy and information management develops and administers road traffic policy, legislation and information systems, and controls the issuing of driver's licences.
- Road traffic management strategy coordinates and promotes quality and safety in road traffic.
- The Road traffic administration service provides a financial management and general administrative service.
- Land and rail transport infrastructure/operational management oversees the National Road and Cross-Border Road Transport Agencies, and undertakes investigations into serious road and rail accidents.
- The National Transport Commission contributes to policy formulation and administers road transport legislation such as the Road Transportation Act of 1977 and the Transport Deregulation Act of 1988. During 2001/02, the Commission will be replaced by the Transport Appeals Tribunal to lead appeals under the National Land Transport Transition Act of 2000.
- Administrative adjudication of road traffic offences promote road traffic quality by providing for a scheme to discourage road traffic contravention, and facilitates the adjudication of road traffic infringements and the collection of fines.

Table 32.3: Regulation and safety

Programme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Regulation and international cooperation	8 929	7 757	5 735	8 006	9 322	9 392	9 693
Air transport regulation	-	-	3 085	5 513	5 623	5 989	6 282
Aviation and maritime regulation management Agencies	-	-	1 083	2 039	1 920	1 971	2 068
Civil Aviation subsidy and aircraft accident investigation	-	-	-	-	-	-	-
National Roads Agency	18 300	36 405	13 000	10 000	7 039	5 442	5 687
Maritime Safety Authority: government contracts	532 366	658 451	900 058	701 225	1 017 761	1 161 219	1 270 718
Maritime Safety Authority: subsidy and services	50 712	54 247	57 848	63 268	60 894	60 135	62 841
Cross-Border Road Transport Agency	12 086	14 207	8 355	4 514	5 985	6 224	6 504
Road Traffic Management Corporation	19 271	7 930	2 096	-	-	-	-
Road Traffic information system: Administration Contractor	-	-	3 627	2 230	3 098	3 324	3 473
Consultant	735	320	694	1 626	1 642	1 773	1 864
Operational policy and information Management strategy	41 518	31 850	22 504	26 677	35 350	37 814	40 533
Administration services	9 477	16 980	13 888	10 345	16 214	16 960	16 701
Land and rail transport infrastructure/operational management	2 384	818	3 503	6 688	32 969	25 522	18 530
National Transport Commission	56 183	21 337	15 102	22 252	27 513	28 872	30 096
National Sea Rescue Institute	3 674	7 306	3 290	5 001	5 649	5 948	6 233
Administration of Adjudication of Road Traffic Offices	323	365	1 061	1 570	1 644	1 722	1 806
Total	756 442	858 283	1 055 376	885 446	1 234 082	1 373 819	1 484 614
Change to 2000 Budget Estimate				110 735	722	140 943	

Economic classification							
Current	182 203	168 111	132 928	156 744	180 579	174 461	173 525
Personnel	37 827	22 326	12 603	18 730	20 003	21 188	22 004
Transfer payments	724	39 697	23 701	14 914	37 622	31 490	24 164
Other current	143 652	106 088	96 624	123 100	122 954	121 783	127 357
Capital	574 239	690 172	922 448	728 702	1 053 503	1 199 358	1 311 089
Transfer payments	532 246	658 322	899 944	701 081	1 017 612	1 161 064	1 270 556
Acquisition of capital assets	41 993	31 850	22 504	27 621	35 891	38 294	40 533
Total	756 442	858 283	1 055 376	885 446	1 234 082	1 373 819	1 484 614

Standard items of expenditure							
Personnel	37 827	22 326	12 603	18 730	20 003	21 188	22 004
Administrative	12 689	6 314	5 236	8 898	12 122	10 795	11 876
Inventories	8 844	6 475	3 154	5 578	6 639	6 613	7 192
Equipment	2 840	678	481	1 111	1 127	1 163	1 295
Land and buildings	-	-	-	-	-	-	-
Professional and special services	160 744	124 202	110 075	134 859	138 957	141 506	147 527
Transfer payments	532 970	698 019	923 645	715 995	1 055 234	1 192 554	1 294 720
Miscellaneous							
Civil Pensions	528	269	182	275	-	-	-
Stabilisation Fund							
Total	756 442	858 283	1 055 376	885 446	1 234 082	1 373 819	1 484 614

Policy developments

The Department has overseen the establishment of various regulatory structures as part of its responsibility for safety and economic regulation in the aviation and maritime industries. Safety regulation for aviation and maritime has been assigned to the Civil Aviation and Maritime Safety Authorities, respectively. Economic regulation is performed by statutory bodies such as the Regulating Committee, the International Air Services Licensing Council and the Air Service Licensing Council. Similarly, road infrastructure development and maintenance have been assigned to the National Roads Agency, and the Cross-Border Road Transport Agency now undertakes cross-border transport activities.

All agencies, excluding the Roads Agency, are predominantly self-funding through user charges, levies, penalties and fines. Government still funds specific and contracted services, such as accident investigations and other ministerial directives.

Greater road safety awareness has been generated through the activities of the "Arrive Alive" campaign. The Department will now sustain the campaign as a year-round traffic law enforcement and communication programme. This programme will be complemented by the activities of the Road Traffic Management Corporation, which is currently being established. The corporation will pool resources across the spheres and the private sector to establish a new system for the governance of road traffic.

The system for adjudication of road traffic offences has been reformed into an administrative process. This reform effectively removes all traffic-related cases from the judicial system. The Road Traffic Infringement Agency will serve as a collection agent of all outstanding traffic fines and further adjudicate on contested traffic offences. It is anticipated that this move will immediately improve the collection of traffic fines and ultimately encourage good driver behaviour on the roads.

A rail safety regulator will be established to improve levels of safety in the rail industry and reduce rail safety risks to appropriate levels. The regulator will perform a range of regulatory audit functions and monitor the nature of rail accidents. The goal is to establish an independent regulator

with appropriate legislative powers, enforcement capability and human resource capacity. This will end the current practice where rail operators also bear the responsibility for managing rail safety risk, thus separating of regulatory functions from operating entities.

Expenditure trends

Transfers to the National Roads Agency account for about 80 per cent of the total programme expenditure a year. This subprogramme increases by 21,9 per cent a year from 2001/02 to 2003/04. Programme expenditure increases from R701,2 million in 2000/01 to R1 billion in 2001/02. Of this, R222,5 million constitutes a correction to the Roads Agency's baseline, and R94 million is allocated for poverty relief and infrastructure investment on national and provincial road projects. The allocation for poverty relief and infrastructure investment amounts to R100 million in both 2002/03 and 2003/04. Capital transfer payments grow significantly by 21,6 per cent a year between 2000/01 and 2003/04, in response to the Roads Agency baseline correction. Personnel expenditure increases by 5,5 per cent over the medium term, as against a decline of 20,9 per cent a year between 1997/98 and 2000/01,

Outputs and service delivery trends

Table 32.4: Regulation and safety: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Air transport regulation	Manuals of procedure for the domestic and international Air Services Councils	Adoption and implementation of a Strategy on Bilateral Air Services Agreements New Bilateral Air Services Agreements and revision of existing ones Implementation of the SADC Protocol on Transport and the Yamoussoukro Decision of 2000
	Policy review and legislative amendments	Airline participation and tariff liberalisation Deliver efficient secretarial support for domestic and international Air Service Councils
Regulation and international cooperation	Adequate capacity for search and rescue	Effective enforcement of operator compliance Participation in regional and international safety organisations Conclusion of bilateral merchant shipping agreements with other countries An effective search and rescue regime for South Africa and the region
	Policy review and policy recommendations, and legislative amendments	Participatory leadership in search and rescue operations Presentation of the Search and Rescue Bill to Parliament
Road traffic management	Transversal database of transport transactions	Transactions supported by NaTIS Queries supported by NaTIS
	Educational and training and communications materials	Driver's licences converted to the credit card format licence Grade 4, 7 and 8 safety education programmes developed and included in Curriculum 2005 Children and adults reached with road traffic safety education programmes Road users reached with road traffic safety messages
	Legislation	Compliance of driver's licence testing centres with statutory standards
	Develop, oversee implementation and maintain and perform the functions prescribed to the Minister of Transport by legislation	Compliance of vehicle testing stations with the statutory standards

Programme 3: Policy, strategy and implementation

The programme develops, monitors and promotes the implementation of transport policy and strategy. It oversees the payment of bus and rail subsidies; provides support for information and

research services; and promotes planning for intermodal land transport infrastructure and operations. The following subprogrammes fund these functions:

- Passenger transport policy development is responsible for passenger transport policy and strategy.
- Freight transport policy development is responsible for freight transport policy and strategy.
- Strategic support renders strategic information, research, coordination and administrative support services.
- The Implementation subprogramme facilitates the implementation of passenger and freight transport policies, and promotes the development of institutional, human and technological capacity in the transport industry. It also manages the Urban Transport Fund, which promotes planning of infrastructure and operations intermodal land transport.

Table 32.5: Policy, strategy and implementation

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Passenger transport policy development	1 597	1 551	6 370	9 977	18 953	9 397	9 843
Freight transport policy development	3 401	582	888	4 091	5 239	5 508	5 770
Strategic support	273 978	29 452	6 816	8 744	8 289	8 683	9 089
Implementation							
Transport policy implementation	-	-	-	6 686	24 897	36 019	26 199
Freight policy development	-	-	909	610	588	625	655
Transport capacity development	5 161	9 553	3 163	11 659	13 471	11 975	12 514
Passenger transport operations: road	1 088 473	1 153 514	1 322 563	1 449 753	1 541 796	1 656 724	1 734 000
Passenger transport operations: rail	1 211 707	1 404 820	1 594 770	1 727 425	1 716 415	1 790 919	1 911 840
Passenger transport operations: taxi	17 437	30 425	12 145	19 123	10 375	27 674	18 019
Urban Transport Fund	202 442	37 064	30 133	22 109	38 211	39 807	41 608
Total	2 804 196	2 666 961	2 977 757	3 260 177	3 378 234	3 587 331	3 769 537
Change to 2000 Budget Estimate				(28 219)	167 419	154 154	

Economic classification

Current	2 337 922	2 607 603	2 952 554	3 229 356	2 879 206	3 133 522	3 283 533
Personnel	3 536	4 240	5 219	10 084	11 757	12 440	13 065
Transfer payments	2 317 617	2 588 759	2 934 408	3 196 061	2 819 046	3 064 643	3 232 840
Other current	16 769	14 604	12 927	23 211	48 403	56 439	37 628
Capital	466 274	59 358	25 203	30 821	499 028	453 809	486 004
Transfer payments	466 196	59 358	25 203	30 613	498 933	453 711	485 902
Movable capital	78	-	-	208	95	98	102
Fixed capital	-	-	-	-	-	-	-
Total	2 804 196	2 666 961	2 977 757	3 260 177	3 378 234	3 587 331	3 769 537

Standard items of expenditure							
Personnel	3 536	4 240	5 219	10 084	11 757	12 440	13 065
Administrative	574	892	2 353	3 112	2 969	3 086	3 224
Inventories	202	303	87	376	391	406	425
Equipment	171	161	213	527	522	542	565
Land and buildings	–	–	–	–	–	–	–
Professional and special services	15 863	13 187	10 191	19 235	44 616	52 503	33 516
Transfer payments	2 783 813	2 648 117	2 959 611	3 226 674	3 317 979	3 518 354	3 718 742
Miscellaneous							
Civil Pensions	37	61	83	169	–	–	–
Stabilisation Fund							
Total	2 804 196	2 666 961	2 977 757	3 260 177	3 378 234	3 587 331	3 769 537

Policy developments

The National Land Transport Transition Act of 2000 provides for the devolution of transport planning, services and infrastructure development to transport authorities. Pilot projects will be initiated in the Durban and Pretoria regions with a view to integrating different institutional and funding arrangements. The process of devolution will evolve over time as more transport authorities are established. The result will be the identification of an appropriate transport mode for each transport corridor. This will contribute towards eliminating parallel-subsidised services and reducing operating subsidies.

In preparation for the devolution of rail services, a portion of the rail commuter network will be concessioned as a pilot project in 2002. This follows the renegotiation of the Rail Commuter Corporation's agreement with its operator (Metrorail) along concessioning principles. Government has taken over the total loan obligations of the Rail Commuter Corporation of about R2,2 billion. The South African Rail Commuter Corporation Financial Arrangements Act of 2000 provides for the withdrawal of the Corporation's borrowing powers. All future expenditure of the Corporation will be provided for in the budget of the Department.

The implementation of a competitive tender system for bus services is entering a second phase. The first phase entailed the replacement of a permit system with interim contracts. The second phase places bus subsidies on a fully competitive platform through tendered contracts. In the meantime, bus subsidies will still form an agency payment through provinces, pending their ultimate devolution to transport authorities.

Expenditure trends

The *Policy strategy and implementation* programme is the largest programme on the Vote and accounted for 78 per cent of the total allocation in 2000/01. Its share is reduced to 71,3 per cent in 2003/04 because of reallocations in favour of the National Roads Agency (funded under the *Regulation and safety* programme).

Almost all spending on this programme is devoted to bus and rail transport subsidies. Bus subsidies increase by an average of 6,1 per cent a year from R1,4 billion in 2000/01 to R1,7 billion in 2003/04, after increasing at an average rate of 10 per cent a year between 1997/98 and 2000/01.

Rail subsidies increase by 3,4 per cent a year over the medium term. A total allocation of R450 million is made for capital expenditure by the Rail Commuter Corporation, of which R275 million is for routine capital expenditure and R175 million is for rolling stock refurbishment. An additional allocation of R60 million in 2001/01 is to fund the rolling stock refurbishment project. Its initial two-year phase will renew 176 coaches at the total cost of R360 million. The

remaining R120 million is provided for in the 2002/03 allocation, of which R80 million is already included in the baseline and R40 million will be made as a special allocation. The Department is assessing the Corporation's capital requirements. This review will serve as a basis for a long-term and comprehensive recapitalisation programme in order to improve rail safety and relaunch rail transport as a viable public transport alternative.

About R40 million a year is allocated to capitalise the Urban Transport Fund. The Fund provides for specific urban transport projects in partnership with provincial and local governments. The Fund has an accumulated balance of about R70 million from previous allocations.

Outputs and service delivery trends

Table 32.6: Policy, strategy and implementation: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Passenger transport policy development	Strategies for rural and disabled transport	Improved accessibility of transport and mobility of commuters Every new bus will be accessible to people with disabilities. Alternatively, operators in future bus contracts will have to meet a set target for reasonable access
Implementation	Establishment of a Rail Safety Regulator	Reduction in rail accidents and incidents
	Bus subsidy reform	Full implementation of tendered contract system
	Formalisation of the taxi industry	A reduction in the number of illegal taxi operators
	A programme for bicycle transport	Conversion of radius-based permits to route-based permits Number of bicycles provided to impoverished and rural communities by the end of 2001
Strategic support	A transport skills development programme	Number of black students per centre by 2002/03 Number of women per centre by 2002/03
	An integrated land transport information system	Better access to data for decision-making

South African Rail Commuter Corporation

The Corporation is a statutory agent, which aims to provide effective and efficient rail commuter services under concessioning agreements. Its main sources of revenue are the subsidies to cover operational losses and capital expenditure. The Corporation received transfers from the Department of R1 727,4 million in 2000/01 and the medium-term allocations are R1 716 million, R1 790,9 million and R1 911,8 million, respectively. These allocations are supplemented by R60 million in 2001/02 and R40 million in 2002/03, as special allocations to the rolling stock refurbishment project .

Urban Transport Fund

The Fund was established in terms of the Urban Transport Act of 1977. It is administrated by the South African Roads Board and the Director-General of the Department of Transport has been delegated the responsibility of approving its funds. On a yearly basis, a budget is submitted to the Minister of Transport for approval, after funds have been allocated through Parliament to the budget of the Department of Transport.

The money in the fund is used for financing several committees for demonstration projects and for the implementation of transport infrastructure in the metropolitan transport areas. The Fund may also be used to finance specific transport programmes at educational institutions.

South African National Roads Agency Ltd

The purpose of this company is to maintain and develop South Africa's 7 000 km national road network and to manage assets with an estimated value of more than R135 billion. The enabling Act

charges the Agency, a company registered in terms of the Companies Act, with the following principal tasks:

- Strategically plan, design, construct, operate, rehabilitate and maintain the national roads
- Deliver and maintain a world-class primary road network
- Generate revenues from the development and management of the assets
- Undertake research and development to enhance the quality of roads
- Advise the Minister of Transport on matters relating to roads
- Upon request from the Minister of Transport and in agreement with a foreign country, finance, plan, construct, acquire, provide, operate and maintain roads in that country

Road Accident Fund

The Road Accident Fund, as did its predecessors, compensates victims of vehicle accidents on terms and conditions provided for in various Acts. The Fund receives a dedicated Road Accident Fund levy, which is imposed on petrol and diesel. The levy has been differentiated between petrol and diesel at 14,5 cents a litre and 10,3 cents a litre in 2000/01, respectively, and this yielded an estimated R2 158,9 million in revenue. The new tax proposals include an adjustment to the petrol levy by 2 cents a litre to 16,5 cents a litre from April 2001, and the equalisation of the diesel levy to 16,5 cents a litre by July 2001. These adjustments will result in an additional R437 million, and an estimated total revenue of R2 510 million in 2001/2. The administration of the Fund and benefits payable are being reviewed and a Road Accident Fund Commission has been established to investigate ways in which the Fund can be restructured.

The total assets for the Fund for 2000 were R2 214 million and its current liabilities rose to over R2 588 million, and long term liabilities to R9 952 million. Claims paid in 1999/00 amounted to 55 495 at the value of R2 130 million compared to 50 913 claims valued at R1 802 million in 1998/99.

Cross-Border Road Transport Agency

The Agency regulates and controls access to the cross-border road market by the road transport industry. It facilitates the establishment of cooperative and consultative relationships and structures between public and private sector institutions with an interest in cross-border road transport. Government subsidies to the Agency were terminated in 2000/01 after a last payment of R2,1 million in 1999/00. The Agency is now self-sustaining through a levy on cross-border transport activities, and it will derive approximately R30 million a year from this revenue source.

Air Traffic and Navigation Services Company Ltd

Air Traffic and Navigation Services Company 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, as well as technical training for equipment support. The Company does not receive government transfers and derives its funding from its operations.

South African Maritime Safety Authority

The Department also supervises the activities of 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 (about R6 million a year); direct user charges, which account for about 11 per cent of its operating

income; and levies on ships calling at South African ports, which account for 75 per cent of total revenue. The Authority's total revenue is estimated at about R30 million a year over the medium term.

South African Civil Aviation Authority

The primary purpose of the Civil Aviation Authority is to promote, regulate and support high levels of safety throughout the civil aviation industry. Its core activities relate to aviation safety oversight of operations, aircraft, personnel, airports and airspace. The Authority receives transfers as subsidies and user charges for ministerial directives on aircraft accident investigations. These transfers are projected to decline over the medium term from R10 million 2000/01 to R5,7 million in 2003/04. The Authority receives most of its revenue from industry user fees and levies, and total revenue is projected to increase from R80 million in 2001/02 to about R90 million in 2003/04. The Authority targets a ratio of 60 per cent of total budget from Government and industry user fees, and 40 per cent from levies.

Annexure: Vote 32: Transport

Table 32.7: Summary of expenditure trends and estimates per programme

Table 32.8: Summary of expenditure trends and estimates per economic classification

Table 32.9: Summary of expenditure trends and estimates per standard item of expenditure

Table 32.10: Summary of transfers and subsidies per programme

Table 32.11: Summary of personnel numbers and costs

Table 32.12: Summary of expenditure on training

Table 32.13: Summary of grants to local government

Table 32.14: Summary of agency payments

Table 32.7: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		Rollovers from 1999/00	Other adjustments 2000/01	Adjusted appropriation		Current	Capital 2001/02	Total	2002/03	2003/04
R thousand													
Administration	43 093	27 841	28 488	30 502	-	3 492	33 994	32 994	37 145	250	37 395	33 912	35 517
Regulation and safety	756 442	858 283	1 055 376	774 711	14 300	96 435	885 446	864 724	180 579	1 053 503	1 234 082	1 373 819	1 484 614
Policy, implementation and strategy	2 804 196	2 666 961	2 977 757	3 288 396	19 872	(48 091)	3 260 177	3 254 524	2 879 206	499 028	3 378 234	3 587 331	3 769 537
Total	3 603 731	3 553 085	4 061 621	4 093 609	34 172	51 836	4 179 617	4 152 242	3 096 930	1 552 781	4 649 711	4 995 062	5 289 668
Change to 2000 Budget Estimate							86 008	58 633			173 567	295 708	

Table 32.8: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	Rollovers from 1999/00	Other adjustments 2000/01	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04	
	1997/98	1998/99	1999/00										
R thousand													
Current	2 561 606	2 803 541	3 113 970	3 412 039	34 172	(27 425)	3 418 786	3 391 411	3 096 930	-	3 096 930	3 341 608	3 491 645
Personnel	69 891	41 660	31 540	45 862	-	780	46 642	36 340	49 481	-	49 481	52 232	54 835
Salaries and wages	38 275	24 678	21 650	31 109	-	525	31 634	31 634	32 296	-	32 296	34 119	35 436
Other	31 616	16 982	9 890	14 753	-	255	15 008	4 706	17 185	-	17 185	18 113	19 399
Transfer payments	2 318 341	2 628 456	2 958 109	3 203 068	19 872	(11 965)	3 210 975	3 210 975	2 856 668	-	2 856 668	3 096 133	3 257 004
Other levels of Government	17 437	1 183 939	1 334 708	1 409 769	19 872	31 941	1 461 582	1 462 582	1 532 796	-	1 532 796	1 638 724	1 716 000
Households and non-profit institutions	269	-	-	-	-	400	400	400	-	-	-	-	-
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current transfers	2 300 635	1 444 517	1 623 401	1 793 299	-	(44 306)	1 748 993	1 748 993	1 323 872	-	1 323 872	1 457 409	1 541 004
Other current expenditure	173 374	133 425	124 321	163 109	14 300	(16 240)	161 169	144 096	190 781	-	190 781	193 243	179 806
Capital	1 042 125	749 544	947 651	681 570	-	79 261	760 831	760 831	-	1 552 781	1 552 781	1 653 454	1 798 023
Capital transfer	999 040	717 689	925 147	652 495	-	79 200	731 695	731 695	-	1 516 545	1 516 545	1 614 775	1 756 458
Other levels of Government	-	-	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	999 040	717 689	925 147	652 495	-	79 200	731 695	731 695	-	1 516 545	1 516 545	1 614 775	1 756 458
Movable capital	43 085	31 855	22 504	29 075	-	61	29 136	29 136	-	36 236	36 236	38 679	41 565
Motor vehicles	151	-	-	19	-	-	19	19	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computers	852	5	-	1 440	-	-	1 440	1 440	-	510	510	497	917
Other office equipment	42 082	31 850	22 504	27 616	-	61	27 677	27 677	-	35 726	35 726	38 182	40 648
Fixed capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 603 731	3 553 085	4 061 621	4 093 609	34 172	51 836	4 179 617	4 152 242	3 096 930	1 552 781	4 649 711	4 995 062	5 289 668

Table 32.9: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments 2000/01	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04
	1997/98	1998/99	1999/00										
R thousand													
Personnel	69 891	41 660	31 540	45 862	-	780	46 642	36 340	49 481	-	49 481	52 232	54 835
Administrative expenditure	18 130	12 286	13 613	17 447	-	2 265	19 712	15 701	21 947	-	21 947	19 211	20 692
Inventories	9 971	7 523	4 004	7 866	-	(1 349)	6 517	5 379	8 130	-	8 130	8 424	9 045
Equipment	4 580	2 120	1 513	3 441	-	(87)	3 354	3 514	2 384	886	3 270	3 377	3 575
Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional and special services	182 904	142 537	126 423	162 862	14 300	(17 126)	160 036	148 186	158 318	35 350	193 668	200 908	188 057
Transfer payments	3 317 381	3 346 145	3 883 256	3 855 563	19 872	67 235	3 942 670	3 942 670	2 856 668	1 516 545	4 373 213	4 710 908	5 031 462
Miscellaneous	874	814	1 272	568	-	118	686	452	2	-	2	2	2
Total	3 603 731	3 553 085	4 061 621	4 093 609	34 172	51 836	4 179 617	4 152 242	3 096 930	1 552 781	4 649 711	4 995 062	5 289 668

Table 32.10: Summary of transfers and subsidies per programme

R thousand	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00 2000/01	Other adjustments	Adjusted appropriation		Current transfers	Capital transfers	Total		
	1997/98	1998/99	1999/00								2001/02	2002/03	2003/04
Administration	598	9	-	1	-	-	1	1	-	-	-	-	-
Government motor transport	598	9	-	1	-	-	1	1	-	-	-	-	-
Regulation and safety	532 970	698 019	923 645	623 401	-	92 594	715 995	715 995	37 622	1 017 612	1 055 234	1 192 554	1 294 720
Agencies	-	-	-	-	-	-	-	-	-	-	-	-	-
South African Civil Aviation Authority: subsidy and aircraft accident investigation	455	21 161	13 000	10 000	-	-	10 000	10 000	7 039	-	7 039	5 442	5 687
South African National Roads Agency Limited	532 246	658 322	899 944	609 881	-	91 200	701 081	701 081	-	1 017 612	1 017 612	1 161 064	1 270 556
South African Maritime Safety Authority: subsidies and services	-	13 536	8 355	3 520	-	994	4 514	4 514	5 985	-	5 985	6 224	6 504
Cross Border Road Transport Agency	-	5 000	2 096	-	-	-	-	-	-	-	-	-	-
National Sea Rescue Institute	269	-	-	-	-	400	400	400	-	-	-	-	-
Road Traffic Management Agency	-	-	-	-	-	-	-	-	3 098	-	3 098	3 324	3 473
Aero club	-	-	250	-	-	-	-	-	-	-	-	-	-
Road traffic operation policy and information management: safety	-	-	-	-	-	-	-	-	17 000	-	17 000	12 000	4 000
Road traffic operation policy and information management: testing centres	-	-	-	-	-	-	-	-	4 500	-	4 500	4 500	4 500
Policy, strategy and information	2 783 813	2 648 117	2 959 611	3 232 161	19 872	(25 359)	3 226 674	3 226 674	2 819 046	498 933	3 317 979	3 518 354	3 718 742
Implementation:	-	-	-	-	-	-	-	-	-	-	-	-	-
Bus	1 088 473	1 153 514	1 322 563	1 409 269	19 872	19 941	1 449 082	1 449 082	1 541 796	-	1 541 796	1 656 724	1 734 000
Rail	1 211 707	1 404 820	1 594 770	1 777 000	-	(50 000)	1 727 000	1 727 000	1 266 250	450 165	1 716 415	1 790 919	1 911 840
Taxi	17 437	30 425	12 145	-	-	12 000	12 000	12 000	-	-	-	-	-
Urban Transport Fund	18 442	37 064	30 133	37 109	-	(15 000)	22 109	22 109	-	38 177	38 177	39 744	41 532
Transport capacity development	-	-	-	5 504	-	-	5 504	5 504	-	7 454	7 454	5 693	5 949
Passenger transport policy development	-	-	-	3 279	-	1 000	4 279	4 279	-	3 137	3 137	3 274	3 421
Transport policy development	-	-	-	-	-	3 000	3 000	3 000	-	-	-	-	-
Strategic support	-	-	-	-	-	3 700	3 700	3 700	-	-	-	-	-
Reconstruction and development programme projects	263 754	22 294	-	-	-	-	-	-	-	-	-	-	-

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate					
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00 2000/01	Other adjustments	Adjusted appropriation		Current transfers	Capital transfers	Total			
	1997/98	1998/99	1999/00								2001/02	2002/03	2003/04	
R thousand														
Master Plan Olympic Games	184 000	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport policy implementation-National Land Transport Transition Act	-	-	-	-	-	-	-	-	11 000	-	11 000	22 000	22 000	-
Total	3 317 381	3 346 145	3 883 256	3 855 563	19 872	67 235	3 942 670	3 942 670	2 856 668	1 516 545	4 373 213	4 710 908	5 013 462	

Table 32.11: Summary of personnel numbers and costs¹

Personnel numbers	1997/98	1998/99	1999/00	2000/01	2001/02
Administration	238	212	97	99	108
Regulation and safety	618	574	98	95	102
Policy, strategy and implementation	32	30	55	35	55
Total	888	816	250	229	265
Total personnel cost (R thousand)	69 891	41 660	31 540	45 642	49 481
Unit cost (R thousand)	78,7	51,1	126,2	203,7	186,7

¹ Full-time equivalent

Table 32.12: Summary of expenditure on training

R thousand	Preliminary outcome	Revised estimate	Medium-term expenditure estimate		
	1999/00	2000/01	2001/02	2002/03	2003/04
Administration	747	350	374	387	409
Regulation and safety	219	225	233	242	250
Policy, strategy and implementation	129	179	202	212	221
Total	1 095	754	809	841	880

Table 32.13: Summary of grants to local government

Programme	Expenditure outcome			Adjusted appropriation 2000/01	Revised estimate	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00			2001/02	2002/03	2003/04
R thousand								
Policy, strategy and implementation								
Urban transport fund	202 442	37 064	30 133	22 109	22 109	81 000	40 000	42 000
Total	202 442	37 064	30 133	22 109	22 109	81 000	40 000	42 000

Table 32.14: Summary of agency payments

Programme	Expenditure outcome			Adjusted appropriation 2000/01	Revised estimate	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00			2001/02	2002/03	2003/04
R thousand								
Policy, strategy and implementation								
Implementation								
Bus subsidies	-	1 153 514	1 247 563	1 409 269	1 409 269	1 522 010	1 638 850	1 701 835
Eastern Cape	-	37 962	41 000	46 263	46 263	50 019	53 530	55 928
Free State	-	64 200	71 568	78 239	78 239	87 311	93 440	97 627
Gauteng	-	470 779	487 779	577 235	577 235	595 083	636 856	665 392
KwaZulu-Natal	-	225 240	288 869	274 499	274 499	352 416	377 154	394 054
Mpumalanga	-	103 182	120 945	125 746	125 746	147 551	157 909	164 985
Northern Cape	-	4 421	4 148	5 385	5 385	5 061	5 416	5 659
Northern Province	-	63 643	44 090	77 558	77 558	53 789	57 565	60 144
North West	-	27 377	18 243	33 362	33 362	22 257	23 819	24 886
Western Cape	-	156 710	170 921	190 982	190 982	208 523	233 161	233 160
Total	-	1 153 514	1 247 563	1 409 269	1 409 269	1 522 010	1 638 850	1 701 835