

# Vote 33

## Transport

### Budget summary

R thousand	2008/09				2009/10	2010/11
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	170 537	160 916	8 078	1 543	179 230	182 449
Transport Policy and Economic Regulation	37 733	37 297	–	436	40 243	40 488
Transport Regulation and Accident and Incident Investigation	255 863	244 282	11 009	572	272 466	285 766
Integrated Planning and Inter-sphere Co-ordination	7 769 453	177 129	7 552 974	39 350	8 735 252	11 348 334
Transport Logistics and Corridor Development	22 225	22 155	–	70	21 322	21 876
Public Transport	12 073 463	134 474	11 938 843	146	12 985 884	11 780 249
Public Entity Oversight and Border Operations and Control	179 254	14 451	164 630	173	177 577	71 197
<b>Total expenditure estimates</b>	<b>20 508 528</b>	<b>790 704</b>	<b>19 675 534</b>	<b>42 290</b>	<b>22 411 974</b>	<b>23 730 359</b>
Executive authority	Minister of Transport					
Accounting officer	Director-General of Transport					
Website address	<a href="http://www.transport.gov.za">www.transport.gov.za</a>					

### Aim

*The aim of the Department of Transport is to lead the provision of an integrated, sustainable, reliable and safe transport system, through safety and economic regulation, planning, development, co-ordination, promotion and the implementation of transport policies and strategies.*

### Programme purposes, objectives and measures

#### Programme 1: Administration

**Purpose:** Co-ordinate and provide an effective, efficient strategic support and administrative service to the minister, director-general and department.

#### Programme 2: Transport Policy and Economic Regulation

**Purpose:** Develop integrated transport policies, regulate the economic efficiency of the transport sector, manage a national innovative research and development programme, develop appropriate legislation, and provide economic advice and analysis for all modes of transport.

#### Objectives and measures:

- Support an effective and efficient transport system by developing a performance indicator database and improving the accountability of public entities by March 2011.
- Improve research and development in the transport sector by managing the national innovative research and development programme to improve policy making.
- Improve economic efficiencies in the transport sector by developing economic regulatory frameworks.

### **Programme 3: Transport Regulation and Accident and Incident Investigation**

**Purpose:** Create an enabling regulatory environment in the areas of safety, security and environmental compliance, and manage accident and incident investigations in all modes of transport.

**Objectives and measures:**

- Reduce road accident fatalities and serious injuries by 50 per cent in line with the Millennium Development Goals by implementing the 2006 road safety strategy and managing the national traffic information system.
- Facilitate the development of a safe, secure, and environmentally friendly aviation industry through regulations aimed at ensuring compliance with International Civil Aviation Organisation standards.
- Facilitate the development of a safe, secure and efficient maritime industry through regulations aimed at ensuring compliance with International Maritime Organisation mandatory instruments.
- Facilitate and co-ordinate improvements in regional search and rescue services by ensuring compliance with relevant international standards.

### **Programme 4: Integrated Planning and Inter-sphere Co-ordination**

**Purpose:** Manage and facilitate integrated planning and inter-sphere co-ordination for transport infrastructure and operations.

**Objectives and measures:**

- Ensure integrated transport planning and operations by establishing 3 new transport authorities in 2009.
- Improve infrastructure planning and management by implementing the road infrastructure strategic framework for South Africa (RISFSA), aimed at improving the condition of the road network, in accordance with the RISFSA action plan by March 2010.
- Co-ordinate investment in transport infrastructure and systems by monitoring and supporting the implementation of the 2010 action plan in accordance with FIFA guarantees.

### **Programme 5: Transport Logistics and Corridor Development**

**Purpose:** Manage the implementation of the transport logistics strategy and the development of freight movement corridors.

**Objectives and measures:**

- Support increased port efficiency, such as by reducing delays in freight loading and offloading, by developing the national freight information system.

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

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

**Objectives and measures:**

- Improve access to safe, reliable and affordable public transport by implementing the public transport strategy in accordance with its action plan.
- Ensure integrated and optimised public transport services by facilitating the development of integrated public transport networks and feeder and distribution systems in 9 metropolitan areas.

### **Programme 7: Public Entity Oversight and Border Operations and Control**

**Purpose:** Develop appropriate mandates and monitoring mechanisms to oversee public entities and border operations and control.

**Objectives and measures:**

- Improve oversight of the 11 public entities with border operations and control functions by developing an oversight framework, aimed at improving accountability to the relevant executive authorities, and by monitoring shareholder compact compliance.
- Monitor the role of the Cross Border Transport Agency and other transport entities involved in border operations by developing a border control framework by March 2009.

**Strategic overview and key policy developments: 2004/05 – 2010/11**

The Department of Transport's strategic goals over the medium term are to: improve transport operations; achieve the effective regulation of all modal operations; maximise benefits to all South Africans; ensure a transport system that integrates the first and second economies; and respond positively to the challenges of poverty alleviation, social inclusion and economic growth.

Aligning all modes of transport into an integrated public transport system that will facilitate access for all South Africans is critical to improving transport services and infrastructure in urban areas and expanding services to marginalised areas.

**Key policy developments***Public transport*

The public transport strategy approved by Cabinet in March 2007 maps out a framework to accelerate the transformation of public transport service delivery. The strategy articulates a vision to shift public transport service delivery away from operator controlled, commuter based, uni-modal routes to user oriented, publicly controlled, fully integrated, mass rapid public transport networks. The aim is to provide quality services along priority corridors, remove duplicate services, and provide integrated mass rapid public transport networks. This includes the transformation of the bus and rail services into a public transport system integrated with the recapitalised taxi services.

To support lower density public transport and freight logistics, Cabinet approved the draft rural transport strategy in November 2007.

The national passenger rail plan, which guides investment in key corridors to improve service levels, was approved by Cabinet in December 2006. Metrorail has been consolidated into the South African Railway Commuter Corporation and the second phase of passenger rail consolidation will incorporate Shosholoza Meyl long distance passenger rail services in April 2008.

*Roads*

The road infrastructure strategic framework for South Africa was approved by Cabinet in December 2006. Implementation of the framework and its action plan will be intensified over the MTEF period to assess, prioritise and reclassify the road network, transfer roads to the South African National Roads Agency, and roll out the programme for labour intensive road construction and maintenance in partnership with the Department of Public Works.

The national road safety strategy was approved by Cabinet in October 2006 and is being implemented through the Road Traffic Management Corporation and provinces. It aims to introduce best practice models for registering authorities, vehicle testing stations and driving licence testing centres.

The National Land Transport Transition Act (2000) was amended in 2006/07 to streamline the planning regime across all spheres of government and further drafting is underway to refine powers and functions.

### *Maritime*

The National Small Vessels Safety Regulations (2007) were promulgated in August 2007.

The minister appointed and inducted the board members for the Port Regulator. Port regulations were promulgated in November 2007.

The International Convention for the Management of Ballast Water and Sediments and the International Convention for Oil Pollution Preparedness, Response and Co-operation were approved for ratification by Cabinet in October 2007.

### *Aviation*

Cabinet approved the five-year airlift strategy in July 2006. Since its inception, there has been a remarkable shift in ensuring that regulatory measures are more effectively structured, with the end result being the facilitation of tourism growth.

The Convention for the Unification of Certain Rules for International Carriage by Air (1999) was implemented in South Africa through the Carriage by Air Amendment Act (2006), published in December 2006. The aim of this amendment is the modernisation of airline liability in line with international practice.

The Convention on International Interests in Mobile Equipment and the Protocol on Matter Specific to Aircraft Equipment were approved by Parliament. The instruments of ratification were deposited with the International Institute for the Unification of Private Law in January 2007.

### *Governance*

The Transport Agencies General Laws Amendment Act (2007), which provides for alignment in the governance of transport public entities, has been adopted by Parliament.

### *Regional engagement*

Policy responses to the Southern African Development Community (SADC) protocol on transport have been finalised into advisory document for engagement with South Africa's SADC counterparts.

### **Recent achievements**

A study on the economics of public transport subsidies was commissioned in September 2007. A study on the macroeconomic impact of transport was completed in 2006.

Vehicle safety specifications were improved and published in September 2006. The Scrapping Administrator was appointed and began with scrapping in October 2006. Over 13 000 taxis have been scrapped since then.

To improve the road safety regulatory environment, the department has trained 5 000 traffic law enforcement officers to inspect and assess dangerous cargoes.

The electronic national traffic information system (eNATIS) was deployed in April 2007 and is currently performing on average 600 000 transactions a day, having been restored to a 100 per cent availability. The newly developed central online booking system for driving licences is being piloted and was rolled out nationally in January 2008. The development of the administrative adjudication of traffic offences module, which aims to capture and cross reference infringement records with driving licence information, is 90 per cent complete and will be piloted in Tshwane from February 2008.

The rural transport development programme's principles were tested through the integrated rural mobility and access model in the three integrated sustainable rural development programme nodes, which resulted in the distribution of 47 450 bicycles.

The national freight databank was launched in October 2007. In addition, the freight monitoring framework is being developed and the landscape outline report has been delivered.

South Africa has been directed to facilitate and co-ordinate the process of establishing and improving search and rescue services in Southern African by a consultative conference in January 2008 on the integration of these services in the region.

The marine environment protection committee of the International Maritime Organisation approved South Africa's proposal to designate the waters off Southern Africa as a special area under the International Convention for the Prevention of Oil Pollution by Ships (MARPOL). This designation provides measures to protect the wildlife and marine environment in an ecologically important region used intensively by shipping.

## Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of integrated rapid public transport network operational plans by metros	-	-	-	9	12	-	-
Number of integrated rapid public transport networks offering 16-24-hour operations	-	-	-	-	-	4	12
Number of rural transport networks adopted by district municipalities	-	-	-	-	-	3	3
Number of scrapped taxis	-	-	2 000	11 400	9 180	8 600	7 940
Number of fatal road accidents	11 141	12 335	12 862	11 385	12 500	12 100	11 900
Number of bicycles distributed	7 230	9 100	10 690	20 430	120 000	140 000	500 000

## Expenditure estimates

Table 33.1 Transport

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
R thousand								
1. Administration	90 734	115 079	156 045	144 408	144 408	170 537	179 230	182 449
2. Transport Policy and Economic Regulation	16 573	33 269	19 052	33 344	27 844	37 733	40 243	40 488
3. Transport Regulation and Accident and Incident Investigation	281 641	207 670	187 577	231 374	292 774	255 863	272 466	285 766
4. Integrated Planning and Inter-sphere Co-ordination	1 509 911	2 038 722	3 103 543	5 382 034	5 144 234	7 769 453	8 735 252	11 348 334
5. Transport Logistics and Corridor Development	3 756	7 710	17 918	18 637	14 737	22 225	21 322	21 876
6. Public Transport	4 694 267	5 186 498	9 745 224	10 559 225	10 529 725	12 073 463	12 985 884	11 780 249
7. Public Entity Oversight and Border Operations and Control	82 986	2 820 944	131 083	174 910	170 710	179 254	177 577	71 197
<b>Total</b>	<b>6 679 868</b>	<b>10 409 892</b>	<b>13 360 442</b>	<b>16 543 932</b>	<b>16 324 432</b>	<b>20 508 528</b>	<b>22 411 974</b>	<b>23 730 359</b>
Change to 2007 Budget estimate				686 009	466 509	932 164	957 416	4 176 107

### Economic classification

Current payments	450 842	412 747	558 949	757 062	746 262	790 704	832 709	829 689
Compensation of employees	82 934	96 852	111 192	180 826	177 326	196 176	207 398	203 772
Goods and services	341 345	314 538	447 697	576 236	568 936	594 528	625 311	625 917
of which:								
Communication	7 421	4 601	8 861	9 683	9 683	10 743	11 475	12 163
Computer services	1 293	2 320	2 291	1 629	1 629	1 761	1 853	1 964
Consultants, contractors and special services	286 725	238 371	371 707	486 101	478 801	493 124	518 259	519 736
Inventory	6 763	10 358	8 514	15 807	15 807	17 314	18 376	19 480
Maintenance, repairs and running costs	1 168	494	1 842	1 591	1 591	1 885	1 982	2 101
Operating leases	9 753	10 844	16 116	13 189	13 189	14 318	15 024	15 928
Travel and subsistence	17 534	21 365	20 880	28 488	28 488	32 409	34 267	36 174
Municipal services	1 334	1 440	2 498	1 831	1 831	1 946	2 047	2 170
Financial transactions in assets and liabilities	26 563	1 357	60	-	-	-	-	-

**Table 33.1 Transport (continued)**

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
<b>Transfers and subsidies</b>	<b>6 214 951</b>	<b>9 973 457</b>	<b>12 763 978</b>	<b>15 744 736</b>	<b>15 544 736</b>	<b>19 675 534</b>	<b>21 533 011</b>	<b>22 851 640</b>
Provinces and municipalities	225	242 016	3 759 102	4 203 411	4 003 411	6 435 993	4 832 211	4 782 026
Departmental agencies and accounts	1 519 616	4 567 732	2 459 508	3 678 296	3 678 296	4 342 793	5 894 596	6 729 066
Universities and technikons	8 106	6 684	10 085	7 439	7 439	7 796	8 178	8 669
Public corporations and private enterprises	4 672 890	5 142 430	6 420 207	7 267 194	7 267 194	8 410 872	10 346 916	10 912 702
Foreign governments and international organisations	3 316	2 754	2 846	5 510	5 510	4 871	5 114	5 420
Non-profit institutions	10 524	11 305	12 186	12 775	12 775	14 093	15 109	16 017
Households	274	536	100 044	570 111	570 111	459 116	430 887	397 740
<b>Payments for capital assets</b>	<b>14 075</b>	<b>23 688</b>	<b>37 515</b>	<b>42 134</b>	<b>33 434</b>	<b>42 290</b>	<b>46 254</b>	<b>49 030</b>
Buildings and other fixed structures	3 433	10 323	–	38 221	30 000	38 796	42 562	45 116
Machinery and equipment	10 642	13 365	37 515	3 913	3 434	3 494	3 692	3 914
<b>Total</b>	<b>6 679 868</b>	<b>10 409 892</b>	<b>13 360 442</b>	<b>16 543 932</b>	<b>16 324 432</b>	<b>20 508 528</b>	<b>22 411 974</b>	<b>23 730 359</b>

## Expenditure trends

Expenditure growth is largely due to the 40 per cent average annual growth in public transport and road infrastructure in the *Integrated Planning and Inter-sphere Coordination* programme between 2004/05 and 2010/11. Expenditure for the department increased from R6.7 billion in 2004/05 to R16.5 billion in 2007/08 at an average annual rate of 35.3 per cent. This included a once-off transfer of R2.7 billion to the Road Accident Fund in 2005/06 and the introduction of the Gautrain Rapid Rail Link conditional grant in 2006/07 of R3.2 billion and R3 billion in 2007/08. This conditional grant provides for national government's 50 per cent contribution towards this public private partnership project.

Over the medium term, expenditure increases by an average annual rate of 12.8 per cent. Additional allocations of R2 billion in 2010/11 for public transport infrastructure and systems and R830 million for the strengthening of national roads increases the average annual growth rate over the MTEF period by 4.6 per cent.

Additional allocations over the medium term include R500 million in 2008/09, R450 million in 2009/10 and R400 million in 2010/11 for the incorporation of Shosholozha Meyl into the South African Rail Commuter Corporation (SARCC). The SARCC also receives an additional R119 million, R230 million and R736 million for rolling stock upgrade and overhaul and for signalling, in order to stabilise and sustain service levels on priority regional networks over the MTEF period.

Further allocations of R211 million in 2008/09, R161 million in 2009/10 and R106 million in 2010/11 for the taxi recapitalisation project and the development of a performance based contract model for buses add to expenditure over the medium term.

Other allocations to strengthen departmental capacity and its regulatory functions include R4 million for the development of a performance management system, R13 million for the Ports Regulator, and R15 million for the Railway Safety Regulator.

Efficiency savings of R56.8 million have been identified over the MTEF period. Of this, 80 per cent of the gains will be extracted from the goods and services under the *Integrated Planning and Inter-sphere Coordination* programme, R33.5 million will be saved from funds that were allocated for provincial capital expenditure, and R11.9 million will be saved on projects from the *Transport Planning* subprogramme. R7.5 million will be saved from the *Transport Policy and Economic Regulation* programme, due to rationalised expenditure on consultants, contractors and special services. The remaining R3.9 million will come from the goods and services budgets for foreign travel across all programmes.

## Infrastructure spending

### *Gautrain Rapid Rail Link*

Actual construction work has begun, with main activities concentrated at Johannesburg Park station, Rosebank station, Sandton station, Mushroom Farm park, Rhodesfield station, Marlboro Portal Depot located south of Midrand, and the sections between Sandton and OR Tambo International Airport. Although the delivery programme shows some delays resulting from design developments, land handovers, and approvals of project designs by third parties, the parties are confident that these delays can be absorbed. National government's contribution to the Gautrain Rapid Rail Link conditional grant amounts to R12.4 billion between 2006/07 and the end of the construction phase in 2010/11. Provincial actual payments totalled 91 per cent of the approved payment schedule in December 2007.

### *National Roads Network*

The South African National Roads Agency Limited (SANRAL) spent 28.8 per cent (or R1.8 billion) of its total roads budget after six months into the current financial year on new construction, upgrading, rehabilitation and maintenance of surfaced roads. SANRAL will also increase capital expenditure as a proportion of the total budget for national roads while performing continuous maintenance of the 16 150 km network under road maintenance contracts, resurfacing 1 476 km, strengthening 430 km and improving 188 km. Over the medium term, a further 624 km of the primary road network will be incorporated under SANRAL's jurisdiction and it will ensure that the primary road network under its jurisdiction is efficiently managed and maintained to international standards.

Estimated non-toll expenditure on roads strengthening and improvements on 3 960 kilometres of road totals R9.7 billion and maintenance amounts to R4.9 billion over the MTEF period.

### **Public transport infrastructure**

Over the current MTEF period, an additional R2 billion will be added to public transport networks, specifically bus rapid transit systems, to add to the transport infrastructure investment of R11.7 billion since 2005/6. The funding is aligned with the 2007 public transport strategy. A key planned legacy of the 2010 FIFA World Cup is a more efficient and integrated public transport system.

Critical components for achieving an integrated multi-modal metropolitan rapid transit network include developing local government network control, and managing and transforming bus and taxi services into scheduled trunk, feeder and distribution services.

Integrated public transport networks have been introduced in major cities, with cities developing operational plans to address: demand analysis; modelling of patronage; route and corridor structure and selection of feeder routes; location of stations, transfer stations, parking facilities, terminals and depots; system design and sizing; intersection design and signal phasing; and traffic impacts.

The majority of cities have chosen a bus rapid transit system, proven in developing countries worldwide to be the most cost effective and flexible mass mover. Johannesburg, Tshwane, Cape Town and Nelson Mandela Bay have made significant progress in design approvals. Stakeholder management will be key to initiating discussions with current operators regarding their role in integrated service provision.

Allocations allow for infrastructure for rapid transit systems as well as for buses for inter-city transport, reflected in the 18.7 per cent average annual growth over the MTEF period.

## Departmental receipts

Departmental receipts are derived from dividend payments received from the Airports Company of South Africa (ACSA), in which the department is a shareholder, and shared revenue from salvage tugs, which are responsible for providing oil pollution prevention services. The sharp increase in revenue in 2006/07 was the result of dividends received from ACSA amounting to R898.9 million, which included a special dividend of R667.7 million as part of a correction to ACSA's finance structure. Departmental receipts are projected to stabilise over the medium term.

**Table 33.2 Departmental receipts**

R thousand	Audited outcome			Estimate	Medium-term receipts estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Departmental receipts</b>	<b>183 596</b>	<b>235 673</b>	<b>330 424</b>	<b>191 244</b>	<b>266 008</b>	<b>279 738</b>	<b>293 845</b>
Sales of goods and services produced by department	12 460	12 370	9 662	9 814	10 685	11 635	12 333
Sales of scrap, waste and other used current goods	–	1	–	3	3	4	4
Transfers received	70	–	–	–	–	–	–
Fines, penalties and forfeits	610	36	46	–	–	–	–
Interest, dividends and rent on land	170 093	221 763	231 617	181 112	254 977	267 726	281 113
Sales of capital assets	–	87	–	–	–	–	–
Financial transactions in assets and liabilities	363	1 416	89 099	315	343	373	395
<b>Direct exchequer receipts</b>							
Special restructuring proceeds	–	–	667 661	–	–	–	–
<b>Total</b>	<b>183 596</b>	<b>235 673</b>	<b>998 085</b>	<b>191 244</b>	<b>266 008</b>	<b>279 738</b>	<b>293 845</b>

**Programme 1: Administration**

**Purpose:** Co-ordinate and provide an effective, efficient strategic support and administrative service to the minister, director-general and department.

**Expenditure estimate****Table 33.3 Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Minister <sup>1</sup>	709	843	1 297	951	1 019	1 072	1 127
Management	25 267	43 601	72 318	41 299	52 693	55 202	56 607
Corporate Services	54 269	59 284	70 777	88 935	102 583	107 290	107 482
Property Management	10 489	11 351	11 653	13 223	14 242	15 666	17 233
<b>Total</b>	<b>90 734</b>	<b>115 079</b>	<b>156 045</b>	<b>144 408</b>	<b>170 537</b>	<b>179 230</b>	<b>182 449</b>
Change to 2007 Budget estimate				–	19 072	20 581	30 182

1. Payable as from 1 April 2007. Salary: R761 053. Car allowance: R190 262.

**Economic classification**

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Current payments</b>	<b>80 363</b>	<b>106 231</b>	<b>144 440</b>	<b>135 228</b>	<b>160 916</b>	<b>169 132</b>	<b>171 744</b>
Compensation of employees	33 843	37 726	46 569	80 864	77 868	82 197	80 100
Goods and services	43 207	68 133	97 856	54 364	83 048	86 935	91 644
<i>of which:</i>							
Communication	4 574	3 552	7 340	5 117	5 384	5 664	6 004
Computer services	1 293	1 429	2 291	1 629	1 761	1 853	1 964
Consultants, contractors and special services	11 380	35 331	49 029	19 471	45 737	47 717	50 093
Inventory	1 668	2 006	3 340	2 483	2 675	2 814	2 983
Maintenance, repairs and running costs	905	385	1 716	1 349	1 582	1 664	1 764
Operating leases	9 155	9 911	15 614	12 372	13 335	14 029	14 871
Travel and subsistence	9 945	10 846	11 243	8 106	8 411	8 814	9 323
Municipal services	1 334	1 440	2 498	1 831	1 946	2 047	2 170
Financial transactions in assets and liabilities	3 313	372	15	–	–	–	–
<b>Transfers and subsidies</b>	<b>8 388</b>	<b>7 185</b>	<b>10 580</b>	<b>7 708</b>	<b>8 078</b>	<b>8 475</b>	<b>8 984</b>
Provinces and municipalities	111	139	36	–	–	–	–
Departmental agencies and accounts	65	105	105	158	166	175	186
Universities and technikons	8 106	6 684	10 085	7 439	7 796	8 178	8 669
Households	106	257	354	111	116	122	129
<b>Payments for capital assets</b>	<b>1 983</b>	<b>1 663</b>	<b>1 025</b>	<b>1 472</b>	<b>1 543</b>	<b>1 623</b>	<b>1 721</b>
Machinery and equipment	1 983	1 663	1 025	1 472	1 543	1 623	1 721
<b>Total</b>	<b>90 734</b>	<b>115 079</b>	<b>156 045</b>	<b>144 408</b>	<b>170 537</b>	<b>179 230</b>	<b>182 449</b>



Table 33.3 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Details of major transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>65</b>	<b>105</b>	<b>105</b>	<b>158</b>	<b>166</b>	<b>175</b>	<b>186</b>
Transport Education and Training Authority	65	105	105	158	166	175	186
<b>Universities and technikons</b>							
<b>Current</b>	<b>8 106</b>	<b>6 684</b>	<b>10 085</b>	<b>7 439</b>	<b>7 796</b>	<b>8 178</b>	<b>8 669</b>
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	8 106	6 684	10 085	7 439	7 796	8 178	8 669

### Expenditure trends

Expenditure grows at an average annual rate of 16.8 per cent between 2004/05 and 2007/08. The growth is due to the creation of additional subdivisions such as the legal section, internal audit and secretarial services, increases in senior management posts, and additional amounts allocated for communication services and fraud prevention. Expenditure increased from R115 million in 2005/06 to R156 million in 2006/07 due to reprioritisation of funds from other programmes to cater for October Transport Month, World Remembrance Day, and Arrive Alive campaigns. Goods and services increased by 43.6 per cent, from R68.1 million in 2005/06 to R97.9 million in 2006/07 due to payments made to organisers of these events. R3 million was rolled over for capacity development.

Over the medium term, expenditure grows by an average annual rate of 8.1 per cent. This lower growth rate is due to the re-allocation of R6.6 million in 2008/09 for compensation of employees to other departmental programmes.

### Programme 2: Transport Policy and Economic Regulation

**Purpose:** Develop integrated transport policies, regulate the economic efficiency of the transport sector, manage a national innovative research and development programme, develop appropriate legislation, and provide economic advice and analysis for all modes of transport.

- *Transport Policy Analysis* ensures that transport policy is developed, analysed and implemented, and monitors the impact and performance of the transport system.
- *Transport Economic Analysis* collates and analyses critical supply and demand side data for all modes of transport, and provides economic data for the department's priority areas.
- *Legislation* collates and converts information from policies into legislation.
- *Research and Development* promotes innovation and technology and the advancement of transport services and operations through research and knowledge management.
- *Economic Regulation* is responsible for refining and developing regulatory strategies on competition, pricing and investment to improve the performance of the transport system.
- *Administration Support*.

## Expenditure estimates

**Table 33.4 Transport Policy and Economic Regulation**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Transport Policy Analysis	4 311	6 622	3 650	7 173	7 733	8 238	8 288
Transport Economic Analysis	4 060	4 042	8 048	9 399	10 352	11 028	11 069
Legislation	714	3 791	1 171	4 019	3 491	3 708	3 728
Research and Development	4 300	4 418	4 470	5 924	7 766	8 295	8 342
Administration Support	3 188	14 396	1 552	5 021	5 092	5 514	5 633
Economic Regulation	–	–	161	1 808	3 299	3 460	3 428
<b>Total</b>	<b>16 573</b>	<b>33 269</b>	<b>19 052</b>	<b>33 344</b>	<b>37 733</b>	<b>40 243</b>	<b>40 488</b>
Change to 2007 Budget estimate				1 808	4 547	4 161	2 241
<b>Economic classification</b>							
<b>Current payments</b>	<b>16 244</b>	<b>32 563</b>	<b>18 843</b>	<b>32 929</b>	<b>37 297</b>	<b>39 753</b>	<b>39 968</b>
Compensation of employees	9 255	14 215	12 676	17 084	22 302	23 631	23 294
Goods and services	6 986	18 346	6 166	15 845	14 995	16 122	16 674
of which:							
Communication	672	253	185	503	587	657	696
Computer services	–	859	–	–	–	–	–
Consultants, contractors and special services	1 864	3 241	3 672	9 333	8 650	9 096	9 277
Inventory	419	1 496	331	782	813	910	965
Maintenance, repairs and running costs	18	21	29	75	88	99	105
Operating leases	32	87	32	91	96	102	108
Travel and subsistence	1 241	1 736	620	1 672	1 419	1 510	1 550
Financial transactions in assets and liabilities	3	2	1	–	–	–	–
<b>Transfers and subsidies</b>	<b>21</b>	<b>86</b>	<b>72</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	21	39	21	–	–	–	–
Households	–	47	51	–	–	–	–
<b>Payments for capital assets</b>	<b>308</b>	<b>620</b>	<b>137</b>	<b>415</b>	<b>436</b>	<b>490</b>	<b>520</b>
Machinery and equipment	308	620	137	415	436	490	520
<b>Total</b>	<b>16 573</b>	<b>33 269</b>	<b>19 052</b>	<b>33 344</b>	<b>37 733</b>	<b>40 243</b>	<b>40 488</b>

## Expenditure trends

Expenditure increased from R16.6 million in 2004/05 to R33.3 million in 2007/08, at an average annual rate of 26.2 per cent. In 2005/06, expenditure in administration support was high, as a result of a R13.4 million rollover and the reprioritisation of savings from other programmes to fund the air transport conference of African Union ministers of transport, hosted by South Africa in May 2005, which resulted in increased expenditure in goods and services due to payments to service providers for the event. Expenditure on consultants, contractors and special services increased by 154.1 per cent and compensation of employees by 34.8 per cent between 2006/07 and 2007/08.

Expenditure over the medium term is expected to grow and stabilise at an average annual rate of 6.7 per cent from R33.3 million in 2007/08 to R40.5 million in 2010/11. Expenditure growth is mainly due to a budget structure change, with the *Economic Regulation* subprogramme being shifted from the *Public Entity Oversight and Border Operations and Control* programme to this programme, the expansion of the economic analysis and research functions, and anticipated increased expenditure on contractors, consultants and special services as the development of the policy frameworks is to be outsourced.

## Programme 3: Transport Regulation and Accident and Incident Investigation

**Purpose:** Create an enabling regulatory environment in the areas of safety, security and environmental compliance, and manage accident and incident investigations in all modes of transport.

- *Road Transport Regulation*, through its road traffic management oversight role, enables, co-ordinates and promotes activities which include: the review and development of road transport legislation, standards and guidelines; the management of safety information systems and programmes; the management of the national traffic information system legislation; and the oversight of the national vehicle inspectorates.
- *Civil Aviation Regulation* facilitates the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards. It creates an enabling regulatory environment for promoting and developing domestic and international air transport for passengers and freight.
- *Maritime Regulation* facilitates the development of an economically viable maritime industry that is safe, secure, efficient, environmentally friendly and compliant with international standards. It creates an enabling environment for promoting and developing international and domestic maritime transport for passengers and freight and also provides an oil pollution prevention service.
- *Rail Transport Regulation* develops, implements and maintains strategies and regulatory frameworks to ensure improved safety and efficiency in rail passenger and freight transport.
- *Accident and Incident Investigation* collects, maintains and analyses data, and distributes regular reports on accidents and incidents in all modes of transport as an aid to strategic planning and measuring the success of policies.
- *Administration Support*.

## Expenditure estimates

**Table 33.5 Transport Regulation and Accident and Incident Investigation**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Road Transport Regulation	177 221	106 973	78 523	107 254	118 751	124 637	130 890
Civil Aviation Regulation	10 533	12 130	12 916	15 396	18 539	19 627	19 916
Maritime Regulation	57 107	52 292	60 359	58 811	58 547	63 319	66 433
Rail Transport Regulation	3 583	350	342	6 060	9 882	10 739	11 282
Accident and Incident Investigation	26 210	26 055	30 391	39 201	45 156	48 766	51 417
Administration Support	6 987	9 870	5 046	4 652	4 988	5 378	5 828
<b>Total</b>	<b>281 641</b>	<b>207 670</b>	<b>187 577</b>	<b>231 374</b>	<b>255 863</b>	<b>272 466</b>	<b>285 766</b>
Change to 2007 Budget estimate				(12 431)	9 281	8 370	6 142

### Economic classification

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Current payments</b>	<b>264 514</b>	<b>199 305</b>	<b>178 548</b>	<b>218 955</b>	<b>244 282</b>	<b>260 296</b>	<b>272 866</b>
Compensation of employees	21 395	21 522	22 575	29 876	32 222	33 967	33 727
Goods and services	220 790	176 800	155 929	189 079	212 060	226 329	239 139
<i>of which:</i>							
Communication	1 241	461	524	705	763	857	908
Computer services	–	7	–	–	–	–	–
Consultants, contractors and special services	208 516	159 682	144 681	177 877	200 191	213 381	225 751
Inventory	4 053	5 824	1 141	1 490	1 566	1 713	1 816
Maintenance, repairs and running costs	72	32	43	63	85	93	99
Operating leases	358	583	241	310	405	443	472
Travel and subsistence	4 084	5 079	4 993	6 781	7 083	7 713	8 156
Financial transactions in assets and liabilities	22 329	983	44	–	–	–	–
<b>Transfers and subsidies</b>	<b>9 916</b>	<b>7 938</b>	<b>8 407</b>	<b>11 273</b>	<b>11 009</b>	<b>11 544</b>	<b>12 237</b>
Provinces and municipalities	46	57	5	–	–	–	–
Departmental agencies and accounts	5 874	4 300	4 558	4 786	5 023	5 273	5 589
Foreign governments and international organisations	3 316	2 754	2 846	5 510	4 871	5 114	5 420
Non-profit institutions	524	705	950	977	1 115	1 157	1 228
Households	156	122	48	–	–	–	–
<b>Payments for capital assets</b>	<b>7 211</b>	<b>427</b>	<b>622</b>	<b>1 146</b>	<b>572</b>	<b>626</b>	<b>663</b>
Machinery and equipment	7 211	427	622	1 146	572	626	663
<b>Total</b>	<b>281 641</b>	<b>207 670</b>	<b>187 577</b>	<b>231 374</b>	<b>255 863</b>	<b>272 466</b>	<b>285 766</b>

**Table 33.5 Transport Regulation and Accident and Incident Investigation (continued)**

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Details of major transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>5 874</b>	<b>4 300</b>	<b>4 558</b>	<b>4 786</b>	<b>5 023</b>	<b>5 273</b>	<b>5 589</b>
Independent Port Regulator	–	–	–	–	–	–	–
South African Maritime Safety Authority - Maritime Rescue Co-ordination Centre	3 874	4 300	4 558	4 786	5 023	5 273	5 589
Cross Border Agency	2 000	–	–	–	–	–	–
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>3 316</b>	<b>2 754</b>	<b>2 846</b>	<b>5 510</b>	<b>4 871</b>	<b>5 114</b>	<b>5 420</b>
Membership Fees: African Civil Aviation Commission	–	–	–	668	701	736	780
Membership Fees: Cospas Sarsat Contribution	278	242	259	300	315	331	351
Membership Fees: Indian Ocean Memorandum of Understanding	–	155	177	201	211	222	235
Membership Fees: International Civil Aviation Organisation	2 169	2 079	1 986	3 429	2 687	2 821	2 990
Membership Fees: International Maritime Organisation	869	278	424	912	957	1 004	1 064
<b>Non-profit institutions</b>							
<b>Current</b>	<b>524</b>	<b>705</b>	<b>950</b>	<b>977</b>	<b>1 115</b>	<b>1 157</b>	<b>1 228</b>
Hamnet	–	50	50	53	55	58	62
Mountain Club of South Africa	–	50	50	53	55	58	62
National Sea Rescue Institute	524	555	800	818	950	983	1 042
Off Road Rescue	–	50	50	53	55	58	62

### Expenditure trends

Expenditure in the programme is expected to grow at an average annual rate of 7.3 per cent, from R231.4 million in 2007/08 to R285.8 million in 2010/11, due to increased expenditure on consultants, contractors and special services, which increases by an average annual rate of 8.3 per cent over the MTEF period.

Expenditure on goods and services decreased at an average annual rate of 5 per cent from R220.8 million in 2004/05 to R189 million in 2007.08. Expenditure on the national traffic information system (NATIS) was significantly higher in 2004/05 and 2005/06. This was due to the combined expenditure on maintenance of the old system and the development of eNATIS, resulting in a once-off allocation of R50 million for NATIS in 2004/05 and the reprioritisation of R18 million in 2005/06 to fund a shortfall for NATIS functions. Expenditure on financial transactions in assets and liabilities in 2004/05 was due to payments to the special investigation unit for services rendered for preventing fraud at the driving licence and testing centres.

Expenditure increased from R187.6 million in 2006/07 to R231.4 million in 2007/08 due to under expenditure in 2006/07 of R26.7 million, mainly due to the reclassification of R18.5 million from an expense for the special investigation unit to a prepayment.

### Programme 4: Integrated Planning and Inter-sphere Co-ordination

**Purpose:** Manage and facilitate integrated planning and inter-sphere co-ordination for transport infrastructure and operations.

- *Transport Planning* is responsible for: implementing the National Land Transport Transition Act (2000), providing planning support for and facilitating municipal and provincial transport plans, ensuring the restructuring of transport operations, and ensuring that transport plans are integrated across the spheres of government.

- *Integrated Delivery Programme* supports key national programmes such as the integrated sustainable rural development programme, the urban renewal programme, the rural transport programme and the expanded public works programme. It is also responsible for establishing transport authorities and managing the Transport Appeal Tribunal.
- *Integrated Infrastructure and Network Development* reviews transport infrastructure plans, provides infrastructure planning support, develops frameworks and strategies for infrastructure development, implements support for infrastructure projects, co-ordinates and implements infrastructure provision, develops systems and processes for infrastructure management, contributes to regional transport infrastructure development for all modes of transport, and oversees the South African National Roads Agency.
- *2010 FIFA World Cup Co-ordination* facilitates co-ordinated planning for transport infrastructure operations for the 2010 FIFA World Cup and beyond. This includes administering the public transport infrastructure and systems grant to host cities.
- *Administration Support*.

## Expenditure estimates

**Table 33.6 Integrated Planning and Inter-sphere Co-ordination**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Transport Planning	45 915	6 381	7 412	27 427	27 443	28 765	29 170
Integrated Delivery Programme	1 128	5 919	13 996	47 751	51 932	56 307	58 955
Integrated Infrastructure and Network Development	1 450 037	1 783 154	2 380 420	3 498 382	4 180 526	5 640 035	6 785 468
2010 FIFA World Cup Co-ordination	–	241 710	699 266	1 802 469	3 503 246	3 003 408	4 467 847
Administration Support	12 831	1 558	2 449	6 005	6 306	6 737	6 894
<b>Total</b>	<b>1 509 911</b>	<b>2 038 722</b>	<b>3 103 543</b>	<b>5 382 034</b>	<b>7 769 453</b>	<b>8 735 252</b>	<b>11 348 334</b>
Change to 2007 Budget estimate				2 100	9 838	12 407	2 817 618
<b>Economic classification</b>							
<b>Current payments</b>	<b>18 407</b>	<b>19 760</b>	<b>43 169</b>	<b>171 366</b>	<b>177 129</b>	<b>192 143</b>	<b>172 500</b>
Compensation of employees	9 745	11 611	14 817	24 074	28 738	30 175	29 630
Goods and services	8 661	8 149	28 352	147 292	148 391	161 968	142 870
<i>of which:</i>							
Communication	382	85	550	2 987	3 596	3 945	4 182
Computer services	–	14	–	–	–	–	–
Consultants, contractors and special services	5 729	4 081	22 175	119 956	114 083	124 362	109 857
Inventory	380	447	1 912	8 561	9 631	10 566	11 200
Maintenance, repairs and running costs	100	14	7	34	48	53	56
Operating leases	123	98	22	95	112	123	130
Travel and subsistence	1 307	1 837	2 184	9 067	12 528	13 711	14 512
Financial transactions in assets and liabilities	1	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>1 487 389</b>	<b>1 998 239</b>	<b>3 025 153</b>	<b>5 171 929</b>	<b>7 552 974</b>	<b>8 499 939</b>	<b>11 130 073</b>
Provinces and municipalities	27	241 745	518 030	1 174 000	3 170 000	2 325 000	4 464 500
Departmental agencies and accounts	1 485 755	1 756 479	2 328 075	3 521 929	4 172 974	5 724 939	6 665 573
Public corporations and private enterprises	1 600	–	179 000	476 000	210 000	450 000	–
Households	7	15	48	–	–	–	–
<b>Payments for capital assets</b>	<b>4 115</b>	<b>20 723</b>	<b>35 221</b>	<b>38 739</b>	<b>39 350</b>	<b>43 170</b>	<b>45 761</b>
Buildings and other fixed structures	3 433	10 323	–	38 221	38 796	42 562	45 116
Machinery and equipment	682	10 400	35 221	518	554	608	645
<b>Total</b>	<b>1 509 911</b>	<b>2 038 722</b>	<b>3 103 543</b>	<b>5 382 034</b>	<b>7 769 453</b>	<b>8 735 252</b>	<b>11 348 334</b>

Table 33.6 Integrated Planning and Inter-sphere Co-ordination (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Details of major transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	<b>27</b>	<b>35</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Regional Services Council levies	27	35	10	-	-	-	-
<b>Capital</b>	<b>-</b>	<b>241 710</b>	<b>518 020</b>	<b>1 174 000</b>	<b>3 170 000</b>	<b>2 325 000</b>	<b>4 464 500</b>
Public transport infrastructure and systems grant	-	241 710	518 020	1 174 000	3 170 000	2 325 000	4 464 500
<b>Departmental agencies and accounts</b>							
South African National Roads Agency Ltd	937 455	1 187 387	1 494 123	1 962 579	2 266 030	2 792 957	2 969 672
South African National Roads Agency Ltd: NMT (bicycle)	-	3 759	-	-	-	-	-
<b>Capital</b>	<b>548 300</b>	<b>565 333</b>	<b>833 952</b>	<b>1 559 350</b>	<b>1 906 944</b>	<b>2 931 982</b>	<b>3 695 901</b>
South African National Roads Agency Ltd	504 276	565 333	832 952	1 429 350	1 806 944	2 731 982	3 695 901
Urban Transport Fund	44 024	-	-	-	-	-	-
South African National Roads Agency Ltd: Public transport infrastructure and systems grant	-	-	-	130 000	100 000	200 000	-
Cross Border Road Transportation Agency: Public transport infrastructure and systems grant	-	-	1 000	-	-	-	-
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	<b>1 600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
National Land Transport Transition Act	1 600	-	-	-	-	-	-
<b>Capital</b>	<b>-</b>	<b>-</b>	<b>179 000</b>	<b>476 000</b>	<b>210 000</b>	<b>450 000</b>	<b>-</b>
South African Rail Commuter Corporation: Public transport infrastructure and systems grant	-	-	179 000	476 000	210 000	450 000	-

## Expenditure trends

Expenditure increased rapidly, at an average annual rate of 52.8 per cent, from R1.5 billion in 2004/05 to R5.4 billion in 2007/08. The high growth rate is due to the introduction of the public transport infrastructure and systems grant (PTIS) in 2005/06 and increases in the allocations to SANRAL. There was an additional R1.9 billion allocation to baseline expenditure for the PTIS while the allocation to the SANRAL grew at an average annual rate of 34.7 per cent.

Over the medium term, expenditure will increase from R5.4 billion in 2007/08 to R11.3 billion in 2010/11, at an average annual rate of 28.2 per cent. Expenditure on the development, upgrading and maintenance of national roads through transfers to SANRAL, together with allocations for public transport infrastructure through the public transport infrastructure and systems grant accounted for 95.5 per cent of programme expenditure in 2004/05, increasing to 98.1 per cent of expenditure in 2010/11.

Transfers to SANRAL are expected to rise to R6.7 billion in 2010/11, including an additional allocation of R863 million over the MTEF period for strengthening national roads. Allocations towards national road and rail infrastructure for the 2010 FIFA World Cup total R960 million over the MTEF period and a further R2 billion is allocated to the PTIS grant in 2010/11.

Increases in expenditure on goods and services from R28.4 million in 2006/07 to R147 million in 2007/08 were largely due to allocations for rural transport projects, municipal assistance for the development of integrated transport plans, as well as additional allocations for the development of a monitoring, evaluation and reporting framework for the public transport infrastructure and systems grant.

Expenditure on compensation of employees also grew rapidly from R9.7 million in 2004/05 to R24.1 million in 2007/08, as a result of the department's restructuring in 2004. In 2005/06 and 2006/07, the budget for compensation of employees was underspent by 30.1 per cent and 18.8 per cent respectively, because of posts that were not filled.

## Programme 5: Transport Logistics and Corridor Development

**Purpose:** Manage the implementation of the transport logistics strategy and the development of freight movement corridors.

- *National Freight Logistics Strategy* is responsible for developing strategies to unblock bottlenecks in the freight logistics system. It will oversee the implementation of a national freight logistics strategy by co-ordinating integrated infrastructure planning, forecasting demand and undertaking scenario planning.
- *Eastern Corridor* and *Western Corridor* implement projects in the freight corridors. These will aim to improve the efficiency of the corridors and integrate secondary and tertiary corridors into a seamless logistics system that supports the geographic expansion of economic activity in South Africa and the SADC region.
- *Administration Support*.

### Expenditure estimates

**Table 33.7 Transport Logistics and Corridor Development**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
National Freight Logistics Strategy	3 756	1 351	7 189	7 061	8 004	7 569	7 747
Eastern Corridor	–	4 973	7 536	4 796	5 175	4 620	4 707
Western Corridor	–	1 293	2 552	4 260	6 422	6 693	6 956
Administration Support	–	93	641	2 520	2 624	2 440	2 466
<b>Total</b>	<b>3 756</b>	<b>7 710</b>	<b>17 918</b>	<b>18 637</b>	<b>22 225</b>	<b>21 322</b>	<b>21 876</b>
Change to 2007 Budget estimate				149	2 598	3 303	2 776

### Economic classification

<b>Current payments</b>	<b>3 714</b>	<b>7 657</b>	<b>17 780</b>	<b>18 572</b>	<b>22 155</b>	<b>21 268</b>	<b>21 819</b>
Compensation of employees	544	2 514	3 913	7 933	10 791	11 960	12 010
Goods and services	3 170	5 143	13 867	10 639	11 364	9 308	9 809
<i>of which:</i>							
Communication	–	72	120	173	184	143	152
Consultants, contractors and special services	3 170	3 338	12 965	9 239	9 866	8 168	8 608
Inventory	–	185	134	197	204	159	169
Maintenance, repairs and running costs	–	5	10	14	19	15	16
Operating leases	–	2	35	65	81	63	67
Travel and subsistence	–	1 010	429	596	593	435	454
<b>Transfers and subsidies</b>	<b>2</b>	<b>44</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	2	9	3	–	–	–	–
Households	–	35	4	–	–	–	–
<b>Payments for capital assets</b>	<b>40</b>	<b>9</b>	<b>131</b>	<b>65</b>	<b>70</b>	<b>54</b>	<b>57</b>
Machinery and equipment	40	9	131	65	70	54	57
<b>Total</b>	<b>3 756</b>	<b>7 710</b>	<b>17 918</b>	<b>18 637</b>	<b>22 225</b>	<b>21 322</b>	<b>21 876</b>

### Expenditure trends

Expenditure grew from R3.8 million in 2004/05 to R18.6 million in 2007/08, at an average annual rate of 70.6 per cent. This was due to additional allocations of R5 million in 2005/06 and R10 million in 2006/07 for developing freight logistics strategies and information systems. In 2005/06, the *Eastern Corridor* and *Western Corridor* subprogrammes were introduced to facilitate the implementation of the strategy, which contributed to growth in expenditure.

Expenditure on compensation of employees increased from R3.9 million in 2006/07 to R7.9 million in 2007/08 due to the expansion of the programme and filling of vacant posts. During this period, expenditure on consultants decreased by 28.7 per cent after an increase between 2005/06 and 2006/07 of 288.4 per cent.

Expenditure over the medium term is expected to grow at an average annual rate of 5.5 per cent, from R18.6 million in 2007/08 to R21.9 million in 2010/11. Expenditure increases at a slower rate due to the shifting of the *Border Operations and Control* subprogramme to the *Public Entity Oversight and Border Control* as well as co-funding by provinces for the further development and implementation of the freight logistics strategy.

## Programme 6: Public Transport

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

- *Public Transport Strategy and Monitoring* is responsible for developing public transport strategies and leading the initiation of related implementation projects. Its main priority is to oversee the implementation of the public transport strategy.
- *Public Transport Management* oversees the payment of bus subsidies and facilitates the transformation of the subsidised bus industry and system. It oversees the payment of rail commuter subsidies, manages the passenger rail integration process, drives projects to improve public transport infrastructure and facilitates the optimisation of the rail commuter system through the development of the rail and bus plans.
- *Taxi Recapitalisation Project Office* manages taxi related matters, liaises with the taxi industry, intervenes to ensure that the formalisation process is on track, facilitates training and development in the taxi industry, and develops the regulatory framework for the taxi sector. The implementation of the taxi recapitalisation project is one the key priorities.
- *Public Transport Business Development* develops the business case for public transport while concentrating on the commuter rail merger, turnaround strategies for passenger rail, the integration of public transport operations to maximise the subsidy, and developing the business case and analysis for new public transport developments.
- *Administration Support*.

## Expenditure estimates

Table 33.8 Public Transport

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Public Transport Strategy and Monitoring	–	2 043	4 663	3 785	9 369	9 362	4 193
Public Transport Management	4 671 683	5 150 417	9 505 130	9 552 788	11 481 398	12 418 358	11 244 690
Taxi Recapitalisation Project Office	10 000	28 408	231 784	995 809	574 702	550 475	523 537
Public Transport Business Development	–	380	–	1 207	1 970	1 954	1 973
Administration Support	12 584	5 250	3 647	5 636	6 024	5 735	5 856
<b>Total</b>	<b>4 694 267</b>	<b>5 186 498</b>	<b>9 745 224</b>	<b>10 559 225</b>	<b>12 073 463</b>	<b>12 985 884</b>	<b>11 780 249</b>
Change to 2007 Budget estimate				664 000	875 601	896 584	1 305 709
<b>Economic classification</b>							
<b>Current payments</b>	<b>12 683</b>	<b>33 176</b>	<b>152 110</b>	<b>156 689</b>	<b>134 474</b>	<b>136 907</b>	<b>137 480</b>
Compensation of employees	5 864	7 523	8 566	14 712	16 873	17 716	17 398
Goods and services	5 902	25 653	143 544	141 977	117 601	119 191	120 082
<i>of which:</i>							
Communication	279	156	142	195	226	206	218
Computer services	–	10	–	–	–	–	–
Consultants, contractors and special services	4 216	21 524	137 242	133 619	107 906	110 397	110 781
Inventory	162	399	1 656	2 289	2 419	2 209	2 342
Maintenance, repairs and running costs	73	31	37	56	63	58	61
Operating leases	57	149	169	231	264	241	255
Travel and subsistence	560	691	1 374	1 865	2 031	1 795	1 882
Financial transactions in assets and liabilities	917	–	–	–	–	–	–



Table 33.8 Public Transport (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Transfers and subsidies</b>	<b>4 681 310</b>	<b>5 153 112</b>	<b>9 592 958</b>	<b>10 402 403</b>	<b>11 938 843</b>	<b>12 848 844</b>	<b>11 642 628</b>
Provinces and municipalities	15	22	3 241 007	3 029 411	3 265 993	2 507 211	317 526
Public corporations and private enterprises	4 671 290	5 142 430	6 241 207	6 791 194	8 200 872	9 896 916	10 912 702
Non-profit institutions	10 000	10 600	11 236	11 798	12 978	13 952	14 789
Households	5	60	99 508	570 000	459 000	430 765	397 611
<b>Payments for capital assets</b>	<b>274</b>	<b>210</b>	<b>156</b>	<b>133</b>	<b>146</b>	<b>133</b>	<b>141</b>
Machinery and equipment	274	210	156	133	146	133	141
<b>Total</b>	<b>4 694 267</b>	<b>5 186 498</b>	<b>9 745 224</b>	<b>10 559 225</b>	<b>12 073 463</b>	<b>12 985 884</b>	<b>11 780 249</b>
<b>Details of major transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial revenue funds</b>							
<b>Capital</b>	-	-	<b>3 241 000</b>	<b>3 029 411</b>	<b>3 265 993</b>	<b>2 507 211</b>	<b>317 526</b>
Gautrain rapid rail link	-	-	3 241 000	3 029 411	3 265 993	2 507 211	317 526
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Subsidies on production or products</b>							
<b>Current</b>	<b>1 843 550</b>	<b>2 156 377</b>	<b>2 751 274</b>	<b>2 259 119</b>	<b>3 003 590</b>	<b>3 163 957</b>	<b>3 280 765</b>
South African Rail Commuter Corporation	1 843 550	2 156 377	2 751 274	2 259 119	3 003 590	3 163 957	3 280 765
<b>Capital</b>	<b>655 000</b>	<b>688 300</b>	<b>1 029 598</b>	<b>1 696 078</b>	<b>2 367 686</b>	<b>3 684 144</b>	<b>4 393 193</b>
South African Rail Commuter Corporation	655 000	688 300	1 029 598	1 696 078	2 367 686	3 684 144	4 393 193
<b>Public corporations and private enterprises</b>							
<b>Private enterprises</b>							
<b>Subsidies on production or products</b>							
<b>Current</b>	<b>2 172 740</b>	<b>2 297 753</b>	<b>2 460 335</b>	<b>2 835 997</b>	<b>2 829 596</b>	<b>3 048 815</b>	<b>3 238 744</b>
Bus subsidies	2 172 740	2 297 753	2 460 335	2 835 997	2 829 596	3 048 815	3 238 744
<b>Nonprofit institutions</b>							
<b>Current</b>	<b>10 000</b>	<b>10 600</b>	<b>11 236</b>	<b>11 798</b>	<b>12 978</b>	<b>13 952</b>	<b>14 789</b>
Taxi : SANTACO	10 000	10 600	11 236	11 798	12 978	13 952	14 789
<b>Other transfers to households</b>							
<b>Current</b>	-	-	<b>99 500</b>	<b>570 000</b>	<b>459 000</b>	<b>430 765</b>	<b>397 611</b>
Taxi Recapitalisation	-	-	99 500	570 000	459 000	430 765	397 611

## Expenditure trends

Expenditure in this programme is dominated by transfers mainly in the *Public Transport Management* subprogramme for the Gautrain Rapid Rail Link, the South African Rail Commuter Corporation (SARCC), bus subsidies and in the *Taxi Recapitalisation Project Office* subprogramme for taxi recapitalisation. Occurring mainly in these two subprogrammes, expenditure grew rapidly from R4.7 billion in 2004/05 to R10.6 billion in 2007/08, at an average annual rate of 31 per cent. This was due to the introduction of national government's contribution to the Gautrain Rapid Rail Link, the taxi recapitalisation programme in 2006/07, as well as additional allocations to the SARCC for passenger rail infrastructure and operations.

An increase in goods and services from R5.9 million in 2004/05 to R25.7 million in 2005/06 was due to additional allocations for taxi operating licence conversions as well as provincial assistance with taxi permit conversions. In 2006/07, an additional R41.8 million was allocated for planning and systems development, and R22.9 million was spent from rollover funds for service providers assisting the department with the rollout and implementation of the taxi recapitalisation programme and for the provinces to finalise the permit conversion process. R68 million was also reprioritised in 2006/07 for setting up the taxi scrapping administrator. Expenditure on goods and services in 2007/08 included a once-off allocation of R20 million for a feasibility study on a rail public private partnership and a rolled over amount of R25 million for marketing and communication of the taxi recapitalisation project.

Additional allocations over the MTEF period (2008/09, 2009/10 and 2010/11) include:

- R118.6 million, R230.3 million and R736.1 million to the SARCC for passenger rail infrastructure
- R500 million, R450 million and R400 million for the incorporation of Shosholoza Meyl into the SARCC
- R478 over the MTEF period for scrapping, regulation and training for the taxi recapitalisation as well as for the development of a performance based contract model for buses.

Expenditure on passenger rail subsidies and rail capital, excluding the allocations for the incorporation of Shosholoza Meyl into the SARCC, is expected to rise at an average annual rate of 19.5 per cent, from R2.5 billion in 2004/05 to R7.3 billion in 2010/11. This increase represents part of the increase in the *Public Transport Management* subprogramme under transfers to the SARCC.

As part of transfer payments, bus subsidies in the *Public Transport Management* subprogramme increased at an average annual rate of 9.3 per cent, from R2.2 billion in 2004/05 to R2.8 billion in 2007/08, due to an additional allocation of R300 million in 2007/08 to cover increases for the growing demand for and use of public transport. Over the MTEF period, expenditure is expected to increase at an average annual rate of 4.5 per cent to R3.2 billion in 2010/11.

Transfer payments for the taxi recapitalisation project, reflected as other transfers to households in the *Taxi Recapitalisation Project Office* subprogramme, started in 2006/07 with expenditure of R99.5 million. Expenditure for the scrapping of taxis is expected to increase to R570 million in 2007/08, and then gradually reduce to R397.6 million in 2010/11 as the scrapping of old taxi vehicles reaches its completion phase.

## Programme 7: Public Entity Oversight and Border Control

**Purpose:** Develop appropriate mandates and monitoring mechanisms to oversee public entities and border operations and control.

- *Public Entity Oversight* oversees public entities' compliance with government policy, in relation to their strategies, business plans, corporate governance, financial management and operational plans, through monitoring and evaluation processes. It also manages the reform and development of public entities to improve service delivery.
- *Border Operations and Control* is responsible for the oversight and monitoring of border control activities in line with the oversight framework.
- *Administration Support*.

### Expenditure estimates

**Table 33.9 Public Entity Oversight and Border Operations and Control**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Public Entity Oversight	79 507	2 819 444	130 838	170 361	173 881	172 313	65 912
Border Operations and Control	–	–	–	2 047	2 282	2 238	2 230
Administration	3 479	1 500	245	2 502	3 091	3 026	3 055
<b>Total</b>	<b>82 986</b>	<b>2 820 944</b>	<b>131 083</b>	<b>174 910</b>	<b>179 254</b>	<b>177 577</b>	<b>71 197</b>
Change to 2007 Budget estimate				30 383	11 227	12 010	11 439

Table 33.9 Public Entity Oversight and Border Operations and Control (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Economic classification</b>							
<b>Current payments</b>	<b>54 917</b>	<b>14 055</b>	<b>4 059</b>	<b>23 323</b>	<b>14 451</b>	<b>13 210</b>	<b>13 312</b>
Compensation of employees	2 288	1 741	2 076	6 283	7 382	7 752	7 613
Goods and services	52 629	12 314	1 983	17 040	7 069	5 458	5 699
<i>of which:</i>							
Communication	273	22	–	3	3	3	3
Computer services	–	1	–	–	–	–	–
Consultants, contractors and special services	51 850	11 174	1 943	16 606	6 691	5 138	5 369
Inventory	81	1	–	5	6	5	5
Maintenance, repairs and running costs	–	6	–	–	–	–	–
Operating leases	28	14	3	25	25	23	25
Travel and subsistence	397	166	37	401	344	289	297
<b>Transfers and subsidies</b>	<b>27 925</b>	<b>2 806 853</b>	<b>126 801</b>	<b>151 423</b>	<b>164 630</b>	<b>164 209</b>	<b>57 718</b>
Provinces and municipalities	3	5	–	–	–	–	–
Departmental agencies and accounts	27 922	2 806 848	126 770	151 423	164 630	164 209	57 718
Households	–	–	31	–	–	–	–
<b>Payments for capital assets</b>	<b>144</b>	<b>36</b>	<b>223</b>	<b>164</b>	<b>173</b>	<b>158</b>	<b>167</b>
Machinery and equipment	144	36	223	164	173	158	167
<b>Total</b>	<b>82 986</b>	<b>2 820 944</b>	<b>131 083</b>	<b>174 910</b>	<b>179 254</b>	<b>177 577</b>	<b>71 197</b>
<b>Details of major transfers and subsidies</b>							
<b>Departmental agencies and accounts</b>							
<b>Social security funds</b>							
<b>Current</b>	<b>–</b>	<b>2 700 000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Road Accident Fund	–	2 700 000	–	–	–	–	–
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>27 922</b>	<b>106 848</b>	<b>126 770</b>	<b>151 423</b>	<b>164 630</b>	<b>164 209</b>	<b>57 718</b>
Railway Safety Regulator	15 000	20 000	21 200	27 260	33 361	34 523	30 994
Road Traffic Management Corporation	–	73 150	90 450	97 774	103 888	99 192	–
South African Maritime Safety Authority	6 894	7 308	7 747	8 133	8 535	8 959	9 497
South African Civil Aviation Authority	6 028	6 390	7 373	7 112	7 464	7 836	8 306
Independent Port Regulator	–	–	–	11 144	11 382	13 699	8 921

## Expenditure trends

Expenditure rose from R83 million in 2004/05 to R174.9 million in 2007/08, at an average annual rate of 28.2 per cent. The high growth rate is mainly in the *Public Entity Oversight* subprogramme. This is largely due to a once-off allocation in 2005/06 of R2.7 billion as a transfer payment to the Road Accident Fund (RAF) to address its liquidity crisis, resulting from the scheduling of payments to claimants and debt associated with the diesel rebate due to the South African Revenue Service. Other increases in 2007/08 include funding for and operationalisation of the Independent Ports Regulator of R11.1 million in 2007/08, an increase in the allocation to the Railway Safety Regulator of R5 million, and rollovers of R14 million in 2007/08 for the restructuring of the Road Accident Fund.

Expenditure on goods and services in 2004/05 and 2005/06 was high due to allocations for the Road Traffic Management Corporation (RTMC) functions, which were performed within the department, as well as the allocation for setting up the Rail Safety Regulator. Expenditure decreased from R52.6 million in 2004/05 to R1.9 million in 2006/07. This reduction in expenditure is mainly due to expenditure on the Arrive Alive campaign. The communications function was subsequently transferred to the RTMC in 2006/07 and the budget allocations were included in transfer payments to the RTMC.

Excluding the once-off transfer payment to the Road Accident Fund in 2005/06, expenditure decreases at an average annual rate of 2.5 per cent from 2004/05 to 2010/11. The decrease is mainly due to the discontinuation of the budget allocation to the RTMC in 2010/11, amounting to R99.2 million in 2009/10. The allocations to the Railway Safety Regulator and Independent Ports Regulator were also increased by R5 million each in 2010/11. The transfer payment to the RTMC is higher in 2008/09, because of a once-off allocation of R8 million that is included in that year for the implementation of the Administrative Adjudication of Road Traffic Offences Act.

## Trading entities

### Credit Card Driving Licences

Approval for the creation of a trading entity for the production contract for the credit card format driving licence was granted by National Treasury in May 2007 and the entity's financial information will be included in the annual financial statements of the Department of Transport.

A card production facility was established in March 1998 to produce the high security credit card format driving licences in order to eradicate the issuing of fraudulent driving licences. In the first 6 years up to March 2003, more than 6 million driving licences were converted to the new format while some 900 000 licences were removed from the system. By March 2007, over 12 million cards were produced.

A contractor manufactures the cards. The automated system has reduced customer waiting time to 14 days, against the target of 21 days. The card production facility stores all the transaction details on the national traffic information system. The facility also procures card verification devices that enable the verification of every integrity feature incorporated on the cards.

### Key performance indicator

Indicator	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of credit card format driving licences manufactured and delivered	1 499 233	1 525 392	1 600 000	1 670 000	1 670 000	1 755 000	1 930 000

### Expenditure trends

The trading entity receives funds from driving licence testing centres for credit card format driving licences ordered by them, and pays the contractor for the manufactured cards. Revenue increases from R60.8 million in 2004/05 to R115 million in 2010/11. The trading entity will in time reduce debtors and reserves as surplus funds are transferred to the Department of Transport. In this regard, capital and reserves decrease by 12.7 per cent between 2004/05 and 2007/08 as the driving licence card production company paid R74 million interest dividends and rent on land to the department in 2006/07 and R41 million in 2007/08.

## Public entities and other agencies

### South African Rail Commuter Corporation

The South African Rail Commuter Corporation (SARCC) was established under the Legal Succession to the South African Transport Services Act (1989). Its mandate 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 functions of the SARCC include financial and subsidy management, the management of the asset base and property portfolio, and the provision of passenger rail information.

The business plan for the SARCC for 2007/08 to 2009/10 has concretised the corporation's turnaround strategy as underpinned by the national and regional rail plan, which calls for the stabilisation of commuter rail services in the short term to allow for future recovery and growth. The corporation aims to boost revenue by: replacing

the ticketing system, focusing on reducing fare evasion, re-balancing fares, and increasing patronage by arresting the decline in passenger numbers and capturing key strategic corridors.

Key achievements for the period under review include:

- an increase in passenger trips by 13.2 per cent between April and December 2007, while Metro Plus trips increased by 17 per cent over the same period
- an increase in fare revenue of 7.6 per cent above the budgeted amounts
- the launch of the bridge city development as well as new services in the form of the Khayelitsha Express and Soweto Business Express
- an improvement in train punctuality from 84 per cent trains on time in April 2007 to 86.1 per cent in December 2007, and the target of 87 per cent trains on time has been exceeded twice during the last few months.

Over the MTEF period, the SARCC will continue to improve operational and financial performance by:

- investing in human capital through skills development, change management, performance management and employee assistance programmes
- optimising asset value through investing in assets based on the rail plan priorities, improving the property portfolio, and implementing the rolling stock refurbishment programme
- strengthening corporate governance by ensuring the effective functioning of the board and its committees, and improving risk management and internal control
- accelerating the implementation of the rolling stock investment programme, including intensifying the engagement on and monitoring of the performance of suppliers to ensure that they meet their obligations to the corporation.

### Selected performance indicators

Indicator	Annual performance						
	Past performance			Forecast	Target	Projection	
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Percentage increase in passenger trips	2.1%	4.1%	3.5%	13%	3%	4%	5%
Percentage trains on time	88.1%	88.6%	86.6%	87%	89%	90%	-
Percentage trains cancelled	2.2%	3.5%	2.3%	2%	1.7%	1.6%	-
Percentage reduction in security incidents	-	-	-	30%	6%	7%	-
Percentage reduction in safety incidents	16%	28%	-25%	6%	25%	30%	-
Number of crimes per 100 000 passenger trips	0.429	0.416	0.526	0.400	0.400	0.380	-
Percentage increase in Metro Plus passenger trips	6.3%	6.9%	9.3%	20%	3%	4%	5%
Number of coaches overhauled and upgraded	-	458	310	500	700	700	-

### Expenditure estimates

Table 33.10 SA Rail Commuter Corporation Limited

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>506 598</b>	<b>924 207</b>	<b>1 813 580</b>	<b>1 915 095</b>	<b>2 073 477</b>	<b>2 278 560</b>	<b>2 546 822</b>
Sale of goods and services other than capital assets	261 773	563 332	1 325 618	1 373 825	1 439 184	1 499 986	1 611 492
<i>of which:</i>							
<i>Sales by market establishments</i>	261 773	563 332	1 325 618	1 373 825	1 439 184	1 499 986	1 611 492
Other non-tax revenue	244 825	360 875	487 962	541 270	634 293	778 574	935 330
<b>Transfers received</b>	<b>1 715 910</b>	<b>1 619 466</b>	<b>2 751 274</b>	<b>2 259 119</b>	<b>2 485 031</b>	<b>2 683 650</b>	<b>2 844 669</b>
<b>Total revenue</b>	<b>2 222 508</b>	<b>2 543 673</b>	<b>4 564 854</b>	<b>4 174 214</b>	<b>4 558 508</b>	<b>4 962 210</b>	<b>5 391 491</b>

Table 33.10 SA Rail Commuter Corporation Limited (continued)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Expenses</b>							
<b>Current expense</b>	<b>1 016 104</b>	<b>1 985 659</b>	<b>4 301 240</b>	<b>4 519 971</b>	<b>4 895 647</b>	<b>5 285 665</b>	<b>5 702 100</b>
Compensation of employees	85 391	458 497	1 620 381	1 826 724	1 898 648	2 017 551	2 162 898
Goods and services	499 818	1 045 273	2 101 118	2 040 848	2 246 861	2 361 611	2 483 971
Depreciation	403 703	446 327	545 147	632 030	731 138	888 503	1 036 231
Interest, dividends and rent on land	27 192	35 562	34 594	20 369	19 000	18 000	19 000
<b>Transfers and subsidies</b>	<b>1 429 608</b>	<b>1 088 156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>2 456 186</b>	<b>3 074 639</b>	<b>4 301 240</b>	<b>4 519 971</b>	<b>4 895 647</b>	<b>5 285 665</b>	<b>5 702 100</b>
<b>Surplus / (Deficit)</b>	<b>(233 678)</b>	<b>(530 966)</b>	<b>263 614</b>	<b>(345 757)</b>	<b>(337 139)</b>	<b>(323 455)</b>	<b>(310 609)</b>
Tax payment	10 474	824	-	-	-	-	-
<b>Balance sheet data</b>							
Carrying value of assets	6 156 992	6 638 567	7 082 292	8 582 340	10 318 888	13 349 529	15 999 491
<i>of which: Acquisition of assets</i>	<i>846 902</i>	<i>1 058 874</i>	<i>1 104 148</i>	<i>2 172 078</i>	<i>2 477 686</i>	<i>3 934 144</i>	<i>3 693 193</i>
Investments	429 675	49 682	-	-	-	-	-
Inventory	-	42 263	56 420	76 331	75 000	68 000	54 000
Receivables and prepayments	78 755	359 635	360 182	505 861	521 022	528 843	561 037
Cash and cash equivalents	684 988	1 069 467	1 870 750	1 783 454	1 889 918	1 910 972	2 042 957
<b>Total assets</b>	<b>7 350 410</b>	<b>8 159 614</b>	<b>9 369 644</b>	<b>10 947 986</b>	<b>12 804 827</b>	<b>15 857 343</b>	<b>18 657 485</b>
Capital and reserves	3 660 514	3 040 261	3 303 874	2 958 117	2 620 978	2 297 523	1 986 914
Borrowings	197 905	184 885	160 595	173 713	169 000	163 000	158 000
Post-retirement benefits	-	70 850	75 737	77 000	79 000	82 000	85 000
Trade and other payables	471 237	951 396	848 767	855 384	973 390	1 028 265	1 093 445
Provisions	143 088	201 018	252 704	270 000	265 000	220 000	300 000
Managed funds	2 877 666	3 711 204	4 727 967	6 613 772	8 697 459	12 066 555	15 034 126
<b>Total equity and liabilities</b>	<b>7 350 410</b>	<b>8 159 614</b>	<b>9 369 644</b>	<b>10 947 985</b>	<b>12 804 827</b>	<b>15 857 343</b>	<b>18 657 485</b>

### Expenditure trends

Growth in revenue from 2004/05 to 2007/08 increased by an average annual rate of 23.4 per cent due to the incorporation of Metrorail into the SARCC in April 2006, which brings the revenue from passenger rail operations into the corporation while transfers and subsidies are discontinued. In the 2006 Adjusted Estimates, R619.7 million was allocated to the SARCC; R439.7 million of these additional allocations related to actual and actuarial personnel liabilities arising from the incorporation of Metrorail into the SARCC, reflected in the balance sheet.

Over the medium term, expenditure is expected to stabilise at an average annual growth of 8.1 per cent. Transfers to the corporation were increased with an additional allocation of R1.1 billion over the MTEF period, for the rolling stock refurbishment programme and signalling infrastructure. Average annual increases of 20 per cent in cash and cash equivalents between 2004/05 and 2010/11 are partially due to transfers to the SARCC for public transport infrastructure and station upgrades for the 2010 FIFA World Cup totalling R1.3 billion. Although there is a legislative restriction on the borrowing powers of the SARCC, interest-rate-swap agreements to support investment in buildings were in place before these restrictions were introduced.

### South African National Roads Agency

The South African National Roads Agency Limited (SANRAL) is incorporated as a public company and listed as a national public entity in schedule 3A of the Public Finance Management Act (1999) (PFMA).

SANRAL's main activities are the financing, management, control, planning, development, maintenance and rehabilitation of the South African national roads network, as described by the South African National Roads Agency Limited and National Roads Act (1998). It is a corporate entity operating at arm's length from government, with the Minister of Transport as its single shareholder. SANRAL is responsible for the existing

national road network of 16 150 km at an estimated asset value of over R100 billion.

Key outputs and priorities include:

The total rand value of work allocated to SMMEs for the year amounted to R555.8 million, of which 75 per cent was completed by black companies. SANRAL created work amounting to 20 356 919 person hours, which equates to 10 178 full time jobs.

SANRAL has proactively sought alternate sources of finance for road infrastructure and opportunities to reduce dependence on tax-based revenues, through public-private partnerships. During the year concessionaires spent R555 million on 1 374 km for maintenance, rehabilitation and strengthening of the toll roads.

Progress has also been made with Toll Road Development program, with construction work being initiated on the N2 Tsitsikamma Extension and N17 Ermelo extension. Planning and design of the Gauteng Freeway Improvement Project of 560 km is well under way and it is anticipated that construction will commence in early 2008. It is estimated that during construction 29 300 direct employment opportunities and 138 000 indirect employment opportunities will be created. On completion, it is estimated that 1 800 direct and 9 200 indirect employment opportunities will be created and the contribution to capital formation will be R39.7 billion.

SANRAL will increase its capital expenditure as a proportion of the total budget for national roads whilst performing continuous maintenance of the network (16 150 km) under road maintenance contracts, resurfacing 1 476 km, strengthening 430 km and improving 188 km. Over the medium term, SANRAL's incorporation of further 624 km of the primary road network under SANRAL jurisdiction and ensure that the primary road network under its jurisdiction is efficiently managed and maintained to international standards.

### Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Smooth travel exposure index	96	94	94	94	≥ 95	≥ 95	≥ 95
Low rut exposure index	98	95	95	95	≥ 95	≥ 95	≥ 95
High texture exposure index	96	97	97	97	≥ 95	≥ 95	≥ 95
Bridge condition exposure index	91	91	84	84	≥ 90	≥ 90	≥ 90
Expenditure efficiency index	-	-	4.37%	4.37%	≤ 5%	≤ 5%	≤ 5%
Number of claims paid	90 116	188 185	260 903	270 418	296 648	310 849	349 375
Percentage cost to compensation	49%	48%	44%	47%	46%	45%	44%

### Expenditure estimates

Table 33.11 SA National Roads Agency

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>976 231</b>	<b>1 227 813</b>	<b>1 408 700</b>	<b>1 404 151</b>	<b>1 418 545</b>	<b>1 517 846</b>	<b>1 645 826</b>
Sale of goods and services other than capital assets	896 781	981 915	1 114 867	1 233 810	1 368 932	1 504 208	1 631 370
<i>of which:</i>							
<i>Sales by market establishments</i>	896 781	981 915	1 114 867	1 233 810	1 368 932	1 504 208	1 631 370
Other non-tax revenue	79 450	245 898	293 833	170 341	49 613	13 638	14 456
<b>Transfers received</b>	<b>1 233 262</b>	<b>1 316 052</b>	<b>1 420 863</b>	<b>2 579 067</b>	<b>3 143 802</b>	<b>4 652 099</b>	<b>4 999 248</b>
<b>Total revenue</b>	<b>2 209 493</b>	<b>2 543 865</b>	<b>2 829 563</b>	<b>3 983 218</b>	<b>4 562 347</b>	<b>6 169 945</b>	<b>6 645 074</b>

Table 33.11 SA National Roads Agency (continued)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Expenses</b>							
<b>Current expense</b>	<b>1 802 452</b>	<b>2 765 726</b>	<b>3 002 144</b>	<b>3 423 388</b>	<b>4 333 461</b>	<b>5 375 116</b>	<b>5 723 454</b>
Compensation of employees	37 182	41 913	50 542	65 681	84 208	85 935	87 540
Goods and services	902 038	1 753 270	2 088 299	2 226 273	2 916 198	3 391 847	3 310 866
Depreciation	268 659	187 248	233 596	299 803	499 055	791 334	945 048
Interest, dividends and rent on land	594 573	783 295	629 707	831 631	834 000	1 106 000	1 380 000
<b>Transfers and subsidies</b>	<b>658</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total expenses</b>	<b>1 803 110</b>	<b>2 765 726</b>	<b>3 002 144</b>	<b>3 423 388</b>	<b>4 333 461</b>	<b>5 375 116</b>	<b>5 723 454</b>
<b>Surplus / (Deficit)</b>	<b>406 383</b>	<b>(221 861)</b>	<b>(172 581)</b>	<b>559 830</b>	<b>228 886</b>	<b>794 829</b>	<b>921 620</b>
<b>Balance sheet data</b>							
Carrying value of assets	6 685 177	7 192 048	8 026 680	10 367 414	19 890 147	33 712 783	40 453 457
of which: Acquisition of assets	338 349	467 468	1 378 713	2 640 537	10 021 788	14 613 970	7 685 722
Investments	1 237 289	1 564 285	318 643	333 790	250 000	250 000	250 000
Receivables and prepayments	147 074	45 732	167 661	365 745	257 661	354 661	254 661
Cash and cash equivalents	1 006 568	468 146	1 313 349	2 109 322	1 634 532	724 532	1 814 532
<b>Total assets</b>	<b>9 076 108</b>	<b>9 270 211</b>	<b>9 826 333</b>	<b>13 176 271</b>	<b>22 032 340</b>	<b>35 041 976</b>	<b>42 772 650</b>
Capital and reserves	(2 010 502)	(2 133 963)	(2 306 545)	(1 754 720)	(1 025 834)	268 990	2 690 610
Borrowings	6 968 015	6 647 894	6 199 955	6 593 403	12 567 179	20 091 954	23 274 744
Post-retirement benefits	5 094	7 035	7 133	7 133	7 133	7 231	6 377
Trade and other payables	3 861 240	4 437 962	5 648 213	8 022 528	10 421 599	14 669 534	16 796 652
Provisions	2 299	–	–	4 267	4 267	4 267	4 267
Managed funds	249 962	311 283	277 577	303 660	57 996	–	–
<b>Total equity and liabilities</b>	<b>9 076 108</b>	<b>9 270 211</b>	<b>9 826 333</b>	<b>13 176 271</b>	<b>22 032 340</b>	<b>35 041 976</b>	<b>42 772 650</b>

### Expenditure trends

SANRAL finances its operations from various sources, currently earning two-thirds of its income from government transfers. Transfers allocated for non-toll national road infrastructure increase from R2.6 billion in 2007/08 to R5 billion in 2010/11. The increase is due to an additional allocation of R2.1 billion over the MTEF period in the 2007 Budget and R863 million over this MTEF period to provide for strengthening and maintenance of the national road network. Other sources of revenue include loans raised by SANRAL in the capital markets, toll revenue, and private sector investment through public private partnership agreements. The average annual growth in borrowings of 22.3 per cent between 2004/05 and 2010/11 is due to approval received by the agency to access private investment through the issuing of medium term notes to provide capital for the expansion of the national roads network.

### Road Accident Fund

The Road Accident Fund (RAF) is mandated by the Road Accident Fund Act (1996) and provides compensation for personal injury claims arising from the negligent actions of another driver. The Road Accident Fund Amendment Act (2005) was assented to by the president in December 2005. The sections of the amended act dealing with the limitations on general damages relating to serious injury and the caps on loss of income have not yet been promulgated.

With a new standard to achieve and the ongoing challenges experienced by the organisation, the RAF has realigned its strategy to accomplish the following:

- radically improve the RAF's cost position through cost reductions and efficiency improvements
- positively influence legislation and the fuel levy increases
- influence the drivers of increased costs, including the introduction of no fault legislation and capped benefit levels
- invest in the prevention of accidents in the country.



## Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of claims paid	90 116	188 185	260 903	270 418	269 648	310 849	349 375
Cost to compensation ratio	49%	48%	44%	47%	46%	45%	44%

## Expenditure estimates

Table 33.12 Road Accident Fund

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>57 874</b>	<b>87 990</b>	<b>264 412</b>	<b>149 848</b>	<b>117 366</b>	<b>142 858</b>	<b>191 759</b>
Other non-tax revenue	57 874	87 990	264 412	149 848	117 366	142 858	191 759
<b>Transfers received</b>	<b>4 566 034</b>	<b>8 053 906</b>	<b>7 012 774</b>	<b>7 892 409</b>	<b>9 170 504</b>	<b>10 664 409</b>	<b>12 132 681</b>
<b>Total revenue</b>	<b>4 623 908</b>	<b>8 141 896</b>	<b>7 277 186</b>	<b>8 042 257</b>	<b>9 287 870</b>	<b>10 807 267</b>	<b>12 324 439</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>495 357</b>	<b>489 552</b>	<b>503 172</b>	<b>796 401</b>	<b>898 699</b>	<b>1 016 467</b>	<b>1 229 097</b>
Compensation of employees	319 309	349 562	394 890	512 696	514 187	577 882	707 224
Goods and services	153 866	125 078	104 527	259 740	312 539	323 898	381 971
Depreciation	22 155	14 886	3 737	23 958	71 950	114 663	139 875
Interest, dividends and rent on land	27	26	18	8	23	25	27
<b>Transfers and subsidies</b>	<b>5 428 358</b>	<b>6 155 173</b>	<b>8 642 848</b>	<b>12 235 847</b>	<b>12 977 986</b>	<b>11 092 374</b>	<b>13 115 927</b>
<b>Total expenses</b>	<b>5 923 715</b>	<b>6 644 725</b>	<b>9 146 020</b>	<b>13 032 248</b>	<b>13 876 685</b>	<b>12 108 841</b>	<b>14 345 023</b>
<b>Surplus / (Deficit)</b>	<b>(1 299 807)</b>	<b>1 497 171</b>	<b>(1 868 834)</b>	<b>(4 989 991)</b>	<b>(4 588 815)</b>	<b>(1 301 574)</b>	<b>(2 020 584)</b>
<b>Balance sheet data</b>							
Carrying value of assets	62 689	57 793	130 954	175 542	251 892	308 079	343 054
<i>of which: Acquisition of assets</i>	<i>5 309</i>	<i>9 989</i>	<i>17 982</i>	<i>65 500</i>	<i>148 300</i>	<i>170 850</i>	<i>174 850</i>
Receivables and prepayments	499 820	610 177	1 672 272	1 729 843	2 009 974	2 337 405	2 659 218
Cash and cash equivalents	1 145 134	3 691 705	2 404 363	1 581 659	1 506 582	2 304 987	2 841 063
<b>Total assets</b>	<b>1 707 643</b>	<b>4 359 675</b>	<b>4 207 589</b>	<b>3 487 044</b>	<b>3 768 447</b>	<b>4 950 471</b>	<b>5 843 335</b>
Capital and reserves	(19 865 112)	(18 367 942)	(20 177 860)	(25 167 991)	(29 756 806)	(31 058 380)	(33 078 964)
Trade and other payables	842 789	795 656	327 467	119 317	118 381	130 817	162 612
Provisions	20 729 966	21 931 961	24 057 982	28 535 718	33 406 872	35 878 034	38 759 687
<b>Total equity and liabilities</b>	<b>1 707 643</b>	<b>4 359 675</b>	<b>4 207 589</b>	<b>3 487 044</b>	<b>3 768 447</b>	<b>4 950 471</b>	<b>5 843 335</b>

## Expenditure trends

The RAF is funded by a fuel levy on all fuel sold in the Republic of South Africa. The average annual growth rate in the gross fuel levy income of 17.7 per cent between 2004/05 and 2010/11 reflects increased economic activity in the country as well as the 5 cents per litre annual increase in the RAF levy approved by the Minister of Finance over the MTEF period in the 2007 Budget. The RAF levy rose to 41.5 cents per litre in 2007/08. Claims expenditure comprises an average of 90 per cent of total expenditure.

Average annual increases in both goods and services (13.7 per cent) and capital expenditure (38.7 per cent) over the MTEF period are due to the planned expansion of the RAF service points. Provisions for contingent liabilities grow at an average annual growth rate of 8.9 per cent from 2004/05 to 2010/11, reflecting the impact of existing unlimited liability legislation.

## Cross-Border Road Transport Agency

The Cross-Border Road Transport Agency (CBTRA) is a statutory juristic entity established in terms of the Cross-Border Road Transport Agency Act (1998). The agency began its operations in April 1998.

The agency's legislative mandate is to improve the flow of freight and passengers in the region; introduce regulated competition in cross border road transport; reduce operational constraints for the cross border road transport industry as a whole; improve and strengthen the capacity of the public sector in support of its strategic planning, enabling and monitoring functions; and empower the cross border road transport industry to maximise business opportunities.

The agency has improved on the number of permits issued across the range of permits available. Improvements planned for the next three years include strategies to shorter term permits to a one year permit system, especially on the freight operator's side. Roadblocks and inspections per inspector have increased and prosecutions for non-compliance have also increased. The facilitation department will participate more in relevant forums and interact closely will all stakeholders. Conflict resolution will also be intensified around the Lesotho moratorium.

The agency's main source of income is cross-border permit administrative fees and revenue from fines.

### Selected performance indicators

Indicators	Annual performance					
	Past			Current		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Number of tourist permits issued	3 199	2 908	3 532	4 749	5 223	5 746
Number of passenger permits issued	6 240	6 296	7 303	9 553	10 508	11 559
Number of freight permits issued	49 646	48 247	49 104	52 413	14 413	15 854
Number of cabotage permits issued	1 017	1 192	1 987	3 691	2 030	2 233
Number of vehicle inspections	91 264	80 652	72 283	79 886	91 868	101 055
Number of prosecutions	5 870	5 015	5 555	6 084	6 388	7 027
Number of roadblocks	3 308	2 869	2 947	3 036	3 000	3 000

## South African Maritime Safety Authority

The South African Maritime Safety Authority (SAMSA) is established under the South African Maritime Safety Authority (1998). Its mandates are to ensure the safety of life and property at sea, to prevent and combat pollution from ships, and to promote South Africa's related maritime interests. SAMSA's responsibilities include: administering maritime related statutes covering areas like ship registration, seafarer training and certification, and ship safety and security; protecting the marine environment from pollution from ships; and co-ordinating maritime search and rescue.

Key achievements for 2007/08 include: 1 129 ships (1 187 ships in 2006/07) with a gross tonnage of 231 050 tons (249 085 tons 2006/07) registered under the South African flag; 624 foreign flagged ships inspected and 9 ships detained; 12 oil pollution incidents investigated. 484 of 515 candidates passed various examinations conducted by SAMSA, and 5 999 safety surveys were carried out on South African ships.

Priorities for the MTEF period remain:

- strengthening SAMSA's governance systems, particularly through implementing: enterprise wide risk management; financial sustainability; and better service delivery through the realignment of and investment in human capital and technology
- continuing developing safer and more secure working environments for seafarers, stevedores and seagoing fishing personnel
- strengthening liability and compensation regimes for pollution damage
- making an appropriate contribution to growing the ships register
- achieving government's regional and international objectives.

### Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of ships on register	1 048	1 128	1 187	1 129	1 150	1 150	1 150
Gross tonnage of ships on register	240 277	239 441	249 085	231 050	240 000	240 000	240 000
Number of casualties	54	95	85	47	50	50	50
Number of port state control inspections	223	596	624	268	720	720	720
Number of tug utilisations	168	144	141	54	150	150	150
Number of maritime certificates issued from exams	3 500	4 888	8 671	5 152	12 000	14 000	14 000
Number of safety surveys of South African ships, including <i>ad hoc</i> inspections	6 402	6 828	5 999	3 407	7 500	7 500	7 500
Search and rescue operations	300	670	561	123	700	700	700

### Expenditure trends

A major source of funding for SAMSA is levies raised at ports, which make up 66.4 per cent of total income. Revenue is projected to grow at 8.8 per cent over the MTEF period due to an increase in port levies, gazetted in November 2007. The levies are collected by the National Ports Authority for a 2.5 per cent fee. The balance of SAMSA's budgetary requirement derives from charges for services to the public and the department's funding for carrying out certain departmental obligations on their behalf.

Employee costs account for 60 to 70 per cent of total expenditure. In previous years, SAMSA underspent on its employee budget due to difficulties in filling vacant posts and a restructuring process which resulted in SAMSA accumulating reserves of close to R88 million. The average annual growth in compensation of employees between 2004/05 and 2007/08 is 23.6 per cent, largely due to increases in expenditure in 2007/08 of R8 million.

### South African Civil Aviation Authority

The South African Civil Aviation Authority (SACAA) was established in terms of the South African Civil Aviation Act (1998). The SACAA is a statutory body with the primary function of controlling and regulating civil aviation in South Africa and overseeing aviation safety and security.

For the organisation to be sustainable, recruiting and employing qualified personnel has to be prioritised. The SACAA needs to increase the number of its technical staff by approximately 40 per cent in flight operations and airworthiness. Given the scarcity of skills, the SACAA needs to recruit internationally. The training budget will increase significantly as the organisation embarks on improving and updating the qualifications of current technical staff members, particularly inspectors.

The SACAA is spearheading a campaign to harmonise civil aviation standards in the SADC region. The SACAA has recently undergone technical compliance audits by the International Civil Aviation Organisation and the Federal Aviation Administration.

### Selected performance indicators

Indicator	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of inspections	5 199	522	155	100	100	100	100
Number of legal frameworks in line with international best practice	2	11	4	4	4	4	2

### Expenditure trends

The SACAA receives government transfers for ministerial directives on aircraft accident investigations. These transfers are projected to decline over the medium term. The SACAA receives most of its revenue from industry user fees and levies, targeting a ratio of 60 per cent of total budget from transfers and user fees, and

40 per cent from levies. The Minister of Transport, as executive authority for the SACAA in terms of the PFMA, has increased the passenger safety charge from R6 to R10 with effect from January 2008.

The SACAA's revenue grows from R133.8 million in 2004/05 to an estimated R234 million in 2007/08, representing an average annual increase of 25.3 per cent. Over the MTEF period, revenue is expected to increase to R353.8 million. The growth in total expenditure is driven by growth in compensation of employees, which increases from R160 million in 2007/08 to R240 million in 2010/11, at an average annual rate of 14.5 per cent.

### Urban Transport Fund

The Urban Transport Fund (UTF) was established in terms of the Urban Transport Act (1977). The fund received its final funding from the Department of Transport in 2004/05, and is continuing with a number of multi-year projects. It is expected that current and planned projects will be completed or transferred and that the fund will be wound down in 2008/09. The fund has been responsible for: promoting transport planning; providing, improving and maintaining public transport facilities; assisting suburban railway services; urban transport research; and transport engineering and transport economics training.

### Road Traffic Management Corporation

The Road Traffic Management Corporation (RTMC) was established in terms of the Road Traffic Management Corporation Act (1999) and became operational in September 2005. Its mandate is to co-ordinate all aspects of road traffic management across the various levels of government.

Contracts were awarded to service providers for developing an organisational model for the corporation, developing a financial model, and finalising the national road traffic law enforcement code. The corporation arranged South Africa's participation in the international Driver of the Year competition in Europe, participated in the preparation of the 2006 road safety strategy and prepared a comprehensive rolling annual road traffic law enforcement operational plan. Planned outputs for the MTEF period include road safety communication and education and law enforcement operations.

The corporation intends to introduce the Administrative Adjudication of Road Traffic Offences Act (AARTO), starting with a pilot in the Tshwane area, in 2008/09, and roll it out nationally from 2009. Expected revenue from the initiation of AARTO is R4.4 billion over the MTEF period. The corporation's 2005/06 road traffic offence surveys and its national road traffic and transport charge book will form part of the regulations under AARTO.

### Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11
Number of additional patrol cars	60	60	-	45	20	-	-
Number of drivers participating in Driver of the Year competition	-	90	90	90	108	108	108
Number of Driver of the Year manuals printed	-	5 000	5 000	-	5 000	5 000	-
Number of traffic officers graduated at colleges	-	-	1 004	1 700	1 800	1 900	2 000
Number of vehicle examiners graduated	-	-	282	290	295	300	305
Number of driving licences examiners graduated	-	-	406	410	420	430	440
Number of accident report forms captured	-	256 602	231 826	387 000	416 000	447 000	480 000
Number of fatal accidents reported	11 141	12 335	12 862	11 385	12 500	12 100	11 900
Number of special investigations of fatal accidents	4	9	9	31	48	57	68

## Expenditure estimates

Table 33.13 Road Traffic Management Corporation

R Thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
Non-tax revenue	228	181	3 259	6 000	117 257	2 243 484	2 022 516
Other non-tax revenue	228	181	3 259	6 000	117 257	2 243 484	2 022 516
Transfers received	606	43 051	46 216	102 774	163 826	99 192	21 489
<b>Total revenue</b>	<b>834</b>	<b>43 232</b>	<b>49 475</b>	<b>108 774</b>	<b>281 083</b>	<b>2 342 676</b>	<b>2 044 005</b>
<b>Expenses</b>							
Current expense	607	35 342	45 944	108 101	281 083	2 342 676	2 044 005
Compensation of employees	405	5 247	11 496	26 345	77 650	95 863	110 578
Goods and services	164	29 424	31 222	76 000	191 691	2 231 464	1 914 253
Depreciation	38	671	3 224	5 756	11 742	15 349	19 174
Interest, dividends and rent on land	–	–	2	–	–	–	–
<b>Total expenses</b>	<b>607</b>	<b>35 342</b>	<b>45 944</b>	<b>108 101</b>	<b>281 083</b>	<b>2 342 676</b>	<b>2 044 005</b>
<b>Surplus / (Deficit)</b>	<b>227</b>	<b>7 890</b>	<b>3 531</b>	<b>673</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance sheet data</b>							
Carrying value of assets	62	7 984	10 796	15 872	25 731	25 571	22 618
of which: Acquisition of assets	42	8 593	1 219	10 832	21 601	15 189	16 221
Inventory	–	113	43	43	43	43	43
Receivables and prepayments	–	24 616	1 458	25 000	28 000	27 000	32 000
Cash and cash equivalents	7 360	7 540	89 852	294 003	545 614	878 777	1 234 601
<b>Total assets</b>	<b>7 422</b>	<b>40 253</b>	<b>102 149</b>	<b>334 918</b>	<b>599 388</b>	<b>931 391</b>	<b>1 289 262</b>
Capital and reserves	4 590	39 774	91 098	91 771	36 833	36 833	15 344
Trade and other payables	2 832	425	9 758	6 000	7 000	7 500	8 000
Provisions	–	54	1 293	1 293	1 293	1 293	1 293
Managed funds	–	–	–	235 854	554 262	885 765	1 264 625
<b>Total equity and liabilities</b>	<b>7 422</b>	<b>40 253</b>	<b>102 149</b>	<b>334 918</b>	<b>599 388</b>	<b>931 391</b>	<b>1 289 262</b>

## Expenditure trends

The RTMC's main source of income is a transfer from the Department of Transport. The average annual growth in expenditure for the RTMC is 166.4 per cent from 2007/08 to 2010/11. The increase is due to the introduction of the administrative adjudication of road traffic offences. In 2007, the Minister of Transport announced the introduction of transaction fees on all vehicle licences to fund the maintenance and upgrading of the electronic national traffic information system (eNATIS). The eNATIS transaction fees collected by the RTMC will be transferred to the National Revenue Fund until the function has shifted to the corporation.

## Railway Safety Regulator

The Railway Safety Regulator (RSR) was established in terms of the National Railway Safety Regulator Act (2002). The functions of the regulator are to develop a sustainable safety compliance regime by conducting safety audits and inspections, and support regional harmonisation of railway safety standards and international co-operation through active participation in the Southern African Railways Association and other relevant regional structures.

In 2006/07, the draft permit fee model was developed, and regulations for the development of standards in railway safety were completed. Various safety standards were drafted, and one was published in 2005/06. By the end of 2006/07, 233 safety permits were issued to all operators who submitted a safety management system.

The RSR's main source of income is transfers from the department. The act makes provisions for fees for safety permits. The RSR will start collecting safety permit fees over the MTEF period, but this revenue is negligible.

From the analysis of the balance sheet, the cash balance decreased from R11 million in 2005/06 to R2.9 million in 2006/07. Spending on personnel was 51 per cent of the total in 2006/07. Other key spending is on the development of a regulatory framework and on compliance and monitoring, which includes inspections, audits and occurrence investigations.

### Selected performance indicators

Indicators	2008/09	2009/10	2010/11
Number of permits issued or renewed	252	56	24
Number of safety management audits	330	50	40

### Air Traffic and Navigation Services Company

The Air Traffic and Navigation Services Company Limited (ATNS), a schedule 2 public entity in terms of the PFMA, was established in terms of the Air Traffic and Navigation Services Act (1993). Its core mandate is to provide safe, orderly and efficient air traffic and navigational and associated services.

In spite of the 6.7 per cent growth in air traffic, the company stabilised the incident rate at 3.54 incidents per 100 000 aircraft movements, and built safety oversight capacity to improve investigations. Over the MTEF period, the company's target incident rate is set at 2.5 per 100 000 movements in 2010/11, and it aims to improve the safety management system. To achieve this, the staff complement was increased, and a new retention scheme and career promotion were introduced to respond to the shortage of air traffic controllers and the growth in air traffic. Despite the fact that there was no tariff increase, revenue has increased by 5.8 per cent due to the air traffic growth. The company anticipates further air traffic growth of 6.8 per cent.

The commissioning of the new VISAT and NAFISAT VSAT network is close to completion. This integrated satellite system will connect 28 African states with 2 states in the Middle East and a planned site in India.

### Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of incidents per 100 000 air traffic movements	5.1	3.6	3.5	3	2.5	2.5	2.5
Number of movements per hour (OR Tambo International airport)	50	52	56	60	65	70	72
Variance ratio: budget/actual expenditure	10.1	5.8	5.5	2	1.5	1	1
Percentage increase on return on capital expenditure (risk free + 1.9%)	6.5%	16.8%	11.6%	13.9%	10.8%	10%	9.9%
Percentage increase in training	-	4.5%	20.1%	30.5%	25%	25%	25%
Percentage discretionary spend on BEE	25%	28%	32%	35%	40%	43%	45%
Percentage non-tariff revenue of total revenue	7%	9%	8%	7%	10%	10%	10%

### Expenditure estimates

Table 33.14 Air Traffic and Navigation Services Company

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07		2007/08	2008/09	2009/10
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>456 862</b>	<b>558 544</b>	<b>591 650</b>	<b>645 694</b>	<b>741 575</b>	<b>846 465</b>	<b>950 431</b>
Sale of goods and services other than capital assets	442 933	536 557	562 311	621 739	696 799	796 665	897 912
of which:							
Sales by market establishments	442 933	536 557	562 311	621 739	696 799	796 665	897 912
Other non-tax revenue	13 929	21 987	29 339	23 955	44 776	49 800	52 519
<b>Total revenue</b>	<b>456 862</b>	<b>558 544</b>	<b>591 650</b>	<b>645 694</b>	<b>741 575</b>	<b>846 465</b>	<b>950 431</b>

Table 33.14 Air Traffic and Navigation Services Company (continued)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Expenses</b>							
<b>Current expense</b>	<b>405 089</b>	<b>419 752</b>	<b>479 776</b>	<b>560 204</b>	<b>639 779</b>	<b>726 624</b>	<b>820 025</b>
Compensation of employees	195 581	211 330	240 307	307 003	372 341	435 020	515 739
Goods and services	127 597	127 446	143 611	138 501	155 657	163 818	165 567
Depreciation	80 364	74 735	83 762	76 715	94 426	105 247	112 644
Interest, dividends and rent on land	1 547	6 241	12 096	37 985	17 355	22 539	26 075
<b>Transfers and subsidies</b>	<b>3 112</b>	<b>3 634</b>	<b>3 376</b>	<b>4 199</b>	<b>4 315</b>	<b>4 971</b>	<b>5 215</b>
<b>Total expenses</b>	<b>423 353</b>	<b>460 559</b>	<b>515 190</b>	<b>595 091</b>	<b>673 979</b>	<b>766 207</b>	<b>863 048</b>
<b>Surplus / (Deficit)</b>	<b>33 509</b>	<b>97 985</b>	<b>76 460</b>	<b>50 603</b>	<b>67 596</b>	<b>80 258</b>	<b>87 383</b>
Tax payment	15 152	37 173	32 038	30 688	29 885	34 612	37 808
<b>Balance sheet data</b>							
Carrying value of assets	572 429	638 111	772 720	932 748	1 053 511	1 066 714	1 195 926
<i>of which: Acquisition of assets</i>	<i>101 744</i>	<i>133 459</i>	<i>212 187</i>	<i>236 743</i>	<i>215 189</i>	<i>118 450</i>	<i>241 856</i>
Investments	456	10 468	11 943	12 516	13 179	13 864	14 544
Inventory	194	649	734	769	810	852	893
Receivables and prepayments	75 882	71 419	71 711	86 696	100 905	113 934	127 114
Cash and cash equivalents	81 239	171 279	82 233	63 020	83 177	93 269	107 407
<b>Total assets</b>	<b>730 200</b>	<b>891 926</b>	<b>939 341</b>	<b>1 095 749</b>	<b>1 251 582</b>	<b>1 288 633</b>	<b>1 445 884</b>
Capital and reserves	466 723	564 709	641 167	691 770	759 366	839 304	926 317
Borrowings	156 339	228 089	169 168	314 218	396 957	354 226	404 865
Trade and other payables	80 098	65 795	98 141	54 365	55 967	53 595	68 840
Provisions	27 040	33 333	30 865	35 396	39 292	41 508	45 862
<b>Total equity and liabilities</b>	<b>730 200</b>	<b>891 926</b>	<b>939 341</b>	<b>1 095 749</b>	<b>1 251 582</b>	<b>1 288 633</b>	<b>1 445 884</b>

### Expenditure trends

The ATNS's revenue is expected to increase to R950.4 million in 2010/11 from R645.7 million in 2007/08. Compensation of employees remains the largest expenditure item, increasing from R195.6 million in 2004/05 to an expected R515.7 million in 2010/11, at an average annual rate of 17.5 per cent.

### Airports Company of South Africa

The Airports Company of South Africa Limited (ACSA) is regulated in terms of the Airports Company Act (1993), the Companies Act (1973), is listed as a schedule 2 public entity in terms of the PFMA. ACSA's core function is to facilitate the movement of passengers and goods.

The act requires ACSA to submit a five-year business plan and budget (permission application) on a three-yearly basis. Permission to levy charges for aeronautical services provided by the company is issued by the regulating committee on the basis of the permission application. The application for 2008 to 2012 has been approved by the industry regulator.

ACSA procured 51.9 per cent of supplies from BEE companies, including parastatal spend, against its targeted 35 per cent. 50 per cent of spending on contractors was to BEE companies, including parastatal spend. Employment equity targets have been met and will be exceeded.

The focus over the MTEF period is to improve the availability, reliability, safety and security of infrastructure and transport services in response to rapidly growing demand. At the end of 2011/12, the 10 airports in ACSA's network should facilitate 44.4 million passengers (a 28.5 per cent increase on 2007/08), while handling 611 631 aircraft landings (a 17.8 per cent increase on 2007/08).

## Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Cost to income efficiency ratio	51.9%	53.8%	54.1%	60.3%	62.7%	62.1%	58%
Achieve efficiency factor as stipulated by economic regulator (2%)	1.5	1.5	1.5	2	2	2	2
Corporate social investment	R5.1m	R4.7m	R7.5m	R24.1m	R31.2m	R34.9m	R42.1m

## Expenditure estimates

Table 33.15 Airports Company of South Africa

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>1 940 086</b>	<b>2 209 643</b>	<b>2 764 595</b>	<b>3 020 399</b>	<b>2 998 384</b>	<b>3 536 471</b>	<b>4 254 138</b>
Sale of goods and services other than capital assets	1 890 714	2 122 363	2 497 893	2 707 497	2 954 131	3 490 358	4 205 674
<i>of which:</i>							
<i>Sales by market establishments</i>	1 886 484	2 116 487	2 490 410	2 707 497	2 954 131	3 490 358	4 205 674
<i>Other sales</i>	4 230	5 876	7 483	–	–	–	–
Other non-tax revenue	49 372	87 280	266 702	312 903	44 253	46 113	48 464
<b>Total revenue</b>	<b>1 940 086</b>	<b>2 209 643</b>	<b>2 764 595</b>	<b>3 020 399</b>	<b>2 998 384</b>	<b>3 536 471</b>	<b>4 254 138</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>1 231 257</b>	<b>1 282 503</b>	<b>1 638 127</b>	<b>2 280 233</b>	<b>2 554 564</b>	<b>3 196 762</b>	<b>3 816 315</b>
Compensation of employees	299 512	313 283	376 020	441 466	457 335	497 716	528 652
Goods and services	461 998	456 073	503 501	579 177	664 926	764 668	869 754
Depreciation	375 786	378 125	454 902	611 424	727 125	906 604	1 041 701
Interest, dividends and rent on land	93 961	135 022	303 704	648 166	705 178	1 027 774	1 376 208
<b>Total expenses</b>	<b>1 467 214</b>	<b>1 588 816</b>	<b>2 110 803</b>	<b>2 600 845</b>	<b>2 755 300</b>	<b>3 348 515</b>	<b>3 990 318</b>
<b>Surplus / (Deficit)</b>	<b>472 872</b>	<b>620 827</b>	<b>653 792</b>	<b>419 555</b>	<b>243 084</b>	<b>187 956</b>	<b>263 820</b>
Tax payment	235 957	306 313	472 676	320 612	200 736	151 753	174 003
<b>Balance sheet data</b>							
Carrying value of assets	7 066 231	7 924 830	9 176 105	13 037 592	16 173 349	20 278 439	21 930 290
<i>of which: Acquisition of assets</i>	485 485	1 236 927	1 715 434	4 472 911	6 898 111	5 011 693	3 759 447
Investments	136 149	169 718	125 243	152 366	59 078	59 078	59 078
Inventory	1 247	1 491	1 883	2 221	1 491	1 491	1 491
Receivables and prepayments	456 098	514 500	494 191	622 975	672 482	738 592	826 782
Cash and cash equivalents	58 041	1 332 048	1 905 083	285 759	305 836	332 649	368 413
<b>Total assets</b>	<b>7 717 766</b>	<b>9 942 587</b>	<b>11 702 505</b>	<b>14 100 913</b>	<b>17 212 236</b>	<b>21 410 249</b>	<b>23 186 053</b>
Capital and reserves	5 874 638	6 243 287	5 678 561	5 688 834	6 487 647	6 675 602	6 939 423
Borrowings	1 309 974	2 854 565	5 233 610	8 241 521	10 424 761	14 326 677	15 479 957
Post-retirement benefits	31 122	38 824	57 812	46 735	38 824	38 824	38 824
Trade and other payables	474 832	774 119	692 148	123 823	261 004	369 145	727 850
Provisions	27 200	31 792	40 374	–	–	–	–
<b>Total equity and liabilities</b>	<b>7 717 766</b>	<b>9 942 587</b>	<b>11 702 505</b>	<b>14 100 913</b>	<b>17 212 236</b>	<b>21 410 249</b>	<b>23 186 053</b>

## Expenditure trends

The main sources of revenue continues to be from aeronautical and non-aeronautical commercial activities and, in future, airport concessions. The commercial division will continue to create and manage non-aeronautical and international revenue streams. These are ACSA's retail, property, parking and advertising activities, and managing airports other than those in its current network.



In 2006/07, ACSA paid dividends of R898.9 million to the department of Transport, which included a special dividend of R667.6 million as part of a correction of its finance structure. This payment is reflected in the decrease in capital and reserves for that year.

ACSA is expecting to exceed its budgeted profit for the year. Moreover, ACSA continues its concerted infrastructure expenditure through developments at OR Tambo, Cape Town and Durban international airports.

Revenue is expected to increase from R3 billion in 2007/08 to R4.3 billion in 2010/11, at an average annual rate of 12.1 per cent. ACSA's main expenditure item in 2007/08 is interest, dividends and rent on land, which increases from R94 million in 2004/05 to R648.2 million in 2007/08 and is expected to increase at an average annual rate of 28.5 per cent over the MTEF period to R1.4 billion in 2010/11. Borrowings have increased from R1.3 billion in 2004/05 to R8.2 billion in 2007/08 and are expected to increase at an average annual rate of 23.4 per cent to R15.5 billion to provide for the expansion of airport infrastructure.

## Additional tables

Table 33.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2006/07		2006/07	2007/08			2007/08
1. Administration	126 038	136 849	156 045	144 408	–	144 408	144 408
2. Transport Policy and Economic Regulation	28 312	27 590	19 052	33 344	–	33 344	27 844
3. Transport Regulation and Accident and Incident Investigation	151 859	214 829	187 577	243 805	(12 431)	231 374	292 774
4. Integrated Planning and Inter-sphere Co-ordination	3 161 253	3 159 594	3 103 543	5 379 934	2 100	5 382 034	5 144 234
5. Transport Logistics and Corridor Development	27 846	26 394	17 918	16 441	2 196	18 637	14 737
6. Public Transport	9 165 827	10 032 998	9 745 224	9 895 225	664 000	10 559 225	10 529 725
7. Public Entity Oversight and Border Operations and Control	209 323	148 536	131 083	144 766	30 144	174 910	170 710
<b>Total</b>	<b>12 870 458</b>	<b>13 746 790</b>	<b>13 360 442</b>	<b>15 857 923</b>	<b>686 009</b>	<b>16 543 932</b>	<b>16 324 432</b>

## Economic classification

	538 852	724 802	558 949	722 666	34 396	757 062	746 262
<b>Current payments</b>							
Compensation of employees	157 678	143 678	111 192	180 826	–	180 826	177 326
Goods and services	381 174	581 124	447 697	541 840	34 396	576 236	568 936
Financial transactions in assets and liabilities	–	–	60	–	–	–	–
<b>Transfers and subsidies</b>	<b>12 293 670</b>	<b>12 984 052</b>	<b>12 763 978</b>	<b>15 093 723</b>	<b>651 013</b>	<b>15 744 736</b>	<b>15 544 736</b>
Provinces and municipalities	3 760 086	3 760 086	3 759 102	4 203 411	–	4 203 411	4 003 411
Departmental agencies and accounts	2 483 623	2 423 953	2 459 508	3 667 152	11 144	3 678 296	3 678 296
Universities and technikons	7 085	10 085	10 085	7 439	–	7 439	7 439
Public corporations and private enterprises	5 756 375	6 421 207	6 420 207	6 967 194	300 000	7 267 194	7 267 194
Foreign governments and international organisations	4 420	4 420	2 846	4 641	869	5 510	5 510
Non-profit institutions	11 975	12 195	12 186	12 775	–	12 775	12 775
Households	270 106	352 106	100 044	231 111	339 000	570 111	570 111
<b>Payments for capital assets</b>	<b>37 936</b>	<b>37 936</b>	<b>37 515</b>	<b>41 534</b>	<b>600</b>	<b>42 134</b>	<b>33 434</b>
Buildings and other fixed structures	34 779	34 779	–	38 221	–	38 221	30 000
Machinery and equipment	3 157	3 157	37 515	3 313	600	3 913	3 434
<b>Total</b>	<b>12 870 458</b>	<b>13 746 790</b>	<b>13 360 442</b>	<b>15 857 923</b>	<b>686 009</b>	<b>16 543 932</b>	<b>16 324 432</b>

Table 33.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>A. Permanent and full-time contract employees</b>							
Compensation (R thousand)	82 549	96 502	110 821	180 433	195 759	206 956	203 330
Unit cost (R thousand)	164	191	193	290	293	309	304
Personnel numbers (head count)	504	504	574	622	669	669	669
<b>C. Interns</b>							
Compensation of interns	385	350	371	393	417	442	442
Unit cost (R thousand)	23	29	13	13	12	11	11
Number of interns	17	12	28	30	35	40	40
<b>Total for department</b>							
<b>Compensation (R thousand)</b>	<b>82 934</b>	<b>96 852</b>	<b>111 192</b>	<b>180 826</b>	<b>196 176</b>	<b>207 398</b>	<b>203 772</b>
<b>Unit cost (R thousand)</b>	<b>159</b>	<b>188</b>	<b>185</b>	<b>277</b>	<b>279</b>	<b>293</b>	<b>287</b>
<b>Personnel numbers (head count)</b>	<b>521</b>	<b>516</b>	<b>602</b>	<b>652</b>	<b>704</b>	<b>709</b>	<b>709</b>

Table 33.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Compensation of employees (R thousand)	82 934	96 852	143 678	180 826	196 176	207 398	203 772
Training expenditure (R thousand)	3 011	2 864	3 036	3 218	1 809	1 918	2 033
Training as percentage of compensation	4%	3%	2%	2%	1%	1%	1%
Total number trained in department (head count)	260	217	240	317			
<i>of which:</i>							
Employees receiving bursaries (head count)	85	132	160	140			
Learnerships trained (head count)	7	14	7	7			
Internships trained (head count)	27	52	55	51			

Table 33.D Summary of conditional grants to provinces and municipalities<sup>1</sup>

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Conditional grants to provinces</b>							
<b>6. Public Transport</b>							
Gautrain rapid rail link grant	–	–	3 241 000	3 029 411	3 265 993	2 507 211	317 526
<b>Total</b>	<b>–</b>	<b>–</b>	<b>3 241 000</b>	<b>3 029 411</b>	<b>3 265 993</b>	<b>2 507 211</b>	<b>317 526</b>
<b>Conditional grants to municipalities</b>							
<b>4. Integrated Planning and Inter-sphere Co-ordination</b>							
Public transport infrastructure and systems grant	–	241 710	518 020	1 174 000	3 170 000	2 325 000	4 464 500
<b>Total</b>	<b>–</b>	<b>241 710</b>	<b>518 020</b>	<b>1 174 000</b>	<b>3 170 000</b>	<b>2 325 000</b>	<b>4 464 500</b>

1. Detail provided in the Division of Revenue Act (2008).

Table 33.E Summary of expenditure on infrastructure

Description	Service delivery outputs			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
<b>Infrastructure transfers to other spheres, agencies and departments</b>							
South African National Roads Agency	504 276	565 333	832 952	1 429 350	1 806 944	2 731 982	3 695 901
South African Rail Commuter Corporation	655 000	688 300	1 029 598	1 696 078	2 367 686	3 684 144	4 393 193
Gautrain Rapid Rail Link	–	–	3 241 000	3 029 411	3 265 993	2 507 211	317 526
Public transport infrastructure and systems grant	–	241 710	518 020	1 174 000	3 170 000	2 325 000	4 464 500
<b>Total</b>	<b>1 159 276</b>	<b>1 495 343</b>	<b>5 621 570</b>	<b>7 328 839</b>	<b>10 610 623</b>	<b>11 248 337</b>	<b>12 871 120</b>

**Table 33.F Summary of departmental public-private partnership projects**

Project description: National fleet project	Project unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
		2007/08	2008/09	2009/10	2010/11
R thousand					
<b>Projects signed in terms of Treasury Regulation 16</b>	–	<b>3 935</b>	<b>4 170</b>	<b>4 420</b>	<b>4 700</b>
PPP unitary charge	–	3 935	4 170	4 420	4 700
<b>Total</b>	–	<b>3 935</b>	<b>4 170</b>	<b>4 420</b>	<b>4 700</b>

**Disclosure notes for projects signed in terms of Treasury Regulation 16**

Project name	National Fleet Project.
Brief description	Provision of Fleet Management Services.
Date PPP agreement was signed	October 2006.
Duration of PPP agreement	5 Years.
Escalation index for unitary fee	5
Variations/amendments to PPP agreement	None.
Cost implications of variations/amendments	None. In the event of a material breach by the the department of transport, the private party may seek the difference between the value of the vehicle and any finance outstanding.