

BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE

VOTE 37: Transport



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2013

National Treasury

Republic of South Africa

27 February 2013



ISBN: 978-0-621-41454-7

RP: 343/2012

The Estimates of National Expenditure 2013 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Transport

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Aim.....	1
Mandate	1
Strategic goals.....	2
Programme purposes	2
Selected performance indicators	3
The national development plan	3
Expenditure estimates	4
Personnel information	5
Expenditure trends.....	5
Departmental receipts.....	6
Programme 1: Administration	7
Programme 2: Integrated Transport Planning	8
Programme 3: Rail Transport	11
Programme 4: Road Transport.....	16
Programme 5: Civil Aviation.....	19
Programme 6: Maritime Transport.....	23
Programme 7: Public Transport.....	25
Public entities and other agencies	30
Additional tables.....	60

Vote 37

Transport

Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	353.1	340.4	10.5	2.2	371.0	387.0
Integrated Transport Planning	80.6	79.8	–	0.8	84.5	87.9
Rail Transport	11 240.8	35.1	11 205.6	0.1	14 686.8	18 024.3
Road Transport	19 541.5	103.3	19 437.5	0.6	21 418.9	22 683.2
Civil Aviation	140.0	105.5	34.1	0.4	146.4	152.1
Maritime Transport	105.3	81.2	23.8	0.3	110.8	115.6
Public Transport	10 814.1	171.8	10 642.1	0.2	11 404.9	11 927.6
Total expenditure estimates	42 275.3	917.0	41 353.8	4.6	48 223.2	53 377.7
Executive authority	Minister of Transport					
Accounting officer	Director General of Transport					
Website address	www.transport.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

Lead the provision of an integrated, sustainable, reliable and safe transport system through planning, developing, coordinating, promoting and implementing transport policies, regulations and strategies.

Mandate

The Constitution identifies the legislative responsibilities of different levels of government with regard to airports, roads, traffic management and public transport. Transport is a function that is legislated and executed at all levels of government. In addition, for transport functions at the national level, most of the implementation takes place in public entities that are overseen by the department, each with a specific delivery mandate, as specified in the respective sections below.

The 1996 White Paper on Transport defines the different subsectors in the transport sector. Broadly, these are the infrastructure and operations of rail, pipelines, roads, airports, harbours as well as the cross-modal operations of public transport and freight. The Department of Transport is responsible for the legislation and policies for all these subsectors.

For the cross-modal functions of public transport and freight, the guiding documents are the National Land Transport Act (2009), the public transport strategy and the national freight logistics strategy.

The Department of Transport is therefore responsible for conducting sector research, formulating legislation and policy to set the strategic direction of subsectors, assigning responsibilities to public entities and other levels of government, regulating through setting norms and standards, and monitoring implementation.

Strategic goals

The department's strategic goals over the medium term are to:

- ensure an efficient and integrated infrastructure network that serves as a catalyst for social and economic development
- ensure a transport sector that is safe and secure
- improve access, infrastructure and mobility in rural areas
- improve public transport systems
- increase the contribution of the transport sector to job creation
- enhance the contribution of the transport sector to environmental protection.

Programme purposes

Programme 1: Administration

Purpose: Coordinate and render effective, efficient strategic support and administrative services to the minister, director general and department and develop transport skills for the sector.

Programme 2: Integrated Transport Planning

Purpose: Manage and facilitate national strategic planning, including planning for new projects, and conduct research and formulate national transport policy, including for the cross-modal area of logistics. Coordinate international and intersphere relations.

Programme 3: Rail Transport

Purpose: Facilitate and coordinate the development of sustainable rail transport policies, strategies and systems. Oversee rail public entities.

Programme 4: Road Transport

Purpose: Regulate road traffic management. Ensure the maintenance and development of an integrated road network through the development of standards and guidelines, and oversight of the road agencies and provincial and local road expenditure.

Programme 5: Civil Aviation

Purpose: Facilitate through regulation and investigation the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards. Oversee the aviation public entities.

Programme 6: Maritime Transport

Purpose: Coordinate the development of a safe, reliable and viable maritime transport sector by developing policies and monitoring and exercising oversight of maritime public entities.

Programme 7: Public Transport

Purpose: Develop norms and standards, regulations and legislation to guide the development of public transport for rural and urban passengers. Regulate interprovincial public transport and tourism transport services. Monitor and evaluate the implementation of the public transport strategy and the National Land Transport Act (2009).

Selected performance indicators

Table 37.1 Transport

Indicator	Programme	Outcome to which it contributes	Past			Current	Projection		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Kilometres of secondary road network in poor and very poor condition	Road Transport	Outcome 6: An efficient, competitive and responsive infrastructure network	65 966	63 278	59 674	56 071	52 773	51 000	50 000
Number of average weekday bus rapid transit passengers: Rea Vaya in Johannesburg	Public Transport		11 800	30 000	36 000	43 000	50 000	85 000	150 000
Number of average weekday bus rapid transit passengers: MyCiti in Cape Town ¹	Public Transport		- ¹	- ¹	22 000	30 000	60 000	80 000	112 000
Implementation of national household travel survey	Integrated Transport Planning		- ¹	Travel analysis zones updated; 2003 questionnaire reviewed	Service provider appointed; questionnaire piloted in 3 provinces	Pilot data report completed; draft training manual for national household travel survey data collection developed	Statistical tables produced	Provincial reports produced	Implementation plan for next national household travel survey developed
Establishment of a single transport economic regulator ²	Integrated Transport Planning		- ²	- ²	Project plan developed	Detailed workflow plan and inception report compiled	Draft position paper developed	Setup of regulators legislated	Regulator established
Development of the rail transport policy ²	Rail Transport		- ²	- ²	Develop draft paper on rail transport policy	Publish draft green paper on rail transport	Publish and adopt white paper	Draft legislation	Promulgate act
Development of the national airports development plan ³	Aviation transport	- ³	Draft national airports development plan	Internal consultation to review the national airports development plan	Consultation with 2 provinces	Consultation with remaining provinces and other stakeholders. Updated national airports development plan	Departmental and Cabinet approval	- ³	
Number of municipal and provincial transport regulatory entities established per year ⁴	Public Transport	- ⁴	- ⁴	- ⁴	3	2	2	1	

1. Service began in 2011/12.

2. These initiatives began in 2011/12, hence no data in previous years.

3. This project began in 2010/11, and is planned to finish in 2014/15, hence no data in previous years or in 2015/16.

4. The regulators were set up in 2012/13 as a result of the National Land Transport Act (2009).

The national development plan

In its discussions on social and economic development, the national development plan emphasises the necessity of sound economic infrastructure as a pre-condition for economic growth. The country's transport infrastructure is thus a key priority. The major recommendations of the national development plan are to improve public transport planning and integrate it with spatial planning, emphasise asset management, and make institutional arrangements to ensure safe, reliable and affordable public transport and renew the commuter rail fleet. In this regard, the plan highlights the need to focus on the Gauteng-Durban corridor for freight, to incentivise public transport and to focus on transport systems rather than modes. The need to invest heavily in transport is recognised as is the need to carefully prioritise these investments.

Many of these priorities are being addressed by the department, and will continue to be part of its objectives, particularly the focus on public transport. The public transport infrastructure grant and the public transport network operations grant ensure that emphasis is placed on networks rather than modes and that planning is improved in cities. The devolution of public transport contracting and regulating to metropolitan cities will also see the provincial public transport operations grant and the national Metrorail subsidies devolved to cities. This will ensure that transport planning is seen in the context of spatial planning, thus using existing subsidies more effectively. The asset management approach is strongly supported through the provincial roads maintenance grant and the rural roads asset management systems grant to district municipalities. The capital transfers to the

Passenger Rail Agency of South Africa will ensure that the commuter fleet is renewed over a 10-year period from 2015/16 onwards and that the necessary complementary investments are made.

Expenditure estimates

Table 37.2 Transport

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	288.9	246.1	280.4	333.8	330.7	4.6%	0.8%	353.1	371.0	387.0	5.4%	0.8%
Integrated Transport Planning	60.6	58.7	90.2	118.5	112.0	22.7%	0.2%	80.6	84.5	87.9	-7.8%	0.2%
Rail Transport	10 527.7	9 259.7	9 532.2	10 301.4	10 296.2	-0.7%	28.6%	11 240.8	14 686.8	18 024.3	20.5%	29.6%
Road Transport	10 422.1	11 360.7	21 729.8	18 230.7	18 227.7	20.5%	44.5%	19 541.5	21 418.9	22 683.2	7.6%	44.6%
Civil Aviation	53.2	53.1	65.0	520.3	471.1	106.9%	0.5%	140.0	146.4	152.1	-31.4%	0.5%
Maritime Transport	135.5	143.5	138.8	149.0	147.2	2.8%	0.4%	105.3	110.8	115.6	-7.7%	0.3%
Public Transport	7 176.1	8 033.3	9 360.1	9 993.5	9 991.7	11.7%	24.9%	10 814.1	11 404.9	11 927.6	6.1%	24.1%
Total	28 664.0	29 155.1	41 196.5	39 647.2	39 576.5	11.4%	100.0%	42 275.3	48 223.2	53 377.7	10.5%	100.0%
Change to 2012 Budget estimate				818.3	747.5			571.4	157.0	3 100.4		
Economic classification												
Current payments	1 015.9	929.1	1 149.1	1 692.5	1 622.9	16.9%	3.4%	917.0	960.9	1 000.3	-14.9%	2.5%
Compensation of employees	228.1	250.8	274.5	319.3	313.7	11.2%	0.8%	360.1	383.4	406.5	9.0%	0.8%
Goods and services	787.7	678.3	874.6	1 373.2	1 309.3	18.5%	2.6%	556.8	577.5	593.9	-23.2%	1.7%
of which:												
Administration fees	0.6	0.6	1.0	0.9	0.9	10.2%	0.0%	1.8	1.9	1.9	30.6%	0.0%
Advertising	20.7	5.4	13.9	8.8	8.8	-24.9%	0.0%	10.4	10.9	11.4	9.2%	0.0%
Assets less than the capitalisation threshold	0.9	1.0	0.6	3.3	3.3	52.8%	0.0%	3.3	3.0	3.2	-1.4%	0.0%
Audit cost: External	5.5	7.2	5.6	9.4	9.4	19.9%	0.0%	9.2	9.8	10.2	2.8%	0.0%
Bursaries: Employees	1.7	0.7	1.2	1.2	1.2	-10.3%	0.0%	1.3	1.4	1.4	5.5%	0.0%
Catering: Departmental activities	0.6	1.4	1.0	1.9	1.9	46.4%	0.0%	1.9	2.0	2.1	3.8%	0.0%
Communication	9.6	6.4	30.1	54.7	54.7	78.5%	0.1%	6.6	37.5	36.5	-12.6%	0.1%
Computer services	8.7	5.5	7.5	6.5	4.4	-20.4%	0.0%	9.6	9.9	10.1	32.2%	0.0%
Consultants and professional services: Business and advisory services	559.9	398.7	664.3	1 161.0	1 099.1	25.2%	2.0%	326.0	310.8	317.8	-33.9%	1.1%
Consultants and professional services: Infrastructure and planning	43.2	171.4	0.0	5.3	5.3	-50.3%	0.2%	44.2	44.8	47.3	107.3%	0.1%
Consultants and professional services: Legal costs	5.4	0.6	1.5	-	-	-100.0%	0.0%	0.1	0.1	0.1	-	0.0%
Contractors	45.8	8.5	14.3	6.5	6.5	-47.7%	0.1%	8.8	8.9	10.1	15.6%	0.0%
Agency and support / outsourced services	2.5	0.0	0.7	-	-	-100.0%	0.0%	-	-	-	-	-
Entertainment	0.4	0.9	0.5	0.9	0.9	36.3%	0.0%	1.0	1.0	1.1	4.7%	0.0%
Inventory: Fuel, oil and gas	-	0.0	-	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0	180.2%	0.0%
Inventory: Materials and supplies	0.0	0.0	0.0	0.1	0.1	193.7%	0.0%	0.1	0.1	0.1	3.8%	0.0%
Inventory: Medical supplies	-	0.1	-	0.0	0.0	0.0%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Other consumables	0.1	0.2	0.2	0.4	0.4	68.0%	0.0%	0.6	0.6	0.6	11.1%	0.0%
Inventory: Stationery and printing	6.5	11.1	4.7	8.2	8.2	8.0%	0.0%	8.0	8.4	8.8	2.2%	0.0%
Operating leases	23.4	14.2	27.6	49.7	49.7	28.5%	0.1%	48.6	50.6	52.1	1.6%	0.1%
Property payments	-	0.2	4.7	3.3	3.3	0.0%	0.0%	4.1	4.4	4.6	11.9%	0.0%
Travel and subsistence	37.9	33.6	45.9	41.8	41.8	3.3%	0.1%	40.3	41.2	41.6	-0.2%	0.1%
Training and development	3.3	4.8	2.2	3.4	3.4	0.6%	0.0%	4.0	4.2	4.4	9.7%	0.0%
Operating payments	1.8	1.8	2.2	1.9	1.9	1.6%	0.0%	4.7	4.0	4.2	30.0%	0.0%
Venues and facilities	9.1	4.0	44.8	4.1	4.1	-23.5%	0.0%	22.4	22.3	24.2	81.1%	0.0%
Transfers and subsidies	27 640.9	28 222.7	40 044.1	37 948.4	37 948.4	11.1%	96.6%	41 353.8	47 257.4	52 372.3	11.3%	97.5%
Provinces and municipalities	13 263.1	12 102.4	15 503.0	17 324.5	17 324.5	9.3%	42.0%	18 850.9	19 855.0	21 015.3	6.6%	42.0%
Departmental agencies and accounts	5 873.7	6 985.7	14 578.3	9 896.4	9 896.4	19.0%	26.9%	10 782.8	12 209.6	12 803.3	9.0%	24.9%
Higher education institutions	8.2	8.7	9.2	9.6	9.6	5.7%	0.0%	10.2	10.8	11.3	5.4%	0.0%
Foreign governments and international organisations	4.3	4.7	8.1	9.1	9.1	28.3%	0.0%	9.5	10.1	10.5	4.9%	0.0%
Public corporations and private enterprises	7 850.1	8 765.2	9 474.1	10 227.9	10 227.9	9.2%	26.2%	11 159.1	14 598.3	17 931.7	20.6%	29.4%
Non-profit institutions	15.0	16.0	22.4	17.8	17.8	5.8%	0.1%	18.8	19.9	20.9	5.4%	0.0%
Households	626.5	340.0	449.1	463.0	463.0	-9.6%	1.4%	522.4	553.8	579.2	7.8%	1.2%
Payments for capital assets	6.8	1.9	3.2	6.4	5.2	-8.5%	0.0%	4.6	4.9	5.1	-0.5%	0.0%
Machinery and equipment	6.8	1.9	3.2	6.4	5.2	-8.5%	0.0%	4.6	4.9	5.1	-0.5%	0.0%
Payments for financial assets	0.4	1.5	0.2	-	-	-100.0%	0.0%	-	-	-	-	-
Total	28 664.0	29 155.1	41 196.5	39 647.2	39 576.5	11.4%	100.0%	42 275.3	48 223.2	53 377.7	10.5%	100.0%

Personnel information

Table 37.3 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual									Revised estimate ³						Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Transport		547	233.6	0.4	524	281.1	0.5	801	360.1	0.4	801	383.4	0.5	801	406.5	0.5	15.2%	100.0%	
Salary level	767	69																	
1 – 6	82	26	115	18.6	0.2	73	21.5	0.3	91	11.3	0.1	91	12.2	0.1	91	14.5	0.2	7.6%	11.8%
7 – 10	365	18	216	65.0	0.3	252	78.9	0.3	378	90.9	0.2	378	96.5	0.3	378	99.6	0.3	14.5%	47.4%
11 – 12	174	7	112	63.7	0.6	100	77.5	0.8	174	92.1	0.5	174	98.5	0.6	174	104.4	0.6	20.3%	21.3%
13 – 16	146	18	104	86.3	0.8	99	103.2	1.0	158	165.9	1.0	158	176.2	1.1	158	188.0	1.2	16.9%	19.6%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on maintaining road infrastructure, upgrading rail infrastructure and services, and constructing and operating public transportation infrastructure. The expenditure on these three items will meet the strategic objectives of the department, and is in line with the need for an efficient, competitive and responsive infrastructure network (outcome 6) and the national development plan priorities, as detailed in the above discussion of the plan.

These three items are also the main driver of significant increases in expenditure over the medium term. The spending on rail infrastructure in particular is expected to increase over the MTEF period, especially in 2014/15 and 2015/16, as the Passenger Rail Agency of South Africa builds depots, starts procuring new trains from 2015/16 onwards and continues to upgrade its signalling infrastructure.

In 2011/12, the department's expenditure increased significantly as a result of increased spending in the *Road Transport* programme in the form of an additional allocation of R5.8 billion to the South African National Roads Agency. This was due to the delay in implementing the e-tolling on Gauteng's freeways. Spending in the *Public Transport* programme also increased significantly from 2011/12 due to the public transport infrastructure and systems grant to municipalities. The grant was used to fund public transport networks in cities, including bus rapid transit systems. Since the initiation of the grant in 2005/06, Johannesburg and Cape Town have begun their initial phases; several cities have advanced significantly in planning their public transport networks; and others have begun building their infrastructure. Spending in the *Rail Transport* programme in 2009/10 was significant due to the Gautrain rapid rail link project, which was completed in 2010/11. Final transfers of R3.3 billion and R438.4 million for the Gautrain were made in 2009/10 and 2010/11.

Expenditure on consultants increased significantly in 2011/12 and 2012/13 as a result of spending on the electronic national traffic information system and the Mthatha airport upgrade. The amounts spent on consultants for the electronic national traffic information system varied each year. Spending on eNatis consultants is not reflected for the medium term as it will only be allocated once the transaction fees have been collected. Expenditure on consultants in 2012/13 constituted 365.3 per cent of total spending on compensation of employees.

As at 30 September 2012, the department had an establishment of 767 posts, all of which were funded and 69 posts were additional to the approved establishment. The number of posts filled decreased from 529 in 2009/10 to 524 in 2012/13, as a result of the restructuring undertaken in 2010/11 and 2011/12, when the department was reorganised around the different transport modes. No appointments were made until the structure was finalised in 2012/13. The department has now started to fill posts again for the first time since 2009.

It is expected that the number of posts will increase from 524 in 2012/13 to 801 over the medium term, 35.1 per cent of which will be in the *Administration* programme. *Administration* has grown because it has taken on additional functions such as the programme management unit. Over the medium term, it will capacitate the internal audit unit. The balance of the posts will be in the *Rail Transport*, *Road Transport*, *Civil Aviation*,

Maritime Transport and *Public Transport* programmes which are expected over the medium term to enhance their capacity to oversee transfers to public entities and other levels of government.

At the end of September 2012, the department had 243 vacancies, 47 of which were between salary levels 13 and 16, 122 between salary levels 1 and 10, and 74 between salary levels 11 and 12. Most of these vacancies are in the *Administration* and *Road Transport* programmes and will be filled in 2013/14. The ratio of support to line function staff is 3:1.

The department receives additional allocations over the medium term as follows:

- R250 million in 2013/14, R3.2 billion in 2014/15 and R1.6 billion in 2015/16 for infrastructure for the Passenger Rail Agency of South Africa
- R156.2 million in 2013/14, R955.5 million in 2014/15 and R1 billion in 2015/16 to the South African National Roads Agency for the maintenance of additional roads taken over from provinces
- R155.7 million in 2013/14, R173.4 million in 2014/15 and R409.3 million in 2015/16 for the provincial roads maintenance grant to improve the maintenance of roads.

Infrastructure spending

The department's infrastructure expenditure consists of transfers to public entities and other levels of government. The major components are capital transfers to the Passenger Rail Agency of South Africa and South African National Roads Agency, and conditional grants for roads to provinces and municipalities for public transport infrastructure.

Departmental receipts

Table 37.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
Departmental receipts	106 074	408 844	312 500	237 676	307 676	42.6%	100.0%	253 221	268 766	280 796	-3.0%	100.0%
Sales of goods and services produced by department	98 714	406 176	305 534	230 474	230 474	32.7%	91.7%	245 509	260 544	270 574	5.5%	90.7%
Sales by market establishments of which:	18	21	34	30	30	18.6%	-	30	30	30	-	-
Rental parking: Covered and open	18	21	34	30	30	18.6%	-	30	30	30	-	-
Administration fees of which:	98 521	406 035	305 408	230 350	230 350	32.7%	91.7%	245 385	260 420	270 450	5.5%	90.6%
Foreign operating permits	402	474	-	350	350	-4.5%	0.1%	385	420	450	8.7%	0.1%
E-Natis fees	98 119	405 561	305 408	230 000	230 000	32.8%	91.5%	245 000	260 000	270 000	5.5%	90.5%
Other sales of which:	175	120	92	94	94	-18.7%	-	94	94	94	-	-
Commission on insurance	70	77	78	70	70	-	-	70	70	70	-	-
Approval of security plans	5	2	-	-	-	-100.0%	-	-	-	-	-	-
Replacement of security cards and tender documents	64	26	2	14	14	-39.7%	-	14	14	14	-	-
Departmental publications	36	15	12	10	10	-34.8%	-	10	10	10	-	-
Sales of scrap, waste, arms and other used current goods	3	1	2	2	2	-12.6%	-	2	2	2	-	-
of which:												
Paper	3	1	2	2	2	-12.6%	-	2	2	2	-	-
Fines, penalties and forfeits	(5)	(1)	77	50	50	-315.4%	-	60	70	70	11.9%	-
Interest, dividends and rent on land	137	264	147	150	150	3.1%	0.1%	150	150	150	-	0.1%
Interest	137	264	147	150	150	3.1%	0.1%	150	150	150	-	0.1%
Transactions in financial assets and liabilities	7 225	2 404	6 740	7 000	77 000	120.1%	8.2%	7 500	8 000	10 000	-49.4%	9.2%
Total	106 074	408 844	312 500	237 676	307 676	42.6%	100.0%	253 221	268 766	280 796	-3.0%	100.0%

Programme 1: Administration

Expenditure estimates

Table 37.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
R thousand											
Ministry	34 306	45 816	41 461	33 872	-0.4%	13.5%	34 750	36 413	37 887	3.8%	9.9%
Management	24 215	25 441	70 147	72 029	43.8%	16.7%	67 039	70 568	73 809	0.8%	19.6%
Corporate Services	146 201	129 762	120 169	154 974	2.0%	48.0%	165 853	174 875	183 145	5.7%	47.0%
Communications	65 057	35 507	23 937	28 214	-24.3%	13.3%	40 583	42 581	44 333	16.3%	10.8%
Office Accommodation	19 086	9 584	24 708	44 760	32.9%	8.5%	44 869	46 516	47 794	2.2%	12.7%
Total	288 865	246 110	280 422	333 849	4.9%	100.0%	353 094	370 953	386 968	5.0%	100.0%
Change to 2012 Budget estimate				16 376			20 339	19 021	18 851		

Economic classification

	274 702	234 873	269 246	319 795	5.2%	95.6%	340 375	357 471	372 867	5.3%	96.2%
Current payments											
Compensation of employees	97 404	112 654	129 575	145 265	14.3%	42.2%	156 756	166 898	176 827	6.8%	44.7%
Goods and services	177 298	122 219	139 671	174 530	-0.5%	53.4%	183 619	190 573	196 040	4.0%	51.5%
<i>of which:</i>											
Administration fees	632	632	1 039	819	9.0%	0.3%	1 754	1 824	1 910	32.6%	0.4%
Advertising	6 376	1 096	8 744	7 633	6.2%	2.1%	9 400	9 863	10 323	10.6%	2.6%
Assets less than the capitalisation threshold	427	280	428	907	28.5%	0.2%	890	937	977	2.5%	0.3%
Audit cost: External	5 466	7 175	5 565	9 415	19.9%	2.4%	9 177	9 772	10 222	2.8%	2.7%
Bursaries: Employees	1 690	462	1 172	1 200	-10.8%	0.4%	1 291	1 362	1 425	5.9%	0.4%
Catering: Departmental activities	327	935	422	1 007	45.5%	0.2%	1 210	1 257	1 316	9.3%	0.3%
Communication	7 373	4 132	8 142	4 523	-15.0%	2.1%	4 041	4 222	4 415	-0.8%	1.2%
Computer services	5 703	4 643	5 569	5 905	1.2%	1.9%	9 031	9 509	9 948	19.0%	2.4%
Consultants and professional services: Business and advisory services	50 021	64 307	31 542	57 856	5.0%	17.7%	38 126	40 014	39 177	-12.2%	12.1%
Consultants and professional services: Legal costs	5 348	48	1 543	-	-100.0%	0.6%	50	51	53	-	-
Contractors	41 958	3 053	10 970	5 403	-49.5%	5.3%	7 719	7 687	8 841	17.8%	2.1%
Agency and support / outsourced services	714	48	189	-	-100.0%	0.1%	-	-	-	-	-
Entertainment	373	861	482	895	33.9%	0.2%	979	1 033	1 081	6.5%	0.3%
Inventory: Fuel, oil and gas	-	2	-	1	-	-	20	21	22	180.2%	-
Inventory: Materials and supplies	3	21	37	70	185.8%	-	63	67	70	-	-
Inventory: Medical supplies	-	57	-	25	-	-	-	-	-	-100.0%	-
Inventory: Other consumables	47	105	174	309	87.3%	0.1%	401	423	443	12.8%	0.1%
Inventory: Stationery and printing	2 585	3 774	1 221	2 684	1.3%	0.9%	4 284	4 493	4 700	20.5%	1.1%
Operating leases	21 224	11 001	26 505	46 832	30.2%	9.2%	46 982	48 727	50 108	2.3%	13.3%
Property payments	-	205	2 948	3 240	-	0.6%	4 132	4 358	4 559	12.1%	1.1%
Travel and subsistence	19 010	15 302	23 033	20 127	1.9%	6.7%	19 875	20 836	20 597	0.8%	5.6%
Training and development	3 287	1 914	2 012	3 353	0.7%	0.9%	4 024	4 247	4 442	9.8%	1.1%
Operating payments	1 156	338	572	758	-13.1%	0.2%	675	710	743	-0.7%	0.2%
Venues and facilities	3 578	1 828	7 362	1 568	-24.0%	1.2%	19 495	19 160	20 668	136.2%	4.2%
Transfers and subsidies	8 825	9 775	9 722	9 999	4.3%	3.3%	10 549	11 182	11 696	5.4%	3.0%
Departmental agencies and accounts	-	-	197	207	-	-	218	231	242	5.3%	0.1%
Higher education institutions	8 178	8 695	9 189	9 648	5.7%	3.1%	10 179	10 790	11 286	5.4%	2.9%
Households	647	1 080	336	144	-39.4%	0.2%	152	161	168	5.3%	-
Payments for capital assets	5 020	1 304	1 289	4 055	-6.9%	1.0%	2 170	2 300	2 405	-16.0%	0.8%
Machinery and equipment	5 020	1 304	1 289	4 055	-6.9%	1.0%	2 170	2 300	2 405	-16.0%	0.8%
Payments for financial assets	318	158	165	-	-100.0%	0.1%	-	-	-	-	-
Total	288 865	246 110	280 422	333 849	4.9%	100.0%	353 094	370 953	386 968	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	0.8%	0.7%	0.8%			0.8%	0.8%	0.7%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	-	197	207	-	-	218	231	242	5.3%	0.1%
Transport Education and Training Authority	-	-	197	207	-	-	218	231	242	5.3%	0.1%
Higher education institutions											
Current	8 178	8 695	9 189	9 648	5.7%	3.1%	10 179	10 790	11 286	5.4%	2.9%
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	8 178	8 695	9 189	9 648	5.7%	3.1%	10 179	10 790	11 286	5.4%	2.9%
Households											
Social benefits											
Current	647	1 080	336	144	-39.4%	0.2%	152	161	168	5.3%	-
Employee social benefits	647	1 080	336	144	-39.4%	0.2%	152	161	168	5.3%	-

Personnel information

Table 37.6 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate ³ 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16	
Administration																					
Salary level	373	37	277	108.2	0.4	268	135.2	0.5	362	156.8	0.4	362	166.9	0.5	362	176.8	0.5			10.5%	100.0%
1 – 6	62	15	75	12.1	0.2	49	14.4	0.3	66	7.8	0.1	66	8.6	0.1	66	10.6	0.2			10.4%	18.2%
7 – 10	182	9	113	33.2	0.3	137	39.6	0.3	182	37.3	0.2	182	39.6	0.2	182	38.5	0.2			9.9%	50.4%
11 – 12	73	5	49	28.0	0.6	41	35.2	0.9	54	30.0	0.6	54	32.0	0.6	54	33.8	0.6			9.6%	15.0%
13 – 16	56	8	40	34.9	0.9	41	46.0	1.1	60	81.6	1.4	60	86.8	1.4	60	93.9	1.6			13.5%	16.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term in the *Administration* programme is on management and corporate services, such as legal services, human resources management, financial management and facilities management. The bulk of this expenditure is on compensation of employees, operating leases and consultants.

From 2011/2012, spending in the *Management* subprogramme increased significantly, due to the expansion of the forensic investigations section. In addition, expenditure went towards relocating the programme management unit and the governance counsel to the office of the director general, following the restructuring undertaken in 2010/11 and 2011/2012 and which was completed in 2012/13.

Expenditure in the *Communications* subprogramme decreased in 2010/11, as the content development and research required for the 2010 FIFA World Cup ended on the conclusion of the event.

Over the medium term, expenditure on office accommodation is expected to increase significantly. The department was expected to occupy additional office space from 2012/13, but due to a delay in this schedule, R48.1 million of the budget for office accommodation will now be reprioritised to management and corporate services over the medium term. This will fund the performance audit, the public private partnership fleet services and the establishment of the programme management unit.

Over the medium term R16.1 million from the *Integrated Transport Planning* programme, R11.3 million from the *Road Transport* programme and R9.6 million from the *Public Transport* programme have been reprioritised to expenditure on communication services for the Arrive Alive campaign and October Transport Month. The organisation of the October Transport Month is now being centralised in *Administration*, which results in an increase in spending in the *Communications* subprogramme over the medium term.

The programme's compensation of employees is expected to increase in 2013/14, as a result of organisational realignment, creating and growing the department's internal audit capacity and providing for salary increases. The number of filled posts increases from 277 in 2011/12 to 362 in 2013/14 as all vacancies are filled after the completion of the restructuring of the department in 2012/13.

Expenditure on consultants is dependent on the particular needs in the *Ministry* and *Communications* units, due to October Transport Month. Spending on consultants by this programme constitutes 39.8 per cent of spending on compensation of employees.

Programme 2: Integrated Transport Planning

Objectives

- Facilitate multi-modal transport planning on an ongoing basis by:
 - developing an enabling consolidated transport planning databank by 2015
 - developing the Multi-modal Integrated Transport Planning draft Bill by 2015

- establishing a national transport planning forum by 2015.
- Assist line function operations with socioeconomic analysis of the transport sector by providing economic modelling and transport data on an ongoing basis.
- Reduce cross border system costs as well as transit and turnaround times to enhance trade within the Southern African Development Community region and Africa as a whole by:
 - implementing the recommendations of the freight movement optimisation plan for the border control operations coordinating committee, beginning with the Lesotho border decongestion strategy
 - completing the study on the harmonisation of standards, by the end of 2013.
- Propose innovative and applicable technologies for improved and environmentally sustainable transport systems through research, innovation, monitoring and evaluation on an ongoing basis.
- Ensure evidence based transport planning and policy making by conducting a household travel survey and publishing its result by the end of 2013/14 to support public transport and infrastructure investments.

Subprogrammes

- *Macro Sector Planning* examines land use and transport planning in all spheres of government from a multi-modal perspective to provide guidance on future investment; and manages, coordinates and facilitates the implementation of the planning provisions contained in the National Land Transport Act (2009) and other related transportation systems, policies and strategies. In 2012/13, the national transport master plan 2050 synopsis document was completed. Outputs over the medium term will include: Cabinet approval of the master plan, developing the consolidated transport planning databank, developing the multi-modal Integrated Transport Planning draft Bill, and establishing a national transport planning forum with an allocated budget of R8.6 million. This subprogramme had a staff complement of 7 in 2012/13.
- *Logistics* develops and coordinates the implementation of freight logistics strategies aimed at unblocking bottlenecks in the freight logistics system and related supply chains, with particular emphasis on integrating elements of the system across all modes. Over the medium term, R15.4 million is budgeted for updating the national freight databank and finalising the national freight corridor framework. This subprogramme had a staff complement of 13 in 2012/13.
- *Modelling and Economic Analysis* undertakes economic studies, provides innovative and enabling transport infrastructure funding options that respond to the socioeconomic needs of the national agenda, and applies economic analysis tools and transformation imperatives to transport sector policy development. In 2012/13, a study on the macroeconomic impact of transport on the economy and a modal shift analysis were completed; a study of global competitiveness by reducing transport costs was initiated; and a greenhouse gas inventory and database were established. The processes of establishing a single transport economic regulator and a broad based black economic empowerment (BEE) charter council have begun and will be finalised over the medium term at a cost of R16.1 million. This subprogramme had a staff complement of 11 in 2012/13.
- *Regional Integration* manages, coordinates and facilitates the development of strategies for engagement in the Southern African Development Community (SADC) region as well as the rest of Africa. Over the medium term, the focus will be on conducting studies on harmonising transport standards in the SADC region and developing traffic flow optimisation plans for key border posts. This subprogramme had a staff complement of 5 in 2012/13.
- *Research and Innovation* ensures research, innovation and monitoring of the transport sector for sustainability. In 2012/13, preliminary investigations into the conversion of public transport vehicles to use compressed natural gas for climate change mitigation purposes was conducted at a cost of R1 million. Over the medium term, the following outputs will be prioritised: a set of climate change nationally appropriate mitigation actions will be established as per the 2011 White Paper on National Climate Change Response; transport sector monitoring and evaluation will be improved by setting up an electronic monitoring and evaluation framework for national and provincial departments; a study will be conducted of South Africa's rural accessibility; and an investigation will be done into road freight accidents. This subprogramme had a staff complement of 10 in 2012/13.

- *Integrated Transport Planning Administration Support* provides administrative support services to the entire programme. It is responsible for budget control, performance reporting and project administration. This subprogramme had a staff complement of 5 in 2012/13.

Expenditure estimates

Table 37.7 Integrated Transport Planning

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand					2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Macro Sector Planning	16 784	18 101	23 903	17 458	1.3%	23.2%	15 853	16 598	17 253	-0.4%	18.1%
Logistics	8 791	14 209	17 536	21 023	33.7%	18.8%	21 401	22 353	23 170	3.3%	23.7%
Modelling and Economic Analysis	12 835	12 767	29 117	59 963	67.2%	35.0%	22 590	23 629	24 544	-25.8%	35.2%
Regional Integration	5 065	7 662	8 131	7 640	14.7%	8.7%	7 896	8 305	8 680	4.3%	8.8%
Research and Innovation	5 946	3 385	3 955	8 013	10.5%	6.5%	8 331	8 789	9 217	4.8%	9.2%
Integrated Transport Planning	11 134	2 601	7 583	4 395	-26.6%	7.8%	4 561	4 809	5 038	4.7%	5.1%
Administration Support											
Total	60 555	58 725	90 225	118 492	25.1%	100.0%	80 632	84 483	87 902	-9.5%	100.0%
Change to 2012 Budget estimate				29 950			(3 969)	(4 922)	(5 616)		

Economic classification

	59 574	58 518	88 699	117 693	25.5%	98.9%	79 788	83 589	86 967	-9.6%	99.1%
Current payments											
Compensation of employees	43 788	43 730	49 898	32 479	-9.5%	51.8%	34 451	36 682	38 868	6.2%	38.4%
Goods and services	15 786	14 788	38 801	85 214	75.4%	47.1%	45 337	46 907	48 099	-17.4%	60.7%
of which:											
Administration fees	9	-	-	28	46.0%	-	-	-	-	-100.0%	-
Advertising	976	934	948	380	-27.0%	1.0%	222	122	125	-31.0%	0.2%
Assets less than the capitalisation threshold	281	242	61	1 085	56.9%	0.5%	1 823	1 471	1 540	12.4%	1.6%
Catering: Departmental activities	16	31	33	210	135.9%	0.1%	185	235	246	5.4%	0.2%
Communication	601	847	962	520	-4.7%	0.9%	345	286	299	-16.8%	0.4%
Computer services	336	406	42	-	-100.0%	0.2%	-	-	-	-	-
Consultants and professional services: Business and advisory services	5 118	3 431	7 881	75 720	145.5%	28.1%	37 243	40 453	41 385	-18.2%	52.4%
Consultants and professional services: Infrastructure and planning	463	2 105	-	-	-100.0%	0.8%	-	-	-	-	-
Consultants and professional services: Legal costs	-	486	-	-	-	0.1%	-	-	-	-	-
Contractors	413	847	625	181	-24.0%	0.6%	100	122	128	-10.9%	0.1%
Agency and support / outsourced services	57	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	19	19	20	-	-
Inventory: Other consumables	7	1	13	40	78.8%	-	30	40	42	1.6%	-
Inventory: Stationery and printing	1 477	1 285	1 492	1 117	-8.9%	1.6%	445	383	400	-29.0%	0.6%
Operating leases	321	399	286	320	-0.1%	0.4%	-	71	75	-38.3%	0.1%
Travel and subsistence	3 162	1 556	6 352	4 930	16.0%	4.9%	4 555	3 305	3 422	-11.5%	4.4%
Training and development	20	2 165	24	10	-20.6%	0.7%	-	-	-	-100.0%	-
Operating payments	68	51	467	4	-61.1%	0.2%	-	-	-	-100.0%	-
Venues and facilities	2 461	2	19 615	669	-35.2%	6.9%	370	400	417	-14.6%	0.5%
Transfers and subsidies	42	-	112	-	-100.0%	-	-	-	-	-	-
Households	42	-	112	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	902	191	1 412	799	-4.0%	1.0%	844	894	935	5.4%	0.9%
Machinery and equipment	902	191	1 412	799	-4.0%	1.0%	844	894	935	5.4%	0.9%
Payments for financial assets	37	16	2	-	-100.0%	-	-	-	-	-	-
Total	60 555	58 725	90 225	118 492	25.1%	100.0%	80 632	84 483	87 902	-9.5%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.2%	0.3%			0.2%	0.2%	0.2%		

Details of transfers and subsidies

Households											
Social benefits											
Current	42	-	112	-	-100.0%	-	-	-	-	-	-
Employee social benefits	42	-	112	-	-100.0%	-	-	-	-	-	-

Personnel information

Table 37.8 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Integrated Transport Planning		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	65	10	51	26.9	0.5	51	29.9	0.6	65	34.5	0.5	65	36.7	0.6	65	38.9	0.6	8.4%	100.0%
1 – 6	2	6	6	1.1	0.2	1	1.1	1.1	2	0.1	0.1	2	0.1	0.1	2	0.2	0.1	26.0%	2.8%
7 – 10	25	1	16	4.9	0.3	21	7.3	0.3	25	5.6	0.2	25	6.0	0.2	25	6.5	0.3	6.0%	39.0%
11 – 12	17	–	9	4.8	0.5	10	4.6	0.5	17	9.8	0.6	17	10.5	0.6	17	11.3	0.7	19.3%	24.8%
13 – 16	21	3	20	16.1	0.8	19	16.9	0.9	21	18.9	0.9	21	20.1	1.0	21	20.9	1.0	3.4%	33.3%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on developing and implementing strategies, and undertaking studies and analyses around developing an integrated, multi-modal national system of transport, with particular attention to planning for a more effective and efficient public transport system for the country. The bulk of the spending is concentrated in the *Macro Sector Planning, Modelling and Economic Analysis* and the *Logistics* subprogrammes and goes mainly towards compensation of employees and the consultants who provide specialised skills and research with regard to transport planning.

Expenditure in 2012/13 increased significantly due to the national household travel survey in the *Modelling and Economic Analysis* subprogramme, which cost R40.9 million in that year and R20 million in 2011/12. This was on the hiring of consultants for the statistical analysis required for the survey. Additional consultancy projects such as the single transport economic regulator, macro planning framework, national freight corridor framework, and the update of the national freight database, account for the growth in spending on consultants from R7.9 million in 2011/12 to R75.7 million in 2012/13.

The increased travel, venue and facilities expenditure in 2011/12 and 2012/13 were due to workshops held in provinces on the Integrated Transport Sector Broad Based Black Economic Empowerment Charter.

Expenditure on compensation of employees decreased in 2010/11 due to the realignment of the organisational structure. Personnel increases from 51 in 2011/12 to 65 in 2013/14 as all vacancies are filled after the completion of the restructuring of the department in 2012/13.

In 2012/13 savings were realised in this programme and reprioritised to the *Administration* programme in order to fund the appointment of consultants to address the auditor general report and for communications related projects.

Programme 3: Rail Transport

Objectives

- Upgrade and expand the priority commuter rail corridors by:
 - finalising the rail policy and the rail plan strategy by 2014
 - ensuring increased service levels and improved system performance and reliability in 7 of the 21 priority commuter rail corridors in the country by 2014.
- Increase the accountability for commuter rail service delivery by facilitating the devolution of rail commuter operational subsidies to local government by:
 - signing a service level agreement between the department and the Passenger Rail Agency of South Africa by December 2013
 - signing service level agreements between capacitated metropolitan municipalities and the Passenger Rail Agency of South Africa by December 2014.

- Enhance the efficiencies and reliability of the rail transport sector by:
 - promulgating a Rail White Paper in 2014
 - enacting legislation by 2015/16 which drives investment and reform in the rail industry
 - reducing logistical cost of freight movement from 50.4 per cent to 41 per cent over the medium term
 - increasing the passenger rail volumes by 2.5 per cent annually.
- Ensure a safe railway environment by:
 - developing rail safety policy and regulations and reducing the number of accidents and incidents due to unsafe infrastructure or equipment by 10 per cent by 2014/15
 - increasing safety compliance through the introduction of a penalty regime by 2014
 - reducing the total number of incidents and accidents from 3 720 in 2011/12 by 5 per cent in 2013/14 and a further 10 per cent in 2014/15.

Subprogrammes

- *Rail Regulation* is discussed in more detail below.
- *Rail Infrastructure and Industry Development* coordinates the development, maintenance of and investment in rail infrastructure. In 2012/13, at a cost of R2.6 million, the subprogramme coordinated an interdepartmental steering committee, which commented on and approved a feasibility study that analysed the engineering, economic, legal and financial aspects of the rolling stock procurement process. The study's findings were approved by Cabinet in December 2011 and in April 2012 the Passenger Rail Agency of South Africa started the procurement process. A request for a proposal was published in May 2012 and a preferred bidder was announced in December 2012. The signing of the contract is targeted for June 2013. Over the medium term, the focus will be on facilitating the Passenger Rail Agency of South Africa's rolling stock procurement process. This subprogramme had a staff complement of 4 in 2012/13.
- *Rail Operations* coordinates the implementation of integrated rail services, and monitors and analyses service delivery challenges facing the rail industry. In 2012/13, at a cost of R2.9 million, steering committees were established in each of the metropolitan municipalities where the Passenger Rail Agency of South Africa provides services. A due diligence study is currently being conducted in the Cape Town municipality to quantify the financial and operational implications of devolving the rail operational subsidies to the municipality. In this regard, a steering committee has been established for metropolitan authorities that are in the process of developing a service level agreement to be entered into between the department and the agency in 2013/14. The initial step, from 2014/15, will be to reallocate to municipalities the operational funding that is presently transferred to the agency. Over the medium term, a key function will be to coordinate and facilitate the phased devolution of rail operational subsidies to metropolitan authorities. This subprogramme had a staff complement of 5 in 2012/13.
- *Rail Oversight* transfers allocations in full to the Passenger Rail Agency of South Africa and the Railway Safety Regulator. This subprogramme had no staff complement in 2012/13.
- *Rail Administration Support* provides support services to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 5 in 2012/13.

Expenditure estimates

Table 37.9 Rail Transport

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Rail Regulation	2 007	5 930	6 480	16 163	100.4%	0.1%	14 207	14 889	15 496	-1.4%	0.1%
Rail Infrastructure and Industry Development	5 331	4 264	2 114	6 839	8.7%	–	7 104	7 493	7 853	4.7%	0.1%
Rail Operations	21 548	5 472	3 921	6 535	-32.8%	0.1%	9 050	9 554	10 061	15.5%	0.1%
Rail Oversight	10 496 373	9 239 200	9 516 873	10 267 254	-0.7%	99.7%	11 205 626	14 649 804	17 985 581	20.5%	99.7%
Rail Administration Support	2 401	4 822	2 766	4 573	24.0%	–	4 766	5 034	5 286	4.9%	–
Total	10 527 660	9 259 688	9 532 154	10 301 364	-0.7%	100.0%	11 240 753	14 686 774	18 024 277	20.5%	100.0%
Change to 2012 Budget estimate				2 471			103 055	(1 136 789)	1 472 829		

Table 37.9 Rail Transport (continued)

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)			Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10	2012/13	2013/14	2014/15	2015/16	2012/13	2015/16		
Economic classification														
Current payments	31 213	20 438	15 196	34 045	2.9%	0.3%	35 058	36 897	38 620	4.3%	0.3%			
Compensation of employees	6 571	8 962	8 388	16 429	35.7%	0.1%	19 713	20 988	22 275	10.7%	0.1%			
Goods and services	24 642	11 476	6 808	17 616	-10.6%	0.2%	15 345	15 909	16 345	-2.5%	0.1%			
<i>of which:</i>														
Advertising	89	315	–	40	-23.4%	–	20	19	19	-22.0%	–			
Assets less than the capitalisation threshold	28	102	27	350	132.1%	–	130	134	141	-26.1%	–			
Catering: Departmental activities	4	20	7	50	132.1%	–	12	19	20	-26.3%	–			
Communication	113	218	93	202	21.4%	–	254	224	234	5.0%	–			
Computer services	–	28	7	–	–	–	–	(309)	(485)	–	–			
Consultants and professional services:	22 696	5 557	5 955	13 000	-17.0%	0.1%	5 000	5 240	5 374	-25.5%	0.1%			
Business and advisory services	–	–	–	–	–	–	–	–	–	–	–			
Consultants and professional services:	–	2 098	–	2 308	–	–	8 080	8 811	9 216	58.6%	0.1%			
Infrastructure and planning	–	–	–	–	–	–	–	–	–	–	–			
Consultants and professional services:	24	–	–	–	-100.0%	–	–	–	–	–	–			
Legal costs	–	–	–	–	–	–	–	–	–	–	–			
Contractors	112	308	61	10	-55.3%	–	10	10	10	–	–			
Agency and support / outsourced services	4	–	–	–	-100.0%	–	–	–	–	–	–			
Entertainment	–	–	–	50	–	–	–	3	4	-56.9%	–			
Inventory: Other consumables	–	6	–	4	–	–	20	16	17	62.0%	–			
Inventory: Stationery and printing	136	348	57	400	43.3%	–	475	506	529	9.8%	–			
Operating leases	85	218	55	120	12.2%	–	71	64	67	-17.7%	–			
Travel and subsistence	1 317	2 143	524	927	-11.0%	–	1 083	987	1 006	2.8%	–			
Operating payments	3	3	–	15	71.0%	–	5	5	5	-30.7%	–			
Venues and facilities	31	112	22	140	65.3%	–	185	180	188	10.3%	–			
Transfers and subsidies	10 496 373	9 239 200	9 516 873	10 267 254	-0.7%	99.7%	11 205 626	14 649 804	17 985 581	20.5%	99.7%			
Provinces and municipalities	2 976 720	438 360	5 300	–	-100.0%	8.6%	–	–	–	–	–			
Departmental agencies and accounts	37 260	35 634	37 475	39 349	1.8%	0.4%	46 513	51 504	53 873	11.0%	0.4%			
Public corporations and private enterprises	7 482 393	8 765 206	9 474 098	10 227 905	11.0%	90.7%	11 159 113	14 598 300	17 931 708	20.6%	99.4%			
Payments for capital assets	74	50	85	65	-4.2%	–	69	73	76	5.3%	–			
Machinery and equipment	74	50	85	65	-4.2%	–	69	73	76	5.3%	–			
Total	10 527 660	9 259 688	9 532 154	10 301 364	-0.7%	100.0%	11 240 753	14 686 774	18 024 277	20.5%	100.0%			
Proportion of total programme expenditure to vote expenditure	36.7%	31.8%	23.1%	26.0%			26.6%	30.5%	33.8%					
Details of transfers and subsidies														
Departmental agencies and accounts														
Departmental agencies (non-business entities)														
Current	37 260	35 634	37 475	39 349	1.8%	0.4%	46 513	51 504	53 873	11.0%	0.4%			
Railway Safety Regulator	37 260	35 634	37 475	39 349	1.8%	0.4%	46 513	51 504	53 873	11.0%	0.4%			
Public corporations and private enterprises														
Public corporations														
Other transfers to public corporations														
Capital	4 296 549	5 610 273	6 134 768	6 701 106	16.0%	57.4%	7 481 110	10 710 958	13 865 548	27.4%	71.4%			
Passenger Rail Agency of South Africa	3 831 791	5 110 273	6 134 768	6 701 106	20.5%	55.0%	7 481 110	10 710 958	13 865 548	27.4%	71.4%			
Passenger Rail Agency of South Africa (Public transport infrastructure and systems grant)	464 758	500 000	–	–	-100.0%	2.4%	–	–	–	–	–			
Public corporations and private enterprises														
Public corporations														
Public corporations - subsidies on products and production														
Current	3 185 844	3 154 933	3 339 330	3 526 799	3.4%	33.3%	3 678 003	3 887 342	4 066 160	4.9%	27.9%			
Passenger Rail Agency of South Africa	3 185 844	3 154 933	3 339 330	3 526 799	3.4%	33.3%	3 678 003	3 887 342	4 066 160	4.9%	27.9%			
Provinces and municipalities														
Provinces														
Provincial Revenue Funds														
Capital	2 976 720	438 360	5 300	–	-100.0%	8.6%	–	–	–	–	–			
Gautrain rapid rail link	2 976 720	438 360	5 300	–	-100.0%	8.6%	–	–	–	–	–			

Personnel information

Table 37.10 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate ³ 2012/13			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14		2014/15		2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Rail Transport																			
Salary level	36	2	23	10.0	0.4	21	12.7	0.6	39	19.7	0.5	39	21.0	0.5	39	22.3	0.6	22.9%	100.0%
1 – 6	3	–	6	1.0	0.2	2	1.2	0.6	3	0.6	0.2	3	0.7	0.2	3	0.7	0.2	14.5%	8.0%
7 – 10	16	–	6	1.8	0.3	10	2.4	0.2	16	4.8	0.3	16	5.1	0.3	16	5.4	0.3	17.0%	42.0%
11 – 12	8	1	7	3.9	0.6	5	4.7	0.9	11	5.0	0.5	11	5.4	0.5	11	6.4	0.6	30.1%	27.5%
13 – 16	9	1	4	3.3	0.8	4	4.4	1.1	9	9.3	1.0	9	9.9	1.1	9	9.8	1.1	31.0%	22.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on making transfers to the Passenger Rail Agency of South Africa in the form of a current transfer as a subsidy for operations and maintenance, and capital transfers mainly for maintenance and upgrades of outdated infrastructure. These transfers are also the main drivers of spending increases or decreases in the programme.

The decrease in the programme's expenditure in 2010/11 was the result of the transfer to the Gauteng provincial government for the Gautrain project being reduced from R3 billion in 2009/10 to R438.4 million in 2010/11, after which transfers ceased as the project was complete.

From 2011/12 onwards, the significant increases in programme expenditure were the result of increased transfers to the Passenger Rail Agency of South Africa to replace signalling systems and upgrade infrastructure. These transfers to the agency increase significantly in 2014/15 and 2015/16, with a similar effect on programme expenditure, due to additional allocations to allow the agency to prepare infrastructure for the new trains and to acquire the new trains, for which R4.2 billion has been budgeted in 2015/16. These additional allocations are expected to significantly improve the reliability, safety and frequency of the Metrorail service beyond the medium term.

Spending on compensation of employees increased significantly in 2010/11 and again in 2012/13, driven mainly by an increase in the number of posts in the *Rail Operations* subprogramme to provide capacity to monitor public entities. Personnel increases from 23 in 2011/12 to 39 in 2013/14 as all vacancies are filled after the completion of the restructuring of the department in 2012/13. Personnel moved from the *Integrated Transport Planning* programme to the *Rail Transport* programme as part of the restructuring. R3 billion of the capital transfer to Passenger Rail Agency of South Africa was rescheduled from 2014/15 to 2015/16 as trains will only be delivered then.

The high spending on consultants in 2009/10 and 2012/13 is attributed to the restructuring of the department and the alignment of the budget with the strategic plan.

Funds over the medium term have been reprioritised within the programme, from the *Rail Regulation* subprogramme to the *Rail Operations* subprogrammes, to fund the project on the devolution of rail commuter operations from national government to municipalities.

Subprogramme: Rail Regulation

This subprogramme develops rail policy, and safety and economic regulations to ensure improved safety and efficiency in rail transport. Development of the rail transport policy continued in 2012/13 and the associated legislation will be enacted by Parliament in 2015/16. Over the medium term, the focus will be on developing the policy and legislation, and establishing a rail economic regulator as part of the single transport economic regulator process. The White Paper on Rail Transport will be published for public comment in 2013/14, at a cost of R2.5 million.

Expenditure estimates

Table 37.11 Rail Regulation

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
	R thousand										
Current payments	1 992	5 923	6 447	16 158	100.9%	99.8%	14 202	14 884	15 491	-1.4%	100.0%
Compensation of employees	1 824	3 603	1 377	5 440	43.9%	40.0%	5 771	6 144	6 510	6.2%	39.3%
Goods and services	168	2 320	5 070	10 718	299.6%	59.8%	8 431	8 740	8 981	-5.7%	60.7%
of which:											
Advertising	-	8	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	7	9	70	-	0.3%	-	-	-	-100.0%	0.1%
Catering: Departmental activities	-	2	2	-	-	-	-	-	-	-	-
Communication	18	8	2	40	30.5%	0.2%	-	-	-	-100.0%	0.1%
Computer services	-	-	1	-	-	-	-	(309)	(485)	-	-1.3%
Consultants and professional services: Business and advisory services	-	-	4 955	8 000	-	42.4%	-	-	-	-100.0%	13.2%
Consultants and professional services: Infrastructure and planning	-	2 098	-	2 308	-	14.4%	8 080	8 811	9 216	58.6%	46.8%
Consultants and professional services: Legal costs	24	-	-	-	-100.0%	0.1%	-	-	-	-	-
Contractors	-	8	3	-	-	-	-	-	-	-	-
Agency and support / outsourced services	4	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other consumables	-	6	-	2	-	-	-	-	-	-100.0%	-
Inventory: Stationery and printing	75	143	2	11	-47.3%	0.8%	-	-	-	-100.0%	-
Operating leases	-	6	36	94	-	0.4%	21	14	15	-45.8%	0.2%
Travel and subsistence	45	34	52	149	49.0%	0.9%	330	224	235	16.4%	1.5%
Operating payments	2	-	-	4	26.0%	-	-	-	-	-100.0%	-
Venues and facilities	-	-	8	40	-	0.2%	-	-	-	-100.0%	0.1%
Payments for capital assets	15	7	33	5	-30.7%	0.2%	5	5	5	-	-
Machinery and equipment	15	7	33	5	-30.7%	0.2%	5	5	5	-	-
Total	2 007	5 930	6 480	16 163	100.4%	100.0%	14 207	14 889	15 496	-1.4%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	0.0%	0.1%	0.1%	0.2%			0.1%	0.1%	0.1%		

Personnel Information

Table 37.12 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Rail Regulation																			
Salary level	12	-	7	3.5	0.5	7	4.6	0.7	12	5.8	0.5	12	6.1	0.5	12	6.5	0.5	19.7%	100.0%
1 – 6	-	-	2	0.4	0.2	-	0.5	-	-	-	-	-	-	-	-	-	-	-	-
7 – 10	5	-	1	0.4	0.4	3	0.5	0.2	5	2.0	0.4	5	2.1	0.4	5	2.1	0.4	18.6%	41.9%
11 – 12	3	-	2	1.2	0.6	2	1.5	0.8	3	0.7	0.2	3	0.8	0.3	3	0.9	0.3	14.5%	25.6%
13 – 16	4	-	2	1.6	0.8	2	2.0	1.0	4	3.1	0.8	4	3.3	0.8	4	3.5	0.9	26.0%	32.6%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

Spending increased significantly in 2012/13 as a result of consultants being appointed to develop the rail policy and legislation at a cost of R16.8 million and to set up the interim Rail Economic Regulator at a cost of R9.6 million over the medium term. The objective of setting up the interim regulator is to establish a single transport economic regulator.

The number of personnel in the subprogramme fluctuated between 2009/10 and 2012/13 as a result of the subprogramme filling only critical positions due to the restructuring process finalised in 2012/13.

Programme 4: Road Transport

Objectives

- Maintain and preserve the existing roads network, including reducing the kilometres of provincial roads in a poor to very poor condition from 65 966 kilometres in 2010 to 51 000 in 2014 by:
 - monitoring rural roads asset management systems and provincial roads grants expenditure performance continually
 - developing and updating guidelines and standards for roads on an ongoing basis.
- Maintain and preserve coal haulage roads through:
 - rehabilitating 2 156 kilometres of coal haulage roads by 2014
 - monitoring the spending and performance by the South African National Roads Agency and the provincial roads departments of Mpumalanga and Gauteng quarterly
 - engaging with Transnet and Eskom to facilitate the ongoing migration of coal from road to rail.
- Support the implementation of the road infrastructure strategic framework by:
 - providing grant funding on an ongoing basis
 - ensuring the use of updated road asset management systems in all provinces by 2013/14, at local government level for the initial 22 district municipalities by 2014/15, and assisting a further 7 district municipalities in 2013/14.
- Improve rural access and mobility by:
 - assisting 21 district municipalities in developing non-motorised transport infrastructure and facilities
 - developing plans and guidelines for non-motorised infrastructure design, and monitoring their implementation by 2014.
- Support the millennium development goals to reduce accidents and incidents on roads, reducing the 2011 figure of 14 000 people per annum who died on the road by 50 per cent in 2020, by changing drivers' behaviour through reviewing the existing road safety strategy during the MTEF period.

Subprogrammes

- *Road Regulation* regulates road safety and traffic management, manages the relevant information systems and programmes, and exercises oversight over the inspectorate for driving licences and vehicle testing stations. In 2012/13, workshops were held to promote the transport management system, a strategy that focuses on load management, driver wellness, vehicle fitness and the operating safety of heavy vehicles. Comments were also received on draft regulations with regard to the capacity of testing stations to cope with additional motor vehicle testing. Over the medium term, at an approximate cost of R6 million, learner and driving licence instructions will be provided to high schools. By the end of 2013/14, 2 250 students are expected to be trained in driving skills. To achieve a reduction in accidents, drivers' driving skills will be enhanced by regulating the driving school industry through a review of the drivers' training manual. This subprogramme had a staff complement of 35 in 2012/13.
- *Road Infrastructure and Industry Development* facilitates and coordinates the planning, development, and management and maintenance of road infrastructure and asset management systems; and is responsible for broader industry development objectives. In 2012/13, R30.7 million was spent on monitoring the compliance of provinces with guidelines developed for provincial roads maintenance through the provincial road maintenance grant. Responsibilities over the medium term include developing and managing the framework for maintaining the secondary road network. This entails monitoring and evaluating the performance of provinces in efficiently and effectively maintaining their road networks. The subprogramme assesses and assists provinces on an ongoing basis in addressing specific challenges with road network development through programmes such as upgrading the coal haulage road network and roads in similar circumstances in other provinces. This subprogramme had a staff complement of 9 in 2012/13.
- *Road Oversight* reviews and analyses the performance of five road transport public entities and monitors their compliance regulations and legislation. The subprogramme's total budget is transferred to the South African National Roads Agency, Road Traffic Infringement Agency and Road Traffic Management

Corporation and to provinces and municipalities for road infrastructure and systems for road maintenance and upgrading. Over the medium term, the department will continue to monitor progress and expenditure by the road public entities and provinces and municipalities on a monthly, quarterly and annual basis. This subprogramme had no staff in 2012/13.

- *Road Administration Support* provides administrative support services to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning. This subprogramme had a staff complement of 10 in 2012/13.
- *Road Engineering Standards* develops and ensures the implementation of road engineering standards to provide a safe and reliable transportation system; and preserves, protects and improves road infrastructure. This entails developing and updating road engineering norms and standards, road asset management system policy and guidelines, and performance indicators; and managing and coordinating road infrastructure audits and quality assurance, road disaster management, and environmental management. In 2012/13, a new standards document aligning the country's highways with international highway standards was developed and presented to the committee of transport officials and, at a cost of R7.4 million, the digitised road traffic signs manual and route numbering document was updated. This subprogramme had a staff complement of 10 in 2012/13.

Expenditure estimates

Table 37.13 Road Transport

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Road Regulation	243 023	237 988	458 956	335 077	11.3%	2.1%	35 658	37 442	39 061	-51.1%	0.5%
Road Infrastructure and Industry Development	25 299	52 468	30 867	42 688	19.1%	0.2%	39 008	40 795	42 348	-0.3%	0.2%
Road Oversight	10 133 966	11 019 662	21 229 338	17 835 933	20.7%	97.5%	19 448 885	21 321 661	22 581 777	8.2%	99.2%
Road Administration Support	12 314	38 533	3 751	7 859	-13.9%	0.1%	8 200	8 664	9 097	5.0%	-
Road Engineering Standards	7 529	12 049	6 911	9 148	6.7%	0.1%	9 719	10 301	10 926	6.1%	-
Total	10 422 131	11 360 700	21 729 823	18 230 705	20.5%	100.0%	19 541 470	21 418 863	22 683 209	7.6%	100.0%
Change to 2012 Budget estimate				301 896			430 490	1 261 320	1 598 418		
Economic classification											
Current payments	287 940	339 532	500 281	395 513	11.2%	2.5%	103 308	108 541	113 439	-34.1%	0.9%
Compensation of employees	28 612	34 774	28 503	43 215	14.7%	0.2%	55 923	59 483	63 102	13.4%	0.3%
Goods and services	259 328	304 758	471 778	352 298	10.8%	2.2%	47 385	49 058	50 337	-47.7%	0.6%
of which:											
Administration fees	8	14	9	10	7.7%	-	10	11	11	3.2%	-
Advertising	11 648	763	3 930	450	-66.2%	-	550	627	656	13.4%	-
Assets less than the capitalisation threshold	109	209	32	121	3.6%	-	84	80	84	-11.5%	-
Catering: Departmental activities	96	244	72	224	32.6%	-	231	194	203	-3.2%	-
Communication	883	483	711	915	1.2%	-	1 013	1 047	1 096	6.2%	-
Computer services	2 438	396	1 904	570	-38.4%	-	540	654	685	6.3%	-
Consultants and professional services:	234 206	146 674	440 204	341 468	13.4%	1.9%	36 771	37 729	38 571	-51.7%	0.6%
Business and advisory services											
Consultants and professional services:	-	140 326	-	-	-	0.2%	-	-	-	-	-
Infrastructure and planning											
Consultants and professional services: Legal costs	-	45	-	-	-	-	-	-	-	-	-
Contractors	1 487	2 371	1 098	527	-29.2%	-	397	439	459	-4.5%	-
Inventory: Materials and supplies	-	-	-	6	-	-	12	14	15	35.7%	-
Inventory: Other consumables	14	10	9	1	-58.9%	-	19	14	14	141.0%	-
Inventory: Stationery and printing	1 290	2 741	569	1 225	-1.7%	-	868	991	1 037	-5.4%	-
Operating leases	419	1 250	318	470	3.9%	-	500	542	568	6.5%	-
Property payments	-	-	285	-	-	-	-	-	-	-	-
Travel and subsistence	5 632	7 390	5 790	5 875	1.4%	-	6 056	6 404	6 611	4.0%	-
Training and development	-	52	-	-	-	-	-	-	-	-	-
Operating payments	436	1 302	298	206	-22.1%	-	64	51	53	-36.4%	-
Venues and facilities	661	488	16 549	230	-29.7%	-	270	261	274	6.0%	-
Transfers and subsidies	10 133 977	11 019 662	21 229 407	17 834 607	20.7%	97.5%	19 437 545	21 309 668	22 569 085	8.2%	99.1%
Provinces and municipalities	4 336 277	4 101 542	6 732 793	8 019 140	22.7%	37.6%	8 748 415	9 201 413	9 871 683	7.2%	43.8%
Departmental agencies and accounts	5 797 689	6 918 120	14 496 545	9 815 467	19.2%	60.0%	10 689 130	12 108 255	12 697 402	9.0%	55.3%
Households	11	-	69	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	167	203	127	585	51.9%	-	617	654	685	5.4%	-
Machinery and equipment	167	203	127	585	51.9%	-	617	654	685	5.4%	-
Payments for financial assets	47	1 303	8	-	-100.0%	-	-	-	-	-	-
Total	10 422 131	11 360 700	21 729 823	18 230 705	20.5%	100.0%	19 541 470	21 418 863	22 683 209	7.6%	100.0%
Proportion of total programme expenditure to vote expenditure	36.4%	39.0%	52.7%	46.0%			46.2%	44.4%	42.5%		

Table 37.13 Road Transport (continued)

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 844 153	2 852 943	3 019 197	3 212 872	4.1%	19.3%	3 645 679	3 927 457	4 151 731	8.9%	18.2%
Road Traffic Management Corporation	83 603	73 619	77 949	82 412	-0.5%	0.5%	166 946	176 008	184 104	30.7%	0.7%
South African National Roads Agency	2 760 550	2 779 324	2 924 248	3 125 460	4.2%	18.8%	3 453 733	3 736 149	3 951 623	8.1%	17.4%
Road Traffic Infringement Agency	-	-	17 000	5 000	-	-	25 000	15 300	16 004	47.4%	0.1%
Capital	2 953 536	4 065 177	11 477 348	6 602 595	30.8%	40.6%	7 043 451	8 180 798	8 545 671	9.0%	37.1%
South African National Roads Agency - Gauteng Freeway Improvement project	-	-	5 750 000	-	-	9.3%	-	-	-	-	-
South African National Roads Agency - Non-toll Network	2 847 536	4 065 177	5 262 566	5 934 636	27.7%	29.3%	6 394 541	7 515 300	7 849 560	9.8%	33.8%
South African National Roads Agency - Coal Haulage Network	-	-	464 782	667 959	-	1.8%	648 910	665 498	696 111	1.4%	3.3%
South African National Roads Agency (Public transport infrastructure and systems grant)	106 000	-	-	-	-100.0%	0.2%	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	12 800	10 400	35 439	37 295	42.8%	0.2%	52 205	75 223	97 763	37.9%	0.3%
Rural roads asset management systems grant	12 800	10 400	35 439	37 295	42.8%	0.2%	52 205	75 223	97 763	37.9%	0.3%
Households											
Social benefits											
Current	11	-	69	-	-100.0%	-	-	-	-	-	-
Employee social benefits	-	-	1	-	-	-	-	-	-	-	-
Employee social benefits	11	-	68	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	4 323 477	4 091 142	6 697 354	7 981 845	22.7%	37.4%	8 696 210	9 126 190	9 773 920	7.0%	43.5%
Overload control grant	10 069	11 038	-	-	-100.0%	-	-	-	-	-	-
Provincial roads maintenance grant: Roads maintenance	4 162 161	4 080 104	5 872 354	6 828 533	17.9%	33.9%	7 519 488	7 956 245	8 933 980	9.4%	38.2%
Sani Pass roads grant	34 347	-	-	-	-100.0%	0.1%	-	-	-	-	-
Provincial roads maintenance grant: Disaster relief	116 900	-	240 000	489 912	61.2%	1.4%	367 822	366 943	-	-100.0%	1.5%
Provincial roads maintenance grant: Coal haulage road network maintenance	-	-	585 000	663 400	-	2.0%	808 900	803 002	839 940	8.2%	3.8%

Personnel information

Table 37.14 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
Road Transport			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	112	4	68	27.3	0.4	64	33.6	0.5	136	55.9	0.4	136	59.5	0.4	136	63.1	0.5	28.6%	100.0%
1 - 6	8	1	10	1.6	0.2	5	1.8	0.4	11	1.7	0.2	11	1.8	0.2	11	1.8	0.2	30.1%	8.1%
7 - 10	57	1	33	10.7	0.3	38	13.3	0.4	64	19.9	0.3	64	21.1	0.3	64	22.3	0.3	19.0%	48.7%
11 - 12	31	-	16	8.6	0.5	13	10.8	0.8	41	18.1	0.4	41	19.7	0.5	41	21.4	0.5	46.6%	28.8%
13 - 16	16	2	9	6.3	0.7	8	7.7	1.0	20	16.2	0.8	20	17.0	0.9	20	17.6	0.9	35.7%	14.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on transferring money to the South African National Roads Agency and provinces for capital investments and road maintenance to provide a reliable road network. These allocations over the medium term are expected to reduce the kilometres of secondary roads in poor or very poor condition from 65 966 kilometres in 2009/10 to 50 000 kilometres in 2015/16. These transfers are also the main drivers of increases in overall programme expenditure.

Transfers increased significantly in 2011/12 mainly due to an additional R5.8 billion transferred to the South African National Roads Agency in the *Road Oversight* subprogramme. This was to cover operating costs as a result of the delays experienced in introducing e-tolling on Gauteng's freeways. Additional increases in transfers were as follows: R1 billion for coal haulage roads that need to be repaired by the agency, Gauteng and Mpumalanga; R1.2 billion in capital increases to the agency for its non-toll network, and R1.8 billion to the provincial roads maintenance grant for the provinces' ongoing road maintenance programmes. These transfers, except for the e-tolls transfer, continued in 2012/13. The capital transfer increases by R672.1 million in 2013/14 and the grant increases by R956.2 million to improve the state of national and provincial roads.

Spending in the *Road Oversight* subprogramme is expected to grow over the medium term as a result of increases in the transfers to the South African National Roads Agency as follows: R156.2 million in 2013/14, R240.8 million in 2014/15 and R295.5 million in 2015/16 for the routine maintenance of roads. Capital roads works will cost R714.7 million in 2014/15 and R736.2 million in 2015/16 as a result of the agency including 2 075 kilometres of additional road from the Eastern Cape and 1 441 kilometres from the North West into the national road network.

The rural roads asset management systems grant, which pays for the establishment of roads asset management systems in district municipalities, receives an additional R13.1 million in 2013/14, R33.8 million in 2014/15 and R54.4 million in 2015/16. This will enable another seven district municipalities to be included in 2013/14 and further municipalities thereafter. The provincial roads maintenance grant also receives additional allocations of R155.7 million in 2013/14, R173.4 million in 2014/15 and R409.3 million in 2015/16 to improve roads maintenance of secondary roads.

The increase in spending on compensation of employees from 2013/14 is the result of increasing personnel numbers from 64 in 2012/13 to 136 from 2013/14 onwards to fill posts after restructuring. All vacancies are filled. New personnel will provide capacity to improve the monitoring of the provincial roads maintenance and the rural roads asset management systems grants and improve oversight over the programme's entities. The increase in spending on compensation of employees is mainly in the *Road Regulation* subprogramme, as setting policy and norms and standards and developing legislation remains an important focus of the programme.

Spending on consultants in the *Road Regulation* subprogramme for the maintenance and upgrade of the electronic national traffic information system was significant: R198.8 million in 2009/10, R186 million in 2010/11, R417.6 million in 2011/12 and R297 million in 2012/13. Expenditure over the medium term on this item is expected to be higher than reflected because the electronic national information systems transaction fees revenue has not yet been finalised and will only be allocated in future budgeting processes. The expected revenue over the medium term is reflected in the departmental receipts.

Savings of R11.3 million over the medium term have been realised in the *Road Regulation* subprogramme and were transferred to the *Administration* programme to fund communications related projects.

Programme 5: Civil Aviation

Objectives

- Enhance safety within the aviation sector by improving the quality and credibility of accident and incident investigations through the establishment of an independent accident and incident investigation body by June 2013, and the amendment of the Civil Aviation Act (2009) by the second quarter of 2013/14.
- Improve civil aviation safety and security continually through compliance with existing and new standards and recommended practices of the International Civil Aviation Organisation and the Federal Aviation Administration's international aviation safety assessment, and through ongoing oversight of the South

African Civil Aviation Authority, the Air Traffic and Navigational Services and the Airports Company of South Africa.

- Ensure effective and integrated economic infrastructure by concluding the consultative process for the national airports development plan and obtaining approval for its implementation by 2014.
- Ensure efficiency and safety in the aviation industry by consulting on and finalising the approval of the national civil aviation policy by 2014/15.
- Ensure effective air transport economic regulation through a review of the regulatory framework that promotes the development of the aviation industry by 2013/14.

Subprogrammes

- *Aviation Regulation* develops and maintains a robust and effective civil aviation regulatory regime that is fully responsive to national imperatives and international standards, norms and protocols. In 2012/13, at a cost of R8.5 million, the following outputs were achieved: the International Civil Aviation Organisation Office in Canada was managed, operational safety and continuing airworthiness programmes were developed, correction factors were implemented by the regulatory committee, and the airlift strategy was revised. In 2013/14, the regulatory committee will begin the permission application process from 2013/14 to 2017/18 for the Airports Company South Africa and the Air Traffic and Navigation Services Company. Responsibilities over the medium term include: developing, maintaining and exercising oversight over the implementation of the reviewed airlift strategy; implementing the reviewed regulatory framework for the Airports Company South Africa and the Air Traffic and Navigation Services; and developing regulations incorporating the funding model into the permission application process for the Airports Company South Africa and the Air Traffic and Navigation Services Company. This subprogramme had a staff complement of 20 in 2012/13.
- *Aviation Infrastructure and Industry Development* coordinates the planning and development of integrated aviation infrastructure; and manages the development and promotion of aviation industry and air freight logistics activities. In 2012/13, a draft slot coordination framework aimed at improving efficiencies at slot coordinated airports was developed and regulations developed to formalise the process of appointing the slot coordinator. In the interim, the appointment of an acting slot coordinator was facilitated. The subprogramme has embarked on drafting regulations to govern the use and management of slots at airports. This document has been submitted to the civil aviation regulation committee for consideration and submission to the minister for approval and promulgation, the implementation of which is targeted for July 2013. Over the medium term, the national airports development plan, and the White Paper on National Civil Aviation will be approved, implemented and monitored. This subprogramme had a staff complement of 8 in 2012/13.
- *Aviation Safety and Security* develops and monitors South Africa's aviation safety, security, environment, and search and rescue regime; and manages investigations of aviation accidents and serious incidents for the purposes of identifying deficiencies to make recommendations on mechanisms to address these deficiencies. This entails developing relevant legislation, and continually monitoring and evaluating implementation by the industry. In 2012/13, at a cost of R6.4 million, an appeals committee was established to adjudicate appeals brought against the decisions of the South African Civil Aviation Authority. Over the medium term, an independent aircraft accident and incident investigation body will be set up and operated once section 24 of the Civil Aviation Act (2009) is reviewed. The search and rescue component manages the national aeronautical and maritime search and rescue system by constantly scanning the global search and rescue environment/regime, developing and implementing strategies to improve the national and regional Search and Rescue System. This subprogramme had a staff complement of 11 in 2012/13.
- *Aviation Oversight* monitors on an ongoing basis the performance of the Airports Company South Africa, the Air Traffic and Navigation Services Company and the South African Civil Aviation Authority in line with the legislative framework. This subprogramme had no staff in 2012/13.
- *Aviation Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 9 in 2012/13.

- *Mthatha Airport* was created to facilitate the upgrade and refurbishment of the Mthatha Airport in 2012/13. R450 million has been made available. This subprogramme had no staff complement in 2012/13.

Expenditure estimates

Table 37.15 Civil Aviation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Aviation Regulation	28 089	14 711	23 525	21 711	-8.2%	12.7%	22 205	23 353	24 408	4.0%	9.6%
Aviation Infrastructure and Industry Development	7 056	8 087	4 186	6 254	-3.9%	3.7%	6 858	7 271	7 669	7.0%	2.9%
Aviation Safety and Security	4 298	8 634	5 479	12 394	42.3%	4.5%	69 334	71 791	73 926	81.4%	23.7%
Aviation Oversight	11 233	12 115	23 419	24 320	29.4%	10.3%	35 725	37 847	39 603	17.6%	14.3%
Aviation Administration Support	2 474	9 582	8 421	5 627	31.5%	3.8%	5 842	6 158	6 451	4.7%	2.5%
Mthatha Airport	-	-	-	450 000	-	65.1%	-	-	-	-100.0%	46.9%
Total	53 150	53 129	65 030	520 306	113.9%	100.0%	139 964	146 420	152 057	-33.6%	100.0%
Change to 2012 Budget estimate				450 284			67 355	69 546	71 646		

Economic classification

	41 712	40 978	41 134	495 604	128.2%	89.6%	105 467	109 872	113 827	38.8%	86.0%
Current payments											
Compensation of employees	19 494	22 704	29 540	28 713	13.8%	14.5%	32 130	34 209	36 282	8.1%	13.7%
Goods and services	22 218	18 274	11 594	466 891	176.0%	75.0%	73 337	75 663	77 545	-45.0%	72.3%
of which:											
Administration fees	-	-	1	-	-	-	-	-	-	-	-
Advertising	95	418	110	-	-100.0%	0.1%	10	5	5	-	-
Assets less than the capitalisation threshold	23	45	12	155	88.9%	-	15	39	40	-36.3%	-
Bursaries: Employees	-	207	-	-	-	-	10	8	8	-	-
Catering: Departmental activities	75	69	50	122	17.6%	-	135	145	147	6.4%	0.1%
Communication	263	350	481	209	-7.4%	0.2%	274	30 076	29 180	418.8%	6.2%
Computer services	25	10	3	-	-100.0%	-	-	-	-	-	-
Consultants and professional services:	15 821	11 542	2 495	458 806	207.2%	70.7%	66 038	38 532	41 109	-55.3%	63.0%
Business and advisory services	-	-	7	3 000	-	0.4%	-	-	-	-100.0%	0.3%
Consultants and professional services: Infrastructure and planning											
Contractors	391	412	571	80	-41.1%	0.2%	310	308	322	59.1%	0.1%
Agency and support / outsourced services	1 737	-	472	-	-100.0%	0.3%	-	-	-	-	-
Inventory: Other consumables	9	31	16	16	21.1%	-	6	3	3	-42.8%	-
Inventory: Stationery and printing	430	1 591	191	1 012	33.0%	0.5%	901	992	1 035	0.8%	0.4%
Operating leases	627	795	225	1 171	23.1%	0.4%	463	756	789	-12.3%	0.3%
Property payments	-	-	877	-	-	0.1%	-	-	-	-	-
Travel and subsistence	2 524	2 408	4 735	2 270	-3.5%	1.7%	1 856	2 270	2 277	0.1%	0.9%
Training and development	-	-	146	-	-	-	-	-	-	-	-
Operating payments	50	19	691	-	-100.0%	0.1%	3 268	2 475	2 574	-	0.9%
Venues and facilities	148	377	511	50	-30.4%	0.2%	51	54	56	3.8%	-
Transfers and subsidies	11 236	12 115	23 821	24 320	29.4%	10.3%	34 094	36 121	37 782	15.8%	13.8%
Departmental agencies and accounts	7 781	8 223	16 216	17 025	29.8%	7.1%	24 652	26 126	27 329	17.1%	9.9%
Foreign governments and international organisations	3 452	3 892	7 203	7 295	28.3%	3.2%	8 000	8 466	8 855	6.7%	3.4%
Non-profit institutions	-	-	-	-	-	-	1 442	1 529	1 598	-	0.5%
Households	3	-	402	-	-100.0%	0.1%	-	-	-	-	-
Payments for capital assets	202	36	75	382	23.7%	0.1%	403	427	448	5.5%	0.2%
Machinery and equipment	202	36	75	382	23.7%	0.1%	403	427	448	5.5%	0.2%
Total	53 150	53 129	65 030	520 306	113.9%	100.0%	139 964	146 420	152 057	-33.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.2%	1.3%			0.3%	0.3%	0.3%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7 781	8 223	16 216	17 025	29.8%	7.1%	24 652	26 126	27 329	17.1%	9.9%
South African Civil Aviation Authority	7 781	8 223	16 216	17 025	29.8%	7.1%	18 155	19 239	20 124	5.7%	7.8%
South African Maritime Safety Authority	-	-	-	-	-	-	6 497	6 887	7 205	-	2.1%
Non-profit institutions											
Current	-	-	-	-	-	-	1 442	1 529	1 598	-	0.5%
National Sea Rescue Institute	-	-	-	-	-	-	1 223	1 298	1 358	-	0.4%
National Emergency Communications Division of the South African Radio League	-	-	-	-	-	-	73	77	80	-	-
Mountain Club of South Africa	-	-	-	-	-	-	73	77	80	-	-
Off-road rescue	-	-	-	-	-	-	73	77	80	-	-

Table 37.15 Civil Aviation (continued)

R thousand	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Details of transfers and subsidies											
Foreign governments and international organisations											
Current	3 452	3 892	7 203	7 295	28.3%	3.2%	8 000	8 466	8 855	6.7%	3.4%
African Civil Aviation Commission	970	1 367	2 361	3 968	59.9%	1.3%	4 077	4 307	4 505	4.3%	1.8%
International Civil Aviation Organisation	2 482	2 525	4 842	3 327	10.3%	1.9%	3 510	3 721	3 892	5.4%	1.5%
Cospas search and rescue satellite aided tracking	-	-	-	-	-	-	413	438	458	-	0.1%
Households											
Social benefits											
Current	3	-	402	-	-100.0%	0.1%	-	-	-	-	-
Employee social benefits	3	-	402	-	-100.0%	0.1%	-	-	-	-	-

Personnel information

Table 37.16 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit	2012/13		Unit	2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Civil Aviation																			
Salary level	70	11	52	22.0	0.4	48	25.7	0.5	74	32.1	0.4	74	34.2	0.5	74	36.3	0.5	15.5%	100.0%
1 - 6	5	2	9	1.4	0.2	7	1.0	0.1	5	0.5	0.1	5	0.5	0.1	5	0.6	0.1	-10.6%	8.1%
7 - 10	36	7	22	6.0	0.3	21	7.1	0.3	37	9.4	0.3	37	10.1	0.3	37	10.9	0.3	20.8%	48.9%
11 - 12	15	-	11	6.4	0.6	11	8.3	0.8	18	10.5	0.6	18	11.1	0.6	18	11.7	0.7	17.8%	24.1%
13 - 16	14	2	10	8.2	0.8	9	9.3	1.0	14	11.8	0.8	14	12.5	0.9	14	13.1	0.9	15.9%	18.9%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus of this programme over the medium term will be on developing relevant legislation, and monitoring and evaluating its implementation to ensure aviation safety and security, and monitoring the performance of aviation public entities. These two functions are also the main drivers of spending increases over the medium term.

Spending increased significantly in the *Mthatha Airport* subprogramme in 2012/13 due to the R450 million upgrade of the airport, which is included in payments to consultants for work done on the upgrade.

Spending in the *Aviation Oversight* subprogramme increased significantly in 2011/12 and 2013/14 due to increased transfers to the South African Civil Aviation Authority, enabling it to improve aviation safety and the accident and incident investigation function. The accident and incident investigation function will be shifted to the department over the medium term and an independent body will be set up to fulfil the function.

Spending in the *Aviation Safety and Security* subprogramme is expected to increase significantly from 2013/14 as the search and rescue and watch keeping budget for aviation and maritime is transferred from the *Maritime Transport* programme to this programme. This will better align the search and rescue communication services, which are shared between aviation and maritime.

As a result of the changes to these subprogrammes over the medium term, the number of staff in the programme is expected to increase from 48 to 74 from 2012/13 to 2013/14. Consultants will be used over the medium term in establishing the aviation appeals committee.

Funds over the medium term have been reprioritised within the programme from goods and services to transfers and subsidies to fund contributions to aviation organisations and to the South African Civil Aviation Authority for the international civil aviation day.

Programme 6: Maritime Transport

Objectives

- Contribute to a safe, secure, environmentally friendly and efficient maritime transport industry by finalising the maritime transport policy and legislation, which will outline the policy position on the economic drivers in the maritime transport sector, through consultations with stakeholders by 2014.
- Enhance economic development by developing a maritime shipping policy by the end of 2014 that will provide a framework for promoting businesses such as ship recycling and ship repair within the maritime transport industry.
- Improve maritime safety by reducing the number of accidents and incidents (19 and 68 in 2012 respectively), based on marine casualties reflected in the 2011/12 South African Maritime Safety Authority annual report regarding small vessels, by 40 per cent by implementing the inland waterway strategy by 2013/14.
- Improve maritime security and assist in managing safety and security by drafting and signing the memoranda of understanding with relevant stakeholders in maritime security by March 2014.
- Ensure opportunities for the adequate training and skilling of seafarers by completing relevant bilateral and multilateral agreements and drafting legislation on the working conditions and protection of rights of seafarers in international waters by March 2014.

Subprogrammes

- *Maritime Policy Development* develops and maintains a maritime regulatory regime that is responsive to national imperatives and international standards, norms and protocols. In 2012/13, the process of implementing a ship clearance system began. Over the medium term, at a projected cost of R1.6 million, the consultation process with government departments, public entities and the marine industry will be finalised and approval of the draft maritime policy will be sought from Cabinet. The development of a ship clearance system will also be overseen. This subprogramme had a staff complement of 6 in 2012/13.
- *Maritime Infrastructure and Industry Development* coordinates, plans and develops an integrated maritime infrastructure and maritime industry in line with South Africa's industrial policy action plan, BEE and job creation. In 2012/13, R900 000 was spent on hosting World Maritime Day in Port Elizabeth. The event is an International Maritime Organisation initiative that aims to increase awareness and participation in the maritime sector among learners, and also to promote the Port of Ngqura as a deep water port in South Africa. Over the medium term, the focus will be on developing an integrated skills development programme; obtaining Cabinet approval for maritime policy; developing, maintaining and monitoring the implementation of a coastal shipping plan supported by the development of a South African shipping register; developing the policy framework for ship building and maintenance; and providing input for maritime transport policy. This subprogramme had a staff complement of 5 in 2012/13.
- *Implementation, Monitoring and Evaluations* ensures that maritime safety, security and environmental protection legislation and economic regulation are being implemented by the South African Maritime Safety Authority and the Ports Regulator. This entails monitoring and evaluating the two entities' performance to determine whether they are carrying out their mandates. Regulatory audits are also coordinated to determine whether the South African Maritime Safety Authority is carrying out its safety and security administration and inspection functions as per its mandate. This unit also evaluates, based on audit results, the efficiency and effectiveness of maritime transport legislation, including the draft International Oil Pollution Fund Bill. In 2012/13, R35.4 million was spent on oil pollution prevention and R29.6 million on watch keeping services to ensure safety of life at sea as part of the search and rescue system. The appointment of a specialist service provider for watch keeping services is under way and it is envisaged that the project will be finalised by the end of March 2013. This subprogramme had a staff complement of 7 in 2012/13.
- *Maritime Oversight* transfers allocations to public entities in the maritime field, the South African Maritime Safety Authority and the Ports Regulator. This subprogramme's total budget is transferred in full to the South African Maritime Safety Authority, the Ports Regulator and membership fees to international maritime organisations and non-profit search and rescue organisations. This subprogramme had no staff complement in 2012/13.

- *Maritime Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 1 in 2012/13.

Expenditure estimates

Table 37.17 Maritime Transport

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Maritime Policy Development	3 192	5 653	10 463	16 302	72.2%	6.3%	21 658	22 577	23 746	13.4%	17.5%
Maritime Infrastructure and Industry Development	49 175	62 347	74 599	6 168	-49.9%	33.9%	6 490	6 887	7 266	5.6%	5.6%
Implementation, Monitoring and Evaluations	47 817	40 115	23 638	95 322	25.9%	36.5%	47 237	49 811	51 728	-18.4%	50.8%
Maritime Oversight	32 889	25 800	29 931	27 561	-5.7%	20.5%	26 180	27 571	28 794	1.5%	22.9%
Maritime Administration Support	2 469	9 581	193	3 666	14.1%	2.8%	3 763	3 944	4 106	3.9%	3.2%
Total	135 542	143 496	138 824	149 019	3.2%	100.0%	105 328	110 790	115 640	-8.1%	100.0%
Change to 2012 Budget estimate				10 476			(41 531)	(44 230)	(46 511)		

Economic classification

Current payments	102 359	117 600	108 789	121 148	5.8%	79.4%	81 172	85 363	89 114	-9.7%	78.4%
Compensation of employees	12 481	15 109	8 643	17 511	11.9%	9.5%	20 969	22 324	23 689	10.6%	17.6%
Goods and services	89 878	102 491	100 146	103 637	4.9%	69.9%	60 203	63 039	65 425	-14.2%	60.8%
of which:											
Administration fees	–	–	–	12	–	–	15	15	14	5.3%	–
Advertising	869	1 241	–	130	-46.9%	0.4%	169	183	210	17.3%	0.1%
Assets less than the capitalisation threshold	15	32	11	345	184.4%	0.1%	167	200	221	-13.8%	0.2%
Catering: Departmental activities	28	53	217	221	99.1%	0.1%	129	131	144	-13.3%	0.1%
Communication	111	242	19 377	48 042	656.4%	12.0%	139	1 168	735	-75.2%	10.4%
Computer services	203	10	–	–	-100.0%	–	–	–	–	–	–
Consultants and professional services: Business and advisory services	39 785	66 073	76 359	45 183	4.3%	40.1%	14 319	15 712	15 546	-29.9%	18.9%
Consultants and professional services: Infrastructure and planning	42 699	26 837	–	–	-100.0%	12.3%	36 103	35 965	38 102	–	22.9%
Contractors	740	962	790	338	-23.0%	0.5%	222	242	263	-8.0%	0.2%
Inventory: Other consumables	7	21	–	21	44.2%	–	17	14	14	-12.6%	–
Inventory: Stationery and printing	461	1 258	519	1 357	43.3%	0.6%	483	414	459	-30.3%	0.6%
Operating leases	657	535	97	670	0.7%	0.3%	468	313	316	-22.2%	0.4%
Property payments	–	–	630	10	–	0.1%	–	–	–	-100.0%	–
Travel and subsistence	3 098	3 647	2 030	5 348	20.0%	2.5%	5 653	6 084	6 306	5.6%	4.9%
Training and development	–	403	–	–	–	0.1%	–	–	–	–	–
Operating payments	81	97	68	951	127.3%	0.2%	679	776	865	-3.1%	0.7%
Venues and facilities	1 124	1 080	48	1 009	-3.5%	0.6%	1 640	1 822	2 230	30.3%	1.4%
Transfers and subsidies	33 006	25 800	29 971	27 561	-5.8%	20.5%	23 829	25 080	26 163	-1.7%	21.3%
Departmental agencies and accounts	30 935	23 767	27 825	24 357	-7.7%	18.9%	22 304	23 464	24 473	0.2%	19.7%
Foreign governments and international organisations	871	841	851	1 837	28.2%	0.8%	1 525	1 616	1 690	-2.7%	1.4%
Non-profit institutions	1 083	1 192	1 255	1 367	8.1%	0.9%	–	–	–	-100.0%	0.3%
Households	117	–	40	–	-100.0%	–	–	–	–	–	–
Payments for capital assets	177	75	64	310	20.5%	0.1%	327	347	363	5.4%	0.3%
Machinery and equipment	177	75	64	310	20.5%	0.1%	327	347	363	5.4%	0.3%
Payments for financial assets	–	21	–	–	–	–	–	–	–	–	–
Total	135 542	143 496	138 824	149 019	3.2%	100.0%	105 328	110 790	115 640	-8.1%	100.0%
Proportion of total programme expenditure to vote expenditure	0.5%	0.5%	0.3%	0.4%			0.2%	0.2%	0.2%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	30 935	23 767	27 825	24 357	-7.7%	18.9%	22 304	23 464	24 473	0.2%	19.7%
South African Maritime Safety Authority	17 332	14 935	13 464	9 288	-18.8%	9.7%	6 404	6 612	6 846	-9.7%	6.1%
Ports Regulator	13 603	8 832	14 361	15 069	3.5%	9.1%	15 900	16 852	17 627	5.4%	13.6%
Non-profit institutions											
Current	1 083	1 192	1 255	1 367	8.1%	0.9%	–	–	–	-100.0%	0.3%
National Sea Rescue Institute	983	1 042	1 105	1 160	5.7%	0.8%	–	–	–	-100.0%	0.2%
National Emergency Communications Division of the South African Radio League	50	50	50	69	11.3%	–	–	–	–	-100.0%	–
Mountain Club of South Africa	50	50	50	69	11.3%	–	–	–	–	-100.0%	–
Off-road rescue	–	50	50	69	–	–	–	–	–	-100.0%	–
Foreign governments and international organisations											
Current	871	841	851	1 837	28.2%	0.8%	1 525	1 616	1 690	-2.7%	1.4%
Cospar search and rescue satellite aided tracking	309	314	317	391	8.2%	0.2%	–	–	–	-100.0%	0.1%
International Maritime Organisation	562	341	139	1 184	28.2%	0.4%	1 249	1 324	1 385	5.4%	1.1%
Indian Ocean Memorandum of Understanding	–	186	395	262	–	0.1%	276	292	305	5.2%	0.2%
Households											
Social benefits											
Current	117	–	40	–	-100.0%	–	–	–	–	–	–
Employee social benefits	117	–	40	–	-100.0%	–	–	–	–	–	–

Personnel information

Table 37.18 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16			
Maritime Transport																			
Salary level	36	1	22	11.4	0.5	19	12.3	0.6	42	21.0	0.5	42	22.3	0.5	42	23.7	0.6	30.3%	100.0%
1-6	-	1	-	-	-	-	0.2	-	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	-	2.1%
7-10	17	-	11	3.3	0.3	9	3.0	0.3	18	5.5	0.3	18	5.8	0.3	18	6.1	0.3	26.0%	43.4%
11-12	9	-	5	3.0	0.6	5	4.1	0.8	12	5.9	0.5	12	6.3	0.5	12	6.8	0.6	33.9%	28.3%
13-16	10	-	6	5.1	0.8	5	5.0	1.0	11	9.4	0.9	11	10.1	0.9	11	10.7	1.0	30.1%	26.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on ensuring that maritime safety, security and environmental protection legislation and economic regulation are implemented. The bulk of the spending is on making transfers to the maritime public entities.

Spending in the programme is expected to decrease significantly in 2013/14 from expenditure figures in 2012/13, due to the once off allocation of R20 million for removing the Seli 1 shipwreck from Bloubergstrand in 2012/13, and also as a result of transferring the search and rescue function from this programme to the *Civil Aviation* programme.

Expenditure in the *Maritime Policy Development* subprogramme increased significantly in 2012/13 and is expected to rise further in 2013/14, as a result of the operational costs of the International Maritime Organisation office, International Maritime Organisation diplomatic conference and the development of the business model for regional shipping and transshipment.

Expenditure on compensation of employees is expected to increase significantly from 2012/13 onwards as a result of personnel increases in the *Implementation, Monitoring and Evaluation* and the *Maritime Oversight* subprogrammes to improve the capacity to perform the functions required. Due to restructuring, 17 out of 36 posts were vacant as at 30 September 2012, but all vacancies are expected to be filled in 2013/14.

Expenditure on consultants in the programme is mainly on watchkeeping services as well as policy development. Spending on consultants decreased from R92.9 million in 2010/11 to R45.2 million in 2012/13 because of the shifting of the search and rescue function from this programme to the *Civil Aviation* programme.

The allocations to the Ports Regulator were increased from R13.6 million in 2009/10 to R15.1 million in 2012/13 as a result of reprioritisation, to allow the entity to be better staffed and to fulfil its economic regulation mandate. The transfers to the South African Maritime Safety Authority entity were decreased from R17.3 million in 2009/10 to R9.3 million in 2012/13, as savings were effected in line with the growth in the authority's own revenue. The decrease to the authority's transfer from 2013/14 is due to the contribution to the search and rescue coordination centre being moved to the *Civil Aviation* programme.

Savings of R5 million have been realised in this programme and transferred to the *Administration* programme to fund the International Maritime Organisation diplomatic conference.

Programme 7: Public Transport

Objectives

- Improve public transport access and reliability by developing and implementing integrated public transport networks in 13 cities and monitoring and evaluating progress on an ongoing basis.
- Ensure integrated and optimised public transport services by facilitating the development of integrated rapid public transport networks and feeder and distribution systems in 5 municipalities by 2014/15.

- Ensure efficient and effective public transport by establishing the National Public Transport Regulator as required by the National Land Transport Act (2009) by 2013/14.
- Develop and increase the equity ownership and broad based black empowerment (BEE) in the public transport sector through the implementation of the industry development model to empower taxi and small bus operators by establishing cooperatives and by coordinating skills development by 2014/15.
- Align and integrate the taxi recapitalisation programme with national and provincial rail services, metropolitan rapid public transport corridor services and provincial bus services by reviewing the taxi recapitalisation project by 2013/14 to assess its alignment with the public transport strategy.
- Ensure the improved scholar transport system by developing scholar transport norms and standards by 2013/14.

Subprogrammes

- *Public Transport Regulation* is discussed in more detail in the section below.
- *Rural and Scholar Transport* develops and reviews rural, scholar and non-motorised transport strategies, and coordinates and evaluates their implementation. In 2012/13, R5 million was spent on the draft scholar transport policy and the integration of the *Shova Kalula* national bicycle partnership project into scholar transport services. Over the medium term, the focus will be on finalising scholar transport policy, and developing scholar transport safety standards and operations guidelines; as well as implementing the rural mobility transportation programme. This subprogramme had a staff complement of 6 in 2012/13.
- *Public Transport Industry Development* oversees and facilitates the implementation of public transport policy, legislation and strategy; develops public transport empowerment schemes; manages the taxi recapitalisation programme; and oversees the public transport subsidy system. In 2012/13, R110 million was spent on developing: the bus subsidy reform strategy; systems to ensure full participation of small bus operators in public transport operations and a national public transport transformation plan as an intervention towards regularising the ongoing month to month bus contracts, which will be replaced over the medium term for purposes of stabilising the current system; and R462.9 million on scrapping 6 000 taxis. Over the medium term, it is projected that 23 018 taxis will be scrapped. This subprogramme had a staff complement of 16 in 2012/13.
- *Public Transport Oversight* oversees the use of public transport subsidies and grants, and monitors compliance with the Division of Revenue Act in terms of the transferring of money, reporting and reallocation. In 2012/13, R5 billion was transferred to local government for public transport infrastructure and systems, while R4.3 billion was transferred to provinces for bus subsidies. This subprogramme had no staff in 2012/13.
- *Public Transport Administration Support* renders an administrative and financial support service to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 9 in 2012/13.
- *Public Transport Network Development* develops norms and standards for integrated public transport systems to assist in providing accessible, reliable and affordable integrated public transport network services in municipalities. In 2012/13, R3 million was spent on retaining the service provider to assist with benchmarking, quality control, monitoring and oversight of integrated rapid public transport network plans, and their design and implementation; the City of Johannesburg had completed 18.5 kilometres dedicated roadways and 18 new stations for Rea Vaya Phase 1b; the City of Cape Town continued to roll out milestones incrementally to have the full first phase of MyCiti operational by September 2013. Over the medium term, focus will be placed on assisting 3 cities with completing the first phase of their integrated rapid public transport network suites of plans, as well as their infrastructure designs. This subprogramme had a staff complement of 4 in 2012/13.

Expenditure estimates

Table 37.19 Public Transport

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Expenditure/total: Average			Medium-term expenditure estimate			Average growth rate		Expenditure/total: Average	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16				
R thousand																
Public Transport Regulation	20 725	5 928	14 025	22 384	2.6%	0.2%	20 016	21 017	21 930	-0.7%	0.2%					
Rural and Scholar Transport	4 418	7 508	-	11 030	35.7%	0.1%	11 408	12 006	12 555	4.4%	0.1%					
Public Transport Industry Development	97 255	99 748	98 848	119 188	7.0%	1.2%	120 074	124 757	128 526	2.5%	1.1%					
Public Transport Oversight	6 957 427	7 916 161	9 234 479	9 785 867	12.0%	98.1%	10 645 668	11 229 323	11 745 923	6.3%	98.3%					
Public Transport Administration Support	2 860	3 060	9 872	47 849	155.8%	0.2%	9 501	9 996	10 501	-39.7%	0.2%					
Public Transport Network Development	93 410	896	2 829	7 175	-57.5%	0.3%	7 432	7 828	8 191	4.5%	0.1%					
Total	7 176 095	8 033 301	9 360 053	9 993 493	11.7%	100.0%	10 814 099	11 404 927	11 927 626	6.1%	100.0%					
Change to 2012 Budget estimate				6 823			(4 386)	(6 986)	(9 236)							
Economic classification																
Current payments	218 369	117 111	125 710	208 691	-1.5%	1.9%	171 798	179 185	185 499	-3.9%	1.7%					
Compensation of employees	19 771	12 825	19 915	35 647	21.7%	0.3%	40 184	42 797	45 425	8.4%	0.4%					
Goods and services	198 598	104 286	105 795	173 044	-4.5%	1.7%	131 614	136 388	140 074	-6.8%	1.3%					
of which:																
Advertising	651	664	123	120	-43.1%	-	50	55	56	-22.4%	-					
Assets less than the capitalisation threshold	49	49	49	359	94.2%	-	161	171	179	-20.7%	-					
Bursaries: Employees	-	-	-	20	-	-	-	-	-	-100.0%	-					
Catering: Departmental activities	47	18	205	25	-19.0%	-	-	1	1	-65.8%	-					
Communication	278	140	288	302	2.8%	-	500	526	554	22.4%	-					
Computer services	1	2	4	-	-100.0%	-	-	-	-	-	-					
Consultants and professional services: Business and advisory services	192 296	101 120	99 867	168 921	-4.2%	1.6%	128 499	133 088	136 631	-6.8%	1.3%					
Contractors	677	590	234	-	-100.0%	-	60	63	66	-	-					
Inventory: Other consumables	8	5	4	47	80.4%	-	62	64	67	12.5%	-					
Inventory: Stationery and printing	168	122	672	453	39.2%	-	582	610	639	12.2%	-					
Operating leases	79	31	117	90	4.4%	-	120	126	132	13.6%	-					
Travel and subsistence	3 166	1 163	3 404	2 292	-10.2%	-	1 205	1 290	1 337	-16.4%	-					
Training and development	-	240	21	-	-	-	-	-	-	-	-					
Operating payments	48	35	110	-	-100.0%	-	5	5	5	-	-					
Venues and facilities	1 130	107	697	415	-28.4%	-	370	389	407	-0.6%	-					
Transfers and subsidies	6 957 483	7 916 161	9 234 168	9 784 643	12.0%	98.1%	10 642 135	11 225 566	11 741 943	6.3%	98.3%					
Provinces and municipalities	5 950 086	7 562 495	8 764 879	9 305 372	16.1%	91.4%	10 102 502	10 653 555	11 143 619	6.2%	93.4%					
Public corporations and private enterprises	367 734	-	-	-	-100.0%	1.1%	-	-	-	-	-					
Non-profit institutions	13 952	14 789	21 176	16 460	5.7%	0.2%	17 365	18 407	19 254	5.4%	0.2%					
Households	625 711	338 877	448 113	462 811	-9.6%	5.4%	522 268	553 604	579 070	7.8%	4.8%					
Payments for capital assets	220	29	173	159	-10.3%	-	166	176	184	5.0%	-					
Machinery and equipment	220	29	173	159	-10.3%	-	166	176	184	5.0%	-					
Payments for financial assets	23	-	2	-	-100.0%	-	-	-	-	-	-					
Total	7 176 095	8 033 301	9 360 053	9 993 493	11.7%	100.0%	10 814 099	11 404 927	11 927 626	6.1%	100.0%					
Proportion of total programme expenditure to vote expenditure	25.0%	27.6%	22.7%	25.2%			25.6%	23.7%	22.3%							
Details of transfers and subsidies																
Households																
Other transfers to households																
Current	625 655	338 877	448 113	462 811	-9.6%	5.4%	522 268	553 604	579 070	7.8%	4.8%					
Taxi recapitalisation	625 655	338 877	448 113	462 811	-9.6%	5.4%	522 268	553 604	579 070	7.8%	4.8%					
Provinces and municipalities																
Municipalities																
Municipal bank accounts																
Current	-	-	-	-	-	-	881 305	744 817	862 024	-	5.6%					
Public transport network operations grant	-	-	-	-	-	-	881 305	744 817	862 024	-	5.6%					
Capital	2 418 177	3 699 462	4 611 647	4 988 103	27.3%	45.5%	4 668 676	5 126 029	5 278 881	1.9%	45.4%					
Public transport infrastructure and systems grant	2 418 177	3 699 462	4 611 647	4 988 103	27.3%	45.5%	4 668 676	5 126 029	5 278 881	1.9%	45.4%					
Non-profit institutions																
Current	13 952	14 789	21 176	16 460	5.7%	0.2%	17 365	18 407	19 254	5.4%	0.2%					
South African National Taxi Council	13 952	14 789	21 176	16 460	5.7%	0.2%	17 365	18 407	19 254	5.4%	0.2%					
Households																
Social benefits																
Current	56	-	-	-	-100.0%	-	-	-	-	-	-					
Employee social benefits	56	-	-	-	-100.0%	-	-	-	-	-	-					
Public corporations and private enterprises																
Private enterprises																
Private enterprises - subsidies on products and production																
Current	367 734	-	-	-	-100.0%	1.1%	-	-	-	-	-					
Bus subsidies	367 734	-	-	-	-100.0%	1.1%	-	-	-	-	-					
Provinces and municipalities																
Provinces																
Provincial Revenue Funds																
Current	3 531 909	3 863 033	4 153 232	4 317 269	6.9%	45.9%	4 552 521	4 782 709	5 002 714	5.0%	42.3%					
Public transport operations grant	3 531 909	3 863 033	4 153 232	4 317 269	6.9%	45.9%	4 552 521	4 782 709	5 002 714	5.0%	42.3%					

Personnel information

Table 37.20 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate ³ 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16	
Public Transport																					
Salary level 75	4	54	27.9	0.5	53	31.7	0.6	83	40.2	0.5	83	42.8	0.5	83	45.4	0.5				16.1%	100.0%
1 – 6	2	9	1.5	0.2	9	1.7	0.2	3	0.4	0.1	3	0.4	0.1	3	0.5	0.2				-30.7%	6.0%
7 – 10	32	15	5.0	0.3	16	6.1	0.4	36	8.3	0.2	36	8.9	0.2	36	10.1	0.3				31.0%	41.1%
11 – 12	21	15	8.9	0.6	15	9.9	0.7	21	12.8	0.6	21	13.6	0.6	21	12.9	0.6				11.9%	25.8%
13 – 16	20	15	12.4	0.8	13	14.0	1.1	23	18.7	0.8	23	19.9	0.9	23	22.0	1.0				20.9%	27.2%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on subsidising the construction of public transport infrastructure and the operations of public transport networks in municipalities and provinces. The *Public Transport Oversight* subprogramme, which transfers the conditional grants to provinces and municipalities, makes up 97.9 per cent of the programme's expenditure in 2012/13. Most of the department's key performance indicators relate to this expenditure.

The public transport infrastructure and systems grant to municipalities, which is the main driver of spending in the programme, has increased significantly since 2009/10. Over the medium term this grant will be separated to show its infrastructure and operational funding components, in order to improve transparency and provide certainty to municipalities regarding long term operational funding.

Two cities, Cape Town and Johannesburg, which are already operating systems funded by the public transport infrastructure and systems grant, will continue to expand their systems and transport more passengers every year. The Rea Vaya in Johannesburg is expected to increase the average number of weekday bus rapid transit passengers from 36 000 in 2011/12 to 150 000 by 2015/16 and the MyCITI in Cape Town from 22 000 to 112 000. Nelson Mandela Bay, Tshwane, George and Rustenburg are expected to start operations over the medium term.

The public transport operations grant to provinces supplements provincial funding of bus services. The grant grows from R3.5 billion in 2009/10 to R4.3 billion in 2012/13 to R5 billion in 2015/16 as it continues to increase in line with inflation. The programme will support the devolution of public transport contracting and regulating function to metropolitan cities, which will see the provincial public transport operations grant and the national Metrorail subsidies devolved to cities.

The amounts transferred to taxi owners for scrapping their taxis depend on the number of taxis scrapped per year. As a result, spending on this item varies from 2009/10 to 2012/13 while it grows in line with inflation over the medium term. R32.2 million in savings was realised in 2012/13 due to underspending on the taxi recapitalisation transfer. The number of taxis scrapped per year is 7 000, which is expected to remain stable over the medium term.

The programme expects to employ more staff between 2012/13 and 2013/14, mainly to monitor the conditional grants in the *Public Transport Oversight* subprogramme and to finalise policy in the *Rural and Scholar Transport* subprogramme. There were 22 vacancies due to the restructuring of the department, but all vacancies are expected to be filled in 2012/13 and 2013/14.

Spending on consultants in the *Public Transport Network Development* subprogramme was significant in 2009/10 due to the R92.7 million in fees for providing national guidelines and technical assistance to host cities of the 2010 FIFA World Cup. Consultants' work consisted of ensuring standardisation in event planning, providing centralised preparations to ensure that infrastructure and systems would be used in an integrated and coordinated manner, and establishing work streams to regulate licensing and branding processes. In addition, spending on consultants in 2012/13 in the *Public Transport Administration* subprogramme increased

significantly due to their work on verifying subsidies. This was as a result of the national department's intervention in the administration of the Limpopo provincial transport department in terms of section 100 of the Constitution.

Consultants are used over the medium term mainly in the *Public Transport Industry Development* subprogramme for administering the taxi recapitalisation programme and for the amendment of the public transport strategy.

Savings of R9.6 million over the medium term have been realised in this programme and transferred to the *Administration* programme to fund communications related projects.

Subprogramme: Public Transport Regulation

This subprogramme manages the development and maintenance of policy, legislation and regulation; and coordinates and facilitates implementation. Responsibilities include managing public transport information, such as public transport systems developed in terms of the National Land Transport Act (2009). In 2012/13, a draft National Land Transport Amendment Bill was developed. Public consultations on the amendment bill will take place in 2013, for introduction to Parliament in the third quarter of 2013/14.

Expenditure estimates

Table 37.21 Public Transport Regulation

Economic classification											
R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
Current payments	20 699	5 928	14 023	22 384	2.6%	100.0%	20 016	21 017	21 930	-0.7%	100.0%
Compensation of employees	10 022	3 364	6 816	10 914	2.9%	49.3%	11 576	12 325	13 060	6.2%	56.1%
Goods and services	10 677	2 564	7 207	11 470	2.4%	50.6%	8 440	8 692	8 870	-8.2%	43.9%
<i>of which:</i>											
Advertising	70	2	62	-	-100.0%	0.2%	-	-	-	-	-
Catering: Departmental activities	30	1	16	-	-100.0%	0.1%	-	-	-	-	-
Communication	130	2	78	30	-38.7%	0.4%	125	132	139	66.7%	0.5%
Consultants and professional services:	6 928	2 544	6 157	11 111	17.1%	42.4%	8 273	8 498	8 677	-7.9%	42.8%
<i>Business and advisory services</i>											
Contractors	463	2	33	-	-100.0%	0.8%	-	-	-	-	-
Inventory: Other consumables	2	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Stationery and printing	9	-	45	-	-100.0%	0.1%	42	44	46	-	0.2%
Operating leases	41	1	13	-	-100.0%	0.1%	-	-	-	-	-
Travel and subsistence	2 128	7	715	304	-47.7%	5.0%	-	16	7	-71.6%	0.4%
Operating payments	24	2	4	-	-100.0%	-	-	-	-	-	-
Venues and facilities	852	3	84	25	-69.2%	1.5%	-	2	1	-65.8%	-
Transfers and subsidies	26	-	-	-	-100.0%	-	-	-	-	-	-
Households	26	-	-	-	-100.0%	-	-	-	-	-	-
Payments for financial assets	-	-	2	-	-	-	-	-	-	-	-
Total	20 725	5 928	14 025	22 384	2.6%	100.0%	20 016	21 017	21 930	-0.7%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	0.3%	0.1%	0.1%	0.2%			0.2%	0.2%	0.2%		

Personnel information

Table 37.22 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual						Revised estimate ³						Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
		2011/12			2012/13			2013/14			2014/15			2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Public Transport Regulation																					
Salary level	22	-	18	9	0.5	18	12	0.6	22	12	0.5	22	12	0.6	22	13	0.6	6.9%	100.0%		
1-6	-	-	3	1	0.2	3	1	0.2	-	-	-	-	-	-	-	-	-	-100.0%	3.6%		
7-10	10	-	4	1.5	0.4	4	1.9	0.5	10	2.0	0.2	10	2.1	0.2	10	2.7	0.3	35.7%	40.5%		
11-12	7	-	7	4.2	0.6	7	5.2	0.7	7	5.0	0.7	7	5.4	0.8	7	4.1	0.6	-	33.3%		
13-16	5	-	4	3.1	0.8	4	3.9	1.0	5	4.5	0.9	5	4.8	1.0	5	6.2	1.2	7.7%	22.6%		

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus of over the medium term is on compensation of employees and consultants for work on setting up the National Public Transport Regulator, and piloting the National Land Transport Act (2009) rollout in a town or city.

The decrease in spending in the subprogramme in 2010/11 was caused by a reduction in spending on compensation of employees and consultants on policy and legislation work, due to organisational restructuring. During the restructuring process some of the officials for *Public Transport Regulation* and their projects were moved to the *Integrated Transport Planning* programme.

The increase in spending in 2011/12 was due to work being done to set up the National Public Transport Regulator and work on the Transport Appeal Tribunal. In 2012/13, spending on compensation of employees and consultants rose further due to the work on the amendment to the National Land Transport Act (2009) and the pilot of the act's rollout in a small town and city. Funds were reprioritised from the *Public Transport and Industry Development* subprogramme to this subprogramme to fund the pilot project rollout.

The subprogramme's staff increases from 18 in 2012/13 to 22 in 2013/14 as all vacancies are filled after restructuring. The capacitation of the subprogramme will lead to an improved implementation of the National Land Transport Act (2009).

Public entities and other agencies

Air Traffic and Navigation Services Company

Mandate and goals

The Air Traffic and Navigation Services Company was established in terms of the Air Traffic and Navigation Services Company Act (1993). In terms of the act, it is required to acquire, establish, develop, provide, maintain, manage, control and operate air navigation infrastructures and air traffic navigation services.

The company's main strategic goal over the medium term is to provide safe, orderly, cost effective and efficient air traffic, navigational and associated services to the air traffic management community on behalf of the state and in accordance with the International Civil Aviation Organisation standards and recommended practices, and the South African civil aviation regulations and technical standards. The focus will also be on the expansion of the service throughout Africa and the Indian Ocean Region.

Selected performance indicators

Table 37.23 Air Traffic and Navigation Services Company

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of air traffic controller vacancies per year ¹	Communication	30	(31)	(34)	(30)	(69)	(50)	(50)
Number of aircraft on OR Tambo International Airport runways per hour	Communication	60	60	60	60	60	60	60
Number of incidents per 100 000 movements ²	Navigation	2	2	2	2	2	2	2

1. In 2009/10, the positive number shows under capacity. Since then, not only have vacancies been filled, but an excess has been built (and is expected to be built further), as illustrated by the negative numbers. This is a key target for the entity due to the high staff turnover rate and long training times. It ensures this important function is never understaffed. Therefore, continuously decreasing (negative) numbers show an improving performance.

2. The industry best practice benchmark is 2.

Programmes/activities/objectives

Table 37.24 Air Traffic and Navigation Services Company

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand												
Communication	343 027	445 716	486 150	549 395	17.0%	49.7%	585 782	672 284	739 512	10.4%	50.0%	
Navigation	37 951	46 863	51 114	57 763	15.0%	5.3%	61 590	70 684	77 752	10.4%	5.3%	
Surveillance	58 934	73 790	80 484	90 954	15.6%	8.3%	96 978	111 299	122 429	10.4%	8.3%	
Display systems	9 216	9 987	10 893	12 310	10.1%	1.2%	13 125	15 064	16 570	10.4%	1.1%	
Simulator and systems	135 621	174 040	189 829	214 524	16.5%	19.5%	229 621	262 509	288 760	10.4%	19.5%	
Administration	115 819	141 810	154 675	174 799	14.7%	16.1%	185 485	213 896	235 286	10.4%	15.9%	
Total expense	700 568	892 206	973 145	1 099 745	16.2%	100.0%	1 172 581	1 345 736	1 480 309	10.4%	100.0%	

Expenditure estimates

Table 37.25 Air Traffic and Navigation Services Company

Statement of financial performance		Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand												
Revenue												
Non-tax revenue												
Sale of goods and services other than capital assets												
<i>of which:</i>												
<i>Sales by market establishment</i>												
<i>En-route and approach fees</i>												
<i>VSAT and NAFISAT Revenue</i>												
<i>Other non-tax revenue</i>												
Total revenue												
Expenses												
Current expenses												
Compensation of employees												
Goods and services												
Depreciation												
Transfers and subsidies												
Total expenses												
Surplus/(Deficit)												
Statement of financial position												
Carrying value of assets												
<i>of which:</i>												
<i>Acquisition of assets</i>												
Investments												
Inventory												
Loans												
Receivables and prepayments												
Cash and cash equivalents												
Taxation												
Derivatives financial instruments												
Total assets												
Accumulated surplus/(deficit)												
Capital and reserves												
Borrowings												
Trade and other payables												
Managed funds (e.g. poverty alleviation fund)												
Provisions												
Total equity and liabilities												

Personnel information

Table 37.26 Air Traffic and Navigation Services Company

Post status estimated for 31 March 2013	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	1 194	163	1 013	552.3	0.5	1 031	669.7	0.6	1 076	739.9	0.7	1 076	759.6	0.7	1 076	835.6	0.8	1.4%	100.0%
7 - 10	100	21	86	7.1	0.1	79	7.1	0.1	79	7.8	0.1	79	8.0	0.1	79	8.8	0.1	7.7%	1.1%
13 - 16	687	76	600	311.7	0.5	611	368.2	0.6	656	406.8	0.6	656	417.6	0.6	656	459.4	0.7	2.4%	55.0%
17 - 22	407	66	327	233.6	0.7	341	294.4	0.9	341	325.3	1.0	341	334.0	1.0	341	367.3	1.1	7.7%	44.0%

1. Rand million.

Expenditure trends

The Air Traffic and Navigation Services Company's revenue is generated by providing aeronautical services to the aviation industry. The main sources of this revenue are en-route and approach fees, which made up 90.8 per cent of total revenue in 2012/13. The fees, which are paid for by the airlines, cover the navigation services provided by the company, which include controlling the arrival and departure movements of all aircraft entering and leaving South African airspace. Revenue has increased significantly since 2009/10, and is expected to

continue doing so over the medium term. The increase is attributable to increased traffic movements and anticipated tariff increases.

Over the medium term company spending will focus on communication and simulator systems. These two objectives have been the largest source of expenditure over the historical period, and continue to grow significantly over the MTEF period. They are essential to ensure safety and improve capacity at airports, two measures which have remained at a consistently high level, as shown in the performance indicator table.

The highest expenditure continues to be on compensation of employees as the business requires highly specialised skills. Another 45 positions are expected to be filled between 2012/13 and 2013/14. The full establishment, however, is not expected to be filled over the medium term. Expenditure on consultants continues to grow as well. The company is still using consultants in some areas due to staff shortages, since its business is highly specialised and some positions take longer to fill. Most employee appointments in 2012/13 were effected in the latter part of the year, and this should reduce the fees paid to consultants in the next financial year. Consultants are used to carry out research and development so the company can gain strategic foresight, detailed insight into and understanding of global market dynamics, and readily available information on technological and business trends, suppliers, products, clients and competitors.

Under goods and services, communication, repairs and maintenance, and travel and subsistence are the major areas of expenditure, driven by the electronic maintenance support costs of the radars and other equipment. The travel expenses are mainly training related. To ensure that safety targets are met, continuous travel has to be undertaken by people at the various centres, as the training academy is in Johannesburg. Also, there is some overseas based training, and staff attendance at overseas conferences to keep abreast of global demands and expectations.

The acquisition of assets and connected securing of loans in 2009/10 and from 2012/13 onwards has been substantial, and continues into the medium term. This growth in assets is a result of planned capital expenditure, which is largely driven by the mandate to provide safe, orderly and efficient air traffic; and navigational and associated services to the air traffic management community. The plan takes into account changes in demand, the operational environment, the development and maturity of technologies, and changes in international, regional and national plans and priorities.

The company has strict internal controls regarding spending, and continually strives to reduce operational costs by eliminating fruitless expenditure. This is done without compromising safety standards.

Airports Company South Africa

Mandate and goals

The Airports Company of South Africa is regulated in terms of the Airports Company Act (1993) and the Companies Act (1973), and is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). The Airports Company of South Africa was formed to own and operate the nine principal South African airports, including the three main international gateways of OR Tambo, Cape Town and King Shaka International Airports. As well as providing secure infrastructure for airlines to transport people and goods, the company extends its responsibilities to include promoting tourism, facilitating economic growth and job creation, and protecting the environment.

Over the medium term, the company's main strategic goals are to position itself strategically for long term sustainability and to improve its operations. This involves analysing the market, refining its business and revenue models, developing a comprehensive stakeholder management strategy, and improving short term human resource performance.

Selected performance indicators

Table 37.27 Airports Company of South Africa

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cost revenue efficiency ratio per year, excluding depreciation	Airport management	54%	40%	48%	38%	42%	40%	43%
Number of passengers accommodated at national airports per year	Airport management	16 510 642	17 251 145	18 341 370	17 708 549	19 574 741	20 567 056	21 612 054
Number of aircraft landed at all airports per year	Airport management	274 714	274 292	288 387	267 912	292 708	300 886	310 166
Cost of an employee per departing passenger	Airport management	R38	R 38	R 42	R 52	R 49	R 49	R 52
Aeronautical revenue per departing passenger per year	Airport management	R111	R139	R183	R242	R250	R263	R280
Non-aeronautical revenue per departing passenger per year	Airport management	R111	R127	R130	R136	R130	R134	R140
Maintenance and engineering costs per international airport per year ¹ (R thousand)	Airport maintenance and engineering	R133 315	R189 032	R231 143	R185 945	R229 620	R250 533	R253 497

1. International airport defined as King Shaka International Airport in Durban, Cape Town International Airport and OR Tambo Airport in Johannesburg.

Programmes/activities/objectives

Table 37.28 Airports Company of South Africa

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R thousand												
Airport maintenance and engineering	399 944	567 095	783 052	557 835	11.7%	11.1%	688 859	601 002	760 488	10.9%	10.0%	
Airport security and safety	162 431	230 316	268 439	240 193	13.9%	4.4%	333 810	361 781	375 805	16.1%	5.0%	
Airport management	424 333	601 677	964 158	627 479	13.9%	12.5%	1 582 768	1 873 719	1 758 729	41.0%	21.9%	
Administration	2 660 128	3 884 080	4 144 730	4 137 981	15.9%	72.0%	3 935 577	4 001 505	4 189 843	0.4%	63.1%	
Total expense	3 646 835	5 283 168	6 160 378	5 563 488	15.1%	100.0%	6 541 015	6 838 007	7 084 865	8.4%	100.0%	

Expenditure estimates

Table 37.29 Airports Company of South Africa

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R thousand												
Revenue												
Non-tax revenue	4 411 789	5 006 563	5 648 123	6 800 240	15.5%	99.0%	7 544 863	8 290 373	9 184 018	10.5%	100.0%	
Sale of goods and services other than capital assets of which:	3 530 825	4 658 239	5 609 367	6 698 794	23.8%	91.9%	7 438 750	8 179 379	9 069 018	10.6%	98.6%	
<i>Sales by market establishment</i>	3 530 825	4 658 239	5 609 367	6 698 794	23.8%	91.9%	7 438 750	8 179 379	9 069 018	10.6%	98.6%	
<i>Aeronautical revenue</i>	1 702 372	2 430 447	3 378 531	4 286 448	36.0%	52.1%	4 894 811	5 416 734	6 045 145	12.1%	64.8%	
<i>Non-aeronautical revenue</i>	1 828 453	2 227 792	2 230 837	2 412 346	9.7%	39.8%	2 543 939	2 762 645	3 023 874	7.8%	33.9%	
<i>Other non-tax revenue</i>	880 964	348 324	38 756	101 446	-51.3%	7.1%	106 113	110 994	115 000	4.3%	1.4%	
Total revenue	4 547 621	5 062 638	5 648 123	6 800 240	14.4%	100.0%	7 544 863	8 290 373	9 184 018	10.5%	100.0%	
Expenses												
Current expenses	3 552 583	5 243 941	6 012 379	5 592 028	16.3%	98.7%	6 041 107	6 376 931	6 102 909	3.0%	93.1%	
Compensation of employees	674 440	714 163	739 971	915 002	10.7%	15.1%	952 236	1 015 669	1 121 028	7.0%	15.4%	
Goods and services	1 067 628	1 545 912	1 993 603	1 713 369	17.1%	30.4%	1 736 111	1 815 519	1 877 067	3.1%	27.6%	
Depreciation	1 077 449	1 445 228	1 553 000	1 460 089	10.7%	27.1%	1 776 416	1 963 206	1 533 125	1.6%	25.9%	
Total expenses	3 646 835	5 283 168	6 160 379	5 563 488	15.1%	100.0%	6 541 015	6 838 007	7 084 865	8.4%	100.0%	
Surplus/(Deficit)	900 786	(220 530)	(512 255)	1 236 752	11.1%		1 003 848	1 452 366	2 099 153	19.3%		
Statement of financial position												
Carrying value of assets of which:	25 812 861	26 560 669	23 672 164	23 639 467	-2.9%	87.0%	25 416 114	26 784 051	29 399 514	7.5%	89.6%	
<i>Acquisition of assets</i>	–	505 368	965 596	2 241 788	–	–	2 771 007	3 371 208	4 196 004	23.2%	10.6%	
Investments	661 327	647 129	1 348 643	979 668	14.0%	3.2%	979 668	979 668	979 668	–	3.4%	
Inventory	908	916	6 220	915	0.3%	0.0%	915	915	915	–	0.0%	
Receivables and prepayments	982 086	1 105 750	1 209 243	1 135 691	5.0%	3.9%	1 222 808	1 344 555	1 490 798	9.5%	4.4%	
Cash and cash equivalents	433 996	678 881	1 980 385	1 795 439	60.5%	4.2%	371 937	408 969	453 451	-36.8%	2.7%	
Non-current assets held for sale	–	–	1 850 000	–	–	1.5%	–	–	–	–	–	
Derivatives financial instruments	–	163 235	–	–	–	0.1%	–	–	–	–	–	
Total assets	27 891 178	29 156 580	30 066 655	27 551 180	-0.4%	100.0%	27 991 443	29 518 158	32 324 345	5.5%	100.0%	

Table 37.29 Airports Company of South Africa (continued)

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand												
Accumulated surplus/(deficit)	8 290 669	8 070 624	8 264 557	9 822 261	5.8%	30.1%	10 499 378	11 377 190	12 909 481	9.5%	37.9%	
Capital and reserves	677 463	1 533 614	1 425 072	750 000	3.4%	3.8%	750 000	750 000	750 000	-	2.6%	
Borrowings	16 016 028	16 607 469	16 710 776	14 443 094	-3.4%	55.6%	14 064 051	14 463 848	15 177 868	1.7%	49.7%	
Deferred income	81 387	79 022	1 276 716	-	-100.0%	1.2%	-	-	-	-	-	
Trade and other payables	1 800 155	909 137	948 419	1 264 660	-11.1%	4.3%	901 892	1 031 799	1 203 505	-1.6%	3.8%	
Managed funds (e.g. poverty alleviation fund)	750 850	1 082 005	1 033 737	766 579	0.7%	3.2%	1 271 536	1 390 734	1 778 905	32.4%	4.4%	
Provisions	171 300	202 848	212 603	155 056	-3.3%	0.6%	155 056	155 056	155 056	-	0.5%	
Derivatives financial instruments	103 326	671 862	194 775	349 531	50.1%	1.1%	349 531	349 531	349 531	-	1.2%	
Total equity and liabilities	27 891 178	29 156 581	30 066 655	27 551 180	-0.4%	100.0%	27 991 443	29 518 158	32 324 345	5.5%	100.0%	

Personnel information

Table 37.30 Airports Company of South Africa

Post status estimated for 31 March 2013	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	2 974	-	2 435	740.0	0.3	2 974	915.0	0.3	2 975	952.2	0.3	2 975	1 015.7	0.3	2 975	1 121.0	0.4	0.0%	100.0%
1 - 6	1 071	-	878	97.8	0.1	1 071	121.0	0.1	1 072	125.9	0.1	1 072	134.3	0.1	1 072	148.2	0.1	0.0%	36.0%
7 - 10	1 177	-	964	221.6	0.2	1 177	274.0	0.2	1 177	285.2	0.2	1 177	304.2	0.3	1 177	335.7	0.3	0.0%	39.6%
11 - 12	417	-	342	156.5	0.5	417	193.5	0.5	418	201.4	0.5	418	214.8	0.5	418	237.1	0.6	0.1%	14.0%
13 - 16	287	-	235	228.8	1.0	287	283.0	1.0	287	294.5	1.0	287	314.1	1.1	287	346.7	1.2	-0.0%	9.6%
17 - 22	22	-	17	35.2	2.0	22	43.5	2.0	21	45.3	2.2	21	48.3	2.3	21	53.4	2.5	7.0%	0.7%

1. Rand million.

Expenditure trends

The Airports Company of South Africa derives its revenue from aeronautical and non-aeronautical services. Aeronautical revenue consists of landing fees, passenger service charges and aircraft parking fees. Non-aeronautical revenue is derived from advertising, retail rental, property rental and parking receipts. While revenue increased by 14.4 per cent a year over the historical period, this growth is expected to slow down to 10.3 per cent a year over the medium term.

The perceived reduction in growth is mainly caused by the particularly high annual growth of 20.4 per cent from 2011/12 to 2012/13 resulting from an increase in the aeronautical revenue, which is a regulated tariff. This increase was based on capital expenditure to the value of R17 billion brought into operation in this period, resulting in raised tariffs of 33 per cent in 2010/11, 34.8 per cent in 2011/12, and 30.6 per cent in 2012/13. Over the medium term, the revenue increase is in line with the company's funding model, ensuring that the company is able to operate and fund the business in a sustainable manner. The increase will be used to repay the interest and debt accumulated during the expansion programme, which was necessary to accommodate the growing number of planes and passengers as shown in the performance indicators table.

The spending focus over the medium term is on airport management and administration, which made up 84.4 per cent of the budget in 2012/13. Airport management is the operational management of the airport, divided into airside, landside and terminal. Administration consists of all the support functions, including finance, IT, human resources, assurance and compliance, commercial and communications. Administration is a major expenditure item because it includes the interest incurred on the loans of R17 billion that funded the infrastructure investments between 2007/08 and 2010/11, which mainly involved the building of the new King Shaka International Airport and the central terminal buildings at both OR Tambo International Airport and Cape Town International Airport.

While expenditure increased at higher rates than revenue over the historical period, over the medium term it grows at lower rates leading to growing surpluses. This surplus will be used to pay interest on the existing loans

and also repay those loans. The fastest growing expenditure between 2009/10 and 2011/12 was in the administration programme because of interest payments on loans used to build the new airports and to upgrade security required due to increased capacity at the three international airports. Other expenditure during this period was for consultants whose expert skills were required for the large infrastructure projects.

The highest growth in expenditure over the medium term is expected for airport management. The main item here is compensation of employees as the company's personnel structure is expanded. Positions that were previously not budgeted for due to uncertain economic conditions are now being filled, to ensure the sustainability of the organisation. Infrastructure investment over the medium term is expected to be mostly for maintaining the existing airports. The expenditure on consultants is stable: the main areas of work in which they are employed for their expert skills is in the legal, research, compliance and finance functions, where a specific need is required over the short term and permanent employment is not warranted.

The continuous increase in revenue and expenditure is reflected in the steadily increasing number of passengers and aircrafts using the company's airports. Efficiency measures were effected on non-contractual and controllable expenses, mainly consisting of reductions to electricity, water and communications costs. The number of employees increased from 2 435 in 2011/12 to 2 974 in 2012/13 as the airport management and administration was expanded. There are no vacancies in the entity as all funded posts are filled and the number of employees is expected to stay stable over the medium term. Hence, the expenditure on compensation of employees is expected to only grow to cater for inflationary salary adjustments, from R915 million to R1.1 billion.

Passenger Rail Agency of South Africa

Mandate and goals

The Passenger Rail Agency of South Africa's mandate is contained in the Transport Services Act (1989), as amended in November 2008. The act requires the agency to, at the request of the Department of Transport, provide rail commuter services within, and to and from South Africa in the public interest. In consultation with the Department of Transport, it is also to provide for long haul passenger rail and bus services within, to and from South Africa. The agency is also required to leverage off its assets to generate income, and to have due regard to key government social, economic and transport policy objectives.

The agency's strategic goals over the medium term are to:

- improve the quality of services
- continue with its modernisation strategy, which entails acquiring new reliable trains and upgrading depots, stations, signalling and all other infrastructure
- achieve financial sustainability by improving the generation of revenue.

Selected performance indicators

Table 37.31 Passenger Rail Agency of South Africa

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of rail extensions completed per year ¹	Corporate	-1	-1	-1	-1	-1	-1	-1
Implementation of signalling interlocking sections programmer ¹	Corporate	-1	-1	1 Interlocking: Gauteng region	Interlocking technology validated	-1	Gauteng Nerve Centre complete	-1
Number of new train sets purchased for Metrorail per year ²	Corporate	-2	-2	-2	-2	-2	-2	10
Number of stations improved per year	Corporate real estate solutions	111	41	5	85	45	50	52
Number of stations upgraded per year	Corporate real estate solutions	4	5	3	32	50	55	60
Number of Metrorail general overhauls and upgrades of rolling stock per year	Technical	505	334	510	714	714	714	714
Number of main line passenger service (Shosholoz Meyl) overhauls and upgrades of rolling stock per year	Rail	-3	22	7	80	80	80	80
Customer satisfaction index (rail, bus and property)	Corporate	71.25%	72%	72%	74%	76%	77%	78%
Number of passengers per year	Rail	639 million	473 million ⁴	518 million	541 million	573 million	608 million	643 million

Table 37.31 Passenger Rail Agency of South Africa (continued)

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of passengers per year ⁵	Autopax	— ⁵	2.7 million	3.1 million	3.3 million	3.5 million	3.7 million	3.9 million
Number of locomotives purchased for Shosholozza Meyl services per year ⁶	Passenger Rail Agency of South Africa: Rail	— ⁶	— ⁶	— ⁶	— ⁶	15	32	41
Number of AY Wagons ⁷ purchased for rail maintenance work	Passenger Rail Agency of South Africa: Rail	— ⁷	— ⁷	— ⁷	12	48	12	— ⁷

1. The implementation plan for rail extensions and interlocking sections does not have targets/achievements every year due to the nature of the project's implementation.

2. First delivery of new rolling stock is in 2015/16.

3. Shosholozza Meyl was only absorbed into the newly formed agency in 2009/10.

4. In the previous year, this indicator included numbers for Autopax, which is now measured in a separate indicator.

5. This measures regular Metrorail planned services and excludes unplanned ad hoc services such as bus replacement journeys and contracted services.

6. The purchases are planned to commence in 2013/14, hence there is no historical data.

7. AY Wagons are specific wagons for transport of material for track/per way maintenance. The plan to purchase the AY Wagons only applies to 2012/13 to 2014/15, hence there is no historical data or data applicable 2015/16.

Programmes/activities/objectives

Table 37.32 Passenger Rail Agency of South Africa

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16			
Rail	6 980 885	5 831 882	5 919 095	6 660 564	-1.6%	74.5%	7 312 809	7 228 801	7 085 585	2.1%	68.8%
Autopax	528 067	771 845	898 390	843 380	16.9%	8.8%	916 878	989 468	1 154 850	11.0%	9.5%
Intersite	205 888	100 782	50 707	37 172	-43.5%	1.2%	40 487	62 406	53 791	13.1%	0.5%
Corporate real estate solutions	138 406	603 780	699 353	930 973	88.8%	6.7%	885 025	952 496	968 529	1.3%	9.1%
Corporate	—	758 801	1 212 284	1 149 233	—	8.8%	1 173 660	1 265 186	1 390 041	6.5%	12.1%
Total expense	7 853 246	8 067 090	8 779 829	9 621 322	7.0%	100.0%	10 328 860	10 498 357	10 652 797	3.5%	100.0%

Expenditure estimates

Table 37.33 Passenger Rail Agency of South Africa

Statement of financial position	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16			
R thousand											
Revenue											
Non-tax revenue	2 622 026	2 907 326	3 976 204	3 523 290	10.3%	42.3%	3 732 233	4 751 075	4 467 043	8.2%	45.2%
Sale of goods and services other than capital assets	2 550 625	2 599 533	2 998 488	3 359 489	9.6%	37.7%	3 730 990	4 745 619	4 242 830	8.1%	44.1%
of which:											
Sales by market establishment	2 448 905	2 427 151	2 674 011	3 223 736	9.6%	35.3%	3 589 472	4 409 159	4 031 445	7.7%	41.9%
Rental income	289 819	310 158	332 432	375 431	9.0%	4.3%	492 640	714 534	357 305	-1.6%	5.3%
Fare revenue	2 159 086	2 116 993	2 341 579	2 848 305	9.7%	31.0%	3 096 832	3 694 625	3 674 140	8.9%	36.6%
Other sales	101 720	172 382	324 477	135 753	10.1%	2.3%	141 518	336 460	211 385	15.9%	2.2%
Other non-tax revenue	71 401	307 793	977 716	163 801	31.9%	4.6%	1 243	5 456	224 213	11.0%	1.1%
Transfers received	3 962 089	4 364 157	4 774 694	4 499 732	4.3%	57.7%	4 766 614	5 192 054	5 397 924	6.3%	54.8%
Total revenue	6 584 115	7 271 483	8 750 898	8 023 022	6.8%	100.0%	8 498 847	9 943 129	9 864 967	7.1%	100.0%
Expenses											
Current expenses	7 853 277	8 067 090	8 779 829	9 621 322	7.0%	100.0%	10 328 860	10 498 357	10 652 797	3.5%	100.0%
Compensation of employees	2 827 757	3 130 065	3 591 297	4 163 074	13.8%	39.7%	4 488 032	4 508 205	4 658 716	3.8%	43.3%
Goods and services	3 925 232	3 515 875	3 726 023	4 391 583	3.8%	45.4%	4 559 900	4 258 851	4 279 761	-0.9%	42.6%
Depreciation	1 035 511	1 277 970	1 420 806	1 037 710	0.1%	14.0%	1 276 869	1 724 928	1 706 644	18.0%	13.9%
Total expenses	7 853 246	8 067 090	8 779 829	9 621 322	7.0%	100.0%	10 328 860	10 498 357	10 652 797	3.5%	100.0%
Surplus/(Deficit)	(1 269 131)	(795 607)	(28 931)	(1 598 300)	8.0%		(1 830 013)	(555 228)	(787 830)	-21.0%	
Statement of financial position											
Carrying value of assets	15 980 437	17 803 821	20 484 758	26 100 796	17.8%	89.1%	31 300 140	39 227 295	50 450 500	24.6%	93.1%
of which:											
Acquisition of assets	—	2 956 773	3 476 174	6 701 106	—	—	7 481 111	10 710 959	13 865 547	27.4%	24.3%
Inventory	163 450	145 519	216 202	243 888	14.3%	0.9%	240 449	236 620	237 990	-0.8%	0.6%
Loans	2 212	—	—	—	-100.0%	0.0%	—	—	—	—	—
Receivables and prepayments	259 575	368 540	184 561	278 927	2.4%	1.3%	260 559	254 217	267 890	-1.3%	0.7%
Cash and cash equivalents	419 348	2 125 653	3 570 681	2 055 351	69.9%	8.7%	1 495 651	2 518 039	2 456 219	6.1%	5.6%
Non-current assets held for sale	—	23 670	14 508	916	—	0.0%	916	916	916	—	0.0%
Defined benefit plan assets	9 472	—	7 261	7 389	-7.9%	0.0%	7 611	7 836	7 836	2.0%	0.0%
Taxation	126	—	126	126	—	0.0%	126	126	126	—	0.0%
Total assets	16 834 620	20 467 203	24 478 097	28 687 393	19.4%	100.0%	33 305 452	42 245 049	53 421 477	23.0%	100.0%

Table 37.33 Passenger Rail Agency of South Africa (continued)

Statement of financial position	Audited outcome				Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
	R thousand											
Accumulated surplus/(deficit)	(936 631)	(4 434 782)	(1 761 169)	(3 359 469)	53.1%	-11.5%	(5 189 481)	(5 744 587)	(6 532 417)	24.8%	-13.3%	
Capital and reserves	4 248 258	4 248 258	4 248 258	4 248 258	-	19.5%	4 248 258	4 248 258	4 248 258	-	11.4%	
Capital reserve fund	9 609 048	16 773 489	18 779 566	24 507 739	36.6%	75.3%	30 900 238	40 354 816	52 888 600	29.2%	93.2%	
Borrowings	992 132	468 390	264 344	220 163	-39.5%	2.5%	213 558	199 567	154 890	-11.1%	0.5%	
Trade and other payables	2 557 294	3 022 679	2 210 963	2 352 732	-2.7%	11.8%	2 467 008	2 548 590	2 114 567	-3.5%	6.4%	
Provisions	364 519	389 169	715 537	715 727	25.2%	2.4%	664 837	637 538	547 579	-8.5%	1.8%	
Derivatives financial instruments	-	-	20 598	2 243	-	0.0%	1 034	867	-	-100.0%	0.0%	
Total equity and liabilities	16 834 620	20 467 203	24 478 097	28 687 393	19.4%	100.0%	33 305 452	42 245 049	53 421 477	23.0%	100.0%	

Personnel information

Table 37.34 Passenger Rail Agency of South Africa

Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	16 279	90	15 291	3 591.3	0.2	16 279	4 163.1	0.3	16 698	4 488.0	0.3	16 746	4 508.2	0.3	16 781	4 658.7	0.3	1.0%	100.0%
7 – 10	15 504	-	14 591	3 066.7	0.2	15 504	3 335.9	0.2	15 904	3 635.2	0.2	15 927	3 888.6	0.2	15 962	3 971.4	0.2	6.0%	95.2%
11 – 12	198	-	260	125.0	0.5	288	225.7	0.8	295	231.9	0.8	305	138.9	0.5	305	145.1	0.5	-13.7%	1.8%
13 – 16	518	90	390	286.9	0.7	428	488.3	1.1	440	502.1	1.1	455	355.7	0.8	455	411.5	0.9	-5.5%	2.7%
17 – 22	59	-	50	112.7	2.3	59	113.2	1.9	59	118.8	2.0	59	125.1	2.1	59	130.8	2.2	4.9%	0.4%

1. Rand million.

Expenditure trends

The main revenue source of the Passenger Rail Agency of South Africa is transfers from the Department of Transport. Secondary revenue comes from fares and rental properties. The increase in transfers is mainly driven by increases to the capital transfers for the upgrade of infrastructure while the operational transfers increase moderately. Revenue from passenger services is generated from ticket sales on train and bus commuters for passenger and long distance journeys. Revenue increased significantly between 2009/10 and 2012/13 due to increases in sales of tickets as a result of the incorporation of Autopax and Shosholozza Meyl into the agency in 2009/10 and transfers received from the department to support the investment in rail infrastructure.

The spending focus over the medium term will be on improving the agency's infrastructure to increase service reliability. This includes the maintenance of existing infrastructure and rolling stock, upgrading signalling and buying new rolling stock. Thus, the acquisition of assets sees an increase from R6.1 billion in 2011/12 to R10.7 billion in 2014/15. This is reflected in an increase in the number of rail passengers and improved customer satisfaction as shown in the performance table above.

Rail, particularly Metrorail, is and remains the agency's main business. However, growth in the other businesses is significant. Both goods and services and compensation of employees are major expenditure areas. Compensation of employees has increased significantly as a result of higher than budgeted increases of 7 per cent in 2011/12. The major goods and services expenditure is on repairs and maintenance, energy and haulage. The fluctuation in repairs and maintenance is due to certain costs being classified as capital expenditure in the current financial year, and this reduction in costs and reallocation to capital is taken into account in the following year. Haulage costs are billed by Transnet for the use of their locomotives to haul Shosholozza Meyl across its country wide rail network. Annual insurance premiums are based mainly on commuter cover costs which are increasing by 15 per cent. Expenditure continues to be larger than revenue, leading to deficits in every year of the medium term.

Depreciation has shown no growth due to a projected sale of old buses in Autopax by year end. In 2012/13, expenses such as security, energy and municipal costs were higher than expected due to higher than inflationary increases in tariffs.

Personnel numbers are increasing from 15 291 in 2011/12 to 16 781 in 2015/16 due to increased security personnel employed by the asset protection unit, which focuses on the day to day operational security requirements with specific reference to crime prevention, access and crowd control management, platform marshalling and incident management as well as rail operations staff. The growth in employee compensation expenditure is primarily related to the fact that the agency is tied into greater than inflation increases for the budgeted year as a result of prior wage agreements. Consultants are mainly used to work on pension administrative costs, research and development with regard to customer satisfaction, forensic services, brokerage services and risk management. In 2012/13 spending on consultants was equivalent to 1.5 per cent of spending on compensation of employees.

Travelling and accommodation costs for staff have been contained to be in line with travel plans, and operational effectiveness and auxiliary transport and professional services have also been reduced.

Road Accident Fund

Mandate and goals

The mandate of the Road Accident Fund, derived from section 3 of the Road Accident Fund Act (1996), is the payment of compensation for loss or damage wrongfully caused by the driving of motor vehicles in South Africa. The socioeconomic mandate of the fund is to re-integrate victims of road accidents back into society from a health and economic perspective, and to protect wrongdoers and their families from financial ruin. The fund delivers on this mandate by:

- paying the medical and related costs required to restore road accident victims to health
- compensating the victim/s or their dependants for loss of income or support as a result of the accident
- indemnifying the wrongdoer from liability
- paying general damages in instances where a person suffers a 'serious injury' in a road traffic accident
- paying funeral expenses to families where a person dies as a result of a road traffic accident.

The fund's strategic goals over the medium term are to:

- develop a legislative dispensation that is aligned with the principles of social security
- ensure that the organisation is solvent, liquid and sustainable by 2020
- ensure that the organisation is a customer centric, operationally effective and efficient by 2017.

Selected performance indicators

Table 37.35 Road Accident Fund

Indicator	Programme/ Activity/Objective	Past			Current 2012/13	Projections		
		2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Increase (decrease) in provision for outstanding claims (R thousand)	Payment of claims to accident victims	R2 709 745	R2 281 052	R20 080 712	R2 803 357	R25 931	(R2 730 622)	(R3 281 581)
Legislation of road accident benefit scheme ^{2,3}	Administration	- ²	- ²	- ²	Draft bill certified	Publish bill for comments	Enact legislation and publish regulations and rules	- ³
Direct personal claims as a percentage of total personal claims	Payment of claims to accident victims	- ²	- ²	- ²	13% (6818)	20% (7500)	25% (9753)	30% (11342)
Accumulated deficit	Administration and payment of claims to accident victims	R42.4bn	R30.0bn	R46.5bn	R45.2bn	R43.2bn	R41.0bn	R37.2bn
Value of legal costs as part of claims paid to accident victims per year	Administration and payment of claims to accident victims	R2.7m	R3.5m	R3.5m	R4.2m	R5.1m	R5.9m	R5.7m
Number of open claims received but not yet finalised per year	Administration and payment of claims to accident victims	209 186	244 652	253 111	250 000	200 000	150 000	100 000

1. Parliamentary process in relation to the amendment of the act will take place in 2014/15, hence no target has been provided for this year.

2. New indicator, hence no data in these years.

3. Legislation will be complete by 2014/15, hence no target in this year.

Programmes/activities/objectives

Table 37.36 Road Accident Fund

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	Payment of claims to accident victims	14 267 866	15 022 198				32 587 268	16 803 357	5.6%			94.5%	17 973 449	19 374 050
Administration	909 037	975 767	1 003 751	1 279 148	12.1%	5.5%	1 478 253	1 704 589	1 843 882	13.0%	7.8%			
Total expense	15 176 903	15 997 965	33 591 019	18 082 505	6.0%	100.0%	19 451 702	21 078 638	21 460 174	5.9%	100.0%			

Expenditure estimates

Table 37.37 Road Accident Fund

Statement of financial performance														
R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	Revenue													
Non-tax revenue	57 527	52 164	114 626	467 827	101.1%	1.0%	668 035	691 164	626 509	10.2%	2.7%			
Other non-tax revenue	57 527	52 164	114 626	467 827	101.1%	1.0%	668 035	691 164	626 509	10.2%	2.7%			
Tax revenue: fuel levy	12 625 871	14 474 058	16 989 071	18 842 607	14.3%	99.0%	20 930 664	23 094 707	25 336 938	10.4%	97.3%			
Total revenue	12 683 398	14 526 222	17 103 697	19 310 434	15.0%	100.0%	21 598 699	23 785 871	25 963 447	10.4%	100.0%			
Expenses														
Current expenses	909 037	975 767	1 003 751	1 279 148	12.1%	5.5%	1 478 253	1 704 589	1 843 882	13.0%	7.8%			
Compensation of employees	591 269	620 803	655 245	828 448	11.9%	3.6%	966 050	1 142 354	1 256 589	14.9%	5.2%			
Goods and services	237 931	252 121	261 253	377 137	16.6%	1.5%	433 873	486 936	509 335	10.5%	2.2%			
Depreciation	39 081	59 555	63 654	62 431	16.9%	0.3%	66 608	63 003	65 096	1.4%	0.3%			
Interest, dividends and rent on land	40 756	43 288	23 599	11 132	-35.1%	0.2%	11 722	12 296	12 862	4.9%	0.1%			
Transfers and subsidies	14 267 866	15 022 198	32 587 268	16 803 357	5.6%	94.5%	17 973 449	19 374 050	19 616 293	5.3%	92.2%			
Total expenses	15 176 903	15 997 965	33 591 019	18 082 505	6.0%	100.0%	19 451 702	21 078 638	21 460 174	5.9%	100.0%			
Surplus/(Deficit)	(2 493 505)	(1 471 743)	(16 487 322)	1 227 929	-179.0%		2 146 997	2 707 232	4 503 273	54.2%				
Statement of financial position														
Carrying value of assets	355 144	327 600	276 694	271 264	-8.6%	5.4%	279 656	299 153	324 807	6.2%	2.1%			
of which:														
Acquisition of assets	121 561	45 265	6 408	57 000	-22.3%	1.2%	75 000	82 500	90 750	16.8%	0.5%			
Inventory	2 508	2 365	2 609	2 766	3.3%	0.0%	2 931	3 107	3 294	6.0%	0.0%			
Loans	-	144 546	144 927	-	-	1.2%	-	-	-	-	-			
Accrued investment interest	3 944	4 317	18 686	19 807	71.2%	0.1%	20 996	22 255	23 591	6.0%	0.2%			
Receivables and prepayments	2 861 823	2 950 173	3 884 349	4 511 862	16.4%	54.8%	5 012 372	5 531 343	6 069 329	10.4%	37.7%			
Cash and cash equivalents	655 166	1 137 636	4 245 050	7 918 452	129.5%	38.4%	9 450 458	8 519 803	7 769 418	-0.6%	60.1%			
Total assets	3 878 585	4 566 637	8 572 315	12 724 151	48.6%	100.0%	14 766 413	14 375 662	14 190 439	3.7%	100.0%			
Accumulated surplus/(deficit)	(42 408 732)	(29 980 475)	(46 467 797)	(45 182 268)	2.1%	-661.8%	(43 232 664)	(40 963 523)	(37 166 094)	-6.3%	-298.7%			
Capital and reserves	78 740	65 486	72 249	72 249	-2.8%	1.2%	72 249	72 249	72 249	-	0.5%			
Trade and other payables	539 937	614 979	408 681	433 202	-7.1%	8.9%	459 194	486 746	515 950	6.0%	3.4%			
Provisions	45 668 640	33 866 647	54 559 182	57 400 969	7.9%	751.7%	57 467 634	54 780 191	50 768 333	-4.0%	394.8%			
Total equity and liabilities	3 878 585	4 566 637	8 572 315	12 724 151	48.6%	100.0%	14 766 413	14 375 662	14 190 439	3.7%	100.0%			

Personnel information

Table 37.38 Road Accident Fund

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		2012/13 - 2015/16
				Number	Cost		Number	Cost		Number	Cost		Number	Cost				Number	Cost	
	2 100	-		2 002	626.2	0.3	2 100	791.7	0.4	2 263	923.2	0.4	2 275	1 091.7	0.5	2 275	1 200.8	0.5	2.7%	100.0%
1 - 6	16	-		18	1.7	0.1	16	2.1	0.1	16	2.5	0.2	16	2.9	0.2	16	3.2	0.2	-	0.7%
7 - 10	777	-		889	178.7	0.2	777	225.9	0.3	940	263.4	0.3	952	311.5	0.3	952	342.6	0.4	7.0%	40.6%
11 - 12	1 253	-		1 056	396.7	0.4	1 253	501.5	0.4	1 253	584.9	0.5	1 253	691.6	0.6	1 253	760.7	0.6	-	56.3%
13 - 16	43	-		28	23.8	0.9	43	30.1	0.7	43	35.1	0.8	43	41.5	1.0	43	45.7	1.1	-	1.9%
17 - 22	11	-		11	25.3	2.3	11	32.0	2.9	11	37.3	3.4	11	44.2	4.0	11	48.6	4.4	-	0.5%

1. Rand million.

Expenditure trends

Almost all of the Road Accident Fund's revenue is derived from the fuel levy, which was 88 cents a litre in 2012/13 and will be increased by 8 cents a litre from 1 April 2013. Previous revenue increases were both due to a combination of fuel levy increases and fuel sales increases: the levy was 72 cents a litre in 2010/11 and 80 cents in 2011/12.

The fund's spending focus in terms of its founding legislation is the payment of claims made by accident victims. Social benefits expenditure increased consistently from R14.3 billion in 2009/10 to R19.6 billion in 2015/16. In 2011/12, payouts were much higher at R32.6 billion as a result of the increase in cash claims paid. There is only an increased provision in outstanding liabilities, and this is due to changes in assumption on the discount rate, a re-evaluation on the estimated amounts to be paid, and new claims registered in 2011/12. On average, a total of 95 per cent of the fuel levy will be utilised for claims and claims related expenses, while the rest is used for administrative purposes.

Administration expenditure increased steadily over the historical period and will continue to do so over the medium term as capacity is being built to be able to address the backlog in payments. The main additional administration expenditure is caused by marketing, IT, consultancy, legal fees and fraud combatting costs.

The staff complement is projected to increase to enable the fund to achieve the service delivery requirements set out in the fund's annual performance plan and the 2013-17 strategic plan. It is expected that the head count will increase from a base line of 2 002 in 2011/12 to 2 275 in 2015/16. The other element contributing to an increase in personnel costs is an increase in the cost of staff leaving the fund, at an average estimated rate of 6 per cent over the medium term. Consultants are used where the fund does not have the necessary skills internally to manage its transformation. The consultants' expenditure constitutes 4.7 per cent of spending on compensation of employees.

The provisions for outstanding claims increased by R45.4 billion in 2009/10 to R56.7 billion in 2012/13, and are projected to decrease to R50 billion in 2015/16, as the number of employees increases from 2100 in 2012/13 to 2275 by 2014/15. In addition, expenditure on goods and services will ensure that systems are created to process more claims per year which can also be seen in the reduction of open claims per year. The assumed claims inflation is 8 per cent for the entire medium term.

South African National Roads Agency

Mandate and goals

The South African National Roads Agency was established by the South African National Roads Agency Limited and National Roads Act (1998). The act makes the agency responsible for the planning, design, construction, operation, management, control, maintenance and rehabilitation of the South African national road network, including the financing of these functions. This includes both toll and non-toll roads.

The agency's main strategic goal over the medium term is to provide effective strategic road infrastructure to facilitate development, commerce, mobility and access. Over the medium term, the agency will continue with its preventative maintenance approach as it expands its network to the extended mandate of 35 000 kilometres. It will also roll out the Gauteng e-tolling system, and is awaiting ministerial approval to proceed with the implementation of further toll road projects throughout the country.

Selected performance indicators

Table 37.39 South African National Roads Agency

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Smooth travel exposure index: Percentage of travel on roads with low roughness	Road maintenance	95%	95%	96%	96%	95%	95%	95%
Low rut exposure: Percentage of travel on roads with rut depth less than 20mm	Road maintenance	95%	99%	99%	95%	95%	95%	95%
High texture exposure: Percentage of travel on roads with macro-texture higher than 0.4mm	Road maintenance	95%	99%	97%	95%	95%	95%	95%
Bridge condition exposure index: Percentage of travel over or under bridges on roads with overall condition index higher than 80	Road maintenance	96%	95%	96%	90%	90%	90%	90%
Routine maintenance: Kilometres of road maintained daily	Road maintenance	13 050	13 050	13 050	16 584	16 584	16 584	16 584
Periodic maintenance: Kilometres of road resealed/overlayed during year	Road maintenance	900	1 250	750	900	1 000	1 200	1 200
Strengthening/improvement: Kilometres of roads strengthened/improved during year	Strengthening of roads/improvements to roads	200	275	300	450	450	450	450

Programmes/activities/objectives

Table 37.40 South African National Roads Agency

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Road maintenance	1 291 579	1 742 909	3 196 537	3 870 397	44.2%	28.8%	3 860 984	5 676 152	5 622 729	13.3%	34.9%
Strengthening of roads	1 067 979	1 776 133	2 665 323	2 689 595	36.1%	23.8%	4 296 556	3 168 802	3 555 828	9.8%	25.3%
Improvements to roads	2 082 213	2 798 014	1 275 782	1 941 603	-2.3%	26.4%	3 216 789	4 460 999	5 364 938	40.3%	26.6%
New facilities	985 654	1 109 647	2 376 890	1 715 501	20.3%	18.2%	2 207 384	646 848	1 074 741	-14.4%	10.9%
Administration	–	334 572	442 900	247 073	–	2.8%	362 427	317 124	333 047	10.5%	2.3%
Total expense	5 427 425	7 761 275	9 957 432	10 464 169	24.5%	100.0%	13 944 140	14 269 925	15 951 283	15.1%	100.0%

Expenditure estimates

Table 37.41 South African National Roads Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	147 464 935	26 924 835	38 226 244	2 075 226	-75.9%	74.6%	3 341 157	4 839 239	5 391 745	37.5%	31.8%
Sale of goods and services other than capital assets	2 078 005	2 270 573	2 082 539	2 075 226	-0.0%	8.9%	3 341 157	4 839 239	5 391 745	37.5%	31.8%
of which:											
Toll fees	1 513 505	1 791 411	1 979 337	2 075 226	11.1%	8.3%	3 341 157	4 839 239	5 391 745	37.5%	31.8%
Other sales	564 500	479 162	103 202	–	-100.0%	0.5%	–	–	–	–	–
Other non-tax revenue	145 386 930	24 654 262	36 143 705	–	-100.0%	65.7%	–	–	–	–	–
Transfers received	2 331 442	3 357 565	4 639 722	7 477 597	47.5%	25.4%	7 809 708	8 197 875	8 699 220	5.2%	68.2%
Total revenue	149 796 377	30 282 400	42 865 966	9 552 823	-60.0%	100.0%	11 150 865	13 037 114	14 090 965	13.8%	100.0%
Expenses											
Current expenses	5 427 425	7 761 275	9 957 432	10 464 169	24.5%	100.0%	13 944 140	14 269 925	15 951 283	15.1%	100.0%
Compensation of employees	92 571	111 120	119 717	130 949	12.3%	1.4%	142 965	141 535	149 145	4.4%	1.1%
Goods and services	2 573 841	3 677 201	4 912 652	4 018 400	16.0%	45.6%	7 321 123	7 280 865	8 325 590	27.5%	48.5%
Depreciation	704 607	1 357 942	1 504 627	3 266 820	66.7%	19.2%	3 430 723	3 612 544	3 825 910	5.4%	26.3%
Interest, dividends and rent on land	2 056 406	2 615 012	3 420 436	3 048 000	14.0%	33.8%	3 049 329	3 234 980	3 650 638	6.2%	24.1%
Total expenses	5 427 425	7 761 275	9 957 432	10 464 169	24.5%	100.0%	13 944 140	14 269 925	15 951 283	15.1%	100.0%
Surplus/(Deficit)	144 368 952	22 521 125	32 908 534	(911 346)	-118.5%		(2 793 275)	(1 232 811)	(1 860 318)	26.9%	
Statement of financial position											
Carrying value of assets	180 385 391	214 158 065	257 444 504	236 906 617	9.5%	96.4%	271 918 982	282 339 193	291 347 959	7.1%	96.8%
of which:											
Acquisition of assets	12 390 561	10 959 733	9 023 982	9 446 240	-8.6%	4.7%	10 306 955	9 426 201	9 928 364	1.7%	3.5%
Investments	1 324 101	3 211 240	2 342 143	1 703 507	8.8%	0.9%	2 921 271	2 928 799	3 206 427	23.5%	1.0%
Receivables and prepayments	3 810 556	332 731	246 239	1 877 618	-21.0%	0.8%	1 719 734	2 519 734	2 609 734	11.6%	0.8%
Cash and cash equivalents	1 564 092	2 788 079	9 231 932	5 614 556	53.1%	2.0%	3 631 932	3 939 012	3 433 692	-15.1%	1.5%
Non-current assets held for sale	–	339	–	–	–	0.0%	–	–	–	–	–
Total assets	187 084 140	220 490 454	269 264 818	246 102 298	9.6%	100.0%	280 191 919	291 726 738	300 597 812	6.9%	100.0%
Accumulated surplus/(deficit)	(2 317 362)	(3 665 314)	(6 147 693)	(3 433 124)	14.0%	-1.6%	(6 226 400)	(7 459 210)	(9 319 528)	39.5%	-2.3%
Capital and reserves	145 887 370	169 756 448	205 147 361	170 328 449	5.3%	75.1%	205 397 957	204 807 449	206 086 653	6.6%	70.3%
Capital reserve fund	16 606 781	18 846 187	28 098 705	27 128 194	17.8%	9.7%	34 906 298	46 163 056	51 870 669	24.1%	14.1%
Borrowings	25 150 711	32 594 832	37 497 476	48 087 647	24.1%	15.4%	42 191 418	43 903 556	47 458 890	-0.4%	16.4%
Deferred income	–	1 261 781	1 531 747	–	–	0.3%	1 261 781	1 261 781	1 261 781	–	0.3%
Trade and other payables	1 430 870	1 307 984	2 806 963	3 319 152	32.4%	0.9%	2 331 380	2 731 595	2 931 810	-4.1%	1.0%
Provisions	8 702	26 917	19 778	19 499	30.9%	0.0%	19 005	18 511	18 017	-2.6%	0.0%
Managed funds (e.g. poverty alleviation fund)	317 068	361 619	310 481	652 481	27.2%	0.2%	310 480	300 000	289 520	-23.7%	0.1%
Total equity and liabilities	187 084 140	220 490 454	269 264 818	246 102 298	9.6%	100.0%	280 191 919	291 726 738	300 597 812	6.9%	100.0%

Personnel information

Table 37.42 South African National Roads Agency

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
1-6	221	-	224	88.6	0.4	221	89.3	0.4	221	98.4	0.4	221	93.9	0.4	221	98.2	0.4	-	100.0%
7-10	9	-	8	0.7	0.1	9	0.8	0.1	9	0.8	0.1	9	0.9	0.1	9	1.0	0.1	-	4.1%
11-12	69	-	70	13.1	0.2	69	15.2	0.2	69	13.9	0.2	69	14.8	0.2	69	15.9	0.2	-	31.2%
13-16	62	-	63	22.7	0.4	62	22.3	0.4	62	23.8	0.4	62	22.2	0.4	62	23.2	0.4	-	28.1%
17-22	79	-	81	49.1	0.6	79	47.8	0.6	79	56.4	0.7	79	52.2	0.7	79	54.1	0.7	-	35.7%
	2	-	2	3.0	1.5	2	3.3	1.6	2	3.5	1.8	2	3.8	1.9	2	4.0	2.0	-	0.9%

1. Rand million.

Expenditure trends

The South African National Roads Agency's income consists mainly of revenue generated from toll fees and government allocations for the toll road network, as well as government allocations for the upkeep of the non-toll road network. 78.4 per cent of revenue comes from national government transfers. While the transfers increased significantly over the historical period when road maintenance was identified as an economic infrastructure priority, this growth in transfers will slow down now that greater transfer sums are being received by the agency, with the exception of years when new roads are taken over from provinces. Toll income increased considerably over the historical period due to traffic increases on existing toll roads, and is expected to increase over the medium term when the Gauteng freeways are tolled. Transfers were particularly high in 2011/12 due to the once-off transfer of R5.8 billion for the Gauteng freeway improvement project.

Expenditure between 2009/10 and 2012/13 increased for different activities, but in particular for maintenance, as this is the most efficient way of upholding the value of road assets.

Over the medium term, road maintenance will be prioritised to an even greater extent, as expenditure for enhancing facilities and acquiring new ones is being reduced and the funds redirected to maintenance. This is to ensure consistently high road quality while gradually increasing the kilometres of roads resurfaced and strengthened. Spending is dominated by expenditure incurred in extending the length of the non-toll road network from 16 500 kilometres to 18 215 kilometres, for which the agency's allocations have been increased. The agency's biggest expenditure item goes to contractors hired to work on its roads. Over the medium term, interest payments increase strongly.

Expenditure on consultants increased from R9.3 million in 2008/09 to R47.4 million in 2011/12, and is expected to increase further to R57.5 million over the medium term due to the design and building of new offices for the west region branch. Design consultants are used for once-off tasks. The number of employees stays constant.

Cross Border Road Transport Agency

Mandate and goals

The Cross Border Road Transport Agency was established by the Cross Border Road Transport Act (1998). The act requires the agency to advise the Minister of Transport on cross-border road transport policy; regulate access to the market by the cross-border road transport freight and passenger industry; facilitate relationships between institutions in the sector; collect, process and disseminate relevant data; and undertake road transport law enforcement.

The agency's strategic goals over the medium term are to:

- promote safe and reliable cross-border transport
- facilitate the smooth flow of cross-border transport

- promote regional integration.

Selected performance indicators

Table 37.43 Cross Border Road Transport Agency

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of roadside inspections per year	Promote safe and reliable cross-border transport	59 880	65 400	124 624	82 500	99 000	99 000	108 900
Value of fines issued per year (R thousand)	Promote safe and reliable cross-border transport	R12 642	R13 348	R15 017	R16 767	R17 558	R17 723	R18 538
Number of prosecutions (fines issued) per year	Promote safe and reliable cross-border transport	14 470	15 486	11 549	16 500	18 969	19 166	16 770
Number of permits issued per year	Promote regional integration	104 264	103 251	71 100	75 000	77 000	80 000	84 800

Programmes/activities/objectives

Table 37.44 Cross Border Road Transport Agency

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Administration	16 264	20 896	58 970	103 802	85.5%	40.9%	94 898	97 348	101 825	-0.6%	46.6%
Facilitate unimpeded flow of cross-border transport	6 700	8 609	5 275	9 691	13.1%	8.7%	12 355	12 308	12 874	9.9%	5.5%
Promote safe and reliable cross border transport	22 637	29 085	39 212	72 712	47.5%	38.8%	86 574	85 298	89 222	7.1%	39.0%
Promote safe and reliable cross-border transport	7 387	9 491	11 010	18 139	34.9%	11.6%	19 073	19 247	20 132	3.5%	9.0%
Total expense	52 988	68 081	114 467	204 344	56.8%	100.0%	212 900	214 201	224 054	3.1%	100.0%

Expenditure estimates

Table 37.45 Cross Border Road Transport Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Revenue											
Non-tax revenue	56 034	58 888	185 520	204 344	53.9%	100.0%	212 900	214 201	224 054	3.1%	100.0%
Sale of goods and services other than capital assets	41 415	42 488	164 890	189 458	66.0%	81.9%	199 500	203 001	212 339	3.9%	94.0%
<i>of which:</i>											
Administrative fees	41 415	42 488	164 890	189 458	66.0%	81.9%	199 500	203 001	212 339	3.9%	94.0%
Other non-tax revenue	14 619	16 400	20 630	14 886	0.6%	18.1%	13 400	11 200	11 715	-7.7%	6.0%
Total revenue	56 034	58 888	185 520	204 344	53.9%	100.0%	212 900	214 201	224 054	3.1%	100.0%
Expenses											
Current expenses	52 989	68 081	114 467	204 344	56.8%	100.0%	212 900	214 201	224 054	3.1%	100.0%
Compensation of employees	34 126	42 611	66 170	109 317	47.4%	59.6%	112 322	119 228	129 496	5.8%	54.9%
Goods and services	18 579	24 373	46 116	85 361	66.2%	38.2%	88 805	77 682	76 472	-3.6%	38.5%
Depreciation	283	1 096	2 182	9 666	224.4%	2.2%	11 773	17 291	18 086	23.2%	6.6%
Total expenses	52 989	68 081	114 467	204 344	56.8%	100.0%	212 900	214 201	224 054	3.1%	100.0%
Surplus/(Deficit)	3 046	(9 193)	71 052	-	-100.0%		-	-	-	-	

Personnel information

Table 37.46 Cross Border Road Transport Agency

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	341	88	164	66.2	0.4	253	109.3	0.4	305	112.3	0.4	305	119.2	0.4	305	129.5	0.4	6.4%	100.0%
1 – 6	4	1	3	0.4	0.1	3	0.4	0.1	3	0.5	0.2	3	0.5	0.2	3	0.6	0.2	–	1.0%
7 – 10	264	75	114	29.5	0.3	189	64.0	0.3	234	65.5	0.3	234	67.6	0.3	234	71.7	0.3	7.4%	76.2%
11 – 12	49	12	29	20.9	0.7	37	16.0	0.4	44	16.6	0.4	44	17.7	0.4	44	20.0	0.5	5.9%	14.5%
13 – 16	23	–	17	13.8	0.8	23	26.9	1.2	23	27.8	1.2	23	31.1	1.4	23	34.8	1.5	–	7.9%
17 – 22	1	–	1	1.7	1.7	1	1.9	1.9	1	2.0	2.0	1	2.3	2.3	1	2.6	2.6	–	0.3%

1. Rand million.

Expenditure trends

Revenue for the Cross Border Road Transport Agency is generated from the application and issuing of permits for cross border freight and passenger movements, money collected from fines, and parliamentary appropriations. Between 2009/10 and 2012/13, revenue increased from R56 million to R204.3 million attributable largely to the permit tariffs which increased by 33 per cent in April 2011.

The spending focus of the agency over the medium term is on the safety of cross border transport through the issuing of permits and the conducting of roadside inspections. While the number of issued permits is targeted to increase due to inspections, the penalty revenue is expected to reduce marginally as enforcement intensifies and compliance improves.

The agency has had to restructure and ensure delivery on its mandate by creating a strong research function, improving compliance by doing road side checks, and increasing the capacity of its administrative and governance structures. The increased number of staff also entailed the acquisition of more facilities such as offices and rented space. Expenditure therefore increased from R53 million in 2009/10 to R204.3 million in 2012/13, and is expected to increase to R224.1 million over the medium term.

Spending on goods and services and compensation of employees drives expenditure: compensation of employees is projected to grow from R66 million in 2011/12 to R119.2 million in 2014/15, and expenditure on goods and services from R46.1 million in 2011/12 to R77.7 million in 2014/15. These increases are due to the new strategic focus on enhancing economic regulation in cross border transport, and increasing safety by increasing the number of roadside inspections. Due to the additional skills and increased staff complement needed to do this work, the agency went through a restructuring process in 2010/11, resulting in a significant expected increase in the staff complement in 2012/13. Currently the agency has 253 employees compared to the envisaged and approved complement of 341 staffers. The skills required include specialists in research and performance management, senior managers in internal control, trade logistics research, as well as personnel in the enforcement unit. Over the medium term the number of personnel increases to 305 as some of the vacancies are filled.

Expenditure on consultants grew from R1.1 million in 2008/09 to R3.7 million in 2011/12. The agency procured the services of a consultant to develop a penalty revenue system to ensure completeness of revenue, as recommended by the auditor general. Forensic auditors were also appointed to investigate and determine the level of fraud in all the agency's departments due to the risks involved. Over the medium term, spending on consultants is projected to grow to R6.8 million. In the medium term, consultants will be used for trade supply chain analysis, research on South African transport corridors, and the assessment of route use.

Driving Licence Card Account

Mandate and goals

The driving licence card account was approved in 2007 as a trading entity in terms of the Public Finance Management Act (1999). The entity manufactures credit card format driving licences, based on orders received from driving licence testing centres, and generates its own revenue through the sale of the licences.

The account's strategic goals over the medium term are to:

- produce and deliver secure driving licence cards
- provide and maintain live capture units located at provincial authorities' driving licence testing centres for the purpose of producing cards.

Selected performance indicators

Table 37.47 Driving Licence Card Account

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of driving licences produced	Manufacture of driving licence cards	1 885 887	1 999 978	1 964 000	2 001 000	2 001 350	2 001 400	2 001 400
Number of live capture units purchased	Manufacture of driving licence cards	-1	-1	278	2	134	486	278

1. Performance indicator began in 2011/12, hence no prior information.

Programmes/activities/objectives

Table 37.48 Driving Licence Card Account

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Manufacture of driving licence cards	78 945	98 969	125 167	145 487	22.6%	98.9%	168 039	152 877	152 639	1.6%	96.5%
Administration	-	-	1 262	5 399	-	1.1%	5 399	5 712	6 044	3.8%	3.5%
Total expense	78 945	98 969	126 429	150 886	24.1%	100.0%	173 438	158 589	158 683	1.7%	100.0%

Expenditure estimates

Table 37.49 Driving Licence Card Account

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Revenue	114 414	112 156	157 117	150 886	9.7%	100.0%	173 438	158 589	158 683	1.7%	100.0%
Non-tax revenue	114 414	112 156	157 117	150 886	9.7%	100.0%	173 438	158 589	158 683	1.7%	100.0%
Sale of goods and services other than capital assets	87 103	111 917	150 209	150 075	19.9%	92.7%	172 500	157 500	157 538	1.6%	99.4%
of which:											
Administrative fees	-	-	162	-	-	0.0%	-	-	-	-	-
Sales of driving license cards	87 103	111 917	150 047	150 075	19.9%	92.7%	172 500	157 500	157 538	1.6%	99.4%
Other non-tax revenue	27 311	239	6 908	811	-69.0%	7.3%	938	1 089	1 145	12.2%	0.6%
Total revenue	114 414	112 156	157 117	150 886	9.7%	100.0%	173 438	158 589	158 683	1.7%	100.0%
Expenses											
Current expenses	78 945	98 969	126 429	150 886	24.1%	100.0%	173 438	158 589	158 683	1.7%	100.0%
Compensation of employees	-	-	1 262	4 799	-	1.0%	5 399	5 712	6 044	8.0%	3.4%
Goods and services	77 350	88 409	104 668	122 271	16.5%	87.8%	143 819	117 224	119 078	-0.9%	78.2%
Depreciation	1 595	10 560	20 499	23 816	146.2%	11.2%	24 220	35 653	33 561	12.1%	18.3%
Total expenses	78 945	98 969	126 429	150 886	24.1%	100.0%	173 438	158 589	158 683	1.7%	100.0%
Surplus/(Deficit)	35 469	13 187	30 688	-	-100.0%		-	-	-	-	

Personnel information

Table 37.50 Driving Licence Card Account

Salary level	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14			2014/15			2015/16				
			Number	Cost		Number	Cost		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost
	10	-	8	1.3	0.2	10	4.8	0.5	10	5.4	0.5	10	5.7	0.6	10	6.0	0.6	-	100.0%
1-6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7-10	5	-	2	0.2	0.1	5	1.4	0.3	5	1.5	0.3	5	1.6	0.3	5	1.7	0.3	-	50.0%
11-12	2	-	2	0.4	0.2	2	1.1	0.5	2	1.5	0.7	2	1.5	0.8	2	1.6	0.8	-	20.0%
13-16	3	-	4	0.7	0.2	3	2.3	0.8	3	2.5	0.8	3	2.6	0.9	3	2.8	0.9	-	30.0%

1. Rand million.

Expenditure trends

Revenue for the driving licence card account is almost exclusively generated from the sale of drivers' licences. Revenue increased significantly in the past due to higher numbers of drivers' licences being issued every year. Over the medium term, the growth is moderate as the number of licences issued a year stabilises at about two million a year.

The medium term spending focus of the trading account continues to be on the manufacturing of driving licences and building internal capacity. Goods and services remain the main expenditure item because the primary expenditure is payments made to the service provider that manufactures the cards. Depreciation is the second biggest area of expenditure and continues to grow due to the purchase of 278 live capturing units, which capture the driving licence data, for the efficient processing of licences in 2011/12. Expenditure on compensation of employees also increased between 2010/11 and 2012/13 as staff were recruited to manage the account. The full complement of 10 people has now been reached.

Spending on consultants declined from R3.2 million in 2008/09 to R3 million in 2011/12, due to consultants' costs relating to outsourced financial accounting functions being eliminated as these functions were brought in-house. Expenditure on consultants is expected to decrease further over the medium term as the increase in the staff complement from 3 in 2010/11 to 10 in 2012/13 will significantly improve the entity's capacity and its ability to manage the contract with the service provider.

The entity has negotiated a price decrease on card production and a lower rate for the maintenance of the live capture units with the service provider, which resulted in savings on the two year contracts of R5 million in 2012/13 and R72.4 million in 2013/14. It has implemented debtor's collection strategies to improve liquidity. Catering for meetings is strictly monitored and only provided for lengthy ones.

Ports Regulator of South Africa

Mandate and goals

The Ports Regulator is a public entity established in terms of the National Ports Act (2005). The act defines the regulator's functions as exercising economic regulation of the ports system in line with government's strategic objectives, promoting equity of access to ports and to facilities and services provided in ports and monitoring the activities of the National Ports Authority to ensure that it performs its functions in accordance with the act.

The regulator's strategic goals over the medium term are to:

- establish all elements of the regulatory framework within its mandate
- develop internal capacity
- ensure that all port sector participants comply with the act
- support the development of the port system and the architecture of the port regulatory system.

Selected performance indicators

Table 37.51 Ports Regulator of South Africa

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Tribunal days per year ¹	Tribunal	- ¹	1	10	30	30	30	30
Number of complaints and appeals received per year ¹	Tribunal	- ¹	- ¹	27	50	50	50	50
Number of cases heard per year ¹	Tribunal	- ¹	- ¹	12	5	7	10	12
Number of cases processed within timeframe per year ¹	Tribunal	- ¹	- ¹	10	20	14	15	15
Percentage of secretariat that is functional ^{1,2}	Administration	- ^{1,2}	35%	50%	50%	100%	- ³	- ³
Stakeholder approval rating percentage ¹	Monitoring	- ¹	20%	20%	50%	55%	60%	70%
Number of tariff benchmarking studies per year ¹	Economic regulation	- ¹	1	1	1	1	1	1
Number of tariff assessments for Transnet National Ports Authority per year ¹	Economic regulation	- ¹	1	1	1	1	1	1

1. The entity only became operational in 2010/11 and some units were only set up in following years. Hence, there is no data for the first year and in some cases the second year, where the indicator is new.

2. This is a composite indicator that measures the extent to which planned operations are in effect in 3 respects: the percentage of filled posts against funded posts, the percentage of actual foreseeable expenditure against budget, the percentage of actual weighted achievement across all key performance indicators against planned weighted achievement across all key performance indicators.

3. The secretariat is planned to be completely functional by 2013/14, hence no relevant data for 2014/15 onwards.

Programmes/activities/objectives

Table 37.52 Ports Regulator of South Africa

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R thousand												
Economic regulation	-	1 559	2 736	2 839	-	14.9%	3 037	3 403	3 008	1.9%	18.5%	
Industry monitoring	-	458	283	2 211	-	5.5%	2 322	3 019	2 422	3.1%	15.0%	
Tribunal	-	1 197	1 620	2 398	-	10.7%	2 528	3 097	3 377	12.1%	17.0%	
Industry development	-	-	-	1 791	-	2.9%	2 025	2 412	3 076	19.8%	13.8%	
Administration	10 413	5 806	6 849	6 137	-16.2%	66.0%	6 301	5 223	6 048	-0.5%	35.7%	
Total expense	10 413	9 020	11 488	15 376	13.9%	100.0%	16 213	17 154	17 931	5.3%	100.0%	

Expenditure estimates

Table 37.53 Ports Regulator of South Africa

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R thousand												
Revenue												
Non-tax revenue	79	198	232	307	57.2%	1.6%	313	302	304	-0.3%	1.8%	
Other non-tax revenue	79	198	232	307	57.2%	1.6%	313	302	304	-0.3%	1.8%	
Transfers received	10 707	8 832	14 361	15 069	12.1%	98.4%	15 900	16 852	17 627	5.4%	98.2%	
Total revenue	10 786	9 030	14 593	15 376	12.5%	100.0%	16 213	17 154	17 931	5.3%	100.0%	
Expenses												
Current expenses	10 413	9 020	11 488	15 376	13.9%	100.0%	16 213	17 154	17 931	5.3%	100.0%	
Compensation of employees	3 000	3 655	6 444	9 200	45.3%	46.3%	9 744	9 799	10 301	3.8%	58.6%	
Goods and services	6 787	4 735	4 636	5 249	-8.2%	48.0%	5 599	6 847	6 939	9.8%	36.8%	
Depreciation	620	629	397	927	14.3%	5.6%	870	508	691	-9.3%	4.6%	
Interest, dividends and rent on land	6	1	11	-	-100.0%	0.0%	-	-	-	-	-	
Total expenses	10 413	9 020	11 488	15 376	13.9%	100.0%	16 213	17 154	17 931	5.3%	100.0%	
Surplus/(Deficit)	373	10	3 105	-	-100.0%		-	-	-	-		

Personnel information

Table 37.54 Ports Regulator of South Africa

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment													Number		
				Actual			Revised estimate			Medium-term expenditure estimate							Average growth rate (%)	Salary level/total: Average (%)	
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16			2012/13 - 2015/16
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	
1-6	18	3	19	6.4	0.3	15	9.2	0.6	22	9.6	0.4	22	9.8	0.4	22	10.3	0.5	13.6%	100.0%
7-10	13	2	12	1.0	0.1	11	2.3	0.2	11	1.6	0.1	11	1.4	0.1	11	1.5	0.1	-	55.8%
11-12	1	1	1	0.2	0.2	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-
13-16	3	-	4	1.4	0.4	3	4.7	1.6	5	2.2	0.4	5	2.3	0.5	5	2.4	0.5	18.6%	22.0%
17-22	-	-	1	2.1	2.1	-	-	-	5	3.8	0.8	5	4.0	0.8	5	4.2	0.8	-	17.0%
17-22	1	-	1	1.8	1.8	1	1.9	1.9	1	2.1	2.1	1	2.2	2.2	1	2.2	2.2	-	5.1%

1. Rand million.

Expenditure trends

The Ports Regulator of South Africa will remain fully operational in all areas and improve economic regulation outcomes over the medium term. This includes having greater tribunal day availability, greater regulatory certainty with respect to tariff methodologies and outcomes, an improved medium term tariff structure trajectory and a greater concentration on the efficiency aspects of the ports system. The timeous processing of complaints and appeals remains an area of focus that is being addressed by greater active case management to drive participant behaviour, and the development of regulatory instruments to effect this and streamline processes.

The regulator mainly receives transfers from the department to fund its operations. From 2011/12 onwards, transfers were increased to achieve greater functionality. The performance table shows how from 2012/13 onwards these higher transfers enabled more tribunal days and also increased the number of complaints processed within timeframes.

While administration has been and remains the main area of expenditure, its share in total expenditure decreases significantly over the medium term as the regulator's other areas of work become more effective. Industry development is a new programme that began in 2012/13. This programme deals with port system benchmarking, capital planning and capital expenditure assessments, port level stakeholder engagements, industry development strategies and economic transformation strategies and monitoring.

Compensation of employees expenditure became the main expenditure area from 2012/13; the greater transfers from 2011/12 allowed the regulator to increase its capacity. This will remain the major expenditure as the entity will be able to fund and fill 22 positions versus the 15 currently filled. Spending on goods and services decreased significantly between 2009/10 and 2011/12 and was largely influenced by the cost of the initial furnishing of the regulator offices and the procurement of office equipment and systems required at establishment. Growth in goods and services expenditure will be higher over the medium term, as additional capacity will allow the dormant mandates to be implemented. The main items of expenditure are board costs, consultants and lease payments.

Expenditure on consultants decreased from 2009/10 to 2012/13 as certain outsourced processes were internalised. Over the medium term, it is projected to decline sharply to R977 000 as the ratio of internally to externally delivered services stabilises once the staff complement of 22 is reached.

Railway Safety Regulator

Mandate and goals

The Railway Safety Regulator was established in terms of the National Railway Safety Regulator Act (2002). The act requires the regulator to ensure that the rail environment is safe to allow transport in general to be an enabler for economic development, growth and social integration of societies. The regulator is to oversee safety in the railway transport industry and promote the use of rail as a safe mode of transport. While operators are responsible for safety compliance, the regulator is responsible for monitoring and ensuring compliance.

In executing its legislative mandate, the regulator's main functions are to issue and manage safety permits, conduct inspections and audits and investigate railway occurrences, develop safety standards and issue notices of non-conformance and non-compliance.

Selected performance indicators

Table 37.55 Railway Safety Regulator

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of safety and security inspections per year	Safety assurance	6	11	15	25	30	35	40
Number of safety and security audits per year	Safety assurance	38	36	58	63	68	73	75
Number of investigations of accidents per year	Safety assurance	10	11	16	26	20	15	12
Number of technology reviews per year	Safety assurance	43	50	58	63	68	73	75
Number of safety improvement plans assessed per year	Safety assurance	320	100	100	120	124	130	142

Programmes/activities/objectives

Table 37.56 Railway Safety Regulator

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Research and cooperative governance	–	–	1 246	2 124	–	1.3%	2 472	2 761	4 125	24.8%	3.0%
Safety regulation	7 588	6 689	9 981	11 525	14.9%	15.9%	13 408	14 971	19 510	19.2%	15.7%
Safety assurance	14 075	15 571	16 340	24 659	20.6%	31.3%	33 687	41 203	49 045	25.8%	38.9%
Administration	27 728	25 280	28 491	32 896	5.9%	51.6%	36 996	40 870	47 542	13.1%	42.4%
Total expense	49 391	47 540	56 058	71 204	13.0%	100.0%	86 563	99 805	120 222	19.1%	100.0%

Expenditure estimates

Table 37.57 Railway Safety Regulator

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Revenue											
Non-tax revenue	9 833	12 220	22 057	31 855	48.0%	32.0%	40 050	48 301	66 350	27.7%	48.6%
Sale of goods and services other than capital assets	9 701	11 267	20 596	31 761	48.5%	30.8%	39 900	47 641	65 900	27.5%	48.3%
of which:											
Administrative fees	9 701	11 267	20 596	31 761	48.5%	30.8%	39 900	47 641	65 900	27.5%	48.3%
Other non-tax revenue	132	953	1 461	94	-10.7%	1.2%	150	660	450	68.5%	0.3%
Transfers received	38 065	35 634	37 475	39 349	1.1%	68.0%	46 513	51 504	53 873	11.0%	51.4%
Total revenue	47 898	47 854	59 532	71 204	14.1%	100.0%	86 563	99 805	120 223	19.1%	100.0%
Expenses											
Current expenses	49 391	47 540	56 058	71 204	13.0%	100.0%	86 563	99 805	120 223	19.1%	100.0%
Compensation of employees	29 429	32 658	39 459	45 769	15.9%	65.7%	50 428	56 299	76 800	18.8%	60.7%
Goods and services	18 057	12 808	14 822	23 101	8.6%	30.6%	34 489	42 331	42 607	22.6%	37.5%
Depreciation	1 698	1 906	1 664	2 300	10.6%	3.4%	1 446	987	687	-33.2%	1.6%
Interest, dividends and rent on land	207	168	113	34	-45.2%	0.3%	200	188	129	56.0%	0.1%
Total expenses	49 391	47 540	56 058	71 204	13.0%	100.0%	86 563	99 805	120 223	19.1%	100.0%
Surplus/(Deficit)	(1 493)	314	3 474	–	-100.0%		–	–	–	–	

Personnel information

Table 37.58 Railway Safety Regulator

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number			
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16	
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost
	87	–	87	39.5	0.5	94	45.8	0.5	109	50.4	0.5	121	56.3	0.5	133	76.8	0.6	12.3%	100.0%
1 – 6	7	–	7	0.4	0.1	8	0.4	0.1	8	0.5	0.1	8	0.5	0.1	8	0.7	0.1	–	7.1%
7 – 10	33	–	33	6.7	0.2	38	7.7	0.2	39	8.5	0.2	40	9.4	0.2	43	13.0	0.3	4.2%	35.4%
11 – 12	30	–	30	9.0	0.3	31	10.4	0.3	39	11.4	0.3	41	12.7	0.3	50	17.5	0.4	17.3%	35.1%
13 – 16	17	–	17	23.3	1.4	17	27.2	1.6	23	30.1	1.3	32	33.6	1.0	32	45.6	1.4	23.5%	22.4%

1. Rand million.

Expenditure trends

The main revenue source for the Railway Safety Regulator is transfers from the department of transport. In 2012/13, transfers constituted 55.3 per cent of total revenue. Transfers were increased from 2012/13 to cater for the national information management system. Additional allocations over the medium term are R5 million in 2013/14, R7.5 million in 2014/15 and R7.8 million in 2015/16. However, the growth in administration fees is strong as the entity needs to grow to meet demand created as a result of significant rail investment and to begin fulfilling some of its mandates such as the national information management system.

The expenditure focus is on safety assurance, specifically audits and investigations. Expenditure on compensation of employees is expected to increase over the medium term as the personnel complement increases from 87 in 2011/12 to 133 in 2015/16; filled mainly by technical positions such as engineers. The same increase is visible in expenditure on goods and services in this period. The main items are lease payments for rental of buildings, which are expected to grow due to the requirement for additional office space, and the use of agency services for specialised technical advice. The increased expenditure leads to the higher number of audits and inspections shown in the performance indicator table.

Road Traffic Infringement Agency

Mandate and goals

The Road Traffic Infringement Agency derives its mandate from the Administrative Adjudication of Road Traffic Offences Act (AARTO) (1998). The agency was established in 2010/11 and is still in the process of being capacitated and fully implementing its mandate.

The act provides the agency with four main objectives and functions:

- administer procedures to discourage the contravention of road traffic laws and to execute the adjudication of infringements
- enforce penalties imposed on those contravening road traffic laws
- provide specialised prosecution support services
- carry out community education and community awareness programmes to ensure that individuals understand their rights and options.

The agency's main strategic goals over the medium term are to discourage and penalise the contravention of road traffic laws, and to develop efficient adjudication processes.

Selected performance indicators

Table 37.59 Road Traffic Infringement Agency

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of finalised adjudication of road traffic representations per year ¹	Discourage and penalise contravention of road traffic laws	- ¹	8 408	34 410	50 000	140 000	280 000	420 000
Value of revenue collected from unpaid infringements per year ¹	Administration	- ¹	R10.5m	R28.6m	R45m	R95.4m	R101m	R107m
Number of communication educational programmes developed and implemented per year ¹	Public awareness and education	- ¹	- ¹	3	3	6	3	3

1. New indicator, hence no data in these years.

Programmes/activities/objectives

Table 37.60 Road Traffic Infringement Agency

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Discourage and penalise contravention of road traffic laws	-	7 404	17 469	38 000	72.5%	43.7%	95 400	101 124	106 569	41.0%	82.1%
Prosecution support services	-	-	-	-	-	-	10 000	10 600	9 500	-	6.3%
Public awareness and education	-	-	-	1 000	-	0.5%	11 000	3 700	5 700	78.6%	4.7%
Administration	-	7 981	17 000	11 000	11.3%	30.8%	4 000	1 000	1 426	-49.4%	6.8%
Total expense	-	15 385	34 469	50 000	48.1%	75.0%	120 400	116 424	123 195	35.1%	100.0%

Expenditure estimates

Table 37.61 Road Traffic Infringement Agency

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Revenue											
Non-tax revenue	-	10 541	28 594	45 000	62.2%	63.2%	95 400	101 124	107 191	33.6%	85.8%
Penalties	-	10 541	28 594	45 000	62.2%	63.2%	95 400	101 124	107 191	33.6%	85.8%
Transfers received	-	-	17 000	5 000	-	11.8%	25 000	15 300	16 004	47.4%	14.2%
Total revenue	-	10 541	45 594	50 000	68.0%	75.0%	120 400	116 424	123 195	35.1%	100.0%
Expenses											
Current expenses	-	15 385	34 469	50 000	48.1%	75.0%	120 400	116 424	123 195	35.1%	100.0%
Compensation of employees	-	150	2 260	14 400	357.9%	9.1%	35 913	38 068	40 352	41.0%	31.0%
Goods and services	-	15 235	32 086	35 500	32.6%	65.8%	84 237	78 356	82 543	32.5%	68.8%
Depreciation	-	-	122	100	-	0.1%	250	-	300	44.2%	0.2%
Interest, dividends and rent on land	-	-	1	-	-	0.0%	-	-	-	-	-
Total expenses	-	15 385	34 469	50 000	48.1%	75.0%	120 400	116 424	123 195	35.1%	100.0%
Surplus/(Deficit)	-	(4 844)	11 125	-	-100.0%	-	-	-	-	-	-

Personnel information

Table 37.62 Road Traffic Infringement Agency

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
	34	5	17	2.3	0.1	29	4.0	0.1	79	35.9	0.5	80	38.1	0.5	80	40.4	0.5	40.2%	100.0%
1-6	5	-	5	-	-	5	0.2	0.0	15	1.6	0.1	15	1.7	0.1	15	1.8	0.1	44.2%	18.4%
7-10	21	5	5	0.1	0.0	16	1.8	0.1	33	10.5	0.3	33	11.1	0.3	33	11.8	0.4	27.3%	44.9%
11-12	2	-	1	0.1	0.1	2	0.1	0.1	16	10.0	0.6	17	10.6	0.6	17	11.3	0.7	104.1%	17.4%
13-16	6	-	6	2.1	0.3	6	1.9	0.3	15	13.9	0.9	15	14.7	1.0	15	15.6	1.0	35.7%	19.3%

1. Rand million.

Expenditure trends

In terms of its founding act, the Road Traffic Infringement Agency finances its operations from funds appropriated by Parliament, the revenue generated from infringement penalties, administrative penalties and fees, and may have other revenue sources such as donations, sponsorships and co-funding mechanisms. In practice, the agency's main income stream is revenue from the administrative adjudication of road traffic offences. The revenue collected has not been as high as anticipated, but is expected to improve over the medium term as the agency increases its capacity and becomes more effective. Transfers to the agency have been increased over the medium term to assist it until it is able to collect higher revenue. The agency is currently considering other sources of income such as partnerships and sponsorships to augment its budget.

The spending focus over the medium term is on implementing the system and building the agency's capacity to do this by instituting the necessary processes, getting information systems in place, and employing the necessary staff.

Expenditure has increased in the historical period, and is expected to increase significantly over the medium term, as the entity becomes fully functional and starts to take on all its administrative functions, some of which were in the past exercised by the Road Traffic Management Corporation. The main area of expenditure is goods and services, of which about half goes on postage fees, since legislation requires the agency to send its infringement notices, courtesy letters and enforcement orders by registered mail. Improved effectiveness is reflected in the increased number of finalised adjudication of road traffic representations.

The agency currently has only 20 per cent of the total number of staff it requires, these being critical staff members, including the board. The agency appointed 8 representation officers in 2011/12, and will increase this number gradually. To curb costs, only the critical number of staff required to ensure continuing operations will initially be employed, and based on the increased revenue streams acquired after that, the agency will increase staff numbers to the levels required. To achieve the agency's mandate, a staff complement of 55 was envisaged during 2012/13, though the funded structure was only 34 and the number of employees 29. The number of employees is expected to increase to 79 in 2013/14 and 80 thereafter which are reflected in the increased expenditure on compensation of employees. The total complement has not, however, been decided on, and the required number of critical staff will be increased, as required, based on volumes achieved during the national rollout.

Expenditure on consultants relates to the service provider appointed to assist in capacitating the finance unit within the entity, and other legal matters. In 2012/13, expenditure on consultants was equivalent to 8.3 per cent of spending on compensation of employees.

The entity has limited capital investments. The entity's core information technology system, the National Contraventions Register is a module of the eNaTIS system, managed by the department. In addition, the agency has, through the department, been able to secure office premises from the Public Investment Corporation, thereby saving it enormous expenditure in rental payments and the provision of IT infrastructure.

The agency is exploring the option of amending the adjudication legislation to provide for efficient and cost-effective funding mechanisms to pay for operational costs based on the user pays principle.

Given the above measures, the entity intends to become self-sufficient over the medium term.

Road Traffic Management Corporation

Mandate and goals

The Road Traffic Management Corporation Act (1999) is the founding legislation of the corporation. The act requires the corporation to pool national and provincial government resources for the provision of road traffic management. This is to include cooperative and coordinated road traffic strategic planning, regulation, facilitation and law enforcement. Strengthened partnerships with local government and the private sector also form part of the corporation's mandate.

The corporation's strategic goals over the medium term are to:

- establish the corporation as a partnership between the national, provincial and local spheres of government
- enhance the overall quality of road traffic services provision, and in particular ensure safety, security, order, discipline and mobility on the roads
- protect road infrastructure and the environment through the use of innovative technology
- phase out, where appropriate, public funding and phase in private sector investment in road traffic matters on a competitive basis
- introduce commercial management principles to inform and guide road traffic governance and decision making in the interest of enhanced service provision
- optimise the use of public funds
- regulate, strengthen and monitor inter-governmental contact and cooperation in road traffic matters
- improve the exchange and dissemination of information and road traffic matters
- stimulate research in road traffic matters and effectively use the resources of existing institutes and research bodies
- develop human resources in the public and private sectors that are involved in road traffic matters.

Selected performance indicators

Table 37.63 Road Traffic Management Corporation

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Implementation of new car assessment programme ¹	Make roads safe in South Africa	- ⁴	- ⁴	- ⁴	Industry consultation completed	Compulsory minimum standards for cars developed	Periodic vehicle testing implemented	Fully implemented
Total number of junior traffic training centres established ²	Make roads safe in South Africa	- ⁴	- ⁴	- ⁴	1	2	4	6
Number of road safety awareness interventions conducted per year	Make roads safe in South Africa	20	20	20	20	20	20	20
Number of additional schools in which road safety school curriculum is implemented per year	Make roads safe in South Africa	- ⁴	- ⁴	- ⁴	2 402	2 422	12 000	24 000
Kilometres of road assessed per year ³	Make roads safe in South Africa	- ⁴	- ⁴	- ⁴	- ⁴	4 000	4 000	4 000
Number of programmes implemented with stakeholders per year	Ensure effective stakeholders relations	- ⁴	4	8	11	16	20	20
Number of traffic law enforcement operations (e.g. road blocks) conducted per year	Law enforcement and coordination	- ⁴	- ⁴	- ⁴	436	1 080	1 440	1 800

1. This assesses minimum vehicle standards.

2. These training centres are colleges for traffic officials.

3. This assessment is due to start in 2013/14 so there is no historical information.

4. New indicators, hence no historical information available.

Programmes/activities/objectives

Table 37.64 Road Traffic Management Corporation

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	
R thousand											
Make roads safe in South Africa	134 741	82 830	85 000	91 857	-12.0%	51.5%	96 289	104 493	112 006	6.8%	57.0%
Administration	130 890	62 010	86 131	62 550	-21.8%	43.6%	65 011	61 974	59 598	-1.6%	35.2%
Ensure effective stakeholder relations	-	13 370	7 185	11 245	-	4.8%	12 146	14 541	17 500	15.9%	7.8%
Total expense	265 631	158 210	178 316	165 652	-14.6%	100.0%	173 446	181 008	189 104	4.5%	100.0%

Expenditure estimates

Table 37.65 Road Traffic Management Corporation

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
	R thousand							2012/13 - 2015/16				
Revenue												
Non-tax revenue	19 169	13 303	59 313	6 305	-31.0%	21.1%	6 500	5 000	5 000	-7.4%	4.1%	
Sale of goods and services other than capital assets	-	3 351	5 109	6 305	-	3.7%	-	-	-	-100.0%	1.8%	
of which:												
Administrative fees	-	3 351	5 109	6 305	-	3.7%	-	-	-	-100.0%	1.8%	
Other non-tax revenue	19 169	9 952	54 204	-	-100.0%	17.4%	6 500	5 000	5 000	-	2.3%	
Transfers received	83 603	73 619	77 949	82 412	-0.5%	78.9%	166 946	176 008	184 104	30.7%	95.9%	
Total revenue	102 772	86 922	137 262	88 717	-4.8%	100.0%	173 446	181 008	189 104	28.7%	100.0%	
Expenses												
Current expenses	265 631	158 210	178 316	165 652	-14.6%	100.0%	173 446	181 008	189 104	4.5%	100.0%	
Compensation of employees	52 252	59 519	100 836	92 412	20.9%	42.4%	108 712	112 663	116 136	7.9%	60.5%	
Goods and services	206 780	95 249	73 493	69 158	-30.6%	55.3%	59 125	62 618	66 899	-1.1%	36.5%	
Depreciation	6 516	3 279	3 881	3 972	-15.2%	2.3%	5 494	5 607	5 903	14.1%	2.9%	
Interest, dividends and rent on land	83	163	106	110	9.8%	0.1%	115	120	166	14.7%	0.1%	
Total expenses	265 631	158 210	178 316	165 652	-14.6%	100.0%	173 446	181 008	189 104	4.5%	100.0%	
Surplus/(Deficit)	(162 859)	(71 288)	(41 054)	(76 935)	-22.1%		-	-	-	-100.0%		

Personnel information

Table 37.66 Road Traffic Management Corporation

Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	338	-	94	41.4	0.4	338	92.4	0.3	338	108.7	0.3	338	112.7	0.3	338	116.1	0.3	-	100.0%
1 - 6	17	-	17	1.6	0.1	17	1.7	0.1	17	1.8	0.1	17	1.9	0.1	17	2.0	0.1	-	5.0%
7 - 10	270	-	34	7.5	0.2	270	53.1	0.2	270	67.6	0.3	270	69.6	0.3	270	71.3	0.3	-	79.9%
11 - 12	29	-	21	9.2	0.4	29	13.5	0.5	29	14.3	0.5	29	15.1	0.5	29	15.7	0.5	-	8.6%
13 - 16	22	-	22	23.1	1.1	22	24.1	1.1	22	25.1	1.1	22	26.1	1.2	22	27.1	1.2	-	6.5%

1. Rand million.

Expenditure trends

Over the medium term, the spending focus of the Road Traffic Management Corporation will continue to be on road safety. The entity will also focus on improving relationships with the provincial and municipal police departments. The entities main source of revenue comes from transfers from the department which averages 97 per cent of total revenue over the MTEF period.

The transfers to the entity were reduced from 2010/11 onwards in an attempt to affect savings. The entity's expenditure has been greater than its revenue, as it had not budgeted for the responsibilities of the National Traffic Police unit.

Over the medium term, the entity was allocated transfers of R80.0 million in 2013/14, R83.9 million in 2014/15 and R87.8 million in 2015/16 to pay for the National Traffic Police unit that was created in 2011/12 and fully established in 2012/13. The expectation is that this will lead to a balanced budget.

Consultants' expenditure increases by inflation over the medium term as the entity only uses consultants for specific time-bound projects which do not warrant full-time employment. In the past, consultants were paid from the compensation of employees expenditure, which are not reflected on the personnel establishment. The number of filled posts increases from 94 in 2011/12 to 338 in 2012/13 and remains stable over the medium term.

South African Civil Aviation Authority

Mandate and goals

The South African Civil Aviation Authority was established in terms of the South African Civil Aviation Authority Act (1998). The act requires the authority to control and regulate civil aviation safety and security, oversee the implementation and compliance with the national aviation security programme, oversee the functioning and development of the civil aviation industry, and promote civil aviation safety and security.

The authority is also mandated to promote, regulate, support, enforce and continually improve levels of safety and security throughout the civil aviation industry, which includes safety and security oversight of airspace, airports, aircrafts, operations and personnel. This is to be achieved by ensuring compliance with the International Civil Aviation Organisation Standards and recommended practices in the context of the local environment.

The authority's main strategic goals between 2012/13 and 2017/18 are to enhance the aviation safety and security environment, and intensify regional and international cooperation.

Selected performance indicators

Table 37.67 South African Civil Aviation Authority

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of inspections and certificates conducted per year: aircraft ¹	Aviation safety	-1	85	90	100	110	120	130
Number of inspections and certificates conducted per year: Air safety infrastructure ¹	Aviation safety	-1	178	209	265	270	280	290
Number of inspections and certificates issued per year: Aviation security ¹	Aviation security	-1	963	1 159	1 194	1 210	1 230	1 250
Number of inspections and certificates conducted per year: Air safety operations ¹	Aviation safety	-1	603	723	527	550	575	600

1. New indicator since 2010/11.

Programmes/activities/objectives

Table 37.68 South African Civil Aviation Authority

	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Administration	28 334	37 487	150 244	188 997	88.2%	28.7%	185 156	186 925	180 297	-1.6%	41.6%
Aviation safety	51 660	52 232	130 950	173 399	49.7%	29.7%	171 587	179 464	183 767	2.0%	39.6%
Aviation security	170 913	173 168	40 139	59 445	-29.7%	37.3%	59 823	97 542	125 665	28.3%	18.8%
Industry development	26 597	20 958	-	-	-100.0%	4.2%	-	-	-	-	-
Total expense	277 504	283 845	321 333	421 841	15.0%	100.0%	416 566	463 931	489 728	5.1%	100.0%

Expenditure estimates

Table 37.69 South African Civil Aviation Authority

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	250 896	279 495	322 362	404 816	17.3%	95.9%	416 910	468 936	502 798	7.5%	96.0%
Sale of goods and services other than capital assets	244 423	266 507	311 437	393 137	17.2%	92.6%	404 962	456 701	490 260	7.6%	93.4%
of which:											
Administrative fees	244 423	266 507	311 437	393 137	17.2%	92.6%	404 962	456 701	490 260	7.6%	93.4%
User Fees	55 858	58 753	65 145	67 863	6.7%	19.2%	72 894	77 195	81 750	6.4%	16.1%
Fuel Levy	3 257	6 840	14 815	19 476	81.5%	3.2%	18 975	18 486	18 010	-2.6%	4.1%
Passenger Safety Charges	185 308	200 915	231 477	305 798	18.2%	70.2%	313 093	361 020	390 500	8.5%	73.3%
Other non-tax revenue	6 473	12 987	10 925	11 679	21.7%	3.2%	11 948	12 235	12 538	2.4%	2.6%
Transfers received	17 292	8 223	10 716	17 025	-0.5%	4.1%	18 155	19 239	20 124	5.7%	4.0%
Total revenue	268 188	287 718	333 078	421 841	16.3%	100.0%	435 065	488 175	522 922	7.4%	100.0%

Table 37.69 South African Civil Aviation Authority (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R thousand											
Expenses											
Current expenses	277 504	283 845	321 333	421 841	15.0%	100.0%	416 566	463 931	489 728	5.1%	100.0%
Compensation of employees	167 929	188 973	216 023	264 638	16.4%	64.3%	279 552	323 149	342 199	8.9%	67.3%
Goods and services	101 007	87 270	100 112	144 800	12.8%	33.2%	124 307	126 952	134 542	-2.4%	29.8%
Depreciation	8 568	7 571	4 576	12 403	13.1%	2.5%	12 707	13 830	12 987	1.5%	2.9%
Total expenses	277 504	283 845	321 333	421 841	15.0%	100.0%	416 566	463 931	489 728	5.1%	100.0%
Surplus/(Deficit)	(9 316)	3 873	11 744	-	-100.0%		18 499	24 244	33 194	-	

Personnel information

Table 37.70 South African Civil Aviation Authority

Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	421	1	426	216.0	0.5	420	264.6	0.6	476	279.6	0.6	476	323.1	0.7	476	342.2	0.7	4.3%	100.0%
1 – 6	13	1	119	28.3	0.2	12	6.4	0.5	13	7.1	0.5	13	7.8	0.6	13	8.5	0.7	2.7%	2.8%
7 – 10	211	-	198	87.4	0.4	211	114.2	0.5	217	109.1	0.5	217	129.9	0.6	217	138.3	0.6	0.9%	46.8%
11 – 12	172	-	101	90.7	0.9	172	117.8	0.7	215	132.3	0.6	215	148.9	0.7	215	152.2	0.7	7.7%	44.1%
13 – 16	25	-	8	9.7	1.2	25	26.2	1.0	31	31.1	1.0	31	36.5	1.2	31	43.3	1.4	7.4%	6.4%

1. Rand million.

Expenditure trends

The South African Civil Aviation Authority derives its revenue from fuel levies, user fees and passenger safety charges. A grant transfer received from the Department of Transport is only to be used for investigations of accidents and incidents. In 2012/13, 74.1 per cent of the authority's revenue was generated from the passenger safety charge and 17.3 per cent from user fees. These continue to be the two major revenue sources over the medium term. Both amounts are collected from airlines which include them in passengers' ticket costs. An increase in the passenger safety charge from R12 to R16 per departing passenger was implemented from 1 March 2012.

In the historical period, the spending focus shifted from aviation security to aviation safety, where it will remain over the MTEF period. However, aviation security will become more important again as its share of the total budget increases from 14.1 per cent in 2012/13 to 25.7 per cent in 2015/16. Administration has also become a major expenditure item: this is a result of the authority's need to accelerate training in respect of inspection needs, which are required to avoid negative audit findings, and to proactively participate in identified International Civil Aviation Organisation panels and committees. Compensation of employees during the historical period was the area of largest expenditure growth, to cater for the increasing costs of rare aviation skills. Over the medium term, the highest growth remains compensation of employees as the number increases from 420 to 476, and agreed salary increases of above 8 per cent a year are implemented.

Consultants' expenditure stays stable. Consultants are primarily used by the authority for salary benchmarking exercises in the industry, customer satisfaction surveys, employee market surveys, enterprise resource planning system development and implementation, advisory and legal opinions and services to the board and board sub-committees, forensic audits, and auditor general regulatory audits. These are all projects that are only needed periodically or once-off and therefore permanent capacity is not required.

Goods and services expenditure also increased significantly as a new office was opened in Cape Town, and training costs grew, particularly in 2012/13. Over the medium term, expenditure on goods and services drops as training as well as travelling expenditure is reduced over the medium term: training was accelerated over the

past few years and is now being reduced to long-term levels; and austerity measures have been implemented which include a travel policy governing official trips. Over the medium term, aviation security is expected to increase at the highest rate so that compliance with International Civil Aviation Organisation audits can be achieved.

Capital expenditure of R162.1 million has been budgeted for over the medium term. Most of this expenditure will be utilised to acquire and implement an enterprise business system software application which will be used to consolidate and integrate all the system requirements of the authority, and will therefore be a key enabler of the authority's core aviation regulation capabilities. This expenditure will be funded from internal resources and surpluses. The authority is also seeking to acquire its own head office, and a budget allocation has been made to pursue the initial phases of this project over the next two years.

South African Maritime Safety Authority

Mandate and goals

The South African Maritime Safety Authority was established by the South African Maritime Safety Authority Act (1998). It is mandated to promote South Africa's maritime interests, ensure the safety of life and property at sea, and prevent and combat the pollution of the marine environment by ships.

The authority's main strategic goal over the medium term is to continue improving maritime safety and security and contribute to the transformation and expansion of the maritime industry which involves developing the relevant skills for the sector and raising awareness in government and the society about maritime issues

Selected performance indicators

Table 37.71 South African Maritime Safety Authority

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of inspections of local ships conducted per year	Ensure the safety of life and property at sea	9 413	7 790	8 977	9 634	9 867	9 978	9 978
Number of inspections of foreign ships per year	Ensure the safety of life and property at sea	273	263	209	254	261	270	282
Time taken to activate a response to calls of distress (minutes)	Maintain a national rescue coordinating capability	40	38	35	25	20	20	15
Number of seafarer certificates issued per year	Ensure the safety of life and property at sea	33 743	20 662	15 948	17 670	17 700	17 781	17 870
Number of fatalities in South African waters per year	Ensure the safety of life and property at sea	22	25	19	16	11	8	6
Percentage of accredited organisations audited per year ^{1, 2}	Promote the republic's maritime interests	– ²	– ²	– ²	100%	100%	100%	100%
Percentage of pollution incidents successfully managed per year	Prevent and combat pollution of the marine environment from ships	100% (7)	100% (7)	100% (8)	100%	100%	100%	100%
Percentage of ships held accountable for pollution per year ³	Prevent and combat pollution of the marine environment from ships	100% (7)	100% (7)	100% (8)	100%	100%	100%	100%

1. These are organisations that conduct tests and examinations for qualifications and certifications issued by the authority.

2. This is a new indicator, hence there is no historical data.

3. The actions relating to this include the identifying ships, ensuring payment by the owners, levying penalties and instituting court procedures where necessary.

Programmes/activities/objectives

Table 37.72 South African Maritime Safety Authority

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand												
Prevent and combat pollution of the marine environment by ships	28 788	74 409	100 271	129 382	65.0%	37.0%	141 307	146 749	150 504	5.2%	40.4%	
Ensure the safety of life and property at sea	31 876	62 535	83 467	106 823	49.6%	32.6%	116 892	121 394	124 497	5.2%	33.4%	
Promote South Africa's maritime interests	23 683	28 103	42 288	59 386	35.9%	18.1%	63 629	66 079	67 785	4.5%	18.3%	
Administration	27 545	15 156	20 117	25 623	-2.4%	12.3%	28 070	29 151	29 895	5.3%	8.0%	
Total expense	111 892	180 203	246 143	321 213	42.1%	100.0%	349 898	363 372	372 681	5.1%	100.0%	

Expenditure estimates

Table 37.73 South African Maritime Safety Authority

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
	R thousand										
Revenue											
Non-tax revenue	146 956	240 557	246 149	311 925	28.5%	93.9%	336 996	349 873	358 631	4.8%	96.5%
Sale of goods and services other than capital assets	140 015	230 491	234 044	303 275	29.4%	90.0%	335 189	348 043	356 735	5.6%	95.4%
of which:											
Portnet Levies	126 589	211 580	212 971	229 133	21.9%	78.3%	248 124	257 716	261 982	4.6%	70.9%
User charges	13 426	18 911	21 073	74 142	76.8%	11.7%	87 065	90 327	94 753	8.5%	24.6%
Other non-tax revenue	6 941	10 066	12 105	8 650	7.6%	3.9%	1 807	1 830	1 897	-39.7%	1.1%
Transfers received	17 332	14 935	13 464	9 288	-18.8%	6.1%	12 901	13 499	14 051	14.8%	3.5%
Total revenue	164 288	255 492	259 613	321 213	25.0%	100.0%	349 897	363 372	372 682	5.1%	100.0%
Expenses											
Current expenses	111 892	180 203	246 143	321 213	42.1%	100.0%	349 898	363 372	372 682	5.1%	100.0%
Compensation of employees	59 684	84 737	96 241	104 587	20.6%	43.0%	119 229	123 821	126 926	6.7%	33.7%
Goods and services	49 771	91 995	145 574	210 936	61.8%	55.1%	224 677	233 329	239 396	4.3%	64.6%
Depreciation	2 437	3 471	4 328	5 690	32.7%	1.9%	5 992	6 222	6 360	3.8%	1.7%
Total expenses	111 892	180 203	246 143	321 213	42.1%	100.0%	349 898	363 372	372 682	5.1%	100.0%
Surplus/(Deficit)	52 396	75 289	13 470	-	-100.0%		-	-	-	-	

Personnel information

Table 37.74 South African Maritime Safety Authority

Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	202	-	178	88.8	0.5	202	96.7	0.5	222	110.8	0.5	222	115.3	0.5	222	118.1	0.5	3.2%	100.0%
1-6	28	-	17	1.7	0.1	28	2.8	0.1	30	3.2	0.1	30	3.4	0.1	30	3.6	0.1	2.3%	13.6%
7-10	73	-	71	17.7	0.2	73	19.5	0.3	83	23.9	0.3	83	25.2	0.3	83	26.2	0.3	4.4%	37.1%
11-12	44	-	41	18.6	0.5	44	19.9	0.5	50	24.4	0.5	50	25.6	0.5	50	26.3	0.5	4.4%	22.3%
13-16	56	-	48	48.4	1.0	56	51.8	0.9	58	56.5	1.0	58	58.2	1.0	58	59.0	1.0	1.2%	26.5%
17-22	1	-	1	2.4	2.4	1	2.6	2.6	1	2.7	2.7	1	2.9	2.9	1	2.9	2.9	-	0.5%

1. Rand million.

Expenditure trends

The South African Maritime Safety Authority's major revenue source is Portnet levies, constituting 73.5 per cent of total revenue in 2012/13. Transfers from the Department of Transport, and user charges, are secondary income sources. There was strong growth in revenue due to levy increases. There has also been an increase in revenue generating activities due to the increase in the capacity to deliver services as well as additional revenue streams being established. No major levy increases are expected over the medium term.

The bulk of the spending in 2009/10 was on ensuring the safety of life and property, and the prevention and combatting of pollution. While these two remain important, the major focus over the medium term is on promoting the Republic's maritime interests. This focuses on maritime skills development, industry development, ship registry development and marine tourism development. The focus on these areas has been driven by the fact that the authority has historically focused on the first two mandates of pollution and safety, and also the fact that the development of maritime skills and the maritime industry has a direct bearing on the authority's capacity to deliver on the mandates of pollution and safety.

Salaries and wages remain a major expenditure component because the authority continued to increase the organisation's ability to deliver on its mandate during 2012/13. Improved staffing levels and asset replacement is reflected in continuing high levels of performance. The drive to improve capacity in the pollution and safety areas of the authority continues as surveyors' posts and other related positions are steadily filled. Surveyors for

inland waters are also being trained and employed as this is a relatively new area of work for the authority. In addition to this, more manpower will be taken on board for areas like skills development, focusing on the mandate of promoting the republic's maritime interests. The staff complement currently stands at above 200 staff members, which reflects a continuing significant increase.

Expenditure on consultants is for the delivery of services which the authority cannot economically deliver by itself, and skills development focuses on the development of skills needed in the maritime sector. Consultants are mainly used for handling change management in the organisation for the introduction of a new performance management system, the implementation of computer systems, specialist services from marine organisations on incident management, specialist legal advice on marine matters and specialist business requirements, such as business analytics and intelligence. In 2012/13, spending on consultants was equivalent to 12.9 per cent of the expenditure on compensation of employees.

The largest area of expenditure remains goods and services. Marine intervention costs are incurred for the handling of incidents at sea, such as ships running aground. The maintenance of high travel costs is a reflection of the increased mandate of the authority, which has necessitated extensive travel by certain personnel since it is a service organisation. Advertising and catering costs are high because the authority continues to raise awareness about maritime issues, including boating, and therefore needs to take part in various promotional events. The effectiveness of this promotion drive is evidenced by the awarding of the maritime awareness award to the authority by the maritime industry in previous financial years.

There will continue to be significant investment in capital expenditure to replace the old assets which are no longer suitable for the authority in terms of capacity, usability and economical use. These assets range from old computer equipment, out dated computer software, old office equipment and old motor vehicles which are not suitable for the rough terrain the authority has to service for inland waters.

The authority is in the process of acquiring buildings for use by the organisation. One building has already been purchased in East London at a cost of more than R3 million. The drive to acquire buildings has been necessitated by the fact that the organisation's staff complement has grown significantly over the past 3 years. In addition to this, the authority is installing complex technologies for the maritime industry, some of which are used to monitor South African waters. Such technologies are expensive to install and maintain, and ideally should not be disturbed by lease terminations and restrictions.

While the authority strives to improve its cost effectiveness, its strategy has changed dramatically in the last five financial years and the organisation is therefore still undergoing a period of capacity building in many of its departments. This will lead to increased costs over the medium term, as well as investments made to build enhanced stability in the authority's operations. The managing of cost efficiencies will be continuously planned and implemented in a disciplined way which does not impede on operational efficiencies.

Additional tables

Table 37.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	2011/12		2011/12	2012/13			2012/13
Administration	273 982	292 169	280 422	317 473	16 376	333 849	330 736
Integrated Transport Planning	147 808	101 790	90 225	88 542	29 950	118 492	111 990
Rail Transport	9 542 673	9 549 772	9 532 154	10 298 893	2 471	10 301 364	10 296 163
Road Transport	15 324 253	21 733 724	21 729 823	17 928 809	301 896	18 230 705	18 227 668
Civil Aviation	57 615	67 085	65 030	70 022	450 284	520 306	471 061
Maritime Transport	152 125	146 304	138 824	138 543	10 476	149 019	147 213
Public Transport	9 585 557	9 626 576	9 360 053	9 986 670	6 823	9 993 493	9 991 651
Total	35 084 013	41 517 420	41 196 531	38 828 952	818 276	39 647 228	39 576 482
Economic classification							
Current payments	841 820	1 275 727	1 149 055	848 083	844 406	1 692 489	1 622 922
Compensation of employees	294 400	297 192	274 462	316 129	3 130	319 259	313 658
Goods and services	547 420	978 535	874 593	531 954	841 276	1 373 230	1 309 264
Transfers and subsidies	34 238 045	40 237 545	40 044 074	37 976 514	(28 130)	37 948 384	37 948 382
Provinces and municipalities	15 454 672	15 694 672	15 502 972	17 324 512	–	17 324 512	17 324 512
Departmental agencies and accounts	8 805 758	14 565 258	14 578 258	9 895 405	1 000	9 896 405	9 896 405
Higher education institutions	9 189	9 189	9 189	9 648	–	9 648	9 648
Foreign governments and international organisations	5 745	5 745	8 054	6 032	3 100	9 132	9 132
Public corporations and private enterprises	9 474 098	9 474 098	9 474 098	10 227 905	–	10 227 905	10 227 905
Non-profit institutions	16 978	16 978	22 431	17 827	–	17 827	17 827
Households	471 605	471 605	449 072	495 185	(32 230)	462 955	462 953
Payments for capital assets	4 148	4 148	3 225	4 355	2 000	6 355	5 178
Machinery and equipment	4 148	4 148	3 225	4 355	2 000	6 355	5 178
Payments for financial assets	–	–	177	–	–	–	–
Total	35 084 013	41 517 420	41 196 531	38 828 952	818 276	39 647 228	39 576 482

Table 37.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Compensation of employees (R thousand)	228 121	250 758	274 462	319 259	360 126	383 381	406 468
Training expenditure (R thousand)	3 942	5 384	4 396	3 162	4 137	4 366	4 610
Training spend as percentage of compensation	1.7%	2.1%	1.6%	1.0%	1.1%	1.1%	1.1%
Total number trained (headcount)	465	373	478	397			
<i>of which:</i>							
Employees receiving bursaries (headcount)	84	93	104	120			
Leaverships (headcount)	8	–	–	–			
Internships (headcount)	46	58	43	50			
Households receiving bursaries (R thousand)	8 178	8 669	9 189	9 648	10 179	10 790	11 286
Households receiving bursaries (headcount)	162	479	467	538			

Table 37.C Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Conditional grants to provinces							
Rail Transport							
Gautrain rapid rail link	2 976 720	438 360	5 300	–	–	–	–
Road Transport							
Overload control grant	10 069	11 038	–	–	–	–	–
Provincial roads maintenance grant: Roads maintenance	4 162 161	4 080 104	5 872 354	6 828 533	7 519 488	7 956 245	8 933 980
Sani Pass roads grant	34 347	–	–	–	–	–	–
Provincial roads maintenance grant: Disaster relief	116 900	–	240 000	489 912	367 822	366 943	–
Provincial roads maintenance grant: Coal haulage road network maintenance	–	–	585 000	663 400	808 900	803 002	839 940
Public Transport							
Public transport operations grant	3 531 909	3 863 033	4 153 232	4 317 269	4 552 521	4 782 709	5 002 714
Total	10 832 106	8 392 535	10 855 886	12 299 114	13 248 731	13 908 899	14 776 634
Conditional grants to municipalities							
Road Transport							
Rural roads asset management systems grant	12 800	10 400	35 439	37 295	52 205	75 223	97 763
Public Transport							
Public transport infrastructure and systems grant	2 418 177	3 699 462	4 611 647	4 988 103	4 668 676	5 126 029	5 278 881
Public transport network operations grant	–	–	–	–	881 305	744 817	862 024
Total	2 430 977	3 709 862	4 647 086	5 025 398	5 602 186	5 946 069	6 238 668

1. Detail provided in the Division of Revenue Act (2013).

Table 37.D Summary of departmental public private partnership projects

Project description: National Fleet Project		Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
R thousand	2012/13			2013/14	2014/15	2015/16
Projects signed in terms of Treasury Regulation 16		-	11 350	11 980	12 425	12 944
	Public private partnership unitary charge ¹	-	11 000	11 600	12 000	12 500
	Project monitoring cost	-	350	380	425	444
Total		-	11 350	11 980	12 425	12 944

1. Phavis fleet services public private partnership. Disclosure notes for this project can be viewed below.

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	National fleet project
Brief description	Provision of fleet management services
Date public private partnership agreement was signed	October 2006
Duration of public private partnership agreement	5 years (extended for 2 years, expiring on 30 November 2013)
Escalation index for unitary fee	Consumer price index
Variations and amendments to public private partnership agreement	Period extension
Cost implications of variations and amendments	Estimated R24 million, resulted from the purchasing of new vehicles for replacements (related to the extended period)

Table 37.E Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R thousand													
Foreign In cash													
Global Environmental Fund	Sustainable public transport and sport	Integrated Transport Planning	2008/09 to 2011/12	82 541	Provinces and municipalities	Supporting transport improvements in 7 2010 FIFA World Cup host cities	53 146	15 341	2 106	-	-	-	-
Total				82 541			53 146	15 341	2 106	-	-	-	-

Table 37.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Infrastructure transfers to other spheres, agencies and departments										
South African National Roads Agency	Development and upkeep of the national road network	Various	-	2 847 536	4 065 177	5 727 348	6 602 595	6 394 541	7 515 300	7 849 560
Passenger Rail Agency of South Africa	Passenger rail infrastructure maintenance and rehabilitation	Construction	-	3 831 791	4 813 273	6 134 768	6 701 106	7 481 110	10 710 959	13 865 547
Gautrain rapid rail link	National contribution for construction of Gautrain rapid rail link	Hand over	12 951 484	2 976 720	438 360	-	-	-	-	-
Public transport infrastructure grant	Public transport infrastructure and systems for municipalities	Various	-	2 421 177	3 699 462	4 611 647	4 988 103	4 668 676	5 126 029	5 278 881
Passenger Rail Agency of South Africa: Public transport Infrastructure grant	Improved railway stations	Hand over	-	464 758	-	-	-	-	-	-
Provincial roads maintenance grant	Maintenance of provincial road infrastructure	Various	-	4 162 161	5 091 710	5 872 354	7 981 845	8 696 210	9 126 190	9 773 920
South African National Roads Agency: Public transport infrastructure grant	Road maintenance for 2010 FIFA World Cup projects	Construction	-	206 559	-	-	-	-	-	-
Passenger Rail Agency of South Africa: Public transport infrastructure grant	Purchase of buses	Handed over	-	-	797 000	-	-	-	-	-
Sani Pass roads grant	Construction of road to Lesotho		-	34 347	-	-	-	-	-	-
Overload control grant	Vehicle overload control		-	10 069	11 038	-	-	-	-	-
Total			12 951 484	16 955 118	18 916 020	22 346 117	26 273 649	27 240 537	32 478 478	36 767 908

BUDGET 2013
ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA