

Roads and transport

Introduction

South Africa has a well-developed road network which facilitates the movement of people, goods and services over long distances. However, increased investment in the transport infrastructure by government is important to address disparities that have arisen because of historical patterns of spatial development. Improved access to roads and transport for the poor, especially in the rural areas, is key to enhancing their quality of life, as this will facilitate their access to social services and economic opportunities.

Increased investment in transport will create opportunities for the poor

Transport subsidies, when appropriately administered, are a potentially important tool for improving efficiency, access and equity. The restructuring of the bus subsidies, which historically have benefited buses predominantly operating in major urban areas, creates opportunities for the empowerment of small operators in the public transport system. Government is in the process of regulating the taxi industry to create an orderly and viable business environment that is safe for passengers and other road users.

Government is looking at ways of improving efficiency of public transport

The safety of roads is another area of importance in the transport sector. Road traffic accidents carry high costs. Government policy has emphasised increased effectiveness of traffic control through the effective implementation of the 'Road to Safety' strategy, the review of traffic legislation, a demerit point system for traffic offences, and the development of a new, computerised, learner-driver licensing system.

Road safety is a government priority

This chapter provides:

- an overview of the institutional arrangements and responsibilities between the three spheres of government
- a consolidated picture of government expenditure and service delivery trends in three key functions within the transport sector - roads infrastructure, public transport and road traffic management and safety.

Institutional arrangements and responsibilities

All spheres of government have some responsibility for the three key elements of the road transport system: roads infrastructure, public transport and traffic management. The Constitution outlines functional responsibilities within the transport sector. Public transport is a concurrent schedule 4A function between the national and provincial spheres. Municipal transport is a concurrent schedule 4B function falling in the local government sphere. Provincial roads and traffic are an exclusive schedule 5A provincial function. Municipal

The Constitution assigns responsibility for transport to all spheres of government

roads, traffic and parking are exclusive schedule 5B municipal functions.

The national department is responsible for a facilitative and regulatory policy framework

The national Department of Transport's major responsibility is to set out a facilitative and regulatory policy framework for an efficient transport system. Policy is implemented through provincial departments, municipalities and agencies. The 1996 White Paper on National Transport Policy spells out the transport policy framework. The department has defined a framework for integrated land transport planning and service delivery across provinces and local government through the enactment of the National Land Transport Transition Act (2000) (NLTTA).

Transport and road agencies have been established to support service delivery

The department oversees the regulation and delivery of transport through a number of agencies. The South African National Roads Agency (SANRAL) manages the construction of national roads. The South African Rail Commuter Corporation (SARCC) is responsible for passenger rail transport services and regulation. Other regulatory bodies include the Road Traffic Management Corporation, whose role is to enhance co-operation between the three spheres of government on road traffic management and law enforcement; the Cross-Border Road Transport Agency, which regulates cross-border passenger, freight and road transport; and the Civil Aviation Authority, which regulates air traffic and civil aviation.

The NLTTA defines the framework for the planning and management of public transport by provinces and municipalities

In terms of the Constitution, legislative and executive powers in relation to public transport are the responsibility of the provinces. The NLTTA defines provinces' and municipalities' responsibilities for the planning and management of land transport. The Act requires that both spheres prepare transport plans in line with the Department of Transport's framework. It also provides for the establishment of local transport authorities by municipalities to improve local transport planning and service delivery. The Department of Transport is responsible for policy formulation, monitoring and strategic implementation.

Provincial and local governments are responsible for the roads in their areas

Provincial and local governments are responsible for roads within their areas. They undertake the planning, construction and maintenance of roads and bridges. Provincial departments are responsible for law enforcement on their roads, which involves overloading control, vehicle and driver roadworthiness, and speed limit enforcement. The organisational arrangements for the delivery of the transport system differ between provinces, as some have a separate transport department, which deals with roads, while in others, roads are the responsibility of their departments of public works. Municipalities enforce traffic laws within their jurisdiction, and operate driver-licensing and vehicle-testing centres on behalf of provinces.

Roads infrastructure

Provinces account for 65 per cent of the classified road network

The South African road network comprises some 532 000 km of proclaimed national, provincial and municipal roads, and about 220 000 km of unclassified roads, covering, mostly, rural access

roads. Provinces account for 65 per cent of the classified road network, with municipalities and national government accounting for 33 per cent and 1,7 per cent, respectively. Provincial roads are mostly gravel, except in Gauteng, where 45 per cent of the road network is surfaced. The road network under national government comprises 9 208 km of tarred major national roads, which carry relatively large volumes of traffic connecting major cities.

Table 8.1 Provincial, municipal and national roads infrastructure expenditure, 2003/04

R million	Provincial	Municipal	Total	% of total	
				Provincial	Municipal
Eastern Cape	1 431	544	1 975	72,5%	27,5%
Free State	292	235	527	55,4%	44,6%
Gauteng	523	815	1 338	39,1%	60,9%
KwaZulu-Natal	1 181	487	1 668	70,8%	29,2%
Limpopo	829	110	939	88,3%	11,7%
Mpumalanga	450	162	612	73,5%	26,5%
Northern Cape	127	21	148	85,8%	14,2%
North West	265	92	357	74,2%	25,8%
Western Cape	539	454	993	54,3%	45,7%
Total provincial and municipal	5 638	2 920	8 558	65,9%	34,1%
National			1 291		
Total			9 848		
Percentage of total roads expenditure					
Eastern Cape	25,4%	18,6%	20,1%		
Free State	5,2%	8,0%	5,4%		
Gauteng	9,3%	27,9%	13,6%		
KwaZulu-Natal	21,0%	16,7%	16,9%		
Limpopo	14,7%	3,8%	9,5%		
Mpumalanga	8,0%	5,5%	6,2%		
Northern Cape	2,3%	0,7%	1,5%		
North West	4,7%	3,2%	3,6%		
Western Cape	9,6%	15,5%	10,1%		
Total provincial and municipal	100,0%	100,0%	86,9%		
National			13,1%		
Total			100,0%		

Source: National Treasury provincial and local government databases; 2004 Estimates of National Expenditure

Expenditure and budget trends

All three spheres of government budget for the road networks under their jurisdiction. The national Department of Transport transfers its budget to SANRAL, which is in charge of implementation. Provinces and municipalities manage their own roads infrastructure programmes, with the exception of Limpopo province and the Johannesburg municipality, which have road agencies. Table 8.1 shows aggregate spending on roads infrastructure by the three spheres of government, with municipal expenditure aggregated by province. Government spending on roads amounted to R9,8 billion in 2003/04, an increase of 19,5 per cent on aggregate expenditure of R8,2 billion in 2002/03.

*Government spent
R9,8 billion on roads in
2003/04*

Provinces account for 57 per cent of aggregate expenditure on roads

Provinces, which account for 65 per cent of the total road network, spent about 57 per cent of total aggregate expenditure on roads, while municipalities and national government spent 30 per cent and 13 per cent, respectively. The municipalities account for the highest growth in expenditure, at about 38 per cent. Table 8.1 also shows that Eastern Cape takes up the largest proportion of aggregate expenditure on municipal and provincial roads at 20,1 per cent, while Northern Cape is the lowest at 1,5 per cent. The highest proportion of spending on municipal roads is in Gauteng, accounting for 27,9 per cent, followed by Eastern Cape at 18,6 per cent, and KwaZulu-Natal at 16,7 per cent.

Table 8.2 indicates the share of metropolitan municipalities in municipal spending on roads, but does not include spending on maintenance. It shows that metros' share increased from 47,0 per cent in 2002/03 to 50,7 per cent in 2003/04. Cape Town accounts for the highest spending in 2003/04 at 12,0 per cent, followed by eThekweni at 11,3 per cent. Nelson Mandela metro reflects the lowest expenditure at 2,9 per cent. District and local municipalities account for 49,3 per cent of roads spending by all municipalities. The municipal financial reporting system is still somewhat weak, with the available numbers covering only 2002/03 and 2003/04.

Table 8.2 Roads expenditure by municipality, 2002/03 to 2003/04

R million	2002/03	2003/04
Metros		
Cape Town	216	351
City of Johannesburg	122	175
City of Tshwane	70	276
Ekurhuleni Metro	177	265
eThekweni	180	330
Nelson Mandela	126	84
Total metros	891	1 481
Other municipalities	1 006	1 439
Total	1 897	2 920
Percentage of total expenditure		
Cape Town	11,4%	12,0%
City of Johannesburg	6,4%	6,0%
City of Tshwane	3,7%	9,5%
Ekurhuleni Metro	9,3%	9,1%
eThekweni	9,5%	11,3%
Nelson Mandela	6,6%	2,9%
Total metros	47,0%	50,7%
Other municipalities	53,0%	49,3%
Total	100,0%	100,0%

Source: National Treasury local government database

Table 8.3 presents expenditure and budget trends for national and provincial governments over seven years. Expenditure is projected to increase by 7,9 per cent, from R6,9 billion in 2003/04 to R7,5 billion in 2004/05, further rising to R9,3 billion in 2006/07, reflecting an annual average growth of about 10,9 per cent over the 2004 medium-term expenditure framework (MTEF) period.

Table 8.3 Provincial and national roads infrastructure expenditure, 2000/01 to 2006/07

R million	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
	Outcome			Preliminary outcome	Medium-term estimates		
Eastern Cape	288	665	1 315	1 431	1 315	1 435	1 540
Free State	167	307	336	292	299	336	368
Gauteng	363	397	541	523	615	656	686
KwaZulu-Natal	602	794	838	1 181	1 413	1 632	1 754
Limpopo	586	574	659	829	802	1 011	1 107
Mpumalanga	216	381	479	450	553	664	685
Northern Cape	104	119	128	127	207	211	224
North West	258	232	165	265	210	249	248
Western Cape	424	427	598	539	598	769	1 003
Total provincial	3 008	3 896	5 060	5 638	6 012	6 965	7 615
National	701	1 068	1 203	1 291	1 462	1 588	1 718
Total	3 709	4 964	6 263	6 928	7 473	8 552	9 333
Percentage of total provincial expenditure							
Eastern Cape	1,6%	3,4%	5,3%	4,8%	4,2%	4,3%	4,2%
Free State	2,2%	3,7%	3,5%	2,5%	2,4%	2,5%	2,5%
Gauteng	2,0%	2,0%	2,2%	1,8%	2,1%	2,0%	2,0%
KwaZulu-Natal	2,8%	3,2%	2,9%	3,5%	3,7%	3,9%	3,8%
Limpopo	4,0%	3,7%	3,5%	3,8%	3,3%	3,8%	3,8%
Mpumalanga	3,1%	4,5%	4,9%	3,9%	4,2%	4,6%	4,3%
Northern Cape	3,9%	4,0%	3,7%	3,1%	4,7%	4,4%	4,3%
North West	2,8%	2,3%	1,4%	2,0%	1,4%	1,5%	1,4%
Western Cape	3,7%	3,4%	4,1%	3,3%	3,3%	3,9%	4,7%
Total	2,7%	3,2%	3,5%	3,3%	3,2%	3,4%	3,4%
Percentage growth (average annual)	2000/01 – 2003/04		2003/04 – 2004/05		2003/04 – 2006/07		
Eastern Cape	70,6%		-8,1%		2,5%		
Free State	20,5%		2,3%		8,1%		
Gauteng	13,0%		17,5%		9,4%		
KwaZulu-Natal	25,2%		19,6%		14,1%		
Limpopo	12,2%		-3,2%		10,1%		
Mpumalanga	27,6%		22,8%		15,0%		
Northern Cape	6,9%		62,6%		20,7%		
North West	0,9%		-20,7%		-2,1%		
Western Cape	8,4%		10,9%		23,0%		
Total	23,3%		6,6%		10,5%		

Source: National Treasury provincial database

Provincial spending on roads is budgeted to increase to R6 billion in 2004/05, reflecting an increase of 6,6 per cent from 2003/04. This follows strong growth in provincial spending averaging 29,6 per cent between 2000/01 and 2002/03. This was due to the turnaround in 2001/02, which was partly linked to the introduction of the grant for the rehabilitation of infrastructure destroyed by the floods in 1999/00. This grant mostly benefited the roads sector in Limpopo, Mpumalanga, KwaZulu-Natal and Free State. With the gradual phasing out of the grant, some of these provinces (Mpumalanga and Free State) show a decline in expenditure between 2002/03 and 2003/04. Limpopo and KwaZulu-Natal maintained the growth trend with an increased allocation from their budgets.

Provincial spending grew strongly between 2000/01 and 2002/03

The roads budget grows over the MTEF years

The MTEF budgets grow by an average of 10,5 per cent. The lowest growth (2,5 per cent) is in Eastern Cape, while Western Cape accounts for the highest growth (23 per cent). North West shows a decline in spending and budgeting for roads from R265 million in 2003/04 to R248 million in 2006/07.

The proportion of provincial spending on roads is not growing

Provincial spending on roads accounts for 3,3 per cent of total provincial expenditure in 2003/04, declining marginally from a peak level of 3,5 per cent in the 2002/03. This reflects that even though, on average, spending on roads is growing, it is not rising as a proportion of aggregate spending. Provinces are either prioritising other economic projects or social security.

Table 8.4 Provincial road planning, design and construction expenditure, 2000/01 to 2006/07

	2000/01	2001/02 Outcome	2002/03	2003/04 Preliminary outcome	2004/05	2005/06	2006/07
R million					Medium-term estimates		
Eastern Cape	100	381	724	959	818	904	979
Free State	17	132	172	149	125	179	205
Gauteng	102	67	121	158	197	212	215
KwaZulu-Natal	223	235	277	535	710	820	847
Limpopo	373	321	348	535	500	668	743
Mpumalanga	46	108	207	280	345	448	451
Northern Cape	37	29	49	68	120	121	128
North West	95	63	59	52	105	129	96
Western Cape	176	173	208	216	189	323	526
Total	1 167	1 510	2 165	2 950	3 110	3 803	4 191
Percentage of roads infrastructure expenditure							
Eastern Cape	34,6%	57,2%	55,1%	67,0%	62,2%	63,0%	63,6%
Free State	10,3%	43,0%	51,2%	51,0%	41,9%	53,3%	55,6%
Gauteng	28,0%	16,9%	22,3%	30,2%	32,0%	32,2%	31,4%
KwaZulu-Natal	37,0%	29,6%	33,1%	45,3%	50,3%	50,2%	48,3%
Limpopo	63,7%	55,9%	52,7%	64,5%	62,3%	66,0%	67,1%
Mpumalanga	21,1%	28,5%	43,1%	62,2%	62,5%	67,4%	65,8%
Northern Cape	35,1%	24,7%	38,4%	53,3%	57,9%	57,1%	57,1%
North West	36,7%	27,3%	35,8%	19,7%	50,3%	51,8%	38,7%
Western Cape	41,5%	40,6%	34,8%	40,0%	31,5%	41,9%	52,5%
Total	38,8%	38,8%	42,8%	52,3%	51,7%	54,6%	55,0%

Source: National Treasury provincial database

Road construction

Provincial spending on road construction increases

Table 8.4 shows spending trends on road construction work (capital works, excludes maintenance) on provincial roads, which includes upgrading, rehabilitation and new works together with planning and design for projects. Expenditure amounted to almost R3,0 billion in 2003/04, reflecting an increase of 36 per cent from R2,2 billion in 2002/03.

Overall, provincial budgets for road construction reflect an average increase of 5,4 per cent in 2004/05 compared to 2003/04 expenditure, with a decline of more than 4 per cent in Eastern Cape, Free State and Western Cape. Spending in Eastern Cape and Free State increased significantly in 2001/02 and 2002/03, and thereafter declines, partly due to the phasing out of the infrastructure rehabilitation grant. Provinces that indicate consistent and significant growth in construction expenditure between 2001/02 and 2004/05 are Northern Cape and Mpumalanga.

Expenditure on road construction is budgeted to increase from R3,1 billion in 2004/05 to R4,2 billion in 2006/07, reflecting an average increase of about 16,1 per cent over the MTEF period. Expenditure on construction accounts for 52,3 per cent of total provincial roads infrastructure spending in 2003/04, rising from 38,8 per cent in 2001/02. The proportion of road construction spending in 2003/04 varies across provinces, ranging from 30,2 per cent in Gauteng to 67 per cent in Eastern Cape.

Provinces spend more than half of their roads budget on construction

Road maintenance

Road maintenance has to be performed on a continuous basis to avoid deterioration that leads to the higher costs of rehabilitating a road. Roads deteriorate over time because of traffic volumes, environmental influences (such as flood damage) and overloading. The lifespan of roads depends on their original designed strength, use, and weather conditions. Regular planned maintenance is crucial to ensure that roads are serviceable and can address rising demand, which, in turn, makes the costs of maintenance escalate.

Provinces have to maintain approximately 346 000 km of roads. As shown in table 8.5, total provincial spending on maintenance has grown by an average of 13,4 per cent a year between 2000/01 and 2003/04. Annual average growth varies significantly between provinces, ranging from a decline of 0,8 per cent in Mpumalanga, to growth of 38,8 per cent in Eastern Cape between 2000/01 and 2003/04. Most of the growth occurred in the years up to 2002/03. In 2003/04 spending decreases by 8,0 per cent, with most of this occurring in Eastern Cape, Western Cape and Free State. Expenditure is projected to recover in 2004/05, increasing by an average of 8,0 per cent to R2,7 billion, further rising by an average of 8,7 per cent, to reach R3,2 billion in 2006/07.

Provinces prioritise road maintenance

Although, on average, spending on maintenance is set to grow by 8,7 per cent over the 2004 MTEF, it is declining as a proportion of spending on roads. In the years up to 2002/03, provinces' spending on maintenance was more than 50 per cent of total spending on roads, but it is budgeted to decrease to 45 per cent over the 2004 MTEF. The pattern of spending varies significantly between the predominantly urban and rural provinces. For instance, in 2004/05, Gauteng and Western Cape prioritise maintenance, spending more than 50 per cent of their roads budgets on maintenance. On the other hand, the predominantly rural provinces of Eastern Cape, Mpumalanga and

Spending on maintenance is declining as a proportion of spending on roads

Limpopo spent more than 60 per cent of their roads budget on construction.

Table 8.5 Provincial road maintenance expenditure, 2000/01 to 2006/07

	2000/01	2001/02 Outcome	2002/03	2003/04 Preliminary outcome	2004/05	2005/06	2006/07
R million					Medium-term estimates		
Eastern Cape	152	245	525	406	448	479	506
Free State	138	169	161	137	165	149	155
Gauteng	227	285	389	330	383	410	435
KwaZulu-Natal	377	539	534	610	648	756	848
Limpopo	213	254	312	294	302	343	364
Mpumalanga	168	268	269	164	198	209	225
Northern Cape	57	76	67	57	78	81	86
North West	163	169	106	212	104	120	152
Western Cape	235	245	379	311	398	435	464
Total	1 730	2 249	2 742	2 522	2 724	2 981	3 236
Percentage growth (average annual)	2000/01 – 2003/04		2003/04 – 2004/05		2003/04 – 2006/07		
Eastern Cape	38,8%		10,4%		7,6%		
Free State	-0,3%		20,2%		4,0%		
Gauteng	13,2%		16,3%		9,7%		
KwaZulu-Natal	17,4%		6,2%		11,6%		
Limpopo	11,3%		2,8%		7,4%		
Mpumalanga	-0,8%		20,3%		11,1%		
Northern Cape	0,4%		36,8%		14,7%		
North West	9,2%		-50,9%		-10,5%		
Western Cape	9,7%		27,9%		14,3%		
Total	13,4%		8,0%		8,7%		

Source: National Treasury provincial database

Service delivery trends

Provincial roads

Most new roads are in KwaZulu-Natal

Table 8.6 summarises provinces' capital works on roads in 2003/04. Provinces completed 3 196 km of capital works (construction, upgrading and rehabilitation) on roads. A total of 901 km of new gravel roads were constructed, with most construction reported in KwaZulu-Natal (674 km). KwaZulu-Natal has prioritised increased access to areas that previously had no access, which is contributing to the expansion of the road network. The province also has a strategy to use labour-intensive methods to construct and maintain roads in order to create income-earning opportunities in the rural areas and empower emerging contractors.

Half of the provincial road network received maintenance attention

A total of 527 km of roads were upgraded from gravel to tar, had their carrying capacity expanded, or were newly constructed in 2003/04, about 24 per cent of which were in Limpopo. Provinces have rehabilitated a total of 1 768 km of both gravel and tarred roads, with North West accounting for about 50 per cent of them. Maintenance covered 175 722 km, which is about 50 per cent of the total provincial

road network. Western Cape has maintained the largest road network at 39 000 km, followed by Northern Cape and KwaZulu-Natal. Provinces built 98 bridges and culverts over the 2003/04 financial year.

Table 8.6 Provincial roads outputs, 2003/04

	New and upgrading¹	New gravel roads	Bridges and culverts	Rehabilitation of gravel and tarred roads (km)	Maintenance of gravel and tarred roads (km)
	(km)	(km)	(number)		
Eastern Cape	98	35	76	127	22 806
Free State	10	–	–	46	13 000
Gauteng	15	–	–	13	5 181
KwaZulu-Natal	66	674	11	124	27 003
Limpopo	124	–	7	225	713
Mpumalanga	95	55	–	278	16 271
Northern Cape	77	–	2	49	28 016
North West	41	137	2	860	23 732
Western Cape	1	–	–	46	39 000
Total	527	901	98	1 768	175 722

1. Includes upgrading of unsurfaced roads to surfaced roads and new link construction in an entirely new location.

Source: Provincial departments of transport and roads

The outputs of provincial spending in 2003/04 on roads reflect that provinces have prioritised the maintenance and rehabilitation of gravel and tarred roads. This is in order to address the existing maintenance backlogs and ensure that, in future, roads are kept in a state that will not add to maintenance costs. Furthermore, a focus on maintenance allows provinces to create employment opportunities through the implementation of the expanded public works programme (EPWP). The nature of technology for maintenance allows for innovative approaches that create more jobs. Emerging contractors are empowered through the implementation of a black economic empowerment (BEE) framework when procuring services. Some of these approaches have already been implemented in KwaZulu-Natal and Limpopo, as explained in the *2003 Intergovernmental Fiscal Review*. They provide models that other provinces can adapt so that they can create more economic opportunities, especially in the rural areas, in the coming years.

Road maintenance provides opportunities for the EPWP

National roads

In 1998, SANRAL was established to continue with the work of the South African Roads Board that was being disbanded. SANRAL has been able to deliver a road network to international standards and maintain the entire network under its control. SANRAL sources additional funding from the private sector through public-private partnerships (PPPs) and borrowing. Roads under SANRAL are classified into three categories, by funding: concession toll roads, state toll roads and non-toll roads. Concession toll roads are constructed and operated by the private sector through PPP arrangements. State toll roads (referred to as agency toll roads) are funded through loans,

SANRAL sources private sector funds for toll roads

backed by government guarantees, paid through toll income. Non-toll roads are funded from appropriated funds transferred to SANRAL, and account for over 70 per cent of the national road network.

Table 8.7 presents completed surface maintenance and rehabilitation on national roads (excluding ongoing work and routine road maintenance).

Table 8.7 Roads maintenance and rehabilitation, 1994 to 2003

km	Surface maintenance ¹	Rehabilitation ²	Total
1994	608	235	843
1995	879	29	908
1996	366	502	868
1997	942	58	1 000
1998	182	147	329
1999	890	277	1 167
2000	75	11	86
2001	147	95	242
2002	375	71	446
2003	134	63	197
Total (km)	4 598	1 488	6 086
Total expenditure (R million)	2 139	2 850	4 989

1. These maintenance actions are intended to prolong the life of a road by restoring (or maintaining) pavement properties while such measures are still cost-effective.

2. These maintenance actions aim to extend the life-span of the road.

Source: SANRAL, 2004

Almost R10 billion has been leveraged through PPPs

SANRAL has been able to leverage almost R10 billion through PPPs since 1998. Completed projects and their investment values include the N4 Maputo development corridor (R3 billion), the N3 toll road (R3,5 billion) and the N4 Platinum toll road (R3,2 billion).

498 km of new toll roads are under construction

The comprehensive toll road operations and maintenance (CTROM) model used by SANRAL incorporates the various elements of the operations and maintenance of toll roads under a single contract managed by one entity, eliminating the fragmentation of responsibility. Major construction activities on the toll roads operated by SANRAL were in various stages of development in 2002/03, with the opening of various toll road plazas. These roads cover 4 598 km, with a total investment of approximately R6 billion sourced from the private sector.

Table 8.8 indicates that over the next five years more than R10 billion is intended to be leveraged through PPPs for the construction of another 2 359 km of good quality national roads.

Table 8.8 Public-private-partnership toll roads expenditure, 2003/04 to 2008/09

R million	Province	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Total	Output (km)
Project									
N2 Wild Coast	Eastern Cape	–	75	300	850	958	733	2 916	550
N1 Corridor Pretoria and Johannesburg	Gauteng	–	–	150	400	800	800	2 150	230
N3 and N4 BOT Concessions	Gauteng Limpopo Mpumalanga North West	1 000	500	–	100	100	100	1 800	1 314
N1-N2 winelands toll highway	Western Cape	–	–	175	699	699	525	2 098	171
R300 Cape Town ring road	Western Cape	–	–	–	117	467	467	1 051	94
Total		1 000	575	625	2 166	3 024	2 625	10 015	2 359

Source: SANRAL

The transport sector has agreed to implement a new system for classifying the road network that is expected to ensure it is planned and managed rationally and efficiently. The proposed framework classifies roads according to the function they perform and assigns the appropriate authority to take responsibility.

A new road classification system will facilitate better management

Some provincial roads will be included in the road network for which national government is responsible. Approximately 13 000 km of provincial roads have been thus identified, bringing the primary national road network up to a total of approximately 20 000 km. The new classification will also ensure that unproclaimed roads, which are mostly rural, are properly classified into the rural road network and assigned to the appropriate authority.

A number of provinces have already handed over various routes to SANRAL for incorporation into the national road network. Mpumalanga, Eastern Cape, Free State, Western Cape and Limpopo have handed over 2 008 km, with a further 1 600 km planned to follow during the 2004/05 financial year.

In August 2001, the Minister of Transport tasked SANRAL with responsibility for the roads connecting to 52 land border posts in order to facilitate the movement of goods and people between South Africa and neighbouring countries. SANRAL thus became responsible for the planning, construction, rehabilitation, maintenance and management of the roads infrastructure, including bridges. A total of 23 border posts have been upgraded in the last financial year.

SANRAL is responsible for land border posts

Public transport

Although the Constitution makes no direct reference to the need to provide public transport or a right to transport subsidies, it does require government to ensure the right of access to certain social services, such as health care and education, which is dependent on

Certain constitutional rights depend on access to affordable transport

access to affordable transport. The 1996 White Paper on National Transport Policy supports investment in infrastructure to encourage public transport and discourage the excessive use of private transport. Some strategic objectives of this policy include: improving accessibility and mobility; empowering and assisting disadvantaged operators to participate; and ensuring that operations are economically viable with minimum financial support from government.

Rail, bus and taxi operators benefit from government subsidies

Most commuter rail and bus services and some minibus-taxi (subcontracting) operators receive government subsidies, which are managed by the national and provincial departments of transport. The main reason for subsidising these services is to relieve the distance burden on communities relocated under the previous dispensation and to ensure that their access to employment and other social facilities is affordable. Other reasons include poverty alleviation (by targeting poor households for public transport subsidies) and promoting the efficient functioning of cities.

Table 8.9 National Department of Transport subsidies and planning expenditure, 2000/01 to 2006/07

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Public transport operations	3 174	3 579	4 084	4 465	4 697	4 951	5 248
Bus operations	1 426	1 715	1 847	2 082	2 158	2 279	2 415
Rail operations	1 747	1 856	2 227	2 360	2 529	2 662	2 822
Taxi operations	1	8	10	22	10	11	11
Transport planning	22	38	41	64	67	71	76
NLTTA implementation	–	–	1	22	23	25	26
Land transport pilot projects -	–	–	–	32	44	47	49
Urban Transport Fund	22	38	40	9	–	–	–
Total subsidies and planning	3 196	3 618	4 126	4 528	4 764	5 023	5 324
<i>Percentage growth</i>		13,2%	14,0%	9,8%	5,2%	5,4%	6,0%
Total national transport	4 099	4 937	5 710	6 159	6 289	6 759	7 125
Percentage of total national transport expenditure							
Public transport operations	77,4%	72,5%	71,5%	71,0%	69,5%	69,5%	69,2%
Bus operations	34,8%	34,7%	32,3%	33,1%	31,9%	32,0%	31,8%
Rail operations	42,6%	37,6%	39,0%	37,5%	37,4%	37,4%	37,2%
Taxi operations	0,0%	0,2%	0,2%	0,4%	0,1%	0,1%	0,1%
Transport planning	0,5%	0,8%	0,7%	1,0%	1,0%	1,0%	1,0%
NLTTA implementation	–	–	0,0%	0,3%	0,3%	0,3%	0,3%
Land transport pilot projects -	–	–	–	0,5%	0,7%	0,7%	0,7%
Urban Transport Fund	0,5%	0,8%	0,7%	0,1%	–	–	–
Total	78,0%	73,3%	72,3%	72,0%	70,5%	70,5%	70,2%

Source: National Treasury, 2004 Estimates of National Expenditure

Administering transport subsidies is a national function

The Department of Transport continues to administer subsidies for buses and other forms of subsidised public transport. Many of the bus subsidies are based on past arrangements and do not reflect new public transport priorities. Though provinces assist in administering payments of the bus subsidies, it remains a national function, as the national department retains the right to make all final approvals in the procurement of bus services. The aim is to devolve this function to

provinces and municipalities after the process of transforming and restructuring the transport subsidy system is completed.

Expenditure and budget trends

Table 8.9 reflects expenditure and budget trends in transport subsidies on the budget of the Department of Transport. Public transport subsidies (largely for bus and rail operations) increased by an average of 12 per cent a year from R3,2 billion in 2000/01 to R4,5 billion in 2003/04. This increase is largely due to additional funding allocated through the annual transfer payment to the SARCC for capital expenditure to upgrade commuter rail services in 2001/02 and 2002/03. The allocation for transport subsidies is anticipated to rise steadily to R5,3 billion in 2006/07.

Subsidies amount to R4,5 billion in 2003/04

Commuter rail services are provided in cities in four provinces – Gauteng, Western Cape, KwaZulu-Natal and Eastern Cape. Bus subsidies are paid to bus operators identified through a competitive tendering process. The bus routes are predetermined and mostly in the urban provinces. Table 8.10 shows that Gauteng received 36,6 per cent of the total 2003/04 allocations for bus subsidies, KwaZulu-Natal 20,7 per cent and Western Cape 17,3 per cent. The targeting of bus subsidies still reflects the legacy of apartheid spatial planning, with poor commuters from the townships and former homeland areas around the cities receiving the greatest benefit. The extent to which bus subsidies may be distorting transport costs thus influencing settlement patterns requires thorough assessment.

Poor communities from townships and former homelands benefit most from transport subsidies

Table 8.10 National bus subsidies expenditure to provinces, 2000/01 to 2006/07

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Eastern Cape	52	54	61	78	82	87	92
Free State	81	92	99	111	117	123	130
Gauteng	558	686	720	749	791	835	885
KwaZulu-Natal	325	360	412	423	447	472	500
Limpopo	45	58	64	79	84	89	94
Mpumalanga	130	153	164	200	211	223	237
Northern Cape	7	11	11	14	14	15	16
North West	22	24	20	37	39	41	44
Western Cape	206	277	295	353	373	394	417
Total	1 426	1 715	1 846	2 044	2 158	2 279	2 415

Source: National Department of Transport

In terms of the NLTTA, municipalities are required to establish transport authorities to improve delivery of public transport services. The transport authorities are expected to facilitate the grouping of transport functions into a single, well managed and focused institutional structure. To establish a transport authority, a municipality must conduct a feasibility study, in compliance with the Municipal Systems Act, to assess the financial viability of such an entity. So far, only eThekweni metro has established a transport authority. Lessons need to be learnt from the complications regarding

Municipalities are required to establish transport authorities

governance arrangements identified during the planning stage of the eThekweni authority. This will provide information for municipalities considering setting up transport authorities, on the effectiveness of such structures and on the mechanisms necessary to smooth out the process of establishing and operating them.

Provinces subsidise areas not covered by national subsidies

Provinces also budget for transport management, planning and bus subsidies. They subsidise those areas that are not covered by the national subsidies. In the urban provinces, the challenge is to reduce the costs of transport to and from newly developed settlements on the periphery of cities, where people still need to travel long distances to their workplaces.

Table 8.11 Provincial public transport expenditure, 2000/01 to 2006/07

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
R thousand		Outcome		Preliminary outcome		Medium-term estimates	
Eastern Cape	70 050	67 257	80 722	135 006	156 025	169 587	178 063
Free State	5 535	8 422	9 596	16 028	18 224	18 607	19 558
Gauteng	33 813	60 920	50 435	55 760	303 900	322 300	331 132
KwaZulu-Natal	17 915	19 705	19 740	29 509	30 969	32 833	34 809
Limpopo	34 149	69 587	114 115	114 088	167 768	205 672	262 844
Mpumalanga	15 217	5 839	13 685	15 782	19 133	21 853	21 517
Northern Cape	3 466	4 610	8 319	7 412	10 225	11 734	12 438
North West	118 663	205 551	334 733	282 237	280 852	261 439	275 598
Western Cape	10 105	19 664	45 999	115 328	195 880	239 078	219 824
Total	308 913	461 555	677 344	771 150	1 182 976	1 283 103	1 355 783
Percentage of total public transport expenditure							
Eastern Cape	22,7%	14,6%	11,9%	17,5%	13,2%	13,2%	13,1%
Free State	1,8%	1,8%	1,4%	2,1%	1,5%	1,5%	1,4%
Gauteng	10,9%	13,2%	7,4%	7,2%	25,7%	25,1%	24,4%
KwaZulu-Natal	5,8%	4,3%	2,9%	3,8%	2,6%	2,6%	2,6%
Limpopo	11,1%	15,1%	16,8%	14,8%	14,2%	16,0%	19,4%
Mpumalanga	4,9%	1,3%	2,0%	2,0%	1,6%	1,7%	1,6%
Northern Cape	1,1%	1,0%	1,2%	1,0%	0,9%	0,9%	0,9%
North West	38,4%	44,5%	49,4%	36,6%	23,7%	20,4%	20,3%
Western Cape	3,3%	4,3%	6,8%	15,0%	16,6%	18,6%	16,2%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Source: National Treasury provincial database

Provinces are increasing allocations for public transport

Table 8.11 reflects significant growth in the level of provincial funding for public transport activities. Expenditure increased from R309 million in 2000/01 to R771 million in 2003/04. Between 2000/01 and 2002/03, North West accounted for about 40 per cent of spending on public transport. This is because the province inherited the bus subsidy system, which was not covered by the national subsidy, from the former homeland government. Over the 2004 MTEF, the proportion of the budget for North West declines to 20 per cent of the public transport budget, as other provinces increase their budgets significantly in response to the growing demand for affordable public transport. This is also reflected in significant growth in budgeted expenditure over the MTEF years. Total budgeted expenditure for public transport increases by about 50 per cent from

R771,2 million in 2003/04 to R1,2 billion 2004/05, further rising by an annual average of 7,1 per cent to R1,4 billion in 2006/07.

Service delivery trends

Preliminary results of the National Travel Survey results indicate that at present there are approximately 3,9 million public transport commuters, of which 2,5 million (64 per cent) use minibus taxis, 0,8 million (21 per cent) use buses, and 0,6 million (15 per cent) use trains. Out of the 3,9 million commuters, only about 1,4 million (or 36 per cent) benefit from public transport subsidies. At present, the minibus taxi sector is unsubsidised. About 2 million workers in South Africa are migrant workers, of which 850 000 use unsubsidised public transport, minibus taxis in particular. A quarter of households that use public transport spend more than 20 per cent of their income on public transport.

Most commuters use minibus taxis

New public transport subsidy policy framework

In an attempt to improve the targeting of public transport subsidies, the Department of Transport is developing a new public transport subsidy policy framework. The current public transport model is characterised by fragmented services with some duplication of routes. The proposed model is an integrated network with corridor and feeder services complementing each other. This model could use a zonal fare system which targets priority areas and individuals more equitably and allows for the co-ordination of public transport modes, including taxis.

An integrated public transport network with corridor and feeder services has been proposed

The Department of Transport intends to provide clear guidelines for a range of public transport subsidy mechanisms, and local authorities will be able to determine which mechanism is the most appropriate. For example, in urban areas, a corridor-based, user-side subsidy system might be appropriate. This would target populations in a specific geographic area and encourage travel along routes that promote the cost-efficiency associated with the economies of scale achieved by serving greater numbers of people within a corridor.

At the same time, however, public transport subsidies must be used to enhance the access and mobility needs of all people where, because of market failures, service providers cannot provide viable public transport services and commercial fares are not affordable. Government will thus continue to provide transport subsidies, but will establish a framework that will ensure they are well targeted.

Subsidies are necessary to improve access to public transport for the poor

The regulation of taxi services was stepped up during 2003/04 through campaigns such as 'Be legal'. Greater emphasis on enforcement of the regulatory framework has also contributed to formalising the taxi industry.

Efforts to formalise the taxi industry continue

Road traffic management and safety

Provinces and municipalities regulate road safety

Implementing road traffic management and safety programmes is the responsibility of provinces and municipalities as mandated by the National Road Traffic Act (1996). Provinces are responsible for overloading control, vehicle and driver roadworthiness, speed limit enforcement, and vehicle and driver licensing and testing. Municipalities enforce traffic laws within their jurisdiction and operate driver licensing and vehicle testing centres on behalf of provinces.

National government promotes a uniform strategy for traffic management

National government supports traffic management and safety by setting policy, developing legislation, developing road traffic information systems (such as the national traffic information system NaTIS), and promoting innovative road traffic practices and technology. The Department of Transport has also established public entities, mandated by national legislation, to support and co-ordinate traffic management activities. These include the Road Traffic Management Corporation (RTMC) and the Road Traffic Infringement Agency (RTIA). The aim of the RTMC is to promote a uniform strategy for road traffic management across the spheres of government. It is expected to enhance the transport sector's capacity to effectively implement the 'Road to Safety' strategy. One of the strategy's most important components is the 'Arrive Alive' campaign, which focuses on traffic control, enforcement and communication.

The RTIA aims to streamline the processing and collection of fines

The RTIA is the statutory body designed to give effect to the Administrative Adjudication of Road Traffic Offences Act (1998) (AARTO). The aims of the Act are to put in place an effective, efficient and streamlined fine processing and collection system that will take routine traffic offences out of the court system, create incentives for prompt fine payment and reduce fine evasion. The RTIA will standardise penalties for common offences and will give effect to a points demerit system on driving licences. The RTIA's mandate will be carried out through a PPP.

Expenditure and budget trends

Provinces account for 85 per cent of spending on traffic management

Most of the spending on road traffic management and safety occurs in provinces. Table 8.12 shows that provincial expenditure accounted for 84,6 per cent of total spending in 2003/04. Total spending by provinces has risen from R714 million in 2001/02 to R961 million in 2003/04, an average annual increase of 16 per cent. Expenditure is projected to increase by an annual average of 11 per cent over the 2004 MTEF, rising to R1,3 billion. This has been matched by national expenditure, which has increased from R57 million in 2000/01 to R174 million in 2003/04, further rising to R231 million in 2006/07. This trend reflects government's continued focus on enforcing compliance with traffic regulation and safety standards.

Table 8.12 also reflects the geographic focus of traffic management, with KwaZulu-Natal spending significantly more than the other provinces (22 per cent of the total provincial expenditure in 2003/04).

Table 8.12 Provincial road traffic management and safety expenditure, 2000/01 to 2006/07

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
	Outcome			Preliminary outcome	Medium-term estimates		
R thousand							
Eastern Cape	50 848	63 802	79 962	77 050	87 313	94 334	98 066
Free State	63 027	77 609	92 240	98 240	113 394	117 706	122 415
Gauteng	104 435	75 323	133 468	89 132	201 331	179 224	184 500
KwaZulu-Natal	157 556	160 309	192 452	211 000	274 409	291 873	279 717
Limpopo	68 798	74 152	107 753	114 425	127 846	136 206	144 405
Mpumalanga	49 328	48 514	55 957	74 551	103 757	114 000	127 894
Northern Cape	20 806	18 507	22 398	26 412	36 240	37 922	40 197
North West	49 742	72 469	87 256	124 112	134 492	141 862	151 040
Western Cape	94 452	123 030	136 240	145 699	182 248	150 029	160 710
Total provincial	658 992	713 715	907 726	960 621	1 261 030	1 263 156	1 308 944
National	57 301	105 553	124 117	174 456	255 451	220 340	231 080
Total	716 293	819 268	1 031 843	1 135 077	1 516 481	1 483 496	1 540 024
Percentage of total provincial road traffic management and safety expenditure							
Eastern Cape	7,7%	8,9%	8,8%	8,0%	6,9%	7,5%	7,5%
Free State	9,6%	10,9%	10,2%	10,2%	9,0%	9,3%	9,4%
Gauteng	15,8%	10,6%	14,7%	9,3%	16,0%	14,2%	14,1%
KwaZulu-Natal	23,9%	22,5%	21,2%	22,0%	21,8%	23,1%	21,4%
Limpopo	10,4%	10,4%	11,9%	11,9%	10,1%	10,8%	11,0%
Mpumalanga	7,5%	6,8%	6,2%	7,8%	8,2%	9,0%	9,8%
Northern Cape	3,2%	2,6%	2,5%	2,7%	2,9%	3,0%	3,1%
North West	7,5%	10,2%	9,6%	12,9%	10,7%	11,2%	11,5%
Western Cape	14,3%	17,2%	15,0%	15,2%	14,5%	11,9%	12,3%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Source: National Treasury provincial database

Service delivery trends

A key outcome of improved road traffic management should be improved road safety, but statistics show that this remains a major problem. There are just under 500 000 road accidents every year, of which approximately 10 000 involve fatalities. There has been a steady increase in fatal road accidents (from 7 260 in 1998 to 10 197 in 2003). Human and vehicle factors are the cause of almost 70 per cent of all fatal road accidents. It is therefore clear that more effective law enforcement is required.

Road safety is still a major challenge

Both national and provincial governments are implementing a number of initiatives to improve the effectiveness of traffic control. These include: operator, vehicle and driver fitness testing; the upgrading of infrastructure and information systems; improving communications; and promoting public education and participation. 'Arrive Alive' serves to co-ordinate and focus provincial and municipal road traffic management activities.

National and provincial governments are working to improve traffic control

NaTIS is intended to serve as the information system for the administration of road traffic management legislation. It is also intended to provide road traffic management officials with up-to-date and relevant information to facilitate strategic decision-making and to promote road safety. In 2001/02, R38 million was spent on

NaTIS is being upgraded to facilitate the administration of road traffic management

administrative activities and consulting services for the first phase of the upgrading of NaTIS. During 2002/03, R55 million was spent on establishing a data centre (including hardware, networks and software), a call centre and on training. In 2003/04, R86 million was spent on the further development of NaTIS to upgrade the technology, expand the client base – to include the South African Revenue Service (SARS), the National Intelligence Agency (NIA) and the Road Accident Fund – and improve system security.

Provinces respond to serious truck accidents

Provinces are implementing projects to upgrade traffic control centres, including vehicle and taxi facilities, driver testing facilities and weighbridges for overloading control. During 2003/04, provinces also implemented a nationally co-ordinated project, ‘Operation Juggernaut’, to step up inspections for vehicle roadworthiness and overloading in response to a spate of serious truck accidents in 2003.

SANRAL oversees traffic control centres

SANRAL has implemented two major overloading control schemes along the N4 Maputo development corridor and on the N3, through the construction of facilities, five-year contracts with toll road concessionaires for the provision and support of an electronic system, and agreements with Mpumalanga and Gauteng provinces on enforcement activities. Other road traffic management initiatives include the establishment of the National Road Traffic Accident Bureau, combating fraud in issuing driver’s licences, operating a traffic call centre, investigating the feasibility of introducing a national highway patrol unit, and undertaking annual road traffic offence surveys.

Studies are under way at present to investigate an overload control strategy in Gauteng, Limpopo, North West and Free State. Depending on the outcome of these studies, more traffic control centres may be built. The refurbishment of the Mantsole Traffic Control Centre also started within this financial year, to improve the efficiency and effectiveness of this centre.

Conclusion

Investment in roads will continue to be a government priority

Transport infrastructure, operating subsidies, traffic regulation and safety are critical to the growth of any economy. Expenditure on roads by national and provincial governments has increased significantly in the past years, rising from R3,7 billion in 2000/01 to about R6,9 billion in 2003/04. Investment in roads will continue to be a government priority, as there is still a need to address backlogs in maintenance and to improve access for the rural areas. Increased investment in the transport system offers great opportunity for this sector to contribute to government initiatives to reduce poverty and unemployment. In particular, the EPWP is targeting the maintenance and construction of access roads, because they provide opportunities to increase labour utilisation.

Integration and co-ordination between spheres is critical

The transport sector is complex and presents a major challenge for the intergovernmental system. It requires that organs of state in all three spheres of government work together effectively and plan in a co-ordinated way for the delivery of an efficient transport system. The

sector has introduced a number of laws aimed at bringing about institutional reforms that will support integrated planning, including for public transport and road traffic management, across all spheres of government. The challenge is to ensure that these laws are implemented effectively. The national department is developing a policy framework to guide the planning and implementation of a more integrated and well-targeted public transport system. A lot of work is also being undertaken to finalise the strategic framework that will guide and co-ordinate the planning and prioritisation of investment in roads by the three spheres.

