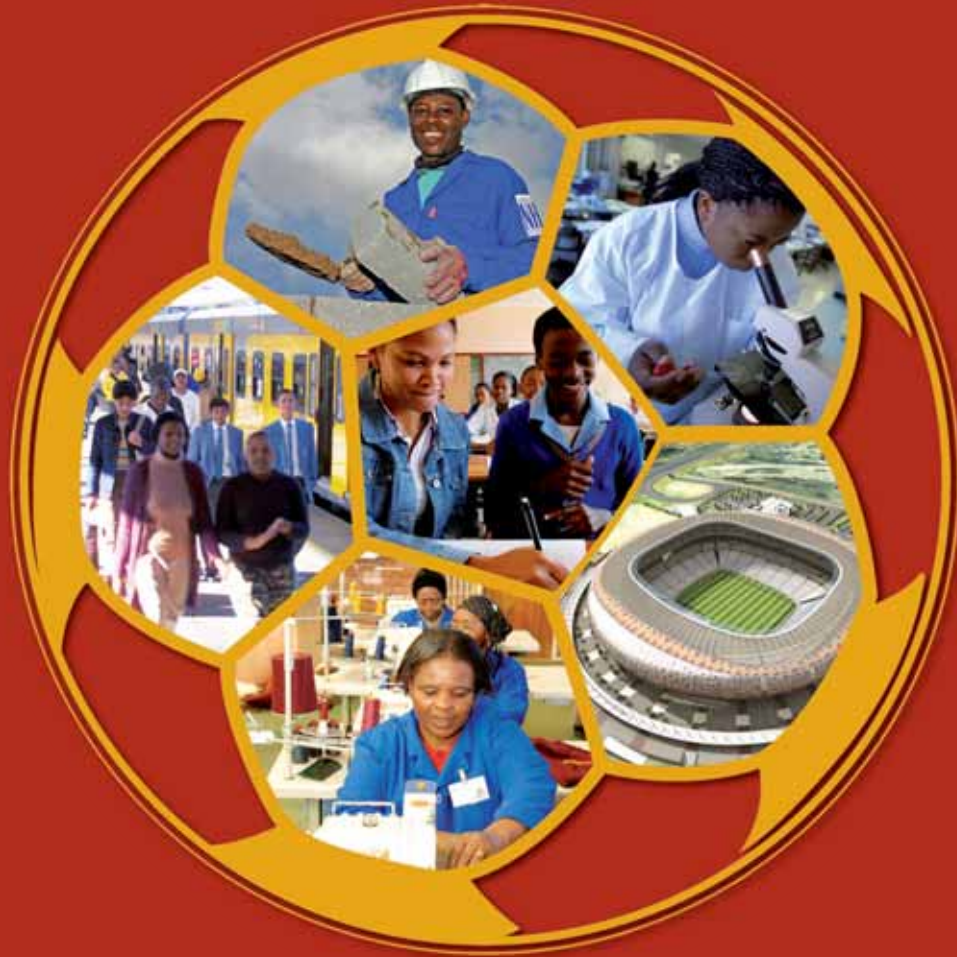


Vote 36 Transport



Estimates of National Expenditure 2010



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2010

National Treasury

Republic of South Africa

17 February 2010



ISBN: 978-0-621-39079-7

RP: 03/2010

The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on www.treasury.gov.za

Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



Lesetja Kganyago

Director-General: National Treasury

Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

| Newly created vote | Department/s from which all or some functions have been shifted |
|--|--|
| Agriculture, Forestry and Fisheries | Agriculture Water Affairs and Forestry Environmental Affairs and Tourism |
| Water Affairs | Water Affairs and Forestry |
| Human Settlements | Housing Water Affairs and Forestry |
| Environmental Affairs | Environmental Affairs and Tourism |
| Tourism | Environmental Affairs and Tourism |
| Basic Education | Education |
| Higher Education and Training | Education Labour (still exists) |
| Cooperative Governance and Traditional Affairs | Provincial and Local Government |
| Defence and Military Veterans | Defence |
| Economic Development | Trade and Industry (still exists) |
| Energy | Minerals and Energy |
| Mineral Resources | Minerals and Energy |
| International Relations and Cooperation | Foreign Affairs |
| Police | Safety and Security |
| Rural Development and Land Reform | Land Affairs Provincial and Local Government |
| Women, Children and People with Disabilities | The Presidency (still exists) Justice and Constitutional Development (still exists) |

Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget¹, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.

About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

National Treasury receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

Social Development's gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

Justice, crime prevention and security

Police is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

Correctional Services is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

Economic services and infrastructure

Human Settlements is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

Energy receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

Cooperative Governance and Traditional Affairs has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

Transport's R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

Overview of expenditure

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.

Summary tables

Table 1: Main budget framework

Table 2: Additional allocation to national votes

Table 3: Expenditure by national vote

Table 4: Expenditure by economic classification

Table 5: Amounts to be appropriated from the National Revenue Fund

Table 6a: Conditional grants to provinces

Table 6b: Conditional grants to municipalities

Table 7: Training expenditure per vote

Table 8: Infrastructure expenditure per vote

Table 9: Personnel expenditure per vote

Table 10: Departmental receipts per vote

Table 1. Main budget framework 2006/07 to 2012/13

| R million | Audited outcome | | | Revised estimate | Medium-term estimates | | |
|---|--------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue (National Revenue Fund) | | | | | | | |
| Tax revenue (gross) | 495 548.6 | 572 814.6 | 625 100.2 | 590 425.0 | 647 850.0 | 721 477.0 | 818 298.0 |
| Departmental and other receipts, and repayments | 10 843.3 | 11 671.7 | 12 616.2 | 8 982.6 | 10 380.3 | 11 483.2 | 12 379.4 |
| Less: Southern Africa Customs Union payments | -25 194.9 | -24 712.6 | -28 920.6 | -27 915.4 | -14 991.3 | -11 211.0 | -22 781.0 |
| Total revenue | 481 197.0 | 559 773.8 | 608 795.7 | 571 492.1 | 643 239.0 | 721 749.2 | 807 896.4 |
| <i>Percentage of GDP</i> | <i>26.2%</i> | <i>26.9%</i> | <i>26.2%</i> | <i>23.3%</i> | <i>23.8%</i> | <i>24.3%</i> | <i>24.5%</i> |
| Expenditure | | | | | | | |
| State debt cost | 52 192.2 | 52 877.1 | 54 393.7 | 57 599.8 | 71 357.6 | 88 462.7 | 104 022.0 |
| <i>Percentage of GDP</i> | <i>2.8%</i> | <i>2.5%</i> | <i>2.3%</i> | <i>2.4%</i> | <i>2.6%</i> | <i>3.0%</i> | <i>3.2%</i> |
| Current payments ¹ | 77 911.5 | 88 599.8 | 103 563.2 | 119 215.8 | 130 938.5 | 141 636.6 | 148 890.9 |
| Transfers and subsidies | 332 685.1 | 391 023.5 | 458 352.8 | 530 553.1 | 579 667.8 | 634 811.7 | 674 058.0 |
| Payments for capital assets ¹ | 6 067.8 | 7 182.9 | 8 780.8 | 8 687.9 | 9 290.5 | 10 676.6 | 13 342.9 |
| Payments for financial assets | 1 335.8 | 1 812.5 | 10 972.9 | 32 760.0 | 20 888.6 | 750.0 | - |
| Contingency reserve | - | - | - | - | 6 000.0 | 12 000.0 | 24 000.0 |
| Total expenditure | 470 192.5 | 541 495.7 | 636 063.5 | 748 816.5 | 818 142.9 | 888 337.6 | 964 313.8 |
| <i>Percentage of GDP</i> | <i>25.6%</i> | <i>26.0%</i> | <i>27.4%</i> | <i>30.6%</i> | <i>30.3%</i> | <i>29.9%</i> | <i>29.3%</i> |
| Budget deficit² | 11 004.5 | 18 278.1 | -27 267.7 | -177 324.3 | -174 904.0 | -166 588.4 | -156 417.4 |
| <i>Percentage of GDP</i> | <i>0.6%</i> | <i>0.9%</i> | <i>-1.2%</i> | <i>-7.2%</i> | <i>-6.5%</i> | <i>-5.6%</i> | <i>-4.7%</i> |
| <i>GDP</i> | <i>1 833 191.0</i> | <i>2 081 626.0</i> | <i>2 320 117.0</i> | <i>2 449 857.9</i> | <i>2 699 888.0</i> | <i>2 967 560.3</i> | <i>3 295 748.7</i> |

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

Table 2. Additional allocation to national votes 2010/11 to 2012/13¹

| R million | Medium term expenditure estimates | | | Total |
|---|-----------------------------------|-----------------|-----------------|-----------------|
| | 2010/11 | 2011/12 | 2012/13 | |
| Central Government Administration | 1 882.8 | 3 072.3 | 7 510.5 | 12 465.6 |
| 1 The Presidency | 85.6 | 106.5 | 117.1 | 309.1 |
| 2 Parliament | 145.9 | 150.0 | 152.5 | 448.4 |
| 3 Cooperative Governance and Traditional Affairs | 1 206.7 | 2 557.8 | 6 958.5 | 10 723.1 |
| 4 Home Affairs | 224.0 | 80.7 | 87.3 | 392.1 |
| 5 International Relations and Cooperation | 92.6 | 105.6 | 115.4 | 313.5 |
| 6 Public Works | 97.1 | 35.5 | 38.5 | 171.1 |
| 7 Women, Children and People with Disabilities | 31.0 | 36.1 | 41.2 | 108.3 |
| Financial and Administrative Services | 1 826.9 | 1 837.5 | 1 381.0 | 5 045.4 |
| 8 Government Communication and Information System | 24.5 | 25.3 | 25.7 | 75.4 |
| 9 National Treasury | 1 721.7 | 1 660.0 | 1 298.6 | 4 680.3 |
| 10 Public Enterprises | 38.7 | 3.2 | 3.5 | 45.4 |
| 11 Public Service and Administration | 10.2 | 11.9 | 12.9 | 35.0 |
| 12 Statistics South Africa | 31.9 | 137.2 | 40.3 | 209.4 |
| Social Services | 5 143.8 | 8 479.1 | 13 507.1 | 27 130.0 |
| 13 Arts and Culture | 15.3 | 18.1 | 19.4 | 52.8 |
| 14 Basic Education | 800.8 | 1 052.5 | 1 278.0 | 3 131.3 |
| 15 Health | 1 930.7 | 2 896.1 | 3 998.8 | 8 825.6 |
| 16 Higher Education and Training | 421.1 | 761.3 | 1 249.0 | 2 431.4 |
| 17 Labour | 59.2 | 49.1 | 51.9 | 160.3 |
| 18 Social Development | 1 910.3 | 3 694.0 | 6 900.6 | 12 505.0 |
| 19 Sport and Recreation South Africa | 6.3 | 7.9 | 9.3 | 23.6 |
| Justice, Crime Prevention and Security | 3 899.4 | 4 730.2 | 6 437.0 | 15 066.6 |
| 20 Correctional Services | 883.1 | 919.4 | 952.8 | 2 755.3 |
| 21 Defence and Military Veterans | 1 092.7 | 1 400.3 | 2 190.1 | 4 683.2 |
| 22 Independent Complaints Directorate | 2.2 | 4.6 | 5.8 | 12.7 |
| 23 Justice and Constitutional Development | 358.9 | 529.2 | 686.1 | 1 574.1 |
| 24 Police | 1 562.5 | 1 876.7 | 2 602.1 | 6 041.3 |
| Economic Services and Infrastructure | 4 296.7 | 5 684.4 | 8 184.8 | 18 166.0 |
| 25 Agriculture, Forestry and Fisheries | 57.2 | 195.8 | 310.8 | 563.8 |
| 26 Communications | 5.1 | 5.9 | 6.4 | 17.4 |
| 27 Economic Development | 115.0 | 160.0 | 175.0 | 450.0 |
| 28 Energy | 1 528.8 | 1 544.4 | 1 546.8 | 4 620.0 |
| 29 Environmental Affairs | 88.8 | 111.3 | 216.6 | 416.7 |
| 30 Human Settlements | 242.9 | 360.5 | 1 761.3 | 2 364.7 |
| 31 Mineral Resources | 20.3 | 33.2 | 43.0 | 96.5 |
| 32 Rural Development and Land Reform | 301.2 | 348.1 | 352.1 | 1 001.4 |
| 33 Science and Technology | 34.7 | 40.8 | 93.7 | 169.2 |
| 34 Tourism | 47.7 | 63.3 | 74.9 | 185.9 |
| 35 Trade and Industry | 905.6 | 1 294.0 | 1 638.8 | 3 838.3 |
| 36 Transport | 495.8 | 1 081.6 | 1 359.3 | 2 936.7 |
| 37 Water Affairs | 453.7 | 445.6 | 606.1 | 1 505.4 |
| Total | 17 049.6 | 23 803.6 | 37 020.3 | 77 873.6 |

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3. Expenditure by national vote 2006/07 to 2012/13

| R million | Audited Outcome | | | Adjusted appropriation |
|--|------------------|------------------|------------------|------------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Central Government Administration | | | | |
| 1 The Presidency | 224.4 | 651.4 | 312.4 | 694.8 |
| 2 Parliament | 755.1 | 902.1 | 1 135.1 | 1 108.0 |
| 3 Cooperative Governance and Traditional Affairs | 24 571.6 | 30 026.2 | 35 343.2 | 36 683.5 |
| 4 Home Affairs | 2 546.9 | 3 241.7 | 4 666.6 | 5 263.8 |
| 5 International Relations and Cooperation | 2 944.7 | 4 069.7 | 5 472.3 | 5 553.0 |
| 6 Public Works | 3 025.8 | 3 402.3 | 4 197.0 | 5 890.1 |
| 7 Women, Children and People with Disabilities | 49.6 | 52.5 | 61.9 | 68.2 |
| Financial and Administrative Services | | | | |
| 8 Government Communication and Information System | 293.1 | 380.9 | 427.5 | 496.8 |
| 9 National Treasury | 16 171.0 | 18 966.2 | 31 312.1 | 62 845.6 |
| 10 Public Enterprises | 2 589.8 | 4 604.0 | 3 265.1 | 3 991.2 |
| 11 Public Service and Administration | 583.7 | 609.6 | 630.6 | 682.8 |
| 12 Statistics South Africa | 1 096.6 | 1 054.3 | 1 323.1 | 1 715.2 |
| Social Services | | | | |
| 13 Arts and Culture | 1 329.9 | 1 585.8 | 2 114.5 | 2 632.1 |
| 14 Basic Education | 1 571.6 | 2 165.3 | 3 284.4 | 4 474.4 |
| 15 Health | 11 338.0 | 12 762.7 | 15 464.5 | 18 423.5 |
| 16 Higher Education and Training | 14 292.2 | 15 997.3 | 18 765.9 | 20 696.6 |
| 17 Labour | 1 343.3 | 1 431.5 | 1 507.2 | 1 709.2 |
| 18 Social Development | 61 676.1 | 67 191.4 | 76 096.7 | 86 508.2 |
| 19 Sport and Recreation South Africa | 886.5 | 5 048.0 | 4 871.4 | 2 883.9 |
| Justice, Crime Prevention and Security | | | | |
| 20 Correctional Services | 9 251.2 | 11 122.4 | 12 822.6 | 13 834.5 |
| 21 Defence and Military Veterans | 23 817.6 | 25 180.1 | 27 801.3 | 31 325.3 |
| 22 Independent Complaints Directorate | 65.3 | 80.9 | 99.3 | 116.5 |
| 23 Justice and Constitutional Development | 5 853.8 | 7 194.0 | 8 244.4 | 9 721.0 |
| 24 Police | 32 634.9 | 36 525.9 | 41 635.2 | 47 622.0 |
| Economic Services and Infrastructure | | | | |
| 25 Agriculture, Forestry and Fisheries | 2 711.0 | 3 858.6 | 3 465.0 | 3 874.5 |
| 26 Communications | 1 319.6 | 1 911.8 | 2 328.6 | 2 470.5 |
| 27 Economic Development | 238.7 | 245.1 | 220.4 | 316.2 |
| 28 Energy | 1 930.8 | 2 189.1 | 2 918.4 | 3 756.9 |
| 29 Environmental Affairs | 1 164.2 | 1 654.1 | 1 882.7 | 2 244.2 |
| 30 Human Settlements | 7 178.2 | 8 716.1 | 11 147.4 | 14 036.2 |
| 31 Mineral Resources | 676.8 | 758.2 | 811.6 | 925.1 |
| 32 Rural Development and Land Reform | 3 724.6 | 5 896.6 | 6 663.7 | 6 401.4 |
| 33 Science and Technology | 2 613.0 | 3 127.3 | 3 703.5 | 4 261.7 |
| 34 Tourism | 853.5 | 1 065.1 | 1 211.8 | 1 155.7 |
| 35 Trade and Industry | 3 566.1 | 5 050.2 | 4 836.6 | 6 085.9 |
| 36 Transport | 13 360.4 | 16 331.6 | 24 838.6 | 24 238.5 |
| 37 Water Affairs | 3 851.9 | 4 802.9 | 5 795.3 | 7 342.6 |
| Total appropriation by vote | 262 101.6 | 309 853.1 | 370 678.0 | 442 049.4 |
| Plus: | | | | |
| Direct charges against the National Revenue Fund | | | | |
| President and Deputy President salary (The Presidency) | 2.2 | 2.3 | 4.0 | 4.3 |
| Members remuneration (Parliament) | 223.3 | 240.7 | 356.9 | 376.7 |
| State debt costs (National Treasury) | 52 192.2 | 52 877.1 | 54 393.7 | 59 995.0 |
| Provincial equitable share (National Treasury) | 149 245.6 | 171 053.7 | 201 795.6 | 236 877.8 |
| General fuel levy sharing with metros (National Treasury) | – | – | – | 6 800.1 |
| Skills levy and Setas (Higher Education and Training) | 5 328.4 | 6 284.3 | 7 234.1 | 7 750.0 |
| Judges and magistrates salaries (Justice and Constitutional Development) | 1 099.3 | 1 184.5 | 1 601.1 | 1 669.7 |
| Total direct charges against the National Revenue Fund | 208 090.9 | 231 642.6 | 265 385.4 | 313 473.5 |
| Contingency reserve | – | – | – | – |
| Projected underspending | – | – | – | -3 000.0 |
| Total | 470 192.5 | 541 495.7 | 636 063.5 | 752 522.9 |

Table 3. Expenditure by national vote 2006/07 to 2012/13

| Revised estimate | Medium-term expenditure estimates | | | R million |
|------------------|-----------------------------------|------------------|------------------|--|
| | 2009/10 | 2010/11 | 2011/12 | |
| | | | | Central Government Administration |
| 691.8 | 722.6 | 772.2 | 810.5 | The Presidency |
| 1 108.0 | 1 179.2 | 1 238.6 | 1 288.4 | Parliament |
| 36 629.6 | 43 921.5 | 50 449.1 | 57 238.3 | Cooperative Governance and Traditional Affairs |
| 5 159.4 | 5 719.6 | 5 003.5 | 5 144.8 | Home Affairs |
| 5 508.0 | 4 824.4 | 5 087.0 | 5 393.0 | International Relations and Cooperation |
| 5 740.1 | 6 446.3 | 7 984.1 | 8 246.2 | Public Works |
| 68.2 | 97.8 | 108.3 | 114.9 | Women, Children and People with Disabilities |
| | | | | Financial and Administrative Services |
| 496.8 | 546.2 | 507.1 | 515.4 | Government Communication and Information System |
| 62 512.7 | 50 219.9 | 33 127.9 | 34 265.6 | National Treasury |
| 3 991.2 | 350.6 | 186.8 | 196.2 | Public Enterprises |
| 681.0 | 651.5 | 657.1 | 684.1 | Public Service and Administration |
| 1 715.2 | 1 973.4 | 2 845.9 | 1 769.6 | Statistics South Africa |
| | | | | Social Services |
| 2 440.1 | 2 406.7 | 2 417.4 | 2 562.7 | Arts and Culture |
| 4 197.9 | 6 166.2 | 7 549.8 | 8 099.3 | Basic Education |
| 18 025.5 | 21 497.0 | 23 707.9 | 25 844.7 | Health |
| 20 681.8 | 23 720.7 | 26 104.6 | 27 856.1 | Higher Education and Training |
| 1 674.4 | 1 783.9 | 1 866.6 | 1 942.5 | Labour |
| 86 108.2 | 95 929.1 | 105 715.4 | 114 023.7 | Social Development |
| 2 872.4 | 1 245.6 | 760.5 | 793.7 | Sport and Recreation South Africa |
| | | | | Justice, Crime Prevention and Security |
| 13 834.5 | 15 129.0 | 16 027.4 | 18 277.2 | Correctional Services |
| 30 325.3 | 30 715.3 | 33 931.4 | 36 386.5 | Defence and Military Veterans |
| 116.5 | 129.3 | 144.1 | 152.4 | Independent Complaints Directorate |
| 9 673.3 | 10 250.5 | 11 083.7 | 11 730.6 | Justice and Constitutional Development |
| 47 622.0 | 52 556.4 | 56 916.6 | 60 390.8 | Police |
| | | | | Economic Services and Infrastructure |
| 3 305.5 | 3 658.0 | 4 361.4 | 4 740.5 | Agriculture, Forestry and Fisheries |
| 2 354.5 | 2 114.0 | 1 814.1 | 1 630.4 | Communications |
| 316.2 | 418.6 | 494.4 | 520.3 | Economic Development |
| 3 740.2 | 5 535.4 | 5 739.6 | 5 538.7 | Energy |
| 2 244.2 | 2 607.8 | 2 817.5 | 3 058.7 | Environmental Affairs |
| 14 036.2 | 16 201.5 | 18 483.0 | 19 603.8 | Human Settlements |
| 924.0 | 1 030.0 | 1 112.1 | 1 168.0 | Mineral Resources |
| 6 401.4 | 6 769.6 | 7 972.9 | 8 360.1 | Rural Development and Land Reform |
| 4 261.7 | 4 615.5 | 4 968.8 | 4 560.2 | Science and Technology |
| 1 155.7 | 1 151.8 | 1 223.2 | 1 291.2 | Tourism |
| 5 988.8 | 6 150.1 | 6 757.4 | 7 264.0 | Trade and Industry |
| 24 164.1 | 25 086.3 | 27 960.1 | 29 169.5 | Transport |
| 6 969.8 | 7 996.6 | 9 090.2 | 9 628.2 | Water Affairs |
| 437 736.1 | 461 517.9 | 486 987.8 | 520 261.0 | Total appropriation by vote |
| | | | | Plus: |
| | | | | Direct charges against the National Revenue Fund |
| 4.3 | 4.6 | 4.8 | 5.1 | President and Deputy President salary (The Presidency) |
| 376.7 | 392.7 | 409.6 | 430.1 | Members remuneration (Parliament) |
| 57 599.8 | 71 357.6 | 88 462.7 | 104 022.0 | State debt costs (National Treasury) |
| 236 877.8 | 260 973.7 | 280 688.7 | 294 780.0 | Provincial equitable share (National Treasury) |
| 6 800.1 | 7 542.4 | 8 531.1 | 8 957.7 | General fuel levy sharing with metros (National Treasury) |
| 7 750.0 | 8 424.2 | 9 148.7 | 9 606.1 | Skills levy and Setas (Higher Education and Training) |
| 1 671.7 | 1 929.9 | 2 104.2 | 2 251.9 | Judges and magistrates salaries (Justice and Constitutional Development) |
| 311 080.3 | 350 625.0 | 389 349.8 | 420 052.9 | Total direct charges against the National Revenue Fund |
| - | 6 000.0 | 12 000.0 | 24 000.0 | Contingency reserve |
| - | - | - | - | Projected underspending |
| 748 816.5 | 818 142.9 | 888 337.6 | 964 313.8 | Total |

Table 4. Expenditure by economic classification 2006/07 to 2012/13

| R million | Audited outcome | | | Adjusted appropriation |
|--|------------------|------------------|------------------|------------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Current payments | | | | |
| Compensation of employees | 49 574.2 | 56 243.2 | 64 973.4 | 76 392.8 |
| Salaries and wages | 41 022.9 | 46 738.9 | 53 788.3 | 63 755.1 |
| Social contributions | 8 551.3 | 9 504.3 | 11 185.1 | 12 637.7 |
| Goods and services | 28 335.8 | 32 354.3 | 38 587.4 | 44 065.4 |
| Interest and rent on land | 52 193.7 | 52 879.3 | 54 396.1 | 59 995.8 |
| Interest (including interest on finance leases) | 52 193.0 | 52 878.6 | 54 395.9 | 59 995.0 |
| Rent on land | 0.7 | 0.7 | 0.2 | 0.8 |
| Total current payments | 130 103.7 | 141 476.8 | 157 956.9 | 180 454.0 |
| Transfers and subsidies to: | | | | |
| Provinces and municipalities | 205 438.3 | 243 233.9 | 289 397.3 | 345 879.0 |
| Provinces | 178 867.2 | 205 829.6 | 245 302.3 | 295 353.2 |
| Provincial revenue funds | 178 867.2 | 205 829.6 | 245 302.3 | 295 353.2 |
| Municipalities | 26 571.1 | 37 404.3 | 44 095.1 | 50 525.8 |
| Municipal bank accounts | 26 571.1 | 37 404.3 | 44 095.1 | 50 525.8 |
| Departmental agencies and accounts | 38 102.1 | 44 531.2 | 53 572.4 | 58 512.9 |
| Social security funds | 7.0 | 8.5 | 2 508.7 | 12.7 |
| Departmental agencies (non-business entities) | 38 095.0 | 44 522.7 | 51 063.6 | 58 500.3 |
| Universities and technikons | 11 056.0 | 12 003.8 | 13 897.7 | 15 437.4 |
| Foreign governments and international organisations | 919.3 | 936.0 | 1 010.6 | 1 266.8 |
| Public corporations and private enterprises | 13 424.4 | 18 764.3 | 20 170.1 | 20 061.4 |
| Public corporations | 9 872.3 | 14 155.2 | 14 694.3 | 17 851.2 |
| Subsidies on products or production | 4 101.1 | 3 691.7 | 4 676.1 | 5 188.9 |
| Other transfers to public corporations | 5 771.2 | 10 463.5 | 10 018.2 | 12 662.3 |
| Private enterprises | 3 552.1 | 4 609.0 | 5 475.8 | 2 210.2 |
| Subsidies on products or production | 3 339.6 | 4 111.4 | 5 193.5 | 1 855.1 |
| Other transfers to private enterprises | 212.5 | 497.6 | 282.3 | 355.1 |
| Non-profit institutions | 882.1 | 1 002.8 | 1 220.2 | 1 225.3 |
| Households | 62 862.9 | 70 551.4 | 79 084.5 | 91 029.5 |
| Social benefits | 59 569.1 | 65 170.5 | 73 611.2 | 85 989.9 |
| Other transfers to households | 3 293.8 | 5 381.0 | 5 473.3 | 5 039.6 |
| Total transfers and subsidies | 332 685.1 | 391 023.5 | 458 352.8 | 533 412.3 |
| Payments for capital assets | | | | |
| Buildings and other fixed structures | 2 481.5 | 3 838.2 | 5 566.8 | 5 961.3 |
| Buildings | 2 376.9 | 3 325.7 | 4 893.8 | 4 843.3 |
| Other fixed structures | 104.6 | 512.5 | 673.0 | 1 118.0 |
| Machinery and equipment | 3 322.8 | 3 210.7 | 2 965.0 | 2 741.0 |
| Transport equipment | 1 522.3 | 1 528.0 | 1 419.6 | 1 467.8 |
| Other machinery and equipment | 1 800.5 | 1 682.7 | 1 545.4 | 1 273.1 |
| Specialised military assets | - | - | - | 27.6 |
| Biological assets | 0.7 | 11.2 | 2.7 | 1.1 |
| Land and subsoil assets | 31.5 | 27.4 | 49.0 | - |
| Software and other intangible assets | 231.4 | 95.5 | 197.4 | 167.4 |
| Total payments for capital assets | 6 067.8 | 7 182.9 | 8 780.8 | 8 898.3 |
| Payments for financial assets | 1 335.8 | 1 812.5 | 10 972.9 | 32 758.3 |
| Total | 470 192.5 | 541 495.7 | 636 063.5 | 755 522.9 |
| Contingency reserve | - | - | - | - |
| Projected underspending | - | - | - | -3 000.0 |
| Total | 470 192.5 | 541 495.7 | 636 063.5 | 752 522.9 |

Table 4. Expenditure by economic classification 2006/07 to 2012/13

| Revised estimate | Medium-term expenditure estimates | | | R million |
|------------------|-----------------------------------|------------------|------------------|--|
| | 2009/10 | 2010/11 | 2011/12 | |
| 76 008.7 | 84 093.2 | 90 167.3 | 95 232.5 | Current payments |
| | | | | Compensation of employees |
| 63 383.4 | 69 171.6 | 74 337.1 | 78 539.2 | Salaries and wages |
| 12 625.3 | 14 921.6 | 15 830.2 | 16 693.2 | Social contributions |
| 43 205.8 | 46 843.3 | 51 466.9 | 53 656.0 | Goods and services |
| 57 601.0 | 71 359.6 | 88 465.0 | 104 024.5 | Interest and rent on land |
| 57 600.2 | 71 358.7 | 88 464.1 | 104 023.5 | Interest (including interest on finance leases) |
| 0.8 | 0.8 | 0.9 | 1.0 | Rent on land |
| 176 815.6 | 202 296.0 | 230 099.3 | 252 913.0 | Total current payments |
| | | | | Transfers and subsidies to: |
| | | | | Provinces and municipalities |
| 345 167.9 | 381 726.9 | 417 237.3 | 442 587.4 | Provinces |
| 294 968.2 | 322 858.2 | 350 547.1 | 369 348.4 | Provincial revenue funds |
| 294 968.2 | 322 858.2 | 350 547.1 | 369 348.4 | |
| 50 199.7 | 58 868.7 | 66 690.2 | 73 239.0 | Municipalities |
| 50 199.7 | 58 868.7 | 66 690.2 | 73 239.0 | Municipal bank accounts |
| 57 114.3 | 58 456.5 | 65 123.0 | 68 388.7 | Departmental agencies and accounts |
| 12.7 | 11.6 | 12.4 | 13.0 | Social security funds |
| 57 101.6 | 58 445.0 | 65 110.6 | 68 375.7 | Departmental agencies (non-business entities) |
| 15 437.4 | 17 532.0 | 19 318.5 | 20 669.2 | Universities and technikons |
| 1 260.9 | 1 313.9 | 1 288.8 | 1 380.3 | Foreign governments and international organisations |
| 19 725.2 | 20 129.1 | 20 700.1 | 21 489.8 | Public corporations and private enterprises |
| 17 555.0 | 16 988.4 | 17 034.7 | 17 355.7 | Public corporations |
| 5 198.9 | 5 180.8 | 5 262.0 | 5 499.9 | Subsidies on products or production |
| 12 356.1 | 11 807.6 | 11 772.7 | 11 855.7 | Other transfers to public corporations |
| 2 170.1 | 3 140.7 | 3 665.4 | 4 134.1 | Private enterprises |
| 1 795.1 | 2 778.8 | 3 255.0 | 3 629.1 | Subsidies on products or production |
| 375.1 | 362.0 | 410.3 | 505.0 | Other transfers to private enterprises |
| 1 225.1 | 2 275.2 | 2 339.0 | 1 894.0 | Non-profit institutions |
| 90 622.4 | 98 234.2 | 108 805.0 | 117 648.6 | Households |
| 85 620.3 | 92 792.8 | 102 213.6 | 110 636.4 | Social benefits |
| 5 002.1 | 5 441.4 | 6 591.5 | 7 012.1 | Other transfers to households |
| 530 553.1 | 579 667.8 | 634 811.7 | 674 058.0 | Total transfers and subsidies |
| | | | | Payments for capital assets |
| 5 862.9 | 5 994.9 | 7 237.3 | 9 660.6 | Buildings and other fixed structures |
| 4 743.8 | 4 537.4 | 4 836.4 | 6 935.7 | Buildings |
| 1 119.2 | 1 457.5 | 2 400.9 | 2 725.0 | Other fixed structures |
| 2 735.2 | 3 236.9 | 3 381.4 | 3 525.6 | Machinery and equipment |
| 1 467.8 | 1 352.7 | 1 474.3 | 1 690.0 | Transport equipment |
| 1 267.4 | 1 884.2 | 1 907.2 | 1 835.6 | Other machinery and equipment |
| 27.6 | 19.6 | 24.5 | 122.0 | Specialised military assets |
| 1.1 | 1.6 | 0.7 | 0.7 | Biological assets |
| – | – | – | – | Land and subsoil assets |
| 61.0 | 37.5 | 32.7 | 33.8 | Software and other intangible assets |
| 8 687.9 | 9 290.5 | 10 676.6 | 13 342.9 | Total payments for capital assets |
| 32 760.0 | 20 888.6 | 750.0 | 0.0 | Payments for financial assets |
| 748 816.5 | 812 142.9 | 876 337.6 | 940 313.8 | Total |
| – | 6 000.0 | 12 000.0 | 24 000.0 | Contingency reserve |
| – | – | – | – | Projected underspending |
| 748 816.5 | 818 142.9 | 888 337.6 | 964 313.8 | Total |

Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11

| | Appropriated (including direct charges) | Current payments | Transfers and subsidies | Payments for capital assets | Payments for financial assets | To be appropriated | Increase/ Decrease ¹ | |
|---|--|---------------------|-------------------------------|-----------------------------------|-------------------------------------|-----------------------|------------------------------------|----------|
| R million | 2009/10 | 2010/11 | | | | | | |
| Central Government Administration | | | | | | | | |
| 1 | The Presidency | 609.6 | 343.0 | 371.9 | 12.2 | – | 727.2 | 117.6 |
| 2 | Parliament | 1 350.7 | 1 275.4 | 284.8 | 11.7 | – | 1 571.9 | 221.2 |
| 3 | Cooperative Governance and Traditional Affairs | 35 604.4 | 619.7 | 43 288.5 | 13.3 | – | 43 921.5 | 8 317.0 |
| 4 | Home Affairs | 5 050.6 | 3 992.4 | 1 587.8 | 139.3 | – | 5 719.6 | 669.0 |
| 5 | International Relations and Cooperation | 5 337.0 | 3 688.6 | 820.2 | 315.7 | – | 4 824.4 | -512.6 |
| 6 | Public Works | 5 298.0 | 2 042.8 | 3 029.6 | 1 373.9 | – | 6 446.3 | 1 148.3 |
| 7 | Women, Children and People with Disabilities | 64.0 | 39.3 | 51.9 | 6.6 | – | 97.8 | 33.8 |
| Financial and Administrative Services | | | | | | | | |
| 8 | Government Communication and Information System | 482.0 | 355.5 | 187.4 | 3.4 | – | 546.2 | 64.2 |
| 9 | National Treasury | 354 795.2 | 72 806.9 | 296 522.2 | 14.5 | 20 750.0 | 390 093.6 | 35 298.4 |
| 10 | Public Enterprises | 3 797.3 | 174.7 | 36.7 | 0.6 | 138.6 | 350.6 | -3 446.8 |
| 11 | Public Service and Administration | 596.3 | 376.9 | 271.6 | 2.9 | – | 651.5 | 55.2 |
| 12 | Statistics South Africa | 1 608.6 | 1 871.5 | 3.8 | 98.1 | – | 1 973.4 | 364.8 |
| Social Services | | | | | | | | |
| 13 | Arts and Culture | 2 623.5 | 311.1 | 2 089.1 | 6.6 | – | 2 406.7 | -216.7 |
| 14 | Basic Education | 3 929.9 | 1 777.1 | 4 385.1 | 4.1 | – | 6 166.2 | 2 236.3 |
| 15 | Health | 17 058.1 | 1 063.0 | 20 403.3 | 30.7 | – | 21 497.0 | 4 438.9 |
| 16 | Higher Education and Training | 25 259.6 | 382.4 | 31 752.7 | 9.8 | – | 32 144.9 | 6 885.3 |
| 17 | Labour | 1 671.0 | 1 259.9 | 515.2 | 8.8 | – | 1 783.9 | 112.9 |
| 18 | Social Development | 86 408.3 | 543.0 | 95 376.0 | 10.1 | – | 95 929.1 | 9 520.7 |
| 19 | Sport and Recreation South Africa | 2 859.9 | 192.9 | 1 047.6 | 5.1 | – | 1 245.6 | -1 614.3 |
| Justice, Crime Prevention and Security | | | | | | | | |
| 20 | Correctional Services | 13 238.6 | 14 007.7 | 13.1 | 1 108.3 | – | 15 129.0 | 1 890.5 |
| 21 | Defence and Military Veterans | 32 024.4 | 23 099.0 | 6 830.1 | 786.2 | – | 30 715.3 | -1 309.1 |
| 22 | Independent Complaints Directorate | 114.9 | 126.0 | 0.1 | 3.3 | – | 129.3 | 14.5 |
| 23 | Justice and Constitutional Development | 11 278.6 | 9 984.8 | 1 567.9 | 627.7 | – | 12 180.4 | 901.8 |
| 24 | Police | 46 409.7 | 49 336.4 | 438.4 | 2 781.7 | – | 52 556.4 | 6 146.7 |
| Economic Services and Infrastructure | | | | | | | | |
| 25 | Agriculture, Forestry and Fisheries | 2 903.5 | 1 773.5 | 1 836.5 | 47.9 | – | 3 658.0 | 754.5 |
| 26 | Communications | 2 266.9 | 483.2 | 1 626.7 | 4.1 | – | 2 114.0 | -152.9 |
| 27 | Economic Development | 292.5 | 95.2 | 318.6 | 4.8 | – | 418.6 | 126.1 |
| 28 | Energy | 3 742.3 | 202.1 | 5 328.7 | 4.6 | – | 5 535.4 | 1 793.1 |
| 29 | Environmental Affairs | 2 261.0 | 910.2 | 1 224.3 | 473.3 | – | 2 607.8 | 346.8 |
| 30 | Human Settlements | 14 020.0 | 599.5 | 15 442.8 | 159.3 | – | 16 201.5 | 2 181.5 |
| 31 | Mineral Resources | 904.9 | 607.3 | 408.7 | 14.1 | – | 1 030.0 | 125.1 |
| 32 | Rural Development and Land Reform | 6 109.4 | 1 878.1 | 4 871.6 | 19.8 | – | 6 769.6 | 660.2 |
| 33 | Science and Technology | 4 234.1 | 362.0 | 4 249.5 | 4.1 | – | 4 615.5 | 381.4 |
| 34 | Tourism | 1 109.1 | 196.1 | 953.3 | 2.4 | – | 1 151.8 | 42.8 |
| 35 | Trade and Industry | 6 051.7 | 1 142.9 | 4 992.6 | 14.7 | – | 6 150.1 | 98.4 |
| 36 | Transport | 23 734.8 | 743.4 | 24 301.3 | 41.6 | – | 25 086.3 | 1 351.4 |
| 37 | Water Affairs | 7 462.4 | 3 632.8 | 3 238.5 | 1 125.3 | – | 7 996.6 | 534.2 |
| Total | 732 562.8 | 202 296.0 | 579 667.8 | 9 290.5 | 20 888.6 | 812 142.9 | 79 580.2 | |

1. A positive number reflects an increase and a negative number a decrease.

Table 6a. Conditional grants to provinces 2006/07 to 2012/13 ¹

| R million | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimates | | | |
|--|--|-----------------|-----------------|------------------------|------------------|-----------------------------------|-----------------|-----------------|-----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 | |
| Central Government Administration | | | | | | | | | |
| 3 | Cooperative Governance and Traditional Affairs | – | – | 29.7 | – | – | – | – | |
| 6 | Public Works | 710.1 | 836.6 | 889.3 | 1 501.2 | 1 401.2 | 1 483.8 | 1 962.0 | 2 060.1 |
| Financial and Administrative Services | | | | | | | | | |
| 9 | National Treasury | 4 983.5 | 6 276.2 | 7 384.5 | 13 449.2 | 13 449.2 | 11 314.9 | 13 091.2 | 14 007.6 |
| Social Services | | | | | | | | | |
| 13 | Arts and Culture | – | 163.2 | 344.6 | 440.6 | 440.6 | 512.7 | 543.4 | 570.8 |
| 14 | Basic Education | 1 242.5 | 1 376.9 | 2 114.1 | 2 575.4 | 2 575.4 | 3 931.4 | 5 048.1 | 5 447.4 |
| 15 | Health | 10 206.5 | 11 552.7 | 14 028.7 | 16 702.5 | 16 417.5 | 19 852.8 | 21 971.8 | 24 030.4 |
| 16 | Higher Education and Training | 1 973.7 | 2 435.3 | 3 005.8 | 3 168.3 | 3 168.3 | 3 772.7 | 3 972.0 | 4 169.1 |
| 19 | Sport and Recreation South Africa | 119.0 | 194.0 | 293.7 | 402.3 | 402.3 | 426.4 | 452.0 | 474.6 |
| Economic Services and Infrastructure | | | | | | | | | |
| 25 | Agriculture, Forestry and Fisheries | 401.1 | 761.7 | 898.0 | 973.7 | 973.7 | 1 116.9 | 1 437.1 | 1 508.9 |
| 30 | Human Settlements | 6 677.8 | 8 149.9 | 10 177.9 | 12 592.3 | 12 592.3 | 15 160.6 | 17 222.4 | 17 938.7 |
| 32 | Rural Development and Land Reform | 8.0 | – | – | – | – | – | – | – |
| 35 | Trade and Industry | 58.2 | – | – | – | – | – | – | – |
| 36 | Transport | 3 241.0 | 3 029.4 | 4 340.3 | 6 669.9 | 6 669.9 | 4 312.4 | 4 158.5 | 4 360.9 |
| Total | | 29 621.6 | 34 775.9 | 43 506.6 | 58 475.4 | 58 090.4 | 61 884.5 | 69 858.4 | 74 568.4 |

1. Detail provided in the Division of Revenue Act (2010).

Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 ¹

| R million | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimates | | | |
|--|--|----------------|-----------------|------------------------|------------------|-----------------------------------|-----------------|-----------------|-----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 | |
| Central Government Administration | | | | | | | | | |
| 3 | Cooperative Governance and Traditional Affairs | 6 138.4 | 8 954.1 | 9 308.4 | 11 633.5 | 11 633.5 | 12 740.9 | 15 293.3 | 18 557.9 |
| 6 | Public Works | – | – | – | 201.7 | 201.7 | 623.0 | 1 108.0 | 1 163.4 |
| Financial and Administrative Services | | | | | | | | | |
| 9 | National Treasury | 410.3 | 716.5 | 361.5 | 851.4 | 611.4 | 1 394.6 | 1 575.1 | 1 586.3 |
| Social Services | | | | | | | | | |
| 19 | Sport and Recreation South Africa | 600.0 | 4 605.0 | 4 295.0 | 2 168.7 | 2 168.7 | 512.6 | – | – |
| Economic Services and Infrastructure | | | | | | | | | |
| 28 | Energy | 390.7 | 462.5 | 589.1 | 1 108.0 | 1 092.2 | 1 240.1 | 1 376.6 | 1 151.4 |
| 36 | Transport | 518.0 | 1 174.0 | 2 928.7 | 2 428.0 | 2 428.0 | 3 709.9 | 4 436.1 | 4 136.7 |
| 37 | Water Affairs | 385.7 | 732.9 | 994.6 | 925.0 | 854.6 | 890.1 | 380.0 | 399.0 |
| Total | | 8 443.1 | 16 645.0 | 18 477.3 | 19 316.2 | 18 990.1 | 21 111.1 | 24 169.1 | 26 994.8 |

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

| R million | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimates | | |
|---|-----------------|----------------|----------------|------------------------|-----------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Central Government Administration | | | | | | | |
| 1 | 1.5 | 2.3 | 1.4 | 1.9 | 2.2 | 2.4 | 2.6 |
| 2 | 10.7 | 10.6 | 11.9 | 10.1 | 10.4 | 14.2 | 15.0 |
| 3 | 1.7 | 2.3 | 1.7 | 1.8 | 2.4 | 2.6 | 2.7 |
| 4 | 35.6 | 32.4 | 34.0 | 35.1 | 30.9 | 28.2 | 28.5 |
| 5 | 4.0 | 13.1 | 8.1 | 12.4 | 14.4 | 14.1 | 14.1 |
| 6 | 12.8 | 15.2 | 22.0 | 26.1 | 27.5 | 28.5 | 29.9 |
| Financial and Administrative Services | | | | | | | |
| 8 | 2.4 | 4.7 | 4.2 | 3.7 | 4.4 | 4.2 | 4.4 |
| 9 | 9.3 | 16.1 | 16.9 | 33.6 | 19.8 | 20.4 | 21.2 |
| 10 | 0.8 | 1.6 | 1.7 | 2.2 | 1.9 | 2.0 | 2.0 |
| 11 | 2.0 | 2.2 | 3.7 | 2.6 | 3.6 | 3.5 | 3.7 |
| 12 | 7.7 | 11.9 | 14.0 | 21.2 | 45.1 | 42.1 | 40.0 |
| Social Services | | | | | | | |
| 13 | 2.4 | 3.1 | 4.5 | 2.1 | 2.3 | 2.4 | 2.5 |
| 14 | 1.6 | 2.8 | 6.5 | 1.7 | 2.5 | 2.4 | 2.5 |
| 15 | 5.5 | 9.5 | 1.8 | 4.5 | 5.5 | 6.1 | 6.6 |
| 16 | 1.8 | 2.5 | 2.9 | 1.9 | 2.6 | 2.8 | 2.9 |
| 17 | 8.9 | 6.5 | 8.9 | 8.3 | 8.9 | 9.3 | 9.8 |
| 18 | 2.2 | 1.7 | 1.8 | 2.3 | 2.5 | 2.6 | 2.8 |
| 19 | 0.5 | 0.9 | 0.9 | 1.1 | 1.1 | 1.1 | 1.1 |
| Justice, Crime Prevention and Security | | | | | | | |
| 20 | 111.4 | 125.6 | 76.0 | 89.5 | 64.0 | 100.5 | 105.6 |
| 21 | 85.6 | 87.4 | 117.7 | 113.6 | 145.6 | 151.0 | 167.0 |
| 22 | 0.5 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 |
| 23 | 12.4 | 18.3 | 37.5 | 86.4 | 78.9 | 83.6 | 89.4 |
| 24 | 807.5 | 966.0 | 1 124.0 | 1 006.5 | 1 386.6 | 1 449.0 | 1 514.2 |
| Economic Services and Infrastructure | | | | | | | |
| 25 | 27.3 | 20.3 | 24.2 | 16.4 | 20.0 | 21.8 | 23.3 |
| 26 | 3.1 | 3.7 | 6.0 | 9.0 | 9.4 | 9.9 | 10.4 |
| 27 | - | - | - | - | 0.1 | 0.2 | 0.2 |
| 28 | 0.6 | 0.7 | 1.6 | 2.1 | 3.5 | 3.9 | 4.1 |
| 29 | 2.3 | 2.1 | 2.2 | 2.3 | 2.5 | 2.7 | 2.9 |
| 30 | 2.0 | 1.2 | 2.9 | 12.9 | 14.1 | 15.2 | 16.1 |
| 31 | 1.5 | 1.7 | 3.8 | 9.1 | 3.5 | 3.9 | 4.1 |
| 32 | 11.6 | 9.0 | 9.4 | 11.9 | 12.6 | 13.3 | 13.9 |
| 33 | 1.0 | 3.6 | 5.2 | 6.5 | 5.1 | 5.4 | 5.6 |
| 34 | 1.5 | 1.4 | 1.5 | 1.0 | 1.0 | 1.0 | 1.1 |
| 35 | 3.2 | 1.0 | 2.5 | 9.3 | 11.0 | 11.5 | 12.0 |
| 36 | 3.0 | 3.2 | 1.8 | 3.9 | 4.0 | 4.0 | 4.1 |
| 37 | 37.0 | 38.9 | 40.8 | 63.1 | 65.7 | 67.3 | 70.7 |
| Total | 1 223.1 | 1 424.2 | 1 604.9 | 1 616.8 | 2 016.3 | 2 133.7 | 2 237.8 |

Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 ¹

| R million | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimates | | |
|--|-----------------|-----------------|-----------------|------------------------|-----------------------------------|-----------------|-----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Central Government Administration | | | | | | | |
| 2 Parliament | – | 5.1 | 40.5 | – | – | – | – |
| 3 Cooperative Governance and Traditional Affairs | 6 138.4 | 8 754.1 | 9 138.1 | 11 433.5 | 12 528.9 | 15 068.6 | 18 322.0 |
| 4 Home Affairs | 45.1 | 61.4 | 68.0 | 56.1 | 67.2 | 132.5 | 129.8 |
| 5 International Relations and Cooperation | 119.4 | 649.9 | 926.7 | 423.2 | 231.5 | 249.8 | 317.0 |
| 6 Public Works | 414.1 | 488.0 | 988.4 | 1 220.6 | 1 303.9 | 1 603.9 | 1 634.7 |
| Financial and Administrative Services | | | | | | | |
| 9 National Treasury | 5 035.7 | 6 327.3 | 7 768.0 | 9 910.6 | 12 569.9 | 14 486.6 | 15 405.0 |
| Social Services | | | | | | | |
| 13 Arts and Culture | 312.1 | 281.2 | 448.6 | 801.4 | 557.8 | 455.6 | 483.0 |
| 14 Basic Education | – | – | – | – | 80.0 | 200.0 | 210.0 |
| 15 Health | 1 498.7 | 2 118.5 | 1 884.8 | 3 495.2 | 3 939.6 | 3 789.7 | 3 805.0 |
| 16 Higher Education and Training | 90.5 | 77.5 | 54.8 | 37.0 | 32.0 | 26.0 | 22.0 |
| 17 Labour | 78.5 | 64.4 | 37.6 | 56.8 | 25.9 | 34.6 | 0.0 |
| 19 Sport and Recreation South Africa | 600.0 | 4 605.0 | 4 295.0 | 1 661.1 | 302.3 | – | – |
| Justice, Crime Prevention and Security | | | | | | | |
| 20 Correctional Services | 794.8 | 1 087.0 | 1 035.5 | 1 012.5 | 1 108.3 | 1 163.1 | 2 675.6 |
| 21 Defence and Military Veterans | 49.2 | 93.4 | 476.5 | 452.0 | 1 120.7 | 841.1 | 1 218.3 |
| 23 Justice and Constitutional Development | 323.7 | 361.1 | 479.5 | 515.5 | 631.5 | 759.4 | 865.0 |
| 24 Police | 510.5 | 727.0 | 843.3 | 1 049.7 | 1 118.2 | 1 235.3 | 1 544.6 |
| Economic Services and Infrastructure | | | | | | | |
| 25 Agriculture, Forestry and Fisheries | 120.0 | 112.0 | 108.6 | 115.0 | 172.9 | 270.8 | 253.5 |
| 26 Communications | 100.0 | 646.0 | 950.0 | 810.0 | 420.9 | 279.0 | 167.0 |
| 28 Energy | 1 328.9 | 1 525.6 | 1 888.8 | 2 400.3 | 4 271.9 | 4 366.4 | 4 565.5 |
| 29 Environmental Affairs | 199.8 | 405.7 | 437.4 | 512.3 | 656.7 | 664.8 | 693.0 |
| 30 Human Settlements | – | 3 829.9 | 1 885.1 | 1 674.3 | 2 014.8 | 2 248.4 | 2 341.9 |
| 32 Rural Development and Land Reform | 14.4 | 5.6 | 6.3 | 11.8 | 17.4 | 18.3 | 44.7 |
| 33 Science and Technology | 175.0 | 272.0 | 408.0 | 699.3 | 745.7 | 801.0 | 254.4 |
| 35 Trade and Industry | 468.0 | 911.0 | 967.5 | 1 283.3 | 769.9 | 721.4 | 758.6 |
| 36 Transport | 5 801.6 | 7 934.8 | 10 601.2 | 12 799.8 | 14 131.7 | 16 038.7 | 16 542.4 |
| 37 Water Affairs | 85.9 | 644.4 | 1 467.1 | 1 976.8 | 2 279.9 | 3 358.1 | 3 805.1 |
| Total | 24 304.4 | 41 988.0 | 47 205.2 | 54 408.3 | 61 099.7 | 68 813.1 | 76 057.9 |

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9. Personnel expenditure per vote 2006/07 to 2012/13

| R million | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimates | | | |
|---|---|-----------------|-----------------|------------------------|------------------|-----------------------------------|-----------------|-----------------|-----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 | |
| Central Government Administration | | | | | | | | | |
| 1 | The Presidency | 100.5 | 118.7 | 144.3 | 187.4 | 184.4 | 218.1 | 242.4 | 258.2 |
| 2 | Parliament | 446.6 | 521.0 | 708.6 | 780.1 | 780.1 | 856.1 | 905.7 | 951.2 |
| 3 | Cooperative Governance and Traditional Affairs | 116.2 | 128.1 | 153.8 | 172.3 | 164.8 | 241.9 | 255.3 | 268.1 |
| 4 | Home Affairs | 844.7 | 1 087.0 | 1 296.0 | 1 659.1 | 1 659.1 | 1 896.2 | 2 134.8 | 2 243.7 |
| 5 | International Relations and Cooperation | 1 136.5 | 1 293.2 | 1 683.4 | 2 062.6 | 2 062.6 | 2 017.1 | 2 101.4 | 2 203.1 |
| 6 | Public Works | 613.6 | 746.4 | 916.6 | 1 012.2 | 1 012.2 | 1 121.4 | 1 201.7 | 1 249.6 |
| 7 | Women, Children and People with Disabilities | 3.8 | 4.8 | 5.9 | 10.0 | 10.0 | 15.7 | 27.5 | 29.9 |
| Financial and Administrative Services | | | | | | | | | |
| 8 | Government Communication and Information System | 84.1 | 116.2 | 114.0 | 137.1 | 136.9 | 147.0 | 157.5 | 166.3 |
| 9 | National Treasury | 230.9 | 272.7 | 321.0 | 438.5 | 408.5 | 538.5 | 573.0 | 598.6 |
| 10 | Public Enterprises | 47.2 | 56.0 | 70.4 | 81.4 | 81.4 | 88.0 | 93.5 | 98.3 |
| 11 | Public Service and Administration | 92.5 | 115.8 | 129.1 | 153.4 | 153.4 | 174.4 | 183.4 | 193.4 |
| 12 | Statistics South Africa | 414.9 | 472.0 | 700.7 | 1 015.8 | 1 015.8 | 891.0 | 1 065.1 | 992.5 |
| Social Services | | | | | | | | | |
| 13 | Arts and Culture | 95.1 | 107.2 | 126.8 | 146.3 | 141.3 | 149.0 | 159.4 | 168.7 |
| 14 | Basic Education | 117.0 | 150.4 | 186.3 | 229.9 | 251.4 | 255.4 | 273.8 | 288.1 |
| 15 | Health | 231.7 | 258.6 | 292.5 | 329.1 | 329.1 | 369.7 | 403.4 | 442.4 |
| 16 | Higher Education and Training | 131.7 | 146.2 | 174.8 | 203.3 | 203.6 | 228.9 | 245.8 | 261.1 |
| 17 | Labour | 435.4 | 497.9 | 491.3 | 632.6 | 611.2 | 738.4 | 760.6 | 811.4 |
| 18 | Social Development | 111.1 | 133.6 | 184.1 | 225.4 | 225.4 | 245.1 | 260.6 | 277.7 |
| 19 | Sport and Recreation South Africa | 30.1 | 43.4 | 54.5 | 67.6 | 59.6 | 75.3 | 73.7 | 77.4 |
| Justice, Crime Prevention and Security | | | | | | | | | |
| 20 | Correctional Services | 5 606.6 | 6 799.2 | 8 077.8 | 9 313.0 | 9 313.0 | 10 483.8 | 11 058.5 | 11 611.2 |
| 21 | Defence and Military Veterans | 9 037.6 | 9 735.9 | 10 620.0 | 12 223.2 | 12 223.2 | 13 450.4 | 14 630.1 | 15 686.9 |
| 22 | Independent Complaints Directorate | 36.8 | 45.7 | 58.0 | 66.5 | 66.5 | 74.1 | 85.5 | 90.4 |
| 23 | Justice and Constitutional Development | 3 619.7 | 4 250.9 | 5 326.2 | 6 277.1 | 6 233.7 | 6 834.7 | 7 375.3 | 7 846.8 |
| 24 | Police | 22 730.2 | 25 610.6 | 29 147.4 | 33 770.2 | 33 770.2 | 37 148.8 | 39 660.3 | 41 777.4 |
| Economic Services and Infrastructure | | | | | | | | | |
| 25 | Agriculture, Forestry and Fisheries | 717.4 | 778.8 | 908.8 | 1 138.5 | 938.5 | 1 144.2 | 1 244.2 | 1 380.2 |
| 26 | Communications | 99.0 | 97.7 | 108.0 | 147.4 | 147.4 | 160.4 | 169.2 | 177.9 |
| 27 | Economic Development | - | - | - | 12.6 | 12.6 | 59.5 | 78.0 | 89.8 |
| 28 | Energy | 49.7 | 68.2 | 84.6 | 113.1 | 112.1 | 133.0 | 140.4 | 142.8 |
| 29 | Environmental Affairs | 156.7 | 196.3 | 212.3 | 260.3 | 260.3 | 324.9 | 351.5 | 368.9 |
| 30 | Human Settlements | 81.4 | 107.3 | 136.9 | 217.4 | 217.4 | 290.2 | 313.4 | 328.9 |
| 31 | Mineral Resources | 196.4 | 222.3 | 245.5 | 287.6 | 287.0 | 352.3 | 392.1 | 414.7 |
| 32 | Rural Development and Land Reform | 406.0 | 476.4 | 614.2 | 954.8 | 954.8 | 1 072.2 | 1 141.5 | 1 199.8 |
| 33 | Science and Technology | 83.7 | 104.1 | 144.9 | 200.2 | 200.2 | 215.0 | 227.3 | 239.1 |
| 34 | Tourism | 102.8 | 130.8 | 106.4 | 89.6 | 89.6 | 98.5 | 112.1 | 160.6 |
| 35 | Trade and Industry | 283.6 | 327.5 | 383.1 | 513.0 | 469.0 | 557.8 | 590.4 | 628.5 |
| 36 | Transport | 111.2 | 131.3 | 182.6 | 221.0 | 221.0 | 259.4 | 282.2 | 296.6 |
| 37 | Water Affairs | 972.0 | 890.7 | 862.5 | 1 043.1 | 1 001.4 | 1 166.5 | 1 196.7 | 1 212.4 |
| Total | | 49 574.2 | 56 243.2 | 64 973.4 | 76 392.8 | 76 008.7 | 84 093.2 | 90 167.3 | 95 232.5 |

Table 10. Departmental receipts per vote 2006/07 to 2012/13 ¹

| R million | Audited outcome | | | Adjusted estimate | Revised estimate | Medium-term receipts estimates | | | |
|--|---|-----------------|-----------------|-------------------|------------------|--------------------------------|-----------------|-----------------|-----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 | |
| Central Government Administration | | | | | | | | | |
| 1 | The Presidency | 1.7 | 0.3 | 0.2 | 0.5 | 0.5 | 0.3 | 0.3 | 0.3 |
| 2 | Parliament | 41.9 | 51.7 | 55.2 | 16.3 | 17.8 | 15.5 | 11.9 | 11.5 |
| 3 | Cooperative Governance and Traditional Affairs | 6.8 | 0.7 | 0.8 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| 4 | Home Affairs | 468.2 | 421.1 | 355.7 | 429.5 | 429.5 | 455.3 | 482.6 | 506.7 |
| 5 | International Relations and Cooperation | 46.3 | 65.1 | 43.6 | 39.2 | 18.4 | 31.2 | 33.3 | 33.2 |
| 6 | Public Works | 79.9 | 95.8 | 28.5 | 25.6 | 31.5 | 26.6 | 27.7 | 29.4 |
| Financial and Administrative Services | | | | | | | | | |
| 8 | Government Communication and Information System | 3.1 | 3.1 | 3.3 | 2.9 | 2.9 | 3.0 | 3.0 | 3.0 |
| 9 | National Treasury | 4 355.1 | 6 116.7 | 5 270.4 | 4 148.5 | 3 839.0 | 2 354.2 | 2 544.8 | 2 602.9 |
| 10 | Public Enterprises | 0.1 | 0.1 | 0.8 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 11 | Public Service and Administration | 1.8 | 2.7 | 1.0 | 0.9 | 0.9 | 0.7 | 0.7 | 0.7 |
| 12 | Statistics South Africa | 1.5 | 17.7 | 2.8 | 6.9 | 6.9 | 2.2 | 2.5 | 2.6 |
| Social Services | | | | | | | | | |
| 13 | Arts and Culture | 3.2 | 0.4 | 3.6 | 1.0 | 1.0 | 0.6 | 0.6 | 0.7 |
| 14 | Basic Education | 0.6 | 1.9 | 1.5 | 0.9 | 0.9 | 1.1 | 1.2 | 1.2 |
| 15 | Health | 33.3 | 41.2 | 31.2 | 33.7 | 33.7 | 31.5 | 32.8 | 32.9 |
| 16 | Higher Education and Training | 6.2 | 6.9 | 6.7 | 6.5 | 6.6 | 6.9 | 7.0 | 7.0 |
| 17 | Labour | 6.1 | 8.4 | 28.9 | 12.9 | 12.9 | 16.1 | 22.4 | 24.3 |
| 18 | Social Development | 865.3 | 237.0 | 16.5 | 0.2 | 20.2 | 510.2 | 10.2 | 10.2 |
| 19 | Sport and Recreation South Africa | 5.6 | 0.0 | 0.3 | 0.6 | 5.7 | 0.3 | 0.4 | 0.4 |
| Justice, Crime Prevention and Security | | | | | | | | | |
| 20 | Correctional Services | 100.0 | 136.3 | 80.5 | 131.2 | 136.7 | 143.4 | 152.0 | 161.0 |
| 21 | Defence and Military Veterans | 492.8 | 551.9 | 629.4 | 676.7 | 676.7 | 702.5 | 729.2 | 756.9 |
| 22 | Independent Complaints Directorate | 0.0 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 23 | Justice and Constitutional Development | 319.5 | 317.0 | 356.8 | 358.9 | 358.9 | 377.6 | 399.8 | 422.5 |
| 24 | Police | 251.9 | 345.1 | 376.5 | 332.6 | 332.6 | 341.7 | 321.3 | 324.5 |
| Economic Services and Infrastructure | | | | | | | | | |
| 25 | Agriculture, Forestry and Fisheries | 141.1 | 121.1 | 254.0 | 219.7 | 216.7 | 119.3 | 121.5 | 118.2 |
| 26 | Communications | 2 613.8 | 3 007.4 | 3 520.1 | 933.0 | 1 160.8 | 925.0 | 959.4 | 993.4 |
| 27 | Economic Development | 177.5 | 229.3 | 244.4 | 484.8 | 420.0 | 230.0 | 243.8 | 250.0 |
| 28 | Energy | 0.1 | 1.2 | 3.3 | 3.5 | 3.5 | 3.7 | 3.9 | 4.1 |
| 29 | Environmental Affairs | 4.9 | 4.7 | 8.5 | 2.7 | 2.7 | 0.8 | 0.8 | 0.8 |
| 30 | Human Settlements | 1.9 | 0.7 | 2.4 | 0.5 | 2.8 | 0.5 | 0.5 | 0.6 |
| 31 | Mineral Resources | 191.0 | 267.1 | 261.3 | 161.8 | 161.8 | 205.6 | 211.8 | 213.9 |
| 32 | Rural Development and Land Reform | 158.8 | 176.4 | 64.2 | 231.2 | 61.1 | 68.4 | 69.0 | 64.5 |
| 33 | Science and Technology | 1.0 | 0.2 | 0.3 | 1.0 | 1.0 | 0.1 | 0.1 | 0.1 |
| 35 | Trade and Industry | 66.6 | 94.2 | 64.9 | 66.7 | 67.0 | 108.3 | 114.9 | 120.2 |
| 36 | Transport | 330.4 | 362.5 | 215.8 | 231.7 | 116.6 | 127.8 | 137.4 | 144.3 |
| 37 | Water Affairs | 137.2 | 0.1 | 26.6 | 72.6 | 39.8 | 41.2 | 44.0 | 44.0 |
| Total departmental receipts as per Estimates of National Expenditure | | 10 915.2 | 12 686.3 | 11 960.0 | 8 635.5 | 8 188.0 | 6 852.2 | 6 691.4 | 6 887.0 |
| Less: Parliament (retained departmental receipts) | | 41.9 | 51.7 | 55.2 | 16.3 | 17.8 | 15.5 | 11.9 | 11.5 |
| Plus: South African Revenue Service departmental receipts collection | | -30.0 | 58.0 | 711.4 | 1 205.8 | 812.4 | 3 543.6 | 4 803.7 | 5 503.9 |
| Total departmental receipts as per Budget Review | | 10 843.3 | 12 692.6 | 12 616.2 | 9 825.0 | 8 982.6 | 10 380.3 | 11 483.2 | 12 379.4 |

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions.

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

| R million | 2010/11 | | | | | 2011/12 | 2012/13 |
|--|--|------------------|-------------------------|-----------------------------|-------------------------------|---------|---------|
| | Total to be Appropriated | Current payments | Transfers and subsidies | Payments for capital assets | Payments for financial assets | Total | Total |
| MTEF allocation | | | | | | | |
| Programme name | | | | | | | |
| Programme name | | | | | | | |
| Programme name | | | | | | | |
| Subtotal | | | | | | | |
| Direct charge against the National Revenue Fund | | | | | | | |
| Item | | | | | | | |
| Item | | | | | | | |
| Total expenditure estimates | | | | | | | |
| Executive authority | Minister | | | | | | |
| Accounting officer | Director-General / Chief Operating Officer | | | | | | |
| Website address | | | | | | | |

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by the department for its operational requirements.

Transfers and subsidies are payments made by the department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in departments where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide accountability information: the department's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the appropriation bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

| Indicator | Programme | Past | | | Current | Projections | | |
|-----------|-----------|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| | | | | | | | | |
| | | | | | | | | |

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

| Programme | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimate | | |
|---|-----------------|---------|---------|------------------------|------------------|----------------------------------|---------|---------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 |
| R million | | | | | | | | |
| 1. Programme name | | | | | | | | |
| 2. Programme name | | | | | | | | |
| 3. Programme name | | | | | | | | |
| Subtotal | | | | | | | | |
| Direct charge against the National Revenue Fund | | | | | | | | |
| Item | | | | | | | | |
| Item | | | | | | | | |
| Total | | | | | | | | |
| Change to 2009 Budget estimate | | | | | | | | |

Economic classification

| | | | |
|--------------------------------------|--|--|--|
| Current payments | | | |
| Economic classification item | | | |
| Economic classification item | | | |
| Transfers and subsidies | | | |
| Economic classification item | | | |
| Economic classification item | | | |
| Payments for capital assets | | | |
| Economic classification item | | | |
| Economic classification item | | | |
| Payments for financial assets | | | |
| Total | | | |

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

| R thousand | Audited outcome | | | Adjusted estimate | Revised estimate | Medium-term receipts estimate | | |
|------------------------------|-----------------|---------|---------|-------------------|------------------|-------------------------------|---------|---------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 |
| Departmental receipts | | | | | | | | |
| Economic classification item | | | | | | | | |
| Economic classification item | | | | | | | | |
| Total | | | | | | | | |

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--------------------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R million | | | | | | | |
| Subprogramme name | | | | | | | |
| Subprogramme name | | | | | | | |
| Subprogramme name | | | | | | | |
| Total | | | | | | | |
| Change to 2009 Budget estimate | | | | | | | |

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--------------------------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R million | | | | | | | |
| Economic classification | | | | | | | |
| Current payments | | | | | | | |
| Economic classification item | | | | | | | |
| Economic classification item | | | | | | | |
| Transfers and subsidies | | | | | | | |
| Economic classification item | | | | | | | |
| Economic classification item | | | | | | | |
| Payments for capital assets | | | | | | | |
| Economic classification item | | | | | | | |
| Economic classification item | | | | | | | |
| Payments for financial assets | | | | | | | |
| Total | | | | | | | |

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.

Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

Personnel numbers refers to the physical number (head count) of people employed by the department.

Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

Unitary fee refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Project monitoring costs are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Revenue generated is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government components for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance on infrastructure refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all tables a dash (-) indicates that information is unavailable or zero.

Transport

**National Treasury
Republic of South Africa**



Contents

| | |
|--|-----------|
| Budget summary | 1 |
| Aim | 1 |
| Programme purposes | 1 |
| Strategic overview: 2006/07 – 2012/13 | 2 |
| Savings and cost effective service delivery | 3 |
| Selected performance indicators | 4 |
| Expenditure estimates | 4 |
| Expenditure trends | 5 |
| Departmental receipts | 7 |
| Programme 1: Administration | 7 |
| Programme 2: Transport Policy and Economic Regulation | 9 |
| Programme 3: Transport Regulation and Accident and Incident Investigation | 11 |
| Programme 4: Integrated Planning and Intersphere Coordination | 14 |
| Programme 5: Transport Logistics and Corridor Development | 21 |
| Programme 6: Public Transport | 23 |
| Programme 7: Public Entity Oversight and Border Operations and Control | 29 |
| Additional tables | 52 |

Vote 36

Transport

Budget summary

| R thousand | 2010/11 | | | | 2011/12 | 2012/13 |
|--|-------------------------------|------------------|-------------------------|-----------------------------|-------------------|-------------------|
| | Total to be appropriated | Current payments | Transfers and subsidies | Payments for capital assets | Total | Total |
| MTEF allocation | | | | | | |
| Administration | 213 889 | 203 184 | 8 984 | 1 721 | 218 362 | 226 991 |
| Transport Policy and Economic Regulation | 49 031 | 48 511 | – | 520 | 51 174 | 54 023 |
| Transport Regulation and Accident and Incident Investigation | 196 166 | 183 322 | 12 181 | 663 | 218 616 | 230 102 |
| Integrated Planning and Intersphere Coordination | 7 018 185 | 113 951 | 6 865 939 | 38 295 | 8 935 676 | 9 719 173 |
| Transport Logistics and Corridor Development | 30 103 | 30 046 | – | 57 | 31 499 | 33 333 |
| Public Transport | 17 429 578 | 150 976 | 17 278 461 | 141 | 18 354 709 | 18 747 514 |
| Public Entity Oversight and Border Operations and Control | 149 310 | 13 433 | 135 710 | 167 | 150 077 | 158 368 |
| Total expenditure estimates | 25 086 262 | 743 423 | 24 301 275 | 41 564 | 27 960 113 | 29 169 504 |
| Executive authority | Minister of Transport | | | | | |
| Accounting officer | Director-General of Transport | | | | | |
| Website address | www.transport.gov.za | | | | | |

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

Aim

The aim of the Department of Transport is to lead the provision of an integrated, sustainable, reliable and safe transport system through planning, development, coordination, promotion and the implementation of transport policies, regulations and strategies.

Programme purposes

Programme 1: Administration

Purpose: Coordinate an effective, efficient strategic support and administrative service to the ministry, director-general and department.

Programme 2: Transport Policy and Economic Regulation

Purpose: Effectively manage a national innovative research and development programme. Develop and analyse strategic policies. Develop appropriate legislation. Economic advice and analysis for all modes of transport.

Programme 3: Transport Regulation and Accident and Incident Investigation

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

Programme 4: Integrated Planning and Intersphere Coordination

Purpose: Manage and facilitate integrated planning and intersphere coordination for infrastructure and operations.

Programme 5: Transport Logistics and Corridor Development

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

Programme 6: Public Transport

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

Programme 7: Public Entity Oversight and Border Operations and Control

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

Strategic overview: 2006/07 – 2012/13

The Department of Transport ensures transport operations and infrastructure that facilitate the movement of goods and people to support government's objectives of equitable and sustained socioeconomic growth. This is achieved through comprehensive policy and regulatory frameworks, intended to: reduce transport costs; contribute to environmental sustainability by decreasing carbon emissions; eradicate backlogs in road, rail, aviation and maritime infrastructure; improve access to transport through greater spatial integration; reduce freight transit times; and develop the regulatory capacity required to enforce the safety standards and reduce accidents in all modes of transport.

Key policy developments

Land transport legislation

The National Land Transport Act (2009) clarifies the concurrent roles and responsibilities of the different spheres of government in relation to public transport. It also consolidates public transport planning, service delivery, regulation and monitoring in the municipal sphere, establishes the national and provincial public transport regulators and enhances overall transport regulatory functions. The regulations required by the act to support the transformation of public transport management were published in December 2009. The legislation and regulatory framework will support the implementation of the 2007 public transport strategy.

Passenger rail system

The incorporation of the Shosholozza Meyl train service and the Autopax long distance bus services into the Passenger Rail Agency of South Africa (which replaces the South African Rail Commuter Corporation) has been finalised in the Legal Succession to the South African Transport Service Amendment Act (2009). Autopax will continue to provide long distance bus services that complement the long distance rail services provided through Shosholozza Meyl. For the 2010 FIFA World Cup, additional funding and loan facilities have been approved for buying buses to transport FIFA delegates and football fans.

Road traffic management and regulation

The National Road Traffic Amendment Act (2008) and the Cross Border Transport Amendment Act (2008) allow for better road traffic enforcement and improved cross border regulation. The pilot project for the implementation of the Administrative Adjudication of Road Traffic Offences Act (1998), a demerit point system for traffic offences, has been rolled out in the municipal areas of Tshwane and Johannesburg. Over the MTEF

period, the system will be extended to all municipal areas following the establishment of the Road Traffic Infringement Agency, expected in 2010/11 as required by legislation, which will administer the system.

Civil aviation

The Civil Aviation Act (2009) was promulgated to harmonise and rationalise safety and security legislation for aviation to ensure compliance with International Civil Aviation Organisation standards, and the Air Services Licensing Amendment Act (2008) addresses corporate governance issues relating to the Air Services Licensing Council. The department plans to implement the airlift strategy and improve aviation safety and compliance with the standards set by the Federal Aviation Administration's international aviation safety assessment, and by the International Civil Aviation Organisation. The Federal Aviation Administration is the aviation authority in the United States. It conducts assessments of countries whose airlines operate to the United States to assess their compliance with international standards and recommended practices laid out by the International Civil Aviation Organisation, which is an organ of the United Nations. Aviation safety and security on flights will be prioritised during the 2010 FIFA World Cup.

Road Accident Fund

The Road Accident Fund Amendment Act (2005) came into effect in August 2008 with the publication of regulations guiding, primarily, the assessment of injuries. The act creates an equitable, affordable and sustainable system for victims of road accidents and their families. In November 2009, Cabinet approved the policy to provide for benefits to road accident victims as a form of social security and to move away from the current fault based systems.

Savings and cost effective service delivery

The department has identified efficiency savings over the medium term in goods and services: R99.5 million in 2010/11, R118.4 million in 2011/12, and R111 million in 2012/13. Expenditure will be cut in communications, IT systems, road transport regulation, the national freight logistics strategy, and as a result of the delay in the establishment of the Rail Economic Regulator. The national transport master plan will be concluded. In addition, savings have been made on current transfers to the South African Roads Agency and the Passenger Rail Agency of South Africa of R120 million in 2010/11, R121.5 million in 2011/12, and R72.5 million in 2012/13 each.

Future allocations in the public transport infrastructure and systems grant have been reprioritised in each year of the MTEF period to allow cities to plan their public transport systems and reduce under-expenditure on this grant.

Selected performance indicators

Table 36.1 Transport

| Indicator | Programme | Past | | | Current | Projections | | |
|---|--|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Number of integrated rapid public transport network and operational plans developed per year in metros and large cities | Public Transport | - | - | 4 | 5 | 3 | 2 | 2 |
| Number of taxis scrapped per year | Public Transport | 1 990 | 11 429 | 9208 | 11,616 | 9 164 | 8 682 | 9 117 |
| Number of fatal road accidents per year | Transport Regulation and Accident and Incident Investigation | 12 577 | 11 653 | 10 488 | 9 439 | 8 495 | 7 646 | 6 881 |
| Number of bicycles procured and distributed per year | Integrated Planning and Intersphere Coordination | 10 690 | 5 980 | 21 600 | 15 000 | 15 000 | 15 000 | 15 800 |
| Number of districts with improved rural transport in integrated sustainable rural development nodes per year | Integrated Planning and Intersphere Coordination | 3 | 3 | 3 | 3 | 3 | 4 | 6 |

Expenditure estimates

Table 36.2 Transport

| Programme | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimate | | |
|---|-------------------|-------------------|-------------------|------------------------|-------------------|----------------------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | | |
| 1. Administration | 156 045 | 182 284 | 235 901 | 239 770 | 239 770 | 213 889 | 218 362 | 226 991 |
| 2. Transport Policy and Economic Regulation | 19 052 | 17 586 | 32 648 | 54 463 | 32 678 | 49 031 | 51 174 | 54 023 |
| 3. Transport Regulation and Accident and Incident Investigation | 187 577 | 209 589 | 466 733 | 395 694 | 395 694 | 196 166 | 218 616 | 230 102 |
| 4. Integrated Planning and Intersphere Coordination | 2 404 277 | 3 430 516 | 5 238 148 | 5 884 506 | 5 884 506 | 7 018 185 | 8 935 676 | 9 719 173 |
| 5. Transport Logistics and Corridor Development | 17 918 | 12 983 | 22 193 | 29 309 | 13 189 | 30 103 | 31 499 | 33 333 |
| 6. Public Transport | 10 444 490 | 12 312 290 | 16 179 794 | 17 452 370 | 17 452 370 | 17 429 578 | 18 354 709 | 18 747 514 |
| 7. Public Entity Oversight and Border Operations and Control | 131 083 | 166 379 | 2 663 227 | 182 405 | 145 924 | 149 310 | 150 077 | 158 368 |
| Total | 13 360 442 | 16 331 627 | 24 838 644 | 24 238 517 | 24 164 131 | 25 086 262 | 27 960 113 | 29 169 504 |
| Change to 2009 Budget estimate | | | | 503 688 | 429 302 | (394 035) | 39 172 | - |

Economic classification

| | | | | | | | | |
|--|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|
| Current payments | 558 889 | 573 033 | 989 595 | 1 020 765 | 946 379 | 743 423 | 778 324 | 816 150 |
| Compensation of employees | 111 192 | 131 323 | 182 632 | 221 012 | 221 012 | 259 365 | 282 189 | 296 630 |
| Goods and services | 447 697 | 441 710 | 806 963 | 799 753 | 725 367 | 484 058 | 496 135 | 519 520 |
| <i>of which:</i> | | | | | | | | |
| <i>Administrative fees</i> | 288 | 1 427 | 461 | 1 182 | 1 182 | 1 240 | 1 328 | 1 366 |
| <i>Advertising</i> | 35 927 | 19 676 | 21 182 | 9 933 | 9 933 | 10 430 | 11 055 | 11 609 |
| <i>Assets less than the capitalisation threshold</i> | 2 119 | 1 532 | 1 527 | 2 146 | 2 146 | 2 236 | 2 400 | 2 520 |
| <i>Audit cost: External</i> | 3 514 | 4 578 | 4 238 | 4 598 | 4 598 | 4 828 | 5 069 | 5 323 |
| <i>Bursaries: Employees</i> | 400 | 436 | 4 244 | 3 044 | 3 044 | 3 196 | 3 356 | 3 524 |
| <i>Catering: Departmental activities</i> | 1 112 | 780 | 1 331 | 1 476 | 1 476 | 1 550 | 1 653 | 1 736 |
| <i>Communication</i> | 5 427 | 7 064 | 8 806 | 5 556 | 5 556 | 5 940 | 10 307 | 10 823 |
| <i>Computer services</i> | 4 693 | 7 631 | 13 615 | 13 426 | 13 426 | 14 254 | 15 177 | 15 936 |
| <i>Consultants and professional services: Business and advisory services</i> | 300 271 | 339 535 | 574 981 | 578 658 | 578 658 | 298 801 | 305 515 | 320 604 |
| <i>Consultants and professional services: Infrastructure and planning</i> | 2 | - | 66 989 | 48 805 | 10 900 | 38 032 | 43 911 | 45 759 |
| <i>Consultants and professional services: Legal costs</i> | 831 | 1 707 | 1 143 | 1 344 | 1 344 | 1 392 | 1 462 | 1 535 |
| <i>Contractors</i> | 8 775 | - | 20 675 | 52 967 | 52 967 | 20 950 | 16 268 | 16 219 |
| <i>Agency and support / outsourced services</i> | 32 652 | - | 2 173 | - | (36 481) | - | - | - |

Table 36.2 Transport (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Revised estimate | Medium-term expenditure estimate | | |
|---|-------------------|-------------------|-------------------|------------------------|-------------------|----------------------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 |
| Economic classification | | | | | | | | |
| Current payments | 558 889 | 573 033 | 989 595 | 1 020 765 | 946 379 | 743 423 | 778 324 | 816 150 |
| <i>Entertainment</i> | 353 | 347 | 319 | 750 | 750 | 788 | 827 | 869 |
| <i>Inventory: Materials and supplies</i> | 2 | 16 | – | 41 | 41 | 26 | 28 | 29 |
| <i>Inventory: Other consumables</i> | 761 | 589 | 311 | 764 | 764 | 796 | 835 | 877 |
| <i>Inventory: Stationery and printing</i> | 5 296 | 5 845 | 10 666 | 8 134 | 8 134 | 8 698 | 9 239 | 9 700 |
| <i>Lease payments</i> | 13 730 | 14 228 | 16 598 | 18 391 | 18 391 | 19 309 | 20 301 | 21 317 |
| <i>Property payments</i> | 616 | 1 | 518 | 261 | 261 | 273 | 287 | 301 |
| <i>Transport provided: Departmental activity</i> | – | 4 079 | – | 4 868 | 4 868 | 5 110 | 5 366 | 5 634 |
| <i>Travel and subsistence</i> | 22 436 | 26 836 | 45 272 | 34 089 | 34 089 | 36 108 | 31 809 | 33 402 |
| <i>Training and development</i> | 2 000 | 3 147 | 3 182 | 4 856 | 4 856 | 5 099 | 4 638 | 4 870 |
| <i>Operating expenditure</i> | 3 523 | 949 | 2 636 | 1 957 | 1 957 | 2 371 | 2 513 | 2 637 |
| <i>Venues and facilities</i> | 2 969 | 1 307 | 6 096 | 2 507 | 2 507 | 2 631 | 2 791 | 2 930 |
| Transfers and subsidies | 12 763 978 | 15 748 279 | 23 829 263 | 23 214 002 | 23 214 002 | 24 301 275 | 27 125 242 | 28 293 980 |
| Provinces and municipalities | 3 759 102 | 4 203 411 | 7 268 992 | 9 097 922 | 9 097 922 | 8 022 293 | 8 594 632 | 8 497 549 |
| Departmental agencies and accounts | 2 459 508 | 3 688 879 | 6 814 138 | 5 974 399 | 5 974 399 | 6 985 930 | 8 898 614 | 9 680 736 |
| Universities and technikons | 10 085 | 9 165 | 7 798 | 8 178 | 8 178 | 8 669 | 9 189 | 9 648 |
| Foreign governments and international organisations | 2 846 | 3 580 | 4 850 | 5 114 | 5 114 | 5 420 | 5 745 | 6 032 |
| Public corporations and private enterprises | 6 420 207 | 7 267 194 | 9 258 163 | 7 482 393 | 7 482 393 | 8 765 206 | 9 128 479 | 9 587 003 |
| Non-profit institutions | 12 186 | 3 830 | 14 075 | 15 109 | 15 109 | 16 017 | 16 978 | 17 827 |
| Households | 100 044 | 572 220 | 461 247 | 630 887 | 630 887 | 497 740 | 471 605 | 495 185 |
| Payments for capital assets | 37 515 | 3 237 | 5 652 | 3 750 | 3 750 | 41 564 | 56 547 | 59 374 |
| Buildings and other fixed structures | – | – | – | – | – | 37 650 | 52 399 | 55 019 |
| Machinery and equipment | 37 515 | 3 237 | 5 652 | 3 750 | 3 750 | 3 914 | 4 148 | 4 355 |
| Payments for financial assets | 60 | 7 078 | 14 134 | – | – | – | – | – |
| Total | 13 360 442 | 16 331 627 | 24 838 644 | 24 238 517 | 24 164 131 | 25 086 262 | 27 960 113 | 29 169 504 |

Expenditure trends

Expenditure increased significantly from R13.4 billion in 2006/07 to R24.2 billion in 2009/10, at an average annual rate of 22 per cent. This growth is mainly attributable to: grant expenditure on the Gautrain rapid rail link, public transport infrastructure and systems, a once-off transfer of R2.5 billion in 2008/09 to the Road Accident Fund, and increased allocations for passenger rail infrastructure. In addition, spending on transport infrastructure continued to grow, with allocations for the maintenance and upgrading of national roads increasing from R833 million in 2006/07 to R2.8 billion in 2009/10 at an average annual rate of 50.6 per cent. Disaster management funding of R1.2 billion was allocated to Western Cape in 2008/09 and 2009/10, and KwaZulu-Natal in 2008/09 for stormwater damage to roads and bridges caused by floods.

Over the medium term, expenditure is expected to increase strongly from R24.2 billion to R29.2 billion, at an average annual rate of 6.4 per cent. In 2011/12, the national contribution to the development phase of the Gautrain rapid rail link ends. Investment in road transport infrastructure continues over the MTEF period, with allocations for the South African National Roads Agency rising at an average annual rate of 19.3 per cent. Capital expenditure on public transport and rail infrastructure are expected to grow strongly over the medium term at an average annual rates of 19.5 per cent and 11 per cent respectively.

Expenditure on business advisory services increased in 2008/09 due to rollovers of R37 million and R165 million allocated in the adjustments budget as self-financing expenditure for maintenance of the electronic national traffic information system from the system's transaction fees. Expenditure in compensation of employees increased by 21 per cent in 2009/10 due to higher than budgeted wage increases and the filling of

vacant posts and the appointment of contract employees in lieu of vacant posts. Expenditure on contractors includes R19.5 million in 2009/10 for transport services during the presidential inauguration.

Additional allocations over the medium term include:

- R750 million in 2011/12 and R750 million 2012/13 to the South African National Roads Agency for the incorporation of provincial roads critical to coal haulage on the strategic secondary road network and R318.9 million for inflationary adjustments
- R394 million to the Passenger Rail Agency of South Africa for the upgrade and overhaul of rolling stock and signalling infrastructure
- R297 million to the Passenger Rail Agency of South Africa to pay the state guaranteed loan for the intercity buses
- R236.2 million to the Road Traffic Management Corporation for operational expenditure
- R103 million for the national commitment towards foreign exchange and local price variations relating to the Gautrain concession agreement
- R7.5 million for the establishment of the National Public Transport Regulator
- R45 million for the Arrive Alive campaign
- R35.1 million for adjustments to compensation of employees and for the deputy minister's office.

Expenditure in compensation of employees increased from R111.2 million in 2006/07 to R221 million in 2009/10, at an average annual rate of 25.7 per cent. This significant growth is the result of the increase in the number of staff, from 367 in 2006/07 to 670 in 2009/10, driven by the filling of vacant posts, the appointment of contract employees in lieu of vacant posts and general increases in salaries.

Infrastructure spending

The department transfers funds to entities, provinces and municipalities for infrastructure development. These include substantial transfers to Gauteng for the Gautrain rapid rail link, to municipalities through the public transport infrastructure and systems grant to improve public transport, such as the bus rapid transit systems, and to the Passenger Rail Agency of South Africa and the South African National Roads Agency for the maintenance and upgrading of the passenger rail and national roads systems. Further transfers are made to provinces for the Sani Pass roads project and overload control infrastructure, and to municipalities for improving rural transport infrastructure.

Between 2006/07 and 2009/10, these transfers increased from R5.8 billion to R12.8 billion, at an average annual rate of 30.2 per cent. Over the medium term, transfers for infrastructure investment are expected to grow at an average annual rate of 8.9 per cent to reach R16.5 billion.

Rea Vaya bus rapid transit in Johannesburg

The City of Johannesburg started rolling out the Rea Vaya bus rapid transit system in August 2009. Initial services include the trunk route from Regina Mundi to Ellis Park, and a number of feeder and complementary routes, including the inner city circular route and feeders from Mofolo Park, Protea Glen, Naledi, Eldorado Park and Dobsonville. During construction for the first phase, 4 000 jobs were created.

Rea Vaya infrastructure at Ellis Park is complete. In relation to Soccer City, it is envisaged that three new stations and a dedicated bus lane should be complete by May 2010. The route will connect major health care and educational institutions.

Key aspects for the success of the system as whole will be appropriate quality and design solutions, improved traffic engineering and traffic signals, enhanced attractiveness of station precincts, upkeep of safety and security, and alignment to other modes of transport, including the Gautrain rapid rail link. In addition, it will be crucial to build strong institutions, including the operating companies and Rea Vaya management in the city, and strong station management, fare collection, control centre functions.

The construction of roads and stations has been primarily funded by the national public transport infrastructure and systems grant. Between 2005/06 and 2009/10, R1.2 billion from this grant was spent on Rea Vaya. Over the medium term, another R3.1 billion is allocated. The City of Johannesburg has also received grant funding for planning and capacitation from the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) and the United Nations Development Programme's Global Environment Fund.

Departmental receipts

Revenue collected by the department is mainly derived from dividends received from the Airports Company of South Africa.

Table 36.3 Departmental receipts

| R thousand | Audited outcome | | | Adjusted estimate | Revised estimate | Medium-term receipts estimate | | |
|--|-----------------|----------------|----------------|-------------------|------------------|-------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | | 2010/11 | 2011/12 | 2012/13 |
| Departmental receipts | 330 424 | 362 450 | 215 806 | 231 703 | 116 646 | 127 797 | 137 425 | 144 297 |
| Sales of goods and services produced by department | 9 662 | 9 906 | 200 089 | 11 303 | 578 | 11 982 | 12 580 | 13 209 |
| Sales of scrap, waste, arms and other used current goods | - | - | 3 | - | - | - | - | - |
| Fines, penalties and forfeits | 46 | 16 | 7 | - | - | - | - | - |
| Interest, dividends and rent on land | 231 617 | 109 069 | 368 | 110 400 | 122 | 115 420 | 124 430 | 130 652 |
| Sales of capital assets | - | - | - | - | 2 | - | - | - |
| Transactions in financial assets and liabilities | 89 099 | 243 459 | 15 339 | 110 000 | 115 944 | 395 | 415 | 436 |
| Extraordinary receipts | 667 661 | - | - | - | - | - | - | - |
| Special restructuring proceeds from ACSA | 667 661 | - | - | - | - | - | - | - |
| Total | 998 085 | 362 450 | 215 806 | 231 703 | 116 646 | 127 797 | 137 425 | 144 297 |

Programme 1: Administration

Table 36.4 Administration

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--------------------------------|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | |
| Minister ¹ | 1 297 | 1 050 | 1 663 | 1 735 | 1 816 | 1 916 | 2 012 |
| Deputy Minister ¹ | - | - | - | 1 500 | 1 496 | 1 578 | 1 657 |
| Management | 72 318 | 81 572 | 79 669 | 96 251 | 69 189 | 71 270 | 72 038 |
| Corporate Services | 70 777 | 87 235 | 142 273 | 123 173 | 124 155 | 125 331 | 132 104 |
| Office Accommodation | 11 653 | 12 427 | 12 296 | 17 111 | 17 233 | 18 267 | 19 180 |
| Total | 156 045 | 182 284 | 235 901 | 239 770 | 213 889 | 218 362 | 226 991 |
| Change to 2009 Budget estimate | | | | 8 747 | (16 864) | (16 929) | - |

¹ From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Economic classification

| | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Current payments | 144 425 | 169 283 | 223 897 | 229 672 | 203 184 | 207 015 | 215 077 |
| Compensation of employees | 46 569 | 55 679 | 77 689 | 89 541 | 102 368 | 110 602 | 114 735 |
| Goods and services | 97 856 | 113 604 | 146 208 | 140 131 | 100 816 | 96 413 | 100 342 |
| <i>of which:</i> | | | | | | | |
| Administrative fees | 108 | 918 | 454 | 614 | 644 | 676 | 681 |
| Advertising | 26 439 | 16 095 | 13 244 | 4 907 | 5 152 | 5 410 | 5 680 |
| Assets less than the capitalisation threshold | 910 | 411 | 540 | 434 | 439 | 461 | 484 |
| Audit cost: External | 3 514 | 4 578 | 4 238 | 4 598 | 4 828 | 5 069 | 5 323 |
| Bursaries: Employees | 400 | 436 | 2 498 | 3 044 | 3 196 | 3 356 | 3 524 |
| Catering: Departmental activities | 870 | 363 | 856 | 952 | 1 000 | 1 050 | 1 103 |
| Communication | 4 289 | 6 175 | 7 302 | 4 093 | 4 403 | 8 669 | 9 102 |
| Computer services | 2 153 | 2 893 | 9 854 | 7 349 | 7 874 | 8 268 | 8 681 |
| Consultants and professional services: Business and advisory services | 22 236 | 44 764 | 48 543 | 19 886 | 5 023 | 5 274 | 5 538 |
| Consultants and professional services: Legal costs | 826 | 1 687 | 830 | 926 | 972 | 1 021 | 1 072 |

Table 36.4 Administration (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Economic classification | | | | | | | |
| Current payments | 144 425 | 169 283 | 223 897 | 229 672 | 203 184 | 207 015 | 215 077 |
| <i>Contractors</i> | 6 150 | – | 15 775 | 49 875 | 20 880 | 16 194 | 16 142 |
| <i>Agency and support / outsourced services</i> | 150 | – | 1 510 | – | – | – | – |
| <i>Entertainment</i> | 353 | 347 | 319 | 750 | 788 | 827 | 869 |
| <i>Inventory: Materials and supplies</i> | 2 | 6 | – | 8 | – | – | – |
| <i>Inventory: Other consumables</i> | 747 | 537 | 245 | 699 | 734 | 771 | 809 |
| <i>Inventory: Stationery and printing</i> | 2 308 | 2 668 | 4 705 | 2 986 | 3 293 | 3 458 | 3 630 |
| <i>Lease payments</i> | 12 885 | 13 508 | 14 185 | 16 896 | 17 741 | 18 628 | 19 559 |
| <i>Property payments</i> | 416 | – | 416 | 260 | 273 | 287 | 301 |
| <i>Transport provided: Departmental activity</i> | – | 3 053 | – | 3 888 | 4 082 | 4 286 | 4 500 |
| <i>Travel and subsistence</i> | 8 467 | 10 673 | 16 392 | 10 124 | 10 945 | 4 448 | 4 670 |
| <i>Training and development</i> | 1 750 | 3 147 | 3 156 | 4 856 | 5 099 | 4 638 | 4 870 |
| <i>Operating expenditure</i> | 1 956 | 723 | 264 | 1 659 | 2 057 | 2 159 | 2 268 |
| <i>Venues and facilities</i> | 927 | 622 | 882 | 1 327 | 1 393 | 1 463 | 1 536 |
| Transfers and subsidies | 10 580 | 9 626 | 8 380 | 8 475 | 8 984 | 9 523 | 9 999 |
| Provinces and municipalities | 36 | – | – | – | – | – | – |
| Departmental agencies and accounts | 105 | 135 | 30 | 175 | 186 | 197 | 207 |
| Universities and technikons | 10 085 | 9 165 | 7 798 | 8 178 | 8 669 | 9 189 | 9 648 |
| Households | 354 | 326 | 552 | 122 | 129 | 137 | 144 |
| Payments for capital assets | 1 025 | 2 075 | 3 283 | 1 623 | 1 721 | 1 824 | 1 915 |
| Machinery and equipment | 1 025 | 2 075 | 3 283 | 1 623 | 1 721 | 1 824 | 1 915 |
| Payments for financial assets | 15 | 1 300 | 341 | – | – | – | – |
| Total | 156 045 | 182 284 | 235 901 | 239 770 | 213 889 | 218 362 | 226 991 |

Details of transfers and subsidies

| | | | | | | | |
|--|--------|-------|-------|-------|-------|-------|-------|
| Provinces and municipalities | | | | | | | |
| Municipalities | | | | | | | |
| Municipal bank accounts | | | | | | | |
| Current | 36 | – | – | – | – | – | – |
| Regional Services Council levies | 36 | – | – | – | – | – | – |
| Departmental agencies and accounts | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | |
| Current | 105 | 135 | 30 | 175 | 186 | 197 | 207 |
| Transport Education and Training Authority | 105 | 135 | 30 | 175 | 186 | 197 | 207 |
| Universities and technikons | | | | | | | |
| Current | 10 085 | 9 165 | 7 798 | 8 178 | 8 669 | 9 189 | 9 648 |
| Universities of Pretoria, KwaZulu-Natal and Stellenbosch | 10 085 | 9 165 | 7 798 | 8 178 | 8 669 | 9 189 | 9 648 |
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | 354 | 326 | 552 | 122 | 129 | 137 | 144 |
| Employee Social Benefits | 354 | 326 | 552 | 122 | 129 | 137 | 144 |

Expenditure trends

Expenditure in the *Administration* programme grew at an average annual rate of 15.4 per cent, from R156 million in 2006/07 to R239.8 million in 2009/10. This was due to the shifting of funds from other programmes to cater for the expansion of internal audit staff, skills development costs, activities for World Remembrance Day (for road traffic victims), and the Arrive Alive and October Transport Month campaigns. A significant part of this increase was in compensation of employees spending, which grew at an average annual

rate of 24.3 per cent between 2006/07 and 2009/10. The staff complement increased and the vacancy rate decreased from 31.8 per cent in 2007/08 to 18.7 per cent in 2008/09. A total of 110 contract employees were appointed and 52 interns were employed. Expenditure on business advisory services increased in 2008/09 due to rollovers of R37 million.

Over the MTEF period, the programme's expenditure is expected to decline marginally, at an average annual rate of 1.8 per cent, partly due to the strong decrease of 10.5 per cent in expenditure on goods and services. The decline is the result of cuts in the programme budget for items such travelling and advertisements, and a reduction in contractor expenditure expenses. Expenditure in the *Management* subprogramme is expected to decrease in 2010/11 due to savings in communication expenditure, mainly for the October Transport Month.

A deputy minister was appointed to the department in 2009/10. Spending in the new *Deputy Minister* subprogramme is projected to grow from R1.5 million in 2009/10 to R1.7 million in 2012/13.

Programme 2: Transport Policy and Economic Regulation

- *Transport Policy Analysis* ensures that transport policies are developed, analysed and implemented, and monitors the impact and performance of the transport system.
- *Transport Economic Analysis* collates and analyses critical supply and demand data for all modes of transport, facilitates transformation within the sector through the Integrated Transport Sector Broad Based Black Economic Empowerment (BEE) Charter, and provides economic data for the department's priority areas.
- *Legislation* collates and converts information from policies into legislation.
- *Research and Development* promotes innovation and technology and the advancement of transport services and operations through research and knowledge management.
- *Economic Regulation* reviews and develops regulatory strategies on competition, pricing and investment to improve the overall performance of the transport system.
- *Administration Support*.

Funding in all subprogrammes is disbursed in accordance with supply chain management principles.

Objectives and measures

- Support an effective and efficient transport system by developing a transport performance indicator database that will assist in measuring the economic performance in the sector by 2012.
- Improve research and development in the transport sector by assessing, approving and evaluating the research projects of the department's centres of development (tertiary institutions providing transport related studies) to improve policy making on an ongoing basis.
- Improve economic efficiencies in the transport sector by:
 - establishing the Rail Economic Regulator and ultimately a single transport regulator by March 2012
 - monitoring administered prices and services efficiency on an ongoing basis.

Service delivery focus

The department made the research compendium of 400 public transport research documents available online in August 2009. The department assisted finalising the Integrated Transport Sector BEE Charter, which was gazetted in August 2009. 11 focus groups were held in 2008 to understand the difficulties faced by historically marginalised communities in accessing transport services and infrastructure. The draft non-motorised transport policy was made available for public consultation in all provinces in 2009.

Economic regulation requires information on transport related indicators and the impact of changes in economic variables on the sector and across the economy. Studies to examine the impact of fuel prices on different modes of transport and to assess the impact of public transport subsidies on the economy were finalised in 2009.

Expenditure estimates

Table 36.5 Transport Policy and Economic Regulation

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|-----------------|---------------|---------------|------------------------|----------------------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | |
| Transport Policy Analysis | 3 650 | 5 634 | 8 138 | 8 061 | 9 478 | 10 012 | 10 565 |
| Transport Economic Analysis | 8 048 | 5 852 | 8 406 | 16 409 | 14 100 | 14 810 | 15 629 |
| Legislation | 1 171 | 1 602 | 2 070 | 3 624 | 4 366 | 4 611 | 4 866 |
| Research and Development | 4 470 | 2 927 | 5 694 | 8 646 | 9 334 | 9 859 | 10 408 |
| Administration Support | 1 552 | 1 571 | 6 845 | 7 018 | 5 327 | 5 187 | 5 483 |
| Economic Regulation | 161 | - | 1 495 | 10 705 | 6 426 | 6 695 | 7 072 |
| Total | 19 052 | 17 586 | 32 648 | 54 463 | 49 031 | 51 174 | 54 023 |
| Change to 2009 Budget estimate | | | | 2 871 | (3 052) | (3 592) | - |
| Economic classification | | | | | | | |
| Current payments | 18 842 | 17 306 | 32 182 | 53 973 | 48 511 | 50 623 | 53 444 |
| Compensation of employees | 12 676 | 12 507 | 18 512 | 25 294 | 29 890 | 31 504 | 33 413 |
| Goods and services | 6 166 | 4 799 | 13 670 | 28 679 | 18 621 | 19 119 | 20 031 |
| <i>of which:</i> | | | | | | | |
| Administrative fees | - | 7 | - | 13 | 14 | 14 | 15 |
| Advertising | 190 | 451 | 591 | 905 | 950 | 998 | 1 048 |
| Assets less than the capitalisation threshold | 368 | 35 | 344 | 159 | 167 | 175 | 184 |
| Catering: Departmental activities | 19 | 50 | 59 | 9 | 9 | 10 | 10 |
| Communication | 90 | 92 | 170 | 282 | 296 | 311 | 326 |
| Computer services | 152 | 153 | 242 | 1 056 | 1 108 | 1 164 | 1 222 |
| Consultants and professional services: Business and advisory services | 2 092 | 1 372 | 6 856 | 21 023 | 10 587 | 10 682 | 11 172 |
| Consultants and professional services: Legal costs | - | - | 313 | 400 | 420 | 441 | 463 |
| Contractors | 206 | - | 515 | 26 | 27 | 29 | 30 |
| Agency and support / outsourced services | - | - | 469 | - | - | - | - |
| Inventory: Other consumables | - | 13 | 40 | 3 | - | - | - |
| Inventory: Stationery and printing | 275 | 719 | 1 458 | 1 533 | 1 610 | 1 690 | 1 775 |
| Lease payments | 123 | 113 | 198 | 576 | 604 | 635 | 667 |
| Property payments | 9 | - | 44 | - | - | - | - |
| Transport provided: Departmental activity | - | 124 | - | - | - | - | - |
| Travel and subsistence | 1 671 | 1 531 | 2 320 | 2 516 | 2 642 | 2 774 | 2 913 |
| Training and development | 143 | - | - | - | - | - | - |
| Operating expenditure | 230 | 48 | - | 30 | 32 | 33 | 35 |
| Venues and facilities | 598 | 91 | 51 | 148 | 155 | 163 | 171 |
| Transfers and subsidies | 72 | 176 | 25 | - | - | - | - |
| Provinces and municipalities | 21 | - | - | - | - | - | - |
| Households | 51 | 176 | 25 | - | - | - | - |
| Payments for capital assets | 137 | 102 | 441 | 490 | 520 | 551 | 579 |
| Machinery and equipment | 137 | 102 | 441 | 490 | 520 | 551 | 579 |
| Payments for financial assets | 1 | 2 | - | - | - | - | - |
| Total | 19 052 | 17 586 | 32 648 | 54 463 | 49 031 | 51 174 | 54 023 |
| Details of transfers and subsidies | | | | | | | |
| Provinces and municipalities | | | | | | | |
| Municipalities | | | | | | | |
| Municipal bank accounts | | | | | | | |
| Current | 21 | - | - | - | - | - | - |
| Regional Services Council levies | 21 | - | - | - | - | - | - |
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | 51 | 176 | 25 | - | - | - | - |
| Employee Social Benefits | 51 | 176 | 25 | - | - | - | - |

Expenditure trends

Between 2006/07 and 2009/10, spending in the *Transport Policy and Economic Regulation* programme grew significantly from R19.1 million to R54.5 million, at an average annual rate of 41.9 per cent. The increase was largely in consultants and professional services spending, which grew by 115.4 per cent, from R2.1 million in 2006/07 to R21 million in 2009/10. This substantive increase is driven by payments to service providers for developing new policy relating to scholar transport and non-motorised transport. Funds were also shifted to the programme to finance the establishment of the Rail Economic Regulator. Spending on the *Transport Economic Analysis* subprogramme grew significantly from 2006/07 to 2009/10 at an average annual rate of 26.8 per cent, due to the filling of vacant posts.

Over the medium term, expenditure is expected to decline marginally to R54 million. This is due to the strong decline in expenditure on goods and services over the medium term at an average annual rate of 11.3 per cent, from R28.7 million to R20 million. This decrease is offset by the increase in expenditure in compensation of employees over the same period, from R25.3 million to R33.4 million, at an average annual rate of 9.7 per cent. The decrease in expenditure on goods and services is due to delays in establishing the Rail Economic Regulator and a reduction in outsourced services as vacant posts in the programme are filled.

Programme 3: Transport Regulation and Accident and Incident Investigation

- *Road Transport Regulation* enables, coordinates and promotes the review and development of road transport legislation, the development of standards and guidelines, the management of safety information systems and programmes, the management of the national traffic information system, and oversight of the inspectorates for driver's licence and vehicle testing stations and the transportation of dangerous goods.
- *Civil Aviation Regulation* facilitates the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards. It creates an enabling regulatory environment for promoting and developing domestic and international air transport for passengers and freight.
- *Maritime Regulation* facilitates the development of an economically viable maritime industry that is safe, secure, efficient, environmentally friendly and compliant with international standards. It creates an enabling environment for promoting and developing international and domestic maritime transport, improving the prevention and combating of oil pollution, and protecting life and property at the sea.
- *Rail Transport Regulation* develops implements and maintains strategies and regulatory frameworks to ensure improved safety and efficiency in rail transport and freight logistics.
- *Accident and Incident Investigation* collects, maintains and analyses data, and distributes regular reports on accidents and incidents in all modes of transport. It further facilitates search and rescue services.
- *Administration Support*.

Funding for goods and services in the regulation subprogrammes is allocated in accordance with supply chain management principles, while service level agreements guide the allocation of funds for search and rescue services in the *Accident and Incident Investigation* subprogramme.

Objectives and measures

- Reduce road accident fatalities and serious injuries by 50 per cent by 2015, in line with the millennium development goals, by implementing the 2006 road safety strategy and managing the national traffic information system.
- Contribute to a safe, secure and environmentally friendly aviation industry by establishing the Aviation Investigation Board and appeals committees in terms of the Civil Aviation Act (2009) by 2010/11.
- Contribute to a safe, secure, environmentally friendly and efficient maritime industry by developing regulations aimed at ensuring compliance with International Maritime Organisation mandatory instruments and national legislation, on an ongoing basis.

- Measure the success of policies and procedures and enable the provision of search and rescue services by researching and annually distributing reports on accidents and incidents in all modes of transport.

Service delivery focus

In support of implementing best practice models at driver's licence testing centres, vehicle testing stations and registering authorities, driving lessons will be provided at high school level to introduce a culture of obeying traffic rules. This development is pending approval from the Education Council. Once agreed on, it is expected to take 18 to 24 months to incorporate into the Grade 12 curriculum. The agreement is expected to be reached in 2010/11.

The department facilitated the conclusion of 108 bilateral air services agreements between 1990 and 2009. Of these, 43 are active and used by airlines in accordance with the airlift strategy. The purpose of these agreements is to allow foreign airplanes to operate in other countries. Due to economic and traffic demand considerations, 64 agreements are not being used, but provide significant additional future capacity. In response to the findings of safety and security audits and corrective action plans developed by the International Civil Aviation Organisation and the Federal Aviation Administration in 2007 and 2008, the department started revising and rationalising aviation safety and security legislation, which culminated in passing the Civil Aviation Act (2009).

The second African Union conference of ministers responsible for maritime transport was held in Durban in 2009. The conference resolutions deal with piracy, armed robbery at sea and the illegal dumping of toxic waste along the African coastline. Directives on the requirements of the National Ports Act (2005) were developed and gazetted in August 2009. The directives include guidelines on complaints, appeals and hearings against the regulator, tariff evaluation, and frameworks for conducting economic reviews for all South African ports. Port consultative committees were launched in the 7 commercial ports of South Africa.

Expenditure estimates

Table 36.6 Transport Regulation and Accident and Incident Investigation

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|-------------------------------------|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | |
| Road Transport Regulation | 78 523 | 94 958 | 281 351 | 250 149 | 43 751 | 48 848 | 51 483 |
| Civil Aviation Regulation | 12 916 | 20 534 | 62 319 | 26 160 | 27 670 | 29 002 | 30 716 |
| Maritime Regulation | 60 359 | 56 041 | 80 321 | 70 984 | 72 270 | 76 556 | 80 397 |
| Rail Transport Regulation | 342 | 635 | 1 050 | 2 156 | 3 467 | 3 577 | 3 781 |
| Accident and Incident Investigation | 30 391 | 34 935 | 35 395 | 38 774 | 43 171 | 54 464 | 57 156 |
| Administration Support | 5 046 | 2 486 | 6 297 | 7 471 | 5 837 | 6 169 | 6 569 |
| Total | 187 577 | 209 589 | 466 733 | 395 694 | 196 166 | 218 616 | 230 102 |
| Change to 2009 Budget estimate | | | | 200 114 | (11 831) | (5 574) | 9 152 |

Economic classification

| | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Current payments | 178 504 | 195 822 | 447 320 | 383 468 | 183 322 | 205 001 | 215 807 |
| Compensation of employees | 22 575 | 26 645 | 36 984 | 36 363 | 44 055 | 52 544 | 56 072 |
| Goods and services | 155 929 | 169 177 | 410 336 | 347 105 | 139 267 | 152 457 | 159 735 |
| <i>of which:</i> | | | | | | | |
| Administrative fees | 180 | 226 | – | 119 | 125 | 157 | 165 |
| Advertising | 603 | 923 | 2 115 | 1 371 | 1 440 | 1 616 | 1 697 |
| Assets less than the capitalisation threshold | 236 | 592 | 180 | 601 | 631 | 715 | 751 |
| Bursaries: Employees | – | – | 1 746 | – | – | – | – |
| Catering: Departmental activities | 151 | 215 | 193 | 201 | 211 | 248 | 260 |
| Communication | 468 | 389 | 699 | 382 | 401 | 447 | 470 |
| Computer services | 2 329 | 3 067 | 2 631 | 2 840 | 2 982 | 3 340 | 3 508 |

Table 36.6 Transport Regulation and Accident and Incident Investigation (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Economic classification | | | | | | | |
| Current payments | 178 504 | 195 822 | 447 320 | 383 468 | 183 322 | 205 001 | 215 807 |
| <i>Consultants and professional services: Business and advisory services</i> | 109 582 | 151 873 | 306 562 | 275 235 | 80 220 | 84 911 | 89 156 |
| <i>Consultants and professional services: Infrastructure and planning</i> | 2 | – | 66 989 | 48 805 | 38 032 | 43 911 | 45 759 |
| <i>Consultants and professional services: Legal costs</i> | – | 20 | – | 18 | – | – | – |
| <i>Contractors</i> | 885 | – | 2 678 | 3 020 | – | – | – |
| <i>Agency and support / outsourced services</i> | 31 582 | – | 194 | – | – | – | – |
| <i>Inventory: Materials and supplies</i> | – | 9 | – | 8 | – | – | – |
| <i>Inventory: Other consumables</i> | 2 | 14 | 10 | 3 | – | – | – |
| <i>Inventory: Stationery and printing</i> | 1 573 | 1 404 | 2 403 | 1 508 | 1 583 | 1 768 | 1 856 |
| <i>Lease payments</i> | 474 | 302 | 1 674 | 346 | 363 | 407 | 428 |
| <i>Property payments</i> | 81 | 1 | 58 | 1 | – | – | – |
| <i>Transport provided: Departmental activity</i> | – | 461 | – | – | – | – | – |
| <i>Travel and subsistence</i> | 6 526 | 9 482 | 17 843 | 12 384 | 13 003 | 14 594 | 15 325 |
| <i>Training and development</i> | 47 | – | 2 | – | – | – | – |
| <i>Operating expenditure</i> | 284 | 151 | 196 | 139 | 146 | 179 | 188 |
| <i>Venues and facilities</i> | 924 | 48 | 4 163 | 124 | 130 | 164 | 172 |
| Transfers and subsidies | 8 407 | 9 464 | 11 043 | 11 507 | 12 181 | 12 912 | 13 557 |
| Provinces and municipalities | 5 | – | – | – | – | – | – |
| Departmental agencies and accounts | 4 558 | 4 786 | 5 023 | 5 236 | 5 533 | 5 865 | 6 158 |
| Foreign governments and international organisations | 2 846 | 3 580 | 4 850 | 5 114 | 5 420 | 5 745 | 6 032 |
| Non-profit institutions | 950 | 977 | 1 100 | 1 157 | 1 228 | 1 302 | 1 367 |
| Households | 48 | 121 | 70 | – | – | – | – |
| Payments for capital assets | 622 | 480 | 756 | 719 | 663 | 703 | 738 |
| Machinery and equipment | 622 | 480 | 756 | 719 | 663 | 703 | 738 |
| Payments for financial assets | 44 | 3 823 | 7 614 | – | – | – | – |
| Total | 187 577 | 209 589 | 466 733 | 395 694 | 196 166 | 218 616 | 230 102 |
| Details of transfers and subsidies | | | | | | | |
| Provinces and municipalities | | | | | | | |
| Municipalities | | | | | | | |
| Municipal bank accounts | | | | | | | |
| Current | 5 | – | – | – | – | – | – |
| Regional Services Council levies | 5 | – | – | – | – | – | – |
| Departmental agencies and accounts | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | |
| Current | 4 558 | 4 786 | 5 023 | 5 236 | 5 533 | 5 865 | 6 158 |
| South African Maritime Safety Authority | 4 558 | 4 786 | 5 023 | 5 236 | 5 533 | 5 865 | 6 158 |
| Foreign governments and international organisations | | | | | | | |
| Current | 2 846 | 3 580 | 4 850 | 5 114 | 5 420 | 5 745 | 6 032 |
| African Civil Aviation Commission | – | 556 | 728 | 736 | 780 | 827 | 868 |
| Cospas Sarsat Contribution | 259 | 298 | 329 | 331 | 351 | 372 | 391 |
| Indian Ocean Memorandum of Understanding | 177 | 569 | 658 | 222 | 235 | 249 | 262 |
| International Civil Aviation Organisation | 1 986 | 2 153 | 2 730 | 2 821 | 2 990 | 3 169 | 3 327 |
| International Maritime Organisation | 424 | 4 | 405 | 1 004 | 1 064 | 1 128 | 1 184 |

Table 36.6 Transport Regulation and Accident and Incident Investigation (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|-----------------|------------|--------------|------------------------|----------------------------------|--------------|--------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Details of transfers and subsidies | | | | | | | |
| Non-profit institutions | | | | | | | |
| Current | 950 | 977 | 1 100 | 1 157 | 1 228 | 1 302 | 1 367 |
| Hamnet-National Emergency Communications Division of the South African Radio League | 50 | 53 | 50 | 58 | 62 | 65 | 69 |
| Mountain Club of South Africa | 50 | 53 | 50 | 58 | 62 | 66 | 69 |
| National Sea Rescue Institute | 800 | 818 | 950 | 983 | 1 042 | 1 105 | 1 160 |
| Off Road Rescue | 50 | 53 | 50 | 58 | 62 | 66 | 69 |
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | 48 | 121 | 70 | - | - | - | - |
| Employee Social Benefits | 48 | 121 | 70 | - | - | - | - |

Expenditure trends

Expenditure in this programme grew significantly between 2006/07 to 2009/10, at an average annual rate of 28.2 per cent, from R187.6 million in 2006/07 to R395.7 million in 2009/10. The growth was due to increased expenditure on consultants, including expenditure on the electronic national traffic information system. R198.8 million of this expenditure was funded by electronic national traffic information system transaction fees for vehicle registrations. These fees are used to maintain and develop the electronic national traffic information system.

Expenditure on goods and services increased significantly, from R155.9 million 2006/07 to R347.1 million 2009/10, at an average annual rate of 30.6 per cent due to increased expenditure on the maintenance of the electronic national traffic information system in 2008/09 and the reprioritisation of funds to host the Africa-Indian Ocean regional aviation navigation conference.

Over the MTEF period, total expenditure is projected to decline substantially, at an average annual rate of 5 per cent, to reach R230.1 million. This is largely due to the reduction in expenditure on goods and services. The reduction will not be as significant as currently shown, as additional allocations are expected to be made in the adjusted budget every year of the MTEF period for the maintenance of the electronic national traffic information system, as was previously the case.

Expenditure in the *Road Transport Regulation* subprogramme grew at an average annual rate of 94.3 per cent, from R78.5 million in 2006/07 to R250.1 million in 2009/10. Over the MTEF period, this subprogramme is expected to decrease to R51.5 million, at an average annual rate of 41 per cent. This is mainly due to additional expenditure on the maintenance of the electronic national traffic information system in 2009/10 and savings on consultants over the medium term. Expenditure in the *Civil Aviation Regulation* subprogramme increased from R12.9 million in 2006/07 to R26.2 million in 2009/10, at an average annual rate of 26.5 per cent. Funds were reprioritised in this subprogramme for civil aviation investigations. However, spending over the medium term in this subprogramme is expected to rise marginally to R30.7 million, due to a decline in expenditure on civil aviation security. Spending in the *Accident and Incident Investigation* subprogramme is expected to grow at an average annual rate of 13.8 per cent over the MTEF period, mainly because the civil aviation accident and investigation function has been moved from the South African Civil Aviation Authority to the department.

Programme 4: Integrated Planning and Intersphere Coordination

- *Transport Planning* is responsible for: implementing the National Land Transport Act (2009); developing the national transport master plan; and providing planning support to facilitate municipal and provincial transport planning and alignment.

- *Integrated Delivery Programme* supports the achievement of the key national priorities of job creation, access to education and rural development by: aligning the development of transport infrastructure with the extended public works programme; reducing the travel time of learners to their schools by distributing bicycles through the Shova Kalula project; and providing support for rural transport infrastructure to district municipalities. The subprogramme is also responsible for establishing transport authorities and managing the Transport Appeal Tribunal.
- *Integrated Infrastructure and Network Development* reviews transport infrastructure plans, assists with infrastructure planning, develops frameworks and strategies for infrastructure development, provides support for infrastructure projects, coordinates and implements infrastructure projects, develops systems for infrastructure management, and advances regional transport infrastructure development for all modes of transport. The subprogramme also oversees the South African National Roads Agency, and funding for national non-toll roads is transferred to this entity.
- *Administration Support*.

Objectives and measures

- Improve transport planning by developing a master plan, driven by national, provincial and municipal statutory plans, by March 2010, to facilitate and support integrated investment and services across all three spheres of government.
- Improve infrastructure planning and management by implementing the road infrastructure strategic framework for South Africa, aimed at improving the management of the road network and road conditions by March 2010.
- Support rural transport infrastructure investment by planning, supporting and funding key pilot projects by 2012/13.

Service delivery focus

Phases 1 to 3 of the national transport master plan 2050 were completed by November 2009 and provide: reports on the status of transportation; provincial analyses of constraints in providing demand responsive and qualitative transportation systems; 3 scenarios on land use; and supply and demand forecasts up to 2050. The fourth and final phase will be finalised in March 2010 and will outline the action plan for policies, institutions and infrastructure facilities. Road shows will take place in April 2010.

The National Land Transport Act (2009) replaced the National Land Transport Transition Act (2000) in April 2009. In 2010/11, the National Public Transport Regulator will provide regulatory services for inter-provincial public and tourist transport. A standardised procedure manual is being developed to enable all regulatory entities to administer applications for and dispense operating licences. The manual is expected to be finalised in February 2010.

The process of reclassifying roads into the 6 functional classes set out in the road infrastructure strategic framework is ongoing, and guidelines are currently being aligned with the road access management system. This process started in February 2009 and will conclude in 2010/11.

The department, as the responsible party for overload control, will focus on providing weighing infrastructure and encouraging industry self regulation and information sharing over the medium term. Provincial awareness workshops are now held to promote using the road transport management system. A 20-year loads monitoring report, to be updated annually, will be completed in March 2010.

The national airports development plan is being finalised for consultation and Cabinet approval.

Expenditure estimates

Table 36.7 Integrated Planning and Intersphere Coordination

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | |
| Transport Planning | 7 412 | 13 703 | 31 478 | 33 908 | 27 176 | 22 274 | 23 773 |
| Integrated Delivery Programme | 13 996 | 12 138 | 50 799 | 54 825 | 57 222 | 60 187 | 63 126 |
| Integrated Infrastructure and Network Development | 2 380 420 | 3 402 814 | 5 150 930 | 5 788 239 | 6 927 754 | 8 847 277 | 9 626 039 |
| Administration Support | 2 449 | 1 861 | 4 941 | 7 534 | 6 033 | 5 938 | 6 235 |
| Total | 2 404 277 | 3 430 516 | 5 238 148 | 5 884 506 | 7 018 185 | 8 935 676 | 9 719 173 |
| Change to 2009 Budget estimate | | | | 145 734 | (96 994) | 644 188 | - |

Economic classification

| | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current payments | 41 923 | 38 246 | 88 326 | 105 031 | 113 951 | 114 679 | 120 685 |
| Compensation of employees | 14 772 | 17 106 | 19 130 | 27 763 | 32 553 | 34 316 | 36 107 |
| Goods and services | 27 151 | 21 140 | 69 196 | 77 268 | 81 398 | 80 363 | 84 578 |
| <i>of which:</i> | | | | | | | |
| <i>Administrative fees</i> | - | 66 | 7 | 106 | 111 | 117 | 123 |
| <i>Advertising</i> | 1 560 | 1 555 | 450 | 1 666 | 1 749 | 1 837 | 1 929 |
| <i>Assets less than the capitalisation threshold</i> | 267 | 243 | 51 | 528 | 554 | 582 | 611 |
| <i>Catering: Departmental activities</i> | 42 | 91 | 142 | 198 | 208 | 218 | 229 |
| <i>Communication</i> | 171 | 113 | 193 | 255 | 268 | 281 | 295 |
| <i>Computer services</i> | 32 | 24 | 48 | 52 | 55 | 57 | 60 |
| <i>Consultants and professional services: Business and advisory services</i> | 20 041 | 14 901 | 58 294 | 68 048 | 71 718 | 70 199 | 73 906 |
| <i>Contractors</i> | 670 | - | 885 | - | - | - | - |
| <i>Inventory: Other consumables</i> | 8 | 14 | 2 | 34 | 36 | 37 | 39 |
| <i>Inventory: Stationery and printing</i> | 446 | 573 | 1 001 | 1 025 | 1 076 | 1 130 | 1 187 |
| <i>Lease payments</i> | 121 | 135 | 313 | 166 | 174 | 183 | 192 |
| <i>Property payments</i> | 104 | - | - | - | - | - | - |
| <i>Transport provided: Departmental activity</i> | - | 225 | - | 49 | 51 | 54 | 56 |
| <i>Travel and subsistence</i> | 3 171 | 2 842 | 5 839 | 4 626 | 4 857 | 5 100 | 5 355 |
| <i>Training and development</i> | 41 | - | 24 | - | - | - | - |
| <i>Operating expenditure</i> | 92 | 12 | 1 624 | 30 | 32 | 33 | 35 |
| <i>Venues and facilities</i> | 385 | 346 | 323 | 485 | 509 | 535 | 561 |
| Transfers and subsidies | 2 327 133 | 3 391 970 | 5 143 170 | 5 779 202 | 6 865 939 | 8 767 914 | 9 542 751 |
| Provinces and municipalities | 10 | - | 1 083 169 | 171 116 | 21 438 | 11 100 | 11 655 |
| Departmental agencies and accounts | 2 327 075 | 3 391 929 | 4 059 964 | 5 608 086 | 6 844 501 | 8 756 814 | 9 531 096 |
| Households | 48 | 41 | 37 | - | - | - | - |
| Payments for capital assets | 35 221 | 293 | 475 | 273 | 38 295 | 53 083 | 55 737 |
| Buildings and other fixed structures | - | - | - | - | 37 650 | 52 399 | 55 019 |
| Machinery and equipment | 35 221 | 293 | 475 | 273 | 645 | 684 | 718 |
| Payments for financial assets | - | 7 | 6 177 | - | - | - | - |
| Total | 2 404 277 | 3 430 516 | 5 238 148 | 5 884 506 | 7 018 185 | 8 935 676 | 9 719 173 |

Table 36.7 Integrated Planning and Intersphere Coordination (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|-----------------|-----------|-----------|------------------------|----------------------------------|-----------|-----------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Details of transfers and subsidies | | | | | | | |
| Provinces and municipalities | | | | | | | |
| Provinces | | | | | | | |
| Provincial Revenue Funds | | | | | | | |
| Capital | - | - | 1 074 269 | 161 316 | 11 038 | - | - |
| Sani Pass Roads Grant | - | - | 30 000 | 34 347 | - | - | - |
| Overload Control Grant | - | - | 8 796 | 10 069 | 11 038 | - | - |
| Transport Disaster Management Grant | - | - | 1 035 473 | 116 900 | - | - | - |
| Provinces and municipalities | | | | | | | |
| Municipalities | | | | | | | |
| Municipal bank accounts | | | | | | | |
| Current | 10 | - | - | - | - | - | - |
| Regional Services Council levies | 10 | - | - | - | - | - | - |
| Capital | - | - | 8 900 | 9 800 | 10 400 | 11 100 | 11 655 |
| Public Transport Infrastructure and Systems Grant | - | - | - | - | - | - | - |
| Rural Transport Services and Infrastructure Grant | - | - | 8 900 | 9 800 | 10 400 | 11 100 | 11 655 |
| Departmental agencies and accounts | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | |
| Current | 1 494 123 | 1 962 579 | 2 159 964 | 2 760 550 | 2 779 324 | 2 944 248 | 3 146 460 |
| South African National Roads Agency | 1 494 123 | 1 962 579 | 2 159 964 | 2 760 550 | 2 779 324 | 2 944 248 | 3 146 460 |
| Capital | 832 952 | 1 429 350 | 1 900 000 | 2 847 536 | 4 065 177 | 5 812 566 | 6 384 636 |
| South African National Roads Agency | - | - | - | - | - | 750 000 | 750 000 |
| South African National Roads Agency | 832 952 | 1 429 350 | 1 900 000 | 2 847 536 | 4 065 177 | 5 062 566 | 5 634 636 |
| Public corporations and private enterprises | | | | | | | |
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | 48 | 41 | 37 | - | - | - | - |
| Employee Social Benefits | 48 | 41 | 37 | - | - | - | - |

Expenditure trends

Expenditure increased significantly from 2006/07 to 2009/10 at an average annual rate of 34.8 per cent, from R2.4 billion in 2006/07 to R5.9 billion in 2009/10. The robust growth is due to once-off allocations of R1 billion in 2008/09 and R116.9 million in 2009/10 for the disaster management grant to repair storm water damage to roads and bridges caused by floods in KwaZulu-Natal and Western Cape. Expenditure in this programme is dominated by expenditure in the *Integrated Infrastructure and Network Development* subprogramme, which makes transfer payments to the South African National Roads Agency. The agency's expenditure in 2009/10 also includes a rollover amount of R13.1 million which increased the baseline. Expenditure in 2009/10 also includes a self-financing allocation of R6.9 million that the Urban Transport Fund surrendered to the National Revenue Fund when the former closed down. The allocation was used to fund commitments that the department took over from the Urban Transport Fund. The department expects over-expenditure of R47.7 million in this programme.

A budget structure change approved in 2009/10 and effective from April 2010 moved the *2010 Soccer World Cup Coordination* subprogramme and the public transport infrastructure and systems grant from this programme to the *Public Transport* programme. The grant provides R12.2 billion over the medium term for municipal public transport. The purpose of the grant will refocus from 2010 onwards from 2010 FIFA World Cup host cities to general public transport, which required that the budget structure be changed.

Expenditure on transfers and subsidies to the South African National Roads Agency is projected to grow significantly over the medium term, from R5.6 billion to R9.5 billion at an average annual rate of 19.3 per cent. Over the medium term, savings of R120 million, R121.5 million and R72.5 million on transfer payments to the agency have been identified. These savings are made up of R250 million identified as efficiency savings and R64 million in current transfers to the agency that has been reprioritised for compensation of employees spending in the department.

Additional amounts of R750 million in 2011/12 and R750 million in 2012/13 are allocated to the agency to incorporate provincial secondary roads related to the coal haulage network into the national network and restore and maintain them.

Over the medium term, R7.5 million is allocated to establish the National Public Transport Regulator.

Public entity

South African National Roads Agency

Strategic overview: 2006/07 – 2012/13

The South African National Roads Agency was established in terms of the Companies Act (1973), and is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999). The agency is a corporate entity operating at arm's length from government, with the Minister of Transport its sole shareholder. It is responsible for the existing national road network of 16 170km with an estimated asset value of over R140 billion. The agency's main activities relate to financing, managing, controlling, planning, developing, maintaining and rehabilitating the national road network, as provided for in the South African National Roads Agency and National Roads Act (1998).

As part of ongoing efforts to upgrade, maintain and improve the national road network, the agency has initiated a number of significant projects. The first phase of 185km of the Gauteng freeway improvement project will be completed over the MTEF period. The tolling of this phase will begin in April 2011. A further 376km of new roads, upgrades and improvements is scheduled to start in 2012. A number of new toll projects, including the N17 from Springs to Ermelo, the R30 from Bloemfontein to Kroonstad (via Welkom), ring roads around Nelspruit and Polokwane, as well as the interchange at the Dube trade port are under construction. Other new toll projects include the R512/N4, the extension of the N3, and the Huguenot tunnel and R300 in Western Cape.

Savings and cost effective service delivery

All South African National Road Agency projects are identified and prioritised using an advanced asset management system. This ensures the cost effective allocation of resources across the national road network at all times. The agency's focus on preventative maintenance minimises the need for costly reconstruction and continuously generates substantial cost savings.

To achieve savings of R314.1 million on operational expenditure, some projects have been delayed or the scope of work reduced. This has been done in conjunction with the asset management system to ensure that critical projects are not affected.

Selected performance indicators

Table 36.8 South African National Roads Agency

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|--|--------------------------------|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2010/11 | 2011/12 |
| Smooth travel exposure index: percentage travel on roads with low roughness | Strengthening and improvements | 98% | 97% | 95% | 95% | 95% | 95% | 95% |
| Ad hoc maintenance, routine maintenance, and periodic and special maintenance as percentage of total maintenance | Maintenance | 98% | 97% | 95% | 95% | 95% | 95% | 95% |
| Kilometre network expansion | New facilities | 678 | - | 44 | - | 2 045 | - | - |

Service delivery focus

Current maintenance contracts for the national road network include resurfacing 2 734km of roads, strengthening 1 937km and improving 463km. In 2009/10, the following progress was made in the toll road development programme: construction work on the N1 Polokwane bypass, the N4 Nelspruit bypass, the N17 from Springs to Ermelo, and the R30 from Bloemfontein to Kroonstad; and phase 1 of the Gauteng freeway improvement project (185 km) and the N2 Dube trade port interchange. In 2008/09, the total value of work allocated to small, medium and micro enterprises (SMME) was R1.8 billion. 75 per cent of the work was carried out by black owned SMMEs. In 2008/09, the agency created jobs amounting to 39 148 980 person hours, equating to 29 529 full time jobs, and awarded contracts to the value of R18.2 billion for completion over the MTEF period.

Through the public private partnerships, the agency has proactively sought alternative sources of finance for road infrastructure and opportunities to reduce dependence on tax based revenues. In 2008/09, concessionaires spent R677 million on the maintenance, rehabilitation and reinforcement of 1 374km of toll roads. Accumulated expenditure to date is R6.9 billion.

The South African National Roads Agency retained its Moody's AA2.Za/P-1.za national scale credit issue rating for non-guaranteed funds and also received a global scale issuer rating of A3-long term and P2-short term in August 2009. In 2009, the agency's approved borrowing programme was increased by R31.9 billion and has been guaranteed by government. As a result, the agency launched its new domestic medium term note programme in August 2009, through which financing options for new and upgraded toll routes are increased.

A key focus over the MTEF period will be the completion of the Gauteng freeway improvement project and the implementation of the new electronic open road tolling system. The open road tolling project is due to start in April 2011. Lane additions and interchange upgrades are required.

Expenditure estimates

Table 36.9 South African National Roads Agency Limited: Programme information

| R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|----------------------|------------------|------------------|-------------------|-------------------|----------------------|-------------------|------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Maintenance | 2 104 277 | 2 305 429 | 2 285 661 | 2 287 333 | 3 843 932 | 3 809 673 | 1 883 513 |
| Strengthening | 505 640 | 984 756 | 1 612 880 | 2 073 383 | 3 520 425 | 4 010 393 | 2 768 978 |
| Improvements | 349 336 | 1 186 881 | 6 201 202 | 8 039 250 | 7 612 187 | 3 550 925 | 2 193 092 |
| New Facilities | 213 214 | 296 969 | 1 763 940 | 2 940 731 | 3 209 300 | 1 809 065 | 1 137 723 |
| Total expense | 3 172 467 | 4 774 035 | 11 863 683 | 15 340 697 | 18 185 844 | 13 180 056 | 7 983 306 |

Table 36.10 South African National Roads Agency Limited: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|------------------|-------------------|-------------------|-------------------|----------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 1 410 859 | 1 987 899 | 3 179 500 | 1 813 950 | 2 016 219 | 4 796 154 | 5 426 969 |
| Sale of goods and services other than capital assets <i>of which:</i> | 1 184 614 | 1 537 677 | 1 687 746 | 1 813 950 | 2 016 219 | 4 796 154 | 5 426 969 |
| <i>Tollgate fees</i> | 1 117 077 | 1 226 715 | 1 329 980 | 1 626 941 | 1 829 210 | 4 609 145 | 5 239 960 |
| <i>Other sales</i> | 67 537 | 310 962 | 357 766 | 187 009 | 187 009 | 187 009 | 187 009 |
| <i>Other non-tax revenue</i> | 226 245 | 450 222 | 1 491 754 | – | – | – | – |
| Transfers received | 1 578 922 | 1 841 842 | 1 934 410 | 5 787 405 | 6 844 501 | 8 756 814 | 9 531 096 |
| Total revenue | 2 989 781 | 3 829 741 | 5 113 910 | 7 601 355 | 8 860 720 | 13 552 968 | 14 958 065 |
| Expenses | | | | | | | |
| Current expense | 3 020 526 | 3 487 235 | 4 101 057 | 5 726 571 | 8 067 590 | 12 024 488 | 13 600 363 |
| Compensation of employees | 50 542 | 58 054 | 83 623 | 108 225 | 116 723 | 122 383 | 130 949 |
| Goods and services | 2 104 277 | 2 248 740 | 2 174 811 | 3 281 931 | 3 909 443 | 6 851 020 | 7 325 031 |
| Depreciation | 236 000 | 461 240 | 521 553 | 814 615 | 1 138 424 | 1 420 085 | 1 602 383 |
| Interest, dividends and rent on land | 629 707 | 719 201 | 1 321 070 | 1 521 800 | 2 903 000 | 3 631 000 | 4 542 000 |
| Total expenses | 3 020 526 | 3 487 235 | 4 101 057 | 5 726 571 | 8 067 590 | 12 024 488 | 13 600 363 |
| Surplus / (Deficit) | (30 745) | 342 506 | 1 012 853 | 1 874 784 | 793 130 | 1 528 480 | 1 357 702 |
| Statement of financial position | | | | | | | |
| Carrying value of assets | 8 026 679 | 14 385 663 | 23 909 544 | 29 115 826 | 44 430 481 | 51 962 428 | 56 532 109 |
| <i>of which: Acquisition of assets</i> | 1 068 190 | 2 828 619 | 8 971 629 | 6 020 897 | 16 453 079 | 8 952 032 | 6 172 064 |
| Investments | 318 643 | 294 155 | 290 830 | 875 877 | 800 000 | 500 000 | 500 000 |
| Receivables and prepayments | 167 661 | 548 034 | 2 530 446 | 617 204 | 600 000 | 900 000 | 1 200 000 |
| Cash and cash equivalents | 1 313 349 | 1 462 137 | 3 872 904 | 3 470 257 | 1 709 740 | 2 209 740 | 3 100 092 |
| Total assets | 9 826 332 | 16 689 989 | 30 603 724 | 34 079 164 | 47 540 221 | 55 572 168 | 61 332 201 |
| Accumulated surplus/deficit | (3 252 822) | (2 902 840) | (1 889 987) | (15 113) | 850 777 | 2 452 017 | 3 882 497 |
| Capital and reserves | 1 091 044 | 1 091 044 | 1 091 044 | 1 091 044 | 1 091 044 | 1 091 044 | 1 091 044 |
| Borrowings | 6 199 955 | 6 718 839 | 16 205 063 | 20 849 898 | 30 970 658 | 34 674 372 | 38 079 819 |
| Post-retirement benefits | 7 133 | 6 774 | 6 854 | 6 934 | 7 014 | 7 094 | 7 174 |
| Trade and other payables | 868 434 | 5 278 298 | 6 510 730 | 3 348 881 | 5 852 605 | 8 579 518 | 9 503 544 |
| Managed funds | 277 577 | 239 352 | 204 137 | 294 397 | 265 000 | 265 000 | 265 000 |
| Liabilities not classified elsewhere | 4 635 011 | 6 258 522 | 8 475 883 | 8 503 123 | 8 503 123 | 8 503 123 | 8 503 123 |
| Total equity and liabilities | 9 826 332 | 16 689 989 | 30 603 724 | 34 079 164 | 47 540 221 | 55 572 168 | 61 332 201 |

Expenditure trends

The South African National Roads Agency finances its operations from 2 distinct revenue sources, government transfers and toll income. These are ring fenced to fund the non-toll and toll operations respectively and no cross-subsidisation is required.

Over the MTEF period, the following transfers are allocated for non-toll national road infrastructure: R6.8 billion, R8.7 billion and R9.5 billion.

For the toll operations, the agency raises funding through its medium term note programme in the domestic market, which carries a government guarantee to reduce the cost of borrowing. The loans are repaid with income collected on declared toll routes. The agency also raised €120 million from the European Investment Bank. The 141.2 per cent increase in borrowings in 2008/09 has been applied to, among others, the Gauteng freeway improvement project, the N17 from Springs to Ermelo, the R30 from Bloemfontein to Kroonstad (via Welkom), and the interchange at the new Dube trade port. Over the MTEF period, borrowings will increase by a

further 22.2 per cent, as these projects are being completed. It should be noted that on newly declared toll routes, toll income will only start once the upgrades are completed. Hence, funding and borrowing costs will continue to increase until then. The impact on revenue is reflected in the significant 53 per cent growth in income in 2011/12, due to the start of the open road toll in April 2011. Estimated revenue from the Gauteng freeway improvement project is R300 million per month.

Total revenue increased substantially between 2006/07 and 2009/10 at an average annual rate of 36.5 per cent, from R3 billion in 2006/07 to R7.6 billion in 2009/10. It is expected to increase to R15 billion in 2012/13, at an average annual rate of 25.3 per cent. Expenditure increased at an average annual rate of 23.8 per cent from R3 billion to R5.7 billion in the same period. It is expected to increase to R13.6 billion over the medium term, at an average annual rate of 33.4 per cent.

The increase in cash and cash equivalents between 2007/08 and 2008/09 is due to the funding requirements for the toll operations. To ensure that the South African National Roads Agency does not risk significant cash shortages to pay its contractors, it carries a liquidity buffer of around 3 months' expenditure. This policy has proved to be adequate and prudent in the global economic downturn.

Programme 5: Transport Logistics and Corridor Development

- *National Freight Logistics Strategy* is responsible for developing strategies to unblock bottlenecks in the freight logistics system. It will oversee the implementation of a national freight logistics strategy by coordinating integrated infrastructure planning, forecasting demand and undertaking scenario planning. Financial support to provincial freight forums is based on memorandums of understanding between the department and provincial departments.
- *Eastern Corridor and Western Corridor* implements projects in the freight corridors. These are aimed at improving the efficiency of the corridors into a seamless logistics system that supports the geographic expansion of economic activity in South Africa and the Southern African Development Community (SADC) region.
- *Administration Support*.

Objectives and measures

- Promote the seamless and integrated movement of cargo to achieve systems costs reduction and reduce transit and turnaround times by half by developing appropriate corridor mapping tools to ensure interoperability by 2014.
- Enhance and promote the participation of the second economy players in the mainstream economy as well as encourage private sector participation and investment by developing appropriate institutional and regulatory frameworks for freight transport by 2014.

Service delivery focus

The national freight databank for all 9 provinces, which provides an analysis of freight movement statistics, was completed in 2009. In 2010/11, the department will begin updating the current databank on a national scale for all modes of transport for a range of corridor information. The development of the national freight information system has been stalled and is expected to be finalised by 2012.

The department has started developing sub-sectoral strategic intervention areas for implementing the national freight logistics strategy in rail, roads, air and ports to remove current system blockages, increase freight movement capacity and improve performance. Strategic intervention areas in rail, roads and air are expected to be implemented by 2011. Interventions in ports sector will be implemented by 2012.

The provincial freight logistics forums have gained momentum. The forums include the different spheres of government, agencies, state owned enterprises, organised labour, the private sector and communities. 2010 FIFA World cup host cities were assisted in integrating their freight plans into overall transport plans.

These plans were submitted to FIFA in October 2008 and contributed to the success of the FIFA Confederations Cup in 2009. Site visits were conducted to Beit Bridge, Lebombo, Maseru Bridge and Nakop land border posts to get first hand information on the sources of congestion and delays. A draft freight movement optimisation plan was compiled.

Expenditure estimates

Table 36.11 Transport Logistics and Corridor Development

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|-------------------------------------|-----------------|---------------|---------------|------------------------|----------------------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | |
| National Freight Logistics Strategy | 7 189 | 1 364 | 4 840 | 15 360 | 15 350 | 15 839 | 16 677 |
| Eastern Corridor | 7 536 | 7 694 | 11 476 | 3 745 | 4 394 | 4 699 | 4 986 |
| Western Corridor | 2 552 | 2 224 | 3 174 | 7 494 | 7 090 | 7 510 | 8 001 |
| Administration Support | 641 | 1 701 | 2 703 | 2 710 | 3 269 | 3 451 | 3 669 |
| Total | 17 918 | 12 983 | 22 193 | 29 309 | 30 103 | 31 499 | 33 333 |
| Change to 2009 Budget estimate | | | | (2 500) | (8 889) | (8 789) | - |

Economic classification

| | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Current payments | 17 780 | 12 934 | 21 993 | 28 966 | 30 046 | 31 439 | 33 270 |
| Compensation of employees | 3 913 | 4 344 | 6 757 | 12 334 | 15 547 | 16 387 | 17 501 |
| Goods and services | 13 867 | 8 590 | 15 236 | 16 632 | 14 499 | 15 052 | 15 769 |
| <i>of which:</i> | | | | | | | |
| <i>Administrative fees</i> | - | 137 | - | 226 | 237 | 249 | 262 |
| <i>Advertising</i> | 172 | 250 | 16 | 595 | 625 | 656 | 689 |
| <i>Assets less than the capitalisation threshold</i> | 74 | 36 | 112 | 26 | 27 | 29 | 30 |
| <i>Catering: Departmental activities</i> | 5 | 6 | 30 | 14 | 15 | 15 | 16 |
| <i>Communication</i> | 146 | 100 | 127 | 170 | 179 | 187 | 197 |
| <i>Computer services</i> | 8 | 4 | 14 | 10 | 11 | 11 | 12 |
| <i>Consultants and professional services: Business and advisory services</i> | 11 142 | 6 926 | 12 906 | 12 961 | 10 649 | 11 011 | 11 524 |
| <i>Contractors</i> | 278 | - | 383 | 5 | - | - | - |
| <i>Inventory: Other consumables</i> | 3 | 6 | 14 | 14 | 15 | 15 | 16 |
| <i>Inventory: Stationery and printing</i> | 31 | 59 | 82 | 230 | 241 | 254 | 266 |
| <i>Lease payments</i> | 27 | 18 | 39 | 43 | 45 | 47 | 50 |
| <i>Property payments</i> | 1 | - | - | - | - | - | - |
| <i>Transport provided: Departmental activity</i> | - | 109 | - | 259 | 272 | 286 | 300 |
| <i>Travel and subsistence</i> | 1 462 | 866 | 921 | 1 905 | 2 000 | 2 100 | 2 205 |
| <i>Training and development</i> | 19 | - | - | - | - | - | - |
| <i>Operating expenditure</i> | 484 | 7 | 431 | 17 | 18 | 19 | 20 |
| <i>Venues and facilities</i> | 15 | 66 | 161 | 157 | 165 | 173 | 182 |
| Transfers and subsidies | 7 | - | 9 | - | - | - | - |
| Provinces and municipalities | 3 | - | - | - | - | - | - |
| Households | 4 | - | 9 | - | - | - | - |
| Payments for capital assets | 131 | 47 | 189 | 343 | 57 | 60 | 63 |
| Machinery and equipment | 131 | 47 | 189 | 343 | 57 | 60 | 63 |
| Payments for financial assets | - | 2 | 2 | - | - | - | - |
| Total | 17 918 | 12 983 | 22 193 | 29 309 | 30 103 | 31 499 | 33 333 |

Details of transfers and subsidies

| | | | | | | | |
|----------------------------------|---|---|---|---|---|---|---|
| Provinces and municipalities | | | | | | | |
| Municipalities | | | | | | | |
| Municipal bank accounts | | | | | | | |
| Current | 3 | - | - | - | - | - | - |
| Regional Services Council levies | 3 | - | - | - | - | - | - |
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | 4 | - | 9 | - | - | - | - |
| Employees Social Benefits | 4 | - | 9 | - | - | - | - |

Expenditure trends

Spending increased from R17.9 million in 2006/07 to R29.3 million in 2009/10 at an average annual rate of 17.8 per cent, mainly due to higher expenditure on personnel. Expenditure in compensation of employees grew significantly from 2006/07 to 2009/10 at an average annual rate of 46.6 per cent, from R3.9 million in 2006/07 million to R12.3 million in 2009/10, as a result of concerted efforts to fill vacant posts. The vacancy rate of the programme decreased as a result, from 41.7 per cent in 2006/07 to 26 per cent in 2008/09. However, the programme continues to under spend on its appropriated budget. Only 49.4 per cent of the appropriated budget was spent 2007/08 and 31.2 per cent in 2008/09. Further underspending is expected in 2009/10 as a result of difficulties in procuring appropriate service providers.

Over the medium term, expenditure is projected to grow marginally at an average annual rate of 4.4 per cent to reach R33.3 million, as expenditure on consultants and professional services and compensation of employees stabilises.

Programme 6: Public Transport

- *Public Transport Strategy and Monitoring* develops public transport strategies and leads the initiation of related implementation projects. Its main priority is to oversee the implementation of the public transport strategy. Funding for goods and services is based on supply chain principles.
- *Public Transport Management* oversees the payment of rail commuter subsidies and capital transfers to the Passenger Rail Agency of South Africa, manages the passenger rail integration process and facilitates the transformation of the industry.
- *Taxi Recapitalisation Project Office* manages taxi related matters, liaises with the industry, intervenes to ensure that the formalisation process is on track, facilitates training and development, and develops regulatory frameworks. The implementation of the taxi recapitalisation project is a key priority, and funds for scrapping old taxis are paid in accordance with the taxi recapitalisation programme.
- *Public Transport Business Development* develops the business case for public transport and focuses on the integration of public transport operations to maximise the subsidy. It also develops the business case and analysis for new public transport developments. Funding for goods and services is based on supply chain management principles.
- *Public Transport Infrastructure and Systems* facilitates coordinated planning and monitors the spending and performance of public transport infrastructure and operations in metropolitan municipalities and large cities.
- *Administration Support*

Objectives and measures

- Sustain access to safe, reliable and affordable public transport for all public transport users by facilitating the establishment of a public transport integration committee in each province by August 2010.
- Align and integrate the taxi recapitalisation programme with national and provincial rail services, metropolitan rapid public transport corridor services and subsidised provincial bus services by facilitating the development of operational plans for integrated rapid public transport networks in metropolitan and large municipalities and redefining the taxi recapitalisation project by 2013.
- Promote the orderly and sustainable development of transport infrastructure by monitoring and supporting the implementation of the 2010 action plan in accordance with FIFA guarantees.

Service delivery focus

Bus specifications and fleet size and related procurement needs for the 2010 FIFA World Cup were finalised in January 2010. Detailed operational plans and alignment with host city operational plans for all provinces are in place. The tender for an operational company to provide services was advertised in January 2010.

In February 2009, Cabinet approved the turnaround strategy for the 9 operating licence boards, the taxi industry, the taxi regulatory framework and the taxi recapitalisation policy. These frameworks will be discussed with the Minister of Finance to develop an appropriate funding model in 2010/11.

Several meetings with cities on the intersphere alignment of integrated rapid public transport network norms and standards for electronic fare collection were conducted in 2009/10. Inputs from the road show will help to finalise the integrated rapid public transport network plan in Johannesburg, Nelson Mandela Bay metropolitan municipality, Tshwane and Cape Town.

Expenditure estimates

Table 36.12 Public Transport

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|-------------------|-------------------|-------------------|------------------------|----------------------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | |
| Public Transport Strategy and Monitoring | 4 663 | 2 826 | 4 221 | 22 796 | 10 000 | 7 770 | 8 163 |
| Public Transport Management | 9 505 130 | 9 831 405 | 12 535 414 | 13 540 169 | 12 580 753 | 13 302 079 | 13 963 731 |
| Taxi Recapitalisation Project Office | 231 784 | 679 783 | 575 745 | 754 852 | 626 778 | 606 574 | 636 655 |
| Public Transport Business Development | - | 382 | 1 872 | 1 918 | 2 430 | 2 564 | 2 696 |
| Administration Support | 3 647 | 2 194 | 2 957 | 5 983 | 5 900 | 6 237 | 6 549 |
| Public Transport Infrastructure and Systems | 699 266 | 1 795 700 | 3 059 585 | 3 126 652 | 4 203 717 | 4 429 485 | 4 129 720 |
| Total | 10 444 490 | 12 312 290 | 16 179 794 | 17 452 370 | 17 429 578 | 18 354 709 | 18 747 514 |
| Change to 2009 Budget estimate | | | | 144 029 | (316 960) | (627 229) | - |

Economic classification

| | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Current payments | 153 356 | 135 179 | 162 003 | 191 762 | 150 976 | 155 405 | 162 960 |
| Compensation of employees | 8 611 | 11 552 | 17 972 | 21 709 | 26 341 | 27 762 | 29 226 |
| Goods and services | 144 745 | 123 627 | 144 031 | 170 053 | 124 635 | 127 643 | 133 734 |
| <i>of which:</i> | | | | | | | |
| Administrative fees | - | 73 | - | 104 | 109 | 115 | 120 |
| Advertising | 6 843 | 279 | 31 | 397 | 417 | 437 | 459 |
| Assets less than the capitalisation threshold | 175 | 153 | 154 | 218 | 229 | 240 | 252 |
| Catering: Departmental activities | 25 | 49 | 43 | 70 | 73 | 77 | 81 |
| Communication | 180 | 113 | 177 | 161 | 169 | 177 | 186 |
| Computer services | 18 | 1 484 | 778 | 2 113 | 2 218 | 2 330 | 2 446 |
| Consultants and professional services: Business and advisory services | 133 964 | 119 677 | 139 670 | 164 428 | 118 730 | 121 443 | 127 225 |
| Consultants and professional services: Legal costs | 5 | - | - | - | - | - | - |
| Contractors | 577 | - | 326 | - | - | - | - |
| Agency and support / outsourced services | 920 | - | - | - | - | - | - |
| Inventory: Other consumables | 1 | 5 | - | 7 | 7 | 8 | 8 |
| Inventory: Stationery and printing | 414 | 322 | 627 | 459 | 482 | 506 | 531 |
| Lease payments | 72 | 95 | 102 | 135 | 142 | 149 | 156 |
| Property payments | 2 | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | 85 | - | 121 | 127 | 133 | 140 |
| Travel and subsistence | 992 | 1 202 | 1 530 | 1 712 | 1 798 | 1 887 | 1 982 |
| Operating expenditure | 473 | 5 | 90 | 7 | 7 | 8 | 8 |
| Venues and facilities | 84 | 85 | 503 | 121 | 127 | 133 | 140 |
| Transfers and subsidies | 10 290 978 | 12 175 010 | 16 017 510 | 17 260 475 | 17 278 461 | 18 199 155 | 18 584 398 |
| Provinces and municipalities | 3 759 027 | 4 203 411 | 6 185 823 | 8 926 806 | 8 000 855 | 8 583 532 | 8 485 894 |
| Departmental agencies and accounts | 1 000 | 130 000 | 100 000 | 206 559 | - | - | - |
| Public corporations and private enterprises | 6 420 207 | 7 267 194 | 9 258 163 | 7 482 393 | 8 765 206 | 9 128 479 | 9 587 003 |
| Non-profit institutions | 11 236 | 2 853 | 12 975 | 13 952 | 14 789 | 15 676 | 16 460 |
| Households | 99 508 | 571 552 | 460 549 | 630 765 | 497 611 | 471 468 | 495 041 |
| Payments for capital assets | 156 | 158 | 281 | 133 | 141 | 149 | 156 |
| Machinery and equipment | 156 | 158 | 281 | 133 | 141 | 149 | 156 |
| Payments for financial assets | - | 1 943 | - | - | - | - | - |
| Total | 10 444 490 | 12 312 290 | 16 179 794 | 17 452 370 | 17 429 578 | 18 354 709 | 18 747 514 |

Table 36.12 Public Transport (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|-----------------|-----------|-----------|------------------------|----------------------------------|-----------|-----------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Details of transfers and subsidies | | | | | | | |
| Provinces and municipalities | | | | | | | |
| Provinces | | | | | | | |
| Provincial Revenue Funds | | | | | | | |
| Current | - | - | - | 3 531 909 | 3 863 033 | 4 153 232 | 4 360 894 |
| Public Transport Operations Grant | - | - | - | 3 531 909 | 3 863 033 | 4 153 232 | 4 360 894 |
| Capital | 3 241 000 | 3 029 411 | 3 265 993 | 2 976 720 | 438 360 | 5 300 | - |
| Gautrain Rapid Rail Link | 3 241 000 | 3 029 411 | 3 265 993 | 2 976 720 | 438 360 | 5 300 | - |
| Provinces and municipalities | | | | | | | |
| Municipalities | | | | | | | |
| Municipal bank accounts | | | | | | | |
| Current | 7 | - | - | - | - | - | - |
| Regional Services Council levies | 7 | - | - | - | - | - | - |
| Capital | 518 020 | 1 174 000 | 2 919 830 | 2 418 177 | 3 699 462 | 4 425 000 | 4 125 000 |
| Public Transport Infrastructure and Systems Grant | 518 020 | 1 174 000 | 2 919 830 | 2 418 177 | 3 699 462 | 4 425 000 | 4 125 000 |
| Departmental agencies and accounts | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | |
| Capital | 1 000 | 130 000 | 100 000 | 206 559 | - | - | - |
| South African National Roads Agency: Public Transport Infrastructure and Systems Fund | - | 130 000 | 100 000 | 206 559 | - | - | - |
| Cross Border Road Transport Agency: Public Transport Infrastructure and Systems Fund | 1 000 | - | - | - | - | - | - |
| Public corporations and private enterprises | | | | | | | |
| Public corporations | | | | | | | |
| Subsidies on production or products | | | | | | | |
| Current | 2 751 274 | 2 259 119 | 3 049 604 | 3 185 844 | 3 154 933 | 3 343 711 | 3 565 897 |
| Passenger Rail Agency of South Africa | 2 751 274 | 2 259 119 | 3 049 604 | 3 185 844 | 3 154 933 | 3 343 711 | 3 565 897 |
| Public corporations and private enterprises | | | | | | | |
| Public corporations | | | | | | | |
| Other transfers | | | | | | | |
| Capital | 1 208 598 | 2 172 078 | 2 367 686 | 4 296 549 | 5 610 273 | 5 784 768 | 6 021 106 |
| Passenger Rail Agency of South Africa | 1 029 598 | 1 696 078 | 2 367 686 | 3 831 791 | 5 610 273 | 5 784 768 | 6 021 106 |
| Passenger Rail Agency of South Africa: Public Transport Infrastructure and Systems Fund | 179 000 | 476 000 | - | 464 758 | - | - | - |
| Public corporations and private enterprises | | | | | | | |
| Private enterprises | | | | | | | |
| Subsidies on production or products | | | | | | | |
| Current | 2 460 335 | 2 835 997 | 3 840 873 | - | - | - | - |
| Bus Subsidies | 2 460 335 | 2 835 997 | 3 840 873 | - | - | - | - |
| Non-profit institutions | | | | | | | |
| Current | 11 236 | 2 853 | 12 975 | 13 952 | 14 789 | 15 676 | 16 460 |
| South African National Taxi Council | 11 236 | 2 853 | 12 975 | 13 952 | 14 789 | 15 676 | 16 460 |
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | 8 | - | - | - | - | - | - |
| Employees Social Benefits | 8 | - | - | - | - | - | - |
| Households | | | | | | | |
| Other transfers to households | | | | | | | |
| Current | 99 500 | 571 552 | 460 549 | 630 765 | 497 611 | 471 468 | 495 041 |
| Taxi Recapitalisation | 99 500 | 571 552 | 460 549 | 630 765 | 497 611 | 471 468 | 495 041 |

Expenditure trends

Expenditure in the *Public Transport* programme is dominated by transfers and subsidies mainly in the following subprogrammes: *Public Transport Management* for the Gautrain rapid rail link, the Passenger Rail Agency of South Africa and the public transport operations grants (bus subsidies); *Taxi Recapitalisation Projects Office* for recapitalisation; *Public Transport Infrastructure and Systems* for the public transport infrastructure and systems grant.

Between 2006/07 and 2009/10, overall expenditure grew strongly at an average annual rate of 18.7 per cent, from R10.4 billion to R17.5 billion. The strong growth was due to increased allocations for the taxi recapitalisation process and rail infrastructure and operations. Expenditure on goods and services decreased in 2009/10 due to the reprioritisation of funds from the Autopax project office, which has been taken over by the Passenger Rail Agency of South Africa, to fund the Africa-Indian Ocean regional air navigation conference, and due to efficiency savings, which resulted in the reduction of the allocation to the *Public Transport Strategy and Monitoring* subprogramme. The department expects over-expenditure of R367.7 million in this programme.

Over the MTEF period, overall expenditure is expected to grow to R18.7 billion at an average annual rate of 2.4 per cent. This is due to an increase in expenditure on transfers and subsidies to the Passenger Rail Agency of South Africa. These transfers and subsidies are expected to grow strongly, from R7.5 billion in 2009/10 to R9.6 billion in 2012/13, at an average annual rate of 9.6 per cent. R797 million is included in the Passenger Rail Agency of South Africa's capital budget for Autopax buses in 2010/11. The increase over the medium term is also due to an increase in expenditure on the public transport operations grant, which is expected to grow at an average annual rate of 7.3 per cent.

Between 2006/07 and 2009/10, national government's contribution to the Gautrain rapid rail link was R12.5 billion. It is expected that R443.7 million in contributions will be made in 2010/11 and 2011/12, when the project will have been completed in 2011/12. Expenditure in 2009/10 includes an additional allocation of R144 million for the Gautrain rapid rail link to account for the inflation and foreign exchange adjustment in terms of the public private partnership contract.

The *2010 Soccer World Cup Coordination* subprogramme, was allocated R20.9 billion over the 7-year period to support public transport infrastructure development in large metros and cities. From 2010/11, the subprogramme has been renamed *Public Transport Infrastructure and Systems* and shifted to the *Public Transport* programme as a subprogramme. Over the medium term, previous allocations to the public transport infrastructure systems grant were reduced by R2.6 billion to limit underspending and allow municipalities to finalise operational and financing plans for their rapid public transport network services.

The budget provides additional allocations for:

- R218 million in 2011/12 and R176 million in 2012/13 for the Passenger Rail Agency of South Africa for the upgrade and overhaul of rolling stock and signalling infrastructure
- R97.7 million in 2010/11 and R5.3 million in 2011/12 for the Gautrain concession agreement to fund foreign exchange differences and local prices variations
- R297 million for the Passenger Rail Agency of South Africa to pay the state guarantee loan for intercity buses.

Public entity

Passenger Rail Agency of South Africa

Strategic overview: 2006/07 – 2012/13

The Passenger Rail Agency of South Africa was established in March 2009 to consolidate and streamline the operations, personnel and assets of a number of different passenger transport entities, including: the South African Rail Commuter Corporation, Metrorail, Intersite Property Management Services, Shosholoza Meyl and Autopax. Service delivery in the passenger rail sector entails the progressive development of the corridor over time, and enhancing the travelling experience by integrating services with other modes of transport and managing stations in a customer friendly manner.

Over the past 2 years, before it was formally established in 2009, the agency has been consolidating the entities, executing the turnaround strategy, forging a common set of values among the merging entities, implementing the safety management system and safety plan, and upgrading infrastructure and rolling stock.

Investments in infrastructure by the agency's predecessor, the South African Rail Commuter Corporation, have yielded some important results over the period under review. These include higher investments in infrastructure and rolling stock between 2006/07 and 2009/10, which resulted in a reduction of fatalities and injuries. A monitoring system which analyses the availability and reliability of services, subsidy per passenger kilometre, safety performance, customer satisfaction and passenger trips was set up to provide regular and accurate information for better decision making.

To improve cost-efficiency in operations, over the next 7 years, the Passenger Rail Agency of South Africa aims to increase patronage levels, recapitalise its property portfolio, maximise income from current and future leases, and re-balance the fare structure to maximise income while achieving government's socioeconomic objectives.

Over the MTEF period, the emphasis will be on both capital investment and operations. This means: ensuring service excellence from Metrorail, Shosholoza Meyl and Autopax; managing property and asset development; and upgrading and modernising the Passenger Rail Agency of South Africa's key transport systems.

Savings and cost effective service delivery

The Passenger Rail Agency of South Africa has implemented a cost containment strategy to ensure operational efficiencies in all business units. Efficiency savings have been identified in both core and administrative functions: off-peak and weekend services where ridership is less than 40 per cent have been reduced; labour agreements and agreements with Transnet have been renegotiated; stations and maintenance depots have been integrated; and personnel structures have been streamlined. Savings from administrative functions will be made by capturing synergies from shared services, minimising travel and accommodation costs, conducting supplier price reviews and prudently managing internal budgets.

Selected performance indicators

Table 36.13 Passenger Rail Agency of South Africa

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|--|---|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Percentage of Metrorail trains arriving on time (0-5 minutes) | Metrorail operations | 86.6% | 86.4% | 87.7% | 87.0% | 90% | 90.5% | 91% |
| Percentage of Shosholoza Meyl trains arriving on time (0-30 minutes) | Shosholoza Meyl operations | - | 33% | 32% | 34% | 60% | 75% | 85% |
| Percentage of Metrorail trains cancelled | Metrorail operations | 2.3% | 1.8% | 1.8% | 2.0% | 1.8% | 1.4% | 1.3% |
| Number of rolling stock coaches refurbished each year | | | | | | | | |
| - Metrorail | Metrorail and Shosholoza Meyl operations | 310 | 489 | 709 | 531 | 450 | 450 | 450 |
| - Shosholoza Meyl | | - | - | - | 30 | 40 | 50 | 60 |
| Customer service index | Metrorail, Shosholoza Meyl and Autopax operations | | | | | | | |
| - agency as a whole | | - | - | - | 72% | 75% | 75% | 75% |
| - Metrorail | | - | 71% | 73% | 72% | 75% | 75% | 75% |
| - Shosholoza Meyl | | - | - | - | 81% | 81% | 81% | 81% |
| - Autopax | | - | - | - | 83% | 83% | 83% | 83% |
| Percentage lease and rental income growth: Intersite | Revenue strategy | - | - | - | 0% | 20% | 30% | 40% |

Service delivery focus

To improve customer satisfaction, the accelerated rolling stock investment programme was set up to purchase new coaches and overhaul and refurbish existing ones. Between 2006/07 and 2008/09, 1 508 coaches were upgraded and overhauled, and another 531 is committed in 2009/10.

Over the medium term, the agency will continue improving service delivery on both commuter and intercity regional corridors by increasing train set capacity (a train set consists of motor coaches and plain trailers), reducing service headways, and improving customer service by applying total station management approaches

on the Tshwane-Johannesburg, Naledi-Johannesburg, Cape Town-Khayelitsha and KwaMashu-Durban-Umlazi corridors.

Shosholoza Meyl train arrivals are expected to improve over the medium term with an in-depth analysis of train delays underway. Capacity will have been created for train operations and incident/interface management, and there will be a 24-hour presence in the national command centre of Transnet Freight Rail. Further steps over the MTEF period will be taken, including the conclusion of negotiations with Transnet Freight Rail on the access and haulage agreement that includes service levels and standards for Shosholoza Meyl trains and simplifying measurements across the agency through cross-functional teams and focuses.

Expenditure estimates

Table 36.14 Passenger Rail Agency of South Africa Programme information

| R thousand | Audited outcome | | | Revised estimate 2009/10 | Medium-term estimate | | |
|----------------------------|------------------|------------------|------------------|-----------------------------|----------------------|------------------|------------------|
| | 2006/07 | 2007/08 | 2008/09 | | 2010/11 | 2011/12 | 2012/13 |
| SARCC/Metrorail operations | 4 301 240 | 4 806 789 | 5 989 089 | 4 085 127 | 3 830 596 | 4 074 693 | 4 298 635 |
| Shosholoza Meyl operations | - | - | - | 1 210 889 | 1 150 195 | 1 192 810 | 1 389 803 |
| Autopax Operations | - | - | - | 489 630 | 1 046 679 | 1 203 463 | 1 244 366 |
| Other programmes | - | - | - | 1 264 193 | 2 043 244 | 2 205 014 | 2 496 693 |
| Total expense | 4 301 240 | 4 806 789 | 5 989 089 | 7 049 839 | 8 070 714 | 8 675 980 | 9 429 497 |

Table 36.15 Passenger Rail Agency of South Africa Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate 2009/10 | Medium-term estimate | | |
|--|------------------|-------------------|--------------------|-----------------------------|----------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 1 813 580 | 2 033 803 | 2 386 097 | 2 873 415 | 3 609 778 | 3 824 754 | 4 144 699 |
| Sale of goods and services other than capital assets <i>of which:</i> | 1 518 837 | 1 522 283 | 1 713 606 | 2 831 047 | 3 599 297 | 3 814 975 | 4 134 264 |
| <i>Sales by market establishments</i> | 1 325 618 | 1 471 150 | 1 661 103 | 2 603 964 | 3 370 556 | 3 573 267 | 3 875 372 |
| <i>Other sales</i> | 193 219 | 51 133 | 52 503 | 227 083 | 228 741 | 241 708 | 258 892 |
| <i>Other non-tax revenue</i> | 294 743 | 511 520 | 672 491 | 42 368 | 10 481 | 9 779 | 10 435 |
| Transfers received | 2 751 274 | 2 259 119 | 2 549 604 | 3 904 128 | 4 460 936 | 4 851 226 | 5 284 798 |
| Total revenue | 4 564 854 | 4 292 922 | 4 935 701 | 6 777 543 | 8 070 714 | 8 675 980 | 9 429 497 |
| Expenses | | | | | | | |
| Current expense | 4 301 240 | 4 630 074 | 5 772 130 | 7 049 839 | 8 070 714 | 8 675 980 | 9 429 497 |
| Compensation of employees | 1 620 381 | 1 986 332 | 2 333 116 | 2 789 235 | 2 670 915 | 2 904 750 | 3 069 987 |
| Goods and services | 2 101 118 | 1 956 840 | 2 663 456 | 3 355 625 | 3 865 586 | 4 049 571 | 4 435 410 |
| Depreciation | 545 147 | 655 328 | 737 681 | 865 535 | 1 453 254 | 1 654 766 | 1 866 152 |
| Interest, dividends and rent on land | 34 594 | 27 745 | 31 150 | 39 444 | 80 959 | 66 893 | 57 948 |
| Transfers and subsidies | - | 176 715 | 216 959 | - | - | - | - |
| Total expenses | 4 301 240 | 4 806 789 | 5 989 089 | 7 049 839 | 8 070 714 | 8 675 980 | 9 429 497 |
| Surplus / (Deficit) | 263 614 | (513 867) | (1 053 388) | (272 296) | - | - | - |
| Statement of financial position | | | | | | | |
| Carrying value of assets | 7 071 201 | 8 613 292 | 11 600 410 | 15 031 875 | 19 203 621 | 23 393 855 | 27 614 703 |
| <i>of which: Acquisition of assets</i> | 1 104 148 | 2 217 155 | 3 767 659 | 4 297 000 | 5 625 000 | 5 845 000 | 6 087 000 |
| Inventory | 56 420 | 104 273 | 129 652 | 194 382 | 202 093 | 210 177 | 218 618 |
| Receivables and prepayments | 360 182 | 309 721 | 517 872 | 391 247 | 403 779 | 414 284 | 428 728 |
| Cash and cash equivalents | 1 870 750 | 2 015 345 | 1 159 908 | 842 472 | 1 114 259 | 1 468 302 | 1 806 699 |
| Assets not classified elsewhere | - | 36 791 | 13 396 | - | - | - | - |
| Total assets | 9 358 553 | 11 079 422 | 13 421 238 | 16 459 976 | 20 923 752 | 25 486 618 | 30 068 748 |
| Accumulated surplus/deficit | 3 303 874 | (1 472 086) | (2 525 475) | (2 797 771) | (2 797 771) | (2 797 771) | (2 797 771) |
| Capital and reserves | 4 716 876 | 4 248 258 | 4 248 258 | 4 248 258 | 4 248 258 | 4 248 258 | 4 248 258 |
| Borrowings | 160 595 | 132 900 | 104 300 | - | - | - | - |
| Post-retirement benefits | 75 737 | 44 508 | 51 086 | 3 196 | 3 451 | 3 727 | 3 802 |
| Trade and other payables | 848 767 | 1 019 449 | 2 248 108 | 2 307 320 | 2 430 579 | 2 633 178 | 2 823 194 |
| Provisions | 252 704 | 487 234 | 530 515 | 355 810 | 377 075 | 399 581 | 423 521 |
| Liabilities not classified elsewhere | - | 6 619 159 | 8 764 446 | 12 343 163 | 16 662 160 | 20 999 645 | 25 367 744 |
| Total equity and liabilities | 9 358 553 | 11 079 422 | 13 421 238 | 16 459 976 | 20 923 752 | 25 486 618 | 30 068 748 |

Expenditure trends

The Passenger Rail Agency of South Africa receives transfers for the subsidisation of rail services, capital transfers, and fare revenue from Metrorail, Shosholozza Meyl and Autopax. Rental income is generated from Intersite Property Management Services. Total revenue grew at an average annual rate of 14.8 per cent between 2006/7 and 2009/10, from R4.6 billion to R6.8 billion. This was due to additional fare revenue of R877 million projected by Autopax and Shosholozza Meyl for 2009/10. Over the MTEF period, revenue is expected to grow at an average annual rate of 11.6 per cent to reach R9.4 billion. This increase is due to the incorporation of Shosholozza Meyl and Autopax.

In 2009/10, expenditure increased by 17.7 per cent from R6 billion to R7 billion. The transfer of Shosholozza Meyl and Autopax to the Passenger Rail Agency of South Africa impacted expenditure trends significantly between 2008/09 and 2009/10. Expenditure on maintenance increased by 32 per cent in 2009/10, from R666.8 million to R878.4 million as result of the amalgamation of passenger rail infrastructure. Compensation of employees expenditure rose significantly, due to the transfer of additional staff from Transnet for Shosholozza Meyl and Autopax operations.

Over the medium term, expenditure is expected to increase to R9.4 billion at an average annual rate of 10.2 per cent. The strong growth is attributable to the continued consolidation of the South African Rail Commuter Corporation, Metrorail, Shosholozza Meyl, Autopax and Intersite Property Management Services into the agency.

Programme 7: Public Entity Oversight and Border Operations and Control

- *Public Entity Oversight* oversees public entities' compliance with government policy, corporate governance, and financial management and performance, through monitoring and evaluations processes. It also manages policy and legislation development, and the reform of public entities to improve service delivery.
- *Border Operations and Control* is responsible for the oversight and monitoring of all modes of transport including land border posts, sea ports and aviation airspace.
- *Administration Support*.

This programme transfers funds to public entities and monitors expenditure based on a shareholder compact between the entity and the Minister of Transport. Goods and services expenditure is based on supply chain management principles.

Objectives and measures

- Ensure effective financial and non-financial oversight of the department's public entities by developing the electronic performance management system by March 2011.
- Ensure alignment between legislative mandates and entities' strategic and corporate plans by concluding shareholder compacts and reviewing performance agreements on an ongoing basis.
- Ensure regulatory compliance by providing ongoing governance and financial oversight and policy and business performance advice to the public entities on an ongoing basis on their corporate financial proposals and implementation plans.
- Ensure the efficient movement of people and cargo across ports of entry by finalising a border control oversight framework integrating all modes of transport, including land border posts, sea ports and aviation airspace by March 2010.

Service delivery focus

Shareholder compacts outlining key performance areas for public entities were concluded in June 2009 and are monitored and evaluated through entities' quarterly and annual reports.

The expected finalising of the performance management system in June 2009 was delayed due to the appointment of the service provider from the State Information Technology Agency. This appointment was finalised in December 2009 along with the user requirements analysis report. The project will have begun in January 2010 with full implementation expected by the end of 2010/11.

The Road Accident Fund Amendment Act (2005) was promulgated with regulations in August 2008. A memorandum of understanding between the Road Accident Fund and the department, which governs their interaction on the joint communication campaign for the amendment act, was finalised in July 2008. The first phase of the campaign, which entailed developing the campaign, was completed in August 2008, and the second phase was suspended due to a constitutional challenge by the Law Society of South Africa in 2009. The challenge is expected to be argued in 2010/11.

A draft no-fault policy was developed and approved for consultation by Cabinet in November 2009. From early 2009 until August, consultations were held with affected national departments, such as the Department of Tourism, the Department of Labour, the Department of Health, the Department of Social Development, National Treasury and the Road Accident Fund through the Compensation Fund and Unemployment Insurance Fund.

Expenditure estimates

Table 36.16 Public Entity Oversight and Border Operations and Control

| Subprogramme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--------------------------------|-----------------|----------------|------------------|------------------------|----------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | |
| Public Entity Oversight | 130 838 | 165 066 | 2 660 577 | 177 035 | 144 436 | 144 933 | 152 950 |
| Border Operations and Control | – | – | 193 | 2 216 | 1 278 | 1 348 | 1 423 |
| Administration | 245 | 753 | 2 457 | 3 154 | 3 596 | 3 796 | 3 995 |
| Economic Regulation | – | 560 | – | – | – | – | – |
| Total | 131 083 | 166 379 | 2 663 227 | 182 405 | 149 310 | 150 077 | 158 368 |
| Change to 2009 Budget estimate | | | | 4 693 | 60 555 | 57 097 | (9 152) |

Economic classification

| | | | | | | | |
|---|-------|-------|--------|--------|--------|--------|--------|
| Current payments | 4 059 | 4 263 | 13 874 | 27 893 | 13 433 | 14 162 | 14 907 |
| Compensation of employees | 2 076 | 3 490 | 5 588 | 8 008 | 8 611 | 9 074 | 9 576 |
| Goods and services | 1 983 | 773 | 8 286 | 19 885 | 4 822 | 5 088 | 5 331 |
| <i>of which:</i> | | | | | | | |
| Advertising | 120 | 123 | 4 735 | 92 | 97 | 101 | 107 |
| Assets less than the capitalisation threshold | 89 | 62 | 146 | 180 | 189 | 198 | 208 |
| Catering: Departmental activities | – | 6 | 8 | 32 | 34 | 35 | 37 |
| Communication | 83 | 82 | 138 | 213 | 224 | 235 | 247 |
| Computer services | 1 | 6 | 48 | 6 | 6 | 7 | 7 |
| Consultants and professional services: Business and advisory services | 1 214 | 22 | 2 150 | 17 077 | 1 874 | 1 995 | 2 083 |
| Contractors | 9 | – | 113 | 41 | 43 | 45 | 47 |
| Inventory: Materials and supplies | – | 1 | – | 25 | 26 | 28 | 29 |
| Inventory: Other consumables | – | – | – | 4 | 4 | 4 | 5 |
| Inventory: Stationery and printing | 249 | 100 | 390 | 393 | 413 | 433 | 455 |
| Lease payments | 26 | 57 | 87 | 229 | 240 | 252 | 265 |
| Property payments | 3 | – | – | – | – | – | – |
| Transport provided: Departmental activity | – | 22 | – | 551 | 578 | 607 | 638 |
| Travel and subsistence | 147 | 240 | 427 | 822 | 863 | 906 | 952 |
| Operating expenditure | 4 | 3 | 31 | 75 | 79 | 82 | 83 |
| Venues and facilities | 36 | 49 | 13 | 145 | 152 | 160 | 168 |

Table 36.16 Public Entity Oversight and Border Operations and Control (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|-----------------|----------------|------------------|------------------------|----------------------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Economic classification | | | | | | | |
| Transfers and subsidies | 126 801 | 162 033 | 2 649 126 | 154 343 | 135 710 | 135 738 | 143 275 |
| Departmental agencies and accounts | 126 770 | 162 029 | 2 649 121 | 154 343 | 135 710 | 135 738 | 143 275 |
| Households | 31 | 4 | 5 | - | - | - | - |
| Payments for capital assets | 223 | 82 | 227 | 169 | 167 | 177 | 186 |
| Machinery and equipment | 223 | 82 | 227 | 169 | 167 | 177 | 186 |
| Payments for financial assets | - | 1 | - | - | - | - | - |
| Total | 131 083 | 166 379 | 2 663 227 | 182 405 | 149 310 | 150 077 | 158 368 |
| Details of transfers and subsidies | | | | | | | |
| Departmental agencies and accounts | | | | | | | |
| Social security funds | | | | | | | |
| Current | - | - | 2 500 000 | - | - | - | - |
| Road Accident Fund | - | - | 2 500 000 | - | - | - | - |
| Departmental agencies and accounts | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | |
| Current | 126 770 | 162 029 | 149 121 | 154 343 | 135 710 | 135 738 | 143 275 |
| Railway Safety Regulator | 21 200 | 27 260 | 33 361 | 37 260 | 35 634 | 37 475 | 39 349 |
| Road Traffic Management Corporation | 90 450 | 92 988 | 89 588 | 83 603 | 73 619 | 78 936 | 83 633 |
| South African Maritime Safety Authority | 7 747 | 12 919 | 8 535 | 12 096 | 9 402 | 9 966 | 10 464 |
| South African Civil Aviation Authority | 7 373 | 28 862 | 7 464 | 7 781 | 8 223 | - | - |
| Ports Regulator | - | - | 10 173 | 13 603 | 8 832 | 9 361 | 9 829 |
| Households | | | | | | | |
| Social benefits | | | | | | | |
| Current | 31 | 4 | 5 | - | - | - | - |
| Employees Social Benefits | 31 | 4 | 5 | - | - | - | - |

Expenditure trends

Expenditure increased strongly between 2006/07 and 2009/10 at an average annual rate of 11.6 per cent, from R131.1 million to R182.4 million. In 2008/09, R2.5 billion was allocated to the Road Accident Fund to finance its liquidity crisis and to assist with payments to claimants.

Expenditure for 2009/10 includes the rollover of R7.8 million for the following: R681 000 for the electronic management system, R1.1 million for consultants on the no-fault policy for the Road Accident Fund, and R6 million for legal council to represent the minister in legal action taken against the Road Accident Fund Amendment Act (2005) and regulations. An additional once-off amount of R3.2 million is also included in the expenditure for 2009/10 for transfer payments to the South African Maritime Safety Authority for a long range identification and tracking system.

Expenditure is expected to decrease to R158.4 million over the MTEF period, at an average annual rate of 4.6 per cent. This is due to expenditure on goods and services which is projected to decline significantly at an average annual rate of 35.5 per cent, from R19.9 million in 2009/10 to R5.3 million in 2012/13. The decrease is due to reprioritising for savings and because the Arrive Alive public communications campaign is now being funded from within the department.

The transfers to the South African Civil Aviation Authority are being discontinued from 2011/12, as they were allocated to the accident and investigation function which will be moved into the *Transport Regulation and Accident and Incident Investigation* programme.

Public entities

Air Traffic and Navigation Services Company

Strategic Overview: 2006/07-2012/13

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

Over the medium term, the company has identified the following key result areas: exceeding the International Civil Aviation Organisation's equipment availability targets in order to meet the demand for efficient air navigation services; improving the company's financial position; and influencing international policy development and promoting regional services. Regarding the latter, the Air Traffic and Navigation Services Company is chairing the committee to establish a SADC air traffic navigation body that will operate on a commercial basis, and has committed its training academy to play a role in transferring professional aviation skills in the Africa-Indian Ocean region. These priorities are driven by the company's strategy of reducing the cost to customers, reversing the financial impact of the recession, and aiming to be the leading air navigation service provider in Africa.

Savings and cost effective service delivery

The company has identified 3 expenditure areas for cost containment: consultants, contracts, and travel expenses. The consultants' budget for the rest of 2009/10 has been centralised in the chief executive's cost centre, so all consultant services must first be approved by the chief executive. The company has entered into single global support contracts to reduce staff requirements and is closely monitoring travel expenditure.

Selected performance indicators

Table 36.17 Air Traffic and Navigation Services Company

| Indicator | Past | | | Current | Projections | | |
|---|---------|---------|---------|---------|-------------|---------|---------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Number of incidents per 100 000 movements | 3.5 | 3.5 | 3 | 2.3 | 2 | 2 | 2 |
| Capacity improvement at OR Tambo International Airport to increase runway throughput/hour | 56 | 56 | 56 | 60 | 60 | 60 | 60 |
| Air traffic controller vacancy rate | 7.3% | 12.5% | 16.8% | 9.1% | 8% | 6.8% | 5.2% |

Service delivery focus

The company's aim was to exceed International Civil Aviation Organisation equipment availability targets. The targets were: 99.64 per cent for communication, 98.7 per cent for navigation and 99.7 per cent for surveillance. The achievements were: 99.69 per cent for communication, 99.27 per cent for navigation and 99.39 per cent for surveillance equipment.

Over the medium term, the organisation will: continue to implement the safety management system to ensure achievement of the safety imperative of 2 incidents per 100 000 movements by 2010/11; minimise delay in achieving the targets of limiting the organisation's contribution to flight delays to 1 second per flight and 23 seconds per delayed flight; and ensure equipment and systems availability of 99.74 per cent for communications, 99.45 per cent for navigation and 99.87 per cent for surveillance.

Expenditure estimates

Table 36.18 Air Traffic and Navigation Services Company: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|------------------|------------------|------------------|----------------------|------------------|------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 592 671 | 637 274 | 672 581 | 729 941 | 959 389 | 1 153 630 | 1 316 770 |
| Sale of goods and services other than capital assets <i>of which:</i> | 562 311 | 616 404 | 636 001 | 702 198 | 935 100 | 1 127 437 | 1 287 071 |
| <i>Tariff revenue</i> | 562 311 | 616 404 | 636 001 | 702 198 | 935 100 | 1 127 437 | 1 287 071 |
| <i>Other non-tax revenue</i> | 30 360 | 20 870 | 36 580 | 27 743 | 24 289 | 26 193 | 29 699 |
| Total revenue | 592 671 | 637 274 | 672 581 | 729 941 | 959 389 | 1 153 630 | 1 316 770 |
| Expenses | | | | | | | |
| Current expense | 505 306 | 577 561 | 598 905 | 1 091 343 | 1 458 746 | 1 568 937 | 1 698 625 |
| Compensation of employees | 251 311 | 305 460 | 327 240 | 389 335 | 529 245 | 544 307 | 575 080 |
| Goods and services | 126 097 | 132 382 | 143 313 | 568 115 | 758 358 | 790 643 | 843 712 |
| Depreciation | 83 764 | 71 825 | 83 795 | 100 531 | 124 832 | 139 353 | 147 004 |
| Interest, dividends and rent on land | 12 096 | 38 359 | 21 908 | 22 475 | 34 688 | 44 468 | 57 686 |
| Transfers and subsidies | 10 908 | 13 954 | 12 538 | 12 734 | 13 782 | 14 734 | 16 194 |
| Total expenses | 516 214 | 591 515 | 611 443 | 1 104 078 | 1 472 528 | 1 583 672 | 1 714 819 |
| Surplus / (Deficit) | 76 457 | 45 759 | 61 138 | (374 136) | (513 139) | (430 041) | (398 050) |
| Statement of financial position | | | | | | | |
| Carrying value of assets | 772 720 | 937 216 | 1 016 306 | 1 107 847 | 1 167 890 | 1 305 973 | 1 528 348 |
| <i>of which: Acquisition of assets</i> | 218 657 | 236 323 | 162 885 | 192 072 | 184 875 | 277 436 | 369 379 |
| Investments | 11 943 | 13 177 | 14 202 | 13 545 | 13 590 | 13 640 | 13 689 |
| Inventory | 734 | 634 | 742 | 926 | 1 310 | 1 479 | 1 621 |
| Receivables and prepayments | 71 711 | 76 238 | 99 871 | 95 717 | 120 743 | 141 895 | 160 250 |
| Cash and cash equivalents | 82 233 | 45 412 | 40 790 | 58 343 | 38 907 | 90 494 | 128 104 |
| Assets not classified elsewhere | – | – | – | 17 179 | 23 527 | 32 599 | 47 105 |
| Total assets | 939 341 | 1 072 677 | 1 171 911 | 1 293 557 | 1 365 967 | 1 586 079 | 1 879 116 |
| Accumulated surplus/deficit | 641 167 | 496 280 | 557 418 | 585 415 | 615 333 | 744 391 | 937 727 |
| Capital and reserves | – | 190 646 | 190 646 | 190 646 | 190 646 | 190 646 | 190 646 |
| Borrowings | 169 168 | 260 982 | 322 574 | 385 953 | 403 771 | 486 671 | 577 358 |
| Trade and other payables | 98 141 | 90 334 | 77 758 | 109 194 | 130 734 | 143 382 | 156 680 |
| Provisions | 30 865 | 34 435 | 23 515 | 22 349 | 25 483 | 20 990 | 16 705 |
| Total equity and liabilities | 939 341 | 1 072 677 | 1 171 911 | 1 293 557 | 1 365 967 | 1 586 080 | 1 879 116 |

Expenditure trends

Revenue increased from R592.7 million in 2006/07 to R730 million in 2009/10, at an average annual rate of 7.2 per cent. This was due to tariff increases and an increase in traffic movements. A new network called Nafisat was also introduced in 2008, which increased the company's sundry revenue. Over the MTEF period, revenue is expected to grow at an average annual rate of 21.7 per cent to reach R1.3 billion. This is due to the combination of tariff increases and growth in movement.

Expenditure increased substantially from R516.2 million in 2006/07 to R1.1 billion in 2009/10, at an average annual rate of 28.8 per cent. Over the MTEF period, expenditure is expected to increase significantly at an average annual rate of 15.8 per cent. This is mainly due to increases in compensation of employees spending driven by annual salaries increases, increased staff, and the external recruitment drive to retain critical skills in the company.

Travel costs are expected to rise at an average annual rate of 9.4 per cent over the medium term, as new candidate air traffic controllers are trained and equipped on different systems countrywide. Additional travel

costs will also be incurred in the drive to recruit controllers externally. Further, repairs and maintenance expenditure is expected to increase over the medium term at an average annual rate of 18.1 per cent from R48.4 million to R79.8 million, due to additional maintenance for older electronic systems and the additional cost of running the air traffic control towers at the Durban and La Mercy airports concurrently for 6 months in 2010/11. Expenditure on communication is expected to grow at an average annual rate of 14.6 per cent from R29.3 million to R44.1 million. This is mainly due to an increase in satellite costs, the additional data lines that will be required as the Air Traffic Navigation Services Company expands, and other communication related expenses over the medium term.

Over the MTEF period, the entity expects to increase its earnings before interest, depreciation and amortisation by 198 per cent, while raising retained earnings to an average of R733 million. The 3 year average return on capital employed is expected to be 12.3 per cent, which will slightly exceed the target of 12.1 per cent. Capital expenditure will be funded through loans while maintaining a gearing ratio below 55 per cent.

Cross Border Road Transport Agency

Strategic overview: 2006/07 – 2012/13

The Cross Border Road Transport Agency was established by the Cross Border Road Transport Act (1998) as amended, and derives its mandate from its governing act and the relevant multilateral and bilateral agreements to which South Africa is a signatory. The objectives of the agency are to regulate cross border road transport activities, facilitate law enforcement and promote cooperation with neighbouring countries. The Cross Border Road Transport Agency Amendment Act (2008) further authorises the agency to levy and collect tolls on behalf of the South African National Roads Agency, to regulate the granting of permits, and to provide for special emergency measures.

To this end the agency is planning to improve the unimpeded flow of road freight and passengers in the region, to liberalise market access progressively, to introduce regulated competition, and to reduce operational constraints for the cross-border road transport industry as a whole.

The agency's medium term priorities are: to achieve full corporate governance, controls and compliance; to sustain good financial performance; to turn the agency into a sustainable business; to establish a sound knowledge management system; to introduce and encourage a performance driven culture; and to review information systems for efficient operations.

Savings and cost effective service delivery

The agency has saved R13 million based due to effective collection management and due to a 25 per cent increase in revenue from permits and non-compliance penalties.

Selected performance indicators

Table 36.19 Cross Border Road Transport Agency

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|--|------------------------------------|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Number of tourist permits issued per year | Regulate access by issuing permits | 3 532 | 3 703 | 2 999 | 3 300 | 3 630 | 3 993 | 4 393 |
| Number of passenger permits issued per year | Regulate access by issuing permits | 7 269 | 11 003 | 13 185 | 14 504 | 15 955 | 17 550 | 19 305 |
| Number of freight permits issued per year | Regulate access by issuing permits | 49 104 | 52 117 | 69 775 | 76 753 | 84 428 | 92 871 | 102 169 |
| Number of cabotage permits issued per year | Regulate access by issuing permits | 1 887 | 3 765 | 1 989 | 2 188 | 2 407 | 2 648 | 2 913 |
| Number of vehicle inspections per year | Law enforcement | 72 283 | 82 358 | 56 434 | 62 077 | 68 285 | 75 114 | 82 625 |
| Number of prosecutions per year for legislative non-compliance | Law enforcement | 5 555 | 7 227 | 11 095 | 7 027 | 7 730 | 8 503 | 9 353 |
| Number of roadblocks per year | Law enforcement | 2 947 | 3 036 | 3 000 | 3 000 | 3 000 | 3 000 | 3 000 |

Service delivery focus

In 2008, the agency implemented a turnaround strategy to ensure its long term financial sustainability. Law enforcement operations and the monitoring of operator behaviour were improved. In 2009, processes were put in place to develop the border control framework. Extensive engagements with key stakeholders are required and should be completed in 2010/11. Preparations for increased border activity during the 2010 FIFA World Cup are almost complete.

Over the MTEF period, the agency will focus on improving efficiency at borders, thus reducing turnaround times and improving the flow of trade.

Expenditure estimates

Table 36.20 Cross Border Road Transport Agency: Programme information

| R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|---------------|---------------|------------------|----------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Facilitation of smooth and unimpeded movement of both goods and people at the post of entry. | 405 | 681 | 886 | 1 750 | 2 038 | 2 127 | 2 444 |
| Law Enforcement | 18 175 | 17 567 | 18 675 | 22 050 | 24 667 | 25 825 | 29 680 |
| Regulate access in respect of C-BRTA business by issuing permits. | 4 136 | 4 560 | 4 773 | 5 286 | 5 905 | 6 181 | 7 104 |
| Other programmes | 11 357 | 9 911 | 15 107 | 22 288 | 26 118 | 26 289 | 30 214 |
| Total expense | 34 073 | 32 719 | 39 441 | 51 374 | 58 728 | 60 422 | 69 442 |

Table 36.21 Cross Border Road Transport Agency: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate 2009/10 | Medium-term estimate | | |
|--|-----------------|---------------|---------------|-----------------------------|----------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 32 245 | 37 742 | 47 693 | 51 374 | 58 728 | 60 422 | 69 442 |
| Sale of goods and services other than capital assets <i>of which:</i> | 32 049 | 30 252 | 37 874 | 38 083 | 41 891 | 43 819 | 46 009 |
| Admin fees | 32 049 | 30 252 | 37 874 | 38 083 | 41 891 | 43 819 | 46 009 |
| Other non-tax revenue | 196 | 7 490 | 9 819 | 13 291 | 16 837 | 16 603 | 23 433 |
| Total revenue | 32 245 | 37 742 | 47 693 | 51 374 | 58 728 | 60 422 | 69 442 |
| Expenses | | | | | | | |
| Current expense | 34 073 | 32 719 | 39 441 | 51 374 | 58 728 | 60 422 | 69 442 |
| Compensation of employees | 22 994 | 21 615 | 25 428 | 27 057 | 27 686 | 29 235 | 30 698 |
| Goods and services | 10 592 | 11 473 | 13 581 | 23 715 | 30 409 | 30 524 | 38 049 |
| Depreciation | 487 | (369) | 432 | 602 | 633 | 663 | 695 |
| Total expenses | 34 073 | 32 719 | 39 441 | 51 374 | 58 728 | 60 422 | 69 442 |
| Surplus / (Deficit) | (1 828) | 5 023 | 8 252 | - | - | - | - |

Expenditure trends

Revenue increased from R32.2 million in 2006/07 to R51.4 million in 2008/09 at an average annual rate of 16.8 per cent. It is expected to increase over the medium term to R69.4 million, at an average annual rate of 10.6 per cent. The growth over both periods is due to changes in the attitude of law enforcement inspectors and their increased visibility on the roads which is expected to have a positive influence on permit income as more operators are expected to apply for permits.

Expenditure increased from R34.1 million in 2006/07 to R51.4 million in 2009/10, at an average annual rate of 14.7 per cent. Over the MTEF period, expenditure is expected to increase to R69.4 million, at an average annual rate of 10.6 per cent. The increases in both periods is due to expenditure on goods and services, which grew significantly from R10.6 million in 2006/07 to R23.7 million in 2009/10 at an average annual rate of 30.8 per cent and is expected to increase further to R38 million over the medium term at an average annual rate of 17.1 per cent.

The increase in expenditure over the MTEF period is due to: telecommunication expenses, which are expected to increase at an average annual rate of 20 per cent as a result of an increase in the number of employees; depreciation, mainly due to the R3.1 million purchase of new capital assets, including the permit system upgrade, and computers and equipment; and travel and subsistence to attend the joint route management committee and border control operations coordination committee with SADC counterparts.

South African Maritime Safety Authority

Strategic overview: 2006/07 – 2012/13

The South African Maritime Safety Authority was established in 1998. Its mandate is derived from its governing acts as well as international maritime conventions to which South Africa is a signatory. The overarching aim of the authority is to promote South Africa's maritime interests, ensure safety at sea, and combat the pollution of maritime resources by seafaring vessels. The Merchant Shipping Act (2009) makes the South African Maritime Safety Authority responsible for the regulation of inland waters. The related regulations provide for the long range identification and tracking of ships and require the necessary infrastructure to ensure compliance.

The authority's strategy, developed in 2008, aims to position South Africa as an international maritime centre. This entails having all relevant maritime services available and developing the capacity to meet the needs of the global maritime industry.

The authority's objectives are: to develop, promote and transform the maritime industry and meet of international obligations; to improve the authority's financial position and reduce risk exposure; and to enhance human capital.

Savings and cost effective service delivery

The South African Maritime Safety Authority has reviewed its levies and charges and restructured them to better align the fee structure with the cost of providing services. Maritime levies were benchmarked against the levies and charges of other world maritime organisations and these results were taken into account during the October 2009 price review. In ensuring that levies and charges are cost reflective, the authority can ensure that services are not being subsidised by the tax payer.

Selected performance indicators

Table 36.22 South African Maritime Safety Authority

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|--|--|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Number of safety surveys conducted per year | Ensuring the safety of life and property at sea | - | 8 581 | 10 000 | 12 000 | 15 000 | 20 000 | 22 000 |
| Number of detentions for pollution at sea per year | The prevention and combat of pollution at sea | - | 42 | 30 | 50 | 75 | 100 | 110 |
| Number of responses to rescue alerts per year | Maintain a national rescue coordinating capability | 236 | 410 | 500 | 700 | 1 000 | 700 | 650 |

Service delivery focus

The organisation officially launched the Centre for Sea Watch and Response as part of ensuring increased safety and less pollution at sea.

The agency has implemented the long range identification and tracking of vessels at sea, an International Maritime Organisation requirement. As part of the transformation of the maritime sector, the Association of Black Maritime Organisation of South Africa has been formed. A maritime industry governance policy framework has been finalised, and is awaiting cabinet processes. A tonnage tax policy position document is now in the finalisation stages. With a view to averting a financial risk, the authority reorganised its financial systems. This follows the review of tariffs that has put the authority on a more sustainable financial footing. To increase the maritime skills pool, the authority put in place an internship programme.

Expenditure estimates

Table 36.23 South African Maritime Safety Authority: Programme information

| R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|---------------|---------------|------------------|----------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Promotion of South African Maritime interests | 7 | 6 | 10 | 150 | 165 | 182 | 201 |
| Ensuring the safety of life and property at sea | 8 581 | 9 567 | 10 000 | 12 000 | 13 236 | 14 599 | 20 000 |
| The prevention and combat pollution of the marine environment by ships | 42 | 50 | 75 | 75 | 83 | 125 | 150 |
| Position South Africa as international maritime centre | 3 | 3 | 5 | 5 | 1 500 | 1 655 | 1 824 |
| Develop, promote and transform the maritime industry in South Africa | 3 | 2 | 5 | 1 200 | 1 324 | 1 459 | 1 610 |
| Other programmes | 51 438 | 59 859 | 74 698 | 137 862 | 196 391 | 216 242 | 233 409 |
| Total expense | 60 074 | 69 487 | 84 793 | 151 292 | 212 699 | 234 262 | 257 194 |

Table 36.24 South African Maritime Safety Authority: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate 2009/10 | Medium-term estimate | | |
|--|-----------------|---------------|---------------|-----------------------------|----------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 52 971 | 58 018 | 64 973 | 137 211 | 274 971 | 290 701 | 305 650 |
| Sale of goods and services other than capital assets <i>of which:</i> | 45 299 | 49 118 | 54 931 | 130 794 | 267 893 | 282 894 | 297 039 |
| <i>Sales by market establishments</i> | 38 388 | 41 952 | 44 908 | 115 512 | 246 798 | 260 618 | 273 649 |
| <i>Other sales</i> | 6 911 | 7 166 | 10 023 | 15 282 | 21 095 | 22 276 | 23 390 |
| <i>Other non-tax revenue</i> | 7 672 | 8 900 | 10 042 | 6 417 | 7 078 | 7 807 | 8 611 |
| Transfers received | 12 305 | 12 937 | 13 558 | 17 332 | 14 935 | 15 831 | 16 622 |
| Total revenue | 65 276 | 70 955 | 78 531 | 154 543 | 289 906 | 306 532 | 322 272 |
| Expenses | | | | | | | |
| Current expense | 60 074 | 69 487 | 84 793 | 151 292 | 212 699 | 234 262 | 257 194 |
| Compensation of employees | 36 233 | 41 675 | 41 919 | 61 080 | 103 825 | 109 639 | 115 121 |
| Goods and services | 22 646 | 26 489 | 41 404 | 85 412 | 100 981 | 116 128 | 133 548 |
| Depreciation | 1 195 | 1 323 | 1 470 | 4 800 | 7 893 | 8 495 | 8 525 |
| Total expenses | 60 074 | 69 487 | 84 793 | 151 292 | 212 699 | 234 262 | 257 194 |
| Surplus / (Deficit) | 5 202 | 1 468 | (6 262) | 3 251 | 77 207 | 72 270 | 65 078 |

Expenditure trends

The South African Maritime Safety Authority generates most of its revenue from levies. The National Ports Authority collects these levies and charges the authority 2.5 per cent commission. The balance of revenue is generated from levies on maritime customers and transfers from the department.

Revenue increased from R65.3 million in 2006/07 to R154.5 million in 2009/10, at an average annual rate of 33.3 per cent. This was due to a review of levies and charges, which were increased from October 2009. Levies increased by 380 per cent and direct user charges by 111 per cent, which increased revenue by 89 per cent in 2009/10. Over the medium term, revenue is expected to increase to R322.3 million, at an average annual rate of 27.8 per cent for the same reason.

Expenditure grew from R60.1 million in 2006/07 to R151.3 million in 2009/10, at an average annual rate of 36.1 per cent. The increase was driven mostly by spending on maintaining a national rescue coordinating capability, developing regional capability, enhancing human capital, developing new business processes and developing the maritime skills pool for South Africa. Total expenditure is projected to increase over the medium term at an average annual rate of 19.3 per cent to reach R257.2 million as the South African Maritime Safety Authority's mandate expands.

Ports Regulator

Strategic overview: 2006/07 – 2012/13

The Ports Regulator was established in terms of the National Ports Act (2005). Between 2007/08 and 2009/10, the Ports Regulator finalised its governance arrangements, built its regulatory architecture, recruited staff, and set up systems. The required legal instruments were completed in 2009/10. The emphasis over that period was on establishing the mandate of the Ports Regulator in relation to its quasi-judicial regulatory functions and its supporting role in institutional reform in the ports industry.

The Ports Regulator began work in 2009/10, and over the medium term the emphasis will be on developing the appropriate regulatory instruments for institutional reform. This will be informed by feedback on the regulator's proposal from the Department of Transport and Cabinet.

Industry performance and compliance monitoring, a large part of the Port Regulator's activities, are planned to begin in 2012/13 as a result of funding delays. In response to this, over the MTEF period the Ports Regulator will identify and plan for activities that have substantive and positive regulatory impacts and assist in clarifying its legislative mandate.

Savings and cost effective service delivery

The primary cost driver in the Ports Regulator's expenditure will be staffing requirements, as specialist skills and in-house capacity are required. Executive management vacancies are to be reduced from 3 in 2009/10 to 1 in 2012/13. As the organisation stabilises, spending will shift from establishment activities towards the development and implementation of regulatory frameworks.

Selected performance indicators

Table 36.25 Ports Regulator

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|--|---|---------|---------|---------|------------------|-----------------|-------------------|-------------------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Number of tribunal days per year | Tribunal complaints and appeals | - | - | - | 4 | 9 | 10 | 30 |
| Percentage of complaints and appeals processes within timeframe (number of cases received/number of cases heard/number of cases processed within timeframe of those that were heard) | Tribunal complaints and appeals | - | - | - | 20% (80/25/5) | 56% (70/9/5) | 83% (50/12/10) | 87% (50/15/13) |
| Percentage achievement of full functionality of secretariat (appointment of staff, policies and functions in place, IT systems in place) | Corporate, financial and support services | - | - | - | 50% | 50% | 50% | 100% |
| Stakeholder approval rating | | - | - | - | 20 | 20 | 20 | 50 |

Service delivery focus

Over the MTEF period, the regulator will focus on internal capacity; developing a tariff schedule; strategy and regulatory instruments; and monitoring the port industry and its compliance with the port policy.

The offices have been established. Board members and 3 permanent staff members have been appointed. The regulatory regime has been finalised and the set of regulatory principles and directives issued. This has provided some regulatory certainty.

The increased participation of previously disadvantaged individuals and BEE organisations in the entire ports value chain is required. The regulator must develop strategies to foster the appropriate rate of access to the port environment for such individuals and organisations, and monitor this access. The outcomes will be measured by the BEE compliance of the larger and more valuable port activities, but the correct assessment would be the extent to which this access was accelerated by the regulator's activities and processes.

The regulator has finalised the legal instruments for the establishment of its capacity to hear appeals and complaints under the National Ports Act (2005). The regulator began hearing appeals and complaints and has collected revenue for tribunal charges on these matters. 1 matter is ready to be heard and 16 are being investigated.

Expenditure estimates

Table 36.26 Ports Regulator: Activity information

| R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|----------|--------------|------------------|----------------------|--------------|--------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Economic regulation and tariffs | - | - | 859 | 1 700 | 1 559 | 1 167 | 1 233 |
| Monitoring National Ports Authority | - | - | 843 | 500 | 458 | 1 208 | 1 276 |
| Tribunal complaints and appeals | - | - | 573 | 912 | 1 197 | 3 105 | 3 222 |
| Industry development Equity of access to ports and their facilities and services | - | - | - | - | - | - | 1 465 |
| Corporate, financial and support services | - | - | 3 631 | 7 929 | 5 618 | 3 881 | 2 633 |
| Total expense | - | - | 5 906 | 11 041 | 8 832 | 9 361 | 9 829 |

Table 36.27 Ports Regulator: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|---------|---------------|------------------|----------------------|--------------|--------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | - | - | - | - | - | - | - |
| Transfers received | - | - | 11 382 | 13 603 | 8 832 | 9 361 | 9 829 |
| Total revenue | - | - | 11 382 | 13 603 | 8 832 | 9 361 | 9 829 |
| Expenses | | | | | | | |
| Current expense | - | - | 5 906 | 11 041 | 8 832 | 9 361 | 9 829 |
| Compensation of employees | - | - | 1 885 | 3 025 | 4 055 | 5 247 | 5 517 |
| Goods and services | - | - | 3 623 | 7 490 | 4 271 | 3 951 | 4 156 |
| Depreciation | - | - | 398 | 526 | 506 | 163 | 156 |
| Total expenses | - | - | 5 906 | 11 041 | 8 832 | 9 361 | 9 829 |
| Surplus / (Deficit) | - | - | 5 476 | 2 562 | - | - | - |

Expenditure trends

Revenue is generated from transfers from the department, and is expected to decrease from R13.6 million in 2009/10 to R9.8 million in 2012/13 at an average annual rate of 10.3 per cent. This decrease is due to the delay in setting up a levy system in 2012/13.

Expenditure was incurred by the Department of Transport on behalf on the regulator up to 2008/09, because the entity was still being set up. 2009/10 was the first year in which the entity managed its own finances. Expenditure is expected to decrease from R11 million in 2009/10 to R9.8 million in 2012/13, at an average annual rate of 3.8 per cent.

Railway Safety Regulator

Strategic overview: 2006/07-2012/13

The Railway Safety Regulator was established in terms of the National Railway Safety Regulator Act (2002). Its mandate is to oversee and promote safe railway operations by developing appropriate railway safety standards, regulations and guidance notices. It also conducts safety audits and assessments, inspections and occurrence investigations, and promotes and supports the regional harmonisation of railway safety standards.

The current focus of the regulator is to ensure continued strengthening of the railway safety regulatory framework and consolidate the safety oversight, compliance and enforcement functions. As the regulator consolidates its safety regulatory regime, assessing the overall safety performance of the railway industry will be crucial for identifying areas for urgent intervention as well as assessing the impact of the regulator's work.

The reports on the state of railway safety published by the regulator provide information on railway operators' safety performance. Over the medium term, the regulator has identified the following strategic objectives in response to the weaknesses identified in the reports: strengthen the regulatory framework; improve safety compliance and adequacy; facilitate effective stakeholder partnerships to improve rail safety; focus on the Gautrain rapid rail link and the 2010 FIFA World Cup; and improve institutional effectiveness by building internal capacity.

Savings and cost effective service delivery

The regulator will freeze the positions that it planned to fill in 2010/11. The envisaged increases in revenue from safety permits will be used to strengthen inspectorate capacity.

Selected performance indicators

Table 36.28 Railway Safety Regulator

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|--|------------------------------|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Number of safety incidents and occurrences | Safety assurance | 8777 | 8965 | 9296 | 8500 | 8075 | 7671 | 7287 |
| Number of occurrence investigations | Safety assurance | 11 | 9 | 9 | 10 | 11 | 12 | 13 |
| Number of inspections | Safety assurance | 9 | 11 | 10 | 6 | 10 | 12 | 14 |
| Number of reviews of proposed railway technology's compliance with safety requirements | Safety permits and standards | - | - | 28 | 32 | 35 | 35 | 38 |
| Number of safety management system and adequacy audits | Safety assurance | 107 | 239 | 326 | 38 | 50 | 50 | 50 |

Service delivery focus

The regulator is required to produce annual state of railway safety reports. These provide a yardstick for measuring safety performance in railways and play a critical role in identifying interventions to improve safety. The reports consist of occurrence information reported by the operators to the regulator for a particular financial year. This information is gathered daily basis and classified into various occurrence categories, for example derailments or collisions. The reports are approved by the board of the Railway Safety Regulator and submitted to the Minister of Transport for tabling in Parliament.

Expenditure estimates

Table 36.29 Railway Safety Regulator: Programme information

| R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|-------------------------------------|-----------------|---------------|---------------|------------------|----------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Safety Assurance | - | 7 743 | 12 171 | 16 780 | 13 527 | 14 000 | 14 200 |
| Safety Permits and Standards | - | 4 698 | 5 387 | 6 329 | 7 086 | 7 139 | 7 444 |
| Legal Services | - | 2 058 | 2 681 | 2 803 | 3 111 | 3 150 | 3 054 |
| Communications | - | - | - | - | 3 381 | 3 399 | 3 678 |
| Research and Cooperative Governance | - | - | - | - | 1 669 | 2 012 | 1 871 |
| Other programmes | 30 627 | 15 188 | 18 308 | 19 398 | 14 340 | 13 255 | 15 112 |
| Total expense | 30 627 | 29 687 | 38 547 | 45 310 | 43 114 | 42 955 | 45 359 |

Table 36.30 Railway Safety Regulator: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|----------------|---------------|------------------|----------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 208 | 271 | 5 550 | 8 050 | 7 480 | 5 480 | 6 010 |
| Sale of goods and services other than capital assets | - | - | 5 087 | 7 600 | 7 000 | 5 000 | 5 500 |
| <i>of which:</i> | | | | | | | |
| Admin fees | - | - | 5 087 | 7 600 | 7 000 | 5 000 | 5 500 |
| Other non-tax revenue | 208 | 271 | 463 | 450 | 480 | 480 | 510 |
| Transfers received | 21 730 | 28 170 | 33 654 | 37 260 | 35 634 | 37 475 | 39 349 |
| Total revenue | 21 938 | 28 441 | 39 204 | 45 310 | 43 114 | 42 955 | 45 359 |
| Expenses | | | | | | | |
| Current expense | 30 627 | 29 672 | 38 547 | 45 310 | 43 114 | 42 955 | 45 359 |
| Compensation of employees | 16 509 | 18 576 | 23 328 | 27 649 | 29 748 | 31 788 | 33 028 |
| Goods and services | 13 010 | 9 754 | 13 593 | 16 080 | 11 948 | 10 019 | 11 532 |
| Depreciation | 1 067 | 1 273 | 1 395 | 1 375 | 1 250 | 1 036 | 765 |
| Interest, dividends and rent on land | 41 | 69 | 231 | 206 | 168 | 112 | 34 |
| Transfers and subsidies | - | 15 | - | - | - | - | - |
| Total expenses | 30 627 | 29 687 | 38 547 | 45 310 | 43 114 | 42 955 | 45 359 |
| Surplus / (Deficit) | (8 689) | (1 246) | 657 | - | (0) | (0) | - |

Expenditure trends

The Railway Safety Regulator generates its revenue from government transfers, safety permit fees and infrequent donations and contributions. The safety permit fee was introduced in 2008/09. A penalty fee is currently being planned. Revenue increased from R21.9 million in 2006/07 to R45.3 million in 2009/10 at an average annual rate of 27.4 per cent, mainly because of the introduction of the permit fee. It is expected to remain almost steady over the medium term, pending the introduction of a penalty fee.

Expenditure increased from R30.6 million in 2006/07 million to R45.3 million in 2009/10, at an average annual rate of 13.9 per cent. Over the MTEF period, expenditure is expected to stabilise at R45.4 million. Expenditure in compensation of employees is projected to increase by 19.6 per cent, from R27.6 million in 2009/10 to R33 million in 2010/11. The increase is to cater for 2 additional departments (communications and research, and cooperative governance) which are expected to be introduced in 2010/11. Expenditure in goods and services increased by 11.7 per cent in 2009/10 due to finance and operating lease agreements for day-to-day operational activities.

The significant decrease in interest expense, from R206 000 in 2009/10 to R34 000 in 2012/13, is due to repayments of the finance lease liability over the medium term.

Airports Company of South Africa

Strategic overview: 2006/07 – 2012/13

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 company's core function is to facilitate the movement of passengers and goods at South Africa's airports.

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

Selected performance indicators

Table 36.31 Airports Company of South Africa

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|---|---|------------|------------|------------|------------|-------------|------------|------------|
| | | 2006/07 | 2007/08 | 2008/09 | | 2009/10 | 2010/11 | 2011/12 |
| Cost to income efficiency ratio | Overall | 56% | 63% | 69% | 62% | 56% | 48% | 47% |
| Efficiency factor: approved tariff as factor of revenue | Periodic repairs and maintenance activity | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Corporate social investment | Corporate services | R4.7m | R7.5m | R24.1m | R24.6m | R35m | R42m | R50.4m |
| Cost benefit efficiency ratio | Airport infrastructure development | 0.60 | 0.56 | 0.62 | 0.79 | 0.66 | 0.59 | 0.55 |
| Number of passengers accommodated at national airports per year | Airport infrastructure development | 16 411 544 | 18 199 031 | 16 796 610 | 15 779 952 | 16 772 001 | 17 510 559 | 18 874 502 |
| Number of planes accommodated at national airports per year | Airport infrastructure development | 270 650 | 290 696 | 279 545 | 274 133 | 280 986 | 291 101 | 306 905 |

Service delivery focus

Following the global economic downturn, the company experienced a significant decline in passenger numbers, which decreased by 7.7 per cent in 2009 (compared to a 10.6 per cent increase in 2008).

In 2009, domestic traffic, which accounts for 70 per cent of the total passenger traffic, recorded a 10.4 per cent drop, and international traffic, which yields higher returns, declined, by 0.74 per cent (compared to a 9.9 per cent increase in 2008). Aircraft landings decreased by 3.8 per cent in 2009 (compared to the 7.5 per cent increase in 2008).

Growth in revenue from non-aviation sources, which now accounts for approximately 54 per cent of total income, has softened the impact of the decline in aviation income. Overall, revenue increased from R2.8 billion in 2006/07 to an estimated R4.2 billion in 2009/10 at an average annual rate of 14.5 per cent.

Infrastructure investments included the central terminal building at OR Tambo International Airport (2009), Durban's new international airport at La Mercy (2010) and the central terminal building in Cape Town (2009). Port Elizabeth, Bloemfontein, Upington, Kimberley and East London international airports are developed and upgraded.

Expenditure estimates

Table 36.32 Airports Company of South Africa: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-------------------|-------------------|-------------------|-------------------|----------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 2 771 184 | 2 948 121 | 3 052 441 | 4 164 259 | 6 527 599 | 7 391 191 | 8 080 149 |
| Sale of goods and services other than capital assets <i>of which:</i> | 2 497 893 | 2 657 906 | 3 007 684 | 3 359 259 | 6 015 789 | 7 391 191 | 8 080 149 |
| <i>Airline charges</i> | 2 490 410 | 2 657 906 | 3 007 684 | 3 359 259 | 6 015 789 | 7 391 191 | 8 080 149 |
| <i>Other sales</i> | 7 483 | – | – | – | – | – | – |
| <i>Other non-tax revenue</i> | 273 291 | 290 215 | 44 757 | 805 000 | 511 810 | – | – |
| Total revenue | 2 771 184 | 2 948 121 | 3 052 441 | 4 164 259 | 6 527 599 | 7 391 191 | 8 080 149 |
| Expenses | | | | | | | |
| Current expense | 2 117 392 | 2 228 465 | 2 653 359 | 4 310 069 | 5 260 849 | 5 711 957 | 5 850 776 |
| Compensation of employees | 376 020 | 445 746 | 521 334 | 675 505 | 815 052 | 874 384 | 970 397 |
| Goods and services | 510 090 | 646 136 | 868 257 | 895 566 | 1 238 532 | 1 285 522 | 1 400 560 |
| Depreciation | 454 902 | 566 955 | 746 154 | 1 017 975 | 1 290 947 | 1 387 774 | 1 397 471 |
| Interest, dividends and rent on land | 303 704 | 258 439 | 343 456 | 1 608 323 | 1 592 773 | 1 444 606 | 1 126 901 |
| Total expenses | 2 117 392 | 2 228 465 | 2 653 359 | 4 310 069 | 5 260 849 | 5 711 957 | 5 850 776 |
| Surplus / (Deficit) | 653 792 | 719 656 | 399 082 | (145 810) | 1 266 749 | 1 679 234 | 2 229 373 |
| Statement of financial position | | | | | | | |
| Carrying value of assets | 10 245 229 | 14 589 862 | 20 258 517 | 25 142 840 | 25 467 403 | 25 230 577 | 26 693 568 |
| <i>of which: Acquisition of assets</i> | 1 715 434 | 4 528 021 | 5 946 301 | 5 902 298 | 1 615 510 | 1 150 948 | 2 860 463 |
| Investments | 87 049 | 145 297 | 250 400 | 235 991 | 235 991 | 235 991 | 235 991 |
| Inventory | 1 883 | 1 847 | 502 | 503 | 503 | 503 | 503 |
| Receivables and prepayments | 494 191 | 997 972 | 1 066 501 | 460 173 | 229 863 | 399 433 | 484 373 |
| Cash and cash equivalents | 1 905 083 | 16 915 | 828 029 | 167 963 | 300 789 | 369 560 | 404 007 |
| Total assets | 12 733 435 | 15 751 893 | 22 403 949 | 26 007 469 | 26 234 549 | 26 236 063 | 27 818 443 |
| Accumulated surplus/deficit | 5 971 161 | 6 555 817 | 6 954 899 | 7 337 350 | 8 091 761 | 9 769 819 | 11 997 632 |
| Capital and reserves | 736 482 | 737 327 | 732 070 | 744 000 | 744 000 | 744 000 | 744 000 |
| Borrowings | 4 459 103 | 5 193 691 | 11 271 294 | 15 983 830 | 16 383 050 | 14 366 922 | 13 172 794 |
| Post-retirement benefits | 57 812 | 70 455 | 89 280 | 89 280 | 89 280 | 89 280 | 89 280 |
| Trade and other payables | 1 467 138 | 2 842 054 | 2 796 417 | 1 341 199 | 926 458 | 1 266 042 | 1 814 736 |
| Provisions | 40 374 | 47 968 | 48 179 | – | – | – | – |
| Liabilities not classified elsewhere | 1 365 | 304 581 | 511 810 | 511 810 | – | – | – |
| Total equity and liabilities | 12 733 435 | 15 751 893 | 22 403 949 | 26 007 469 | 26 234 548 | 26 236 063 | 27 818 443 |

Expenditure trends

The main sources of revenue are from aeronautical and non-aeronautical commercial activities. Additional revenue may be raised in future through airports concessions.

Revenue increased from R2.8 billion in 2006/07 to R4.2 billion in 2009/10 at an average annual rate of 14.5 per cent, and is expected to increase to R8.1 billion over the medium term at an average annual rate of 24.7 per cent. The significant growth over the medium term is due to the projected increase in sales of goods and services.

Expenditure increased from R2.1 billion in 2006/07 to R4.3 billion in 2009/10, at an average annual rate of 26.7 per cent. Over the medium term, expenditure is expected to increase to R5.9 billion in 2012/13, at an average annual rate of 10.7 per cent. The substantial growth in the earlier period is due to interest, dividends and rent on land expenditure increasing by 368.3 per cent, from R343.5 million in 2008/09 to R1.6 billion in 2009/10. This growth is expected to slow to an average annual rate of 11.2 per cent over the medium term, to R1.1 billion in 2012/13. The increase in interest paid is due to an increase in borrowings of 53 per cent between 2006/07 and 2009/10. It is expected that borrowings, and consequently interest, will decline over the MTEF period at an average annual rate of 6.2 per cent.

In 2006/07, the company paid dividends of R898.9 million to the Department of Transport, which included a special dividend of R667.6 million as part of a correction of its financial structure. This payment is reflected in the decrease in capital and reserves for that year. The company will also continue infrastructure expenditure through developments at OR Tambo International Airport, Cape Town International Airport and Durban International Airport.

South African Civil Aviation Authority

Strategic overview: 2006/07 – 2012/13

The South African Civil Aviation Authority was established in terms of the South African Civil Aviation Act (1998). It is a statutory body whose main function is to promote, regulate and support high levels of safety throughout the civil aviation industry in South Africa. Its core activities relate to safety oversight of operations, aircraft, personnel, airports and airspace.

Selected performance indicators

Table 36.33 South African Civil Aviation Authority

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|---|--|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/0 | 2010/11 | 2011/12 | 2012/13 |
| Number of inspections conducted per year | Air safety operations | 43 | 47 | 102 | 99 | 118 | 125 | 131 |
| Percentage compliance with International Civil Aviation Organisation audit | | | | | | | | |
| - corrective action plan to address audit findings | Aviation security, and risk and compliance | * | 25% | 35% | 50% | 80% | 88% | 90% |
| - primary aviation legislation | Aviation security, and risk and compliance | * | 75% | 79% | 100% | 100% | 100% | 100% |
| - specific operating regulations | Aviation security, and risk and compliance | * | 69% | 82% | 85% | 100% | 100% | 100% |
| - civil aviation system and safety oversight function | Aviation security, and risk and compliance | * | 72% | 90% | 93% | 100% | 100% | 100% |
| - qualification and training of technical staff | Aviation security, and risk and compliance | * | 70% | 98% | 98% | 100% | 100% | 100% |
| - procedures and technical guidance | Aviation security, and risk and compliance | * | 68% | 89% | 94% | 100% | 100% | 100% |
| - licensing and certification obligations | Aviation security, and risk and compliance | * | 93% | 96% | 97% | 100% | 100% | 100% |
| - surveillance obligations | Aviation security, and risk and compliance | * | 87% | 94% | 95% | 100% | 100% | 100% |
| - resolution of safety concerns | Aviation security, and risk and compliance | * | 83% | 98% | 98% | 100% | 100% | 100% |
| Number of accidents caused by poor air safety operations or aircraft safety | Accident and incident investigation | 176 | 184 | 190 | 113 | - | - | - |

*Year of audit

Service delivery focus

Recruiting and employing qualified personnel has been prioritised. However, due to the global economic downturn and resulting low activity in the aviation industry, the organisation has ensured that only critical posts be filled and postponed other employment.

The organisation is spearheading a campaign to harmonise civil aviation standards in the SADC region.

Expenditure estimates

Table 36.34 South African Civil Aviation Authority: Programme information

| R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|-------------------------------------|-----------------|----------------|----------------|------------------|----------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Air Safety Operations | 31 714 | 39 826 | 39 975 | 41 078 | 45 185 | 49 704 | 54 674 |
| Aircraft Safety | 21 172 | 27 668 | 32 495 | 41 372 | 45 509 | 50 060 | 55 066 |
| Air Safety Infrastructure | 9 515 | 11 667 | 17 678 | 20 454 | 22 499 | 24 749 | 27 224 |
| Aviation Security | 8 566 | 8 633 | 11 584 | 13 403 | 14 743 | 16 217 | 17 839 |
| Accident and Incident Investigation | 12 618 | 14 593 | 10 012 | 13 037 | 14 313 | - | - |
| Other programmes | 83 159 | 109 322 | 147 959 | 141 171 | 167 941 | 189 761 | 208 647 |
| Total expense | 166 744 | 211 709 | 259 703 | 270 515 | 310 190 | 330 491 | 363 450 |

Table 36.35 South African Civil Aviation Authority: Financial information

| Statement of financial performance | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|----------------|-----------------|------------------|----------------------|----------------|----------------|
| R thousand | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 152 170 | 183 479 | 238 629 | 254 755 | 306 883 | 337 050 | 363 450 |
| Sale of goods and services other than capital assets of which: | 144 323 | 179 216 | 227 631 | 246 255 | 299 883 | 330 050 | 356 450 |
| <i>Other sales</i> | 144 323 | 179 216 | 227 631 | 246 255 | 299 883 | 330 050 | 356 450 |
| <i>Other non-tax revenue</i> | 7 847 | 4 263 | 10 998 | 8 500 | 7 000 | 7 000 | 7 000 |
| Transfers received | 6 773 | 28 862 | 7 464 | 7 781 | 8 223 | - | - |
| Total revenue | 158 943 | 212 341 | 246 093 | 262 536 | 315 106 | 337 050 | 363 450 |
| Expenses | | | | | | | |
| Current expense | 166 744 | 211 709 | 259 703 | 270 515 | 310 190 | 330 491 | 363 450 |
| Compensation of employees | 94 930 | 112 628 | 147 688 | 188 874 | 222 278 | 237 420 | 262 733 |
| Goods and services | 65 723 | 89 934 | 104 374 | 71 979 | 79 110 | 84 539 | 92 985 |
| Depreciation | 6 091 | 8 431 | 7 641 | 9 662 | 8 802 | 8 532 | 7 732 |
| Interest, dividends and rent on land | - | 716 | - | - | - | - | - |
| Total expenses | 166 744 | 211 709 | 259 703 | 270 515 | 310 190 | 330 491 | 363 450 |
| Surplus / (Deficit) | (7 801) | 632 | (13 610) | (7 979) | 4 916 | 6 559 | - |

Expenditure trends

The South African Civil Aviation Authority receives government transfers for ministerial directives on aircraft accident investigations. The authority receives most of its revenue from passenger safety charges, user fees and levies. The authority targets a ratio of 75 per cent of total budget from passenger safety charges and 25 per cent from user fees and levies.

Revenue increased at an average annual rate of 18.2 per cent, from R158.9 million in 2006/07 to R262.5 million in 2009/10. The authority's estimated revenue for 2009/10 is R262.5 million, which represents an increase of 6.7 per cent from the previous year's R246.1 million. Planned revenue of R290 million for 2009/10 has not been collected, largely due to the weak global economic climate. Revenue is expected increase at an average annual rate of 11.5 per cent over the medium term to R363.5 million in 2012/13.

Expenditure grew at an average annual rate of 17.5 per cent from R166.7 million in 2006/07 to R270.5 million in 2009/10. Over the MTEF period, expenditure is expected to grow from R270.5 million to R363.5 million, at an average annual rate of 10.3 per cent. This is mainly driven by spending in compensation of employees due to increasing capacity, and in goods and services for travel and subsistence, lease payments, and training and staff development.

Road Traffic Management Corporation

Strategic overview: 2006/07-2012/13

The Road Traffic Management Corporation was established in terms of the Road Traffic Management Corporation Act (1999) and became operational in September 2005. It is responsible for coordinating road traffic management across the various spheres of government, reducing road fatalities through targeted law enforcement and road safety education and communication, training traffic personnel and developing an integrated road traffic safety management system to collect and analyse data for strategic planning.

Over the medium term, the corporation will focus on: harmonising road traffic law enforcement between authorities and all spheres of government; harmonising and co-ordinating the training of all road traffic stakeholders; coordinating and overseeing road traffic safety communication and education in all provinces, focusing on all categories of road users; undertaking special detailed investigations on all major fatal road traffic crashes so that appropriate remedial measures can be identified; collecting and managing data to formulate evidence based policies and interventions; undertaking infrastructure safety audits and a road traffic engineering project for improved mobility on the roads; and ensuring compliance with road traffic laws.

Savings and cost effective service delivery

Processes have been streamlined and controls enhanced to avoid over-expenditure. Activities have been coordinated for maximum value and to avoid duplication. Travelling, refreshments, accommodation and other costs will be reduced.

Selected performance indicators

Table 36.36 Road Traffic Management Corporation

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|--|--------------------------------------|---------------|-------------------|----------------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Number of traffic law enforcement operations monitored per year | Road traffic law enforcement | | 7 | 7 | 5 | 24 | 24 | 24 |
| Percentage of enforcement code developed and implemented in 9 provinces | Road traffic law enforcement | 50% | 70% | 85% | 95% | 100% | 100% | 100% |
| Number of traffic colleges monitored per year | Training of traffic personnel | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Percentage of currently unnumbered rural roads that are numbered | Road safety audits | - | - | - | - | 50% | 80% | 100% |
| Percentage of investigations of all major fatal accidents out of total accidents | Accident investigation and recording | 11% (6/80) | 37.6% (49/130) | 53% (48/92) | (63)% | 100% | 100% | 100% |
| Number of provinces in which electronic learner's licence has been implemented | Testing and licensing of drivers | - | - | - | - | 4 | 6 | 9 |

Service delivery focus

The national traffic law enforcement code will be legislated and implemented in 2010. Scholar patrol uniforms were provided to all participating schools, and education programmes targeting schools, youth and drivers were coordinated in all provinces over past three years. 4 680 traffic officers were trained in the past year up to June 2009, resulting in an increased number of officers nationally. A crash recording system to provide real time data on road crashes will be rolled out in 2010.

In 2008/09, the corporation investigated 53 per cent of the 92 major fatal accidents reported an increase from 37.6 per cent in 2007/08. The administration adjudication of road traffic offences system was piloted in Tshwane metropolitan municipality from July 2007 and in Johannesburg metropolitan municipality from

February 2009, with the aim of testing the functionality of the system and the national contravention register on electronic national traffic information system. This assisted the Road Traffic Management Corporation to identify weaknesses in preparation for the national rollout expected in 2010/11.

Expenditure estimates

Table 36.37 Road Traffic Management Corporation: Programme information

| R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|---|-----------------|---------------|----------------|------------------|----------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Road and pedestrian safety education | 122 | 2 693 | 2 335 | 2 509 | 2 000 | 2 200 | 400 |
| Road traffic offence survey | 959 | 2 559 | 892 | 733 | 400 | 440 | 484 |
| Special Accident Investigations | 784 | 1 480 | 1 673 | 1 559 | 1 000 | 1 100 | 1 210 |
| Training of traffic personnel & Integrated Training framework | 1 595 | 1 091 | 1 365 | 1 156 | 1 000 | 1 100 | 200 |
| Operationalisation of AARTO | 445 | 1 511 | 4 119 | 3 409 | - | - | - |
| Other programmes | 47 054 | 59 701 | 158 217 | 74 237 | 69 218 | 74 096 | 81 339 |
| Total expense | 50 959 | 69 035 | 168 601 | 83 603 | 73 618 | 78 936 | 83 633 |

Table 36.38 Road Traffic Management Corporation: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|---------------|----------------|------------------|----------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 1 576 | 8 858 | 13 566 | - | - | - | - |
| <i>Other non-tax revenue</i> | 1 576 | 8 858 | 13 566 | - | - | - | - |
| Transfers received | 52 488 | 73 795 | 165 630 | 83 603 | 73 618 | 78 936 | 83 633 |
| Total revenue | 54 064 | 82 653 | 179 196 | 83 603 | 73 618 | 78 936 | 83 633 |
| Expenses | | | | | | | |
| Current expense | 50 959 | 69 035 | 168 601 | 83 603 | 73 618 | 78 936 | 83 633 |
| Compensation of employees | 11 496 | 28 521 | 36 551 | 48 696 | 52 592 | 56 799 | 61 343 |
| Goods and services | 36 040 | 36 716 | 124 895 | 32 161 | 18 006 | 18 814 | 18 635 |
| Depreciation | 3 421 | 3 212 | 4 746 | 2 746 | 3 021 | 3 323 | 3 655 |
| Interest, dividends and rent on land | 2 | 586 | 2 409 | - | - | - | - |
| Total expenses | 50 959 | 69 035 | 168 601 | 83 603 | 73 618 | 78 936 | 83 633 |
| Surplus / (Deficit) | 3 105 | 13 618 | 10 595 | - | (0) | 0 | 0 |

Expenditure trends

The Road Traffic Management Corporation is expected to take over more functions in 2010/11. The electronic national traffic information system function has not shifted. The Road Traffic Infringement Agency will be set up as a separate entity to take over the implementation of the administrative adjudication of road traffic offences.

Additional amounts totalling R236 million over the MTEF period have been allocated to the corporation. Expenditure increased from R51 million in 2006/07 to R83.6 million in 2009/10 at an average annual rate of 17.9 per cent. As the budget for the Arrive Alive campaign is now within the department, the corporation's expenditure is expected to decrease to R73.6 million in 2010/11. In the following years, it increases due to inflation relation adjustments.

Credit card driving licences trading account

Strategic overview: 2006/07 – 2012/13

The credit card driving licence production facility was established in March 1998. The card production facility stores all the transaction details on the national traffic information system and enables the verification of all

features incorporated on the card. The automated system has reduced the waiting time for licences to 14 days against the targeted 21 days.

The credit card driving licences trading account was created after National Treasury approval in May 2007 in terms of the Public Finance Management Act (1999). The purpose of the trading account is to eliminate fraudulent driver's licence cards and increase security features. The new service contract to produce the cards will be at a reduced cost, and based on state of the art technology which will be able to integrate information systems with those of other departments, such as the Department of Home Affairs.

The account generates revenue by selling credit card format driver's licences (either new or renewals ordered by the driver's licence testing centres) and pays the contractor for the manufactured cards.

Savings and cost effective service delivery

The entity intends to bring currently outsourced accounting services in-house to create capacity, improve management and reduce costs.

Selected performance indicators

Table 36.39 Credit card driving licences trading account

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|--|---------------------------------------|-----------|-----------|-----------|-----------|-------------|-----------|-----------|
| | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Number of driver's licence cards produced per year | Manufacture of driver's licence cards | 1 494 008 | 1 745 168 | 2 159 684 | 1 835 250 | 1 835 250 | 1 835 250 | 1 835 250 |

Service delivery focus

The focus of service delivery is to manufacture driver's licence cards in a predetermined turnaround period and with security features that prevent fraud. The entity aims to improve the turnaround time. The entity also aims to create capacity to improve its management, to improve its financial situation, to generate funds to address its future operational and capital needs, and to improve compliance with relevant legislation.

Expenditure estimates

Table 36.40 Credit card driving licenses trading account: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate | Medium-term estimate | | |
|--|-----------------|----------------|----------------|------------------|----------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 77 305 | 93 542 | 100 451 | 86 978 | 104 560 | 104 560 | 104 560 |
| Sale of goods and services other than capital assets <i>of which:</i> | 73 669 | 91 967 | 91 844 | 86 353 | 104 560 | 104 560 | 104 560 |
| <i>Sales by market establishments</i> | 73 669 | 91 967 | 91 844 | 86 353 | 104 560 | 104 560 | 104 560 |
| <i>Other non-tax revenue</i> | 3 636 | 1 575 | 8 607 | 625 | - | - | - |
| Total revenue | 77 305 | 93 542 | 100 451 | 86 978 | 104 560 | 104 560 | 104 560 |
| Expenses | | | | | | | |
| Current expense | 139 656 | 101 000 | 109 788 | 83 583 | 104 559 | 103 190 | 103 190 |
| Goods and services | 58 247 | 101 000 | 109 784 | 83 018 | 85 904 | 84 535 | 84 535 |
| Depreciation | 6 914 | - | 4 | 565 | 18 655 | 18 655 | 18 655 |
| Interest, dividends and rent on land | 74 495 | - | - | - | - | - | - |
| Total expenses | 139 656 | 101 000 | 109 788 | 83 583 | 104 559 | 103 190 | 103 190 |
| Surplus / (Deficit) | (62 351) | (7 458) | (9 337) | 3 395 | 1 | 1 370 | 1 370 |

Expenditure trends

Total revenue grew from R77.3 million in 2006/07 to R87 million in 2012/13 at an average annual rate of 4 per cent, due to an increase in the number of cards produced from 1.5 million to 1.8 million and an increase in the fee per card. Expenditure grew at an average annual rate of 8.6 per cent between 2006/07 and 2009/10, and

at an average annual rate of 7.3 per cent over the medium term. The increase over the medium term is mainly due to depreciation on the live scan units.

In 1992, the Department of Transport gained Cabinet approval to operate the production of driver's licences on a cost recovery basis, meaning that the public pays for the driver's licence card. Increasing production costs, non-payment for the cards by the provinces and the driver's licence testing centres, and bad debts of R22.8 million in 2008/09 have put pressure on the budget. The other financial constraint is that the entity is contractually obliged to purchase live scan units at a cost of R96.4 million, used to perform the eye test and to collect the biometric images (fingerprint, photograph and signature) of the applicants for driver's licence cards.

A tender was issued to appoint a new service provider for the manufacturing of the cards. This is expected to result in a decrease in the cost per card and an increase in fees charged per card from 2010/11.

Road Accident Fund

Strategic overview: 2006/07 – 2012/13

The Road Accident Fund provides compensation for loss of earnings and support, general damage, and medical and funeral costs to victims of road accidents caused by the negligent or wrongful driving of another vehicle. Since the promulgation of the Road Accident Fund Amendment Act (2005), compensation has been limited to earnings and loss of support and compensation for pain and suffering is available only to the seriously injured. Due to the delayed impact of legislation, the amendments have implications for the personal insurance required by road users as a discretionary social security protection.

Despite the progress made on both a strategic and operational level in recent years, the Road Accident Fund continues to face a number of challenges. In summary these are: dissatisfied and disillusioned stakeholders; the inability to effectively process claims; fraud and corruption; costly administration and service providers; an unsustainable economic model; and poor financial health.

The fund has a clear, 3-part strategy, which can be summarised as: transforming the business plan comprehensively; supporting enabling legislative reform; and working with National Treasury to ensure that sufficient funding is available for road accident victims.

- Guided by its vision of peace of mind for its customers, the Road Accident Fund aims to, among others: inform its customers about its services, including their limits; deliver services and pay claims quickly, efficiently and without waste; and contribute to a high standard of roads, road safety and post accident care. A managed transition to a transformed Road Accident Fund will begin from April 2010.

Savings and cost effective service delivery

It is envisaged that the following will result in cost savings and cost effective service delivery: an in-house litigation department will deal with magistrate's court matters to save on the fund's own legal costs, currently in the order of R1 billion (2009/10); increasing the fund's presence at both public and private hospitals will increase the number of direct (no attorneys) claims and thus save on the R1.5 billion (2008/09) costs for plaintiff attorneys; and the Road Accident Fund Amendment Act (2005) will bring about a decrease in claims, estimated at between 25 per cent and 33 per cent.

Selected performance indicators

Table 36.41 Road Accident Fund

| Indicator | Programme/Activity | Past | | | Current | Projections | | |
|-------------------------------------|--|---------|---------|---------|---------|-------------|---------|---------|
| | | 2006/07 | 2007/08 | 2008/09 | | 2009/10 | 2010/11 | 2011/12 |
| Number of claims finalised per year | Payment of compensation claims to accident victims | 260 903 | 355 647 | 330 453 | 250 699 | 214 038 | 198 341 | 209 787 |
| Cost to compensation ratio* | Other | 44% | 47% | – | – | – | – | – |
| Cost to fuel levy income ratio* | Other | – | – | 38% | 33% | 34% | 33% | 32% |

* Ratio changed in 2008/09

Service delivery focus

The fund implemented an integrated systems applications and products enterprise resource planning system and has partially implemented the claims system. Full implementation is planned for April 2010. Implementing these systems will ensure that claims are processed and paid much faster. The fund opened hospital based offices where claims are being generated and more offices will be opened in future. These will provide claimants with advice and ensure quicker claims lodgements.

Expenditure estimates

Table 36.42 Road Accident Fund: Programme information

| R thousand | Audited outcome | | | Revised estimate 2009/10 | Medium-term estimate | | |
|---------------------------|------------------|-------------------|-------------------|-----------------------------|----------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | | 2010/11 | 20011/12 | 2012/13 |
| Compensation | 3 989 014 | 6 497 430 | 7 819 836 | 7 410 648 | 7 919 708 | 9 254 335 | 10 827 969 |
| RAF legal and other | 664 466 | 795 229 | 987 561 | 1 239 603 | 1 324 755 | 1 548 003 | 1 811 230 |
| Claimants legal and other | 1 003 067 | 1 237 352 | 1 597 519 | 1 889 231 | 2 019 008 | 2 359 250 | 2 760 424 |
| Supplier claims | 462 912 | 469 932 | 757 604 | 439 087 | 469 249 | 548 327 | 641 566 |
| Other programmes | 3 016 354 | 6 991 722 | 12 913 250 | 7 578 612 | 75 551 | (1 112 500) | (2 677 974) |
| Total expense | 9 135 813 | 15 991 666 | 24 075 771 | 18 557 181 | 11 808 271 | 12 597 415 | 13 363 215 |

Table 36.43 Road Accident Fund: Financial information

| Statement of financial performance R thousand | Audited outcome | | | Revised estimate 2009/10 | Medium-term estimate | | |
|--|--------------------|--------------------|---------------------|-----------------------------|----------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | | 2010/11 | 20011/12 | 2012/13 |
| Revenue | | | | | | | |
| Non-tax revenue | 264 412 | 182 693 | 573 678 | 63 057 | 22 351 | 22 654 | 21 434 |
| <i>Other non-tax revenue</i> | 264 412 | 182 693 | 573 678 | 63 057 | 22 351 | 22 654 | 21 434 |
| Tax revenue: Fuel levy | 7 012 774 | 8 222 048 | 11 345 378 | 11 494 857 | 13 129 150 | 15 167 844 | 17 614 842 |
| Total revenue | 7 277 186 | 8 404 741 | 11 919 056 | 11 557 914 | 13 151 501 | 15 190 498 | 17 636 277 |
| Expenses | | | | | | | |
| Current expense | 505 610 | 603 341 | 783 740 | 1 011 964 | 1 072 996 | 1 125 787 | 1 150 710 |
| Compensation of employees | 397 109 | 426 095 | 534 090 | 635 458 | 665 448 | 689 419 | 682 437 |
| Goods and services | 104 746 | 148 846 | 217 158 | 342 290 | 371 977 | 398 788 | 430 346 |
| Depreciation | 3 737 | 12 570 | 8 537 | 14 323 | 18 520 | 22 359 | 26 795 |
| Interest, dividends and rent on land | 18 | 15 830 | 23 955 | 19 893 | 17 050 | 15 221 | 11 132 |
| Transfers and subsidies | 8 630 203 | 15 388 325 | 23 292 031 | 17 545 217 | 10 735 275 | 11 471 628 | 12 212 505 |
| Total expenses | 9 135 813 | 15 991 666 | 24 075 771 | 18 557 181 | 11 808 271 | 12 597 415 | 13 363 215 |
| Surplus / (Deficit) | (1 858 627) | (7 586 925) | (12 156 715) | (6 999 267) | 1 343 230 | 2 593 083 | 4 273 062 |
| Statement of financial position | | | | | | | |
| Carrying value of assets | 130 954 | 129 490 | 158 642 | 254 319 | 275 799 | 295 440 | 312 646 |
| <i>of which: Acquisition of assets</i> | 18 213 | 97 515 | 67 174 | 110 000 | 40 000 | 42 000 | 44 000 |
| Inventory | - | 2 077 | 2 941 | 3 235 | 3 559 | 3 914 | 4 306 |
| Receivables and prepayments | 1 672 272 | 1 972 943 | 2 012 943 | 2 347 308 | 2 676 378 | 3 085 248 | 3 574 786 |
| Cash and cash equivalents | 2 404 363 | 1 192 406 | 1 090 698 | 259 435 | 283 731 | 266 793 | 254 098 |
| Total assets | 4 207 589 | 3 296 916 | 3 265 224 | 2 864 297 | 3 239 468 | 3 651 395 | 4 145 836 |
| Accumulated surplus/deficit | (20 299 742) | (27 886 667) | (40 043 382) | (47 042 650) | (45 699 420) | (43 106 337) | (38 833 275) |
| Capital and reserves | 58 916 | 58 916 | 79 850 | 79 850 | 79 850 | 79 850 | 79 850 |
| Post-retirement benefits | 20 219 | 21 985 | 24 842 | 29 557 | 30 952 | 32 067 | 31 742 |
| Trade and other payables | 105 705 | 419 504 | 434 243 | 481 233 | 497 458 | 544 070 | 597 197 |
| Provisions | 190 645 | 233 551 | 209 535 | 249 304 | 261 070 | 270 474 | 267 735 |
| Managed funds | 23 935 366 | 30 339 494 | 42 500 355 | 49 067 003 | 48 069 558 | 45 831 271 | 42 002 588 |
| Liabilities not classified elsewhere | 196 480 | 110 133 | 59 781 | - | - | - | - |
| Total equity and liabilities | 4 207 589 | 3 296 916 | 3 265 224 | 2 864 297 | 3 239 468 | 3 651 395 | 4 145 836 |

Expenditure trends

Revenue increased from R7.3 billion 2006/07 to R11.6 billion in 2009/10 at an average annual rate of 16.7 per cent, due to increased fuel sales and a 17 cent increase in the fuel levy in 2009/10. Despite increases in

revenue, the claims backlog was only reduced by 12 per cent, from 297 072 claims in 2008/09 to 261 390 claims in 2009/10.

Expenditure increased at an average annual rate of 26.6 per cent, from R9.1 billion in 2006/07 to R18.6 billion in 2009/10, and is expected to decrease at an average annual rate of 10.4 per cent over the medium term to reach R13.4 billion. The increase between 2006/07 and 2009/10 is largely driven by a R5.2 billion transfer from the department in 2005/06 and 2008/09 to address liquidity problems in order for claims to be paid. In addition, the average value of claims paid increased by 25 per cent between 2007/08 and 2008/09, largely due to the finalisation of high value non-supplier claims. The increases in the administration costs between 2009/10 and 2012/13 are mainly due to inflation related adjustments. There are no major increases in staff planned and these costs are expected. The increase in staff costs over the MTEF period relate to annual salary increases.

To ensure sufficient liquidity to meet its claims the Road Accident Fund fuel levy will be increased by 8 cents from April 2010. However, to ensure that support for road users is affordable, reasonable, equitable and sustainable, the Department of Transport has developed a draft policy for a no-fault road accident benefit scheme as recommended by the Road Accident Fund Commission. These reforms are critical to address the growing net liability of the fund, which has seen the provisions for outstanding claims grow at an average annual rate of 39 per cent between 2006/07 and 2008/09, while the contingent liability has grown from R20.3 billion to R40 billion over the same period, and is projected to reach R47 billion in 2009/10.

Claims expenditure is expected to increase over the MTEF period as a result of the fund's continuous effort to reduce the claims.

Additional tables

Table 36.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 | 2008/09 | | 2008/09 | 2009/10 | | | 2009/10 |
| 1. Administration | 170 537 | 245 165 | 235 901 | 231 023 | 8 747 | 239 770 | 239 770 |
| 2. Transport Policy and Economic Regulation | 37 733 | 47 211 | 32 648 | 51 592 | 2 871 | 54 463 | 32 678 |
| 3. Transport Regulation and Accident and Incident Investigation | 255 863 | 432 563 | 466 733 | 195 580 | 200 114 | 395 694 | 395 694 |
| 4. Integrated Planning and Intersphere Coordination | 7 769 453 | 8 767 012 | 8 297 733 | 5 738 772 | 145 734 | 5 884 506 | 5 884 506 |
| 5. Transport Logistics and Corridor Development | 22 225 | 35 076 | 22 193 | 31 809 | (2 500) | 29 309 | 13 189 |
| 6. Public Transport | 12 073 463 | 12 277 229 | 13 120 209 | 17 308 341 | 144 029 | 17 452 370 | 17 452 370 |
| 7. Public Entity Oversight and Border Operations and Control | 179 254 | 2 688 584 | 2 663 227 | 177 712 | 4 693 | 182 405 | 145 924 |
| Total | 20 508 528 | 24 492 840 | 24 838 644 | 23 734 829 | 503 688 | 24 238 517 | 24 164 131 |

Economic classification

| | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|----------------|-------------------|-------------------|
| Current payments | 790 704 | 1 044 394 | 989 595 | 794 364 | 226 401 | 1 020 765 | 946 379 |
| Compensation of employees | 196 176 | 230 190 | 182 632 | 212 798 | 8 214 | 221 012 | 221 012 |
| Goods and services | 594 528 | 814 204 | 806 963 | 581 566 | 218 187 | 799 753 | 725 367 |
| Transfers and subsidies | 19 675 534 | 23 444 952 | 23 829 263 | 22 936 773 | 277 229 | 23 214 002 | 23 214 002 |
| Provinces and municipalities | 6 435 993 | 7 519 162 | 7 268 992 | 8 836 993 | 260 929 | 9 097 922 | 9 097 922 |
| Departmental agencies and accounts | 4 342 793 | 6 828 493 | 6 814 138 | 5 958 099 | 16 300 | 5 974 399 | 5 974 399 |
| Universities and technikons | 7 796 | 7 796 | 7 798 | 8 178 | – | 8 178 | 8 178 |
| Foreign governments and international organisations | 4 871 | 4 871 | 4 850 | 5 114 | – | 5 114 | 5 114 |
| Public corporations and private enterprises | 8 410 872 | 8 611 421 | 9 258 163 | 7 482 393 | – | 7 482 393 | 7 482 393 |
| Non-profit institutions | 14 093 | 14 093 | 14 075 | 15 109 | – | 15 109 | 15 109 |
| Households | 459 116 | 459 116 | 461 247 | 630 887 | – | 630 887 | 630 887 |
| Payments for capital assets | 42 290 | 3 494 | 5 652 | 3 692 | 58 | 3 750 | 3 750 |
| Buildings and other fixed structures | 38 796 | – | – | – | – | – | – |
| Machinery and equipment | 3 494 | 3 494 | 5 652 | 3 692 | 58 | 3 750 | 3 750 |
| Payments for financial assets | – | – | 14 134 | – | – | – | – |
| Total | 20 508 528 | 24 492 840 | 24 838 644 | 23 734 829 | 503 688 | 24 238 517 | 24 164 131 |

Table 36.B Detail of approved establishment and personnel numbers according to salary level ¹

| Department | Personnel post status as at 30 September 2009 | | | Number of personnel posts filled / planned for on funded establishment | | | | | | |
|-----------------------|---|------------------------|---|--|------------|------------|-----------------------|----------------------|------------|------------|
| | Number of posts on approved establishment | Number of funded posts | Number of posts additional to the establishment | Actual | | | Mid year ² | Medium-term estimate | | |
| | | | | 2006/07 | 2007/08 | 2008/09 | | 2009/10 | 2010/11 | 2011/12 |
| Department | 671 | 543 | 75 | 367 | 431 | 520 | 671 | 671 | 671 | 671 |
| Salary level 1 – 6 | 129 | 113 | 52 | 118 | 141 | 168 | 129 | 129 | 129 | 129 |
| Salary level 7 – 10 | 263 | 217 | 10 | 139 | 149 | 182 | 263 | 263 | 263 | 263 |
| Salary level 11 – 12 | 143 | 113 | 5 | 64 | 78 | 102 | 143 | 143 | 143 | 143 |
| Salary level 13 – 16 | 136 | 100 | 8 | 46 | 63 | 68 | 136 | 136 | 136 | 136 |
| Administration | 300 | 250 | 24 | 177 | 197 | 244 | 300 | 300 | 300 | 300 |
| Salary level 1 – 6 | 76 | 64 | 17 | 88 | 99 | 129 | 76 | 76 | 76 | 76 |
| Salary level 7 – 10 | 126 | 111 | 5 | 64 | 68 | 78 | 126 | 126 | 126 | 126 |
| Salary level 11 – 12 | 54 | 39 | 2 | 22 | 27 | 33 | 54 | 54 | 54 | 54 |
| Salary level 13 – 16 | 44 | 36 | – | 3 | 3 | 4 | 44 | 44 | 44 | 44 |

Table 36.B Detail of approved establishment and personnel numbers according to salary level ¹ (continued)

| | Personnel post status as at 30 September 2009 | | | Number of personnel posts filled / planned for on funded establishment | | | | | | |
|---|---|------------------------|---|--|---------|---------|-----------------------|----------------------|---------|---------|
| | Number of posts on approved establishment | Number of funded posts | Number of posts additional to the establishment | Actual | | | Mid year ² | Medium-term estimate | | |
| | | | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Transport Policy and Economic Regulation | 67 | 57 | 16 | 42 | 40 | 52 | 67 | 67 | 67 | 67 |
| Salary level 1 – 6 | 14 | 14 | 13 | 13 | 14 | 12 | 14 | 14 | 14 | 14 |
| Salary level 7 – 10 | 14 | 11 | 2 | 8 | 5 | 10 | 14 | 14 | 14 | 14 |
| Salary level 11 – 12 | 18 | 18 | 1 | 13 | 12 | 15 | 18 | 18 | 18 | 18 |
| Salary level 13 – 16 | 21 | 14 | – | 8 | 9 | 15 | 21 | 21 | 21 | 21 |
| Transport Regulation and Accident and Incident Investigation | 117 | 96 | 14 | 58 | 85 | 97 | 117 | 117 | 117 | 117 |
| Salary level 1 – 6 | 14 | 10 | 13 | 6 | 10 | 10 | 14 | 14 | 14 | 14 |
| Salary level 7 – 10 | 62 | 51 | – | 31 | 46 | 54 | 62 | 62 | 62 | 62 |
| Salary level 11 – 12 | 23 | 22 | – | 10 | 15 | 20 | 23 | 23 | 23 | 23 |
| Salary level 13 – 16 | 18 | 13 | 1 | 11 | 14 | 13 | 18 | 18 | 18 | 18 |
| Integrated Planning and Inter-sphere Co-ordination | 85 | 65 | 6 | 45 | 52 | 58 | 85 | 85 | 85 | 85 |
| Salary level 1 – 6 | 10 | 10 | 3 | 6 | 5 | 6 | 10 | 10 | 10 | 10 |
| Salary level 7 – 10 | 28 | 21 | 2 | 16 | 16 | 19 | 28 | 28 | 28 | 28 |
| Salary level 11 – 12 | 28 | 19 | – | 14 | 15 | 19 | 28 | 28 | 28 | 28 |
| Salary level 13 – 16 | 19 | 15 | 1 | 9 | 16 | 14 | 19 | 19 | 19 | 19 |
| Transport Logistics and Corridor Development | 34 | 23 | 1 | 11 | 11 | 21 | 34 | 34 | 34 | 34 |
| Salary level 1 – 6 | 2 | 2 | 1 | – | 1 | – | 2 | 2 | 2 | 2 |
| Salary level 7 – 10 | 15 | 10 | – | 7 | 4 | 10 | 15 | 15 | 15 | 15 |
| Salary level 11 – 12 | 7 | 4 | – | – | 2 | 4 | 7 | 7 | 7 | 7 |
| Salary level 13 – 16 | 10 | 7 | – | 4 | 4 | 7 | 10 | 10 | 10 | 10 |
| Public Transport | 50 | 37 | 10 | 28 | 37 | 37 | 50 | 50 | 50 | 50 |
| Salary level 1 – 6 | 10 | 10 | 2 | 5 | 10 | 9 | 10 | 10 | 10 | 10 |
| Salary level 7 – 10 | 13 | 9 | 1 | 11 | 8 | 9 | 13 | 13 | 13 | 13 |
| Salary level 11 – 12 | 10 | 8 | 1 | 5 | 6 | 8 | 10 | 10 | 10 | 10 |
| Salary level 13 – 16 | 17 | 10 | 6 | 7 | 13 | 11 | 17 | 17 | 17 | 17 |
| Public Entity Oversight and Border Operations and Control | 18 | 15 | 4 | 6 | 9 | 11 | 18 | 18 | 18 | 18 |
| Salary level 1 – 6 | 3 | 3 | 3 | – | 2 | 2 | 3 | 3 | 3 | 3 |
| Salary level 7 – 10 | 5 | 4 | – | 2 | 2 | 2 | 5 | 5 | 5 | 5 |
| Salary level 11 – 12 | 3 | 3 | 1 | – | 1 | 3 | 3 | 3 | 3 | 3 |
| Salary level 13 – 16 | 7 | 5 | – | 4 | 4 | 4 | 7 | 7 | 7 | 7 |

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

2. As at 30 September 2009.

Table 36.C Summary of expenditure on training

| | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Compensation of employees (R thousand) | 143 678 | 131 323 | 230 190 | 214 199 | 210 852 | 223 385 | 230 684 |
| Training expenditure (R thousand) | 3 036 | 3 218 | 1 809 | 3 942 | 3 991 | 3 965 | 4 084 |
| Training as percentage of compensation | 2.1% | 2.5% | 0.8% | 1.8% | 1.9% | 1.8% | 1.8% |
| Total number trained in department (head count) | 240 | 317 | 347 | - | | | |
| <i>of which:</i> | | | | | | | |
| <i>Employees receiving bursaries (head count)</i> | 160 | 140 | 28 | - | | | |
| <i>Learnerships trained (head count)</i> | 7 | 7 | 6 | - | | | |
| <i>Internships trained (head count)</i> | 28 | 30 | 35 | 39 | | | |
| Households receiving bursaries (R thousand) | - | - | 2 200 | - | 8 669 | 9 189 | 9 700 |
| Households receiving bursaries (head count) | - | - | 17 | - | | | |

Table 36.D Summary of conditional grants to provinces and municipalities¹

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| Conditional grants to provinces | | | | | | | |
| 4. Integrated Planning and Intersphere Coordination | | | | | | | |
| Sani Pass Roads Grant | - | - | 30 000 | 34 347 | - | - | - |
| Overload Control Grant | - | - | 8 796 | 10 069 | 11 038 | - | - |
| Transport Disaster Management Grant | - | - | 1 035 473 | 116 900 | - | - | - |
| 6. Public Transport | | | | | | | |
| Public Transport Operations Grant | - | - | - | 3 531 909 | 3 863 033 | 4 153 232 | 4 360 894 |
| Gautrain Rapid Rail Link Grant | 3 241 000 | 3 029 411 | 3 265 993 | 2 976 720 | 438 360 | 5 300 | - |
| Total | 3 241 000 | 3 029 411 | 4 340 262 | 6 669 945 | 4 312 431 | 4 158 532 | 4 360 894 |
| Conditional grants to municipalities | | | | | | | |
| 4. Integrated Planning and Intersphere Coordination | | | | | | | |
| Rural Transport Services and Infrastructure Grant | - | - | 8 900 | 9 800 | 10 400 | 11 100 | 11 655 |
| 6. Public Transport | | | | | | | |
| Public Transport Infrastructure and Systems Grant | 518 020 | 1 174 000 | 2 919 830 | 2 418 177 | 3 699 462 | 4 425 000 | 4 125 000 |
| Total | 518 020 | 1 174 000 | 2 928 730 | 2 427 977 | 3 709 862 | 4 436 100 | 4 136 655 |

1. Detail provided in the Division of Revenue Act (2010)

Table 36.E Summary of departmental public private partnership (PPP) projects

| Project description: National fleet project | Project annual unitary fee at time of contract | Budgeted expenditure | Medium-term expenditure estimate | | |
|--|--|-------------------------|----------------------------------|--------------|--------------|
| | | | 2009/10 | 2010/11 | 2011/12 |
| R thousand | | | | | |
| Projects signed in terms of Treasury Regulation 16 | – | 4 420 | 4 700 | 4 900 | 5 145 |
| PPP unitary charge | – | 4 420 | 4 700 | 4 900 | 5 145 |
| Total | – | 4 420 | 4 700 | 4 900 | 5 145 |

Disclosure notes for projects signed in terms of Treasury Regulation 16

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

Table 36.F Summary of donor funding

| Donor | Project | Departmental programme name | Amount committed | Main economic classification | Spending focus | Audited outcome | | | Estimate | Medium-term expenditure estimate | | |
|---------------------------|--|-----------------------------|------------------|------------------------------|--|-----------------|----------|---------------|---------------|----------------------------------|--------------|----------|
| | | | | | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | | | | | | |
| Foreign In cash | | | | | | | | | | | | |
| Global Environmental Fund | Sustainable public transport and sport | Public Transport | 82 541 | Provinces and municipalities | Supporting transport improvements in 7 2010 FIFA World Cup host cities | - | - | 11 947 | 53 146 | 15 341 | 2 106 | - |
| Total | | | 82 541 | | | - | - | 11 947 | 53 146 | 15 341 | 2 106 | - |

Table 36.G Summary of expenditure on infrastructure

| Project name | Service delivery outputs | Current project stage | Total project cost | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | | | |
|---|--|-----------------------|--------------------|-----------------|-----------|-----------|------------------------|----------------------------------|-----------|-----------|--|--|
| | | | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | | |
| R thousand | | | | | | | | | | | | |
| Infrastructure transfers to other spheres, agencies and departments | | | | | | | | | | | | |
| South African National Roads Agency | Development and upkeep of the national network | Various | - | 832 952 | 1 429 350 | 1 900 000 | 2 847 536 | 4 065 177 | 5 812 566 | 6 384 636 | | |
| Passenger Rail Agency of South Africa | Passenger rail infrastructure maintenance and rehabilitation | Construction | - | 1 029 598 | 1 696 078 | 2 367 686 | 3 831 791 | 5 110 273 | 5 784 768 | 6 021 106 | | |
| Gautrain rapid rail link | National contribution for the construction of the Gautrain rapid rail link | Construction | - | 3 241 000 | 3 029 411 | 3 265 993 | 2 976 720 | 438 360 | 5 300 | - | | |
| Public transport infrastructure and systems grant | Public transport infrastructure systems for municipality | Various | - | 518 020 | 1 174 000 | 2 919 830 | 2 418 177 | 3 699 462 | 4 425 000 | 4 125 000 | | |
| Public transport infrastructure and systems grant for Passenger Rail Agency of South Africa | Improved railway stations | Construction | - | 179 000 | 476 000 | - | 464 758 | - | - | - | | |
| Public transport infrastructure and systems grant for South African National Road Agency | Road maintenance for 2010 projects | Various | - | - | 130 000 | 100 000 | 206 559 | - | - | - | | |
| Public transport infrastructure and systems grant Passenger Rail Agency of South Africa | Purchase of busses | Various | - | - | - | - | - | 797 000 | - | - | | |
| Sani Pass roads grant | Construction of road to Lesotho | Various | - | - | - | 30 000 | 34 347 | - | - | - | | |

Table 36.G Summary of expenditure on infrastructure (continued)

| Project name | Service delivery outputs | Current project stage | Total project cost | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|--|-----------------------|--------------------|-----------------|-----------|------------|------------------------|----------------------------------|------------|------------|
| | | | | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
| R thousand | | | | | | | | | | |
| Overload control grant | Infrastructure for law enforcement in respect of overloaded vehicles | Various | - | - | - | 8 796 | 10 069 | 11 038 | - | - |
| Rural transport services and infrastructure grant | Rural public transport infrastructure | Various | - | - | - | 8 900 | 9 800 | 10 400 | 11 100 | 11 655 |
| Public transport infrastructure and systems grant for Cross Border Road Transport Agency | Boarder infrastructure | Various | - | 1 000 | - | - | - | - | - | - |
| Total | | | - | 5 801 570 | 7 934 839 | 10 601 205 | 12 799 757 | 14 131 710 | 16 038 734 | 16 542 397 |

