

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 37 TRANSPORT



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2014

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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

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



“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves.”

UNION BUILDINGS, PRETORIA, 10 MAY 1994



national treasury

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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Transport

**National Treasury
Republic of South Africa**



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Vote 37

Transport

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	382.9	369.4	11.2	2.3	399.8	423.5
Integrated Transport Planning	81.2	81.0	–	0.2	84.3	89.1
Rail Transport	15 034.6	36.7	14 997.8	0.1	18 362.0	19 389.6
Road Transport	21 645.3	99.7	21 545.0	0.7	22 852.1	23 876.2
Civil Aviation	148.3	111.6	36.2	0.4	154.0	162.7
Maritime Transport	110.6	91.8	18.5	0.3	115.4	121.8
Public Transport	11 323.8	178.0	11 145.6	0.2	11 846.4	12 779.1
Total expenditure estimates	48 726.5	968.1	47 754.2	4.2	53 814.0	56 842.0

Executive authority Minister of Transport
Accounting officer Director General of Transport
Website address www.transport.gov.za

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

Aim

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

Mandate

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

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

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

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

Strategic goals

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

- ensure an efficient and integrated infrastructure network that serves as a catalyst for social and economic development
- ensure a transport sector that is safe and secure
- improve rural access, infrastructure and mobility

- improve public transport systems
- increase the contribution of the transport sector to job creation
- increase the contribution of the transport sector to environmental protection.

Programme purposes

Programme 1: Administration

Purpose: Provide leadership, strategic management and administrative support to the department through continued refinement of organisational strategy and structure in line with appropriate legislation and best practice.

Programme 2: Integrated Transport Planning

Purpose: Manage and facilitate national strategic planning. Formulate policies and strategies. Coordinate regional and inter-sphere relations, including providing economic modelling and analysis of the sector.

Programme 3: Rail Transport

Purpose: Facilitate and coordinate the development of sustainable rail transport policies, infrastructure development strategies, and economic and safety regulations. Support and monitor the oversight of rail entities and the implementation of integrated rail services.

Programme 4: Road Transport

Purpose: Develop and manage an integrated road infrastructure network. Regulate road transport and ensure safer roads. Oversee the road entities.

Programme 5: Civil Aviation

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

Programme 6: Maritime Transport

Purpose: Coordinate the development of a safe, reliable and economically viable maritime transport sector through the development of policies and strategies, and monitoring of the implementation plan. Oversee the maritime public entities.

Programme 7: Public Transport

Purpose: Transform land transport systems by developing norms and standards, regulations, and legislation. Facilitate institutional building, planning and capacitation to guide the provision of sustainable integrated public transport networks in both urban and rural areas. Regulate national transport services. Improve the management of scholar transport. Develop empowerment systems within the public transport sector.

Selected performance and operations indicators

Table 37.1 Transport

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of Metrorail passenger trips per year	Rail Transport	Outcome 6: An efficient, competitive and responsive economic infrastructure network	472 million	516 million	528 million	574 million	608 million	645 million	683 million
Lane kilometres of surfaced roads rehabilitated	Road Transport		-1	-1	365	1 970	1 100	1 155	1 213
Lane kilometres of roads resealed	Road Transport		-2	-2	-2	-2	3 000	3 150	3 308
Square metres of surfaced roads resealed	Road Transport		5 547 940	2 870 957	6 718 931	6 925 543	-3	-3	-3
Kilometres of roads regravelled	Road Transport		3 413	2 814	2 823	3 692	-3	-3	-3
Square kilometres of blacktop patching on roads (including pothole repairs)	Road Transport		719 357	497 731	1 367 293	1 050 988	810 000	850 025	893 025
Kilometres of gravel roads bladed	Road Transport		526 661	221 111	434 955	512 040	350 000	367 500	385 875
Length of network (kilometres) with active routine road maintenance contracts	Road Transport		16 170	16 170	19 704	19 704	19 704	19 704	19 704
Number of appeals processed in terms of the Transport Appeal Tribunal Act (1998)	Public Transport		-2	-2	-2	-2	30	35	40
Number of average weekday bus rapid transit passengers: Rea Vaya in Johannesburg	Public Transport		30 000	36 000	43 000	50 000	85 000	100 000	100 000
Number of integrated public transport networks facilitated at construction phase	Public Transport		-2	-2	-2	-2	6	7	7
Number of average weekday bus rapid transit passengers: MyCiti in Cape Town	Public Transport		-1	22 000	30 000	60 000	80 000	80 000	80 000

1. Service began in 2012/13.

2. This new indicator will only be measured from 2014/15.

3. This indicator will not be measured from 2014/15.

The national development plan

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

Many of these priorities are being addressed by the department and will continue to be part of its objectives, particularly the focus on public transport, road maintenance and rail investments. For instance, a report on the implementation of the four transport hubs in 2050 vision was delivered in 2012/13 and submitted as part of the Presidential Infrastructure Coordinating Commission's second strategic infrastructure project's integrated business plan that seeks to support initiatives aimed at unlocking bottlenecks in the Gauteng-Durban freight corridor. In addition, the national transport master plan 2050, once approved by Cabinet, has the potential to

ensure that transport planning and investment into socioeconomic transport network infrastructure facilities supports a dynamic, long term, sustainable, multimodal transport systems framework.

The public transport infrastructure and public transport network operations grants ensure that emphasis is placed on networks, rather than modes, and that planning is improved in cities. The devolution of the public transport contracting and regulating functions to metropolitan cities will also see the provincial public transport operations grant and the national Metrorail subsidies devolved to cities. This will ensure that transport planning is seen in the context of spatial planning, and therefore the more effective use of existing subsidies. The asset management approach is strongly supported through the provincial roads maintenance grant and the rural roads asset management systems grant to district municipalities. The capital transfers to the Passenger Rail Agency of South Africa will ensure that the commuter fleet is renewed over a 10-year period from 2015/16 and that the necessary complementary investments are made. Over the medium term, investment into maintenance and upgrade of the provincial and national road and rail infrastructure and integrated public transport networks within 13 cities remain the departmental focus, in line with the objectives of the national development plan.

Expenditure estimates

Table 37.2 Transport

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13			2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17		
R million													
Administration	246.1	280.4	359.6	362.4	356.8	13.2%	0.8%		382.9	399.8	423.5	5.9%	0.8%
Integrated Transport Planning	58.7	90.2	103.5	79.1	70.8	6.5%	0.2%		81.2	84.3	89.1	8.0%	0.2%
Rail Transport	9 259.7	9 532.2	10 286.6	11 239.8	11 232.3	6.6%	26.6%		15 034.6	18 362.0	19 389.6	20.0%	31.8%
Road Transport	11 360.7	21 729.8	18 229.4	19 580.5	19 377.3	19.5%	46.6%		21 645.3	22 852.1	23 876.2	7.2%	43.6%
Civil Aviation	53.1	65.0	411.8	243.3	172.0	47.9%	0.5%		148.3	154.0	162.7	-1.8%	0.3%
Maritime Transport	143.5	138.8	124.7	104.4	102.4	-10.6%	0.3%		110.6	115.4	121.8	6.0%	0.2%
Public Transport	8 033.3	9 360.1	9 812.8	10 792.3	10 568.2	9.6%	24.9%		11 323.8	11 846.4	12 779.1	6.5%	23.1%
Total	29 155.1	41 196.5	39 328.2	42 401.7	41 879.9	12.8%	100.0%		48 726.5	53 814.0	56 842.0	10.7%	100.0%
Change to 2013 Budget estimate				126.3	(395.4)				503.3	436.4	630.0		

Economic classification

	929.1	1 149.1	1 512.8	1 047.6	949.9	0.7%	3.0%	968.1	1 007.9	1 066.6	3.9%	2.0%
Current payments												
Compensation of employees	250.8	274.5	287.8	344.2	337.5	10.4%	0.8%	383.4	406.5	433.3	8.7%	0.8%
Goods and services	678.3	874.6	1 225.0	703.4	612.3	-3.4%	2.2%	584.7	601.4	633.3	1.1%	1.2%
<i>of which:</i>												
Administration fees	0.6	1.0	2.2	1.8	1.8	41.3%	0.0%	0.9	0.9	1.0	-18.5%	0.0%
Advertising	5.4	13.9	32.5	14.5	14.5	38.7%	0.0%	22.3	23.0	24.2	18.6%	0.0%
Assets less than the capitalisation threshold	1.0	0.6	1.1	2.1	2.1	29.8%	0.0%	3.4	3.4	3.6	19.4%	0.0%
Audit costs: External	7.2	5.6	7.0	9.2	9.2	8.8%	0.0%	9.3	9.6	10.1	3.0%	0.0%
Bursaries: Employees	0.7	1.2	1.3	1.3	1.3	24.5%	0.0%	2.3	2.4	2.5	24.6%	0.0%
Catering: Departmental activities	1.4	1.0	1.0	1.8	1.8	10.5%	0.0%	1.4	1.4	1.5	-6.4%	0.0%
Communication	6.4	30.1	39.8	9.3	9.3	13.2%	0.1%	60.4	61.6	64.9	91.0%	0.1%
Computer services	5.5	7.5	10.3	8.1	8.1	13.8%	0.0%	8.7	8.9	9.5	5.6%	0.0%
Consultants and professional services: Business and advisory services	398.7	664.3	988.3	451.6	360.5	-3.3%	1.6%	312.9	322.6	338.4	-2.1%	0.7%
Consultants and professional services: Infrastructure and planning	171.4	0.0	-	50.9	50.9	-33.3%	0.1%	6.8	7.0	7.4	-47.5%	0.0%
Consultants and professional services: Legal costs	0.6	1.5	4.3	4.8	4.8	102.3%	0.0%	4.7	4.8	5.1	2.1%	0.0%
Contractors	8.5	14.3	17.2	8.3	8.3	-1.1%	0.0%	3.5	3.7	3.8	-22.5%	0.0%
Agency and support / outsourced services	0.0	0.7	0.3	-	-	-100.0%	0.0%	0.6	0.6	0.6		0.0%
Entertainment	0.9	0.5	0.5	1.0	1.0	4.4%	0.0%	0.7	0.7	0.8	-7.1%	0.0%
Inventory: Learner and teacher support material	-	-	-	0.0	0.0	-	0.0%	0.1	0.1	0.1	62.8%	0.0%
Inventory: Materials and supplies	0.0	0.0	0.1	0.1	0.1	62.4%	0.0%	0.0	0.0	0.0	-30.7%	0.0%
Inventory: Medical supplies	0.1	-	-	-	-	-100.0%	0.0%	0.0	0.0	0.0		0.0%
Inventory: Other supplies	0.2	0.2	0.4	0.6	0.6	45.5%	0.0%	0.3	0.3	0.4	-13.8%	0.0%
Consumable: Stationery, printing and office supplies	11.1	4.7	8.1	7.5	7.5	-12.2%	0.0%	7.2	7.2	7.7	0.7%	0.0%
Operating leases	14.2	27.6	34.2	46.3	46.3	48.2%	0.1%	51.0	52.4	55.2	6.0%	0.1%

Table 37.2 Transport

Economic classification	Audited outcome				Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14					2014/15	2015/16	2016/17		
R million													
Property payments	0.2	4.7	3.7	5.4	5.4	197.7%	0.0%	5.2	5.3	5.6	1.3%	0.0%	
Travel and subsistence	33.6	45.9	52.9	45.5	45.5	10.6%	0.1%	57.3	59.3	63.2	11.6%	0.1%	
Training and development	4.8	2.2	4.1	5.0	5.0	1.6%	0.0%	8.0	8.1	8.6	19.5%	0.0%	
Operating payments	1.8	2.2	3.6	5.0	5.0	39.8%	0.0%	2.6	2.5	2.7	-19.1%	0.0%	
Venues and facilities	4.0	44.8	11.7	23.3	23.3	79.9%	0.1%	15.1	15.5	16.4	-11.0%	0.0%	
Rental and hiring	-	-	0.3	-	-	-	0.0%	-	-	-	-	-	
Transfers and subsidies	28 222.7	40 044.1	37 802.9	41 347.0	40 923.0	13.2%	97.0%	47 754.2	52 801.8	55 770.9	10.9%	98.0%	
Provinces and municipalities	12 102.4	15 503.0	17 220.8	18 892.5	18 692.5	15.6%	41.9%	20 140.3	21 243.7	22 179.1	5.9%	40.9%	
Departmental agencies and accounts	6 985.7	14 578.3	9 910.2	10 782.8	10 782.8	15.6%	27.9%	12 203.0	12 796.5	13 474.7	7.7%	24.5%	
Higher education institutions	8.7	9.2	9.4	10.2	10.2	5.4%	0.0%	10.8	11.3	11.9	5.3%	0.0%	
Foreign governments and international organisations	4.7	8.1	8.7	9.5	9.5	26.3%	0.0%	10.1	10.5	11.1	5.2%	0.0%	
Public corporations and private enterprises	8 765.2	9 474.1	10 227.9	11 159.1	11 159.1	8.4%	26.1%	14 946.3	18 269.7	19 292.1	20.0%	31.6%	
Non-profit institutions	16.0	22.4	17.8	18.8	18.8	5.6%	0.0%	20.0	20.9	22.0	5.4%	0.0%	
Households	340.0	449.1	408.0	474.1	250.1	-9.7%	1.0%	423.8	449.2	779.9	46.1%	0.9%	
Payments for capital assets	1.9	3.2	7.6	7.0	7.0	54.8%	0.0%	4.2	4.3	4.6	-13.4%	0.0%	
Machinery and equipment	1.9	3.2	7.6	7.0	7.0	54.8%	0.0%	4.2	4.3	4.6	-13.4%	0.0%	
Payments for financial assets	1.5	0.2	5.0	-	-	-100.0%	0.0%	-	-	-	-	-	
Total	29 155.1	41 196.5	39 328.2	42 401.7	41 879.9	12.8%	100.0%	48 726.5	53 814.0	56 842.0	10.7%	100.0%	

Personnel information

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

Number of posts estimated for 31 March 2014	Number and cost ² of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2012/13			Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16		Unit Cost	2016/17				Unit Cost		
Transport			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary Level	816	44	572	287.8	0.5	587	344.2	0.6	816	383.4	0.5	816	406.5	0.5	816	433.3	0.5	11.6%	100.0%
1 – 6	168	14	128	22.4	0.2	129	25.9	0.2	168	29.2	0.2	168	30.9	0.2	168	32.9	0.2	9.2%	20.9%
7 – 10	317	11	215	57.2	0.3	223	70.4	0.3	317	77.1	0.2	317	81.8	0.3	317	87.2	0.3	12.4%	38.7%
11 – 12	182	5	120	82.5	0.8	124	100.2	0.8	182	110.5	0.6	182	117.1	0.6	182	124.9	0.7	13.6%	22.1%
13 – 16	149	14	109	125.7	1.2	111	147.8	1.3	149	166.6	1.1	149	176.6	1.2	149	188.3	1.3	10.3%	18.4%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on supporting the need for an efficient, competitive and responsive infrastructure network (outcome 6); and the national development plan's priorities of maintaining road infrastructure, upgrading rail infrastructure and services, and building and operating public transportation infrastructure. The department will facilitate the achievement of these objectives by providing transfers, such as the provincial roads maintenance grant to provinces and the public transport infrastructure grant to municipalities, as well as transfers to public entities such as the Passenger Rail Agency of South Africa and the South African Roads Agency. These transfers constituted 97.7 per cent of the department's total budget in 2013/14.

Spending on rail infrastructure in the *Rail Transport* programme over the medium term is expected to be the fastest growing item of expenditure, increasing at an average annual rate of 20 per cent as the Passenger Rail Agency of South Africa procures new trains, continues to upgrade its signalling infrastructure and build depots over the medium term. In addition, expenditure in the programme is expected to grow further due to Cabinet approved additional allocations of R348 million in 2014/15, R338 million in 2015/16 and R410 million in

2016/17, which are to be used to offset the effect of foreign exchange rate fluctuations on the agency's new rolling stock programme.

In 2011/12, the department's expenditure increased by 41.3 per cent to provide for significant investment in road infrastructure through the provincial roads maintenance grant and the R5.8 billion additional allocation for the South African National Roads Agency due to the delays in the implementation of e-tolling on Gauteng freeways. Expenditure on road infrastructure is expected to increase to R23.9 billion over the MTEF period, largely due to Cabinet approved additional allocations of R235.3 million in 2014/15 and R178.4 million in 2015/16 to rebuild roads destroyed by natural disasters.

Spending in the *Public Transport* programme increased at an average annual rate of 9.6 per cent between 2010/11 and 2013/14 due to the increase in spending on the provincial public transport operations grant and the public transport infrastructure and systems grant to municipalities. The infrastructure and systems grant is used to fund public transport networks in cities, including bus rapid transit systems. Since its launch in 2005/06, Johannesburg and Cape Town municipalities have begun operating services on routes in the initial phases of their integrated public transport network plans, and several cities have advanced significantly in planning their public transport networks, while others have begun building infrastructure. This programme also receives further Cabinet approved addition allocations of R50 million each year over the medium term for the provincial transport operations grant to fund the continued provision of subsidised public transport services in provinces, and R170 million in 2016/17 for the implementation of the reviewed taxi recapitalisation programme.

Expenditure on consultants increased significantly in 2012/13 because of spending on the maintenance and upgrade of the electronic national traffic information system and Mthatha Airport. The airport upgrade project also explains the significant spike in expenditure in the *Civil Aviation* programme in that year. The decrease in expenditure on consultants in 2013/14 is attributed to transaction fees for the national traffic information system not being paid over to the department by the Road Traffic Management Corporation.

The department had a funded establishment of 816 posts at the end of November 2013, with 44 additional to the approved establishment. The 19.6 per cent increase in spending on compensation of employees in 2013/14 was due to the department enhancing capacity for overseeing transfers to public entities and other levels of government. Spending on compensation of employees is expected to increase moderately over the medium term as the department attempts to reduce its vacancy rate of 28.1 per cent by the end of 2013/14.

Infrastructure spending

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

Departmental receipts

Table 37.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R thousand												
Departmental receipts	408 844	312 500	178 330	327 154	253 221	-14.8%	100.0%	268 766	280 796	295 680	5.3%	100.0%
Sales of goods and services produced by department	406 176	305 534	92 540	245 509	245 509	-15.4%	91.1%	260 544	270 574	284 916	5.1%	96.6%
Sales by market establishments of which:	21	34	54	30	30	12.6%	-	30	30	32	2.2%	-
<i>Rental parking: Covered and open</i>	21	34	54	30	30	12.6%	-	30	30	32	2.2%	-
Administration fees of which:	406 035	305 408	92 393	245 385	245 385	-15.5%	91.0%	260 420	270 450	284 784	5.1%	96.6%
<i>Foreign operating permits</i>	474	-	-	385	385	-6.7%	0.1%	420	450	474	7.2%	0.2%
<i>E-Natis fees</i>	405 561	305 408	92 393	245 000	245 000	-15.5%	90.9%	260 000	270 000	284 310	5.1%	96.4%
Other sales of which:	120	92	93	94	94	-7.8%	-	94	94	100	2.1%	-
<i>Commission on insurance</i>	77	78	93	70	70	-3.1%	-	70	70	74	1.9%	-
<i>Approval of security plans</i>	2	-	-	-	-	-100.0%	-	-	-	-	-	-
<i>Replacement of security cards and tender documents</i>	26	2	-	14	14	-18.6%	-	14	14	15	2.3%	-
<i>Departmental publications</i>	15	12	-	10	10	-12.6%	-	10	10	11	3.2%	-

Table 37.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
R thousand												
Sales of scrap, waste, arms and other used current goods	1	2	6	2	2	26.0%	-	2	2	2	-	-
of which:												
Waste paper	1	2	6	2	2	26.0%	-	2	2	2	-	-
Fines, penalties and forfeits	(1)	77	41	60	60	-491.5%	-	70	70	74	7.2%	-
Interest, dividends and rent on land	264	147	57	74 083	150	-17.2%	0.1%	150	150	158	1.7%	0.1%
Interest	264	147	57	150	150	-17.2%	0.1%	150	150	158	1.7%	0.1%
Dividends	-	-	-	73 933	-	-	-	-	-	-	-	-
of which:												
Special restructuring proceeds from Airports Company of South Africa	-	-	-	73 933	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	2 404	6 740	85 686	7 500	7 500	46.1%	8.9%	8 000	10 000	10 530	12.0%	3.3%
Total	408 844	312 500	178 330	327 154	253 221	-14.8%	100.0%	268 766	280 796	295 680	5.3%	100.0%

Programme 1: Administration

Expenditure estimates

Table 37.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Ministry	45 816	41 461	41 474	34 750	-8.8%	13.1%	38 560	40 121	42 446	6.9%	9.9%
Management	25 441	70 147	91 608	70 011	40.1%	20.6%	68 857	72 024	76 373	2.9%	18.3%
Corporate Services	129 762	120 168	150 108	177 791	11.1%	46.3%	185 829	194 977	206 930	5.2%	48.8%
Communications	35 507	23 938	46 888	40 115	4.2%	11.7%	43 098	44 887	47 423	5.7%	11.2%
Office Accommodation	9 584	24 708	29 504	39 767	60.7%	8.3%	46 516	47 794	50 327	8.2%	11.8%
Total	246 110	280 422	359 582	362 434	13.8%	100.0%	382 860	399 803	423 499	5.3%	100.0%
Change to 2013 Budget estimate				9 340			11 907	12 835	13 723		

Economic classification

	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
Current payments	234 873	269 247	339 372	347 312	13.9%	95.4%	369 378	385 702	408 650	5.6%	96.3%
Compensation of employees	112 654	129 575	136 308	150 180	10.1%	42.3%	172 806	183 161	195 219	9.1%	44.7%
Goods and services	122 219	139 672	203 064	197 132	17.3%	53.0%	196 572	202 541	213 431	2.7%	51.6%
of which:											
Administration fees	632	1 039	2 229	1 798	41.7%	0.5%	859	884	932	-19.7%	0.3%
Advertising	1 096	8 745	29 697	12 905	127.5%	4.2%	20 968	21 683	22 841	21.0%	5.0%
Assets less than the capitalisation threshold	280	428	625	1 074	56.5%	0.2%	2 267	2 337	2 461	31.8%	0.5%
Audit costs: External	7 175	5 565	6 789	9 230	8.8%	2.3%	9 262	9 561	10 088	3.0%	2.4%
Bursaries: Employees	462	1 172	1 342	1 291	40.9%	0.3%	2 291	2 365	2 496	24.6%	0.5%
Catering: Departmental activities	935	422	612	1 215	9.1%	0.3%	777	799	844	-11.4%	0.2%
Communication	4 132	8 142	6 784	6 780	17.9%	2.1%	4 511	4 646	4 897	-10.3%	1.3%
Computer services	4 643	5 569	8 650	7 412	16.9%	2.1%	8 262	8 529	9 000	6.7%	2.1%
Consultants and professional services: Business and advisory services	64 307	31 542	49 711	40 996	-13.9%	14.9%	29 384	30 251	31 882	-8.0%	8.4%
Consultants and professional services: Legal costs	48	1 543	4 287	4 792	363.9%	0.9%	4 683	4 836	5 102	2.1%	1.2%
Contractors	3 053	10 970	12 154	7 746	36.4%	2.7%	1 747	1 786	1 883	-37.6%	0.8%
Agency and support / outsourced services	48	189	279	-	-100.0%	-	580	610	642	-	0.1%
Entertainment	861	482	484	979	4.4%	0.2%	720	743	784	-7.1%	0.2%
Fleet services (including government motor transport)	-	-	26	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	2	-	1	20	115.4%	-	1	1	1	-63.2%	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	75	77	82	-	-
Inventory: Materials and supplies	21	37	110	78	54.9%	-	25	26	27	-29.8%	-
Inventory: Medical supplies	57	-	-	-	-100.0%	-	2	2	2	-	-
Inventory: Other supplies	105	174	360	446	62.0%	0.1%	283	291	308	-11.6%	0.1%
Consumable: Stationery, printing and office supplies	3 774	1 221	4 453	4 639	7.1%	1.1%	4 879	5 027	5 298	4.5%	1.3%
Operating leases	11 001	26 505	32 205	42 604	57.0%	9.0%	49 579	50 950	53 653	8.0%	12.5%

Table 37.5 Administration

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Property payments	205	2 948	3 680	5 409	197.7%	1.0%	5 167	5 335	5 629	1.3%	1.4%
Transport provided: Departmental activity	–	–	16	–	–	–	–	–	–	–	–
Travel and subsistence	15 302	23 033	25 375	22 039	12.9%	6.9%	29 304	30 154	31 765	13.0%	7.2%
Training and development	1 914	2 012	4 056	4 520	33.2%	1.0%	6 112	6 310	6 659	13.8%	1.5%
Operating payments	338	572	818	1 208	52.9%	0.2%	1 933	1 994	2 104	20.3%	0.5%
Venues and facilities	1 828	7 362	8 002	19 951	121.8%	3.0%	12 901	13 344	14 051	-11.0%	3.8%
Rental and hiring	–	–	319	–	–	–	–	–	–	–	–
Transfers and subsidies	9 775	9 722	9 712	10 549	2.6%	3.2%	11 182	11 696	12 316	5.3%	2.9%
Departmental agencies and accounts	–	197	–	218	–	–	231	242	254	5.2%	0.1%
Higher education institutions	8 695	9 189	9 406	10 179	5.4%	3.0%	10 790	11 286	11 884	5.3%	2.8%
Households	1 080	336	306	152	-48.0%	0.2%	161	168	178	5.4%	–
Payments for capital assets	1 304	1 289	6 021	4 573	51.9%	1.1%	2 300	2 405	2 533	-17.9%	0.8%
Machinery and equipment	1 304	1 289	6 021	4 573	51.9%	1.1%	2 300	2 405	2 533	-17.9%	0.8%
Payments for financial assets	158	164	4 477	–	-100.0%	0.4%	–	–	–	–	–
Total	246 110	280 422	359 582	362 434	13.8%	100.0%	382 860	399 803	423 499	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.8%	0.7%	0.9%	0.9%			0.8%	0.7%	0.7%		

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	–	197	–	218	–	–	231	242	254	5.2%	0.1%
Transport Education and Training Authority	–	197	–	218	–	–	231	242	254	5.2%	0.1%
Higher education institutions											
Current	8 695	9 189	9 406	10 179	5.4%	3.0%	10 790	11 286	11 884	5.3%	2.8%
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	8 695	9 189	9 406	10 179	5.4%	3.0%	10 790	11 286	11 884	5.3%	2.8%
Households											
Social benefits											
Current	1 080	336	306	152	-48.0%	0.2%	161	168	178	5.4%	–
Employee social benefits	1 080	336	306	152	-48.0%	0.2%	161	168	178	5.4%	–

Personnel information

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

Administration	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
Salary Level	391	30	284	136.3	0.5	289	150.2	0.5	391	172.8	0.4	391	183.2	0.5	391	195.2	0.5	10.6%	100.0%
1 – 6	105	11	82	15.2	0.2	79	16.7	0.2	105	19.2	0.2	105	20.4	0.2	105	21.7	0.2	9.9%	26.9%
7 – 10	153	8	109	25.0	0.2	115	27.5	0.2	153	31.7	0.2	153	33.5	0.2	153	35.8	0.2	10.0%	39.3%
11 – 12	75	5	50	39.1	0.8	49	43.1	0.9	75	49.5	0.7	75	52.5	0.7	75	56.0	0.7	15.2%	18.7%
13 – 16	58	6	43	57.1	1.3	46	62.9	1.4	58	72.4	1.2	58	76.7	1.3	58	81.8	1.4	8.0%	15.0%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on the *Corporate Services* and *Management* subprogrammes, which provide operational and administrative support to the department. These activities are carried out by the employees on the programme's establishment, which constitutes 47.9 per cent of the department's overall establishment. A significant proportion of this programme's budget over the medium term is therefore allocated to spending on compensation of employees, mostly in the *Corporate Services*, *Management* and *Communication* subprogrammes. The programme had an approved establishment of 391 posts at the end of November 2013, with a vacancy rate of 26.1 per cent. The department appoints contract employees against vacant posts on a month-to-month basis until posts are finally filled to ensure that service delivery is not affected. The recruitment

of additional personnel is expected over the medium term due to the *Administration* programme expanding its portfolio of responsibilities and the need to establish a project management office.

Consultants, travel and subsistence, venues and facilities, and operating leases, primarily for office accommodation, are the other large spending items in the programme over the medium term and support the objective of providing operational and administrative support to the department.

Spending on travel and subsistence is expected to increase to R31.8 million in 2016/17, largely as a result of the minister and deputy minister needing to travel more often. This increase is largely funded through a reprioritisation of R6 million in 2014/15, R6.5 million in 2015/16 and R7 million in 2016/17 from various programmes in the department.

Expenditure on venues and facilities is expected to decrease over the medium term at an average annual rate of 11 per cent as the department looks to limit use of external venues for stakeholder consultations. Spending on office accommodation meanwhile increased significantly in 2011/12 due to the renovation of the head office building to create additional space and comply with occupational health and safety requirements. Spending on this item is set to increase over the MTEF period due to the department taking over additional office blocks in the current building from the South African Police Service.

Consultants are used largely in the *Communication* subprogramme to assist the department with the October Transport Month and Arrive Alive awareness campaigns. Expenditure on advertising is also expected to increase over the medium term in support of these campaigns.

Programme 2: Integrated Transport Planning

Objectives

- Facilitate integrated multimodal transportation systems planning by:
 - reviewing the White Paper on National Transport Policy by 2014/15
 - facilitating the implementation of the national transport master plan 2050 by 2015/16
 - developing multimodal transport planning and coordination legislation by 2015/16
 - developing and consolidating the national transport planning data bank by 2016/17.
- Ensure integrated and seamless movement of freight in South Africa and regionally for all modes of transport by:
 - developing a border post transport decongestion strategy for Beit Bridge in 2014/15
 - coordinating and prioritising the implementation of projects detailed in the Durban-Free State-Gauteng logistics and industrial corridor business plan by 2016/17
 - developing a South African Development Community (SADC) transport corridor strategy in 2014/15.
- Increase economic transformation and performance of the transport sector through the:
 - establishment of a single transport economic regulator by 2015/16
 - establishment of a transport broad based black economic empowerment (BEE) charter council in 2014/15
 - development of a transport infrastructure funding strategy in 2014/15.
- Contribute to the reduction of greenhouse gas emissions in the transport sector by developing a transport energy consumption and reduction strategy by 2015/16.

Subprogrammes

- *Macro Sector Planning* examines land use and transport planning in all spheres of government from a multimodal perspective, and manages and facilitates the implementation of the planning provisions contained in the National Land Transport Act (2009). In 2012/13, the draft national transport master plan 2050 was presented to the infrastructure development cluster and terms of reference to appoint a service provider to develop a draft national transport infrastructure planning bill were developed. In 2013/14, the national transport master plan 2050 and transport master planning framework were reviewed to ensure alignment with the rail policy as directed by Cabinet. In addition, a consolidated status quo and recommendations report on

provinces' and municipalities' integrated transport plans is set to be completed by March 2014. This subprogramme had a staff complement of 8 in 2013/14.

- *Logistics* develops and coordinates the implementation of freight logistics strategies aimed at unblocking bottlenecks in the freight logistics system and related supply chains, with particular emphasis on integrating elements of the system across all modes. In 2012/13, a report on the Durban-Free State-Gauteng logistics and industrial corridor institutional framework was completed as part of the Presidential Infrastructure Coordinating Commission's second strategic infrastructure project's integrated business plan. Other key activities relate to the development and implementation of the logistics hubs framework and the annual updating of the national freight databank. In addition, integrated rural transport plans were rolled out in 3 provinces in 2013/14. This subprogramme had a staff complement of 13 in 2013/14.
- *Modelling and Economic Analysis* undertakes economic studies, provides innovative and enabling transport infrastructure funding options that respond to the socioeconomic needs of the national agenda, and applies economic analysis tools to transport sector policy development. In 2013/14, an analytical report on the 2012 national household travel survey was completed, as were the situational, international benchmarking and options analyses for the establishment of the single transport economic regulator. In addition, the Cabinet process to promulgate regulator legislation and the development of an implementation plan were underway. This subprogramme had a staff complement of 11 in 2013/14.
- *Regional Integration* manages, coordinates and facilitates the development of strategies for engagements in the SADC region and the rest of Africa. In 2012/13, service providers were appointed to develop traffic optimisation plans for key border posts and traffic flows at airports and seaports were assessed. In 2013/14, a decongestion strategy for the Mozambique-South Africa border posts was developed. In addition, studies were being conducted on the harmonisation of transport standards within the SADC region and the status of regional infrastructure. This subprogramme had a staff complement of 6 in 2013/14.
- *Research and Innovation* ensures research, innovation and monitoring of the transport sector for sustainability. In 2012/13, a literature review to develop a rural accessibility/multideprivation index was completed and a monitoring and evaluation framework for the transport sector was developed that mapped out the extent of transport deprivation across 12 of the neediest rural districts in South Africa. A transport energy consumption framework for climate change mitigation is expected to be finalised and approved by the end of 2013/14. In addition, a public transport vehicle conversion from petroleum to compressed natural gas programme is being developed. This subprogramme had a staff complement of 10 in 2013/14.
- *Integrated Transport Planning Administration Support* provides administrative support services to the entire programme. It is responsible for budget control, performance reporting and project administration. This subprogramme had a staff complement of 5 in 2013/14.

Expenditure estimates

Table 37.7 Integrated Transport Planning

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Macro Sector Planning	18 101	23 903	4 706	13 857	-8.5%	18.3%	12 565	12 921	13 620	-0.6%	15.9%
Logistics	14 209	17 536	17 163	11 874	-5.8%	18.3%	20 770	21 427	22 592	23.9%	23.0%
Modeling and Economic Analysis	12 767	29 117	60 108	28 080	30.0%	39.2%	23 131	24 025	25 430	-3.3%	30.2%
Regional Integration	7 662	8 131	4 142	9 439	7.2%	8.9%	8 039	8 401	8 907	-1.9%	10.4%
Research and Innovation	3 385	3 955	7 946	11 369	49.8%	8.0%	10 822	11 376	12 087	2.1%	13.7%
Integrated Transport Planning Administration Support	2 601	7 583	9 415	4 431	19.4%	7.2%	5 857	6 142	6 510	13.7%	6.9%
Total	58 725	90 225	103 480	79 050	10.4%	100.0%	81 184	84 292	89 146	4.1%	100.0%
Change to 2013 Budget estimate				(1 582)			(3 299)	(3 610)	(3 919)		

Table 37.7 Integrated Transport Planning

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14		2010/11	2013/14	2014/15	2015/16	2016/17	2013/14	2016/17	
R thousand	58 518	88 699	103 075	78 206	10.1%	99.1%	80 955	84 053	88 895	4.4%	99.5%		
Current payments													
Compensation of employees	43 730	49 898	30 403	32 869	-9.1%	47.3%	39 382	41 758	44 515	10.6%	47.5%		
Goods and services	14 788	38 801	72 672	45 337	45.3%	51.8%	41 573	42 295	44 380	-0.7%	52.0%		
of which:													
Advertising	934	948	791	62	-59.5%	0.8%	523	535	563	108.6%	0.5%		
Assets less than the capitalisation threshold	242	61	69	495	26.9%	0.3%	53	54	57	-51.3%	0.2%		
Audit costs: External	-	-	195	-	-	0.1%	-	-	-	-	-		
Catering: Departmental activities	31	33	24	120	57.0%	0.1%	122	123	131	3.0%	0.1%		
Communication	847	962	571	413	-21.3%	0.8%	233	237	247	-15.7%	0.3%		
Computer services	406	42	2	-	-100.0%	0.1%	24	25	24	-	-		
Consultants and professional services: Business and advisory services	3 431	7 881	60 278	38 169	123.2%	33.1%	34 658	35 217	36 944	-1.1%	43.5%		
Consultants and professional services: Infrastructure and planning	2 105	-	-	-	-100.0%	0.6%	-	-	-	-	-		
Consultants and professional services: Legal costs	486	-	-	-	-100.0%	0.1%	-	-	-	-	-		
Contractors	847	625	769	20	-71.3%	0.7%	20	20	21	1.6%	-		
Inventory: Learner and teacher support material	-	-	-	19	-	-	-	-	-	-100.0%	-		
Inventory: Other supplies	1	13	6	10	115.4%	-	1	1	1	-53.6%	-		
Consumable: Stationery, printing and office supplies	1 285	1 492	2 169	510	-26.5%	1.6%	165	168	176	-29.9%	0.3%		
Operating leases	399	286	393	50	-50.0%	0.3%	204	209	218	63.4%	0.2%		
Travel and subsistence	1 556	6 352	5 896	4 942	47.0%	5.7%	3 964	4 060	4 266	-4.8%	5.2%		
Training and development	2 165	24	1	-	-100.0%	0.7%	250	255	268	-	0.2%		
Operating payments	51	467	18	-	-100.0%	0.2%	-	-	-	-	-		
Venues and facilities	2	19 615	1 490	527	541.1%	6.5%	1 356	1 391	1 464	40.6%	1.4%		
Transfers and subsidies		112	246			0.1%							
Households	-	112	246	-	-	0.1%	-	-	-	-	-	-	
Payments for capital assets	191	1 412	156	844	64.1%	0.8%	229	239	251	-33.3%	0.5%		
Machinery and equipment	191	1 412	156	844	64.1%	0.8%	229	239	251	-33.3%	0.5%		
Payments for financial assets	16	2	3	-	-100.0%	-	-	-	-	-	-		
Total	58 725	90 225	103 480	79 050	10.4%	100.0%	81 184	84 292	89 146	4.1%	100.0%		
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.3%	0.2%			0.2%	0.2%	0.2%				

Details of transfers and subsidies

Households												
Social benefits												
Current												
Employee social benefits	-	112	246	-	-	0.1%	-	-	-	-	-	-
	-	112	246	-	-	0.1%	-	-	-	-	-	-

Personnel information

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

Integrated Transport Planning	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	71	3	50	30.4	0.6	52	32.9	0.6	71	39.4	0.6	71	41.8	0.6	71	44.5	0.6	10.9%	100.0%
1 - 6	8	2	6	1.0	0.2	7	1.1	0.2	8	1.3	0.2	8	1.4	0.2	8	1.5	0.2	4.6%	11.7%
7 - 10	28	-	17	4.6	0.3	17	5.0	0.3	28	6.0	0.2	28	6.3	0.2	28	6.7	0.2	18.1%	38.1%
11 - 12	14	-	8	5.0	0.6	10	5.4	0.5	14	6.4	0.5	14	6.8	0.5	14	7.3	0.5	11.9%	19.6%
13 - 16	21	1	19	19.8	1.0	18	21.4	1.2	21	25.7	1.2	21	27.2	1.3	21	29.0	1.4	5.3%	30.6%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on developing and implementing macro strategies, and undertaking studies and analyses around developing an integrated, multimodal system of transport. The bulk of the spending is concentrated in the *Modelling and Economic Analysis* and the *Logistics* subprogrammes. Spending is expected to deliver an updated national transport planning databank, national household travel survey project support and secretariat services over the medium term. Increased spending over the MTEF period in the *Logistics* subprogramme on goods and services is expected to facilitate the development and implementation of macro strategies, aimed at reducing greenhouse gas emissions in the transport sector and integrating local, regional and continental transport infrastructure and operations.

Expenditure in the *Modelling and Economic Analysis* subprogramme between 2012/13 and 2013/14 increased significantly due to the national household travel survey, which cost R40.9 million to conduct in 2012/13. This explains the significant spending on consultants, who provide specialised modelling skills and research with regard to transport planning. Spending on consultants amounted to R38.2 million in 2013/14, which equated to 48.3 per cent of the programme's total budget and is expected to remain stable over the medium term as the statistical analysis required for the national household survey is completed. In 2013/14, spending on consultants is expected to support projects such as the establishment of the single transport economic regulator, the annual integrated transport sector BEE survey and the macro planning framework. The increases in expenditure on travel and subsistence, and venues and facilities in 2012/13 and 2013/14 were due to workshops held in provinces on the Integrated Transport Sector Broad Based Black Economic Empowerment Charter.

Expenditure on compensation of employees took up 41.6 per cent of the programme budget in 2013/14, following a decrease in 2012/13 due to the realignment of the organisational structure, which necessitated a modal reporting arrangement to improve coordination between programmes. Personnel numbers are expected to increase from 52 in 2013/14 to 71 in 2016/17, as all vacancies are filled after the completion of department restructuring in 2012/13. The vacancy rate for the programme was 26.8 per cent at the end of November 2013. To counter the negative effects of this high rate, the department appoints contract employees against vacant posts on a month-to-month basis.

Programme expenditure is expected to increase over the medium term due to an average annual increase of 10.6 per cent in compensation of employees as efforts are made to increase the staff complement over this period.

Programme 3: Rail Transport

Objectives

- Ensure a sustainable rail infrastructure network by developing a national rail policy by 2014/15 and facilitating the implementation of the Moloto rail development corridor project in 2016/17.
- Enhance performance and efficiency in the rail sector by:
 - identifying 7 priority commuter rail corridors to be expanded and modernised by 2014/15
 - reviewing Transnet's branch lines strategy in 2014/15.
- Regulate and enhance rail transport safety by developing a national rail safety strategy and reviewing the National Railway Safety Regulator Act (2002) by 2015/16.
- Improve commuter rail services by facilitating, coordinating and monitoring the Passenger Rail Agency of South Africa's capital programme on a continuous basis.

Subprogrammes

- *Rail Regulation* is responsible for the development of rail policy, and safety and economic regulations to improve safety and efficiency in rail transport. In 2012/13, the Interim Rail Economic Regulator was established, the Green Paper on Rail Policy that seeks to enhance efficiencies and reliability in rail transport sector was published and the cost benefit analysis began after consultation with stakeholders. In 2013/14, the strengthening of the regulator was supported, and the draft Economic Regulation of Transport Bill was published for comment. This subprogramme had a staff complement of 8 in 2013/14.

- *Rail Infrastructure and Industry Development* coordinates the development, maintenance of and investment in rail infrastructure. In 2012/13, R2.6 million was spent on a feasibility study that analysed the engineering, economic, legal and financial aspects of the rolling stock procurement process. The study's findings were approved by Cabinet in December 2011 and the Passenger Rail Agency of South Africa started the procurement process in April 2012. In 2013/14, a draft option analysis to the Moloto rail development corridor was produced and circulated to stakeholders for comment, and continued oversight of the Passenger Rail Agency of South Africa's capital programme was provided. This subprogramme had a staff complement of 7 in 2013/14.
- *Rail Operations* coordinates the implementation of integrated rail services, and monitors and analyses service delivery challenges facing the rail industry. In 2012/13, a service level agreement between the Passenger Rail Agency of South Africa and the department was concluded and piloted. In 2013/14, due diligence studies continued in Cape Town, eThekweni and Gauteng. The studies are carried out by the Passenger Rail Agency of South Africa to quantify the financial and operational implications of devolving the rail operational subsidies to the municipality. This subprogramme had a staff complement of 4 in 2013/14.
- *Rail Oversight* makes transfers to the Passenger Rail Agency of South Africa and the Railway Safety Regulator. This subprogramme had a staff complement of 1 in 2013/14.
- *Rail Administration Support* provides support services to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 6 in 2013/14.

Expenditure estimates

Table 37.9 Rail Transport

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Rail Regulation	5 930	6 480	8 217	13 418	31.3%	0.1%	13 869	14 472	15 331	4.5%	0.1%
Rail Infrastructure and Industry Development	4 264	2 114	3 904	9 376	30.0%	–	10 825	11 325	11 990	8.5%	0.1%
Rail Operations	5 472	3 921	5 095	7 887	13.0%	0.1%	7 108	7 512	7 999	0.5%	–
Rail Oversight	9 239 200	9 516 873	10 267 254	11 205 626	6.6%	99.8%	14 997 804	18 323 580	19 348 815	20.0%	99.8%
Rail Administration Support	4 822	2 766	2 084	3 541	-9.8%	–	4 950	5 132	5 446	15.4%	–
Total	9 259 688	9 532 154	10 286 554	11 239 848	6.7%	100.0%	15 034 556	18 362 021	19 389 581	19.9%	100.0%
Change to 2013 Budget estimate				(905)			347 782	337 744	409 728		

Economic classification

	20 438	15 196	19 175	34 153	18.7%	0.2%	36 679	38 441	40 766	6.1%	0.2%
Current payments											
Compensation of employees	8 962	8 388	12 676	18 808	28.0%	0.1%	20 770	22 019	23 473	7.7%	0.1%
Goods and services	11 476	6 808	6 499	15 345	10.2%	0.1%	15 909	16 422	17 293	4.1%	0.1%
of which:											
Advertising	315	–	1	5	-74.9%	–	5	5	5	–	–
Assets less than the capitalisation threshold	102	27	128	29	-34.2%	–	35	35	37	8.5%	–
Catering: Departmental activities	20	7	2	42	28.1%	–	20	20	21	-20.6%	–
Communication	218	93	136	137	-14.3%	–	1 000	1 077	1 135	102.3%	–
Computer services	28	7	–	–	-100.0%	–	–	–	–	–	–
Consultants and professional services: Business and advisory services	5 557	5 955	5 284	6 633	6.1%	0.1%	6 600	6 831	7 191	2.7%	–
Consultants and professional services: Infrastructure and planning	2 098	–	–	7 502	52.9%	–	6 800	6 988	7 356	-0.7%	–
Contractors	308	61	63	10	-68.1%	–	–	–	–	-100.0%	–
Inventory: Other supplies	6	–	8	4	-12.6%	–	3	3	3	-9.1%	–
Consumable: Stationery, printing and office supplies	348	57	118	113	-31.3%	–	245	245	258	31.7%	–
Operating leases	218	55	96	108	-20.9%	–	116	115	121	3.9%	–
Travel and subsistence	2 143	524	591	645	-33.0%	–	918	936	990	15.4%	–
Training and development	–	–	–	–	–	–	50	50	53	–	–
Operating payments	3	–	7	8	38.7%	–	2	2	2	-37.0%	–
Venues and facilities	112	22	65	109	-0.9%	–	115	115	121	3.5%	–

Table 37.9 Rail Transport

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2010/11 - 2013/14	2014/15	2015/16		
R thousand												
Transfers and subsidies	9 239 200	9 516 873	10 267 254	11 205 626	6.6%	99.8%	14 997 804	18 323 580	19 348 815	20.0%	99.8%	
Provinces and municipalities	438 360	5 300	-	-	-100.0%	1.1%	-	-	-	-	-	
Departmental agencies and accounts	35 634	37 475	39 349	46 513	9.3%	0.4%	51 504	53 873	56 728	6.8%	0.3%	
Public corporations and private enterprises	8 765 206	9 474 098	10 227 905	11 159 113	8.4%	98.3%	14 946 300	18 269 707	19 292 087	20.0%	99.4%	
Payments for capital assets	50	85	125	69	11.3%	-	73	-	-	-100.0%	-	
Machinery and equipment	50	85	125	69	11.3%	-	73	-	-	-100.0%	-	
Total	9 259 688	9 532 154	10 286 554	11 239 848	6.7%	100.0%	15 034 556	18 362 021	19 389 581	19.9%	100.0%	
Proportion of total programme expenditure to vote expenditure	31.8%	23.1%	26.2%	26.5%			30.9%	34.1%	34.1%			

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	35 634	37 475	39 349	46 513	9.3%	0.4%	51 504	53 873	56 728	6.8%	0.3%
Railway Safety Regulator	35 634	37 475	39 349	46 513	9.3%	0.4%	51 504	53 873	56 728	6.8%	0.3%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	438 360	5 300	-	-	-100.0%	1.1%	-	-	-	-	-
Gautrain rapid rail link	438 360	5 300	-	-	-100.0%	1.1%	-	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current	3 154 933	3 339 330	3 526 799	3 678 003	5.2%	34.0%	3 887 342	4 066 160	4 281 666	5.2%	24.9%
Passenger Rail Agency of South Africa	3 154 933	3 339 330	3 526 799	3 678 003	5.2%	34.0%	3 887 342	4 066 160	4 281 666	5.2%	24.9%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital	5 610 273	6 134 768	6 701 106	6 831 110	6.8%	62.7%	11 058 958	14 203 547	15 010 421	30.0%	73.6%
Passenger Rail Agency of South Africa	5 110 273	6 134 768	6 701 106	6 831 110	10.2%	61.5%	11 058 958	14 203 547	15 010 421	30.0%	73.6%
Passenger Rail Agency of South Africa (Public transport infrastructure and systems grant)	500 000	-	-	-	-100.0%	1.2%	-	-	-	-	-
Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
Current	-	-	-	650 000	-	1.6%	-	-	-	-100.0%	1.0%
Passenger Rail Agency of South Africa: Shosholozza Meyl	-	-	-	650 000	-	1.6%	-	-	-	-100.0%	1.0%

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

Rail Transport	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	41	1	24	12.7	0.5	25	18.8	0.8	41	20.8	0.5	41	22.0	0.5	41	23.5	0.6	17.9%	100.0%	
1 - 6	9	-	6	1.0	0.2	7	1.4	0.2	9	1.6	0.2	9	1.7	0.2	9	1.8	0.2	8.7%	23.0%	
7 - 10	12	-	6	1.7	0.3	5	2.5	0.5	12	2.8	0.2	12	2.9	0.2	12	3.1	0.3	33.9%	27.7%	
11 - 12	10	-	7	4.6	0.7	8	6.9	0.9	10	7.6	0.8	10	8.1	0.8	10	8.6	0.9	7.7%	25.7%	
13 - 16	10	1	5	5.4	1.1	5	8.0	1.6	10	8.8	0.9	10	9.3	0.9	10	9.9	1.0	26.0%	23.6%	

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on making transfers to the Passenger Rail Agency of South Africa to replace the signalling systems and ageing rolling stock and upgrade rail infrastructure. R3.2 billion in

additional funds was allocated in the 2013 Budget to support the replacement of the signalling systems, which will be done in 2014/15. Spending in the *Rail Oversight* subprogramme is expected to increase to R19.3 billion by 2016/17 as a result. Additional transfers will be made to the agency to offset the effect of foreign exchange fluctuations on the fleet renewal programme. The operational subsidy constituted 33 per cent of total transfers to the agency in 2013/14, or R3.7 billion in that year. R650 million has been reprioritised from the capital transfer in 2013/14 to the agency's budget to address the operational shortfall for the Shosholozza Meyl mainline passenger long distance service.

Spending on the *Rail Regulation* subprogrammes is expected to increase at an average annual rate of 4.5 per cent over the medium term, with a rate of 8.5 per cent expected in the *Rail Infrastructure and Industry Development* subprogramme due to the projected increase in spending on compensation of employees and the use of consultants to assist the department in the development of policy and related legislation. While spending on compensation of employees equates to only 0.2 per cent of the programme's total expenditure in 2013/14, it accounts for 55.1 per cent of the programme's operational spending. Spending on this item is expected to increase to R23.5 million in 2016/17 as the programme increases its number of filled personnel posts from 25 in 2013/14 to 41 over the medium term. At the end of November 2013, the vacancy rate was 39 per cent. To counter the negative effects of this high rate, the department appoints contract employees against vacant posts on a month-to-month basis. Consultants are used primarily to review the branch line strategy and rail policy with spending on these services expected to remain constant over the medium term.

Programme 4: Road Transport

Objectives

- Ensure a sustainable road infrastructure network by implementing the road infrastructure asset management programme on an ongoing basis.
- Regulate and enhance road transport safety by:
 - developing and implementing a road safety policy by 2016/17
 - reviewing the National Road Traffic Act (1996) and associated regulations by 2016/17
 - developing the 365 days road safety programme by 2014/15 and implementing the programme on an ongoing basis.
- Contribute to improved rural access and mobility by developing a non-motorised transport policy by 2016/17.

Subprogrammes

- *Road Regulation* regulates road safety and traffic management, manages relevant information systems and programmes, and exercises oversight over the inspectorate for driving licences and vehicle testing stations. In 2012/13, the Administrative Adjudication of Road Traffic Offence Amendment Bill and the legislation on the implementation of periodic motor vehicle testing was drafted and published for public comment. In 2013/14 the National Road Traffic Act (1996) was amended to incorporate the safety requirements in all motor vehicles, and forensic investigators were appointed to look into fraud concerning roadworthy vehicle certificates. This subprogramme had a staff complement of 35 in 2013/14.
- *Road Infrastructure and Industry Development* facilitates and coordinates the planning, development and implementation of a sustainable reliable integrated road infrastructure network and capacity enhancement in the industry. In 2012/13, the draft non-motorised transport plans for Polokwane and Moses Kotane local municipalities were completed. In 2013/14, critical roads were maintained through provincial road maintenance grant funding and fiscal transfers to the South African National Roads Agency, and 21 district municipalities were assisted in developing non-motorised transport infrastructure and facilities. This subprogramme had a staff complement of 9 in 2013/14.
- *Road Oversight* reviews and analyses the performance of road transport public entities and monitors their compliance with regulations and legislation. The subprogramme also transfers funds to the South African Roads Agency, the Road Traffic Management Corporation and the Road Traffic Infringement Agency. In

2013/14, all strategic plans and annual performance plans for public entities were approved, and quarterly performance reports were submitted. This subprogramme had a staff complement of 5 in 2013/14.

- *Road Administration Support* provides administrative support services to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning. This subprogramme had a staff complement of 9 in 2013/14.
- *Road Engineering Standards* develops and implements road engineering standards, and coordinates the development of asset management system for safe and resilient road infrastructure. In 2012/13, the road infrastructure asset management policy and the road infrastructure asset management policy were completed. In 2013/14, provinces submitted data to inform the prioritisation of projects in roads asset management systems. In addition, a new standards document aligning the country's highway standards was developed and presented to the committee of transport officials. This subprogramme had a staff complement of 10 in 2013/14.

Expenditure estimates

Table 37.11 Road Transport

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Road Regulation	237 988	458 956	327 536	35 480	-47.0%	1.5%	30 718	32 695	35 985	0.5%	0.2%
Road Infrastructure and Industry Development	52 468	30 867	37 780	39 428	-9.1%	0.2%	44 168	45 019	45 991	5.3%	0.2%
Road Oversight	11 019 662	21 229 338	17 848 607	19 489 929	20.9%	98.1%	21 550 663	22 753 454	23 771 645	6.8%	99.6%
Road Administration Support	38 533	3 751	7 120	7 250	-42.7%	0.1%	6 775	7 284	7 964	3.2%	-
Road Engineering Standards	12 049	6 911	8 315	8 380	-11.4%	0.1%	12 963	13 649	14 573	20.3%	0.1%
Total	11 360 700	21 729 823	18 229 358	19 580 467	19.9%	100.0%	21 645 287	22 852 101	23 876 158	6.8%	100.0%
Change to 2013 Budget estimate				38 997			226 424	168 892	(10 081)		

Economic classification

	339 532	500 280	379 787	100 740	-33.3%	1.9%	99 657	103 981	110 190	3.0%	0.5%
Current payments											
Compensation of employees	34 774	28 503	33 731	53 355	15.3%	0.2%	50 599	53 645	57 186	2.3%	0.2%
Goods and services	304 758	471 777	346 056	47 385	-46.2%	1.7%	49 058	50 336	53 004	3.8%	0.2%
of which:											
Administration fees	14	9	-	10	-10.6%	-	30	32	35	51.8%	-
Advertising	763	3 930	796	400	-19.4%	-	205	226	262	-13.2%	-
Assets less than the capitalisation threshold	209	31	65	70	-30.5%	-	120	134	154	30.1%	-
Catering: Departmental activities	244	72	174	196	-7.1%	-	180	196	229	5.3%	-
Communication	483	711	511	912	23.6%	-	905	953	1 052	4.9%	-
Computer services	396	1 904	1 648	529	10.1%	-	359	385	452	-5.1%	-
Consultants and professional services: Business and advisory services	146 674	440 204	333 146	38 409	-36.0%	1.4%	36 800	37 298	38 356	-	0.2%
Consultants and professional services: Infrastructure and planning	140 326	-	-	-	-100.0%	0.2%	-	-	-	-	-
Consultants and professional services: Legal costs	45	-	-	-	-100.0%	-	-	-	-	-	-
Contractors	2 371	1 098	1 009	127	-62.3%	-	21	22	24	-42.6%	-
Inventory: Materials and supplies	-	-	1	12	-	-	2	2	3	-37.0%	-
Inventory: Other supplies	10	9	13	13	9.0%	-	10	11	9	-11.5%	-
Consumable: Stationery, printing and office supplies	2 741	569	588	653	-38.0%	-	516	568	656	0.2%	-
Operating leases	1 250	318	452	490	-26.8%	-	595	632	688	12.0%	-
Property payments	-	285	-	-	-	-	-	-	-	-	-
Travel and subsistence	7 390	5 790	6 523	5 095	-11.7%	-	8 589	9 093	10 185	26.0%	-
Training and development	52	-	12	250	68.8%	-	120	134	154	-14.9%	-
Operating payments	1 302	298	921	60	-64.2%	-	256	273	313	73.4%	-
Venues and facilities	488	16 549	197	159	-31.2%	-	350	377	432	39.5%	-
Transfers and subsidies	11 019 662	21 229 407	17 848 633	19 479 110	20.9%	98.1%	21 544 976	22 747 435	23 765 248	6.9%	99.5%
Provinces and municipalities	4 101 542	6 732 793	8 019 140	8 789 980	28.9%	39.0%	9 436 721	10 050 033	10 394 882	5.7%	44.0%
Departmental agencies and accounts	6 918 120	14 496 545	9 829 467	10 689 130	15.6%	59.1%	12 108 255	12 697 402	13 370 366	7.7%	55.6%
Households	-	69	26	-	-	-	-	-	-	-	-

Table 37.11 Road Transport

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Payments for capital assets	203	127	538	617	44.9%	-	654	685	720	5.3%	-	
Machinery and equipment	203	127	538	617	44.9%	-	654	685	720	5.3%	-	
Payments for financial assets	1 303	9	400	-	-100.0%	-	-	-	-	-	-	
Total	11 360 700	21 729 823	18 229 358	19 580 467	19.9%	100.0%	21 645 287	22 852 101	23 876 158	6.8%	100.0%	
Proportion of total programme expenditure to vote expenditure	39.0%	52.7%	46.4%	46.2%			44.4%	42.5%	42.0%			

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	10 400	35 439	37 295	52 205	71.2%	0.2%	75 223	97 763	102 944	25.4%	0.4%
Rural roads asset management systems grant	10 400	35 439	37 295	52 205	71.2%	0.2%	75 223	97 763	102 944	25.4%	0.4%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2 852 943	3 019 197	3 226 872	3 645 679	8.5%	18.0%	3 927 457	4 151 731	4 371 774	6.2%	18.3%
Road Traffic Management Corporation	73 619	77 949	82 412	166 946	31.4%	0.6%	176 008	184 104	193 862	5.1%	0.8%
South African National Roads Agency	2 779 324	2 924 248	3 125 460	3 453 733	7.5%	17.3%	3 736 149	3 951 623	4 161 060	6.4%	17.4%
Road Traffic Infringement Agency	-	17 000	19 000	25 000	-	0.1%	15 300	16 004	16 852	-12.3%	0.1%
Capital	4 065 177	11 477 348	6 602 595	7 043 451	20.1%	41.2%	8 180 798	8 545 671	8 998 592	8.5%	37.3%
South African National Roads Agency: Gauteng freeway improvement project	-	5 750 000	-	-	-	8.1%	-	-	-	-	-
South African National Roads Agency: Non-toll network	4 065 177	5 262 566	5 934 636	6 394 541	16.3%	30.5%	7 515 300	7 849 560	8 265 587	8.9%	34.1%
South African National Roads Agency: Coal haulage network	-	464 782	667 959	648 910	-	2.5%	665 498	696 111	733 005	4.1%	3.1%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital	4 091 142	6 697 354	7 981 845	8 737 775	28.8%	38.8%	9 361 498	9 952 270	10 291 938	5.6%	43.6%
Overload control grant	11 038	-	-	-	-100.0%	-	-	-	-	-	-
Provincial roads maintenance grant: Roads maintenance	4 080 104	5 872 354	6 828 533	7 519 488	22.6%	34.3%	7 956 245	8 933 980	9 407 481	7.8%	38.4%
Provincial roads maintenance grant: Disaster relief	-	240 000	489 912	409 387	-	1.6%	602 251	178 350	-	-100.0%	1.4%
Provincial roads maintenance grant: Coal haulage road network maintenance	-	585 000	663 400	808 900	-	2.9%	803 002	839 940	884 457	3.0%	3.8%
Households											
Social benefits											
Current	-	69	26	-	-	-	-	-	-	-	-
Employee social benefits	-	69	26	-	-	-	-	-	-	-	-

Personnel information

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

Road Transport	Number of posts estimated for 31 March 2014	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
Salary level	119	2	76	33.7	0.4	76	53.4	0.7	119	50.6	0.4	119	53.6	0.5	119	57.2	0.5	16.1%	100.0%
1 - 6	15	-	11	1.7	0.2	11	2.7	0.2	15	2.5	0.2	15	2.7	0.2	15	2.8	0.2	10.9%	12.9%
7 - 10	53	1	36	11.3	0.3	36	17.9	0.5	53	17.0	0.3	53	18.0	0.3	53	19.2	0.4	13.8%	45.0%
11 - 12	35	-	21	12.4	0.6	21	19.6	0.9	35	18.6	0.5	35	19.7	0.6	35	21.0	0.6	18.6%	29.1%
13 - 16	16	1	8	8.3	1.0	8	13.2	1.6	16	12.5	0.8	16	13.2	0.8	16	14.1	0.9	26.0%	12.9%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on facilitating capital investment and the development of roads and road infrastructure in South Africa through the transfer of funds to provinces, rural municipalities and the South African National Roads Agency. As a result, expenditure under transfers and subsidies in the *Road Oversight* subprogramme amounts to 99.5 per cent of the programme, or R19.5 billion, in 2013/14. These transfers are mainly to the South African National Roads Agency for non-toll and coal haulage networks, and for transfers to provinces through the provincial roads maintenance grant for road maintenance and coal haulage network upgrade and maintenance. In 2011/12, expenditure on transfers to the South African National Roads Agency increased due to a once-off allocation of R5.8 billion for the Gauteng freeway improvement project, which caused a spike in spending in the *Road Oversight* subprogramme in the same year.

While spending on compensation of employees was equivalent to 0.3 per cent of the programme's total expenditure in 2013/14, it did amount to 53 per cent of the operational budget, which excludes transfers. Spending on compensation of employees increased by 58.5 per cent in 2013/14, as efforts were made to fill vacant posts. At the end of November 2013, the programme had 76 filled posts and a vacancy rate of 36.1 per cent. The vacancy rate negatively impacts the programme's ability to deliver on its strategic goals and objectives, however, as a backup mechanism; the department appoints contract employees against vacant posts on a month to month basis until posts are finally filled to ensure that service delivery is not negatively affected.

Spending on consultants in the programme decreased significantly between 2010/11 and 2013/14, at an average annual rate of 36 per cent, due to the department not having received transaction fees for the maintenance and upgrade of the electronic national traffic information system, which falls under the *Road Regulation* subprogramme. Funding for this system is allocated once National Treasury receives proof that funds have been deposited into the National Revenue Fund. Expenditure over the medium term on this item is expected to be higher than reflected because the electronic national information systems transaction fee revenue has not yet been finalised. However, the department expects to receive the revenue from these fees over the medium term, as reflected in the departmental receipts table.

As part of the Cabinet approved budget changes, a reprioritisation of R63 million in 2014/15 within the provincial road maintenance grant from the Mpumalanga coal haulage allocation to KwaZulu-Natal is to fund the development of access roads to the Avon peaking power station to ensure security of supply in the electricity sector. A peaking power station is only brought on line when demand is high.

Programme 5: Civil Aviation

Objectives

Ensure effective air transport economic regulation through the implementation of the national civil aviation policy, the national airports development plan, and enhancing regional and international cooperation on an ongoing basis.

- Improve civil aviation safety by:
 - reviewing the national security programme through consultations in 2014/15 and amending the programme in 2015/16
 - promulgating civil aviation regulations in 2014/15
 - amending the Civil Aviation Act (2009) in 2014/15 to establish a regional independent aviation accident investigation body.
- Minimise the adverse effects of aviation on the environment by developing a draft aviation fuel strategy in line with the International Civil Aviation Organisation resolution by 2014/15 and implementing the strategy in 2015/16.

Subprogramme

- *Aviation Policy and Regulations* develops and maintains the civil aviation regulatory regime to respond to national imperatives and international standards, norms and protocols. In 2012/13, ministerial submissions on various civil aviation conventions and protocols were prepared. In 2013/14, the draft airlift strategy, the

national airports development plan and the White Paper on Civil Aviation Policy were completed and will be submitted to Cabinet. This subprogramme had a staff complement of 29 in 2013/14.

- *Aviation Economic Analysis and Industry Development* provides aviation economic analysis and develops strategies for industry development and airfreight logistics activities. In 2012/13, the funding models for the Airports Company of South Africa and the Air Traffic and Navigation Services Company were completed and adopted in principle by the industry. In 2013/14, the draft amendment bills for the Airports Company of South Africa and Air Traffic and Navigation Services Company were developed. Consultation is ongoing. This subprogramme had a staff complement of 13 in 2013/14.
- *Aviation Safety, Security, Environment and Search and Rescue* develops and monitors South Africa's aviation safety, security, environment, and search and rescue regime; and manages investigations of aviation accidents and serious incidents for the purposes of identifying deficiencies to make recommendations on mechanisms to address these deficiencies. An appeals committee was established in 2013/14 to adjudicate appeals from aviation industry stakeholders who are aggrieved by South African Civil Aviation Authority decisions. This subprogramme had a staff complement of 15 in 2013/14.
- *Aviation Oversight* monitors the performance of the Airports Company South Africa, the Air Traffic and Navigation Services Company and the South African Civil Aviation Authority in line with the legislative framework. This subprogramme had a staff complement of 2 in 2013/14.
- *Aviation Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 9 in 2013/14.
- *Mthatha Airport* was created to facilitate the upgrade and refurbishment of the Mthatha Airport in 2012/13 and 2013/14. R450 million was made available. This subprogramme has no staff.

Expenditure estimates

Table 37.13 Civil Aviation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Aviation Policy and Regulations	14 711	23 525	22 273	26 495	21.7%	11.3%	22 618	23 857	25 233	-1.6%	13.9%
Aviation Economic Analysis and Industry Development	8 087	4 186	5 458	8 641	2.2%	3.4%	11 333	11 914	12 572	13.3%	6.3%
Aviation Safety, Security Environment and Search and Rescue	8 634	5 479	9 176	62 803	93.8%	11.1%	69 673	71 448	75 370	6.3%	39.4%
Aviation Oversight	12 115	23 419	24 957	35 650	43.3%	12.4%	39 027	40 854	43 048	6.5%	22.4%
Aviation Administration Support	9 582	8 421	4 687	4 899	-20.0%	3.6%	5 620	5 933	6 445	9.6%	3.2%
Mthatha Airport	-	-	345 237	104 762	-	58.2%	-	-	-	-100.0%	14.8%
Total	53 129	65 030	411 788	243 250	66.1%	100.0%	148 271	154 006	162 668	-12.6%	100.0%
Change to 2013 Budget estimate				103 286			1 851	1 949	2 080		

Economic classification

	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
Current payments	40 978	41 134	386 549	208 753	72.1%	87.6%	111 646	115 697	122 329	-16.3%	78.9%
Compensation of employees	22 704	29 540	29 202	30 654	10.5%	14.5%	36 060	38 231	40 756	10.0%	20.6%
Goods and services	18 274	11 594	357 347	178 099	113.6%	73.1%	75 586	77 466	81 573	-22.9%	58.3%
of which:											
Administration fees	-	1	-	-	-	-	-	-	-	-	-
Advertising	418	110	200	55	-49.1%	0.1%	255	261	275	71.0%	0.1%
Assets less than the capitalisation threshold	45	12	63	82	22.1%	-	252	260	275	49.7%	0.1%
Bursaries: Employees	207	-	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	69	50	43	97	12.0%	-	177	182	195	26.2%	0.1%
Communication	350	481	465	313	-3.7%	0.2%	52 907	54 065	56 896	466.5%	23.2%
Computer services	10	3	2	115	125.7%	-	50	-	59	-19.9%	-
Consultants and professional services: Business and advisory services	11 542	2 495	347 645	168 973	144.6%	68.6%	12 757	13 175	13 780	-56.6%	29.5%
Consultants and professional services: Infrastructure and planning	-	7	-	-	-	-	-	-	-	-	-
Contractors	412	571	1 420	178	-24.4%	0.3%	1 690	1 765	1 848	118.2%	0.8%
Agency and support / outsourced services	-	472	-	-	-	0.1%	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	2	-	-	-	-	-	-	-	-

Table 37.13 Civil Aviation

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
<i>Inventory: Other supplies</i>	31	16	25	1	-68.2%	-	5	5	6	81.7%	-	
<i>Consumable: Stationery, printing and office supplies</i>	1 591	191	334	358	-39.2%	0.3%	610	633	690	24.4%	0.3%	
<i>Operating leases</i>	795	225	630	350	-23.9%	0.3%	419	434	454	9.1%	0.2%	
<i>Property payments</i>	-	877	-	-	-	0.1%	-	-	-	-	-	
<i>Travel and subsistence</i>	2 408	4 735	5 266	4 900	26.7%	2.2%	6 324	6 543	6 944	12.3%	3.5%	
<i>Training and development</i>	-	146	-	-	-	-	50	51	54	-	-	
<i>Operating payments</i>	19	691	1 032	2 291	394.0%	0.5%	-	-	-	-100.0%	0.3%	
<i>Venues and facilities</i>	377	511	220	386	0.8%	0.2%	90	92	97	-36.9%	0.1%	
Transfers and subsidies	12 115	23 821	24 958	34 094	41.2%	12.3%	36 198	37 862	39 868	5.4%	20.9%	
Departmental agencies and accounts	8 223	16 216	17 025	24 652	44.2%	8.6%	26 126	27 329	28 777	5.3%	15.1%	
Foreign governments and international organisations	3 892	7 203	7 932	8 000	27.1%	3.5%	8 466	8 855	9 324	5.2%	4.9%	
Non-profit institutions	-	-	-	1 442	-	0.2%	1 606	1 678	1 767	7.0%	0.9%	
Households	-	402	1	-	-	0.1%	-	-	-	-	-	
Payments for capital assets	36	75	281	403	123.7%	0.1%	427	447	471	5.3%	0.2%	
Machinery and equipment	36	75	281	403	123.7%	0.1%	427	447	471	5.3%	0.2%	
Total	53 129	65 030	411 788	243 250	66.1%	100.0%	148 271	154 006	162 668	-12.6%	100.0%	
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	1.0%	0.6%			0.3%	0.3%	0.3%			

Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 223	16 216	17 025	24 652	44.2%	8.6%	26 126	27 329	28 777	5.3%	15.1%
South African Civil Aviation Authority	8 223	16 216	17 025	18 155	30.2%	7.7%	19 239	20 124	21 191	5.3%	11.1%
South African Maritime Safety Authority	-	-	-	6 497	-	0.8%	6 887	7 205	7 586	5.3%	4.0%
Non-profit institutions											
Current	-	-	-	1 442	-	0.2%	1 606	1 678	1 767	7.0%	0.9%
National Sea Rescue Institute	-	-	-	1 223	-	0.2%	1 298	1 358	1 431	5.4%	0.7%
National emergency communications division of the South African Radio League	-	-	-	73	-	-	77	80	84	4.8%	-
Mountain Club of South Africa	-	-	-	73	-	-	77	80	84	4.8%	-
Off-road rescue	-	-	-	73	-	-	77	80	84	4.8%	-
K9 Search and Rescue Association	-	-	-	-	-	-	77	80	84	-	-
Foreign governments and international organisations											
Current	3 892	7 203	7 932	8 000	27.1%	3.5%	8 466	8 855	9 324	5.2%	4.9%
African Civil Aviation Commission	1 367	2 361	2 931	4 077	43.9%	1.4%	4 307	4 505	4 744	5.2%	2.5%
International Civil Aviation Organisation	2 525	4 842	5 001	3 510	11.6%	2.1%	3 721	3 892	4 098	5.3%	2.1%
Cospas search and rescue satellite aided tracking	-	-	-	413	-	0.1%	438	458	482	5.3%	0.3%
Households											
Social benefits	-	402	1	-	-	0.1%	-	-	-	-	-
Employee social benefits	-	402	1	-	-	0.1%	-	-	-	-	-

Personnel information

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

Civil Aviation	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17											
Salary Level	75	5	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	8.9%	100.0%
1 - 6	14	-	54	29.2	0.5	58	30.7	0.5	75	36.1	0.5	75	38.2	0.5	75	40.8	0.5	8.9%	100.0%
7 - 10	31	2	12	2.1	0.2	13	2.2	0.2	14	2.6	0.2	14	2.8	0.2	14	2.9	0.2	2.5%	19.4%
11 - 12	16	-	21	7.2	0.3	25	7.6	0.3	31	8.9	0.3	31	9.5	0.3	31	10.1	0.3	7.4%	41.7%
13 - 16	14	3	11	8.0	0.7	11	8.4	0.8	16	9.9	0.6	16	10.5	0.7	16	11.2	0.7	13.3%	20.8%
			10	11.9	1.2	9	12.5	1.4	14	14.7	1.0	14	15.5	1.1	14	16.6	1.2	15.9%	18.0%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on improving civil aviation safety and ensuring effective air transport economic regulation and minimising the adverse effects of aviation on the environment as well as making transfers to departmental agencies and international aviation organisations. Therefore, spending in the *Aviation Safety, Security, Environment, and Search and Rescue* and *Aviation Oversight* subprogrammes accounts for the majority of the programme budget over the medium term. Spending in the *Aviation Safety, Security Environment, and Search and Rescue* programme is expected to increase significantly in 2013/14 due to the shift in search and rescue function from the *Maritime Transport* programme to the *Civil Aviation* programme. As a result of this shift, communications in the programme's goods and services budget is expected to increase at an average annual rate of 466.5 per cent over the MTEF period.

Expenditure in the *Aviation Oversight* subprogramme increased between 2010/11 and 2013/14 as a result of larger transfers to the South African Civil Aviation Authority to improve the authority's accident and incident investigation function. The Civil Aviation Act (2009) will be amended over the medium term to establish an independent accident and incident investigation body.

Spending on compensation of employees in the programme is projected to increase to R36.1 million in 2014/15 and is expected to continue to grow at an average annual rate of 10 per cent over the medium term as the programme increases its number of filled posts from 58 in 2013/14 to 75. At the end of November 2013, the programme had a vacancy rate of 22.7 per cent. To counter the negative effects of this high rate, the department appoints contract employees against vacant posts on a month-to-month basis.

Programme expenditure increased significantly in 2012/13 and 2013/14 as a result of the upgrade of the Mthatha Airport, which also resulted in increased spending on consultants for the development of the taxiway and runway. This increased the proportion of goods and services to 86.8 per cent of total programme expenditure in 2012/13. Consultants were hired between 2010/11 and 2013/14 to assist the department with the establishment of the aviation appeals committee, and R2.4 million is reprioritised over the medium term to finance the search and rescue function within the department. Spending on goods and services is projected to decline at an average annual rate of 22.9 per cent over the MTEF period as the Mthatha Airport upgrade was finalised in 2013/14.

Programme 6: Maritime Transport

Objectives

- Ensure a sustainable transport infrastructure network by developing a green paper on maritime transport policy by 2015/16.
- Ensure the implementation of the National Ports Act (2005) by facilitating consultative committees to optimise port tariffs, monitor infrastructure development of ports and monitor the issuing of licences for port terminal operations on an annual basis.
- Contribute to the reduction of the number of accidents and incidents in the sea environment by reviewing maritime security regulations in 2014/15 and drafting amendments to legislation in 2015/16.
- Contribute to the reduction of the levels of pollution at sea through the development of a salvage strategy by 2016/17.

Subprogrammes

- *Maritime Policy Development* develops and maintains a maritime regulatory regime that is responsive to national imperatives and international standards, norms and protocols. The subprogramme is also responsible for the development and maintenance of maritime policies and strategies. In 2012/13, R3 million was allocated to conduct an extensive consultation with government departments, public entities and the marine industry on the effectiveness of the administration of services of the current shipping registry, the development of the Green Paper on Maritime Shipping Policy and consultation on the review of the South African Maritime Authority Act (1998). In October 2012, the International Maritime Organisation's diplomatic conference on the adoption of the Torremolinos Convention on the Safety of Fishing Vessels was

held in Cape Town. In 2013/14, the Green Paper on Maritime Shipping Policy was developed and published for consultation. This subprogramme had a staff complement of 6 in 2013/14.

- *Maritime Infrastructure and Industry Development* facilitates the development of an integrated maritime infrastructure and maritime industry. In 2013/14, R1.6 million was spent on hosting World Maritime Day in Kimberley. This subprogramme had a staff complement of 5 in 2013/14.
- *Implementation, Monitoring and Evaluations* ensures that legislation, policies and strategies pertaining to maritime safety, security and environment protection are implemented. In 2012/13, a monitoring and evaluation framework for the safety and security of navigation in the South African territorial waters and inland waterways, piracy and marine environment protection was developed. In addition, compliance with the national and international legal instruments by implementing agents, such as the South African Maritime Safety Authority, Transnet National Ports Authority and the Department of Environment Affairs, was monitored. In 2013/14, draft ballast water legislation was developed and readied for public comment. It is expected to be gazetted by March 2014. This subprogramme had a staff complement of 10 in 2013/14.
- *Maritime Oversight* transfers allocations to public entities in the maritime field, the South African Maritime Safety Authority and the Ports Regulator and oversees these entities' compliance with relevant regulations and legislation. This subprogramme's total budget is transferred in full to the South African Maritime Safety Authority, the Ports Regulator and to international maritime organisations and non-profit search and rescue organisations for membership. This subprogramme had a staff complement of 5 in 2013/14.
- *Maritime Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 2 in 2013/14.

Expenditure estimates

Table 37.15 Maritime Transport

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Maritime Policy Development	5 653	10 463	7 193	11 209	25.6%	6.8%	13 064	15 187	16 562	13.9%	12.4%
Maritime Infrastructure and Industry Development	62 347	74 599	5 057	10 546	-44.7%	29.8%	10 920	11 873	13 083	7.5%	10.3%
Implementation, Monitoring and Evaluations	40 115	23 638	83 587	54 112	10.5%	39.4%	61 483	63 592	66 037	6.9%	54.2%
Maritime Oversight	25 800	29 931	26 485	26 072	0.4%	21.2%	18 468	19 317	20 341	-7.9%	18.6%
Maritime Administration Support	9 581	193	2 344	2 426	-36.7%	2.8%	6 654	5 439	5 805	33.8%	4.5%
Total	143 496	138 824	124 666	104 365	-10.1%	100.0%	110 589	115 408	121 828	5.3%	100.0%
Change to 2013 Budget estimate				(963)			(201)	(232)	(251)		

Economic classification

	117 600	108 789	98 009	80 209	-12.0%	79.1%	91 774	95 728	101 104	8.0%	81.6%
Current payments											
Compensation of employees	15 109	8 643	13 234	20 006	9.8%	11.1%	22 123	23 456	25 002	7.7%	20.0%
Goods and services	102 491	100 146	84 775	60 203	-16.3%	68.0%	69 651	72 272	76 102	8.1%	61.5%
of which:											
Administration fees	-	-	5	15	-	-	30	18	19	8.2%	-
Advertising	1 241	-	1 009	1 016	-6.5%	0.6%	220	132	141	-48.2%	0.3%
Assets less than the capitalisation threshold	32	11	44	187	80.1%	0.1%	420	252	270	13.0%	0.2%
Catering: Departmental activities	53	217	43	104	25.2%	0.1%	150	90	96	-2.6%	0.1%
Communication	242	19 377	30 987	246	0.5%	9.9%	590	354	379	15.5%	0.3%
Computer services	10	-	-	50	71.0%	-	-	-	-	-100.0%	-
Consultants and professional services: Business and advisory services	66 073	76 359	46 655	6 740	-53.3%	38.3%	62 001	65 567	68 872	117.0%	44.9%
Consultants and professional services: Infrastructure and planning	26 837	-	-	43 400	17.4%	13.7%	-	-	-	-100.0%	9.6%
Contractors	962	790	362	120	-50.0%	0.4%	-	-	-	-100.0%	-
Inventory: Other supplies	21	-	22	16	-8.7%	-	-	-	-	-100.0%	-
Consumable: Stationery, printing and office supplies	1 258	519	101	607	-21.6%	0.5%	450	270	289	-21.9%	0.4%
Operating leases	535	97	180	452	-5.5%	0.2%	70	42	45	-53.7%	0.1%
Property payments	-	630	-	-	-	0.1%	-	-	-	-	-
Travel and subsistence	3 647	2 030	3 817	5 033	11.3%	2.8%	4 710	4 941	5 340	2.0%	4.4%
Training and development	403	-	75	-	-100.0%	0.1%	450	270	291	-	0.2%
Operating payments	97	68	777	676	91.0%	0.3%	390	234	251	-28.1%	0.3%
Venues and facilities	1 080	48	698	1 541	12.6%	0.7%	170	102	109	-58.6%	0.4%

Table 37.15 Maritime Transport

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14		2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17			
R thousand	25 800	29 971	26 515	23 829	-2.6%	20.8%	18 468	19 317	20 341	-5.1%	18.1%		
Transfers and subsidies													
Departmental agencies and accounts	23 767	27 825	24 357	22 304	-2.1%	19.2%	16 852	17 627	18 561	-5.9%	16.7%		
Foreign governments and international organisations	841	851	761	1 525	21.9%	0.8%	1 616	1 690	1 780	5.3%	1.5%		
Non-profit institutions	1 192	1 255	1 367	-	-100.0%	0.7%	-	-	-	-	-		
Households	-	40	30	-	-	-	-	-	-	-	-		
Payments for capital assets	75	64	142	327	63.4%	0.1%	347	363	383	5.4%	0.3%		
Machinery and equipment	75	64	142	327	63.4%	0.1%	347	363	383	5.4%	0.3%		
Payments for financial assets	21	-	-	-	-100.0%	-	-	-	-	-	-		
Total	143 496	138 824	124 666	104 365	-10.1%	100.0%	110 589	115 408	121 828	5.3%	100.0%		
Proportion of total programme expenditure to vote expenditure	0.5%	0.3%	0.3%	0.2%			0.2%	0.2%	0.2%				

Details of transfers and subsidies

Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current												
South African Maritime Safety Authority	14 935	13 464	9 288	6 404	-24.6%	8.6%	-	-	-	-100.0%	1.4%	
Ports Regulator	8 832	14 361	15 069	15 900	21.7%	10.6%	16 852	17 627	18 561	5.3%	15.2%	
Non-profit institutions												
Current												
National Sea Rescue Institute	1 042	1 105	1 160	-	-100.0%	0.6%	-	-	-	-	-	
National emergency communications division of the South African Radio League	50	50	69	-	-100.0%	-	-	-	-	-	-	
Mountain Club of South Africa	50	50	69	-	-100.0%	-	-	-	-	-	-	
Off-road rescue	50	50	69	-	-100.0%	-	-	-	-	-	-	
Foreign governments and international organisations												
Current												
Cospas search and rescue satellite aided tracking	314	317	354	-	-100.0%	0.2%	-	-	-	-	-	
International Maritime Organisation	341	139	407	1 249	54.1%	0.4%	1 324	1 385	1 458	5.3%	1.2%	
Indian Ocean memorandum of understanding	186	395	-	276	14.1%	0.2%	292	305	322	5.3%	0.3%	
Households												
Social benefits												
Current												
Employee social benefits	-	40	30	-	-	-	-	-	-	-	-	

Personnel information

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

	Number of posts estimated for 31 March 2014		Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Maritime Transport																			
Salary Level	42	-	26	13.2	0.5	27	20.0	0.7	42	22.1	0.5	42	23.5	0.6	42	25.0	0.6	15.9%	100.0%
1 - 6	5	-	1	0.1	0.1	1	0.2	0.2	5	0.2	0.0	5	0.2	0.0	5	0.3	0.1	71.0%	10.5%
7 - 10	16	-	11	3.2	0.3	11	4.9	0.4	16	5.4	0.3	16	5.8	0.4	16	6.1	0.4	13.3%	38.6%
11 - 12	11	-	6	2.9	0.5	7	4.4	0.6	11	4.9	0.4	11	5.2	0.5	11	5.5	0.5	16.3%	26.1%
13 - 16	10	-	8	6.9	0.9	8	10.5	1.3	10	11.6	1.2	10	12.3	1.2	10	13.1	1.3	7.7%	24.8%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on implementing the National Ports Act (2005) and reducing the levels of pollution and the number of accidents and incidents at sea. As a result, the majority of the spending will be in the *Implementation, Monitoring and Evaluations* subprogramme and the *Maritime Oversight* subprogramme. The *Maritime Oversight* subprogramme is responsible for transferring funds to departmental

agencies such as the South African Maritime Authority and the Ports Regulator. The allocations to the Ports Regulator increased by R7.1 million in 2013/14 from a reprioritisation of funds, to enhance its human resource capacity to fulfil its economic regulation mandate. Transfers to the regulator are expected to increase to R18.6 million by 2016/17. The transfers to the South African Maritime Safety Authority decreased from R14.9 million in 2010/11 to R6.4 million in 2013/14 as a result of reprioritisation and a reallocation in the department for the investigation of the feasibility study for undertaking tug boat services and developing maritime revenue sources. These transfers will cease to exist in this programme over the MTEF period and the marine rescue coordination centre will continue to be paid for in the *Civil Aviation* programme.

Personnel numbers are expected to increase from 27 in 2013/14 to 42 in 2014/15, resulting in an expected increase in compensation of employees to R25 million in 2016/17 as the department implements its recruitment drive following the successful organisational structure change. There were no vacancies at the end of November 2013.

Consultants in this programme are mainly used in the *Implementation, Monitoring and Evaluation* and *Maritime Infrastructure and Industry Development* subprogrammes for oil pollution services, salvage operations and policy development. The department does not have the resources to do this internally.

Programme 7: Public Transport

Objectives

- Enhance the performance and efficiency of public transport by:
 - amending the National Land Transport Act (2009) in 2014/15 and issuing associated regulations by 2016/17
 - developing a comprehensive integrated public transport plan by 2016/17
 - establishing and operationalising a national public transport regulator by 2016/17.
- Provide quality rural public and scholar transport by:
 - developing and implementing the learner transport policy by 2015/16
 - distributing 20 000 bicycles through the Shova Kalula programme over the medium term
 - developing and implementing the rural transport strategy action plan in 2 district municipalities over the medium term.
- Promote sustainable public transport by:
 - developing and implementing a public transport stakeholder engagement framework by 2016/17
 - scrapping 18 000 taxis in the taxi recapitalisation programme over the medium term
 - developing a public transport subsidy management system over the MTEF period.
- Improve public transport access and reliability by facilitating the construction of 7 integrated public transport networks by 2016/17.

Subprogrammes

- *Public Transport Regulation* manages the development and maintenance of policy, legislation and regulation; and coordinates and facilitates implementation. Responsibilities include managing public transport information, such as public transport systems developed in terms of the National Land Transport Act (2009). In 2012/13, stakeholders were consulted about the draft National Land Transport Amendment Bill. In 2013/14, the draft amendment bill was developed further, transport planning requirements were reviewed and updated, and interns were trained and placed in district municipalities. This subprogramme had a staff complement of 13 in 2013/14.
- *Rural and Scholar Transport* develops and reviews rural, scholar and non-motorised transport strategies, and coordinates and evaluates their implementation. In 2012/13, the scholar transport policy was approved by the director general and the draft guidelines for the policy were completed. In 2013/14, 5 provinces successfully moved the scholar transport function from the provincial departments of education to the provincial departments of transport. In addition, the funding model for the integration and implementation of non-

motorised transport and learner transport schemes was developed and finalised. This subprogramme had a staff complement of 12 in 2013/14.

- *Public Transport Industry Development* oversees and facilitates the implementation of public transport policy, legislation and strategy; develops public transport empowerment schemes; manages the taxi recapitalisation programme; and oversees the bus subsidy system. In 2012/13, 6 457 old minibus taxis were scrapped and the public transport conflict resolution strategy was developed. In 2013/14, the national public transport transformation plan was revised to align with the rollout of the integrated public transport networks and 7 500 taxis were scrapped. This subprogramme had a staff complement of 19 in 2013/14.
- *Public Transport Oversight* oversees the use of public transport subsidies and grants, and monitors compliance with the Division of Revenue Act (2013) in terms of the transferring of money, reporting and reallocation. In 2013/14, R5.5 billion was transferred to local government for public transport infrastructure, operations and systems, R4.6 billion was transferred to provinces for bus subsidies and R474 million towards the taxi recapitalisation.
- *Public Transport Administration Support* renders an administrative and financial support service to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 9 in 2013/14.
- *Public Transport Network Development* develops norms and standards for integrated public transport systems to assist in providing accessible, reliable and affordable integrated public transport network services in municipalities. In 2012/13, the Msunduzi, Ekurhuleni and Mangaung municipalities were assisted with developing operational plans for public transport and a bus pilot project was launched in Nelson Mandela Bay. In 2013/14, integrated public transport networks plans were reviewed and approved in line with the division of revenue conditional grant framework, and technical oversight and support was provided to municipalities. This subprogramme had a staff complement of 4 in 2013/14.

Expenditure estimates

Table 37.17 Public Transport

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Public Transport Regulation	5 928	14 025	12 989	33 645	78.4%	0.2%	22 865	23 894	25 329	-9.0%	0.2%
Rural and Scholar Transport	7 508	–	4 011	13 467	21.5%	0.1%	13 118	13 707	14 534	2.6%	0.1%
Public Transport Industry Development	99 748	98 848	104 905	123 408	7.4%	1.1%	122 454	126 146	132 991	2.5%	1.1%
Public Transport Oversight	7 916 161	9 234 479	9 625 567	10 597 197	10.2%	98.4%	11 145 566	11 661 943	12 584 267	5.9%	98.4%
Public Transport Administration Support	3 060	9 872	59 349	16 005	73.6%	0.2%	7 755	8 154	8 673	-18.5%	0.1%
Public Transport Network Development	896	2 829	5 966	8 531	111.9%	–	12 013	12 554	13 309	16.0%	0.1%
Total	8 033 301	9 360 053	9 812 787	10 792 253	10.3%	100.0%	11 323 771	11 846 398	12 779 103	5.8%	100.0%
Change to 2013 Budget estimate				(21 846)			(81 156)	(81 228)	218 720		

Economic classification

Current payments	117 111	125 710	186 794	198 261	19.2%	1.7%	178 029	184 271	194 641	-0.6%	1.6%
Compensation of employees	12 825	19 915	32 213	38 338	44.1%	0.3%	41 641	44 198	47 143	7.1%	0.4%
Goods and services	104 286	105 795	154 581	159 923	15.3%	1.4%	136 388	140 073	147 498	-2.7%	1.2%
of which:											
Administration fees	–	–	9	–	–	–	–	–	–	–	–
Advertising	664	123	3	50	-57.8%	–	110	112	119	33.5%	–
Assets less than the capitalisation threshold	49	49	125	161	48.7%	–	290	298	314	24.9%	–
Catering: Departmental activities	18	205	71	75	60.9%	–	–	–	–	-100.0%	–
Communication	140	288	313	505	53.4%	–	250	257	270	-18.8%	–
Computer services	2	4	4	–	-100.0%	–	–	–	–	–	–
Consultants and professional services:	101 120	99 867	145 531	151 653	14.5%	1.3%	130 712	134 244	141 361	-2.3%	1.2%
Business and advisory services											
Contractors	590	234	1 407	60	-53.3%	–	60	62	65	2.7%	–
Inventory: Food and food supplies	–	–	–	–	–	–	30	31	32	–	–
Inventory: Materials and supplies	–	–	2	–	–	–	–	–	–	–	–
Inventory: Other supplies	5	4	12	62	131.5%	–	25	26	27	-24.2%	–
Consumable: Stationery, printing and office supplies	122	672	367	647	74.4%	–	290	298	314	-21.4%	–
Operating leases	31	117	247	2 278	318.9%	–	50	51	54	-71.3%	–
Travel and subsistence	1 163	3 404	5 422	2 802	34.1%	–	3 476	3 570	3 759	10.3%	–
Training and development	240	21	–	240	–	–	1 000	1 027	1 081	65.1%	–
Operating payments	35	110	26	803	184.2%	–	5	5	5	-81.6%	–
Venues and facilities	107	697	1 042	587	76.4%	–	90	92	97	-45.1%	–

Table 37.17 Public Transport

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2010/11 - 2013/14	2014/15	2015/16		
R thousand												
Transfers and subsidies	7 916 161	9 234 168	9 625 567	10 593 826		10.2%	98.3%	11 145 566	11 661 943	12 584 267	5.9%	98.4%
Provinces and municipalities	7 562 495	8 764 879	9 201 670	10 102 502		10.1%	93.8%	10 703 555	11 193 619	11 784 231	5.3%	93.7%
Non-profit institutions	14 789	21 176	16 460	17 365		5.5%	0.2%	18 407	19 254	20 275	5.3%	0.2%
Households	338 877	448 113	407 437	473 959		11.8%	4.4%	423 604	449 070	779 761	18.1%	4.5%
Payments for capital assets	29	173	348	166		78.9%	-	176	184	195	5.5%	-
Machinery and equipment	29	173	348	166		78.9%	-	176	184	195	5.5%	-
Payments for financial assets	-	2	78	-		-	-	-	-	-	-	-
Total	8 033 301	9 360 053	9 812 787	10 792 253		10.3%	100.0%	11 323 771	11 846 398	12 779 103	5.8%	100.0%
Proportion of total programme expenditure to vote expenditure	27.6%	22.7%	25.0%	25.5%				23.2%	22.0%	22.5%		

Details of transfers and subsidies

Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Current	-	-	-	881 305		-	2.3%	902 817	1 043 024	1 362 321	15.6%	9.0%
Public transport network operations grant	-	-	-	881 305		-	2.3%	902 817	1 043 024	1 362 321	15.6%	9.0%
Capital	3 699 462	4 611 647	4 884 401	4 668 676		8.1%	47.0%	4 968 029	5 097 881	5 104 052	3.0%	42.4%
Public transport infrastructure grant	3 699 462	4 611 647	4 884 401	4 668 676		8.1%	47.0%	4 968 029	5 097 881	5 104 052	3.0%	42.4%
Households												
Other transfers to households												
Current	338 877	448 113	407 437	473 959		11.8%	4.4%	423 604	449 070	779 761	18.1%	4.5%
Taxi recapitalisation	338 877	448 113	407 437	473 959		11.8%	4.4%	423 604	449 070	779 761	18.1%	4.5%
Non-profit institutions												
Current	14 789	21 176	16 460	17 365		5.5%	0.2%	18 407	19 254	20 275	5.3%	0.2%
South African National Taxi Council	14 789	21 176	16 460	17 365		5.5%	0.2%	18 407	19 254	20 275	5.3%	0.2%
Provinces and municipalities												
Provinces												
Provincial Revenue Funds												
Current	3 863 033	4 153 232	4 317 269	4 552 521		5.6%	44.4%	4 832 709	5 052 714	5 317 858	5.3%	42.3%
Public transport operations grant	3 863 033	4 153 232	4 317 269	4 552 521		5.6%	44.4%	4 832 709	5 052 714	5 317 858	5.3%	42.3%

Personnel information

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

Public Transport Salary level	Number of posts estimated for 31 March 2014	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
	77	3	58	32.2	0.6	60	38.3	0.6	77	41.6	0.5	77	44.2	0.6	77	47.1	0.6	8.7%	100.0%
1 - 6	12	1	10	1.3	0.1	11	1.5	0.1	12	1.6	0.1	12	1.7	0.1	12	1.8	0.2	2.9%	16.2%
7 - 10	24	-	15	4.2	0.3	14	4.9	0.4	24	5.4	0.2	24	5.7	0.2	24	6.1	0.3	19.7%	29.6%
11 - 12	21	-	17	10.5	0.6	18	12.5	0.7	21	13.6	0.6	21	14.4	0.7	21	15.4	0.7	5.3%	27.8%
13 - 16	20	2	16	16.3	1.0	17	19.4	1.1	20	21.1	1.1	20	22.4	1.1	20	23.8	1.2	5.6%	26.5%

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

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on promoting sustainable public transport, and improving public transport access and reliability. This will be done by facilitating the construction of 7 integrated public transport networks by 2016/17 and through providing transfers to provinces and municipalities to increase the number of average weekday bus rapid transit passengers to 100 000 in Johannesburg and 80 000 in Cape Town by 2016/17. As a result, expenditure in the *Public Transport Oversight* subprogramme is expected to increase to R12.6 billion in 2016/17, as the department transfers the public transport operations grant to provinces, and the public transport infrastructure grant and the public transport network operations grant to municipalities.

Spending in the *Public Transport Industry Development* subprogramme is expected to increase to R133 million by 2016/17 to administer the taxi recapitalisation programme and for the alignment of the taxi recapitalisation programme with the public transport strategy. Consultants are used for the administration of taxi recapitalisation, policy development and the verification of subsidies and payments made to bus operators funded through the public transport operations grant. Consultants are also used in the national department's intervention in the administration of the Limpopo provincial transport department in terms of section 100 of the Constitution, which allows for this intervention. Expenditure on consultants was R151.7 million or 76.5 per cent of the programme's operational expenditure in 2013/14 and is expected to decline by an average annual rate of 2.3 per cent over the medium term as more use is made of internal capacity.

Spending on compensation of employees is small in relation to the overall programme expenditure, but is expected to grow at an average annual rate of 7.1 per cent over the medium term as 17 vacant posts are filled. The vacancies are as a result of organisational structure changes.

Public entities and other agencies

Air Traffic and Navigation Services Company

Mandate and goals

The Air Traffic and Navigation Services Company was established in terms of the Air Traffic and Navigation Services Act (1993). Its mandate is to provide safe, orderly and efficient air traffic navigational and associated services to the air traffic management community. It does this on behalf of the state and in accordance with the International Civil Authority Organisation standards and recommended practices, and the South African civil aviation regulations and technical standards.

The company's overall strategy to grow and expand its footprint involves marketing, distributing and offering a high quality air traffic management solution.

In line with this, the company's strategic goals over the medium term are to:

- provide safe, efficient and cost effective air traffic management solutions and associated services
- expand the company footprint to cover Africa and the Indian Ocean region.

Selected performance indicators

Table 37.19 Air Traffic and Navigation Services Company

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total number of air traffic controllers	Communication	Outcome 4: Decent employment through inclusive economic growth	329	332	335	354	384	366	392
Number of incidents per 100 000 movements ¹	Navigation	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	2	2	2	2	2	2	2
Number of aircraft on OR Tambo International Airport runways per hour	Communication	Outcome 6: An efficient, competitive and responsive economic infrastructure network	60	56	60	60	60	60	60

¹ The industry best practice benchmark is 2.

Programmes/activities/objectives

Table 37.20 Air Traffic and Navigation Services Company

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Administration	141 810	154 675	163 481	184 690	9.2%	15.9%	191 458	235 285	251 049	10.8%	15.9%
Communication	445 716	486 150	513 862	580 563	9.2%	50.0%	601 762	739 512	789 060	10.8%	50.0%
Navigation	46 863	51 114	54 057	61 104	9.2%	5.3%	63 270	77 753	82 962	10.7%	5.3%
Surveillance	73 790	80 484	85 103	96 183	9.2%	8.3%	99 624	122 429	130 632	10.7%	8.3%
Display systems	9 987	10 893	11 527	13 038	9.3%	1.1%	13 483	16 570	17 680	10.7%	1.1%
Simulator and systems	174 040	189 829	200 596	226 577	9.2%	19.5%	234 971	288 760	308 106	10.8%	19.5%
Total expense	892 206	973 145	1 028 626	1 162 155	9.2%	100.0%	1 204 568	1 480 309	1 579 489	10.8%	100.0%

Expenditure estimates

Table 37.21 Air Traffic and Navigation Services Company

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	1 074 573	1 182 862	1 223 430	1 272 731	5.8%	100.0%	1 328 611	1 361 793	1 453 034	4.5%	100.0%
Sale of goods and services other than capital assets	1 001 432	1 107 210	1 129 962	1 211 642	6.6%	93.6%	1 263 807	1 300 672	1 387 817	4.6%	95.3%
of which:											
Sales by market establishment	1 001 432	1 107 210	1 129 962	1 211 642	6.6%	93.6%	1 263 807	1 300 672	1 387 817	4.6%	95.3%
En-route and approach fees	957 674	1 059 153	1 074 657	1 163 357	6.7%	89.5%	1 196 117	1 209 985	1 291 054	3.5%	89.8%
VSAT and NAFISAT Revenue	43 758	48 057	55 305	48 285	3.3%	4.1%	67 690	90 687	96 763	26.1%	5.6%
Other non-tax revenue	73 141	75 652	93 468	61 089	-5.8%	6.4%	64 804	61 121	65 217	2.2%	4.7%
Total revenue	1 074 573	1 182 862	1 223 430	1 272 731	5.8%	100.0%	1 328 611	1 361 793	1 453 034	4.5%	100.0%
Expenses											
Current expenses	821 312	891 355	954 227	1 119 154	10.9%	93.2%	1 156 329	1 391 509	1 484 741	9.9%	95.1%
Compensation of employees	487 241	552 272	570 624	730 300	14.4%	57.4%	741 542	835 572	891 555	6.9%	59.3%
Goods and services	187 143	198 439	260 877	242 791	9.1%	21.9%	299 106	318 109	339 424	11.8%	22.2%
Depreciation	121 880	124 376	114 036	127 447	1.5%	12.1%	105 000	207 476	221 376	20.2%	11.9%
Interest, dividends and rent on land	25 048	16 268	8 690	18 616	-9.4%	1.7%	10 681	30 352	32 386	20.3%	1.6%
Total expenses	892 206	973 145	1 028 626	1 162 155	9.2%	100.0%	1 204 568	1 480 309	1 579 489	10.8%	100.0%
Surplus/(Deficit)	182 367	209 717	194 804	110 576	-15.4%		124 043	(118 516)	(126 455)	-204.6%	
Statement of financial position											
Carrying value of assets	978 889	937 202	847 577	999 329	0.7%	56.8%	1 066 942	1 130 959	1 198 816	6.3%	49.5%
of which:											
Acquisition of assets	32 918	80 819	20 752	262 500	99.8%	5.5%	172 613	182 970	193 948	-9.6%	9.3%
Inventory	506	797	198	200	-26.6%	0.0%	250	265	281	12.0%	0.0%
Loans	10 210	10 954	12 181	14 923	13.5%	0.7%	15 462	16 390	17 373	5.2%	0.7%
Receivables and prepayments	124 286	145 071	160 743	170 482	11.1%	8.9%	173 805	184 234	195 287	4.6%	8.2%
Cash and cash equivalents	304 485	523 945	701 914	753 913	35.3%	33.3%	926 951	982 568	1 041 522	11.4%	41.6%
Taxation	716	3 179	6 472	-	-100.0%	0.2%	-	-	-	-	-
Total assets	1 419 092	1 621 148	1 729 085	1 938 847	11.0%	100.0%	2 183 410	2 314 416	2 453 279	8.2%	100.0%
Accumulated surplus/(deficit)	786 927	996 644	1 191 448	1 413 766	21.6%	64.7%	1 537 811	1 630 080	1 727 884	6.9%	71.1%
Capital and reserves	190 646	190 646	190 646	190 646	0.0%	11.5%	190 646	190 646	190 646	-	8.6%
Borrowings	258 239	205 147	118 979	102 201	-26.6%	10.8%	190 974	202 433	214 578	28.0%	7.9%
Trade and other payables	45 464	62 486	72 339	81 638	21.5%	3.9%	106 340	112 720	119 484	13.5%	4.7%
Taxation	71 322	74 162	77 009	80 837	4.3%	4.6%	83 989	89 028	94 370	5.3%	3.9%
Provisions	66 494	92 063	78 664	69 760	1.6%	4.6%	73 650	78 069	82 753	5.9%	3.4%
Total equity and liabilities	1 419 092	1 621 148	1 729 085	1 938 848	11.0%	100.0%	2 183 410	2 302 976	2 429 715	7.8%	99.6%

Personnel information

Table 37.22 Air Traffic and Navigation Services Company

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	1 299	1 299	1 030	570.6	0.6	1 011	730.3	0.7	1 225	741.5	0.6	1 225	835.6	0.7	1 225	891.6	0.7	6.9%	100.0%	
7 – 10	60	60	47	5.5	0.1	48	7.0	0.1	66	7.7	0.1	66	8.7	0.1	66	9.3	0.1	9.9%	5.2%	
11 – 12	136	136	101	34.6	0.3	101	44.3	0.4	134	45.0	0.3	134	50.7	0.4	134	54.1	0.4	6.9%	10.7%	
13 – 16	1 060	1 060	844	439.5	0.5	822	562.5	0.7	981	570.7	0.6	981	642.9	0.7	981	686.0	0.7	6.8%	80.4%	
17 – 22	43	43	38	91.0	2.4	40	116.5	2.9	44	118.1	2.7	44	133.2	3.0	44	142.2	3.2	6.9%	3.7%	

1. Rand million.

Expenditure trends

The Air Traffic and Navigation Services Company's revenue is generated from the provision of aeronautical services to the aviation industry. The main sources of this revenue are en route and approach fees. Total revenue increased at an average annual rate of 5.8 per cent between 2010/11 and 2013/14, and is expected to increase at an average annual rate of 4.5 per cent between 2013/14 and 2016/17 in line with an expected increase in air traffic.

The company's spending focus over the medium term will be on communication and simulator systems. Simulator systems are a total training solution for controllers and operators, providing realistic training in a simulated environment before being deployed, while communication systems provide both a medium and infrastructure for the effective ground-ground and ground-air communication of voice, aeronautical and meteorological information between controllers and airspace users. These systems have constituted the largest expenditure areas in the entity in the past, and are expected to grow at an average annual rate of 10.8 per cent over the medium term as they remain essential to ensuring safety and improving capacity at airports.

Expenditure increased from R892.2 million in 2010/11 to R1.2 billion in 2013/14 at an average annual rate of 9.2 per cent, due to the entity increasing capacity in line with the airports expansion programme. In the same period, spending on compensation of employees grew from R487.2 million to R730.3 million at an average annual rate of 14.4 per cent, due to an increase in human resource requirements in existing departments, and in departments that were restructured to add marketing, project management, economic regulation and environmental planning skills. The increase in spending on compensation of employees between 2013/14 and 2016/17 is as a result of an expected increase in the headcount, air traffic controller validation or career progression, and normal annual increases for improved conditions of service. The increase in compensation of employees in 2013/14 was driven by the strategic objective to improve safety performance by increasing the expertise levels in the company, and the need to phase out contracted air traffic control staff.

The vacancy rate in the entity at the end of November 2013 was 22.2 per cent. Because of the technical nature of the Air Traffic and Navigation Service Company's business, the process of sourcing, appointing and training the entity's human capital is lengthy and this had led to prolonged high vacancy rates. In line with the current development and training plans, it is anticipated that vacancies will decrease over the medium term.

Consultants are used in some areas due to staff shortages as the entity's business is highly specialised and some positions take longer to be filled. The consultants are used for research and development for the company to acquire strategic vision, detailed insight and an understanding of global market dynamics and readily available information on technological and business trends, suppliers, products, clients and competitors.

Expenditure on goods and services is expected to increase at an average annual rate of 11.8 per cent over the medium term, driven in part by the effects of foreign exchange fluctuation on repairs, maintenance, and telecommunication network costs. Electronic maintenance support contracts are another big driver of spending.

Interest payable is projected to increase at an average annual rate of 20.3 per cent over the medium term as borrowings increase because of capital expenditure reprioritisation. Depreciation costs are also expected to increase at an average annual rate of 20.2 per cent as a result of an expected asset procurement drive.

Airports Company South Africa

Mandate and goals

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

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

Selected performance indicators

Table 37.23 Airports Company of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Cost of maintenance and engineering per international airport (Rand thousand) per year	Airport maintenance and engineering	Entity mandate	R189 032	R231 143	R195 475	R223 085	R250 224	R272 161	R292 532
Cost revenue efficiency ratio including depreciation	Airport management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	75%	66%	57%	60%	58%	63%	65%
Number of passengers accommodated at all airports per year	Airport management		17 509 268	17 947 554	17 437 886	17 441 004	17 849 734	18 435 613	19 034 923
Number of aircrafts accommodated at all airports per year	Airport management		274 292	272 320	255 023	255 097	260 644	262 434	270 513
Employee cost per passenger per year	Airport management		R41	R41	R49	R56	R60	R63	R65
Aeronautical revenue per passenger per year	Airport management		R139	R187	R243	R145	R150	R159	R167
Non-aeronautical revenue per passenger per year	Airport management		R127	R133	R138	R145	R150	R159	R167

Programmes/activities/objectives

Table 37.24 Airports Company of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	4 255 539	4 768 505	4 801 720	4 654 899	3.0%	78.9%	4 732 736	4 622 416	4 853 388	1.4%	73.5%
Airport maintenance and engineering	463 429	526 618	586 427	669 257	13.0%	9.6%	750 672	816 484	877 597	9.5%	12.1%
Airport security and safety	235 700	246 588	313 020	362 958	15.5%	4.9%	436 274	465 938	490 700	10.6%	6.8%
Airport management	403 548	327 900	382 430	424 327	1.7%	6.6%	477 978	498 093	535 918	8.1%	7.5%
Total expense	5 358 216	5 869 611	6 083 597	6 111 442	4.5%	100.0%	6 397 660	6 402 931	6 757 603	3.4%	100.0%

Expenditure estimates

Table 37.25 Airports Company of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	5 081 611	5 936 643	7 053 554	7 264 221	12.6%	99.2%	7 709 709	7 530 482	7 949 085	3.0%	100.0%
Sale of goods and services other than capital assets	4 658 239	5 738 543	6 660 261	7 061 107	14.9%	94.2%	7 648 049	7 443 955	7 854 837	3.6%	98.5%
<i>of which:</i>											
<i>Sales by market establishment</i>	4 658 239	5 738 543	6 660 261	7 061 107	14.9%	94.2%	7 648 049	7 443 955	7 854 837	3.6%	98.5%
<i>Aeronautical revenue</i>	2 430 447	3 349 653	4 245 654	4 524 055	23.0%	56.2%	4 965 493	4 514 088	4 680 623	1.1%	61.4%
<i>Non-aeronautical revenue</i>	2 227 792	2 388 890	2 414 607	2 537 051	4.4%	38.0%	2 682 555	2 929 866	3 174 215	7.8%	37.1%
<i>Other non-tax revenue</i>	423 372	198 100	393 293	203 114	-21.7%	5.0%	61 660	86 527	94 248	-22.6%	1.5%
Total revenue	5 137 686	6 057 184	7 074 662	7 264 221	12.2%	100.0%	7 709 709	7 530 482	7 949 085	3.0%	100.0%
Expenses											
Current expenses	5 318 989	5 869 611	5 433 622	5 590 442	1.7%	95.0%	5 770 900	5 880 683	6 209 642	3.6%	91.4%
Compensation of employees	714 163	739 971	859 446	984 562	11.3%	14.0%	1 070 467	1 153 601	1 245 911	8.2%	17.3%
Goods and services	1 340 017	1 584 376	1 575 691	1 863 084	11.6%	27.1%	1 992 092	2 087 356	2 191 986	5.6%	31.7%
Depreciation	1 445 228	1 463 804	1 411 432	1 364 301	-1.9%	24.4%	1 348 271	1 470 186	1 644 877	6.4%	22.7%
Interest, dividends and rent on land	1 819 581	2 081 460	1 587 054	1 378 494	-8.8%	29.5%	1 360 070	1 169 540	1 126 868	-6.5%	19.7%
Total expenses	5 358 216	5 869 611	6 083 597	6 111 442	4.5%	100.0%	6 397 660	6 402 931	6 757 603	3.4%	100.0%
Surplus/(Deficit)	(220 530)	187 573	991 065	1 152 779	-273.6%		1 312 048	1 127 551	1 191 482	1.1%	
Statement of financial position											
Carrying value of assets	26 560 669	23 672 164	23 576 915	23 664 422	-3.8%	85.5%	23 180 684	24 859 193	26 418 712	3.7%	90.1%
<i>of which:</i>											
<i>Acquisition of assets</i>	505 368	417 100	990 628	1 626 627	47.6%	3.2%	1 327 771	3 148 695	3 204 397	25.4%	8.4%
Investments	647 129	1 348 643	2 407 701	1 522 635	33.0%	5.2%	932 832	932 832	932 832	-15.1%	4.0%
Inventory	916	6 220	6 222	6 220	89.4%	0.0%	6 222	6 222	6 222	0.0%	0.0%
Receivables and prepayments	1 105 750	1 209 243	925 209	1 150 661	1.3%	3.9%	1 257 213	1 223 664	1 291 206	3.9%	4.5%
Cash and cash equivalents	678 881	1 980 385	1 261 019	349 993	-19.8%	3.7%	382 402	372 198	392 742	3.9%	1.4%
Non-current assets held for sale	-	1 850 000	-	-	-	1.5%	-	-	-	-	-
Derivatives financial instruments	163 235	-	11 214	-	-100.0%	0.1%	-	-	-	-	-
Total assets	29 156 580	30 066 655	28 188 280	26 693 930	-2.9%	100.0%	25 759 354	27 394 109	29 041 714	2.8%	100.0%
Accumulated surplus/(deficit)	8 070 624	8 264 557	10 189 046	10 326 291	8.6%	32.5%	12 172 368	13 300 352	14 209 831	11.2%	45.9%
Capital and reserves	1 533 614	1 425 072	750 000	750 000	-21.2%	3.9%	750 000	750 000	750 000	-	2.8%
Borrowings	16 607 469	16 710 776	14 775 027	12 067 308	-10.1%	52.5%	10 189 595	10 472 284	11 143 095	-2.6%	40.3%
Deferred income	79 022	1 276 716	74 947	1 471 492	165.1%	2.6%	346 881	346 881	346 881	-38.2%	2.3%
Trade and other payables	909 137	948 419	857 085	757 820	-5.9%	3.0%	721 688	1 050 282	1 091 885	12.9%	3.3%
Taxation	1 082 005	1 033 737	981 258	1 195 442	3.4%	3.8%	1 393 339	1 288 827	1 314 539	3.2%	4.8%
Provisions	202 848	212 603	288 982	125 577	-14.8%	0.7%	185 482	185 482	185 482	13.9%	0.6%
Derivatives financial instruments	671 862	194 775	271 934	-	-100.0%	1.0%	-	-	-	-	-
Total equity and liabilities	29 156 581	30 066 655	28 188 280	26 693 930	-2.9%	100.0%	25 759 353	27 394 108	29 041 714	2.8%	100.0%

Personnel information

Table 37.26 Airports Company of South Africa

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	3 020	3 020	2 974	859.4	0.3	3 020	984.6	0.3	3 225	1 070.5	0.3	3 225	1 153.6	0.4	3 225	1 245.9	0.4	8.2%	100.0%
1 – 6	1 117	1 117	1 071	113.6	0.1	1 117	130.2	0.1	1 322	141.5	0.1	1 322	152.5	0.1	1 322	164.7	0.1	8.2%	40.0%
7 – 10	1 177	1 177	1 177	257.4	0.2	1 177	294.9	0.3	1 177	320.6	0.3	1 177	345.5	0.3	1 177	373.1	0.3	8.2%	37.1%
11 – 12	418	418	417	181.7	0.4	418	208.2	0.5	418	226.4	0.5	418	244.0	0.6	418	263.5	0.6	8.2%	13.2%
13 – 16	287	287	287	265.8	0.9	287	304.5	1.1	287	331.0	1.2	287	356.7	1.2	287	385.3	1.3	8.2%	9.0%
17 – 22	21	21	22	40.9	1.9	21	46.9	2.2	21	50.9	2.4	21	54.9	2.6	21	59.3	2.8	8.2%	0.7%

1. Rand million.

Expenditure trends

The Airports Company of South Africa derives its revenue from aeronautical and non-aeronautical sources. Aeronautical revenue consists of landing fees, passenger service charges and aircraft parking fees. Non-aeronautical revenue is derived from retail rental, car rental, advertising, parking receipts, office rental and property development.

While revenue increased at an average annual rate of 12.2 per cent from 2010/11 to 2013/14 over the medium term, revenue growth is expected to continue at more moderate levels as the regulated tariff for aeronautical revenue is adjusted downward. Particularly high average annual growth of 20.4 per cent from 2010/11 to 2012/13 was experienced because of increases in the regulated tariff for aeronautical revenue. This increase was based on capital expenditure of R17 billion brought into operation in this period.

The revenue increase over the medium term is in line with the company's funding model, which aims to ensure that the company is able to operate and fund the business in a sustainable manner. The increase will be used to repay the interest and debt accumulated during the expansion programme phase, which was necessary to accommodate the anticipated increase in the number of planes and passengers. The expansion programme resulted in additional capacity to subsidise airport operational expenses. This additional capacity created the need for further spending on security, compensation of employees, cleaning and repairs and maintenance. The increases in other non-tax revenue and interest over the MTEF period are mainly due to greater cash balances.

The spending focus over the medium term is in the administration, airport maintenance and engineering programmes, which together make up 87.1 per cent of the budget in 2013/14. This will enable the entity to continue to achieve high levels of passenger service quality, a key barometer of the company's performance. Airport maintenance and engineering consists of all activities required to keep the airport infrastructure in working order, and includes costs for specialist engineers in the electrical, mechanical, civil and industrial fields. Repairs and maintenance also require specialist skills, and the spending on this item is predominantly for contracts for the maintenance of certain infrastructure components. Spending on compensation of employees increased to 11.3 per cent of the budget in 2013/14.

Spending on goods and services increased at an average annual rate of 5.6 per cent over the medium term to meet the increase in demand for the maintenance of airport infrastructure. Administration is a major expenditure item because it includes the bulk of depreciation, as well as interest incurred on loans totalling R16.7 billion, which funded infrastructure investments between 2007/08 and 2010/11. These investments account for a robust growth in the acquisition of assets between 2010/11 and 2013/14 at an average annual rate of 47.6 per cent, mainly for new infrastructure developments in the OR Tambo, King Shaka and Cape Town International airports. The acquisition of assets between 2013/14 and 2016/17 is expected to be mainly for airport refurbishments, which is why growth on this spending item slows to an average annual rate of 25 per cent.

Expenditure growth between 2010/11 and 2013/14 was mainly driven by the airport security and safety programme, which increased by an average annual rate of 15.5 per cent. This expenditure was for additional capacity that was required at the new King Shaka International Airport, which was commissioned in 2011 and

increased the land area and safety and security costs. In 2013/14, a new security contract was awarded to accommodate additional capacity at some of the airports. Other expenditure drivers over this period were for IT, marketing, cleaning and consumables, and travel and communication.

Expenditure is expected to increase at an average annual rate of 3.4 per cent over the medium term. This is as a result of reduced interest payments. Infrastructure investment over the medium term is expected to be mostly for upgrades and additions to existing airports. Expenditure on consultants showed a significant increase between 2012/13 and 2013/14, due to key operational positions being vacant. The mitigating action was to contract a consultant with the required technical skill to assist.

The number of employees increased from 2 974 in 2012/13 to 3 020 in 2013/14. The positions that were not budgeted for, due to uncertain economic conditions, are expected to be filled in 2013/14 and 2014/15 to ensure the sustainability of the organisation. However, the increase in the number of employees is mainly due to learnerships in the different functional areas to enable succession planning and increase productivity. Expenditure on compensation of employees is expected to grow at an average annual of 8.2 per cent, from R984.6 million in 2013/14 to R1.3 billion in 2016/17, due to inflationary adjustments and provisions for competitive salaries.

Passenger Rail Agency of South Africa

Mandate and goals

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

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

- invest in new capacity such as modern trains, signalling and telecommunications systems, infrastructure, transit orientated developments, new generation stations, access control and other operating systems
- unlock the value of assets, such as the telecommunications network and the property portfolio
- effect key operational efficiencies for improved service delivery
- modernise operations in critical areas such as ticketing, cabling, booking systems and energy regeneration.
- achieve financial sustainability through improved revenue generation.

Selected performance indicators

Table 37.27 Passenger Rail Agency of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of rail extensions completed per year ¹	Metrorail	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1	- ¹	- ¹	1	1	- ¹	1
Signaling programme: Regional traffic control centres completed ¹	Metrorail		- ¹	- ¹	- ¹	- ¹	1 (Gauteng nerve centre)	1 (KwaZulu-Natal Rossburgh)	1 (Gauteng regional control)
Number of Metrorail passenger trips per year	Metrorail		Entity mandate	472 million	516 million	528 million	544 million	564 million	587 million

Table 37.27 Passenger Rail Agency of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of Metrorail coaches refurbished per year	Metrorail	Outcome 6: An efficient, competitive and responsive economic infrastructure network	334	519	579	500	500	500	500
Number of new train sets purchased for Metrorail per year	Metrorail		-2	-2	-2	-2	-2	13	59
Number of Shosholozha Meyl passengers per year	Main line passenger services (Shosholozha Meyl)	Entity mandate	1.5 million	1.4 million	1.3 million	1 million	1 million	1.1 million	1.2 million
Number of Shosholozha Meyl coaches refurbished 2 per year	Main line passenger services (Shosholozha Meyl)	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-3	22	3	50	50	50	50
Number of new Shosholozha Meyl locomotives per year	Main line passenger services (Shosholozha Meyl)		-4	-4	-4	19	35	15	19
Number of train stations improved per year	Corporate Real Estate Solutions		41	5	49	35	40	50	80
Number of train stations upgraded per year	Corporate Real Estate Solutions	5	3	8	14	20	30	36	
Number of Autopax passengers per year	Autopax	Entity mandate	2.7 million	2.7 million	3.15 million	2.9 million	3.1 million	3.3 million	3.5 million
Customer satisfaction index: rail, bus and property	Corporate Real Estate Solutions	Outcome 6: An efficient, competitive and responsive economic infrastructure network	72%	72%	65.25%	72%	72%	73%	73%

1. Indicator does not have targets every year due to the nature of the project's implementation.

2. The purchase of new train sets for Metrorail coaches will only begin in 2015/16.

3. The refurbishment of Shosholozha Meyl coaches only began in 2011/12.

4. The purchase of new Shosholozha Meyl coaches only began in 2013/14.

Programmes/activities/objectives

Table 37.28 Passenger Rail Agency of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Administration	758 804	1 248 696	1 373 979	1 323 751	20.4%	12.7%	1 411 644	1 486 579	1 524 028	4.8%	14.0%
Metrorail	4 733 610	5 088 844	5 834 184	5 500 505	5.1%	57.8%	5 417 494	5 710 039	6 012 671	3.0%	55.3%
Main line passenger services (Shosholozha Meyl)	1 128 903	869 455	1 068 552	915 535	-6.7%	11.0%	976 225	1 028 941	1 083 475	5.8%	9.8%
Passenger Rail Agency of South Africa Corporate Real Estate Solutions	661 108	700 696	817 993	848 883	8.7%	8.3%	924 718	974 653	1 026 309	6.5%	9.2%
Intersite	43 455	57 470	66 268	49 882	4.7%	0.6%	54 192	57 118	60 145	6.4%	0.5%
Autopax	741 211	814 669	935 121	1 040 083	12.0%	9.6%	1 106 385	1 166 130	1 227 935	5.7%	11.1%
Total expense	8 067 091	8 779 831	10 096 097	9 678 639	6.3%	100.0%	9 890 659	10 423 461	10 934 564	4.2%	100.0%

Expenditure estimates

Table 37.29 Passenger Rail Agency of South Africa

Statement of financial performance		Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
		2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand												
Revenue												
Non-tax revenue		3 012 370	3 976 204	4 912 062	3 779 444	7.9%	45.0%	3 990 072	4 198 647	4 417 996	5.3%	43.5%
Sale of goods and services other than capital assets of which:		2 704 577	2 950 819	3 393 830	3 778 201	11.8%	37.2%	3 988 781	4 197 287	4 416 564	5.3%	43.5%
Sales by market establishment		2 499 013	2 626 342	3 066 403	3 601 168	13.0%	34.2%	3 792 391	3 993 940	4 202 439	5.3%	41.4%
Rental income		276 976	284 763	310 117	485 640	20.6%	3.9%	508 625	532 851	557 912	4.7%	5.5%
Fare revenue		2 222 037	2 341 579	2 756 286	3 115 527	11.9%	30.2%	3 283 766	3 461 089	3 644 527	5.4%	35.8%
Other sales		205 564	324 477	327 427	177 033	-4.9%	3.0%	196 390	203 347	214 125	6.5%	2.1%
Other non-tax revenue		307 793	1 025 385	1 518 232	1 243	-84.1%	7.8%	1 291	1 360	1 433	4.8%	0.0%
Transfers received		4 259 113	4 774 694	5 025 165	4 891 018	4.7%	55.0%	5 206 598	5 456 656	5 745 858	5.5%	56.5%
Total revenue		7 271 483	8 750 898	9 937 227	8 670 461	6.0%	100.0%	9 196 669	9 655 303	10 163 855	5.4%	100.0%
Expenses												
Current expenses		8 067 090	8 779 828	10 095 973	9 678 638	6.3%	100.0%	9 890 657	10 423 461	10 934 562	4.2%	100.0%
Compensation of employees		3 136 112	3 596 587	3 991 026	3 550 273	4.2%	39.0%	3 777 492	3 981 477	4 192 495	5.7%	37.9%
Goods and services		3 509 827	3 720 911	4 588 597	4 797 498	11.0%	45.2%	4 642 372	4 891 768	5 273 956	3.2%	47.9%
Depreciation		1 277 972	1 420 807	1 488 631	1 323 046	1.2%	15.1%	1 469 685	1 549 049	1 466 883	3.5%	14.2%
Interest, dividends and rent on land		143 179	41 523	27 719	7 821	-62.1%	0.7%	1 108	1 167	1 229	-46.0%	0.0%
Total expenses		8 067 090	8 779 828	10 096 099	9 678 638	6.3%	100.0%	9 890 657	10 423 461	10 934 562	4.2%	100.0%
Surplus/(Deficit)		(795 607)	(28 930)	(158 872)	(1 008 177)	8.2%		(693 988)	(768 158)	(770 708)	-8.6%	
Statement of financial position												
Carrying value of assets of which:		17 803 821	20 484 758	26 460 850	32 373 885	22.1%	85.6%	41 326 429	53 304 198	69 298 976	28.9%	94.9%
Acquisition of assets		2 816 700	3 852 615	3 932 080	7 682 235	39.7%	15.7%	10 685 568	14 997 835	13 115 825	19.5%	22.9%
Inventory		145 519	216 202	241 927	240 449	18.2%	0.8%	236 620	237 990	237 990	-0.3%	0.5%
Loans		-	-	24 211	24 211	-	0.0%	24 211	24 211	24 211	-	0.1%
Receivables and prepayments		368 540	184 561	190 259	260 559	-10.9%	1.0%	254 217	267 890	327 890	8.0%	0.6%
Cash and cash equivalents		2 125 653	3 570 681	4 986 468	3 484 182	17.9%	12.5%	2 536 064	336 714	9 838	-85.9%	4.0%
Non-current assets held for sale		23 670	14 508	-	-	-100.0%	0.0%	-	-	-	-	-
Defined benefit plan assets		-	7 261	7 127	7 611	-	0.0%	7 580	7 836	7 836	1.0%	0.0%
Taxation		-	126	-	-	-	0.0%	-	-	-	-	-
Total assets		20 467 203	24 478 097	31 910 842	36 390 897	21.1%	100.0%	44 385 121	54 178 839	69 906 741	24.3%	100.0%
Accumulated surplus/(deficit)		(4 434 782)	(1 761 169)	(1 917 905)	(2 928 218)	-12.9%	-10.7%	(3 622 207)	(4 390 364)	(5 158 522)	20.8%	-7.9%
Capital and reserves		4 248 258	4 248 258	4 248 258	4 248 258	-	15.8%	4 248 258	4 248 258	4 248 258	-	8.8%
Capital reserve fund		16 773 489	18 779 566	24 043 566	30 310 551	21.8%	79.3%	39 702 255	52 177 306	68 673 366	31.3%	91.8%
Borrowings		468 390	264 344	133 252	92 760	-41.7%	1.0%	48 262	-	-	-100.0%	0.1%
Finance lease		-	-	5 759	-	-	0.0%	-	-	-	-	-
Trade and other payables		3 022 679	2 210 963	4 823 526	4 040 710	10.2%	12.5%	3 370 894	1 517 675	1 517 675	-27.8%	5.9%
Provisions		389 169	715 537	574 386	626 835	17.2%	2.1%	637 659	625 964	625 964	-0.0%	1.3%
Derivatives financial instruments		-	20 598	-	-	-	0.0%	-	-	-	-	-
Total equity and liabilities		20 467 203	24 478 097	31 910 842	36 390 896	21.1%	100.0%	44 385 121	54 178 839	69 906 741	24.3%	100.0%

Personnel information

Table 37.30 Passenger Rail Agency of South Africa

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2012/13		2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
			Number	Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
	21 657	21 057	16 299	3 991.0	0.2	21 657	3 550.3	0.2	23 332	3 777.5	0.2	23 623	3 981.5	0.2	23 901	4 192.5	0.2	5.7%	100.0%
1 - 6	12 510	11 910	15 583	3 463.6	0.2	12 510	1 232.3	0.1	13 735	1 353.2	0.1	13 970	1 449.5	0.1	14 002	1 496.5	0.1	6.7%	58.6%
7 - 10	6 160	6 160	-	-	-	6 160	1 415.6	0.2	6 566	1 486.1	0.2	6 516	1 542.1	0.2	6 734	1 655.3	0.2	5.4%	28.1%
11 - 12	2 378	2 378	397	358.6	0.9	2 378	622.4	0.3	2 422	637.0	0.3	2 524	696.0	0.3	2 528	738.1	0.3	5.8%	10.7%
13 - 16	609	609	319	168.9	0.5	609	280.0	0.5	609	301.3	0.5	613	294.0	0.5	637	302.5	0.5	2.6%	2.7%

1. Rand million.

Expenditure trends

The primary source of revenue of the Passenger Rail Agency of South Africa is transfers from the Department of Transport to finance both the entity's operational and capital expenditure requirements. Revenue from passenger services is generated from ticket sales to train and bus commuters and passengers on long distance journeys. Revenue is expected to increase moderately over the MTEF period from R8.7 billion in 2013/14 to R10.2 billion in 2016/17, at an average annual rate of 4.8 per cent. The increase is expected to be derived from improved revenue collection, increases in the prices of tickets and the expected number of passenger trips. More importantly, however, is that this moderate increase to revenue projections is largely attributed to the agency deferring a substantial proportion of its capital subsidy and thus only recognising that portion of it that matches the depreciation of assets that were bought using the subsidy.

The focus over the medium term will be on improving the agency's infrastructure to increase service reliability and efficiency, mainly in the Metrorail programme. This includes the maintenance of existing infrastructure and rolling stock; upgrading signalling, rail tracks and per way infrastructure, such as platforms and bridges; and the procurement of new rolling stock.

The acquisition of assets is expected to increase at an average annual rate of 19.5 per cent over the medium term as train coaches are refurbished and new rolling stock is purchased. However, the increase to the capital reserve is due to the additional capital subsidy the agency receives every month. When this subsidy is received, the entire amount is deferred in line with the agency's accounting policy and standards. The entity then recognises the subsidy on a systematic basis to match the depreciation from the asset that was bought using the subsidy.

Total expenditure increased between 2010/11 and 2013/14 at an average annual rate of 6.3 per cent. The growth in expenditure over this period relates to expenditure growth in goods and services as a result of an increased focus on maintenance and repairs of rolling stock and signalling systems, and increases in energy and fuel costs. In addition, the administration programme, which accounted for 13.7 per cent of total expenditure in 2013/14, grew significantly from 2010/11 to 2013/14 at an average annual rate of 20.4 per cent. The increase is largely due to the depreciation of rolling stock. The reduction in cash is due to the fact that the first few trains arrive in 2015 and the upgrades, modernisation and other major projects are expected to be nearing completion by then.

Total expenditure is expected to increase over the medium term to R10.9 billion in 2016/17 as the entity expects to increase its staff complement to increase to 23 901 in anticipation of a major capital expenditure programme that will involve the improvement and upgrades of signalling infrastructure and stations, and the recruitment of additional security personnel to improve fare collection rates. As a result, spending on compensation of employees is expected to increase to R4.2 billion in 2016/17 at an average annual rate of 5.7 per cent over the medium term.

Road Accident Fund

Mandate and goals

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

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

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

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

Selected performance indicators

Table 37.31 Road Accident Fund

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Legislation of road accident benefit scheme	Administration	Entity mandate	-1	-1	Draft bill certified	Bill published for comment	Bill submitted to parliament	Legislation enacted and operational readiness finalised	Road Accident Benefit Scheme Act operational
Accumulated deficit	Administration		R30bn	R46.5bn	R52bn	R49bn	R52bn	R56bn	R59bn
Legal costs as a percentage of claims payments	Administration		27%	28%	27%	27%	25%	23%	21%
Direct personal claims as a percentage of total personal claims	Payment of claims to accident victims		0%	13%	20%	20%	33%	45%	58%
Number of open claims received but not finalised per year	Administration		244 652	253 111	212 686	200 000	188 770	174 726	161 595

1. No historical data, as indicator began in 2012/13.

Programmes/activities/objectives

Table 37.32 Road Accident Fund

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Administration	975 767	1 005 440	1 176 381	1 481 035	14.9%	5.6%	1 732 718	1 887 986	2 058 156	11.6%	7.1%
Payment of claims to accident victims	15 022 198	32 587 268	21 579 683	16 590 223	3.4%	94.4%	23 895 751	26 358 735	27 985 812	19.0%	92.9%
Total expense	15 997 965	33 592 708	22 756 064	18 071 258	4.1%	100.0%	25 628 469	28 246 722	30 043 968	18.5%	100.0%

Expenditure estimates

Table 37.33 Road Accident Fund

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	52 164	114 626	259 960	380 013	93.9%	1.1%	149 461	5 978	239	-91.4%	0.6%
Other non-tax revenue	52 164	114 626	259 960	380 013	93.9%	1.1%	149 461	5 978	239	-91.4%	0.6%
Tax revenue: fuel levy	14 474 058	16 989 071	17 380 217	20 352 981	12.0%	98.9%	22 457 948	24 638 974	26 898 257	9.7%	99.4%
Total revenue	14 526 222	17 103 697	17 640 177	20 732 994	12.6%	100.0%	22 607 410	24 644 952	26 898 496	9.1%	100.0%
Expenses											
Current expenses	975 767	1 005 440	1 176 381	1 481 035	14.9%	5.6%	1 732 718	1 887 986	2 058 156	11.6%	7.1%
Compensation of employees	620 803	655 245	762 641	996 421	17.1%	3.7%	1 178 267	1 296 094	1 425 703	12.7%	4.9%
Goods and services	252 121	262 942	325 154	426 396	19.1%	1.5%	481 137	507 118	533 996	7.8%	2.0%
Depreciation	59 555	63 654	61 138	46 497	-7.9%	0.3%	60 958	71 752	84 745	22.2%	0.3%
Interest, dividends and rent on land	43 288	23 599	27 448	11 722	-35.3%	0.1%	12 355	13 022	13 712	5.4%	0.1%
Transfers and subsidies	15 022 198	32 587 268	21 579 683	16 590 223	3.4%	94.4%	23 895 751	26 358 735	27 985 812	19.0%	92.9%
Total expenses	15 997 965	33 592 708	22 756 064	18 071 258	4.1%	100.0%	25 628 469	28 246 722	30 043 968	18.5%	100.0%
Surplus/(Deficit)	(1 471 743)	(16 489 011)	(5 115 887)	2 661 736	-221.8%		(3 021 059)	(3 601 770)	(3 145 472)	-205.7%	

Table 37.33 Road Accident Fund

Statement of financial performance	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
	R thousand										
Carrying value of assets	327 600	276 691	251 973	292 131	-3.7%	4.0%	313 672	332 671	343 486	5.5%	4.8%
<i>of which:</i>											
Acquisition of assets	45 265	6 408	15 342	86 655	24.2%	0.5%	82 500	90 750	95 560	3.3%	1.3%
Inventory	2 365	2 609	3 012	3 193	10.5%	0.0%	3 384	3 587	3 803	6.0%	0.1%
Loans	144 546	144 927	132 224	140 157	-1.0%	1.9%	148 567	157 481	166 930	6.0%	2.3%
Accrued investment interest	4 317	18 686	32 721	34 684	100.3%	0.3%	36 765	38 971	41 310	6.0%	0.6%
Receivables and prepayments	2 950 173	3 884 349	4 153 511	4 621 725	16.1%	50.3%	5 107 006	5 609 850	6 130 764	9.9%	81.0%
Cash and cash equivalents	1 137 636	4 245 050	6 143 817	3 736 526	48.6%	43.5%	149 461	5 978	239	-96.0%	11.3%
Total assets	4 566 637	8 572 312	10 717 258	8 828 416	24.6%	100.0%	5 758 856	6 148 538	6 686 531	-8.8%	100.0%
Accumulated surplus/(deficit)	(29 980 475)	(46 471 680)	(51 343 923)	(49 028 867)	17.8%	-58.3%	(52 159 143)	(55 876 683)	(59 144 871)	6.5%	-813.6%
Capital and reserves	65 486	72 249	123 614	123 614	23.6%	1.2%	123 614	123 614	123 614	-	1.9%
Trade and other payables	614 979	408 678	474 881	503 374	-6.5%	7.1%	533 576	565 591	599 526	6.0%	8.3%
Provisions	33 866 647	54 563 065	61 462 686	57 230 295	19.1%	650.0%	57 260 809	61 336 016	65 108 262	4.4%	903.5%
Total equity and liabilities	4 566 637	8 572 312	10 717 258	8 828 416	24.6%	100.0%	5 758 856	6 148 538	6 686 531	-8.8%	100.0%

Personnel information**Table 37.34 Road Accident Fund**

Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2013/14 - 2016/17	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Salary level	2 513	2 513	1 877	762.6	0.4	2 513	996.4	0.4	2 703	1 178.3	0.4	2 765	1 296.1	0.5	2 837	1 425.7	0.5	12.7%	100.0%
1 - 6	16	16	13	2.7	0.2	16	3.6	0.2	17	4.2	0.2	18	4.6	0.3	18	5.1	0.3	12.7%	0.6%
7 - 10	777	777	680	138.5	0.2	777	181.0	0.2	835	214.0	0.3	856	235.4	0.3	878	258.9	0.3	12.7%	30.9%
11 - 12	1 458	1 458	984	340.8	0.3	1 458	445.3	0.3	1 569	526.5	0.3	1 604	579.2	0.4	1 647	637.1	0.4	12.7%	58.0%
13 - 16	253	253	193	117.1	0.6	253	153.0	0.6	272	180.9	0.7	279	199.0	0.7	286	218.9	0.8	12.7%	10.1%
17 - 22	9	9	7	163.5	23.4	9	213.6	23.7	9	252.6	28.1	9	277.9	30.9	9	305.6	34.0	12.7%	0.3%

1. Rand million.

Expenditure trends

Almost all of the Road Accident Fund's revenue is derived from the fuel levy, which was 96 cents a litre in 2013/14. Total revenue is expected to increase at an average annual rate of 9.1 per cent over the medium term from R20.7 billion in 2013/14 to R26.9 billion in 2016/17 due to increases in the levy. The average annual growth between 2010/11 and 2013/14 was 12.6 per cent.

The fund intends to use cash received from the fuel levy after paying administration, human resources and capital expenditure costs to pay claims and related expenditure. On average, 93 per cent of the fuel levy is expected to be used for claims and related expenses.

Total expenditure is driven by the payment of claims to accident victims, which continues to be the spending focus over the medium term. Claims expenditure is expected to increase at an average annual rate of 20.9 per cent over the medium term to R25.9 billion in 2016/17 as more claims are finalised through agents who process claims.

Expenditure on the payment of claims to accident victims decreased at an average annual rate of 1.6 per cent between 2010/11 and 2013/14. This decline is as a result of the work undertaken by actuaries on claim reporting and settlement delays, which influenced the valuation assumptions of liabilities on payment of claims in March 2013. After 2013/14, the reported claims are expected to stabilise above the R20 billion level.

The increase in goods and services in 2012/13 is mainly as result of the impairment of the software assets. Spending on goods and services is expected to increase at an average annual rate of 7.8 per cent over the medium term to support the expansion of the organisational structure to process claims. This can be seen in the

decreased number of open claims received but not finalised over the MTEF period. The decrease in depreciation for 2012/13 and 2013/14 was mainly the result of the impairment of the software assets, while the increase in depreciation for 2014/15 and 2016/17 is as result of the expected acquisition of assets following the implementation of the new organisational structure.

Expenditure on compensation of employees grew at a rate of 17.1 per cent to R996 million in 2013/14 as the staff complement increased to 2 513 due to new staff for the expansion drive who are expected to be employed by the end of 2013/14. As a result of the implementation of the new organisational structure that seeks to rationalise the historic structure and to control for weaknesses and operational impediments, compensation of employees is projected to increase to R1.4 billion. It is expected that the staff complement will increase from 1 877 at the end of March 2013 to 2 837 in 2016/17.

The increase in administrative expenditure in 2013/14 and 2014/15 is as a result of initiatives to improve productivity in the claims environment and related projects. The entity has a funded establishment of 2 513 posts.

South African National Roads Agency

Mandate and goals

The South African National Roads Agency is a schedule 3A public entity established by the South African National Roads Agency and National Roads Act (1998). In terms of the act, the agency is responsible for the planning, design, construction, operation, management, control, maintenance and rehabilitation of the South African national road network, including the financing of the these functions. This includes both toll and non-toll roads.

The agency's main strategic goal over the medium term is to provide effective strategic road infrastructure to facilitate development, commerce, mobility and access. In addition, the agency will continue with its preventative maintenance approach as it expands its network to the extended mandate of 35 000 kilometres.

Selected performance indicators

Table 37.35 The South African National Roads Agency

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Smooth travel exposure index: Percentage of travel undertaken each year on national roads with roughness less than 4.2(m/km)	Routine maintenance	Outcome 6: An efficient, competitive and responsive economic infrastructure network	95%	96%	95%	95%	95%	95%	95%
Low rut exposure: Percentage of travel undertaken each year on national roads with rut depth less than 20mm	Routine maintenance		99%	99%	95%	95%	95%	95%	95%
High texture exposure: Percentage of travel undertaken each year on national roads with macro texture higher than 0.4mm	Routine maintenance	Outcome 6: An efficient, competitive and responsive economic infrastructure network	99%	97%	97%	95%	95%	95%	95%
Bridge condition exposure index: Percentage of travel over or under bridges on national roads with overall condition index higher than 80	Routine maintenance		95%	96%	94%	90%	90%	90%	90%

Table 37.35 The South African National Roads Agency

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Length of network: Kilometres of roads with active routine maintenance contracts	Routine maintenance	Outcome 6: An efficient, competitive and responsive economic infrastructure network	16 170	16 170	19 704	19 704	19 704	19 704	19 704
Resurface length: Kilometres of roads resealed or overlaid	Routine maintenance		1 250	750	1 370	850	850	850	850
Strengthening length: Kilometres of roads strengthened	Improvements		275	300	502	400	400	400	400

Programmes/activities/objectives

Table 37.36 The South African National Roads Agency

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17		
R thousand											
Administration	3 707 785	4 779 045	5 777 645	5 367 051	13.1%	43.4%	8 958 986	7 399 950	6 422 999	6.2%	31.8%
Routine maintenance	976 270	1 217 822	1 530 716	3 870 397	58.3%	14.9%	4 558 789	3 794 455	2 427 604	-14.4%	17.0%
Strengthening	1 009 494	1 486 608	1 452 416	3 198 387	46.9%	14.5%	3 766 885	2 976 533	1 229 875	-27.3%	13.1%
Improvements	958 079	1 275 782	1 561 453	3 168 108	49.0%	14.0%	3 836 342	7 315 313	12 152 135	56.5%	29.0%
New facilities	1 109 647	1 504 588	1 688 949	1 717 843	15.7%	13.2%	2 241 811	2 016 744	1 974 245	4.7%	9.1%
Total expense	7 761 275	10 263 845	12 011 179	17 321 786	30.7%	100.0%	23 362 813	23 502 995	24 206 858	11.8%	100.0%

Expenditure estimates

Table 37.37 The South African National Roads Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17		
R thousand											
Revenue											
Non-tax revenue	26 924 835	37 992 928	10 729 074	3 230 882	-50.7%	64.9%	4 692 476	5 848 525	6 226 316	24.4%	36.6%
Sale of goods and services other than capital assets	2 240 455	2 116 165	2 604 882	3 084 436	11.2%	13.3%	4 546 030	5 702 079	6 079 870	25.4%	35.5%
of which:											
Toll fees	2 073 060	1 987 379	2 199 090	2 759 839	10.0%	11.8%	4 221 433	5 377 482	5 755 273	27.8%	33.0%
Other sales	167 395	128 786	405 792	324 597	24.7%	1.4%	324 597	324 597	324 597	-	2.4%
Other non-tax revenue	24 684 380	35 876 763	8 124 192	146 446	-81.9%	51.7%	146 446	146 446	146 446	-	1.1%
Transfers received	3 357 565	4 639 722	9 756 285	7 809 708	32.5%	35.1%	8 197 875	8 699 220	9 199 220	5.6%	63.4%
Total revenue	30 282 400	42 632 650	20 485 359	11 040 590	-28.6%	100.0%	12 890 351	14 547 745	15 425 536	11.8%	100.0%
Expenses											
Current expenses	7 761 275	10 263 845	12 011 179	17 321 786	30.7%	100.0%	23 362 813	23 502 995	24 206 858	11.8%	100.0%
Compensation of employees	111 120	129 279	155 241	194 691	20.6%	1.3%	200 253	213 971	228 949	5.6%	1.0%
Goods and services	4 160 676	5 588 218	6 501 595	12 094 901	42.7%	58.0%	18 123 686	17 916 144	18 118 045	14.4%	74.6%
Depreciation	874 468	1 125 912	1 612 896	1 588 194	22.0%	11.2%	1 594 874	2 099 880	2 586 864	17.7%	8.9%
Interest, dividends and rent on land	2 615 011	3 420 436	3 741 447	3 444 000	9.6%	29.5%	3 444 000	3 273 000	3 273 000	-1.7%	15.5%
Total expenses	7 761 275	10 263 845	12 011 179	17 321 786	30.7%	100.0%	23 362 813	23 502 995	24 206 858	11.8%	100.0%
Surplus/(Deficit)	22 521 125	32 368 805	8 474 180	(6 281 196)	-165.3%		(10 472 462)	(8 955 250)	(8 781 322)	11.8%	

Table 37.37 The South African National Roads Agency

Statement of financial position	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
	R thousand										
Carrying value of assets	214 158 065	257 444 504	271 218 157	271 925 564	8.3%	96.9%	277 511 358	288 757 202	296 736 109	3.0%	97.5%
<i>of which:</i>											
Acquisition of assets	10 959 733	9 102 999	8 639 709	8 071 639	-9.7%	3.6%	12 199 237	13 157 210	13 886 600	19.8%	4.0%
Investments	3 211 240	2 342 143	573 608	2 921 271	-3.1%	0.9%	596 103	618 598	641 093	-39.7%	0.4%
Receivables and prepayments	332 731	246 239	564 858	1 719 734	72.9%	0.3%	2 357 829	2 856 898	2 587 621	14.6%	0.8%
Cash and cash equivalents	2 788 079	9 231 932	4 419 333	3 631 932	9.2%	1.9%	3 939 012	3 433 692	3 502 365	-1.2%	1.2%
Non-current assets held for sale	339	-	132 928	-	-100.0%	0.0%	139 574	146 553	153 880	-	0.0%
Total assets	220 490 454	269 264 818	276 908 884	280 198 501	8.3%	100.0%	284 543 876	295 812 943	303 621 068	2.7%	100.0%
Accumulated surplus/(deficit)	(3 665 314)	(6 102 078)	(4 725 430)	(3 566 845)	-0.9%	-1.7%	(4 611 594)	1 581 534	3 219 345	-196.6%	-0.3%
Capital and reserves	169 756 448	205 147 361	211 657 098	205 397 957	6.6%	75.7%	210 590 326	210 590 326	210 590 326	0.8%	72.0%
Capital reserve fund	18 846 187	27 799 936	28 589 618	32 247 483	19.6%	10.2%	31 559 021	32 719 335	41 817 673	9.0%	11.9%
Borrowings	32 594 832	30 637 705	30 949 622	42 191 418	9.0%	13.1%	36 636 931	39 949 343	36 859 801	-4.4%	13.4%
Deferred income	1 261 781	1 021 340	1 170 360	1 261 781	-	0.5%	1 056 221	1 531 747	1 608 334	8.4%	0.5%
Trade and other payables	1 307 984	2 806 963	2 612 020	2 331 380	21.2%	0.9%	2 730 333	2 930 333	3 076 861	9.7%	0.9%
Provisions	26 917	19 778	24 844	24 847	-2.6%	0.0%	23 605	21 716	19 979	-7.0%	0.0%
Managed funds (e.g. poverty alleviation fund)	361 619	264 863	552 342	310 480	-5.0%	0.1%	469 491	399 067	339 207	3.0%	0.1%
Derivatives financial instruments	-	7 668 950	6 089 542	-	-	1.3%	6 089 542	6 089 542	6 089 542	-	1.6%
Total equity and liabilities	220 490 454	269 264 818	276 920 016	280 198 501	8.3%	100.0%	284 543 876	295 812 943	303 621 068	2.7%	100.0%
Contingent liabilities	(0.6)	-	11 132.0	-	-	-	-	-	-	-	-

Personnel information

Table 37.38 The South African National Roads Agency

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
	260	260	237	155.2	0.7	260	194.7	0.7	528	200.3	0.4	548	214.0	0.4	568	228.9	0.4	5.6%	100.0%
1 - 6	25	25	13	2.6	0.2	25	9.6	0.4	293	2.2	0.0	313	2.1	0.0	333	2.3	0.0	-38.4%	45.2%
7 - 10	76	76	82	23.5	0.3	76	22.6	0.3	76	24.2	0.3	76	25.9	0.3	76	27.7	0.4	7.0%	17.7%
11 - 12	67	67	65	33.7	0.5	67	40.9	0.6	67	43.7	0.7	67	46.8	0.7	67	50.1	0.7	7.0%	15.6%
13 - 16	90	90	75	90.3	1.2	90	115.8	1.3	90	124.0	1.4	90	132.6	1.5	90	141.9	1.6	7.0%	21.0%
17 - 22	2	2	2	5.2	2.6	2	5.7	2.9	2	6.1	3.1	2	6.5	3.3	2	7.0	3.5	7.0%	0.5%

1. Rand million.

Expenditure trends

The South African National Roads Agency's income mainly comprises of revenue generated from toll fees for the toll road network, and government allocations for the upkeep of the non-toll network. 39.7 per cent of total revenue came from national government transfers between 2010/11 and 2013/14. While the transfers increased significantly between 2010/11 and 2012/13 as road maintenance was identified as an economic infrastructure priority, the growth in transfers will reduce over the MTEF. Toll income increased considerably between 2010/11 and 2013/14, at an average annual growth of 10 per cent, due to traffic increases on existing toll roads and the opening of new toll plazas on the R30 and N17 national roads, as well as the start of the e-tolling project in December 2013. Transfers were particularly high in 2011/12 due to the once-off transfer of R5.8 billion in 2011/12 for the Gauteng freeway improvement project.

Revenue from sales by market establishment is projected to grow significantly over the MTEF period at an average annual rate of 27.8 per cent to R5.8 billion, due to the anticipated full implementation of the Gauteng freeway improvement project e-tolling, which has the potential to result in improved revenue inflows. The decline in non-tax revenue at an average annual rate of 81.9 per cent is due to the agency not undertaking work on behalf of other spheres of government in the absence of contracts. This is the reason for the other non-tax revenue levelling off over the medium term.

The spending focus over the medium term will be on road improvements, due to that fact that 75 per cent of the network is beyond its original design life, and some road sections cannot be economically maintained through preventative maintenance any longer. This approach ensures consistently high road quality while gradually increasing the kilometres of roads that have been resurfaced and strengthened. The agency's main expenditure item is on payments to contractors for road works. As a result, total expenditure is expected to increase at an average annual rate of 11.8 per cent over the medium term. Over the same period, interest payments will decline at an average annual rate of 1.7 per cent. The decline in finance charges over the projected period is as a result of improved cash holdings, which will result from e-toll inflows. In addition, the agency paid off one of its long term bonds in October 2013 and another long term bond is expected to be paid off in 2015.

Expenditure between 2010/11 and 2013/14 increased for different activities, but in particular for maintenance as this is the most efficient way of upholding the value of road assets. The increase in the total road network from 16 000km to 20 000km is the large driver of expenditure, and this includes provincial roads incorporated into the agency's strategic road network. In addition, total expenditure grew at an average annual rate of 30.7 per cent between 2010/11 and 2013/14, largely driven by interest costs incurred to service the existing bonds, as well as the costs of repairing and maintaining the existing infrastructure. The increments in interest cost contribute to the overall increase in trade payables from 2010/11 onwards due to higher outstanding payments to service the repayment of the Gauteng freeway improvement project loan.

Expenditure on goods and services is made up mainly of project, technical and computer services costs. The 42.7 per cent average annual increase in spending on goods and services between 2010/11 and 2013/14 was largely driven by active projects, including the initial phase for the Gauteng freeway improvement project.

Expenditure on consultants increased from R9.3 million in 2011/12 to R26.4 million in 2012/13 due to the building of new offices for the western and southern region branches. It is expected to decrease drastically to R5.2 million over the medium term. Design consultants are used for once-off tasks. Spending on compensation of employees increased significantly, at an average annual rate of 20.6 per cent 2010/11 and 2013/14, from 224 staff in 2010/11 to 260 in 2013/14. This increase in the staff complement enabled the agency to achieve high levels of performance as shown by the routine maintenance targets achieved in the same period.

Financial asset investments declined from R3.2 billion in 2010/11 to R573.6 million in 2012/13, and stabilised in 2013/14 at R2.9 billion. This trend is due to the volatility in market related financial instruments as a result of the repo borrowing programme. Additionally, the increase in receivables and prepayments to R1.7 billion in 2013/14 at an average annual rate of 72.9 per cent is due to increases in the number of defaulting debtors as a result of the implementation of the Gauteng freeway improvement project. Over the same period, receivables are expected to increase at an average annual rate of 14.6 per cent due to an increase in the number of e-toll debtors, since it is expected that in the early stages, large numbers of users will default on payments.

The capital reserve fund is largely made up of a revaluation of land, the road network and road structures, and a deferred grant for non-toll roads. The fund's 19.6 per cent average annual growth between 2010/11 and 2013/14 was largely influenced by deferred capital allocations.

Cross Border Road Transport Agency

Mandate and goals

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

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

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

Selected performance indicators

Table 37.39 Cross Border Road Transport Agency

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of roadside inspections performed per year	Promote safe and reliable cross border transport	Outcome 3: All people in South Africa are and feel safe	65 400	124 624	82 500	99 000	99 000	108 900	119 790
Value of fines issued per year (Rand thousand)	Promote safe and reliable cross border transport		R13 348	R15 017	R19 966	R20 866	R23 848	R24 727	R25 253
Number of prosecutions (fines issued) per year	Promote safe and reliable cross border transport		15 486	11 549	16 500	18 969	19 166	16 770	16 000
Number of permits issued per year	Promote regional integration	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	103 251	71 100	75 000	77 000	80 000	84 800	89 040

Programmes/activities/objectives

Table 37.40 Cross Border Road Transport Agency

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Administration	27 467	53 798	60 327	62 598	31.6%	39.8%	64 759	69 860	75 539	6.5%	31.3%
Facilitate unimpeded flow of cross border transport	4 453	5 303	11 113	17 488	57.8%	6.9%	20 048	21 472	23 059	9.7%	9.4%
Promote safe and reliable cross border transport	25 177	39 846	61 915	60 749	34.1%	35.9%	77 639	82 589	87 100	12.8%	35.1%
Promote regional intergration	8 938	10 995	11 113	23 599	38.2%	10.6%	27 053	28 976	31 117	9.7%	12.7%
Strategic positioning to enhance organisation sustainability	2 047	4 527	14 288	21 335	118.4%	6.9%	24 458	26 196	28 132	9.7%	11.5%
Total expense	68 082	114 469	158 756	185 769	39.7%	100.0%	213 957	229 093	244 947	9.7%	100.0%

Expenditure estimates

Table 37.41 Cross Border Road Transport Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	58 888	185 520	193 253	185 769	46.7%	100.0%	213 956	229 093	244 947	9.7%	100.0%
Sale of goods and services other than capital assets	42 488	164 890	165 934	160 903	55.9%	83.4%	184 792	198 651	213 550	9.9%	86.7%
of which:											
Administrative fees	42 488	164 890	165 934	160 903	55.9%	83.4%	184 792	198 651	213 550	9.9%	86.7%
Other non-tax revenue	16 400	20 630	27 319	24 866	14.9%	16.6%	29 164	30 442	31 397	8.1%	13.3%
Total revenue	58 888	185 520	193 253	185 769	46.7%	100.0%	213 956	229 093	244 947	9.7%	100.0%
Expenses											
Current expenses	68 082	114 469	158 756	185 769	39.7%	100.0%	213 958	229 092	244 947	9.7%	100.0%
Compensation of employees	42 611	68 352	101 004	118 788	40.7%	62.5%	142 156	152 391	164 125	11.4%	66.0%
Goods and services	24 375	43 935	54 223	64 575	38.4%	35.8%	68 802	73 501	77 452	6.2%	32.7%
Depreciation	1 096	2 182	3 529	2 406	30.0%	1.8%	3 000	3 200	3 370	11.9%	1.4%
Total expenses	68 082	114 469	158 756	185 769	39.7%	100.0%	213 958	229 092	244 947	9.7%	100.0%
Surplus/(Deficit)	(9 194)	71 051	34 497	-	-100.0%		(2)	-	-	-	

Table 37.41 Cross Border Road Transport Agency

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Carrying value of assets	6 889	8 650	9 413	32 850	68.3%	24.0%	46 152	46 861	47 091	12.8%	25.9%
of which:											
Acquisition of assets	6 588	3 994	4 379	25 075	56.1%	20.0%	25 075	18 000	10 000	-26.4%	11.7%
Receivables and prepayments	1 443	2 702	3 807	3 246	31.0%	5.0%	3 408	3 579	-	-100.0%	1.5%
Cash and cash equivalents	3 021	84 651	125 463	133 751	253.8%	71.0%	118 106	115 058	118 562	-3.9%	72.6%
Total assets	11 353	96 003	138 683	169 847	146.4%	100.0%	167 667	165 498	165 653	-0.8%	100.0%
Accumulated surplus/(deficit)	2 784	74 598	109 096	155 231	282.0%	68.1%	155 231	155 231	155 231	-0.0%	92.9%
Finance lease	18	-	-	-	-100.0%	0.0%	-	-	-	-	-
Deferred income	1 000	-	-	6 600	87.6%	3.2%	4 400	2 200	2 400	-28.6%	2.3%
Trade and other payables	5 893	12 568	18 195	6 612	3.9%	20.5%	6 744	6 879	7 014	2.0%	4.1%
Provisions	1 658	8 081	10 710	1 403	-5.4%	7.9%	1 291	1 188	1 008	-10.4%	0.7%
Derivatives financial instruments	-	756	682	-	-	0.3%	-	-	-	-	-
Total equity and liabilities	11 353	96 003	138 683	169 847	146.4%	100.0%	167 667	165 498	165 653	-0.8%	100.0%

Personnel information

Table 37.42 Cross Border Road Transport Agency

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	289	286	259	101.0	0.4	292	118.8	0.4	307	142.2	0.5	307	152.4	0.5	300	164.1	0.5	11.4%	100.0%	
1 - 6	7	7	3	0.4	0.1	10	1.7	0.2	10	1.8	0.2	10	1.9	0.2	10	2.0	0.2	6.4%	3.3%	
7 - 10	225	205	189	64.0	0.3	225	67.3	0.3	225	78.1	0.3	225	81.2	0.4	225	87.7	0.4	9.2%	74.7%	
11 - 12	29	45	39	16.5	0.4	29	18.7	0.6	37	24.6	0.7	37	26.2	0.7	37	29.0	0.8	15.8%	11.6%	
13 - 16	27	28	27	18.1	0.7	27	29.1	1.1	34	35.6	1.0	34	40.8	1.2	27	43.0	1.6	13.9%	10.1%	
17 - 22	1	1	1	1.9	1.9	1	2.0	2.0	1	2.2	2.2	1	2.3	2.3	1	2.4	2.4	5.4%	0.3%	

1. Rand million.

Expenditure trends

Revenue for the Cross Border Road Transport Agency is generated from the application and issuing of permits for cross border freight and passenger movements, money collected from fines, and interest generated from investments. Between 2010/11 and 2013/14, revenue increased from R58.9 million to R185.8 million, largely due to an increase in permit tariffs of 46.7 per cent in 2011/12. The total revenue is set to increase to R244.9 million in 2016/17 due to expected improvements in law enforcement and compliance.

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

Spending on goods and services and compensation of employees drives expenditure over the MTEF period. Compensation of employees increased from R42.6 million in 2010/11 to R118.8 million in 2013/14 and expenditure on goods and services grew from R24.4 million in 2010/11 to R64.6 million in 2013/14. These increases were due to a new strategic focus on enhancing economic regulation in cross border transport, and raising safety levels by increasing the number of roadside inspections. Due to the additional skills needed to do this work, the agency went through a restructuring process in 2010/11, resulting in a significant increase in the staff complement in 2012/13. Currently, the agency has 292 employees, including specialists in research and performance management, senior managers in internal control and trade logistics research and enforcement unit operatives. The number of personnel is set to increase to 300 over the medium term as vacancies are filled. As a result, compensation of employees increases at an average annual rate of 11.4 per cent between 2013/14 and 2016/17. The resulting increase in the number of staff members also entailed the

acquisition of office accommodation and other rented spaces. Total expenditure therefore increased from R68.1 million in 2010/11 to R158.8 million in 2013/14 at an average annual rate of 39.7 per cent, and is expected to increase to R244.9 million over the medium term.

Expenditure on consultants increased between 2010/11 and 2012/13 as the agency sought external assistance to develop a penalty revenue system to ensure the completeness of revenue collection, as recommended by the auditor general. Forensic auditors were also appointed to investigate and determine fraud levels in all the agency's departments. Consultants are set to be used for stakeholder analysis, culture surveys, and research on South African transport corridors and route use over the medium term.

Driving Licence Card Account

Mandate and goals

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

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

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

Selected performance indicators

Table 37.43 Driving Licence Card Account

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of driving licences produced per year	Manufacturing of driving licence cards	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	1 999 978	1 964 000	2 001 000	300 000	2 100 000	2 100 000	2 100 000
Number of live capture units purchased per year	Manufacturing of driving licence cards		- ¹	278	2	134	483	261	31

1. Indicator started in 2011/12, hence no historical data.

Programmes/activities/objectives

Table 37.44 Driving Licence Card Account

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
R thousand											
Administration	-	1 262	2 189	5 863	-	1.5%	15 710	7 685	7 641	9.2%	5.6%
Manufacturing of driving license card	98 969	124 209	127 632	168 039	19.3%	98.5%	144 867	160 673	160 717	-1.5%	94.4%
Total expense	98 969	125 471	129 821	173 902	20.7%	100.0%	160 577	168 358	168 358	-1.1%	100.0%

Expenditure estimates

Table 37.45 Driving Licence Card Account

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
R thousand											
Revenue											
Non-tax revenue	112 156	157 064	184 367	177 318	16.5%	100.0%	168 358	168 358	168 358	-1.7%	100.0%
Sale of goods and services other than capital assets of which:	111 917	150 209	175 160	174 860	16.0%	97.3%	165 900	165 900	165 900	-1.7%	98.6%
Sales of driving license cards	111 917	150 209	175 160	174 860	16.0%	97.3%	165 900	165 900	165 900	-1.7%	98.6%
Other non-tax revenue	239	6 855	9 207	2 458	117.5%	2.7%	2 458	2 458	2 458	-	1.4%
Total revenue	112 156	157 064	184 367	177 318	16.5%	100.0%	168 358	168 358	168 358	-1.7%	100.0%

Table 37.45 Driving Licence Card Account

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17		
R thousand											
Expenses											
Current expenses	98 969	125 471	129 821	173 902	20.7%	100.0%	160 577	168 358	168 358	-1.1%	100.0%
Compensation of employees	–	1 262	2 189	5 863	–	1.5%	15 710	7 685	7 641	9.2%	5.6%
Goods and services	88 409	103 710	104 624	143 819	17.6%	83.8%	118 854	131 702	136 351	-1.8%	79.0%
Depreciation	10 560	20 499	23 008	24 220	31.9%	14.7%	26 013	28 971	24 366	0.2%	15.5%
Total expenses	98 969	125 471	129 821	173 902	20.7%	100.0%	160 577	168 358	168 358	-1.1%	100.0%
Surplus/(Deficit)	13 187	31 593	54 546	3 416	-36.3%		7 781	–	–	-100.0%	

Personnel information**Table 37.46 Driving Licence Card Account**

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
9	9	7	2.2	0.3	12	5.9	0.5	40	15.7	0.4	40	7.7	0.2	20	7.6	0.4	9.2%	100.0%	
7 – 10	4	4	3	0.5	0.2	7	2.3	0.3	28	7.4	0.3	28	1.9	0.1	8	1.5	0.2	-14.4%	59.6%
11 – 12	2	2	2	0.5	0.2	2	1.0	0.5	6	3.0	0.5	6	1.2	0.2	6	1.4	0.2	11.2%	19.2%
13 – 16	3	3	2	1.2	0.6	3	2.5	0.8	6	5.3	0.9	6	4.6	0.8	6	4.8	0.8	23.7%	21.3%

1. Rand million.

Expenditure trends

Revenue for the driving licence card account is almost exclusively generated from the sale of drivers' licences. Revenue increased significantly between 2010/11 and 2013/14 at an average annual rate of 16.5 per cent as a result of an increasing number of drivers' licences being issued every year. Licence sales are expected to stabilise over the medium term at around 2 million cards. The cost per card is expected to increase over the medium term due to inflation adjustments and foreign exchange rate fluctuations. The entity has implemented debt collection strategies, such as regular communication with testing stations, to improve liquidity. Other expenses are strictly monitored through the implementation of these strategies.

The spending focus over the medium term will continue to be on the manufacturing of drivers' licences, building internal capacity and taking over the production function from a service provider at the end of February 2014. Goods and services remain the main expenditure item because the primary expenditure is on payments made to the service providers that manufacture the cards. Spending in the manufacturing programme is projected to decline over the medium term, mainly as a result of investments in the procurement of live capturing units and the expected production function takeover from March 2014, which will result in a lower production cost due to these functions moving inhouse. Spending on consultants is also expected to decrease over the medium term as the internal audit and operational risk assessment functions, which were previously outsourced, are now being conducted by the entity's own staff.

Expenditure on goods and services is expected to decrease over the MTEF period at an average annual rate of 1.8 per cent due to the use of internal capacity to carry out production activities. However, expenditure on goods and service remains relatively high over the MTEF period at above the R100 million levels. This is mainly due to the procurement of advisory and legal services to facilitate the migration of the production facility from the service providers to the entity. This process is still at the initial stage.

Depreciation is the second biggest area of expenditure and continues to grow due to the purchase in 2011/12 of 278 live capturing units, which capture data for the efficient processing of licences. The entity has negotiated a price decrease on card production and a lower rate for the maintenance of the live capture units with the service provider, which resulted in savings on the two year contracts of R5 million in 2012/13 and R72.4 million in 2013/14.

Spending on compensation of employees increased in 2013/14 due to the appointment of 6 officials. This spending item is expected to increase to R7.6 million at an average annual rate of 9.2 per cent over the medium term, allowing for an increased staff complement of 20 in 2016/17. The absorption of some service provider employees into the entity influences the upward trend in compensation of employees over the medium term. It is expected that a large number of employees will be retained on a contract basis in the initial takeover stage of 2014/15 and 2015/16 to enable a smooth migration of the production facility. Personnel numbers are therefore expected to increase to 40 in these years.

Ports Regulator of South Africa

Mandate and goals

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

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

- establish all elements of the regulatory framework within its mandate
- develop the capacity to deal with all the output requirements of the organisation
- ensure sector wide compliance with the National Ports Act (2005) by all participants
- support the development of the port system and the framework for the port regulatory system.

Selected performance indicators

Table 37.47 Ports Regulator of South Africa

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of complaints and appeals received per year	Tribunal	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-1	27	50	50	50	50	50
Number of cases heard per year	Tribunal		-1	12	5	7	10	12	14
Number of cases processed within timeframe per year	Tribunal		-1	10	20	14	15	15	15
Stakeholder approval rating percentage	Monitoring		20%	20%	50%	55%	60%	70%	75%

1. The entity only became operational in 2010/11 and some units were only set up in following years. Hence, there is no data for 2010/11.

Programmes/activities/objectives

Table 37.48 Ports Regulator of South Africa

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
Administration	6 738	8 335	6 554	6 651	-0.4%	58.9%	7 828	8 689	8 829	9.9%	45.7%
Economic regulation	1 344	1 986	3 913	3 145	32.8%	19.9%	3 145	2 872	3 067	-0.8%	17.6%
Tribunal	938	1 079	2 295	2 578	40.1%	13.1%	2 572	2 404	2 531	-0.6%	14.5%
Industry development	-	-	1 060	1 823	-	4.7%	1 728	1 973	2 277	7.7%	11.2%
Monitoring	-	88	306	1 703	-	3.4%	1 881	1 993	2 178	8.5%	11.1%
Total expense	9 020	11 488	14 128	15 900	20.8%	100.0%	17 154	17 931	18 882	5.9%	100.0%

Expenditure estimates

Table 37.49 Ports Regulator of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand					2010/11 - 2013/14					2013/14 - 2016/17	
Revenue											
Non-tax revenue	198	232	339	313	16.5%	2.0%	302	304	321	0.8%	1.8%
Other non-tax revenue	198	232	339	313	16.5%	2.0%	302	304	321	0.8%	1.8%
Transfers received	8 832	14 361	15 069	15 900	21.7%	98.0%	16 852	17 627	18 561	5.3%	98.2%
Total revenue	9 030	14 593	15 408	16 213	21.5%	100.0%	17 154	17 931	18 882	5.2%	100.0%
Expenses											
Current expenses	9 020	11 488	14 128	15 900	20.8%	100.0%	17 154	17 931	18 882	5.9%	100.0%
Compensation of employees	3 655	6 444	5 670	10 392	41.7%	50.5%	11 623	11 794	12 420	6.1%	66.2%
Goods and services	4 735	4 647	8 133	5 108	2.6%	45.7%	5 089	5 737	6 040	5.7%	31.4%
Depreciation	630	397	325	400	-14.1%	3.8%	442	400	422	1.8%	2.4%
Total expenses	9 020	11 488	14 128	15 900	20.8%	100.0%	17 154	17 931	18 882	5.9%	100.0%
Surplus/(Deficit)	10	3 105	1 280	313	215.1%		-	-	-	-100.0%	

Personnel information

Table 37.50 Ports Regulator of South Africa

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
	25	33	19	5.7	0.3	23	10.4	0.5	21	11.6	0.6	21	11.8	0.6	21	12.4	0.6	6.1%	100.0%
1 – 6	11	11	11	1.2	0.1	11	1.8	0.2	10	1.8	0.2	10	1.9	0.2	10	2.1	0.2	5.0%	47.7%
7 – 10	2	2	2	0.5	0.2	2	0.4	0.2	-	-	-	-	-	-	-	-	-	-100.0%	2.2%
11 – 12	5	5	3	1.8	0.6	3	1.9	0.6	5	2.9	0.6	5	2.6	0.5	5	2.7	0.5	12.4%	21.1%
13 – 16	6	14	2	0.4	0.2	6	4.1	0.7	5	4.5	0.9	5	4.8	1.0	5	5.0	1.0	7.1%	24.4%
17 – 22	1	1	1	1.9	1.9	1	2.2	2.2	1	2.3	2.3	1	2.5	2.5	1	2.6	2.6	5.6%	4.7%

1. Rand million.

Expenditure trends

The regulator generates its revenue mainly from fiscal transfers and the spending focus over the medium term will be mainly in the administration and economic regulation programmes. The regulator's expenditure is dominated by administration related activities, which accounted for 41.8 per cent of total expenditure in 2013/14. However, the proportion of administration expenditure against other activities over the medium term is projected to decrease as the implementation of core activities, such as those in the tribunal, economic regulation and industry monitoring programmes, begin to gain momentum.

Expenditure on compensation of employees accounts for 50.5 per cent of total expenditure and grew to R10.4 million in 2013/14 at an average annual rate of 41.7 per cent. This was because the regulator implemented its human resources recruitment drive by employing 4 additional staff members, 2 of whom were in the 13 to 16 salary level range, and allowing for employee benefits and by financing BEE projects. Spending on compensation of employees is projected to increase marginally over the MTEF period as the regulator aims to retain key technical staff and allow for adjustments in line with the salary benchmarking review exercise conducted in November 2013. The regulator has an approved establishment of 33 posts, of which 23 were filled in 2013/14. The 8 per cent vacancy rate is set to be addressed over the MTEF period, pending the finalisation and establishment of the transport economic regulator, which is expected to incorporate and pool scarce skills into a single entity.

An increase in expenditure on goods and services is expected over the medium term due to inflationary adjustments and depreciation. Spending on training and development is expected to reduce the regulator's dependency on consultant services.

Railway Safety Regulator

Mandate and goals

The Railway Safety Regulator was established in terms of the National Railway Safety Regulator Act (2002). The act requires the regulator to establish a national regulatory framework for South Africa and to monitor and enforce compliance within the rail sector. The primary legislative mandate of the regulator is to exercise oversight and enforce safety performance by all railway operators in South Africa, including those of the neighbouring states whose rail operations enter South Africa.

In executing its legislative mandate, the regulators main goals are to:

- conduct inspections and audits; and investigate railway occurrences
- develop regulations, safety standards, and related documents, which form the basis of the regulatory regime
- ensure safe railway operations and provide a supporting role in occupational health and safety, and security
- play a leading role in the harmonisation of the railway safety regime of South Africa with those of railways from SADC countries.

Selected performance indicators

Table 37.51 Railway Safety Regulator

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of initiatives to assist SADC countries per year	Research and technical services	Entity mandate	-1	-1	-1	3	5	6	7
Number of research reports completed per year	Research and technical services		-1	-1	-1	7	8	10	10
Number of agreements implemented each year	Research and technical services		-1	-1	-1	11	11	11	11
Number of regulations developed per year	Investigations		-1	-1	-1	4	6	8	10
Number of annual safety improvement plans reviewed	Investigations		100	100	100	120	120	120	120
Number of inspections, audits and investigations conducted per year	Operations		71	89	114	60	90	90	90

1. New indicator, hence the lack of data before 2013/14

Programmes/activities/objectives

Table 37.52 Railway Safety Regulator

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	
R thousand											
Administration	19 358	25 454	47 886	57 875	44.1%	50.4%	75 584	75 979	75 392	9.2%	52.9%
Research and technical services	2 888	3 178	3 496	16 835	80.0%	8.1%	19 475	21 349	36 733	29.7%	17.1%
Investigations	16 407	17 651	19 417	3 567	-39.9%	23.3%	10 436	13 847	7 325	27.1%	6.3%
Operations	8 887	9 776	10 754	23 386	38.1%	18.1%	29 309	36 098	40 718	20.3%	23.7%
Total expense	47 540	56 059	81 553	101 663	28.8%	100.0%	134 804	147 273	160 168	16.4%	100.0%

Expenditure estimates

Table 37.53 Railway Safety Regulator

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17	
R thousand											
Revenue											
Non-tax revenue	12 220	22 058	38 946	55 150	65.3%	41.6%	83 300	93 400	103 440	23.3%	61.0%
Sale of goods and services other than capital assets	11 267	20 596	38 414	55 000	69.6%	40.3%	83 000	93 000	103 000	23.3%	60.8%
of which:											
Administrative fees	11 267	20 596	38 414	55 000	69.6%	40.3%	83 000	93 000	103 000	23.3%	60.8%
Other non-tax revenue	953	1 462	532	150	-46.0%	1.3%	300	400	440	43.1%	0.2%
Transfers received	35 634	37 475	39 349	46 513	9.3%	58.4%	51 504	53 873	56 728	6.8%	39.0%
Total revenue	47 854	59 533	78 295	101 663	28.6%	100.0%	134 804	147 273	160 168	16.4%	100.0%

Table 37.53 Railway Safety Regulator

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Expenses												
Current expenses	47 540	56 059	81 553	101 663	28.8%	100.0%	134 804	147 273	160 168	16.4%	100.0%	
Compensation of employees	32 658	39 928	53 986	66 156	26.5%	67.8%	85 919	95 950	103 713	16.2%	64.7%	
Goods and services	12 976	14 467	25 909	33 766	37.5%	29.5%	47 057	49 403	54 475	17.3%	33.9%	
Depreciation	1 906	1 664	1 658	1 741	-3.0%	2.7%	1 828	1 920	1 980	4.4%	1.4%	
Total expenses	47 540	56 059	81 553	101 663	28.8%	100.0%	134 804	147 273	160 168	16.4%	100.0%	
Surplus/(Deficit)	314	3 474	(3 258)	-	-100.0%		-	-	-	-		

Personnel information**Table 37.54 Railway Safety Regulator**

Salary level	Number of funded posts	Number of posts on approved establishment	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
	137	137	104	54.0	0.5	137	66.2	0.5	154	85.9	0.6	172	95.9	0.6	189	103.7	0.5	16.2%	100.0%
1 - 6	8	8	6	0.6	0.1	8	0.7	0.1	9	0.8	0.1	10	0.9	0.1	11	1.0	0.1	12.0%	5.8%
7 - 10	34	34	26	7.6	0.3	34	9.3	0.3	38	12.0	0.3	43	13.5	0.3	47	14.6	0.3	16.2%	24.8%
11 - 12	47	47	36	17.4	0.5	47	21.3	0.5	53	27.4	0.5	59	30.6	0.5	65	33.4	0.5	16.2%	34.4%
13 - 16	48	48	36	28.4	0.8	48	34.9	0.7	54	45.7	0.8	60	51.0	0.8	66	54.7	0.8	16.2%	35.0%

1. Rand million.

Expenditure trends

The two main streams of revenue for the Railway Safety Regulator are the grant received from the Department of Transport and the safety permit fee received from rail operators. Permit fee income increased by 69.6 per cent between 2010/11 and 2013/14 as a result of the increase in annual fees payable in terms of regulations. The regulator received R377 123 for the issuing of 38 new permits in 2013/14.

The grant allocation to the regulator increased from R35.6 million in 2010/11 to R46.5 million in 2013/14 at an average annual rate of 9.3 per cent. This growth is largely attributable to the gradual capacitation of the entity. This growth is expected to slow to an average annual rate of 6.8 per cent over the MTEF period due to inflationary adjustment.

The expenditure focus over the medium term is on administration and research and technical services programmes. The technical unit deals with projects and initiatives that require physical labour; whereas the research unit conducts studies on issues such as the skills shortage problem in the rail transport industry. Total expenditure increased at an average annual rate of 28.8 per cent from R47.5 million in 2010/11 to R101.7 million in 2013/14 due to the increase in the number of staff to 137 in 2013/14. Staff members were engaged to execute functions and activities within the inspectorate section and provide technical advice on and assistance with the core business increase in staff related seminars, recruitment costs, workshops and additional office space acquired.

Spending on compensation of employees accounted for 67.8 per cent of total expenditure between 2010/11 and 2013/14 and increased from R32.7 million to R66.2 million over this period. The main contributor to the increase in compensation of employees was inflation related salary increases and additions to the staff complement. Spending on compensation of employees is expected to increase to R103.7 million in 2016/17 at an average annual rate of 16.2 per cent as the staff establishment grows from 137 posts in 2013/14 to 189 posts in 2016/17.

The growth in expenditure on goods and services over the medium term is as a result of the appointment of consultants to provide technical assistance in the inspectorate units. The increase in spending on travel and

accommodation is due to an increase in travel throughout South Africa and the SADC region by the inspectorate unit and engineers division for inspections, audits and investigations.

Road Traffic Infringement Agency

Mandate and goals

The Road Traffic Infringement Agency was established in 2010/11 and derives its mandate from the Administrative Adjudication of Road Traffic Offences Act (1998). Under the act, the agency has 4 main objectives and functions, which are to:

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

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

Selected performance indicators

Table 37.55 Road Traffic Infringement Agency

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of finalised adjudications of road traffic representations per year	Enforce compliance by penalising the contravention of road traffic laws	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	8 408	34 410	34 869	95 400	- ¹	- ¹	- ¹
Percentage of finalised adjudications of road traffic representations per year	Enforce compliance by penalising the contravention of road traffic laws		- ²	- ²	- ²	- ²	100%	100%	100%
Number of call centres established per year	Generation, packaging and dissemination of road safety information	Entity mandate	- ²	- ²	- ²	- ²	10	15	20

1. This indicator will not be measured after 2013/14.

2. New indicator, hence no historical information is available.

Programmes/activities/objectives

Table 37.56 Road Traffic Infringement Agency

R thousand	Audited outcome			Revised estimate 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Administration	7 981	15 445	55 697	35 000	63.7%	61.7%	57 481	77 082	82 480	33.1%	44.6%
Enforce compliance by penalising the contravention of road traffic laws	7 404	16 967	1 109	13 000	20.6%	30.3%	69 450	72 975	77 500	81.3%	36.0%
Encourage payment of penalties	-	2 056	2 652	5 880	-	5.1%	12 350	12 968	18 257	45.9%	8.5%
Public awareness and education revised: Change the behaviour of road users	-	-	1 950	5 000	-	2.9%	13 640	14 357	15 220	44.9%	8.1%
Increase access to AARTO information management processes	-	-	-	-	-	-	-	-	7 480	-	0.9%
Generation, packaging and dissemination of road safety information	-	-	-	-	-	-	4 436	4 656	4 888	-	1.9%
Total expense	15 385	34 468	61 408	58 880	56.4%	100.0%	157 357	182 038	205 825	51.8%	100.0%

Expenditure estimates

Table 37.57 Road Traffic Infringement Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	10 541	28 594	49 017	95 400	108.4%	78.5%	142 057	166 034	188 973	25.6%	88.1%
Penalties	10 541	28 594	49 017	95 400	108.4%	78.5%	142 057	166 034	188 973	25.6%	88.1%
Transfers received	-	17 000	19 000	25 000	-	21.5%	15 300	16 004	16 852	-12.3%	11.9%
Total revenue	10 541	45 594	68 017	120 400	125.2%	100.0%	157 357	182 038	205 825	19.6%	100.0%
Expenses											
Current expenses	15 385	34 468	61 408	58 880	56.4%	100.0%	157 357	182 038	205 825	51.8%	100.0%
Compensation of employees	15 385	2 260	10 538	44 238	42.2%	49.7%	125 357	148 343	184 857	61.1%	81.5%
Goods and services	-	32 086	50 622	13 387	-	49.6%	30 650	32 270	19 443	13.2%	17.3%
Depreciation	-	122	248	1 255	-	0.7%	1 350	1 425	1 525	6.7%	1.1%
Total expenses	15 385	34 468	61 408	58 880	56.4%	100.0%	157 357	182 038	205 825	51.8%	100.0%
Surplus/(Deficit)	(4 844)	11 126	6 609	61 520	-333.3%		-	-	-	-100.0%	

Personnel information

Table 37.58 Road Traffic Infringement Agency

	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment														Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	94	103	34	10.5	0.3	98	44.2	0.5	243	125.4	0.5	263	148.3	0.6	327	184.9	0.6	61.1%	100.0%
1-6	-	7	9	1.3	0.1	2	0.2	0.1	23	3.0	0.1	40	5.6	0.1	75	11.5	0.2	291.4%	12.4%
7-10	28	28	7	1.4	0.2	28	4.1	0.1	64	11.6	0.2	61	22.8	0.4	61	24.1	0.4	80.7%	24.2%
11-12	38	39	8	1.8	0.2	39	18.2	0.5	98	48.2	0.5	88	44.8	0.5	115	68.0	0.6	55.1%	37.2%
13-16	28	29	10	6.1	0.6	29	21.8	0.8	58	62.5	1.1	74	75.1	1.0	76	81.3	1.1	55.2%	26.2%

1. Rand million.

Expenditure trends

The Road Traffic Infringement Agency derives its revenue from various sources, including funds appropriated by Parliament, funds generated from infringement and administrative penalties, and fees. The administrative adjudication of road traffic offences remains the agency's main revenue generating activity. Revenue grew at an average annual rate of 125.2 per cent between 2010/11 and 2013/14, when total revenue amounted to R120.4 million as a result of implementing AARTO pilot projects in Gauteng in 2011/12.

The expected roll out of the AARTO pilot in Gauteng over the medium term is expected to significantly boost revenue, at an average annual rate of 25.6 per cent, mainly as a result of improved compliance by the Johannesburg metropolitan police department in loading infringements on the national contravention register and serving infringement notices by registered mail. This increase in revenue will assist the agency to conduct safety and traffic violation awareness campaigns in line with the objectives contained in the Administrative Adjudication of Road Traffic Offences Act (1998).

The spending focus over the medium term will be on: the administration programme because the agency expects to intensify its recruitment drive, employing additional staff in seeking to improve its operational performance of collecting outstanding infringement fees, and implementing public awareness and education campaigns on road safety and the AARTO concept.

Total expenditure is expected to increase at an average annual rate of 25.7 per cent over the medium term, largely driven by growth in salaries. Compensation of employees accounts for a large portion of total expenditure, and expenditure increased significantly from R15.4 million to R44.2 million at an average annual rate of 42.2 per cent between 2010/11 and 2013/14. Spending on compensation of employees is expected to grow to R184.9 million in 2016/17 as the agency aims to increase its staff complement from

98 in 2013/14 to 327 over the medium term. This additional capacity is expected to ensure that the agency is able to develop effective adjudication processes and enforce penalties imposed on those contravening road traffic laws.

The agency's goods and service expenditure is mainly driven by postage costs relating to the issuing of courtesy letters and enforcement orders. Between 2011/12 and 2013/14, goods and service expenditure declined from R32.1 million to R13.4 million as a result of a decrease in the issuing of infringement notices and the loading of traffic fines onto the national contraventions register. The increase in communication cost from 2011/12 to 2013/14 is driven by expenditure on printing as well as on road safety awareness campaigns. Prepayments and receivables increased significantly at an average annual rate of 86.7 per cent as a result of guarantees requested by the South African Post Office before they would open an account for the sending of notices, and advances requested by other service providers as part of their conditions of service.

Expenditure on contractors and consultants is largely attributed to the need for the agency to employ service providers to assist with establishing the finance unit and provide legal services related to the adjudication process of AARTO. Trade payables include monies owed to issuing authorities that were paid into AARTO accounts but not disbursed. However, given the historical background of the accounts, there was no exchange of monies between issuing authorities and the Road Traffic Management Corporation; which has resulted in backlogs in payment as shown by a 65.8 per cent average annual growth of trade payables from 2010/11 to 2013/14.

Road Traffic Management Corporation

Mandate and goals

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

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

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

Selected performance indicators

Table 37.59 Road Traffic Management Corporation

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total number of schools on scholar patrol	Make roads safe in South Africa	Outcome 3: All people in South Africa are and feel safe	-1	-1	2 402	2 422	12 000	24 000	25 200
Number of educational programmes implemented	Make roads safe in South Africa		-1	-1	3	3	3	3	3
Total number of junior traffic training centres established	Make roads safe in South Africa		-1	-1	1	2	4	6	6
Kilometres of roads assessed per year	Make roads safe in South Africa		-1	-1	4 000	4 000	4 000	4 000	4 000
Number of traffic law enforcement operations conducted	Coordinate and regulate road traffic law enforcement	Entity mandate	-1	-1	-1	1 080	1 440	1 800	1 620
Number of vehicles stopped and checked	Coordinate and regulate road traffic law enforcement	Entity mandate	-1	-1	-1	12 000 000	12 000 000	12 000 000	-2

1. New indicator, hence no historical information is available.

2. This indicator will not be measured in 2016/17.

Programmes/activities/objectives

Table 37.60 Road Traffic Management Corporation

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
Administration	62 010	86 131	118 732	288 613	67.0%	48.1%	298 208	315 486	403 649	11.8%	50.7%
To make roads safe in South Africa	82 830	85 000	92 269	88 386	2.2%	39.7%	102 842	108 396	114 196	8.9%	16.1%
To co-ordinate and regulate road traffic law enforcement	13 370	7 185	-	215 867	152.7%	12.2%	223 878	233 384	174 255	-6.9%	33.2%
Total expense	158 210	178 316	211 001	592 866	55.3%	100.0%	624 928	657 266	692 101	5.3%	100.0%

Expenditure estimates

Table 37.61 Road Traffic Management Corporation

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
Revenue											
Non-tax revenue	13 303	59 313	424 882	425 920	217.5%	53.5%	448 920	473 162	498 239	5.4%	71.9%
Sale of goods and services other than capital assets	3 351	52 526	411 979	420 000	400.4%	48.5%	442 680	466 585	491 314	5.4%	70.9%
of which:											
Administrative fees	3 351	52 526	411 979	420 000	400.4%	48.5%	442 680	466 585	491 314	5.4%	70.9%
Other non-tax revenue	9 952	6 787	12 903	5 920	-15.9%	5.0%	6 240	6 577	6 925	5.4%	1.0%
Transfers received	73 619	77 949	82 412	166 946	31.4%	46.5%	176 008	184 104	193 862	5.1%	28.1%
Total revenue	86 922	137 262	507 294	592 866	89.6%	100.0%	624 928	657 266	692 101	5.3%	100.0%
Expenses											
Current expenses	158 210	178 316	211 001	592 866	55.3%	100.0%	624 928	657 266	692 101	5.3%	100.0%
Compensation of employees	59 519	100 836	110 767	153 186	37.0%	43.1%	161 458	170 177	179 367	5.4%	25.9%
Goods and services	90 644	73 492	96 560	433 260	68.4%	54.3%	456 703	479 957	505 224	5.3%	73.0%
Depreciation	7 884	3 881	3 479	6 350	-7.0%	2.5%	6 693	7 054	7 428	5.4%	1.1%
Interest, dividends and rent on land	163	106	195	70	-24.6%	0.1%	74	78	82	5.4%	0.0%
Total expenses	158 210	178 316	211 001	592 866	55.3%	100.0%	624 928	657 266	692 101	5.3%	100.0%
Surplus/(Deficit)	(71 288)	(41 054)	296 293	-	-100.0%		-	-	-	-	-
Statement of financial position											
Carrying value of assets	19 844	9 202	15 518	13 500	-12.1%	4.3%	11 900	9 300	11 567	-5.0%	2.1%
Investments	1 503	603	603	603	-26.2%	0.3%	603	603	603	-	0.1%
Inventory	99	18	-	19	-42.3%	0.0%	19	19	-	-100.0%	0.0%
Receivables and prepayments	141 924	155 900	136 252	160 074	4.1%	42.4%	168 731	177 462	186 867	5.3%	31.4%
Cash and cash equivalents	74 160	130 441	375 676	337 934	65.8%	53.1%	356 209	374 642	394 498	5.3%	66.3%
Total assets	237 530	296 164	528 049	512 129	29.2%	100.0%	537 462	562 025	593 535	5.0%	100.0%

Table 37.61 Road Traffic Management Corporation

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11	2013/14		2014/15	2015/16	2016/17		
					2013/14	2013/14 - 2016/17			2013/14 - 2016/17			
R thousand												
Accumulated surplus/(deficit)	(147 650)	(203 174)	418 383	113 089	-191.5%	-7.4%	140 022	167 185	355 987	46.6%	34.5%	
Trade and other payables	381 895	493 033	107 447	392 240	0.9%	106.0%	391 243	388 040	230 949	-16.2%	64.3%	
Provisions	3 285	6 305	2 219	6 800	27.4%	1.3%	6 197	6 800	6 599	-1.0%	1.2%	
Total equity and liabilities	237 530	296 164	528 049	512 129	29.2%	100.0%	537 462	562 025	593 535	5.0%	100.0%	

Personnel information

Table 37.62 Road Traffic Management Corporation

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2012/13			2013/14			2014/15			2015/16			2016/17				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	592	592	363	110.8	0.3	592	153.2	0.3	592	161.5	0.3	592	170.2	0.3	592	179.4	0.3	5.4%	100.0%
1 – 6	213	213	213	44.7	0.2	213	61.6	0.3	213	64.9	0.3	213	68.4	0.3	213	72.2	0.3	5.4%	36.0%
7 – 10	258	258	112	31.5	0.3	258	43.6	0.2	258	46.0	0.2	258	48.5	0.2	258	51.1	0.2	5.4%	43.6%
11 – 12	80	80	18	12.3	0.7	80	17.1	0.2	80	18.0	0.2	80	19.0	0.2	80	20.0	0.3	5.4%	13.5%
13 – 16	41	41	20	22.2	1.1	41	30.8	0.8	41	32.5	0.8	41	34.3	0.8	41	36.1	0.9	5.4%	6.9%

1. Rand million.

Expenditure trends

The Road Traffic Management Corporation is mainly funded from fiscal transfers from the Department of Transport, which increased from R73.6 million in 2010/11 to R166.9 million in 2013/14, and is expected to grow over the medium term at an average annual rate of 5.1 per cent. This was to provide for the establishment of the national traffic police unit, which was established in 2012/13. Over the medium term, these additional allocations of R83.9 million in 2014/15 and R87.8 million in 2015/16 will be spent on this unit, mainly for compensation of employees. The expectation is that this will lead to a balanced budget. The entity also receives transaction fees that in the past were paid over to the department from provincial and local government to enable the servicing of contractual obligations relating to the maintenance and upgrade contract of the electronic national traffic information system (eNATIS).

Over the medium term, the spending focus of the corporation will be on administration in terms of coordinating the implementation of AARTO, management of the electronic national traffic information system and law enforcement on the strategic road network through the national traffic police unit.

Spending on the administration programme increased at an average annual rate of 67 per cent between 2010/11 and 2013/14, in which time spending amounted to R288.6 million. Spending in this programme is expected to continue to grow over the MTEF period to R403.6 million in 2016/17, when it is set to account for 58.3 per cent of total expenditure. It is expected that spending is reduced as transaction fees are paid to the Department of Transport.

Total expenditure increased at an average annual rate of 55.3 per cent between 2010/11 and 2013/14, when it amounted to R592.9 million. These expenses are earmarked for payment of the eNATIS system. However they are currently estimated for travel and subsistence payments that increase by 228 per cent. The establishment of the national traffic police unit in 2011/12 is the main driver of compensation of employees and resulted in a 69.4 per cent increase on this spending item in 2012/13. Expenditure is, however, expected to stabilise over the medium term to grow in line with inflation. Spending on compensation of employees accounts for a large portion of the fiscal transfers in 2013/14, at 91.8 per cent, and this is expected to be maintained over the MTEF period.

Expenditure on consultants is set to increase at inflationary rates over the MTEF period as the entity only uses these services for temporary projects that do not warrant full time employment. The corporation intends to

recruit law enforcement personnel by the end of 2013/14 to bring the total staff complement to 592 positions from 94 in 2011/12.

South African Civil Aviation Authority

Mandate and goals

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

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

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

- encourage aviation development at the national, regional and continental levels
- build a continuously improving safety and security environment
- influence the breadth and pace of the industry development and transformation agenda
- build a resilient organisational capacity that embraces a high performance culture.

Selected performance indicators

Table 37.63 South African Civil Aviation Authority

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of inspections and certificates conducted per year: Aircraft	Continuously improve civil aviation safety	Outcome 6: An efficient, competitive and responsive economic infrastructure network	469	373	410	420	430	440	445
Number of inspections and certificates conducted per year: Air safety infrastructure	Continuously improve civil aviation safety		178	209	265	270	280	290	295
Number of inspections and certificates conducted per year: Air safety operations	Continuously improve civil aviation safety		603	732	527	550	575	600	610
Number of inspections and certificates conducted per year: Aviation security	Continuously improve civil aviation security		963	1 159	1 194	1 210	1 230	1 250	1 260

Programmes/activities/objectives

Table 37.64 South African Civil Aviation Authority

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	105 529	107 888	136 403	196 890	23.1%	38.5%	224 643	250 940	271 044	11.2%	48.3%
To continuously improve civil aviation safety	138 968	166 029	192 521	188 225	10.6%	49.1%	215 062	232 588	250 212	10.0%	45.5%
To continuously improve civil aviation security	39 348	47 416	56 063	26 528	-12.3%	12.4%	28 978	31 168	33 529	8.1%	6.2%
Total expense	283 845	321 333	384 988	411 643	13.2%	100.0%	468 683	514 696	554 785	10.5%	100.0%

Expenditure estimates

Table 37.65 South African Civil Aviation Authority

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	279 495	322 362	391 856	398 151	12.5%	96.4%	449 489	496 052	533 594	10.3%	96.0%
Sale of goods and services other than capital assets	266 507	311 437	377 767	386 191	13.2%	92.9%	439 135	485 464	524 529	10.7%	93.8%
of which:											
Administrative fees	266 507	311 437	377 767	386 191	13.2%	92.9%	439 135	485 464	524 529	10.7%	93.8%
User fees	58 753	65 145	65 637	72 897	7.5%	18.4%	77 271	81 908	86 822	6.0%	16.4%
Fuel levy	6 840	14 815	19 139	19 330	41.4%	4.0%	20 804	22 305	23 834	7.2%	4.4%
Passenger safety charges	200 915	231 477	292 991	293 964	13.5%	70.4%	341 060	381 251	413 873	12.1%	73.0%
Other non-tax revenue	12 987	10 925	14 089	11 960	-2.7%	3.5%	10 354	10 588	9 065	-8.8%	2.2%
Transfers received	8 223	10 716	16 025	18 155	30.2%	3.6%	19 239	20 124	21 191	5.3%	4.0%
Total revenue	287 718	333 078	407 881	416 306	13.1%	100.0%	468 728	516 176	554 785	10.0%	100.0%
Expenses											
Current expenses	283 845	321 333	384 988	411 643	13.2%	100.0%	468 683	514 696	554 785	10.5%	100.0%
Compensation of employees	182 541	215 249	243 889	280 705	15.4%	65.7%	323 714	350 851	380 274	10.6%	68.5%
Goods and services	93 734	101 508	136 683	124 313	9.9%	32.6%	134 264	141 953	150 086	6.5%	28.4%
Depreciation	7 570	4 577	4 416	6 625	-4.3%	1.7%	10 705	21 892	24 425	54.5%	3.1%
Total expenses	283 845	321 333	384 988	411 643	13.2%	100.0%	468 683	514 696	554 785	10.5%	100.0%
Surplus/(Deficit)	3 872	11 744	22 893	4 663	6.4%		45	1 480	-	-100.0%	
Carrying value of assets	18 741	20 174	41 213	47 957	36.8%	14.0%	120 051	142 659	138 983	42.6%	48.4%
Statement of financial position											
of which:											
Acquisition of assets	3 846	7 838	23 063	13 365	51.5%	4.9%	82 800	44 500	20 750	15.8%	17.1%
Investments	20 000	-	-	-	-100.0%	3.9%	-	-	-	-	-
Receivables and prepayments	32 071	48 992	39 038	51 908	17.4%	19.9%	58 405	62 665	69 123	10.0%	25.6%
Cash and cash equivalents	56 692	165 617	189 827	173 345	45.1%	62.2%	65 095	14 684	16 079	-54.7%	26.0%
Total assets	127 504	234 783	270 078	273 210	28.9%	100.0%	243 551	220 008	224 185	-6.4%	100.0%
Accumulated surplus/(deficit)	39 192	50 937	73 830	78 493	26.1%	27.1%	78 538	80 018	80 018	0.6%	33.3%
Capital and reserves	53 275	53 276	54 635	54 635	0.8%	26.2%	54 635	54 635	54 635	-	22.9%
Capital reserve fund	-	-	4 256	-	-	0.4%	-	-	-	-	-
Trade and other payables	35 037	47 775	52 524	116 082	49.1%	27.4%	83 738	56 451	58 171	-20.6%	32.1%
Provisions	-	82 796	84 833	24 000	-	18.9%	26 640	28 904	31 361	9.3%	11.7%
Total equity and liabilities	127 504	234 784	270 078	273 210	28.9%	100.0%	243 551	220 008	224 185	-6.4%	100.0%

Personnel information

Table 37.66 South African Civil Aviation Authority

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	530	530	467	243.9	0.5	489	280.7	0.6	530	323.7	0.6	530	350.9	0.7	530	380.3	0.7	10.6%	100.0%	
1-6	9	9	9	1.6	0.2	8	2.4	0.3	9	2.7	0.3	9	2.8	0.3	9	3.0	0.3	8.1%	1.7%	
7-10	171	171	148	41.6	0.3	161	51.6	0.3	171	55.6	0.3	171	60.6	0.4	171	66.0	0.4	8.6%	32.4%	
11-12	278	278	258	140.2	0.5	262	158.6	0.6	278	175.0	0.6	278	190.0	0.7	278	217.3	0.8	11.1%	52.7%	
13-16	72	72	52	60.6	1.2	58	68.2	1.2	72	90.4	1.3	72	97.4	1.4	72	93.9	1.3	11.3%	13.2%	

1. Rand million.

Expenditure trends

The South African Civil Aviation Authority derives its revenue from fuel levies, user fees and passenger safety charges. The fees are collected from the airline industry and the charges are received from airlines that include them in passenger airfare. The levies are issued against those enterprises that sell fuel to airlines in South Africa from domestic oil refineries or stocks of oil intended for domestic consumption. A grant transfer is received from the Department of Transport, towards the administration of aircraft accident and incident investigations.

In the forecast for 2013/14, 76.1 per cent of revenue is generated from the passenger safety charge, 17.5 per cent from user fees and 5 per cent from the fuel levy. Passenger safety charges and user fees are expected to continue to be the major revenue sources over the medium term. User fees and fuel levies are budgeted to increase at inflationary rates over the medium term, while the passenger safety charge is set to increase from R16 to R18 per passenger in 2014/15, from R18 to R19.50 per passenger in 2015/16, and from R19.50 to R22 per passenger in 2016/17. Passenger numbers are only expected to grow by 1.8 per cent over the MTEF. As a result, total revenue is expected to increase to R554.8 million in 2016/17. Transfers from the department are expected to increase in line with inflation at an average annual rate of 5.3 per cent between 2013/14 and 2016/17, in which they will amount to R21.2 million.

The spending focus over the medium term will be on the civil aviation safety and administration programmes. This is aimed at ensuring that the authority is able to achieve high levels of certifications and inspections relating to air safety infrastructure, operations and aircrafts. Expenditure in the civil aviation safety programme increased to R188.2 million in 2013/14 at an average annual rate of 10.6 per cent over the medium term.

Total expenditure increased at an average annual rate of 13.2 per cent between 2010/11 and 2013/14 as a result of an increase in spending on compensation of employees due to above inflation increases in salaries, and the creation of additional posts. Spending on compensation of employees accounted for 68.2 per cent of total expenditure in 2013/14. Expenditure is expected to increase to R554.8 million over the medium term, largely due to a projected increase in depreciation, and personnel numbers from 489 in 2013/14 to 530 in 2016/17.

The expected growth in goods and services makes provision for inflation adjustments in computer services, travel and subsistence, property payments and repairs and maintenance. The decline in expenditure in the civil aviation security programme is costs that have been centralised in the administration programme as the risk and compliance unit is deemed to support all other business components within the entity. Expenditure in the aviation security programme is expected to increase over the medium term at an average annual rate of 10 per cent to R250.2 million in 2016/17, to ensure compliance with International Civil Aviation Organisation audits.

South African Maritime Safety Authority

Mandate and goals

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

The strategic goals over the medium term are to continue to promote South Africa's maritime interests, focusing on maritime skills development, the transformation and expansion of the maritime industry, ship registry development, and the development of marine tourism.

Selected performance indicators

Table 37.67 South African Maritime Safety Authority

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage of pollution incidents successfully managed per year	Prevent and combat pollution of marine environment by ships	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	100%	100%	100%	100%	100%	100%	100%
Percentage of ships held accountable for pollution per year ¹	Prevent and combat pollution of marine environment by ships		100%	100%	100%	100%	100%	100%	100%
Number of inspections of local ships conducted per year	Ensure the safety of life and property at sea	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	7 790	8 977	9 284	9 867	9 978	9 978	9 984
Number of inspections of foreign ships conducted per year	Ensure the safety of life and property at sea		263	209	262	261	270	282	287
Number of seafarer certificates issued per year	Ensure the safety of life and property at sea		20 662	15 948	16 003	17 700	17 781	17 780	17 802
Number of fatalities in South African waters per year	Ensure the safety of life and property at sea		25	19	32	11	8	6	6
Number of educational institutions participating in South Africa's maritime education network per year	Promote South Africa's maritime interests		0	5	7	7	7	7	7

1. Actions relating to this include identifying ships, ensuring payment by owners, levying penalties and instituting procedures where necessary.

Programmes/activities/objectives

Table 37.68 South African Maritime Safety Authority

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Administration	15 156	20 117	33 969	31 667	27.8%	8.2%	28 618	29 346	31 101	-0.6%	8.0%
Prevent and combat pollution of marine environment by ships	74 409	100 271	171 020	159 423	28.9%	40.7%	144 074	147 739	156 574	-0.6%	40.4%
Ensuring the safety of life and property at sea	62 535	83 467	141 467	131 875	28.2%	33.9%	119 179	122 210	129 518	-0.6%	33.4%
Promote the republic's maritime interests	28 103	42 288	77 023	71 802	36.7%	17.3%	64 889	66 540	70 519	-0.6%	18.2%
Total expense	180 203	246 142	423 479	394 767	29.9%	100.0%	356 760	365 835	387 712	-0.6%	100.0%

Expenditure estimates

Table 37.69 South African Maritime Safety Authority

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Revenue											
Non-tax revenue	240 557	246 149	352 345	381 801	16.6%	95.8%	349 873	358 631	380 125	-0.1%	97.7%
Sale of goods and services other than capital assets	230 491	234 044	312 828	375 401	17.7%	90.5%	348 043	356 735	378 139	0.2%	96.9%
of which:											
Portnet Levies	211 580	212 971	271 901	285 372	10.5%	78.1%	257 716	261 982	277 701	-0.9%	71.9%
User charges	18 911	21 073	40 927	90 029	68.2%	12.4%	90 327	94 753	100 438	3.7%	25.0%
Other non-tax revenue	10 066	12 105	39 517	6 400	-14.0%	5.3%	1 830	1 897	1 986	-32.3%	0.8%
Transfers received	14 935	13 464	9 288	12 966	-4.6%	4.2%	6 887	7 204	7 586	-16.4%	2.3%
Total revenue	255 492	259 613	361 633	394 767	15.6%	100.0%	356 760	365 835	387 711	-0.6%	100.0%
Expenses											
Current expenses	180 203	246 142	423 479	394 767	29.9%	100.0%	356 760	365 835	387 711	-0.6%	100.0%
Compensation of employees	84 737	96 240	105 956	152 811	21.7%	37.5%	161 063	169 760	178 757	5.4%	44.1%
Goods and services	95 466	149 902	317 523	241 956	36.3%	62.5%	195 698	196 075	208 954	-4.8%	55.9%
Total expenses	180 203	246 142	423 479	394 767	29.9%	100.0%	356 760	365 835	387 711	-0.6%	100.0%
Surplus/(Deficit)	75 289	13 471	(61 846)	-	-100.0%		-	-	-	-	
Statement of financial position											
Carrying value of assets	10 609	25 145	53 669	58 126	76.3%	15.2%	64 472	64 993	63 687	3.1%	28.1%
of which:											
Acquisition of assets	7 523	18 867	39 514	25 612	50.4%	9.3%	7 196	6 560	5 946	-38.5%	5.1%
Receivables and prepayments	22 070	16 974	32 498	25 899	5.5%	9.9%	27 629	51 853	40 129	15.7%	16.2%
Cash and cash equivalents	218 060	230 510	164 687	139 075	-13.9%	74.9%	129 167	106 736	122 846	-4.1%	55.7%
Total assets	250 739	272 629	250 854	223 100	-3.8%	100.0%	221 268	223 582	226 662	0.5%	100.0%
Accumulated surplus/(deficit)	214 837	230 140	168 300	168 300	-7.8%	78.2%	168 300	168 300	168 300	-	75.3%
Capital reserve fund	-	-	5 379	-	-	0.5%	-	-	-	-	-
Trade and other payables	11 837	13 094	43 009	15 800	10.1%	8.4%	15 300	15 450	16 342	1.1%	7.0%
Provisions	24 065	29 395	34 166	39 000	17.5%	12.9%	37 668	39 832	42 020	2.5%	17.7%
Total equity and liabilities	250 739	272 629	250 854	223 100	-3.8%	100.0%	221 268	223 582	226 662	0.5%	100.0%

Personnel information

Table 37.70 South African Maritime Safety Authority

Salary level	Number of posts estimated for 31 March 2014		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2012/13		2013/14		2014/15			2015/16			2016/17			2013/14 - 2016/17			
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost		
	273	273	201	106.0	0.5	273	152.8	0.6	271	161.1	0.6	271	169.8	0.6	271	178.8	0.7	5.4%	100.0%
1 - 6	34	34	31	3.1	0.1	34	3.7	0.1	34	3.9	0.1	34	4.1	0.1	34	4.4	0.1	5.7%	12.5%
7 - 10	68	68	49	11.6	0.2	68	16.6	0.2	67	17.4	0.3	67	18.3	0.3	67	19.3	0.3	5.2%	24.8%
11 - 12	90	90	59	25.1	0.4	90	42.9	0.5	90	45.6	0.5	90	48.1	0.5	90	50.6	0.6	5.7%	33.1%
13 - 16	80	80	61	63.5	1.0	80	86.9	1.1	79	91.2	1.2	79	96.1	1.2	79	101.2	1.3	5.2%	29.2%
17 - 22	1	1	1	2.6	2.6	1	2.8	2.8	1	2.9	2.9	1	3.1	3.1	1	3.3	3.3	5.7%	0.4%

1. Rand million.

Expenditure trends

The South African Maritime Safety Authority's major revenue source is levies from Portnet, which constitute more than 77.2 per cent of total revenue between 2010/11 and 2013/14. Transfers from the Department of Transport, a secondary income source, will discontinue over the medium term as a result of the search and rescue function being removed from the entity by the Department of Transport.

Revenue streams which have been opened up in previous years include funding from the National Skills Fund and the Transport Education and Training Authority for the authority to run skills development programmes, and proceeds from salvage operations of ships that have run aground.

Total revenue increased at an average annual rate of 15.6 per cent between 2010/11 and 2013/14, in which it amounted to R394.8 million. Revenue is, however, expected to decline at an average annual rate of 0.6 per cent

over the medium term due to the reprioritisation. This was so that the department could finance an investigation into undertaking the tug boat function. This reduced revenue is not expected to impact on service delivery.

The spending focus over the MTEF period will be on the authority's core mandates of ensuring safety of life and property at sea, prevention and combating pollution, as well as promoting the republic's maritime interests in terms of the South African Maritime Safety Authority Act (1998). Expenditure on consulting fees will be focused on services that the authority cannot economically deliver by itself, such as the transfer of skills. The authority's printing costs will continue to be relatively high, due to the printing of certificates and other documents that are issued to seafarers. Spending on research and development over the medium term is aimed at developing the maritime industry. Training and development will also continue to receive more attention over the MTEF period so that staff members maintain the high skill levels needed to deliver world class services.

Total expenditure increased at an average annual rate of 29.9 per cent between 2010/11 and 2013/14 as a result of extensive travel relating to the inspecting and surveying of boats and ships at sea and inland. In addition, the chief executive and other senior officials represent the country in various trips that are geared towards the promotion of maritime interests, so expenditure in this area will continue to grow over the medium term. Further spending on goods and services over this period relates to advertising of maritime awareness programmes conducted across the country.

Spending on compensation of employees accounts for 37.5 per cent of total expenditure in 2013/14 and increased at an average annual rate of 21.7 per cent from R84.7 million in 2010/11 to R152.8 million in 2013/14. This expenditure is attributed to the drive to capacitate the authority's pollution and safety programmes, as well as continued recruitment for other positions. In addition to skills development practitioners and other skilled employees, surveyors for inland waters are also being trained and employed. This is a relatively new area for the authority. Spending on compensation of employees is projected to grow at an average annual rate of 5.4 per cent over the MTEF period to R178.8 million in 2016/17 to make provision for inflationary adjustments.

The acquisition of assets increased significantly, at an average annual rate of 50.4 per cent between 2010/11 and 2013/14, when it amounted to R25.6 million. The authority's fixed assets have increased significantly due to the transfer of the SA Agulhas ship from the Department of Environmental Affairs to the Department of Transport at zero value. The ship was then recognised at fair value in the authority's books. As the ship's value depreciates over the medium term, the value of assets will drop at an average annual rate of 38.5 per cent. Since the Agulhas has a useful life of less than five years, significant amounts will be depreciated.

Over the MTEF period, a significant proportion of the authority's budget will be allocated towards skills development programmes such as the cadetship programme and the SA Agulhas training project. Partnerships are being developed with third parties such as the National Skills Fund and the Transport Education and Training Authority to support these projects. This spending contributes to advancing the maritime interest objective by expanding the skills base in the maritime sector.

Additional tables

Table 37.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	317 473	333 849	359 582	353 094	9 340	362 434	356 828
Integrated Transport Planning	88 542	118 492	103 480	80 632	(1 582)	79 050	70 838
Rail Transport	10 298 893	10 301 364	10 286 554	11 240 753	(905)	11 239 848	11 232 330
Road Transport	17 928 809	18 230 705	18 229 358	19 541 470	38 997	19 580 467	19 377 317
Civil Aviation	70 022	520 306	411 788	139 964	103 286	243 250	171 952
Maritime Transport	138 543	149 019	124 666	105 328	(963)	104 365	102 403
Public Transport	9 986 670	9 993 493	9 812 787	10 814 099	(21 846)	10 792 253	10 568 233
Total	38 828 952	39 647 228	39 328 215	42 275 340	126 327	42 401 667	41 879 901
Economic classification							
Current payments	848 083	1 692 489	1 512 761	916 966	130 668	1 047 634	949 888
Compensation of employees	316 129	319 259	287 767	360 126	(15 916)	344 210	337 548
Goods and services	531 954	1 373 230	1 224 994	556 840	146 584	703 424	612 340
Transfers and subsidies	37 976 514	37 948 384	37 802 885	41 353 778	(6 744)	41 347 034	40 923 014
Provinces and municipalities	17 324 512	17 324 512	17 220 810	18 850 917	41 565	18 892 482	18 692 482
Departmental agencies and accounts	9 895 405	9 896 405	9 910 198	10 782 817	–	10 782 817	10 782 817
Higher education institutions	9 648	9 648	9 406	10 179	–	10 179	10 179
Foreign governments and international organisations	6 032	9 132	8 693	9 525	–	9 525	9 525
Public corporations and private enterprises	10 227 905	10 227 905	10 227 905	11 159 113	–	11 159 113	11 159 113
Non-profit institutions	17 827	17 827	17 827	18 807	–	18 807	18 807
Households	495 185	462 955	408 046	522 420	(48 309)	474 111	250 091
Payments for capital assets	4 355	6 355	7 611	4 596	2 403	6 999	6 999
Machinery and equipment	4 355	6 355	7 611	4 596	2 403	6 999	6 999
Payments for financial assets	–	–	4 958	–	–	–	–
Total	38 828 952	39 647 228	39 328 215	42 275 340	126 327	42 401 667	41 879 901

Table 37.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	250 758	274 462	287 767	344 210	383 381	406 468	433 294
Training expenditure (R thousand)	5 384	4 396	5 236	4 137	4 366	4 610	4 854
Training spend as percentage of compensation	2.1%	1.6%	1.8%	1.2%	1.1%	1.1%	1.1%
Total number trained (headcount)	373	478	397	285			
<i>of which:</i>							
Employees receiving bursaries (headcount)	93	104	120	106			
Internships (headcount)	58	43	50	42			
Households receiving bursaries (R thousand)	8 669	9 189	9 648	10 179	10 790	11 286	11 884
Households receiving bursaries (headcount)	479	467	538	768			

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Conditional grants to provinces							
Rail Transport							
Gautrain rapid rail link	438 360	5 300	–	–	–	–	–
Road Transport							
Overload control grant	11 038	–	–	–	–	–	–
Provincial roads maintenance grant: Roads maintenance	4 080 104	5 872 354	6 828 533	7 519 488	7 956 245	8 933 980	9 407 481
Provincial roads maintenance grant: Disaster relief	–	240 000	489 912	409 387	602 251	178 350	–
Provincial roads maintenance grant: Coal haulage road network maintenance	–	585 000	663 400	808 900	803 002	839 940	884 457
Public Transport							
Public transport operations grant	3 863 033	4 153 232	4 317 269	4 552 521	4 832 709	5 052 714	5 317 858
Total	8 392 535	10 855 886	12 299 114	13 290 296	14 194 207	15 004 984	15 609 796

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Conditional grants to municipalities							
Road Transport							
Rural roads asset management systems grant	10 400	35 439	37 295	52 205	75 223	97 763	102 944
Public Transport							
Public transport infrastructure grant	3 699 462	4 611 647	4 884 401	4 668 676	4 968 029	5 097 881	5 104 052
Public transport network operations grant	-	-	-	881 305	902 817	1 043 024	1 362 321
Total	3 709 862	4 647 086	4 921 696	5 602 186	5 946 069	6 238 668	6 569 317

Table 37.D Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2013/14	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
R thousand										
Infrastructure transfers to other spheres, agencies and departments										
South African National Roads Agency	Development and upkeep of national road network	Various	-	4 065 177	11 477 348	6 602 595	7 043 451	8 180 798	8 545 671	8 998 592
Passenger Rail Agency of South Africa	Passenger rail infrastructure maintenance and rehabilitation	Construction	-	5 110 273	6 134 768	6 701 106	7 481 110	10 710 958	9 681 547	10 194 669
Gautrain rapid rail link	National contribution for construction of Gautrain rapid rail link	Hand over	12 951 484	438 360	5 300	-	-	-	-	-
Public transport infrastructure grant	Public transport infrastructure and systems for municipalities	Various	-	3 699 462	4 611 647	4 884 401	4 668 676	5 126 029	5 278 881	5 558 662
Passenger Rail Agency of South Africa: Public transport infrastructure grant	Improved railway stations	Hand over	-	500 000	-	-	-	-	-	-
Provincial roads maintenance grant	Maintenance of provincial road infrastructure	Various	-	4 080 104	5 872 354	6 828 533	7 519 488	9 361 498	9 952 270	10 291 939
Passenger Rail Agency of South Africa: New rolling stock	New rolling stock	Various	-	-	-	-	-	348 000	4 522 000	4 815 752
Passenger Rail Agency of South Africa: Public transport infrastructure grant	Purchase of buses	Handed over	-	797 000	-	-	-	-	-	-
Overload control grant	Overload control	Hand over	-	11 038	-	-	-	-	-	-
Total			12 951 484	18 701 414	28 101 417	25 016 635	26 712 725	33 727 283	37 980 369	39 859 614



BUDGET 2014
ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

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REPUBLIC OF SOUTH AFRICA