



**VOTE  
35**

**TRANSPORT**



# **BUDGET 2017**

**ESTIMATES  
OF NATIONAL  
EXPENDITURE**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**





# **Estimates of National Expenditure 2017**

**National Treasury**

**Republic of South Africa**

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The Estimates of National Expenditure 2017 is 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](http://www.treasury.gov.za). Compared to the Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

# Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



**Lungisa Fuzile**  
**Director-General: National Treasury**



# Introduction

## **The Estimates of National Expenditure publications**

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za) and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.





# **Transport**

**National Treasury  
Republic of South Africa**



# Contents

|   |           |
|---|-----------|
| <b>Budget summary .....</b>   | <b>1</b>  |
| <b>Vote purpose.....</b>  | <b>1</b>  |
| <b>Mandate .....</b>  | <b>1</b>  |
| <b>Selected performance indicators .....</b>                          | <b>1</b>  |
| <b>Expenditure analysis.....</b>                                      | <b>2</b>  |
| <b>Expenditure trends .....</b>                                       | <b>3</b>  |
| <b>Expenditure estimates .....</b>                                    | <b>4</b>  |
| <b>Goods and services expenditure trends and estimates .....</b>      | <b>5</b>  |
| <b>Transfers and subsidies expenditure trends and estimates .....</b> | <b>6</b>  |
| <b>Personnel information .....</b>                                    | <b>7</b>  |
| <b>Departmental receipts .....</b>                                    | <b>8</b>  |
| <b>Programme 1: Administration .....</b>                              | <b>8</b>  |
| <b>Programme 2: Integrated Transport Planning .....</b>               | <b>10</b> |
| <b>Programme 3: Rail Transport .....</b>                              | <b>11</b> |
| <b>Programme 4: Road Transport.....</b>                               | <b>14</b> |
| <b>Programme 5: Civil Aviation.....</b>                               | <b>16</b> |
| <b>Programme 6: Maritime Transport.....</b>                           | <b>18</b> |
| <b>Programme 7: Public Transport.....</b>                             | <b>20</b> |
| <b>Entities.....</b>  | <b>22</b> |
| <b>Additional tables.....</b>   | <b>55</b> |

# Vote 35

## Transport

### Budget summary

|  | 2017/18                       |                  |                         |                             | 2018/19         | 2019/20         |
|--|-------------------------------|------------------|-------------------------|-----------------------------|-----------------|-----------------|
|  | Total                         | Current payments | Transfers and subsidies | Payments for capital assets | Total           | Total           |
| R million  |                               |                  |                         |                             |                 |                 |
| <b>MTEF allocation</b>                                 |                               |                  |                         |                             |                 |                 |
| Administration   | 406.9                         | 392.6            | 11.8                    | 2.5                         | 427.2           | 455.9           |
| Integrated Transport Planning                          | 81.7                          | 81.5             | –                       | 0.2                         | 86.0            | 91.8            |
| Rail Transport   | 19 320.3                      | 44.2             | 19 276.0                | 0.1                         | 21 217.3        | 22 350.5        |
| Road Transport   | 27 128.6                      | 105.8            | 27 022.0                | 0.7                         | 29 621.6        | 31 271.4        |
| Civil Aviation   | 169.9                         | 115.7            | 53.7                    | 0.4                         | 178.7           | 189.2           |
| Maritime Transport                                     | 119.7                         | 95.0             | 24.4                    | 0.3                         | 124.8           | 137.0           |
| Public Transport                                       | 12 568.3                      | 275.3            | 12 292.8                | 0.2                         | 13 294.7        | 14 050.0        |
| <b>Subtotal</b>  | <b>59 795.2</b>               | <b>1 110.0</b>   | <b>58 680.7</b>         | <b>4.5</b>                  | <b>64 950.2</b> | <b>68 545.9</b> |
| <b>Direct charge against the National Revenue Fund</b> |                               |                  |                         |                             |                 |                 |
| International Oil Pollution Compensation Fund          | 10.0                          | –                | 10.0                    | –                           | 10.2            | 10.4            |
| <b>Total expenditure estimates</b>                     | <b>59 805.2</b>               | <b>1 110.0</b>   | <b>58 690.7</b>         | <b>4.5</b>                  | <b>64 960.4</b> | <b>68 556.3</b> |
| 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](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate.

### Vote purpose

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 spheres of government with regards to airports, road infrastructure, rail, maritime, road traffic management and public transport. Transport is a function that is legislated and executed at the national, provincial and local government levels. The implementation of transport functions at the national level takes place through public entities that are overseen by the department, each with a specific delivery mandate, as specified in legislation establishing these entities.

The 1996 White Paper on Transport defines the infrastructure and operations of rail, pipelines, roads, airports, harbours, and the intermodal operations of public transport and freight. The Department of Transport is responsible for the legislation and policies for all these sub-sectors.

The department is therefore responsible for conducting sector research, formulating legislation and policy to set the strategic direction of sub-sectors, assigning responsibilities to public entities and other spheres of government, regulating through setting norms and standards, and monitoring implementation.

### Selected performance indicators

**Table 35.1 Performance indicators by programme and related outcome**

| Indicator  | Programme      | Outcome   | Past                      |                         |                           | Current                   | Projections             |                         |                         |
|--|----------------|---|---------------------------|-------------------------|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
|  |                |   | 2013/14                   | 2014/15                 | 2015/16                   | 2016/17                   | 2017/18                 | 2018/19                 | 2019/20                 |
| Lane kilometres of surfaced roads rehabilitated per year                             | Road Transport | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 392 km                    | 1 650 km                | 1 937 km                  | 2 360 km                  | 1 500 km                | 1 600 km                | 1 700 km                |
| Lane kilometres of roads resealed per year   | Road Transport |   | – <sup>1</sup>            | 3 000 km                | 2 438 km                  | 3 799 km                  | 4 000 km                | 4 300 km                | 4 700 km                |
| Kilometres of roads re-gravelled per year  | Road Transport |   | 3 692 km                  | 3 000 km                | 4 560 km                  | 4 534 km                  | 5 300 km                | 5 800 km                | 5 900 km                |
| Square kilometres of blacktop patching on roads (including pothole repairs) per year | Road Transport |   | 1 050 988 km <sup>2</sup> | 810 000 km <sup>2</sup> | 1 497 281 km <sup>2</sup> | 1 221 968 km <sup>2</sup> | 900 000 km <sup>2</sup> | 900 000 km <sup>2</sup> | 900 000 km <sup>2</sup> |
| Kilometres of gravel roads bladed per year   | Road Transport |   | 512 040 km                | 350 000 km              | 381 867 km                | 533 052 km                | 460 000 km              | 485 000 km              | 500 000 km              |

**Table 35.1 Performance indicators by programme and related outcome**

| Indicator   | Programme        | Outcome   | Past           |                |                | Current | Projections |         |         |
|---|------------------|---|----------------|----------------|----------------|---------|-------------|---------|---------|
|   |                  |   | 2013/14        | 2014/15        | 2015/16        | 2016/17 | 2017/18     | 2018/19 | 2019/20 |
| Number of average weekday bus rapid transit passenger trips per year: Rea Vaya (Johannesburg) | Public Transport | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 32 845         | 36 649         | 50 000         | 60 000  | 70 000      | 100 000 | 120 000 |
| Total number of integrated public transport networks facilitated at the construction phase    | Public Transport |   | 3              | 4              | 11             | 12      | 13          | 13      | 13      |
| Number of average weekday bus rapid transit passenger trips per year: My Citi (Cape Town)     | Public Transport |   | 37 000         | 68 310         | 84 686         | 86 380  | 76 895      | 77 664  | 78 441  |
| Number of average weekday bus rapid transit passenger trips per year: GOGeorge (George)       | Public Transport |   | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> | 12 400  | 24 000      | 28 800  | 30 240  |
| Number of average weekday bus rapid transit passenger trips per year: A re Yeng (Pretoria)    | Public Transport |   | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> | 4 500   | 9 000       | 50 000  | 80 000  |

1. No historical data available.

## Expenditure analysis

Over the medium term, the Department of Transport will focus on improving mobility and access to social and economic activities by maintaining the provincial and national road networks, upgrading and maintaining rail infrastructure, and improving public transport for rail and road commuters. These activities contribute to the realisation of outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The department's total expenditure over the medium term will mainly be driven by transfers to public entities, provinces and municipalities for infrastructure spending, operations and maintenance. These transfers constitute 98.1 per cent of the department's budget over the medium term.

The department's budget is expected to increase at an average annual rate of 6.8 per cent in the period ahead, from R56.3 billion in 2016/17 to R68.6 billion in 2019/20. However, spending on goods and services is expected to decrease at an average annual rate of 1 per cent, from R751.8 million in 2016/17 to R729.1 million in 2019/20, due to reprioritisations to other transport spending priorities. These include: R15.9 million to support the operations of the Maritime and Aeronautical Rescue Coordination Centre; R19 million to strengthen the regulatory capacity of the Ports Regulator of South Africa; and R6 million to develop rail economic regulation capacity in the department in preparation for the establishment of the Single Transport Economic Regulator. As part of Cabinet's decision to lower the national aggregate expenditure ceiling, the budget for goods and services has been reduced by R49.6 million over the MTEF period.

The department's budget for compensation of employees has been capped at R450 million in 2017/18, R470 million in 2018/19 and R505.9 million in 2019/20 – reflecting an increase at an average annual rate of 5.4 per cent over the medium term.

### **Maintaining the national and provincial road network**

The department's allocations to the South African National Roads Agency allow it to strengthen and maintain the non-tolled national road network. This includes R4.8 billion for the upgrade of the R573 (Moloto Road), R29.6 billion for road rehabilitation, R13.9 billion for road operations and maintenance, and R1.5 billion for phase 1 of the Gauteng freeway improvement programme. Cabinet-approved budget reductions of R687.4 million to these transfers over the medium term are expected to delay upgrades and the strengthening of the non-toll network.

Given the significant backlogs in road maintenance, the *provincial roads maintenance grant* prioritises allocations based on road conditions, weather patterns and traffic. To reseal 13 000 lane kilometres and rehabilitate 4 800 kilometres of provincial roads, expenditure through the grant is expected to increase from R10.8 billion in 2016/17 to R12.2 billion in 2019/20.

### **Upgrading passenger rail infrastructure and services**

The Passenger Rail Agency of South Africa is in the process of modernising its rail services. This includes buying new rolling stock for the Metrorail commuter service and locomotives for the agency's long-distance mainline passenger service; and upgrading stations and infrastructure. Over the medium term, spending on rail infrastructure in the *Rail Transport* programme is expected to grow from R19 billion in 2016/17 to R22.4 billion in 2019/20 as

the agency acquires 70 new trains and continues to upgrade its signalling infrastructure and build depots. The first 18 trains are expected to be delivered by the end of 2017/18.

Although Cabinet approved a reduction of R1 billion on transfers to the agency over the medium term, R3 billion will be reprioritised over the period for the operations of the long-distance mainline passenger service, and R2.7 billion will be reprioritised for the renewal of rolling stock in 2019/20. Spending on Metrorail is expected to subsidise more than 484 million passenger trips per year in the period ahead, and spending on the mainline passenger service is expected to subsidise 2.3 million passengers over the medium term.

### Improving public transport systems

The *public transport network grant* funds the infrastructure and operations of integrated public transport networks in 13 cities across South Africa. Over the medium term, the grant is expected to increase at an average annual rate of 7.6 per cent, from R5.6 billion in 2016/17 to R7 billion in 2019/20, to support construction in the 13 cities and fund the indirect operating costs of services in Johannesburg, Tshwane, Cape Town and George. The number of weekday passenger trips on these networks in these four cities is expected to increase from 163 280 in 2016/17 to 308 681 in 2019/20. A Cabinet-approved reduction of R622.4 million in the grant will be made over the medium term, which is expected to result in capital programmes being delayed or taking longer to complete.

## Expenditure trends

**Table 35.2 Vote expenditure trends by programme and economic classification**

| Programmes   |                 |                        |                 |                 |                        |                 |                 |                        |                 |                 |                        |                  |                                    |   |
|--|-----------------|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|------------------------|------------------|------------------------------------|---|
| 1. Administration<br>2. Integrated Transport Planning<br>3. Rail Transport<br>4. Road Transport<br>5. Civil Aviation<br>6. Maritime Transport<br>7. Public Transport |                 |                        |                 |                 |                        |                 |                 |                        |                 |                 |                        |                  |                                    |   |
| Programme  | Annual budget   | Adjusted appropriation | Audited outcome | Annual budget   | Adjusted appropriation | Audited outcome | Annual budget   | Adjusted appropriation | Audited outcome | Annual budget   | Adjusted appropriation | Revised estimate | Average: Outcome/Annual budget (%) | Average: Outcome/Adjusted appropriation (%) |
| R million  | 2013/14         |                        |                 | 2014/15         |                        |                 | 2015/16         |                        |                 | 2016/17         |                        |                  | 2013/14 - 2016/17                  |   |
| Programme 1  | 353.1           | 362.4                  | 315.6           | 382.9           | 424.9                  | 377.5           | 383.5           | 383.5                  | 420.8           | 394.8           | 392.8                  | 392.8            | 99.5%                              | 96.4%                                       |
| Programme 2  | 80.6            | 79.1                   | 66.4            | 81.2            | 81.2                   | 75.0            | 80.6            | 88.1                   | 88.8            | 79.0            | 79.0                   | 79.0             | 96.2%                              | 94.4%                                       |
| Programme 3  | 11 240.8        | 11 239.8               | 11 232.8        | 15 034.6        | 15 034.6               | 15 035.5        | 18 311.4        | 18 311.4               | 18 305.3        | 18 985.5        | 18 985.5               | 18 985.5         | 100.0%                             | 100.0%                                      |
| Programme 4  | 19 541.5        | 19 580.5               | 20 665.6        | 21 645.3        | 21 645.3               | 22 202.9        | 22 784.9        | 23 042.7               | 22 889.2        | 24 525.6        | 24 799.1               | 24 799.1         | 102.3%                             | 101.7%                                      |
| Programme 5  | 140.0           | 243.3                  | 148.6           | 148.3           | 150.4                  | 161.0           | 149.5           | 149.5                  | 145.3           | 253.2           | 253.2                  | 253.2            | 102.5%                             | 88.9%                                       |
| Programme 6  | 105.3           | 104.4                  | 102.3           | 110.6           | 110.6                  | 99.6            | 110.0           | 121.1                  | 142.9           | 121.7           | 120.8                  | 120.8            | 104.0%                             | 101.9%                                      |
| Programme 7  | 10 814.1        | 10 792.3               | 10 505.6        | 11 323.8        | 11 323.8               | 11 195.7        | 11 537.4        | 11 518.9               | 11 328.6        | 11 655.4        | 11 655.4               | 11 655.4         | 98.6%                              | 98.7%                                       |
| <b>Subtotal</b>  | <b>42 275.3</b> | <b>42 401.7</b>        | <b>43 036.8</b> | <b>48 726.5</b> | <b>48 770.7</b>        | <b>49 147.1</b> | <b>53 357.3</b> | <b>53 615.1</b>        | <b>53 320.8</b> | <b>56 015.2</b> | <b>56 285.9</b>        | <b>56 285.9</b>  | <b>100.7%</b>                      | <b>100.4%</b>                               |
| Direct charge against the National Revenue Fund  | -               | -                      | -               | -               | -                      | -               | -               | -                      | -               | -               | 1.7                    | 1.7              | -                                  | 100.0%                                      |
| International Oil Pollution Compensation Fund  | -               | -                      | -               | -               | -                      | -               | -               | -                      | -               | -               | 1.7                    | 1.7              | -                                  | 100.0%                                      |
| <b>Total</b>   | <b>42 275.3</b> | <b>42 401.7</b>        | <b>43 036.8</b> | <b>48 726.5</b> | <b>48 770.7</b>        | <b>49 147.1</b> | <b>53 357.3</b> | <b>53 615.1</b>        | <b>53 320.8</b> | <b>56 015.2</b> | <b>56 287.6</b>        | <b>56 287.6</b>  | <b>100.7%</b>                      | <b>100.4%</b>                               |
| Change to 2016 Budget estimate   |                 |                        |                 |                 |                        |                 |                 |                        |                 |                 | 272.4                  |                  |                                    |   |

**Table 35.2 Vote expenditure trends by programme and economic classification**

| Table 6.02: Vote expenditure trends by programme and economic classification |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
|--|---------------|------------------------|-----------------|---------------|------------------------|-----------------|---------------|------------------------|-----------------|---------------|------------------------|------------------|------------------------------------|---|
| Programmes   |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
| 1. Administration  |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
| 2. Integrated Transport Planning   |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
| 3. Rail Transport  |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
| 4. Road Transport  |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
| 5. Civil Aviation  |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
| 6. Maritime Transport  |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
| 7. Public Transport  |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
| Economic classification  |               |                        |                 |               |                        |                 |               |                        |                 |               |                        |                  |                                    |   |
|  | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Audited outcome | Annual budget | Adjusted appropriation | Revised estimate | Average: Outcome/Annual budget (%) | Average: Outcome/Adjusted appropriation (%) |
| R million  | 2013/14       |                        |                 | 2014/15       |                        |                 | 2015/16       |                        |                 | 2016/17       |                        |                  | 2013/14 - 2016/17                  |   |
| Current payments   | 917.0         | 1 047.6                | 1 996.5         | 968.1         | 1 006.5                | 1 405.1         | 1 061.4       | 1 069.1                | 1 084.2         | 1 192.1       | 1 183.9                | 1 183.9          | 137.0%                             | 131.6%                                      |
| Compensation of employees  | 360.1         | 344.2                  | 304.4           | 383.4         | 382.9                  | 345.9           | 378.6         | 389.8                  | 382.9           | 437.1         | 432.1                  | 432.1            | 94.0%                              | 94.6%                                       |
| Goods and services   | 556.8         | 703.4                  | 1 692.2         | 584.7         | 623.6                  | 1 059.2         | 682.8         | 679.3                  | 701.4           | 754.9         | 751.8                  | 751.8            | 163.0%                             | 152.4%                                      |
| Transfers and subsidies  | 41 353.8      | 41 347.0               | 41 020.4        | 47 754.2      | 47 755.8               | 47 706.8        | 52 291.7      | 52 540.3               | 52 219.4        | 54 818.8      | 55 096.2               | 55 096.2         | 99.9%                              | 99.6%                                       |
| Provinces and municipalities   | 18 850.9      | 18 892.5               | 18 892.5        | 20 140.3      | 20 140.3               | 20 140.3        | 20 840.0      | 20 796.8               | 20 521.1        | 21 297.0      | 21 572.7               | 21 572.7         | 100.0%                             | 99.7%                                       |
| Departmental agencies and accounts   | 10 782.8      | 10 782.8               | 10 700.0        | 12 203.0      | 12 203.9               | 12 283.4        | 12 837.5      | 13 148.5               | 13 148.3        | 14 234.0      | 14 234.0               | 14 234.0         | –                                  | –   |
| Higher education institutions  | 10.2          | 10.2                   | 10.2            | 10.8          | 10.8                   | –               | 11.3          | –                      | –               | –             | –                      | –                | 31.6%                              | 48.5%                                       |
| Foreign governments and international organisations                          | 9.5           | 9.5                    | 7.9             | 10.1          | 10.1                   | 8.8             | 10.5          | 10.7                   | 46.8            | 11.2          | 12.9                   | 12.9             | 184.8%                             | 177.0%                                      |
| Public corporations and private enterprises                                  | 11 159.1      | 11 159.1               | 11 159.1        | 14 946.3      | 14 946.3               | 14 946.3        | 18 222.0      | 18 222.0               | 18 222.0        | 18 890.3      | 18 890.3               | 18 890.3         | 100.0%                             | 100.0%                                      |
| Non-profit institutions  | 18.8          | 18.8                   | 18.9            | 20.0          | 20.7                   | 19.8            | 21.7          | 21.7                   | 21.7            | 22.8          | 22.8                   | 22.8             | 99.8%                              | 99.0%                                       |
| Households   | 522.4         | 474.1                  | 231.8           | 423.8         | 423.8                  | 308.3           | 348.7         | 340.6                  | 259.4           | 363.6         | 363.6                  | 363.6            | 70.1%                              | 72.6%                                       |
| Payments for capital assets  | 4.6           | 7.0                    | 19.9            | 4.2           | 8.4                    | 35.0            | 4.1           | 5.7                    | 13.9            | 4.3           | 7.5                    | 7.5              | 441.3%                             | 266.3%                                      |
| Buildings and other fixed structures   | –             | –                      | 8.2             | –             | –                      | –               | –             | –                      | –               | –             | –                      | –                | –                                  | –   |
| Machinery and equipment  | 4.6           | 7.0                    | 11.7            | 4.2           | 8.4                    | 35.0            | 4.1           | 5.7                    | 10.5            | 4.3           | 7.5                    | 7.5              | 374.4%                             | 226.0%                                      |
| Software and other intangible assets   | –             | –                      | –               | –             | –                      | –               | –             | –                      | 3.4             | –             | –                      | –                | –                                  | –   |
| Payments for financial assets  | –             | –                      | 0.1             | –             | –                      | 0.3             | –             | –                      | 3.3             | –             | –                      | –                | –                                  | –   |
| Total  | 42 275.3      | 42 401.7               | 43 036.8        | 48 726.5      | 48 770.7               | 49 147.1        | 53 357.3      | 53 615.1               | 53 320.8        | 56 015.2      | 56 287.6               | 56 287.6         | 100.7%                             | 100.4%                                      |

## Expenditure estimates

**Table 35.3 Vote expenditure estimates by programme and economic classification**

Table 6.6: Vote expenditure estimates by programme and economic classification

| Programmes                                      |                  |                         |                                 |                                  |          |          |                         |                                 |
|---|------------------|-------------------------|---------------------------------|----------------------------------|----------|----------|-------------------------|---------------------------------|
| 1. Administration                               |                  |                         |                                 |                                  |          |          |                         |                                 |
| 2. Integrated Transport Planning                |                  |                         |                                 |                                  |          |          |                         |                                 |
| 3. Rail Transport                               |                  |                         |                                 |                                  |          |          |                         |                                 |
| 4. Road Transport                               |                  |                         |                                 |                                  |          |          |                         |                                 |
| 5. Civil Aviation                               |                  |                         |                                 |                                  |          |          |                         |                                 |
| 6. Maritime Transport                           |                  |                         |                                 |                                  |          |          |                         |                                 |
| 7. Public Transport                             |                  |                         |                                 |                                  |          |          |                         |                                 |
| Programme                                       | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |          |          | Average growth rate (%) | Average: Expenditure/ Total (%) |
| R million                                       | 2016/17          | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19  | 2019/20  | 2016/17 - 2019/20       |                                 |
| Programme 1                                     | 392.8            | 2.7%                    | 0.7%                            | 406.9                            | 427.2    | 455.9    | 5.1%                    | 0.7%                            |
| Programme 2                                     | 79.0             | –                       | 0.2%                            | 81.7                             | 86.0     | 91.8     | 5.2%                    | 0.1%                            |
| Programme 3                                     | 18 985.5         | 19.1%                   | 31.5%                           | 19 320.3                         | 21 217.3 | 22 350.5 | 5.6%                    | 32.8%                           |
| Programme 4                                     | 24 799.1         | 8.2%                    | 44.9%                           | 27 128.6                         | 29 621.6 | 31 271.4 | 8.0%                    | 45.2%                           |
| Programme 5                                     | 253.2            | 1.3%                    | 0.4%                            | 169.9                            | 178.7    | 189.2    | –9.3%                   | 0.3%                            |
| Programme 6                                     | 120.8            | 5.0%                    | 0.2%                            | 119.7                            | 124.8    | 137.0    | 4.3%                    | 0.2%                            |
| Programme 7                                     | 11 655.4         | 2.6%                    | 22.1%                           | 12 568.3                         | 13 294.7 | 14 050.0 | 6.4%                    | 20.7%                           |
| Subtotal  | 56 285.9         | 9.9%                    | 100.0%                          | 59 795.2                         | 64 950.2 | 68 545.9 | 6.8%                    | 100.0%                          |
| Direct charge against the National Revenue Fund | 1.7              | –                       | –                               | 10.0                             | 10.2     | 10.4     | 83.0%                   | –                               |
| International Oil Pollution Compensation Fund   | 1.7              | –                       | –                               | 10.0                             | 10.2     | 10.4     | 83.0%                   | –                               |
| Total   | 56 287.6         | 9.9%                    | 100.0%                          | 59 805.2                         | 64 960.4 | 68 556.3 | 6.8%                    | 100.0%                          |
| Change to 2016 Budget estimate                  |                  |                         |                                 | (1 295.5)                        | (492.9)  | (571.6)  |                         |                                 |

Table 35.3 Vote expenditure estimates by programme and economic classification

| Economic classification                             | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                 |                 | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------------|-------------------------|---------------------------------|----------------------------------|-----------------|-----------------|-------------------------|---------------------------------|
|   |                  |                         |                                 | 2017/18                          | 2018/19         | 2019/20         |                         |                                 |
| R million   | 2016/17          | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19         | 2019/20         | 2016/17 - 2019/20       |                                 |
| <b>Current payments</b>                             | <b>1 183.9</b>   | <b>4.2%</b>             | <b>2.8%</b>                     | <b>1 110.0</b>                   | <b>1 161.0</b>  | <b>1 235.0</b>  | <b>1.4%</b>             | <b>1.9%</b>                     |
| Compensation of employees                           | 432.1            | 7.9%                    | 0.7%                            | 450.0                            | 470.0           | 505.9           | 5.4%                    | 0.7%                            |
| Goods and services                                  | 751.8            | 2.2%                    | 2.1%                            | 660.0                            | 691.1           | 729.1           | -1.0%                   | 1.1%                            |
| <b>Transfers and subsidies</b>                      | <b>55 096.2</b>  | <b>10.0%</b>            | <b>97.2%</b>                    | <b>58 690.7</b>                  | <b>63 794.6</b> | <b>67 316.3</b> | <b>6.9%</b>             | <b>98.1%</b>                    |
| Provinces and municipalities                        | 21 572.7         | 4.5%                    | 40.2%                           | 22 743.4                         | 24 222.2        | 25 589.6        | 5.9%                    | 37.7%                           |
| Departmental agencies and accounts                  | 14 234.0         | 9.7%                    | 25.0%                           | 16 279.5                         | 17 987.2        | 18 989.0        | 10.1%                   | 27.0%                           |
| Foreign governments and international organisations | 12.9             | 10.5%                   | –                               | 27.7                             | 28.6            | 29.5            | 31.9%                   | –                               |
| Public corporations and private enterprises         | 18 890.3         | 19.2%                   | 31.3%                           | 19 216.4                         | 21 108.5        | 22 235.0        | 5.6%                    | 32.6%                           |
| Non-profit institutions                             | 22.8             | 6.7%                    | –                               | 24.0                             | 25.3            | 26.8            | 5.5%                    | –                               |
| Households  | 363.6            | -8.5%                   | 0.6%                            | 399.7                            | 422.8           | 446.5           | 7.1%                    | 0.7%                            |
| <b>Payments for capital assets</b>                  | <b>7.5</b>       | <b>2.3%</b>             | <b>–</b>                        | <b>4.5</b>                       | <b>4.7</b>      | <b>5.0</b>      | <b>-12.6%</b>           | <b>–</b>                        |
| Machinery and equipment                             | 7.5              | 2.3%                    | –                               | 4.5                              | 4.7             | 5.0             | -12.6%                  | –                               |
| <b>Total</b>  | <b>56 287.6</b>  | <b>9.9%</b>             | <b>100.0%</b>                   | <b>59 805.2</b>                  | <b>64 960.4</b> | <b>68 556.3</b> | <b>6.8%</b>             | <b>100.0%</b>                   |

## Goods and services expenditure trends and estimates

Table 35.4 Vote goods and services expenditure trends and estimates

|   | Audited outcome  |                  |                | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------------|------------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
|   | 2013/14          | 2014/15          | 2015/16        |                        |                         |                                 | 2017/18                          | 2018/19        | 2019/20        |                         |                                 |
| R thousand  | 2013/14          | 2014/15          | 2015/16        | 2016/17                | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19        | 2019/20        | 2016/17 - 2019/20       |                                 |
| Administrative fees                                   | 3 231            | 1 281            | 3 853          | 2 622                  | -6.7%                   | 0.3%                            | 2 790                            | 2 953          | 3 141          | 6.2%                    | 0.4%                            |
| Advertising   | 26 108           | 34 418           | 23 871         | 23 652                 | -3.2%                   | 2.6%                            | 23 058                           | 23 769         | 25 127         | 2.0%                    | 3.4%                            |
| Minor assets  | 1 757            | 1 820            | 1 515          | 2 968                  | 19.1%                   | 0.2%                            | 2 533                            | 2 660          | 2 810          | -1.8%                   | 0.4%                            |
| Audit costs: External                                 | 7 315            | 5 429            | 5 468          | 10 004                 | 11.0%                   | 0.7%                            | 10 699                           | 11 349         | 12 076         | 6.5%                    | 1.6%                            |
| Bursaries: Employees                                  | 1 768            | 1 226            | 1 517          | 2 493                  | 12.1%                   | 0.2%                            | 2 662                            | 2 825          | 3 007          | 6.4%                    | 0.4%                            |
| Catering: Departmental activities                     | 1 292            | 1 744            | 3 460          | 3 153                  | 34.6%                   | 0.2%                            | 4 811                            | 5 032          | 5 318          | 19.0%                   | 0.6%                            |
| Communication   | 60 693           | 60 471           | 54 439         | 164 541                | 39.4%                   | 8.1%                            | 67 735                           | 70 967         | 74 938         | -23.1%                  | 13.4%                           |
| Computer services                                     | 12 933           | 7 937            | 13 069         | 9 839                  | -8.7%                   | 1.0%                            | 12 229                           | 12 953         | 13 770         | 11.9%                   | 1.7%                            |
| Consultants: Business and advisory services           | 1 385 468        | 718 486          | 354 079        | 329 730                | -38.0%                  | 66.3%                           | 305 549                          | 319 015        | 335 705        | 0.6%                    | 45.6%                           |
| Infrastructure and planning services                  | 46 079           | –                | –              | 48 119                 | 1.5%                    | 2.2%                            | 51 754                           | 54 127         | 57 093         | 5.9%                    | 7.5%                            |
| Legal services  | 4 170            | 8 983            | 9 950          | 5 349                  | 8.7%                    | 0.7%                            | 10 916                           | 11 583         | 12 323         | 32.1%                   | 1.4%                            |
| Contractors   | 2 520            | 2 553            | 3 351          | 2 641                  | 1.6%                    | 0.3%                            | 1 948                            | 2 061          | 2 191          | -6.0%                   | 0.3%                            |
| Agency and support/outsourced services                | 744              | 1 372            | 898            | 1 160                  | 16.0%                   | 0.1%                            | 560                              | 594            | 633            | -18.3%                  | 0.1%                            |
| Entertainment   | 215              | 429              | 307            | 720                    | 49.6%                   | –                               | 769                              | 816            | 869            | 6.5%                    | 0.1%                            |
| Inventory: Clothing material and accessories          | –                | 36               | 1              | –                      | –                       | –                               | –                                | –              | –              | –                       | –                               |
| Inventory: Materials and supplies                     | –                | –                | –              | 5                      | –                       | –                               | –                                | –              | –              | -100.0%                 | –                               |
| Inventory: Other supplies                             | –                | –                | –              | 40                     | –                       | –                               | –                                | –              | –              | -100.0%                 | –                               |
| Consumable supplies                                   | 2 583            | 1 027            | 541            | 987                    | -27.4%                  | 0.1%                            | 996                              | 1 046          | 1 108          | 3.9%                    | 0.1%                            |
| Consumables: Stationery, printing and office supplies | 8 393            | 4 895            | 5 467          | 5 437                  | -13.5%                  | 0.6%                            | 6 531                            | 6 853          | 7 249          | 10.1%                   | 0.9%                            |
| Operating leases                                      | 38 603           | 55 123           | 67 045         | 52 195                 | 10.6%                   | 5.1%                            | 54 262                           | 57 393         | 60 607         | 5.1%                    | 7.9%                            |
| Property payments                                     | 5 116            | 4 787            | 5 380          | 5 762                  | 4.0%                    | 0.5%                            | 6 397                            | 6 783          | 7 216          | 7.8%                    | 0.9%                            |
| Transport provided: Departmental activity             | –                | 45 356           | 39 127         | –                      | –                       | 2.0%                            | –                                | –              | –              | –                       | –                               |
| Travel and subsistence                                | 57 619           | 67 031           | 82 251         | 59 483                 | 1.1%                    | 6.3%                            | 71 745                           | 75 154         | 79 447         | 10.1%                   | 10.1%                           |
| Training and development                              | 2 835            | 4 004            | 4 975          | 7 662                  | 39.3%                   | 0.5%                            | 8 626                            | 9 104          | 9 654          | 8.0%                    | 1.2%                            |
| Operating payments                                    | 2 223            | 21 973           | 5 505          | 4 401                  | 25.6%                   | 0.8%                            | 4 503                            | 4 716          | 4 993          | 4.3%                    | 0.7%                            |
| Venues and facilities                                 | 20 502           | 8 774            | 15 282         | 8 793                  | -24.6%                  | 1.3%                            | 8 942                            | 9 334          | 9 854          | 3.9%                    | 1.3%                            |
| <b>Total</b>  | <b>1 692 167</b> | <b>1 059 155</b> | <b>701 351</b> | <b>751 756</b>         | <b>-23.7%</b>           | <b>100.0%</b>                   | <b>660 015</b>                   | <b>691 087</b> | <b>729 129</b> | <b>-1.0%</b>            | <b>100.0%</b>                   |

## Transfers and subsidies expenditure trends and estimates

Table 35.5 Vote transfers and subsidies trends and estimates

|   | Audited outcome  |                  |                  | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------------|------------------|------------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
|   | 2013/14          | 2014/15          | 2015/16          |                        |                         |                                 | 2017/18                          | 2018/19           | 2019/20           |                         |                                 |
| R thousand  |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Provinces and municipalities</b>   |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Provincial revenue funds</b>   |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>  | <b>4 552 521</b> | <b>4 832 709</b> | <b>4 939 448</b> | <b>5 400 292</b>       | <b>5.9%</b>             | <b>10.1%</b>                    | <b>5 722 871</b>                 | <b>5 990 298</b>  | <b>6 325 755</b>  | <b>5.4%</b>             | <b>9.6%</b>                     |
| Public transport operations grant   | 4 552 521        | 4 832 709        | 4 939 448        | 5 400 292              | 5.9%                    | 10.1%                           | 5 722 871                        | 5 990 298         | 6 325 755         | 5.4%                    | 9.6%                            |
| <b>Capital</b>  | <b>8 737 775</b> | <b>9 361 498</b> | <b>9 531 744</b> | <b>10 478 194</b>      | <b>6.2%</b>             | <b>19.4%</b>                    | <b>10 753 664</b>                | <b>11 535 668</b> | <b>12 181 665</b> | <b>5.1%</b>             | <b>18.4%</b>                    |
| Provincial roads maintenance grant: Roads in support of electricity generation infrastructure component | 808 900          | 803 002          | 830 000          | 801 000                | -0.3%                   | 1.7%                            | 782 000                          | —                 | —                 | -100.0%                 | 0.5%                            |
| Provincial roads maintenance grant: Roads maintenance component   | 7 519 488        | 7 956 245        | 8 221 154        | 9 379 071              | 7.6%                    | 16.9%                           | 10 001 664                       | 11 325 668        | 12 181 665        | 9.1%                    | 17.5%                           |
| Provincial roads maintenance grant: Disaster relief component   | 409 387          | 602 251          | 480 590          | 298 123                | -10.0%                  | 0.9%                            | 270 000                          | 210 000           | —                 | -100.0%                 | 0.3%                            |
| <b>Provinces and municipalities</b>   |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Municipal bank accounts</b>  |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>  | <b>52 205</b>    | <b>75 223</b>    | <b>96 842</b>    | <b>101 514</b>         | <b>24.8%</b>            | <b>0.2%</b>                     | <b>107 309</b>                   | <b>113 533</b>    | <b>119 891</b>    | <b>5.7%</b>             | <b>0.2%</b>                     |
| Rural roads asset management systems grant  | 52 205           | 75 223           | 96 842           | 101 514                | 24.8%                   | 0.2%                            | 107 309                          | 113 533           | 119 891           | 5.7%                    | 0.2%                            |
| <b>Capital</b>  | <b>5 549 981</b> | <b>5 870 846</b> | <b>5 953 090</b> | <b>5 592 691</b>       | <b>0.3%</b>             | <b>11.7%</b>                    | <b>6 159 559</b>                 | <b>6 582 669</b>  | <b>6 962 248</b>  | <b>7.6%</b>             | <b>10.3%</b>                    |
| Public transport network grant  | 5 549 981        | 5 870 846        | 5 953 090        | 5 592 691              | 0.3%                    | 11.7%                           | 6 159 559                        | 6 582 669         | 6 962 248         | 7.6%                    | 10.3%                           |
| <b>Departmental agencies and accounts</b>   |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Departmental agencies (non-business entities)</b>  |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>  | <b>3 656 594</b> | <b>4 102 565</b> | <b>4 557 440</b> | <b>4 904 545</b>       | <b>10.3%</b>            | <b>8.8%</b>                     | <b>5 167 152</b>                 | <b>5 481 778</b>  | <b>5 806 041</b>  | <b>5.8%</b>             | <b>8.7%</b>                     |
| Transport Education and Training Authority  | 919              | 978              | 881              | 1 105                  | 6.3%                    | —                               | 1 161                            | 1 228             | 1 297             | 5.5%                    | —                               |
| Railway Safety Regulator  | 46 513           | 51 504           | 53 379           | 55 987                 | 6.4%                    | 0.1%                            | 59 564                           | 63 018            | 66 547            | 5.9%                    | 0.1%                            |
| Road Traffic Management Corporation   | 83 473           | 259 481          | 184 104          | 193 862                | 32.4%                   | 0.4%                            | 198 555                          | 215 361           | 227 421           | 5.5%                    | 0.3%                            |
| South African National Roads Agency: Gauteng freeway improvement project                                | —                | —                | 301 000          | 425 100                | —                       | 0.4%                            | 463 359                          | 505 061           | 550 516           | 9.0%                    | 0.8%                            |
| South African National Roads Agency   | 3 453 733        | 3 736 149        | 3 951 623        | 4 161 060              | 6.4%                    | 7.8%                            | 4 369 112                        | 4 622 520         | 4 881 381         | 5.5%                    | 7.4%                            |
| Road Traffic Infringement Agency  | 25 000           | 11 475           | 11 497           | 10 093                 | -26.1%                  | —                               | 17 696                           | 11 722            | 7 770             | -8.3%                   | —                               |
| South African Civil Aviation Authority  | 18 155           | 19 239           | 20 124           | 21 191                 | 5.3%                    | —                               | 22 251                           | 23 542            | 24 860            | 5.5%                    | —                               |
| South African Maritime Safety Authority   | 12 901           | 6 887            | 7 205            | 7 586                  | -16.2%                  | —                               | 12 965                           | 13 707            | 14 475            | 24.0%                   | —                               |
| Ports Regulator of South Africa   | 15 900           | 16 852           | 27 627           | 28 561                 | 21.6%                   | —                               | 22 489                           | 25 619            | 31 774            | 3.6%                    | —                               |
| <b>Capital</b>  | <b>7 043 451</b> | <b>8 180 798</b> | <b>8 590 865</b> | <b>9 329 426</b>       | <b>9.8%</b>             | <b>16.9%</b>                    | <b>11 112 352</b>                | <b>12 505 401</b> | <b>13 182 931</b> | <b>12.2%</b>            | <b>18.8%</b>                    |
| South African National Roads Agency: Non-toll network   | 6 448 616        | 7 515 300        | 7 721 054        | 7 935 587              | 7.2%                    | 15.1%                           | 9 063 668                        | 9 884 293         | 10 648 218        | 10.3%                   | 15.3%                           |
| South African National Roads Agency: Coal haulage road network  | 594 835          | 665 498          | 696 111          | 733 005                | 7.2%                    | 1.4%                            | 769 655                          | 814 295           | 842 723           | 4.8%                    | 1.3%                            |
| South African National Roads Agency: Moloto road upgrade  | —                | —                | 155 500          | 660 834                | —                       | 0.4%                            | 1 279 029                        | 1 806 813         | 1 691 990         | 36.8%                   | 2.2%                            |
| South African National Roads Agency: Botswana river crossing  | —                | —                | 18 200           | —                      | —                       | —                               | —                                | —                 | —                 | —                       | —                               |
| <b>Higher education institutions</b>  |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>  | <b>10 179</b>    | <b>—</b>         | <b>—</b>         | <b>—</b>               | <b>-100.0%</b>          | <b>—</b>                        | <b>—</b>                         | <b>—</b>          | <b>—</b>          | <b>—</b>                | <b>—</b>                        |
| Universities of Pretoria, KwaZulu-Natal and Stellenbosch  | 10 179           | —                | —                | —                      | -100.0%                 | —                               | —                                | —                 | —                 | —                       | —                               |
| <b>Foreign governments and international organisations</b>  |                  |                  |                  |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>  | <b>7 900</b>     | <b>8 783</b>     | <b>46 824</b>    | <b>12 864</b>          | <b>17.6%</b>            | <b>—</b>                        | <b>27 719</b>                    | <b>28 596</b>     | <b>29 514</b>     | <b>31.9%</b>            | <b>—</b>                        |
| African Civil Aviation Commission   | 3 773            | 3 915            | 4 862            | 4 744                  | 7.9%                    | —                               | 4 980                            | 5 269             | 5 564             | 5.5%                    | —                               |
| International Civil Aviation Organisation   | 3 476            | 3 690            | 4 027            | 4 098                  | 5.6%                    | —                               | 4 303                            | 4 553             | 4 808             | 5.5%                    | —                               |
| International Maritime Organisation   | 4                | 496              | 568              | 1 458                  | 614.3%                  | —                               | 1 531                            | 1 620             | 1 711             | 5.5%                    | —                               |
| Cospas-Sarsat search and rescue satellite programme   | 405              | 403              | 411              | 482                    | 6.0%                    | —                               | 507                              | 536               | 566               | 5.5%                    | —                               |
| Southern African Development Community: International Civil Aviation Organisation Mission               | —                | —                | —                | 60                     | —                       | —                               | 60                               | 60                | 64                | 2.2%                    | —                               |
| SADC Aviation Safety Organisation   | —                | —                | —                | —                      | —                       | —                               | 6 000                            | 6 000             | 6 000             | —                       | —                               |
| Indian Ocean Memorandum of Understanding  | 242              | 279              | 320              | 322                    | 10.0%                   | —                               | 338                              | 358               | 377               | 5.4%                    | —                               |
| International Oil Pollution Compensation Fund   | —                | —                | 36 636           | —                      | —                       | —                               | —                                | —                 | —                 | —                       | —                               |
| Direct charge: International Oil Pollution Compensation Fund  | —                | —                | —                | 1 700                  | —                       | —                               | 10 000                           | 10 200            | 10 424            | 83.0%                   | —                               |



Table 35.5 Vote transfers and subsidies trends and estimates

|  |                   |                   |                   | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) |                                  |                   |                   | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
| Audited outcome  |                   |                   |                   |                        |                         |                                 | Medium-term expenditure estimate |                   |                   |                         |                                 |
| R thousand   | 2013/14           | 2014/15           | 2015/16           | 2016/17                | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19           | 2019/20           | 2016/17 - 2019/20       |                                 |
| <b>Public corporations and private enterprises</b>   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Subsidies on products and production (pc)</b>   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>   | <b>4 328 003</b>  | <b>3 887 342</b>  | <b>4 066 160</b>  | <b>4 281 666</b>       | <b>-0.4%</b>            | <b>8.4%</b>                     | <b>5 495 749</b>                 | <b>5 756 503</b>  | <b>6 022 867</b>  | <b>12.0%</b>            | <b>8.8%</b>                     |
| Passenger Rail Agency of South Africa: Metrorail (operations)                                | 3 678 003         | 3 458 925         | 3 618 036         | 3 809 769              | 1.2%                    | 7.4%                            | 4 000 183                        | 4 232 194         | 4 469 197         | 5.5%                    | 6.7%                            |
| Passenger Rail Agency of South Africa: Mainline passenger services (operations)              | 650 000           | 428 417           | 448 124           | 471 897                | -10.1%                  | 1.0%                            | 1 495 566                        | 1 524 309         | 1 553 670         | 48.8%                   | 2.1%                            |
| <b>Public corporations and private enterprises</b>   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Other transfers to public corporations</b>  |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Capital</b>   | <b>6 831 110</b>  | <b>11 058 959</b> | <b>14 155 887</b> | <b>14 608 601</b>      | <b>28.8%</b>            | <b>23.8%</b>                    | <b>13 720 669</b>                | <b>15 351 980</b> | <b>16 212 092</b> | <b>3.5%</b>             | <b>24.5%</b>                    |
| Passenger Rail Agency of South Africa: Other capital programmes                              | 4 851 197         | 3 906 624         | 8 234 603         | 7 206 878              | 14.1%                   | 12.3%                           | 5 875 403                        | 7 051 689         | 4 762 103         | -12.9%                  | 10.2%                           |
| Passenger Rail Agency of South Africa: Rolling stock fleet renewal programme                 | –                 | 5 699 959         | 2 560 508         | 4 170 266              | –                       | 6.3%                            | 4 420 482                        | 4 676 870         | 7 623 656         | 22.3%                   | 8.5%                            |
| Passenger Rail Agency of South Africa: Signalling  | 1 105 180         | 810 711           | 1 875 973         | 1 844 184              | 18.6%                   | 2.9%                            | 1 912 835                        | 2 023 779         | 2 137 111         | 5.0%                    | 3.2%                            |
| Passenger Rail Agency of South Africa: Metrorail (refurbishment of coaches)                  | 746 699           | 547 745           | 1 267 474         | 1 283 523              | 19.8%                   | 2.0%                            | 1 360 534                        | 1 439 445         | 1 520 054         | 5.8%                    | 2.3%                            |
| Passenger Rail Agency of South Africa: Mainline passenger service (refurbishment of coaches) | 128 034           | 93 920            | 217 329           | 103 750                | -6.8%                   | 0.3%                            | 151 415                          | 160 197           | 169 168           | 17.7%                   | 0.2%                            |
| <b>Non-profit institutions</b>   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>   | <b>18 880</b>     | <b>19 808</b>     | <b>21 669</b>     | <b>22 816</b>          | <b>6.5%</b>             | <b>–</b>                        | <b>23 957</b>                    | <b>25 347</b>     | <b>26 766</b>     | <b>5.5%</b>             | <b>–</b>                        |
| National Sea Rescue Institute  | 1 223             | 2 000             | 2 095             | 2 205                  | 21.7%                   | –                               | 2 316                            | 2 451             | 2 589             | 5.5%                    | –                               |
| National Emergency Communications  | 73                | 77                | 80                | 84                     | 4.8%                    | –                               | 88                               | 93                | 98                | 5.3%                    | –                               |
| Division of the South African Radio League   | –                 | –                 | –                 | –                      | –                       | –                               | –                                | –                 | –                 | –                       | –                               |
| Mountain Club of South Africa  | 73                | 77                | 80                | 84                     | 4.8%                    | –                               | 88                               | 93                | 98                | 5.3%                    | –                               |
| Off Road Rescue Unit   | 73                | 77                | 80                | 84                     | 4.8%                    | –                               | 88                               | 93                | 98                | 5.3%                    | –                               |
| K9 Search and Rescue Association of South Africa   | 73                | 77                | 80                | 84                     | 4.8%                    | –                               | 88                               | 93                | 98                | 5.3%                    | –                               |
| South African National Taxi Council  | 17 365            | 17 500            | 19 254            | 20 275                 | 5.3%                    | –                               | 21 289                           | 22 524            | 23 785            | 5.5%                    | –                               |
| <b>Households</b>  |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Social benefits</b>   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>   | <b>883</b>        | <b>691</b>        | <b>1 200</b>      | <b>178</b>             | <b>-41.4%</b>           | <b>–</b>                        | <b>187</b>                       | <b>198</b>        | <b>210</b>        | <b>5.7%</b>             | <b>–</b>                        |
| Employee social benefits   | 883               | 691               | 1200              | 178                    | -41.4%                  | –                               | 187                              | 198               | 210               | 5.7%                    | –                               |
| <b>Households</b>  |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Other transfers to households</b>   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>   | <b>230 897</b>    | <b>307 577</b>    | <b>258 210</b>    | <b>363 381</b>         | <b>16.3%</b>            | <b>0.6%</b>                     | <b>399 475</b>                   | <b>422 645</b>    | <b>446 314</b>    | <b>7.1%</b>             | <b>0.7%</b>                     |
| Bursaries to non-employees   | –                 | 7 514             | 9 808             | 9 939                  | –                       | –                               | 10 434                           | 11 040            | 11 659            | 5.5%                    | –                               |
| Taxi recapitalisation  | 230 897           | 300 063           | 248 402           | 353 442                | 15.2%                   | 0.6%                            | 389 041                          | 411 605           | 434 655           | 7.1%                    | 0.6%                            |
| <b>Total</b>   | <b>41 020 379</b> | <b>47 706 799</b> | <b>52 219 379</b> | <b>55 096 168</b>      | <b>10.3%</b>            | <b>100.0%</b>                   | <b>58 690 663</b>                | <b>63 794 616</b> | <b>67 316 294</b> | <b>6.9%</b>             | <b>100.0%</b>                   |

## Personnel information

Table 35.6 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

| Programmes                                  |                        |   |  |              |            |                  |              |            |                                  |              |            |            |              |            |                         |
|---|------------------------|---|--|--------------|------------|------------------|--------------|------------|----------------------------------|--------------|------------|------------|--------------|------------|-------------------------|
| 1. Administration                           |                        |   |  |              |            |                  |              |            |                                  |              |            |            |              |            |                         |
| 2. Integrated Transport Planning            |                        |   |  |              |            |                  |              |            |                                  |              |            |            |              |            |                         |
| 3. Rail Transport                           |                        |   |  |              |            |                  |              |            |                                  |              |            |            |              |            |                         |
| 4. Road Transport                           |                        |   |  |              |            |                  |              |            |                                  |              |            |            |              |            |                         |
| 5. Civil Aviation                           |                        |   |  |              |            |                  |              |            |                                  |              |            |            |              |            |                         |
| 6. Maritime Transport                       |                        |   |  |              |            |                  |              |            |                                  |              |            |            |              |            |                         |
| 7. Public Transport                         |                        |   |  |              |            |                  |              |            |                                  |              |            |            |              |            |                         |
| Number of posts estimated for 31 March 2017 |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |              |            |                  |              |            |                                  |              |            |            | Number       |            |                         |
| Salary level                                | Number of funded posts | Number of posts additional to the establishment | Actual   |              |            | Revised estimate |              |            | Medium-term expenditure estimate |              |            |            |              |            | Average growth rate (%) |
|   |                        |   | 2015/16  |              |            | 2016/17          |              |            | 2017/18                          |              | 2018/19    |            | 2019/20      |            | 2016/17 - 2019/20       |
|   |                        |   | Number   | Cost         | Unit cost  | Number           | Cost         | Unit cost  | Number                           | Cost         | Unit cost  | Number     | Cost         | Unit cost  |                         |
| <b>Transport</b>                            | <b>683</b>             | <b>7</b>  | <b>702</b>   | <b>382.9</b> | <b>0.5</b> | <b>708</b>       | <b>432.1</b> | <b>0.6</b> | <b>710</b>                       | <b>450.0</b> | <b>0.6</b> | <b>704</b> | <b>470.0</b> | <b>0.7</b> | <b>-0.2%</b>            |
| 1 – 6                                       | 145                    | 1   | 150  | 39.3         | 0.3        | 151              | 39.8         | 0.3        | 150                              | 40.7         | 0.3        | 149        | 42.8         | 0.3        | -0.4%                   |
| 7 – 10                                      | 286                    | 2   | 291  | 112.4        | 0.4        | 304              | 136.9        | 0.5        | 304                              | 141.8        | 0.5        | 304        | 150.6        | 0.5        | —                       |
| 11 – 12                                     | 139                    | —   | 143  | 99.9         | 0.7        | 137              | 112.4        | 0.8        | 131                              | 110.9        | 0.8        | 126        | 112.1        | 0.9        | -2.8%                   |
| 13 – 16                                     | 111                    | 4   | 116  | 127.1        | 1.1        | 114              | 138.6        | 1.2        | 123                              | 152.0        | 1.2        | 123        | 159.6        | 1.3        | 2.3%                    |
| Other                                       | 2                      | —   | 2  | 4.2          | 2.1        | 2                | 4.4          | 2.2        | 2                                | 4.6          | 2.3        | 2          | 5.2          | 2.6        | —                       |

Table 35.6 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

| Number of posts estimated for 31 March 2017 |   |   | Number and cost <sup>2</sup> 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 (%) | Average: Salary level/Total (%) |
|   |   |   | 2015/16  |       |           | 2016/17          |       |           | 2017/18                          |       |           | 2018/19 |       |           | 2019/20 |       |           |                         |                                 |
|   |   |   | Number   | Cost  | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number  | Cost  | Unit cost | Number  | Cost  | Unit cost |                         |                                 |
| Transport                                   |   |   | 702  | 382.9 | 0.5       | 708              | 432.1 | 0.6       | 710                              | 450.0 | 0.6       | 704     | 470.0 | 0.7       | 703     | 505.9 | 0.7       | -0.2%                   | 100.0%                          |
| Programme 1                                 | 683   | 7 | 702  | 382.9 | 0.5       | 708              | 432.1 | 0.6       | 710                              | 450.0 | 0.6       | 704     | 470.0 | 0.7       | 703     | 505.9 | 0.7       | -0.2%                   | 48.1%                           |
| Programme 2                                 | 333   | 5 | 344  | 174.4 | 0.5       | 341              | 196.9 | 0.6       | 341                              | 199.8 | 0.6       | 339     | 209.2 | 0.6       | 339     | 225.1 | 0.7       | -0.2%                   | 10.3%                           |
| Programme 3                                 | 72  | – | 74   | 43.1  | 0.6       | 73               | 44.3  | 0.6       | 73                               | 45.8  | 0.6       | 72      | 48.5  | 0.7       | 72      | 52.2  | 0.7       | -0.5%                   | 1.8%                            |
| Programme 4                                 | 36  | – | 36   | 19.9  | 0.6       | 36               | 23.3  | 0.6       | 38                               | 25.5  | 0.7       | 38      | 26.3  | 0.7       | 38      | 28.5  | 0.8       | 1.8%                    | 5.3%                            |
| Programme 5                                 | 88  | 1 | 90   | 45.3  | 0.5       | 86               | 54.3  | 0.6       | 85                               | 57.9  | 0.7       | 84      | 61.4  | 0.7       | 84      | 66.0  | 0.8       | -0.8%                   | 12.0%                           |
| Programme 6                                 | 57  | 1 | 57   | 35.7  | 0.6       | 55               | 39.4  | 0.7       | 54                               | 40.4  | 0.7       | 52      | 42.8  | 0.8       | 52      | 46.1  | 0.9       | -1.9%                   | 7.5%                            |
| Programme 7                                 | 31  | – | 34   | 20.1  | 0.6       | 33               | 23.8  | 0.7       | 34                               | 28.4  | 0.8       | 34      | 27.1  | 0.8       | 33      | 29.1  | 0.9       | –                       | 4.7%                            |
| Programme 8                                 | 66  | – | 67   | 44.4  | 0.7       | 84               | 50.2  | 0.6       | 85                               | 52.2  | 0.6       | 85      | 54.7  | 0.6       | 85      | 58.8  | 0.7       | 0.4%                    | 12.0%                           |

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

2. Rand million.

## Departmental receipts

Table 35.7 Departmental receipts by economic classification

| R thousand   | Audited outcome |                |                | Adjusted estimate | Revised estimate | Average growth rate (%) | Average: Receipt item/ Total (%) | Medium-term receipts estimate |                |                | Average growth rate (%) | Average: Receipt item/ Total (%) |
|--|-----------------|----------------|----------------|-------------------|------------------|-------------------------|----------------------------------|-------------------------------|----------------|----------------|-------------------------|----------------------------------|
|  | 2013/14         | 2014/15        | 2015/16        |                   |                  |                         |                                  | 2017/18                       | 2018/19        | 2019/20        |                         |                                  |
|  | 2013/14         | 2014/15        | 2015/16        | 2016/17           | 2016/17          | 2013/14 - 2016/17       | 2013/14 - 2016/17                | 2017/18                       | 2018/19        | 2019/20        | 2016/17 - 2019/20       | 2016/17 - 2019/20                |
| <b>Departmental receipts</b>   | <b>746 967</b>  | <b>322 107</b> | <b>209 935</b> | <b>276 607</b>    | <b>282 535</b>   | <b>-27.7%</b>           | <b>100.0%</b>                    | <b>295 589</b>                | <b>309 491</b> | <b>326 822</b> | <b>5.0%</b>             | <b>100.0%</b>                    |
| <b>Sales of goods and services produced by department</b>            | <b>446</b>      | <b>609</b>     | <b>554</b>     | <b>621</b>        | <b>706</b>       | <b>16.5%</b>            | <b>0.1%</b>                      | <b>654</b>                    | <b>691</b>     | <b>730</b>     | <b>1.1%</b>             | <b>0.2%</b>                      |
| Sales by market establishments of which:                             | 74              | 93             | 93             | 100               | 98               | 9.8%                    | –                                | 105                           | 110            | 116            | 5.8%                    | –                                |
| Rental parking: Covered and open                                     | 74              | 93             | 93             | 100               | 98               | 9.8%                    | –                                | 105                           | 110            | 116            | 5.8%                    | –                                |
| Administrative fees of which:  | 270             | 321            | 336            | 350               | 474              | 20.6%                   | 0.1%                             | 368                           | 389            | 411            | -4.6%                   | 0.1%                             |
| Foreign operating permits  | 270             | 321            | 335            | 223               | 352              | 9.2%                    | 0.1%                             | 368                           | 389            | 411            | 5.3%                    | 0.1%                             |
| Access to Information Act (2000)                                     | –               | –              | 1              | 7                 | 2                | –                       | –                                | –                             | –              | –              | -100.0%                 | –                                |
| Public driver permits  | –               | –              | –              | 120               | 120              | –                       | –                                | –                             | –              | –              | -100.0%                 | –                                |
| Other sales of which:  | 102             | 195            | 125            | 171               | 134              | 9.5%                    | –                                | 181                           | 192            | 203            | 14.8%                   | 0.1%                             |
| Commission on insurance  | 102             | 94             | 122            | 70                | 130              | 8.4%                    | –                                | 74                            | 78             | 82             | -14.2%                  | –                                |
| Services rendered: Transport fees                                    | –               | 77             | –              | 77                | –                | –                       | –                                | 81                            | 86             | 91             | –                       | –                                |
| Replacement of security cards and tender documents                   | –               | 14             | –              | 14                | –                | –                       | –                                | 15                            | 16             | 17             | –                       | –                                |
| Departmental publications  | –               | 10             | 3              | 10                | 4                | –                       | –                                | 11                            | 12             | 13             | 48.1%                   | –                                |
| <b>Sales of scrap, waste, arms and other used current goods</b>      | <b>3</b>        | <b>2</b>       | <b>2</b>       | <b>–</b>          | <b>3</b>         | <b>–</b>                | <b>–</b>                         | <b>32</b>                     | <b>34</b>      | <b>36</b>      | <b>128.9%</b>           | <b>–</b>                         |
| of which:  |                 |                |                |                   |                  |                         |                                  |                               |                |                |                         |                                  |
| Waste paper  | 3               | 2              | 2              | –                 | 3                | –                       | –                                | 32                            | 34             | 36             | 128.9%                  | –                                |
| <b>Transfers received</b>  | <b>–</b>        | <b>–</b>       | <b>–</b>       | <b>244</b>        | <b>–</b>         | <b>–</b>                | <b>–</b>                         | <b>–</b>                      | <b>–</b>       | <b>–</b>       | <b>–</b>                | <b>–</b>                         |
| <b>Fines, penalties and forfeits</b>                                 | <b>–</b>        | <b>–</b>       | <b>–</b>       | <b>70</b>         | <b>–</b>         | <b>–</b>                | <b>–</b>                         | <b>74</b>                     | <b>78</b>      | <b>82</b>      | <b>–</b>                | <b>–</b>                         |
| <b>Interest, dividends and rent on land</b>                          | <b>74 007</b>   | <b>230 734</b> | <b>205 644</b> | <b>250 908</b>    | <b>257 187</b>   | <b>51.5%</b>            | <b>49.2%</b>                     | <b>268 958</b>                | <b>281 601</b> | <b>297 370</b> | <b>5.0%</b>             | <b>91.0%</b>                     |
| Interest   | 74              | 6 937          | 1 130          | 908               | 1 187            | 152.2%                  | 0.6%                             | 158                           | 167            | 176            | -47.1%                  | 0.1%                             |
| Dividends of which:  | 73 933          | 223 797        | 204 514        | 250 000           | 256 000          | 51.3%                   | 48.6%                            | 268 800                       | 281 434        | 297 194        | 5.1%                    | 90.9%                            |
| Special restructuring proceeds from Airports Company of South Africa | 73 933          | 223 797        | 204 514        | 250 000           | 256 000          | 51.3%                   | 48.6%                            | 268 800                       | 281 434        | 297 194        | 5.1%                    | 90.9%                            |
| <b>Sales of capital assets</b>                                       | <b>–</b>        | <b>–</b>       | <b>–</b>       | <b>300</b>        | <b>–</b>         | <b>–</b>                | <b>–</b>                         | <b>–</b>                      | <b>–</b>       | <b>–</b>       | <b>–</b>                | <b>–</b>                         |
| <b>Transactions in financial assets and liabilities</b>              | <b>672 511</b>  | <b>90 762</b>  | <b>3 735</b>   | <b>24 464</b>     | <b>24 639</b>    | <b>-66.8%</b>           | <b>50.7%</b>                     | <b>25 871</b>                 | <b>27 087</b>  | <b>28 604</b>  | <b>5.1%</b>             | <b>8.7%</b>                      |
| <b>Total</b>   | <b>746 967</b>  | <b>322 107</b> | <b>209 935</b> | <b>276 607</b>    | <b>282 535</b>   | <b>-27.7%</b>           | <b>100.0%</b>                    | <b>295 589</b>                | <b>309 491</b> | <b>326 822</b> | <b>5.0%</b>             | <b>100.0%</b>                    |

## Programme 1: Administration

### Programme purpose

Provide strategic leadership, management and support services to the department.

## Expenditure trends and estimates

**Table 35.8 Administration expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme   | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) |                                | Medium-term expenditure estimate |                |                | Average growth rate (%) |                                |
|--|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|  | 2013/14         | 2014/15        | 2015/16        |                        | 2013/14 - 2016/17       | Average: Expenditure/Total (%) | 2017/18                          | 2018/19        | 2019/20        | 2016/17 - 2019/20       | Average: Expenditure/Total (%) |
| R thousand   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Ministry   | 33 049          | 35 571         | 45 776         | 35 040                 | 2.0%                    | 9.9%                           | 35 365                           | 37 207         | 39 639         | 4.2%                    | 8.8%                           |
| Management   | 48 425          | 44 748         | 53 190         | 73 451                 | 14.9%                   | 14.6%                          | 76 525                           | 78 445         | 83 949         | 4.6%                    | 18.6%                          |
| Corporate Services   | 166 469         | 205 347        | 227 432        | 198 585                | 6.1%                    | 53.0%                          | 206 289                          | 218 519        | 233 890        | 5.6%                    | 50.9%                          |
| Communications   | 33 710          | 41 551         | 30 142         | 35 404                 | 1.6%                    | 9.3%                           | 35 851                           | 37 097         | 39 438         | 3.7%                    | 8.8%                           |
| Office Accommodation   | 33 925          | 50 272         | 64 284         | 50 313                 | 14.0%                   | 13.2%                          | 52 827                           | 55 891         | 59 021         | 5.5%                    | 13.0%                          |
| <b>Total</b>   | <b>315 578</b>  | <b>377 489</b> | <b>420 824</b> | <b>392 793</b>         | <b>7.6%</b>             | <b>100.0%</b>                  | <b>406 857</b>                   | <b>427 159</b> | <b>455 937</b> | <b>5.1%</b>             | <b>100.0%</b>                  |
| Change to 2016   |                 |                |                | (1 970)                |                         |                                | 4 987                            | 6 021          | 7 119          |                         |                                |
| Budget estimate  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Economic classification</b>                                       |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current payments</b>  | <b>295 664</b>  | <b>362 417</b> | <b>399 983</b> | <b>376 506</b>         | <b>8.4%</b>             | <b>95.2%</b>                   | <b>392 554</b>                   | <b>412 021</b> | <b>439 958</b> | <b>5.3%</b>             | <b>96.3%</b>                   |
| Compensation of employees  | 141 377         | 155 008        | 174 354        | 196 946                | 11.7%                   | 44.3%                          | 199 838                          | 209 180        | 225 104        | 4.6%                    | 49.4%                          |
| Goods and services <sup>1</sup>                                      | 154 287         | 207 409        | 225 629        | 179 560                | 5.2%                    | 50.9%                          | 192 716                          | 202 841        | 214 854        | 6.2%                    | 46.9%                          |
| of which:  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Advertising  | 22 987          | 30 418         | 15 606         | 21 014                 | -2.9%                   | 6.0%                           | 20 190                           | 20 768         | 21 956         | 1.5%                    | 5.0%                           |
| Audit costs: External  | 7 013           | 5 429          | 5 465          | 9 974                  | 12.5%                   | 1.9%                           | 10 659                           | 11 307         | 12 033         | 6.5%                    | 2.6%                           |
| Computer services  | 10 935          | 6 290          | 11 451         | 9 142                  | -5.8%                   | 2.5%                           | 11 209                           | 11 885         | 12 643         | 11.4%                   | 2.7%                           |
| Legal services   | 4 170           | 8 983          | 9 874          | 5 349                  | 8.7%                    | 1.9%                           | 10 916                           | 11 583         | 12 323         | 32.1%                   | 2.4%                           |
| Operating leases   | 35 711          | 51 412         | 64 504         | 50 768                 | 12.4%                   | 13.4%                          | 52 827                           | 55 891         | 59 021         | 5.1%                    | 13.0%                          |
| Travel and subsistence   | 24 656          | 29 436         | 39 854         | 30 356                 | 7.2%                    | 8.3%                           | 36 995                           | 38 779         | 41 025         | 10.6%                   | 8.7%                           |
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>11 556</b>   | <b>8 682</b>   | <b>10 894</b>  | <b>11 222</b>          | <b>-1.0%</b>            | <b>2.8%</b>                    | <b>11 782</b>                    | <b>12 466</b>  | <b>13 166</b>  | <b>5.5%</b>             | <b>2.9%</b>                    |
| Departmental agencies and accounts                                   | 919             | 978            | 881            | 1 105                  | 6.3%                    | 0.3%                           | 1 161                            | 1 228          | 1 297          | 5.5%                    | 0.3%                           |
| Higher education institutions  | 10 179          | —              | —              | —                      | -100.0%                 | 0.7%                           | —                                | —              | —              | —                       | —                              |
| Households   | 458             | 7 704          | 10 013         | 10 117                 | 180.6%                  | 1.9%                           | 10 621                           | 11 238         | 11 869         | 5.5%                    | 2.6%                           |
| <b>Payments for capital assets</b>                                   | <b>8 287</b>    | <b>6 201</b>   | <b>9 427</b>   | <b>5 065</b>           | <b>-15.1%</b>           | <b>1.9%</b>                    | <b>2 521</b>                     | <b>2 672</b>   | <b>2 813</b>   | <b>-17.8%</b>           | <b>0.8%</b>                    |
| Machinery and equipment  | 8 287           | 6 201          | 6 073          | 5 065                  | -15.1%                  | 1.7%                           | 2 521                            | 2 672          | 2 813          | -17.8%                  | 0.8%                           |
| Software and other intangible assets                                 | —               | —              | 3 354          | —                      | —                       | 0.2%                           | —                                | —              | —              | —                       | —                              |
| <b>Payments for financial assets</b>                                 | <b>71</b>       | <b>189</b>     | <b>520</b>     | <b>—</b>               | <b>-100.0%</b>          | <b>0.1%</b>                    | <b>—</b>                         | <b>—</b>       | <b>—</b>       | <b>—</b>                | <b>—</b>                       |
| <b>Total</b>   | <b>315 578</b>  | <b>377 489</b> | <b>420 824</b> | <b>392 793</b>         | <b>7.6%</b>             | <b>100.0%</b>                  | <b>406 857</b>                   | <b>427 159</b> | <b>455 937</b> | <b>5.1%</b>             | <b>100.0%</b>                  |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>0.7%</b>     | <b>0.8%</b>    | <b>0.8%</b>    | <b>0.7%</b>            | <b>—</b>                | <b>—</b>                       | <b>0.7%</b>                      | <b>0.7%</b>    | <b>0.7%</b>    | <b>—</b>                | <b>—</b>                       |
| <b>Details of transfers and subsidies</b>                            |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Departmental agencies and accounts                                   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Departmental agencies (non-business entities)                        |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Current  | 919             | 978            | 881            | 1 105                  | 6.3%                    | 0.3%                           | 1 161                            | 1 228          | 1 297          | 5.5%                    | 0.3%                           |
| Transport Education and Training Authority                           | 919             | 978            | 881            | 1 105                  | 6.3%                    | 0.3%                           | 1 161                            | 1 228          | 1 297          | 5.5%                    | 0.3%                           |
| Households   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Social benefits  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Current  | 458             | 190            | 205            | 178                    | -27.0%                  | 0.1%                           | 187                              | 198            | 210            | 5.7%                    | —                              |
| Employee social benefits   | 458             | 190            | 205            | 178                    | -27.0%                  | 0.1%                           | 187                              | 198            | 210            | 5.7%                    | —                              |
| Households   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Other transfers to households  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Current  | —               | 7 514          | 9 808          | 9 939                  | —                       | 1.8%                           | 10 434                           | 11 040         | 11 659         | 5.5%                    | 2.6%                           |
| Bursaries to non-employees   | —               | 7 514          | 9 808          | 9 939                  | —                       | 1.8%                           | 10 434                           | 11 040         | 11 659         | 5.5%                    | 2.6%                           |
| Higher education institutions  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Current  | 10 179          | —              | —              | —                      | -100.0%                 | 0.7%                           | —                                | —              | —              | —                       | —                              |
| Universities of Pretoria, KwaZulu-Natal and Stellenbosch             | 10 179          | —              | —              | —                      | -100.0%                 | 0.7%                           | —                                | —              | —              | —                       | —                              |

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

Table 35.9 Administration personnel numbers and cost by salary level<sup>1</sup>

| Number of posts estimated for 31 March 2017 |              |                        | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |         |       |           |                  |       |           |                                  |       |           |        |         | Number    |                         |                                 |                   |       |        |
|---|--------------|------------------------|--|---------|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-------|--------|
| Administration                              | Salary level | Number of funded posts | Number of posts additional to the establishment  | Actual  |       |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |        |         |           | Average growth rate (%) | Average: Salary level/Total (%) |                   |       |        |
|   |              |                        |  | 2015/16 |       |           | 2016/17          |       |           | 2017/18                          |       | 2018/19   |        | 2019/20 |           |                         |                                 | 2016/17 - 2019/20 |       |        |
|   |              |                        |  | Number  | Cost  | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number | Cost    | Unit cost |                         |                                 |                   |       |        |
|   | 333          | 5                      |  | 344     | 174.4 | 0.5       | 341              | 196.9 | 0.6       | 341                              | 199.8 | 0.6       | 339    | 209.2   | 0.6       | 339                     | 225.1                           | 0.7               | -0.2% | 100.0% |
|   | 1 – 6        | 81                     | 1  | 87      | 23.8  | 0.3       | 86               | 23.2  | 0.3       | 85                               | 23.3  | 0.3       | 84     | 24.2    | 0.3       | 84                      | 26.1                            | 0.3               | -0.8% | 24.9%  |
|   | 7 – 10       | 150                    | 2  | 153     | 56.4  | 0.4       | 153              | 66.7  | 0.4       | 153                              | 67.6  | 0.4       | 153    | 71.3    | 0.5       | 153                     | 77.0                            | 0.5               | –     | 45.0%  |
|   | 11 – 12      | 57                     | –  | 58      | 41.1  | 0.7       | 56               | 46.8  | 0.8       | 54                               | 45.6  | 0.8       | 53     | 47.1    | 0.9       | 53                      | 50.9                            | 1.0               | -1.8% | 15.9%  |
|   | 13 – 16      | 43                     | 2  | 44      | 48.8  | 1.1       | 44               | 55.8  | 1.3       | 47                               | 58.9  | 1.3       | 47     | 61.6    | 1.3       | 47                      | 65.9                            | 1.4               | 2.2%  | 13.6%  |
|   | Other        | 2                      | –  | 2       | 4.2   | 2.1       | 2                | 4.4   | 2.2       | 2                                | 4.6   | 2.3       | 2      | 4.9     | 2.4       | 2                       | 5.2                             | 2.6               | –     | 0.6%   |

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

2. Rand million.

## Programme 2: Integrated Transport Planning

### Programme purpose

Integrate and harmonise macro-transport sector policies, strategies and legislation. Coordinate and develop sector-related policies, research activities, and regional and inter-sphere relations. Facilitate sector transformation and provide sector economic modelling and analysis.

### Objectives

- Facilitate integrated macro-transport systems planning by:
  - submitting the revised White Paper on National Transport Policy to Cabinet in 2017
  - monitoring the implementation of the national transport master plan 2050 on a continuous basis.
- Promote the national, regional and continental integration of transport infrastructure operations and standards by submitting the road freight strategy to Cabinet in 2017.
- Enhance the economic regulation and socioeconomic transformation of the transport sector by submitting the Single Transport Economic Regulator Bill to Parliament and the green transport strategy to Cabinet by 2018.

### 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).
- Freight 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.
- 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.
- Regional Integration* manages, coordinates and facilitates the development of strategies for engagements in the Southern African Development Community region and the rest of Africa.
- Research and Innovation* ensures research, innovation and monitoring of the transport sector for sustainability.
- Integrated Transport Planning Administration Support* provides administrative support services to the programme.

## Expenditure trends and estimates

**Table 35.10 Integrated Transport Planning expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome |               |               | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |               |               | Average growth rate (%) | Average: Expenditure/Total (%) |
|---|-----------------|---------------|---------------|------------------------|-------------------------|--------------------------------|----------------------------------|---------------|---------------|-------------------------|--------------------------------|
|   | 2013/14         | 2014/15       | 2015/16       |                        |                         |                                | 2017/18                          | 2018/19       | 2019/20       |                         |                                |
| R thousand  |                 |               |               | 2016/17                | 2013/14 - 2016/17       |                                |                                  |               |               | 2016/17 - 2019/20       |                                |
| Macro Sector Planning   | 8 992           | 13 291        | 12 716        | 15 443                 | 19.8%                   | 16.3%                          | 16 799                           | 17 723        | 18 938        | 7.0%                    | 20.4%                          |
| Freight Logistics   | 16 038          | 13 548        | 23 024        | 20 411                 | 8.4%                    | 23.6%                          | 21 117                           | 22 209        | 23 642        | 5.0%                    | 25.8%                          |
| Modelling and Economic Analysis                               | 21 808          | 19 781        | 25 784        | 17 231                 | -7.6%                   | 27.4%                          | 17 176                           | 18 092        | 19 316        | 3.9%                    | 21.2%                          |
| Regional Integration  | 6 105           | 7 688         | 8 243         | 6 565                  | 2.5%                    | 9.3%                           | 6 720                            | 7 085         | 7 579         | 4.9%                    | 8.3%                           |
| Research and Innovation                                       | 7 364           | 14 104        | 13 374        | 13 130                 | 21.3%                   | 15.5%                          | 13 500                           | 14 224        | 15 194        | 5.0%                    | 16.6%                          |
| Integrated Transport Planning Administration Support          | 6 066           | 6 562         | 5 621         | 6 174                  | 0.6%                    | 7.9%                           | 6 351                            | 6 686         | 7 129         | 4.9%                    | 7.8%                           |
| <b>Total</b>  | <b>66 373</b>   | <b>74 974</b> | <b>88 762</b> | <b>78 954</b>          | <b>6.0%</b>             | <b>100.0%</b>                  | <b>81 663</b>                    | <b>86 019</b> | <b>91 798</b> | <b>5.2%</b>             | <b>100.0%</b>                  |
| Change to 2016 Budget estimate                                |                 |               |               |                        |                         |                                | 192                              | 223           | 247           |                         |                                |
| <b>Economic classification</b>                                |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| <b>Current payments</b>                                       | <b>65 493</b>   | <b>74 057</b> | <b>87 554</b> | <b>78 773</b>          | <b>6.3%</b>             | <b>99.0%</b>                   | <b>81 473</b>                    | <b>85 819</b> | <b>91 587</b> | <b>5.2%</b>             | <b>99.8%</b>                   |
| Compensation of employees                                     | 31 676          | 36 585        | 43 053        | 44 261                 | 11.8%                   | 50.3%                          | 45 844                           | 48 520        | 52 199        | 5.7%                    | 56.4%                          |
| Goods and services <sup>1</sup>                               | 33 817          | 37 472        | 44 501        | 34 512                 | 0.7%                    | 48.6%                          | 35 629                           | 37 299        | 39 388        | 4.5%                    | 43.4%                          |
| of which:   |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| Advertising   | 11              | 1 183         | 3 811         | 628                    | 285.1%                  | 1.8%                           | 736                              | 770           | 816           | 9.1%                    | 0.9%                           |
| Catering: Departmental activities                             | 60              | 104           | 62            | 413                    | 90.2%                   | 0.2%                           | 1 158                            | 1 211         | 1 277         | 45.7%                   | 1.2%                           |
| Communication   | 430             | 577           | 723           | 648                    | 14.6%                   | 0.8%                           | 676                              | 708           | 746           | 4.8%                    | 0.8%                           |
| Consultants: Business and advisory services                   | 22 614          | 27 432        | 24 577        | 24 987                 | 3.4%                    | 32.2%                          | 25 863                           | 27 074        | 28 593        | 4.6%                    | 31.5%                          |
| Travel and subsistence  | 4 272           | 5 249         | 7 451         | 4 531                  | 2.0%                    | 7.0%                           | 4 672                            | 4 892         | 5 164         | 4.5%                    | 5.7%                           |
| Venues and facilities   | 1 438           | 787           | 4 841         | 2 189                  | 15.0%                   | 3.0%                           | 1 925                            | 2 015         | 2 128         | -0.9%                   | 2.4%                           |
| <b>Transfers and subsidies<sup>1</sup></b>                    | <b>114</b>      | <b>207</b>    | <b>54</b>     | <b>—</b>               | <b>-100.0%</b>          | <b>0.1%</b>                    | <b>—</b>                         | <b>—</b>      | <b>—</b>      | <b>—</b>                | <b>—</b>                       |
| Households  | 114             | 207           | 54            | —                      | -100.0%                 | 0.1%                           | —                                | —             | —             | —                       | —                              |
| <b>Payments for capital assets</b>                            | <b>761</b>      | <b>694</b>    | <b>1 132</b>  | <b>181</b>             | <b>-38.0%</b>           | <b>0.9%</b>                    | <b>190</b>                       | <b>200</b>    | <b>211</b>    | <b>5.2%</b>             | <b>0.2%</b>                    |
| Machinery and equipment                                       | 761             | 694           | 1 132         | 181                    | -38.0%                  | 0.9%                           | 190                              | 200           | 211           | 5.2%                    | 0.2%                           |
| Payments for financial assets                                 | 5               | 16            | 22            | —                      | -100.0%                 | —                              | —                                | —             | —             | —                       | —                              |
| <b>Total</b>  | <b>66 373</b>   | <b>74 974</b> | <b>88 762</b> | <b>78 954</b>          | <b>6.0%</b>             | <b>100.0%</b>                  | <b>81 663</b>                    | <b>86 019</b> | <b>91 798</b> | <b>5.2%</b>             | <b>100.0%</b>                  |
| Proportion of total programme expenditure to vote expenditure | 0.2%            | 0.2%          | 0.2%          | 0.1%                   | —                       | —                              | 0.1%                             | 0.1%          | 0.1%          | —                       | —                              |
| <b>Details of transfers and subsidies</b>                     |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| <b>Households</b>   |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| <b>Social benefits</b>  |                 |               |               |                        |                         |                                |                                  |               |               |                         |                                |
| Current   | 114             | 207           | 54            | —                      | -100.0%                 | 0.1%                           | —                                | —             | —             | —                       | —                              |
| Employee social benefits                                      | 114             | 207           | 54            | —                      | -100.0%                 | 0.1%                           | —                                | —             | —             | —                       | —                              |

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

**Table 35.11 Integrated Transport Planning personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2017 |   |   | Number and cost <sup>2</sup> 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 (%) | Average: Salary level/Total (%) |         |       |           |
|   |   |   | 2015/16  |      |           | 2016/17          |      |           | 2017/18                          |      |           | 2018/19 |      |           |                         |                                 | 2019/20 |       |           |
|   |   |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number  | Cost | Unit cost |                         |                                 | Number  | Cost  | Unit cost |
| Integrated Transport Planning               |   |   |  |      |           |                  |      |           |                                  |      |           |         |      |           |                         |                                 |         |       |           |
| Salary level                                | 72  | – | 74   | 43.1 | 0.6       | 73               | 44.3 | 0.6       | 73                               | 45.8 | 0.6       | 72      | 48.5 | 0.7       | 72                      | 52.2                            | 0.7     | –0.5% | 100.0%    |
| 1 – 6                                       | 13  | – | 13   | 2.8  | 0.2       | 13               | 2.9  | 0.2       | 13                               | 3.0  | 0.2       | 13      | 3.2  | 0.2       | 13                      | 3.5                             | 0.3     | –     | 17.9%     |
| 7 – 10                                      | 26  | – | 27   | 10.1 | 0.4       | 27               | 10.8 | 0.4       | 27                               | 11.1 | 0.4       | 27      | 12.0 | 0.4       | 27                      | 13.0                            | 0.5     | –     | 37.2%     |
| 11 – 12                                     | 13  | – | 14   | 9.3  | 0.7       | 13               | 9.2  | 0.7       | 12                               | 8.9  | 0.7       | 11      | 8.8  | 0.8       | 11                      | 9.5                             | 0.9     | –5.4% | 16.2%     |
| 13 – 16                                     | 20  | – | 20   | 20.9 | 1.0       | 20               | 21.3 | 1.1       | 21                               | 22.9 | 1.1       | 21      | 24.4 | 1.2       | 21                      | 26.2                            | 1.2     | 1.6%  | 28.6%     |

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

2. Rand million.

## Programme 3: Rail Transport

### Programme purpose

Facilitate and coordinate the development of sustainable rail transport policies, rail economic and safety regulation, and infrastructure development strategies that reduce system costs and improve customer service. Oversee rail public entities and the implementation of integrated rail services.

## Objectives

- Enhance the performance, efficiency and reliability of the rail sector by facilitating the submission of the National Rail Bill to Cabinet in 2017.
- Develop alternative funding options for the rail sector through a due diligence study by 2019.
- Regulate and enhance rail safety and security by submitting the draft National Railway Safety Regulator Amendment Bill to Cabinet in 2017.

## Subprogrammes

- *Rail Regulation* is responsible for the development of rail policy, and safety and economic regulations.
- *Rail Infrastructure and Industry Development* coordinates the development, maintenance of and investment in rail infrastructure.
- *Rail Operations* coordinates the implementation of integrated rail services, and monitors and analyses service delivery challenges facing the rail industry.
- *Rail Oversight* oversees and tracks the performance of the Passenger Rail Agency of South Africa and the Railway Safety Regulator, and manages the transfer payments to these entities.
- *Rail Administration Support* provides support services to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning.

## Expenditure trends and estimates

**Table 35.12 Rail Transport expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  |            |            |            | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |            |            | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------|------------|------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------|------------|-------------------------|---------------------------------|
| Audited outcome                                       |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| R thousand  | 2013/14    | 2014/15    | 2015/16    | 2016/17                | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19    | 2019/20    | 2016/17 - 2019/20       |                                 |
| Rail Regulation                                       | 5 624      | 10 394     | 11 688     | 18 653                 | 49.1%                   | 0.1%                            | 19 225                           | 20 177     | 21 409     | 4.7%                    | 0.1%                            |
| Rail Infrastructure and Industry Development          | 14 930     | 13 740     | 7 641      | 8 688                  | -16.5%                  | 0.1%                            | 12 256                           | 12 068     | 12 815     | 13.8%                   | 0.1%                            |
| Rail Operations                                       | 4 215      | 9 919      | 4 890      | 7 851                  | 23.0%                   | –                               | 7 725                            | 8 162      | 8 762      | 3.7%                    | –                               |
| Rail Oversight  | 11 205 628 | 14 998 036 | 18 278 160 | 18 946 254             | 19.1%                   | 99.8%                           | 19 275 982                       | 21 171 501 | 22 301 506 | 5.6%                    | 99.8%                           |
| Rail Administration Support                           | 2 443      | 3 418      | 2 895      | 4 087                  | 18.7%                   | –                               | 5 067                            | 5 393      | 6 043      | 13.9%                   | –                               |
| Total   | 11 232 840 | 15 035 507 | 18 305 274 | 18 985 533             | 19.1%                   | 100.0%                          | 19 320 255                       | 21 217 301 | 22 350 535 | 5.6%                    | 100.0%                          |
| Change to 2016 Budget estimate                        |            |            |            |                        |                         |                                 | (813 550)                        | (73 142)   | (132 654)  |                         |                                 |
| Economic classification                               |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Current payments                                      | 27 013     | 37 151     | 29 563     | 39 119                 | 13.1%                   | 0.2%                            | 44 168                           | 45 689     | 48 912     | 7.7%                    | 0.2%                            |
| Compensation of employees                             | 13 400     | 20 151     | 19 933     | 23 320                 | 20.3%                   | 0.1%                            | 25 533                           | 26 274     | 28 523     | 6.9%                    | 0.1%                            |
| Goods and services <sup>1</sup>                       | 13 613     | 17 000     | 9 630      | 15 799                 | 5.1%                    | 0.1%                            | 18 635                           | 19 415     | 20 389     | 8.9%                    | 0.1%                            |
| of which:   |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Catering: Departmental activities                     | 26         | 23         | 24         | 130                    | 71.0%                   | –                               | 121                              | 126        | 132        | 0.5%                    | –                               |
| Communication   | 233        | 311        | 691        | 261                    | 3.9%                    | –                               | 291                              | 304        | 318        | 6.8%                    | –                               |
| Consultants: Business and advisory services           | 12 032     | 14 437     | 5 029      | 7 371                  | -15.1%                  | 0.1%                            | 6 115                            | 6 370      | 6 691      | -3.2%                   | –                               |
| Infrastructure and planning services                  | –          | –          | –          | 6 521                  | –                       | –                               | 10 511                           | 10 951     | 11 502     | 20.8%                   | –                               |
| Consumables: Stationery, printing and office supplies | 32         | 114        | 419        | 93                     | 42.7%                   | –                               | 156                              | 163        | 171        | 22.5%                   | –                               |
| Travel and subsistence                                | 539        | 1 247      | 1 892      | 1 207                  | 30.8%                   | –                               | 1 327                            | 1 383      | 1 451      | 6.3%                    | –                               |



| R thousand   | 2013/14           | 2014/15           | 2015/16           | 2016/17           | 2013/14 - 2016/17 | 2017/18       | 2018/19           | 2019/20           | 2016/17 - 2019/20 |              |               |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|-------------------|-------------------|-------------------|--------------|---------------|
| <b>Transfers and subsidies<sup>1</sup></b>                           | <b>11 205 626</b> | <b>14 997 805</b> | <b>18 275 460</b> | <b>18 946 254</b> | <b>19.1%</b>      | <b>99.8%</b>  | <b>19 275 982</b> | <b>21 171 501</b> | <b>22 301 506</b> | <b>5.6%</b>  | <b>99.8%</b>  |
| Departmental agencies and accounts                                   | 46 513            | 51 504            | 53 379            | 55 987            | 6.4%              | 0.3%          | 59 564            | 63 018            | 66 547            | 5.9%         | 0.3%          |
| Public corporations and private enterprises                          | 11 159 113        | 14 946 301        | 18 222 047        | 18 890 267        | 19.2%             | 99.5%         | 19 216 418        | 21 108 483        | 22 234 959        | 5.6%         | 99.5%         |
| Households   | –                 | –                 | 34                | –                 | –                 | –             | –                 | –                 | –                 | –            | –             |
| <b>Payments for capital assets</b>                                   | <b>199</b>        | <b>550</b>        | <b>251</b>        | <b>160</b>        | <b>-7.0%</b>      | <b>–</b>      | <b>105</b>        | <b>111</b>        | <b>117</b>        | <b>-9.9%</b> | <b>–</b>      |
| Machinery and equipment  | 199               | 550               | 251               | 160               | -7.0%             | –             | 105               | 111               | 117               | -9.9%        | –             |
| <b>Payments for financial assets</b>                                 | <b>2</b>          | <b>1</b>          | <b>–</b>          | <b>–</b>          | <b>-100.0%</b>    | <b>–</b>      | <b>–</b>          | <b>–</b>          | <b>–</b>          | <b>–</b>     | <b>–</b>      |
| <b>Total</b>   | <b>11 232 840</b> | <b>15 035 507</b> | <b>18 305 274</b> | <b>18 985 533</b> | <b>19.1%</b>      | <b>100.0%</b> | <b>19 320 255</b> | <b>21 217 301</b> | <b>22 350 535</b> | <b>5.6%</b>  | <b>100.0%</b> |
| <b>Proportion of total programme expenditure to vote expenditure</b> | <b>26.1%</b>      | <b>30.6%</b>      | <b>34.3%</b>      | <b>33.7%</b>      | <b>–</b>          | <b>–</b>      | <b>32.3%</b>      | <b>32.7%</b>      | <b>32.6%</b>      | <b>–</b>     | <b>–</b>      |

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme

Table 35.13 Rail Transport personnel numbers and cost by salary level<sup>1</sup>

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

## Programme 4: Road Transport

### Programme purpose

Develop and manage an integrated road infrastructure network, regulate road transport and ensure safer roads. Oversee road public entities.

### Objectives

- Ensure a sustainable road infrastructure network by:
  - submitting the White Paper on Roads Policy to Cabinet by 2018
  - monitoring the overall implementation of the S'hamba Sonke programme on a continuous basis
  - submitting the draft access road development plan to Cabinet by 2018.
- Regulate and enhance road transport safety and security by:
  - monitoring the rollout of the Administrative Adjudication of Road Traffic Offences Act (1998) on a continuous basis
  - monitoring and implementing the 2016-2030 national road safety strategy on a continuous basis
  - tabling the Road Accident Benefit Scheme Bill in Parliament in 2017.

### Subprogrammes

- *Road Regulation* regulates road safety and traffic management, manages the electronic national traffic information system, and exercises oversight of the inspectorate for driving licences and vehicle testing stations.
- *Road Infrastructure and Industry Development* facilitates and coordinates the planning, development and implementation of a sustainable and reliable integrated road infrastructure network; as well as capacity enhancement in the industry.
- *Road Oversight* reviews and analyses the performance of road transport public entities and monitors their compliance with regulations and legislation. This subprogramme also transfers funds to the South African National Roads Agency, the Road Traffic Management Corporation and the Road Traffic Infringement Agency.
- *Road Administration Support* provides administrative support services to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning.
- *Road Engineering Standards* develops and implements road engineering standards, coordinates the development of an asset management system for safe and resilient road infrastructure, and manages the *provincial roads maintenance grant*.

### Expenditure trends and estimates

Table 35.14 Road Transport expenditure trends and estimates by subprogramme and economic classification

| Subprogramme                                 | Audited outcome   |                   |                   | Adjusted appropriation | Average growth rate (%) |                                | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average: Expenditure/Total (%) |
|--|-------------------|-------------------|-------------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| R thousand                                   | 2013/14           | 2014/15           | 2015/16           | 2016/17                | 2013/14 - 2016/17       | Average: Expenditure/Total (%) | 2017/18                          | 2018/19           | 2019/20           | 2016/17 - 2019/20       | Average: Expenditure/Total (%) |
| Road Regulation                              | 1 222 035         | 521 945           | 157 988           | 34 566                 | -69.5%                  | 2.1%                           | 36 574                           | 38 695            | 41 365            | 6.2%                    | 0.1%                           |
| Road Infrastructure and Industry Development | 34 032            | 35 837            | 39 104            | 34 905                 | 0.8%                    | 0.2%                           | 37 094                           | 38 989            | 41 466            | 5.9%                    | 0.1%                           |
| Road Oversight                               | 19 396 802        | 21 625 925        | 22 669 040        | 24 704 205             | 8.4%                    | 97.6%                          | 27 028 620                       | 29 516 208        | 31 159 023        | 8.0%                    | 99.6%                          |
| Road Administration Support                  | 6 340             | 6 678             | 10 642            | 7 645                  | 6.4%                    | –                              | 7 855                            | 8 283             | 8 845             | 5.0%                    | –                              |
| Road Engineering Standards                   | 6 355             | 12 477            | 12 424            | 17 805                 | 41.0%                   | 0.1%                           | 18 429                           | 19 402            | 20 694            | 5.1%                    | 0.1%                           |
| <b>Total</b>                                 | <b>20 665 564</b> | <b>22 202 862</b> | <b>22 889 198</b> | <b>24 799 126</b>      | <b>6.3%</b>             | <b>100.0%</b>                  | <b>27 128 572</b>                | <b>29 621 577</b> | <b>31 271 393</b> | <b>8.0%</b>             | <b>100.0%</b>                  |
| Change to 2016                               |                   |                   |                   | 273 559                |                         |                                | (277 149)                        | (206 084)         | (227 820)         |                         |                                |
| Budget estimate                              |                   |                   |                   |                        |                         |                                |                                  |                   |                   |                         |                                |



Table 35.14 Road Transport expenditure trends and estimates by subprogramme and economic classification

| Economic classification   |            |            |            | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |            |            | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|------------|------------|------------|------------------------|-------------------------|---------------------------------|----------------------------------|------------|------------|-------------------------|---------------------------------|
| Audited outcome   |            |            |            |                        |                         |                                 | 2017/18                          | 2018/19    | 2019/20    |                         |                                 |
| R thousand  | 2013/14    | 2014/15    | 2015/16    | 2016/17                | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19    | 2019/20    | 2016/17 - 2019/20       |                                 |
| Current payments  | 1 269 252  | 552 442    | 217 492    | 99 227                 | -57.2%                  | 2.4%                            | 105 843                          | 111 589    | 119 056    | 6.3%                    | 0.4%                            |
| Compensation of employees   | 34 567     | 40 905     | 45 343     | 54 251                 | 16.2%                   | 0.2%                            | 57 864                           | 61 357     | 66 010     | 6.8%                    | 0.2%                            |
| Goods and services <sup>1</sup>   | 1 234 685  | 511 537    | 172 149    | 44 976                 | -66.9%                  | 2.2%                            | 47 979                           | 50 232     | 53 046     | 5.7%                    | 0.2%                            |
| of which:   |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Advertising   | 1 258      | 842        | 2 117      | 1 525                  | 6.6%                    | —                               | 1 502                            | 1 572      | 1 660      | 2.9%                    | —                               |
| Communication   | 593        | 710        | 879        | 881                    | 14.1%                   | —                               | 1 102                            | 1 154      | 1 189      | 10.5%                   | —                               |
| Consultants: Business and advisory services   | 1 215 963  | 495 229    | 149 917    | 24 000                 | -73.0%                  | 2.1%                            | 25 603                           | 26 807     | 28 306     | 5.7%                    | 0.1%                            |
| Consumables: Stationery, printing and office supplies   | 440        | 1 555      | 916        | 1 321                  | 44.3%                   | —                               | 1 717                            | 1 798      | 1 899      | 12.9%                   | —                               |
| Travel and subsistence  | 7 578      | 9 123      | 12 870     | 11 424                 | 14.7%                   | —                               | 12 431                           | 13 014     | 13 772     | 6.4%                    | —                               |
| Venues and facilities   | 6 331      | 874        | 1 123      | 1 526                  | -37.8%                  | —                               | 1 850                            | 1 938      | 2 046      | 10.3%                   | —                               |
| Transfers and subsidies <sup>1</sup>  | 19 395 839 | 21 624 668 | 22 667 814 | 24 699 249             | 8.4%                    | 97.6%                           | 27 022 047                       | 29 509 266 | 31 151 575 | 8.0%                    | 99.6%                           |
| Provinces and municipalities  | 8 789 980  | 9 436 721  | 9 628 586  | 10 579 708             | 6.4%                    | 42.4%                           | 10 860 973                       | 11 649 201 | 12 301 556 | 5.2%                    | 40.2%                           |
| Departmental agencies and accounts  | 10 605 657 | 12 187 903 | 13 039 089 | 14 119 541             | 10.0%                   | 55.2%                           | 16 161 074                       | 17 860 065 | 18 850 019 | 10.1%                   | 59.4%                           |
| Households  | 202        | 44         | 139        | —                      | -100.0%                 | —                               | —                                | —          | —          | —                       | —                               |
| Payments for capital assets   | 471        | 25 745     | 1 117      | 650                    | 11.3%                   | —                               | 682                              | 722        | 762        | 5.4%                    | —                               |
| Machinery and equipment   | 471        | 25 745     | 1 117      | 650                    | 11.3%                   | —                               | 682                              | 722        | 762        | 5.4%                    | —                               |
| Payments for financial assets   | 2          | 7          | 2 775      | —                      | -100.0%                 | —                               | —                                | —          | —          | —                       | —                               |
| Total   | 20 665 564 | 22 202 862 | 22 889 198 | 24 799 126             | 6.3%                    | 100.0%                          | 27 128 572                       | 29 621 577 | 31 271 393 | 8.0%                    | 100.0%                          |
| Proportion of total programme expenditure to vote expenditure   | 48.0%      | 45.2%      | 42.9%      | 44.1%                  | —                       | —                               | 45.4%                            | 45.6%      | 45.6%      | —                       | —                               |
| Details of transfers and subsidies  |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Departmental agencies and accounts  |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Departmental agencies (non-business entities)   |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Current   | 3 562 206  | 4 007 105  | 4 448 224  | 4 790 115              | 10.4%                   | 18.6%                           | 5 048 722                        | 5 354 664  | 5 667 088  | 5.8%                    | 18.5%                           |
| Road Traffic Management Corporation   | 83 473     | 259 481    | 184 104    | 193 862                | 32.4%                   | 0.8%                            | 198 555                          | 215 361    | 227 421    | 5.5%                    | 0.7%                            |
| South African National Roads Agency: Gauteng freeway improvement project                                | —          | —          | 301 000    | 425 100                | —                       | 0.8%                            | 463 359                          | 505 061    | 550 516    | 9.0%                    | 1.7%                            |
| South African National Roads Agency   | 3 453 733  | 3 736 149  | 3 951 623  | 4 161 060              | 6.4%                    | 16.9%                           | 4 369 112                        | 4 622 520  | 4 881 381  | 5.5%                    | 16.0%                           |
| Road Traffic Infringement Agency  | 25 000     | 11 475     | 11 497     | 10 093                 | -26.1%                  | 0.1%                            | 17 696                           | 11 722     | 7 770      | -8.3%                   | —                               |
| Capital   | 7 043 451  | 8 180 798  | 8 590 865  | 9 329 426              | 9.8%                    | 36.6%                           | 11 112 352                       | 12 505 401 | 13 182 931 | 12.2%                   | 40.9%                           |
| South African National Roads Agency: Non-toll network   | 6 448 616  | 7 515 300  | 7 721 054  | 7 935 587              | 7.2%                    | 32.7%                           | 9 063 668                        | 9 884 293  | 10 648 218 | 10.3%                   | 33.3%                           |
| South African National Roads Agency: Coal haulage road network  | 594 835    | 665 498    | 696 111    | 733 005                | 7.2%                    | 3.0%                            | 769 655                          | 814 295    | 842 723    | 4.8%                    | 2.8%                            |
| South African National Roads Agency: Moloto road upgrade  | —          | —          | 155 500    | 660 834                | —                       | 0.9%                            | 1 279 029                        | 1 806 813  | 1 691 990  | 36.8%                   | 4.8%                            |
| South African National Roads Agency: Botswana river crossing  | —          | —          | 18 200     | —                      | —                       | —                               | —                                | —          | —          | —                       | —                               |
| Households  |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Social benefits   |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Current   | 202        | 44         | 139        | —                      | -100.0%                 | —                               | —                                | —          | —          | —                       | —                               |
| Employee social benefits  | 202        | 44         | 139        | —                      | -100.0%                 | —                               | —                                | —          | —          | —                       | —                               |
| Provinces and municipalities  |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Municipalities  |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Municipal bank accounts   |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Current   | 52 205     | 75 223     | 96 842     | 101 514                | 24.8%                   | 0.4%                            | 107 309                          | 113 533    | 119 891    | 5.7%                    | 0.4%                            |
| Rural roads asset management systems grant  | 52 205     | 75 223     | 96 842     | 101 514                | 24.8%                   | 0.4%                            | 107 309                          | 113 533    | 119 891    | 5.7%                    | 0.4%                            |
| Provinces and municipalities  |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Provinces   |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Provincial revenue funds  |            |            |            |                        |                         |                                 |                                  |            |            |                         |                                 |
| Capital   | 8 737 775  | 9 361 498  | 9 531 744  | 10 478 194             | 6.2%                    | 42.1%                           | 10 753 664                       | 11 535 668 | 12 181 665 | 5.1%                    | 39.8%                           |
| Provincial roads maintenance grant: Roads in support of electricity generation infrastructure component | 808 900    | 803 002    | 830 000    | 801 000                | -0.3%                   | 3.6%                            | 482 000                          | —          | —          | -100.0%                 | 1.1%                            |
| Provincial roads maintenance grant: Roads maintenance component   | 7 519 488  | 7 956 245  | 8 221 154  | 9 379 071              | 7.6%                    | 36.5%                           | 10 001 664                       | 11 325 668 | 12 181 665 | 9.1%                    | 38.0%                           |
| Provincial roads maintenance grant: Disaster relief component   | 409 387    | 602 251    | 480 590    | 298 123                | -10.0%                  | 2.0%                            | 270 000                          | 210 000    | —          | -100.0%                 | 0.7%                            |

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

**Table 35.15 Road Transport personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2017 |   |   | Number and cost <sup>2</sup> 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 (%) | Average Salary level/Total (%) |                   |        |        |
|   |   |   | 2015/16  |      |           | 2016/17          |      |           | 2017/18                          |      | 2018/19   |        | 2019/20 |           |                         |                                | 2016/17 - 2019/20 |        |        |
|   |   |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost |                         |                                |                   | Number | Cost   |
| Road Transport                              |   |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost | Number                  | Cost                           | Unit cost         |        |        |
| Salary level                                | 88  | 1 | 90   | 45.3 | 0.5       | 86               | 54.3 | 0.6       | 85                               | 57.9 | 0.7       | 84     | 61.4    | 0.7       | 84                      | 66.0                           | 0.8               | -0.8%  | 100.0% |
| 1 – 6                                       | 12  | – | 11   | 2.4  | 0.2       | 11               | 2.9  | 0.3       | 11                               | 3.2  | 0.3       | 11     | 3.4     | 0.3       | 11                      | 3.7                            | 0.3               | –      | 13.0%  |
| 7 – 10                                      | 39  | – | 41   | 15.8 | 0.4       | 39               | 19.2 | 0.5       | 39                               | 20.8 | 0.5       | 39     | 22.5    | 0.6       | 39                      | 24.2                           | 0.6               | –      | 46.0%  |
| 11 – 12                                     | 27  | – | 28   | 17.3 | 0.6       | 27               | 21.2 | 0.8       | 26                               | 22.0 | 0.8       | 25     | 22.8    | 0.9       | 25                      | 24.5                           | 1.0               | -2.5%  | 30.4%  |
| 13 – 16                                     | 10  | 1 | 10   | 9.8  | 1.0       | 9                | 10.9 | 1.2       | 9                                | 11.9 | 1.3       | 9      | 12.7    | 1.4       | 9                       | 13.6                           | 1.5               | –      | 10.6%  |

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

2 Rand million.

## Programme 5: Civil Aviation

### Programme purpose

Facilitate the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards through regulations, investigations and overseeing aviation public entities.

## Objectives

- Enhance the performance, efficiency and reliability of the aviation sector by submitting the amendment of the Airports Company Act (1993) and the Air Traffic and Navigation Services Company Act (1993) to Cabinet by 2017.
- Regulate and enhance civil aviation safety and security by:
  - submitting the Civil Aviation Policy to Cabinet in 2017
  - facilitating the universal safety oversight audit conducted by the International Civil Aviation Organisation in 2017.
- Contribute to job creation in the transport sector by submitting the national aviation transformation strategy to Cabinet by 2017.

## Subprogrammes

- *Aviation Policy and Regulations* develops and maintains the civil aviation regulatory regime to respond to national imperatives and international standards, norms and protocols.
- *Aviation Economic Analysis and Industry Development* provides aviation economic analysis and develops relevant frameworks for industry development and airfreight logistics activities.
- *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 safety recommendations on mechanisms to address these deficiencies.
- *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.
- *Aviation Administration Support* provides project and financial administrative support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning.
- *Mthatha Airport* was created to facilitate the upgrade and refurbishment of Mthatha Airport in 2012/13 and 2013/14.

## Expenditure trends and estimates

**Table 35.16 Civil Aviation expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome |                |                | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/Total (%) |
|---|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| R thousand  | 2013/14         | 2014/15        | 2015/16        | 2016/17                | 2013/14 - 2016/17       |                                | 2017/18                          | 2018/19        | 2019/20        | 2016/17 - 2019/20       |                                |
| Aviation Policy and Regulations   | 27 408          | 26 101         | 26 618         | 23 729                 | -4.7%                   | 14.7%                          | 25 053                           | 26 553         | 28 385         | 6.2%                    | 13.1%                          |
| Aviation Economic Analysis and Industry Development                                       | 8 482           | 9 048          | 9 808          | 11 278                 | 10.0%                   | 5.5%                           | 11 401                           | 12 024         | 12 864         | 4.5%                    | 6.0%                           |
| Aviation Safety, Security, Environment and Search and Rescue                              | 61 795          | 64 651         | 57 737         | 169 300                | 39.9%                   | 49.9%                          | 71 461                           | 74 917         | 79 298         | -22.3%                  | 49.9%                          |
| Aviation Oversight  | 35 051          | 37 789         | 40 610         | 43 870                 | 7.8%                    | 22.2%                          | 56 895                           | 59 829         | 62 904         | 12.8%                   | 28.3%                          |
| Aviation Administration Support   | 7 669           | 23 377         | 6 374          | 5 046                  | -13.0%                  | 6.0%                           | 5 059                            | 5 344          | 5 734          | 4.4%                    | 2.7%                           |
| Mthatha Airport   | 8 197           | —              | 4 137          | —                      | -100.0%                 | 1.7%                           | —                                | —              | —              | —                       | —                              |
| <b>Total</b>  | <b>148 602</b>  | <b>160 966</b> | <b>145 284</b> | <b>253 223</b>         | <b>19.4%</b>            | <b>100.0%</b>                  | <b>169 869</b>                   | <b>178 667</b> | <b>189 185</b> | <b>-9.3%</b>            | <b>100.0%</b>                  |
| Change to 2016 Budget estimate  |                 |                |                |                        |                         |                                | 10 451                           | 10 853         | 11 140         |                         |                                |
| <b>Economic classification</b>  |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current payments</b>   | <b>105 765</b>  | <b>123 473</b> | <b>105 319</b> | <b>212 120</b>         | <b>26.1%</b>            | <b>77.2%</b>                   | <b>115 714</b>                   | <b>121 732</b> | <b>129 396</b> | <b>-15.2%</b>           | <b>73.2%</b>                   |
| Compensation of employees   | 31 276          | 32 382         | 35 711         | 39 369                 | 8.0%                    | 19.6%                          | 40 365                           | 42 843         | 46 090         | 5.4%                    | 21.3%                          |
| Goods and services <sup>1</sup>   | 74 489          | 91 091         | 69 608         | 172 751                | 32.4%                   | 57.6%                          | 75 349                           | 78 889         | 83 306         | -21.6%                  | 51.9%                          |
| of which:   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| Communication   | 53 071          | 52 958         | 44 787         | 156 090                | 43.3%                   | 43.3%                          | 58 080                           | 60 810         | 64 214         | -25.6%                  | 42.9%                          |
| Consultants: Business and advisory services   | 3 780           | 5 403          | 10 744         | 6 942                  | 22.5%                   | 3.8%                           | 7 332                            | 7 675          | 8 105          | 5.3%                    | 3.8%                           |
| Consumables: Stationery, printing and office supplies                                     | 440             | 313            | 439            | 603                    | 11.1%                   | 0.3%                           | 954                              | 999            | 1 055          | 20.5%                   | 0.5%                           |
| Travel and subsistence  | 7 194           | 8 618          | 8 924          | 7 484                  | 1.3%                    | 4.6%                           | 7 217                            | 7 555          | 7 981          | 2.2%                    | 3.8%                           |
| Training and development  | 143             | 9              | 131            | 472                    | 48.9%                   | 0.1%                           | 368                              | 385            | 406            | -4.9%                   | 0.2%                           |
| Operating payments  | 65              | 18 561         | 340            | 175                    | 39.1%                   | 2.7%                           | 355                              | 371            | 394            | 31.1%                   | 0.2%                           |
| <b>Transfers and subsidies<sup>1</sup></b>  | <b>33 887</b>   | <b>36 556</b>  | <b>39 184</b>  | <b>40 702</b>          | <b>6.3%</b>             | <b>21.2%</b>                   | <b>53 734</b>                    | <b>56 490</b>  | <b>59 318</b>  | <b>13.4%</b>            | <b>26.6%</b>                   |
| Departmental agencies and accounts  | 24 652          | 26 126         | 27 329         | 28 777                 | 5.3%                    | 15.1%                          | 35 216                           | 37 249         | 39 335         | 11.0%                   | 17.8%                          |
| Foreign governments and international organisations                                       | 7 658           | 8 008          | 9 300          | 9 384                  | 7.0%                    | 4.9%                           | 15 850                           | 16 418         | 17 002         | 21.9%                   | 7.4%                           |
| Non-profit institutions   | 1 515           | 2 308          | 2 415          | 2 541                  | 18.8%                   | 1.2%                           | 2 668                            | 2 823          | 2 981          | 5.5%                    | 1.4%                           |
| Households  | 62              | 114            | 140            | —                      | -100.0%                 | —                              | —                                | —              | —              | —                       | —                              |
| <b>Payments for capital assets</b>  | <b>8 950</b>    | <b>903</b>     | <b>779</b>     | <b>401</b>             | <b>-64.5%</b>           | <b>1.6%</b>                    | <b>421</b>                       | <b>445</b>     | <b>471</b>     | <b>5.5%</b>             | <b>0.2%</b>                    |
| Buildings and other fixed structures  | 8 197           | —              | —              | —                      | -100.0%                 | 1.2%                           | —                                | —              | —              | —                       | —                              |
| Machinery and equipment   | 753             | 903            | 779            | 401                    | -18.9%                  | 0.4%                           | 421                              | 445            | 471            | 5.5%                    | 0.2%                           |
| <b>Payments for financial assets</b>  | <b>—</b>        | <b>34</b>      | <b>2</b>       | <b>—</b>               | <b>—</b>                | <b>—</b>                       | <b>—</b>                         | <b>—</b>       | <b>—</b>       | <b>—</b>                | <b>—</b>                       |
| <b>Total</b>  | <b>148 602</b>  | <b>160 966</b> | <b>145 284</b> | <b>253 223</b>         | <b>19.4%</b>            | <b>100.0%</b>                  | <b>169 869</b>                   | <b>178 667</b> | <b>189 185</b> | <b>-9.3%</b>            | <b>100.0%</b>                  |
| <b>Proportion of total programme expenditure to vote expenditure</b>                      | <b>0.3%</b>     | <b>0.3%</b>    | <b>0.3%</b>    | <b>0.4%</b>            | <b>—</b>                | <b>—</b>                       | <b>0.3%</b>                      | <b>0.3%</b>    | <b>0.3%</b>    | <b>—</b>                | <b>—</b>                       |
| <b>Details of transfers and subsidies</b>   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Departmental agencies and accounts</b>   |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Departmental agencies (non-business entities)</b>                                      |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current</b>  | <b>24 652</b>   | <b>26 126</b>  | <b>27 329</b>  | <b>28 777</b>          | <b>5.3%</b>             | <b>15.1%</b>                   | <b>35 216</b>                    | <b>37 249</b>  | <b>39 335</b>  | <b>11.0%</b>            | <b>17.8%</b>                   |
| South African Civil Aviation Authority  | 18 155          | 19 239         | 20 124         | 21 191                 | 5.3%                    | 11.1%                          | 22 251                           | 23 542         | 24 860         | 5.5%                    | 11.6%                          |
| South African Maritime Safety Authority   | 6 497           | 6 887          | 7 205          | 7 586                  | 5.3%                    | 4.0%                           | 12 965                           | 13 707         | 14 475         | 24.0%                   | 6.2%                           |
| <b>Foreign governments and international organisations</b>                                |                 |                |                |                        |                         |                                |                                  |                |                |                         |                                |
| <b>Current</b>  | <b>7 658</b>    | <b>8 008</b>   | <b>9 300</b>   | <b>9 384</b>           | <b>7.0%</b>             | <b>4.9%</b>                    | <b>15 850</b>                    | <b>16 418</b>  | <b>17 002</b>  | <b>21.9%</b>            | <b>7.4%</b>                    |
| African Civil Aviation Commission   | 3 773           | 3 915          | 4 862          | 4 744                  | 7.9%                    | 2.4%                           | 4 980                            | 5 269          | 5 564          | 5.5%                    | 2.6%                           |
| International Civil Aviation Organisation   | 3 476           | 3 690          | 4 027          | 4 098                  | 5.6%                    | 2.2%                           | 4 303                            | 4 553          | 4 808          | 5.5%                    | 2.2%                           |
| International Maritime Organisation   | 4               | —              | —              | —                      | -100.0%                 | —                              | —                                | —              | —              | —                       | —                              |
| Cospas-Sarsat search and rescue satellite programme                                       | 405             | 403            | 411            | 482                    | 6.0%                    | 0.2%                           | 507                              | 536            | 566            | 5.5%                    | 0.3%                           |
| Southern African Development Community: International Civil Aviation Organisation Mission | —               | —              | —              | 60                     | —                       | —                              | 60                               | 60             | 64             | 2.2%                    | —                              |
| Southern Africa Development Community Aviation Safety Organisation                        | —               | —              | —              | —                      | —                       | —                              | 6 000                            | 6 000          | 6 000          | —                       | 2.3%                           |

Table 35.16 Civil Aviation expenditure trends and estimates by subprogramme and economic classification

|  | Audited outcome |         |         | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
| R thousand   | 2013/14         | 2014/15 | 2015/16 | 2016/17                | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19 | 2019/20 | 2016/17 - 2019/20       |                                 |
| <b>Non-profit institutions</b>   |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Current</b>   | 1 515           | 2 308   | 2 415   | 2 541                  | 18.8%                   | 1.2%                            | 2 668                            | 2 823   | 2 981   | 5.5%                    | 1.4%                            |
| National Sea Rescue Institute  | 1 223           | 2 000   | 2 095   | 2 205                  | 21.7%                   | 1.1%                            | 2 316                            | 2 451   | 2 589   | 5.5%                    | 1.2%                            |
| National Emergency Communications Division of the South African Radio League | 73              | 77      | 80      | 84                     | 4.8%                    | —                               | 88                               | 93      | 98      | 5.3%                    | —                               |
| Mountain Club of South Africa  | 73              | 77      | 80      | 84                     | 4.8%                    | —                               | 88                               | 93      | 98      | 5.3%                    | —                               |
| Off Road Rescue Unit   | 73              | 77      | 80      | 84                     | 4.8%                    | —                               | 88                               | 93      | 98      | 5.3%                    | —                               |
| K9 Search and Rescue Association of South Africa                             | 73              | 77      | 80      | 84                     | 4.8%                    | —                               | 88                               | 93      | 98      | 5.3%                    | —                               |
| <b>Households</b>  |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Social benefits</b>   |                 |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| <b>Current</b>   | 62              | 114     | 140     | —                      | -100.0%                 | —                               | —                                | —       | —       | —                       | —                               |
| Employee social benefits   | 62              | 114     | 140     | —                      | -100.0%                 | —                               | —                                | —       | —       | —                       | —                               |

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

**Table 35.17 Civil Aviation personnel numbers and cost by salary level<sup>1</sup>**

| Number of posts estimated for 31 March 2017 |   |   | Number and cost <sup>2</sup> 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 (%) | Average: Salary level/Total (%) |                   |        |        |
|   |   |   | 2015/16  |      |           | 2016/17          |      |           | 2017/18                          |      | 2018/19   |        | 2019/20 |           |                         |                                 | 2016/17 - 2019/20 |        |        |
|   |   |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost |                         |                                 |                   |        |        |
| Civil Aviation                              |   |   |  |      |           |                  |      |           |                                  |      |           |        |         |           |                         |                                 |                   |        |        |
| Salary level                                | 57  | 1 | 57   | 35.7 | 0.6       | 55               | 39.4 | 0.7       | 54                               | 40.4 | 0.7       | 52     | 42.8    | 0.8       | 52                      | 46.1                            | 0.9               | -1.9%  | 100.0% |
| 1 – 6                                       | 13  | – | 13   | 3.4  | 0.3       | 13               | 3.8  | 0.3       | 13                               | 4.1  | 0.3       | 13     | 4.7     | 0.4       | 13                      | 5.0                             | 0.4               | –      | 24.4%  |
| 7 – 10                                      | 25  | – | 24   | 11.9 | 0.5       | 24               | 14.0 | 0.6       | 24                               | 15.2 | 0.6       | 24     | 17.2    | 0.7       | 24                      | 18.6                            | 0.8               | –      | 45.1%  |
| 11 – 12                                     | 10  | – | 10   | 8.5  | 0.8       | 8                | 8.0  | 1.0       | 6                                | 6.4  | 1.1       | 4      | 4.7     | 1.2       | 4                       | 5.0                             | 1.3               | -20.6% | 10.3%  |
| 13 – 16                                     | 9   | 1 | 10   | 12.0 | 1.2       | 10               | 13.6 | 1.4       | 11                               | 14.6 | 1.3       | 11     | 16.3    | 1.5       | 11                      | 17.5                            | 1.6               | 3.2%   | 20.2%  |

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

2. Rand million.

## Programme 6: Maritime Transport

### Programme purpose

Promote a safe, reliable and economically viable maritime transport sector through the development and implementation of policies and strategies. Oversee maritime public entities.

## Objectives

- Enhance the performance, efficiency and reliability of the maritime transport sector by developing an implementation plan for the approved national maritime transport policy by 2018.
- Regulate and enhance maritime transport safety and security by:
  - developing the draft Merchant Shipping Amendment Bill by 2018
  - preparing reports on the 2020 World Maritime Day project implementation plan by 2020.

## Subprogrammes

- *Maritime Policy Development* develops and maintains a maritime regulatory regime that is responsive to national imperatives, and international standards, norms and protocols. This subprogramme is also responsible for the development and maintenance of maritime policies and strategies.
- *Maritime Infrastructure and Industry Development* facilitates the development of an integrated maritime infrastructure and maritime industry.
- *Implementation, Monitoring and Evaluations* ensures that legislation, policies and strategies pertaining to maritime safety, security and environmental protection are implemented.

- *Maritime Oversight* transfers allocations to public entities in the maritime field, the South African Maritime Safety Authority and the Ports Regulator of South Africa, and oversees these entities' compliance with relevant regulations and legislation.
- *Maritime Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating branch and departmental meetings, implementing projects, and business planning.

## Expenditure trends and estimates

**Table 35.18 Maritime Transport expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  |         |         |         | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |         |         | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|---------|---------|---------|------------------------|-------------------------|---------------------------------|----------------------------------|---------|---------|-------------------------|---------------------------------|
| Audited outcome   |         |         | 2017/18 |                        |                         |                                 | 2018/19                          | 2019/20 |         |                         |                                 |
| R thousand  | 2013/14 | 2014/15 | 2015/16 | 2016/17                | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19 | 2019/20 | 2016/17 - 2019/20       |                                 |
| Maritime Policy Development                                   | 9 246   | 11 069  | 11 668  | 10 020                 | 2.7%                    | 9.0%                            | 9 863                            | 10 390  | 11 097  | 3.5%                    | 8.2%                            |
| Maritime Infrastructure and Industry Development              | 5 921   | 6 453   | 6 461   | 12 038                 | 26.7%                   | 6.6%                            | 13 438                           | 12 695  | 13 534  | 4.0%                    | 10.3%                           |
| Implementation, Monitoring and Evaluations                    | 60 085  | 58 763  | 53 708  | 59 387                 | -0.4%                   | 49.8%                           | 59 919                           | 62 801  | 66 458  | 3.8%                    | 49.5%                           |
| Maritime Oversight  | 23 480  | 18 638  | 67 520  | 34 355                 | 13.5%                   | 30.9%                           | 29 256                           | 32 756  | 39 368  | 4.6%                    | 27.0%                           |
| Maritime Administration Support                               | 3 539   | 4 700   | 3 517   | 5 035                  | 12.5%                   | 3.6%                            | 7 216                            | 6 143   | 6 546   | 9.1%                    | 5.0%                            |
| Total   | 102 271 | 99 623  | 142 874 | 120 835                | 5.7%                    | 100.0%                          | 119 692                          | 124 785 | 137 003 | 4.3%                    | 100.0%                          |
| Change to 2016 Budget estimate                                |         |         |         | (898)                  |                         |                                 | 2 230                            | 4 342   | 9 297   |                         |                                 |
| Economic classification                                       |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current payments  | 79 055  | 81 445  | 77 164  | 89 684                 | 4.3%                    | 70.3%                           | 95 005                           | 96 841  | 102 775 | 4.6%                    | 76.5%                           |
| Compensation of employees                                     | 16 530  | 19 598  | 20 122  | 23 782                 | 12.9%                   | 17.2%                           | 28 384                           | 27 098  | 29 125  | 7.0%                    | 21.6%                           |
| Goods and services <sup>1</sup>                               | 62 525  | 61 847  | 57 042  | 65 902                 | 1.8%                    | 53.1%                           | 66 621                           | 69 743  | 73 650  | 3.8%                    | 54.9%                           |
| of which:   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Communication   | 283     | 282     | 348     | 412                    | 13.3%                   | 0.3%                            | 387                              | 409     | 435     | 1.8%                    | 0.3%                            |
| Consultants: Business and advisory services                   | 6 868   | 52 209  | 45 611  | 18 550                 | 39.3%                   | 26.5%                           | 19 562                           | 20 480  | 21 629  | 5.3%                    | 16.0%                           |
| Infrastructure and planning services                          | 46 079  | –       | –       | 41 598                 | -3.4%                   | 18.8%                           | 41 243                           | 43 176  | 45 591  | 3.1%                    | 34.2%                           |
| Operating leases  | 1 015   | 1 409   | 1 085   | 520                    | -20.0%                  | 0.9%                            | 1 335                            | 1 397   | 1 476   | 41.6%                   | 0.9%                            |
| Travel and subsistence  | 5 228   | 4 650   | 6 122   | 3 196                  | -15.1%                  | 4.1%                            | 3 234                            | 3 381   | 3 569   | 3.7%                    | 2.7%                            |
| Venues and facilities   | 697     | 893     | 845     | 483                    | -11.5%                  | 0.6%                            | 350                              | 366     | 387     | -7.1%                   | 0.3%                            |
| Transfers and subsidies <sup>1</sup>                          | 22 593  | 17 667  | 65 190  | 30 341                 | 10.3%                   | 29.2%                           | 24 358                           | 27 597  | 33 862  | 3.7%                    | 23.1%                           |
| Departmental agencies and accounts                            | 22 304  | 16 852  | 27 627  | 28 561                 | 8.6%                    | 20.5%                           | 22 489                           | 25 619  | 31 774  | 3.6%                    | 21.6%                           |
| Foreign governments and international organisations           | 242     | 775     | 37 524  | 1 780                  | 94.5%                   | 8.7%                            | 1 869                            | 1 978   | 2 088   | 5.5%                    | 1.5%                            |
| Households  | 47      | 40      | 39      | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |
| Payments for capital assets                                   | 623     | 511     | 518     | 810                    | 9.1%                    | 0.5%                            | 329                              | 347     | 366     | -23.3%                  | 0.4%                            |
| Machinery and equipment                                       | 623     | 511     | 518     | 810                    | 9.1%                    | 0.5%                            | 329                              | 347     | 366     | -23.3%                  | 0.4%                            |
| Payments for financial assets                                 | –       | –       | 2       | –                      | –                       | –                               | –                                | –       | –       | –                       | –                               |
| Total   | 102 271 | 99 623  | 142 874 | 120 835                | 5.7%                    | 100.0%                          | 119 692                          | 124 785 | 137 003 | 4.3%                    | 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                            |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Departmental agencies and accounts                            |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Departmental agencies (non-business entities)                 |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current   | 22 304  | 16 852  | 27 627  | 28 561                 | 8.6%                    | 20.5%                           | 22 489                           | 25 619  | 31 774  | 3.6%                    | 21.6%                           |
| South African Maritime Safety Authority                       | 6 404   | –       | –       | –                      | -100.0%                 | 1.4%                            | –                                | –       | –       | –                       | –                               |
| Ports Regulator of South Africa                               | 15 900  | 16 852  | 27 627  | 28 561                 | 21.6%                   | 19.1%                           | 22 489                           | 25 619  | 31 774  | 3.6%                    | 21.6%                           |
| Foreign governments and international organisations           |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current   | 242     | 775     | 37 524  | 1 780                  | 94.5%                   | 8.7%                            | 1 869                            | 1 978   | 2 088   | 5.5%                    | 1.5%                            |
| International Maritime Organisation                           | –       | 496     | 568     | 1 458                  | –                       | 0.5%                            | 1 531                            | 1 620   | 1 711   | 5.5%                    | 1.3%                            |
| Indian Ocean Memorandum of Understanding                      | 242     | 279     | 320     | 322                    | 10.0%                   | 0.2%                            | 338                              | 358     | 377     | 5.4%                    | 0.3%                            |
| International Oil Pollution Compensation Fund                 | –       | –       | 36 636  | –                      | –                       | 7.9%                            | –                                | –       | –       | –                       | –                               |
| Households  |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Social benefits   |         |         |         |                        |                         |                                 |                                  |         |         |                         |                                 |
| Current   | 47      | 40      | 39      | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |
| Employee social benefits                                      | 47      | 40      | 39      | –                      | -100.0%                 | –                               | –                                | –       | –       | –                       | –                               |

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

## Personnel information

Table 35.19 Maritime Transport personnel numbers and cost by salary level<sup>1</sup>

| Number of posts estimated for 31 March 2017 |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |      |           |                  |      |           |                                  |      |           |        |         |           |                         | Number                          |                   |        |        |
|---|------------------------|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|--------|--------|
| Salary level                                | Number of funded posts | Number of posts additional to the establishment | Actual   |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |        |         |           | Average growth rate (%) | Average: Salary level/Total (%) |                   |        |        |
|   |                        |   | 2015/16  |      |           | 2016/17          |      |           | 2017/18                          |      | 2018/19   |        | 2019/20 |           |                         |                                 | 2016/17 - 2019/20 |        |        |
|   |                        |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost |                         |                                 |                   | Number | Cost   |
| Maritime Transport                          |                        |   | 34   | 20.1 | 0.6       | 33               | 23.8 | 0.7       | 34                               | 28.4 | 0.8       | 34     | 27.1    | 0.8       | 33                      | 29.1                            | 0.9               | –      | 100.0% |
| 1 – 6                                       | 6                      | –   | 6  | 1.3  | 0.2       | 6                | 1.6  | 0.3       | 6                                | 1.7  | 0.3       | 6      | 1.6     | 0.3       | 6                       | 1.9                             | 0.3               | –      | 17.9%  |
| 7 – 10                                      | 15                     | –   | 15   | 5.9  | 0.4       | 15               | 7.6  | 0.5       | 15                               | 8.2  | 0.5       | 15     | 7.9     | 0.5       | 15                      | 9.0                             | 0.6               | –      | 44.8%  |
| 11 – 12                                     | 6                      | –   | 7  | 5.7  | 0.8       | 7                | 7.3  | 1.0       | 7                                | 7.9  | 1.1       | 7      | 7.6     | 1.1       | 7                       | 8.6                             | 1.2               | –      | 20.9%  |
| 13 – 16                                     | 4                      | –   | 6  | 7.2  | 1.2       | 5                | 7.3  | 1.5       | 6                                | 10.5 | 1.7       | 6      | 10.0    | 1.7       | 5                       | 9.7                             | 1.9               | –      | 16.4%  |

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

2. Rand million.

## Programme 7: Public Transport

### Programme purpose

Provide and regulate safe, secure, reliable, cost-effective and sustainable public transport services in South Africa through legislation, policies and strategies.

### Objectives

- Provide integrated rural transport infrastructure and services by:
  - developing detailed integrated public transport network plans in four district municipalities by 2017
  - monitoring the implementation of the rural transport strategy on a continuous basis.
- Improve the access and reliability of public transport by:
  - monitoring the planning and implementation of integrated public transport networks in eight metropolitan and five local municipalities on a continuous basis
  - developing the draft regulations for the National Land Transport Amendment Act by 2018
  - developing a draft transport appeals tribunal amendment bill by 2018.
- Promote sustainable public transport by:
  - monitoring the implementation of recommendations of the taxi recapitalisation programme review report on a continuous basis
  - submitting the public transport subsidy policy to Cabinet by 2018.

### 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).
- *Rural and Scholar Transport* develops and reviews rural, scholar and non-motorised transport strategies, and coordinates and evaluates their implementation.
- *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 facilitates stakeholder relations and conflict resolution in the industry.
- *Public Transport Oversight* transfers public transport subsidies and manages the *public transport operations grant* in terms of the Division of Revenue Act.
- *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.



- *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. It also manages the *public transport network grant* in terms of the Division of Revenue Act.

## Expenditure trends and estimates

**Table 35.20 Public Transport expenditure trends and estimates by subprogramme and economic classification**

| Subprogramme  | Audited outcome   |                   |                   | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---|-------------------|-------------------|-------------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
| R thousand  | 2013/14           | 2014/15           | 2015/16           | 2016/17                | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19           | 2019/20           | 2016/17 - 2019/20       |                                 |
| Public Transport Regulation                                   | 12 930            | 13 970            | 15 189            | 34 852                 | 39.2%                   | 0.2%                            | 34 981                           | 36 320            | 38 713            | 3.6%                    | 0.3%                            |
| Rural and Scholar Transport                                   | 7 216             | 13 744            | 8 591             | 48 121                 | 88.2%                   | 0.2%                            | 48 743                           | 51 260            | 54 337            | 4.1%                    | 0.4%                            |
| Public Transport Industry Development                         | 111 678           | 118 362           | 123 136           | 173 722                | 15.9%                   | 1.2%                            | 161 283                          | 167 946           | 176 457           | 0.5%                    | 1.3%                            |
| Public Transport Oversight                                    | 10 350 785        | 11 021 155        | 11 160 194        | 11 366 700             | 3.2%                    | 98.2%                           | 12 292 760                       | 13 007 096        | 13 746 443        | 6.5%                    | 97.8%                           |
| Public Transport Administration Support                       | 18 669            | 21 826            | 14 224            | 14 888                 | -7.3%                   | 0.2%                            | 12 753                           | 13 397            | 14 219            | -1.5%                   | 0.1%                            |
| Public Transport Network Development                          | 4 338             | 6 620             | 7 237             | 17 107                 | 58.0%                   | 0.1%                            | 17 752                           | 18 680            | 19 867            | 5.1%                    | 0.1%                            |
| <b>Total</b>  | <b>10 505 616</b> | <b>11 195 677</b> | <b>11 328 571</b> | <b>11 655 390</b>      | <b>3.5%</b>             | <b>100.0%</b>                   | <b>12 568 272</b>                | <b>13 294 699</b> | <b>14 050 036</b> | <b>6.4%</b>             | <b>100.0%</b>                   |
| Change to 2016 Budget estimate                                |                   |                   |                   |                        |                         |                                 | (232 692)                        | (245 342)         | (249 321)         |                         |                                 |
| <b>Economic classification</b>                                |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current payments</b>                                       | <b>154 284</b>    | <b>174 070</b>    | <b>167 142</b>    | <b>288 466</b>         | <b>23.2%</b>            | <b>1.8%</b>                     | <b>275 279</b>                   | <b>287 357</b>    | <b>303 333</b>    | <b>1.7%</b>             | <b>2.2%</b>                     |
| Compensation of employees                                     | 35 533            | 41 271            | 44 350            | 50 210                 | 12.2%                   | 0.4%                            | 52 193                           | 54 689            | 58 837            | 5.4%                    | 0.4%                            |
| Goods and services <sup>1</sup>                               | 118 751           | 132 799           | 122 792           | 238 256                | 26.1%                   | 1.4%                            | 223 086                          | 232 668           | 244 496           | 0.9%                    | 1.8%                            |
| of which:   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| Minor assets  | 261               | 141               | 84                | 48                     | -43.1%                  | –                               | 1 150                            | 1 204             | 1 268             | 197.8%                  | –                               |
| Communication   | 511               | 549               | 613               | 253                    | -20.9%                  | –                               | 1 180                            | 1 235             | 1 302             | 72.6%                   | –                               |
| Consultants: Business and advisory services                   | 107 077           | 120 743           | 115 243           | 236 038                | 30.1%                   | 1.3%                            | 211 657                          | 220 699           | 231 882           | -0.6%                   | 1.7%                            |
| Travel and subsistence  | 8 152             | 8 708             | 5 138             | 1 285                  | -46.0%                  | 0.1%                            | 5 869                            | 6 150             | 6 485             | 71.5%                   | –                               |
| Training and development                                      | 37                | 42                | 106               | –                      | -100.0%                 | –                               | 1 536                            | 1 605             | 1 688             | –                       | –                               |
| Venues and facilities   | 1 086             | 1 532             | 947               | 350                    | -31.4%                  | –                               | 535                              | 562               | 591               | 19.1%                   | –                               |
| <b>Transfers and subsidies<sup>1</sup></b>                    | <b>10 350 764</b> | <b>11 021 214</b> | <b>11 160 783</b> | <b>11 366 700</b>      | <b>3.2%</b>             | <b>98.2%</b>                    | <b>12 292 760</b>                | <b>13 007 096</b> | <b>13 746 443</b> | <b>6.5%</b>             | <b>97.8%</b>                    |
| Provinces and municipalities                                  | 10 102 502        | 10 703 555        | 10 892 538        | 10 992 983             | 2.9%                    | 95.5%                           | 11 882 430                       | 12 572 967        | 13 288 003        | 6.5%                    | 94.5%                           |
| Non-profit institutions                                       | 17 365            | 17 500            | 19 254            | 20 275                 | 5.3%                    | 0.2%                            | 21 289                           | 22 524            | 23 785            | 5.5%                    | 0.2%                            |
| Households  | 230 897           | 300 159           | 248 991           | 353 442                | 15.2%                   | 2.5%                            | 389 041                          | 411 605           | 434 655           | 7.1%                    | 3.1%                            |
| <b>Payments for capital assets</b>                            | <b>568</b>        | <b>380</b>        | <b>642</b>        | <b>224</b>             | <b>-26.7%</b>           | <b>–</b>                        | <b>233</b>                       | <b>246</b>        | <b>260</b>        | <b>5.1%</b>             | <b>–</b>                        |
| Machinery and equipment                                       | 568               | 380               | 642               | 224                    | -26.7%                  | –                               | 233                              | 246               | 260               | 5.1%                    | –                               |
| Payments for financial assets                                 | –                 | 13                | 4                 | –                      | –                       | –                               | –                                | –                 | –                 | –                       | –                               |
| <b>Total</b>  | <b>10 505 616</b> | <b>11 195 677</b> | <b>11 328 571</b> | <b>11 655 390</b>      | <b>3.5%</b>             | <b>100.0%</b>                   | <b>12 568 272</b>                | <b>13 294 699</b> | <b>14 050 036</b> | <b>6.4%</b>             | <b>100.0%</b>                   |
| Proportion of total programme expenditure to vote expenditure | 24.4%             | 22.8%             | 21.2%             | 20.7%                  | –                       | –                               | 21.0%                            | 20.5%             | 20.5%             | –                       | –                               |
| <b>Details of transfers and subsidies</b>                     |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Non-profit institutions</b>                                |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>  | <b>17 365</b>     | <b>17 500</b>     | <b>19 254</b>     | <b>20 275</b>          | <b>5.3%</b>             | <b>0.2%</b>                     | <b>21 289</b>                    | <b>22 524</b>     | <b>23 785</b>     | <b>5.5%</b>             | <b>0.2%</b>                     |
| South African National Taxi Council                           | 17 365            | 17 500            | 19 254            | 20 275                 | 5.3%                    | 0.2%                            | 21 289                           | 22 524            | 23 785            | 5.5%                    | 0.2%                            |
| <b>Households</b>   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Social benefits</b>  |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>  | <b>–</b>          | <b>96</b>         | <b>589</b>        | <b>–</b>               | <b>–</b>                | <b>–</b>                        | <b>–</b>                         | <b>–</b>          | <b>–</b>          | <b>–</b>                | <b>–</b>                        |
| Employee social benefits                                      | –                 | 96                | 589               | –                      | –                       | –                               | –                                | –                 | –                 | –                       | –                               |
| <b>Households</b>   |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Other transfers to households</b>                          |                   |                   |                   |                        |                         |                                 |                                  |                   |                   |                         |                                 |
| <b>Current</b>  | <b>230 897</b>    | <b>300 063</b>    | <b>248 402</b>    | <b>353 442</b>         | <b>15.2%</b>            | <b>2.5%</b>                     | <b>389 041</b>                   | <b>411 605</b>    | <b>434 655</b>    | <b>7.1%</b>             | <b>3.1%</b>                     |
| Taxi recapitalisation   | 230 897           | 300 063           | 248 402           | 353 442                | 15.2%                   | 2.5%                            | 389 041                          | 411 605           | 434 655           | 7.1%                    | 3.1%                            |

1. Estimates of National Expenditure data tables are available and can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Table 35.20 Public Transport expenditure trends and estimates by subprogramme and economic classification

|                                   | Audited outcome |           |           | Adjusted appropriation | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |           |           | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------------------|-----------------|-----------|-----------|------------------------|-------------------------|---------------------------------|----------------------------------|-----------|-----------|-------------------------|---------------------------------|
| R thousand                        | 2013/14         | 2014/15   | 2015/16   | 2016/17                | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19   | 2019/20   | 2016/17 - 2019/20       |                                 |
| Provinces and municipalities      |                 |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Municipalities                    |                 |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Municipal bank accounts           |                 |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Capital                           | 5 549 981       | 5 870 846 | 5 953 090 | 5 592 691              | 0.3%                    | 51.4%                           | 6 159 559                        | 6 582 669 | 6 962 248 | 7.6%                    | 49.1%                           |
| Public transport network grant    | 5 549 981       | 5 870 846 | 5 953 090 | 5 592 691              | 0.3%                    | 51.4%                           | 6 159 559                        | 6 582 669 | 6 962 248 | 7.6%                    | 49.1%                           |
| Provinces and municipalities      |                 |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Provinces                         |                 |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Provincial revenue funds          |                 |           |           |                        |                         |                                 |                                  |           |           |                         |                                 |
| Current                           | 4 552 521       | 4 832 709 | 4 939 448 | 5 400 292              | 5.9%                    | 44.1%                           | 5 722 871                        | 5 990 298 | 6 325 755 | 5.4%                    | 45.5%                           |
| Public transport operations grant | 4 552 521       | 4 832 709 | 4 939 448 | 5 400 292              | 5.9%                    | 44.1%                           | 5 722 871                        | 5 990 298 | 6 325 755 | 5.4%                    | 45.5%                           |

## Personnel information

Table 35.21 Public Transport personnel numbers and cost by salary level<sup>1</sup>

| Number of posts estimated for 31 March 2017 |                        |   | Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment |           |                  |      |           |                                  |      |           |         |      |           |                         |                                 |         |      | Number    |                   |
|---|------------------------|---|--|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|---------|------|-----------|-------------------|
| Public Transport                            | Number of funded posts | Number of posts additional to the establishment | Actual   |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |         |      |           | Average growth rate (%) | Average: Salary level/Total (%) |         |      |           |                   |
|   |                        |   | 2015/16  |           | 2016/17          |      |           | 2017/18                          |      |           | 2018/19 |      |           |                         |                                 | 2019/20 |      |           | 2016/17 - 2019/20 |
|   |                        |   | Number   | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number  | Cost | Unit cost |                         |                                 | Number  | Cost | Unit cost |                   |
| Salary level                                | 66                     | –   | 67   | 44.4      | 0.7              | 84   | 50.2      | 0.6                              | 85   | 52.2      | 0.6     | 85   | 54.7      | 0.6                     | 85                              | 58.8    | 0.7  | 0.4%      | 100.0%            |
| 1 – 6                                       | 11                     | –   | 11   | 3.7       | 0.3              | 13   | 3.1       | 0.2                              | 13   | 3.1       | 0.2     | 13   | 3.3       | 0.3                     | 13                              | 3.5     | 0.3  | –         | 15.3%             |
| 7 – 10                                      | 22                     | –   | 22   | 8.8       | 0.4              | 37   | 14.6      | 0.4                              | 37   | 14.9      | 0.4     | 37   | 15.7      | 0.4                     | 37                              | 17.0    | 0.5  | –         | 43.7%             |
| 11 – 12                                     | 16                     | –   | 16   | 11.4      | 0.7              | 16   | 12.0      | 0.8                              | 16   | 12.3      | 0.8     | 16   | 13.0      | 0.8                     | 16                              | 14.0    | 0.9  | –         | 18.9%             |
| 13 – 16                                     | 17                     | –   | 18   | 20.4      | 1.1              | 18   | 20.5      | 1.1                              | 19   | 21.8      | 1.1     | 19   | 22.8      | 1.2                     | 19                              | 24.4    | 1.3  | 1.8%      | 22.1%             |

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

2 Rand million

## Entities<sup>1</sup>

## Airports Company South Africa

## Mandate

Airports Company 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: OR Tambo International Airport in Johannesburg, Cape Town International Airport and King Shaka International Airport in Durban. The company is one of the concessionaires operating Mumbai International Airport in India and Guarulhos International Airport in Sao Paulo, Brazil.

### ***Selected performance indicators***

Table 35.22 Airports Company South Africa performance indicators by programme/objective/activity and related outcome

| Indicator  | Programme/objective/activity        | Outcome        | Past    |         |         | Current | Projections |         |         |
|--|-------------------------------------|----------------|---------|---------|---------|---------|-------------|---------|---------|
|  |                                     |                | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18     | 2018/19 | 2019/20 |
| Average maintenance and engineering costs per international airport per year | Airport maintenance and engineering | Entity mandate | R308.3m | R236.5m | R237.8m | R280.5m | R309.5m     | R333.9m | R352.7m |
| Average security and safety costs per international airport per year         | Airport security and safety         |                | R134.4m | R139.5m | R156.2m | R174.2m | R187.8m     | R208.7m | R220.4m |
| Cost-benefit efficiency ratio per year                                       | Airport management                  |                | 70%     | 81%     | 78%     | 93%     | 88%         | 88%     | 88%     |

<sup>1</sup>. This section has been compiled with the latest available information from the entities concerned.



**Table 35.22 Airports Company South Africa performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/objective/activity | Outcome        | Past       |            |            | Current    | Projections |            |            |
|--|------------------------------|----------------|------------|------------|------------|------------|-------------|------------|------------|
|  |                              |                | 2013/14    | 2014/15    | 2015/16    | 2016/17    | 2017/18     | 2018/19    | 2019/20    |
| Number of departing passengers accommodated at all airports per year | Airport management           | Entity mandate | 17 419 183 | 17 844 550 | 19 374 329 | 19 155 855 | 19 561 632  | 20 090 643 | 20 864 233 |
| Number of arrival aircraft accommodated at all airports per year     | Airport management           |                | 261 294    | 273 342    | 284 285    | 272 439    | 300 649     | 304 615    | 312 902    |
| Employee cost per departing passenger per year                       | Airport management           |                | R57        | R60        | R57        | R58        | R64         | R66        | R68        |
| Aeronautical revenue per departing passenger per year                | Airport management           |                | R262       | R276       | R268       | R179       | R188        | R187       | R176       |
| Non-aeronautical revenue per departing passenger per year            | Airport management           |                | R147       | R160       | R161       | R167       | R177        | R156       | R196       |

### **Expenditure analysis**

Over the medium term, Airports Company South Africa will continue providing safe and secure services as well as infrastructure for passengers and airlines to transport people and goods. This will be achieved through the effective use of existing airport infrastructure and investments in airport infrastructure. Airports operated by the company are expected to accommodate 312 902 arriving aircraft and 20.9 million departing passengers per year by 2019/20, from 272 439 arriving aircraft and 19.2 million departing passengers in 2016/17. To support this growth, the company will continue to focus on airport maintenance and engineering, as well as airport safety and security.

Airport maintenance and engineering costs are expected to increase over the medium term, at an average annual rate of 6.7 per cent, from R870 million in 2016/17 to R1.1 billion in 2019/20. Airport safety and security costs per international airport are also expected to increase from R505.7 million in 2016/17 to R661.1 million in 2019/20, at an average annual rate of 9.3 per cent. After administration costs, expenditure on airport maintenance and engineering in all airports accounts for the bulk of the company's total expenditure over the medium term, at 14.7 per cent, or R3 billion.

Spending on goods and services is expected to increase by 1.6 per cent over the medium, from R2.6 billion in 2016/17 to R2.7 billion in 2019/20. This is mainly because of the implementation of a new operational structure in 2017/18, which is expected to improve efficiency, and cost-containment initiatives planned over the medium term. However, aligning the remuneration policy with the new structure is expected to increase spending on compensation of employees at an average annual rate of 8 per cent, from R1.1 billion in 2016/17 to R1.4 billion in 2019/20, with the staff complement remaining at 3 120 over the period.

The company's aeronautical revenue is earned from passenger facilitation and airline services for which charges and tariffs such as aircraft landing and parking fees are collected. Non-aeronautical revenue is derived from property rental, advertising and car parking. Total revenue is expected to increase at an average annual rate of 5.3 per cent, from R6.7 billion in 2016/17 to R7.9 billion in 2019/20, largely driven by the growth in the number of departing passengers and arrival aircraft over the MTEF period. This offsets the effect of the downward adjustment of airport tariffs in 2017/18, which were determined by the regulating committee.

The tariff adjustment is linked to historical underspending of the capital budget and a claw back from a land sale transaction. To ensure financial and debt sustainability, the company's capital projects were scaled down to realign with revenue estimates over the medium term.

## Programmes/objectives/activities

Table 35.23 Airports Company of South Africa expenditure trends and estimates by programme/objective/activity

|                                     | Audited outcome  |                  |                  | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
| R thousand                          | 2013/14          | 2014/15          | 2015/16          | 2016/17          | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19          | 2019/20          | 2016/17 - 2019/20       |                                 |
| Administration                      | 4 350 444        | 5 136 970        | 5 228 677        | 4 380 915        | 0.2%                    | 73.6%                           | 4 355 189                        | 4 471 725        | 4 406 430        | 0.2%                    | 67.3%                           |
| Airport maintenance and engineering | 651 549          | 709 441          | 713 360          | 869 979          | 10.1%                   | 11.4%                           | 928 377                          | 1 001 863        | 1 057 967        | 6.7%                    | 14.7%                           |
| Airport security and safety         | 377 955          | 418 390          | 468 727          | 505 700          | 10.2%                   | 6.8%                            | 563 285                          | 626 009          | 661 066          | 9.3%                    | 9.0%                            |
| Airport management                  | 581 943          | 478 787          | 520 694          | 528 778          | -3.1%                   | 8.2%                            | 562 345                          | 611 292          | 645 524          | 6.9%                    | 9.0%                            |
| <b>Total</b>                        | <b>5 961 891</b> | <b>6 743 588</b> | <b>6 931 458</b> | <b>6 285 372</b> | <b>1.8%</b>             | <b>100.0%</b>                   | <b>6 409 196</b>                 | <b>6 710 889</b> | <b>6 770 987</b> | <b>2.5%</b>             | <b>100.0%</b>                   |

## Statements of historical financial performance and position

Table 35.24 Airports Company of South Africa statements of historical financial performance and position

| Statement of financial performance                   |                   |                   |                   |                   |                   |                   |                   |                   |                   | Average: Outcome/Budget (%) |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|
| R thousand   | Budget            | Audited outcome   | Budget            | Audited outcome   | Budget            | Audited outcome   | Budget estimate   | Revised estimate  |                   |                             |
|  | 2013/14           |                   | 2014/15           |                   | 2015/16           |                   | 2016/17           |                   | 2013/14 - 2016/17 |                             |
| <b>Revenue</b>                                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| <b>Non-tax revenue</b>                               | <b>7 544 863</b>  | <b>7 449 520</b>  | <b>7 709 709</b>  | <b>8 371 338</b>  | <b>8 168 296</b>  | <b>8 889 892</b>  | <b>7 287 470</b>  | <b>6 727 413</b>  | <b>102.4%</b>     |                             |
| Sale of goods and services other than capital assets | 7 438 750         | 7 126 962         | 7 648 049         | 7 773 936         | 8 131 664         | 8 305 765         | 7 226 900         | 6 628 807         | 98.0%             |                             |
| of which:  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Sales by market establishment                        | 7 438 750         | 7 126 962         | 7 648 049         | 7 773 936         | 8 131 664         | 8 305 765         | 7 226 900         | 6 628 807         | 98.0%             |                             |
| Aeronautical revenue                                 | 4 894 811         | 4 559 301         | 4 965 493         | 4 925 899         | 5 130 561         | 5 194 636         | 4 202 063         | 3 424 054         | 94.3%             |                             |
| Non-aeronautical revenue                             | 2 543 939         | 2 567 661         | 2 682 555         | 2 848 037         | 3 001 104         | 3 111 129         | 3 024 837         | 3 204 753         | 104.3%            |                             |
| Other non-tax revenue                                | 106 113           | 322 558           | 61 660            | 597 402           | 36 632            | 584 127           | 60 571            | 98 605            | 604.8%            |                             |
| <b>Total revenue</b>                                 | <b>7 544 863</b>  | <b>7 678 102</b>  | <b>7 709 709</b>  | <b>8 371 338</b>  | <b>8 164 296</b>  | <b>8 889 892</b>  | <b>7 287 470</b>  | <b>6 727 413</b>  | <b>103.1%</b>     |                             |
| <b>Expenses</b>                                      |                   |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| <b>Current expenses</b>                              | <b>6 041 107</b>  | <b>5 364 804</b>  | <b>5 770 900</b>  | <b>5 872 047</b>  | <b>5 825 456</b>  | <b>5 451 895</b>  | <b>5 697 631</b>  | <b>6 087 615</b>  | <b>97.6%</b>      |                             |
| Compensation of employees                            | 952 236           | 992 771           | 1 070 467         | 1 066 166         | 989 213           | 1 113 264         | 1 090 771         | 1 117 876         | 104.6%            |                             |
| Goods and services                                   | 1 736 111         | 1 745 017         | 1 992 092         | 1 972 793         | 2 391 043         | 2 082 174         | 2 346 460         | 2 577 419         | 99.0%             |                             |
| Depreciation   | 1 776 416         | 1 402 510         | 1 348 271         | 1 393 491         | 1 306 400         | 1 163 099         | 1 326 860         | 1 314 827         | 91.6%             |                             |
| Interest, dividends and rent on land                 | 1 576 345         | 1 224 506         | 1 360 070         | 1 439 597         | 1 138 800         | 1 093 358         | 933 540           | 1 077 493         | 96.5%             |                             |
| <b>Total expenses</b>                                | <b>6 541 015</b>  | <b>5 961 890</b>  | <b>6 397 660</b>  | <b>6 743 588</b>  | <b>6 479 956</b>  | <b>6 931 458</b>  | <b>6 129 890</b>  | <b>6 285 372</b>  | <b>101.5%</b>     |                             |
| <b>Surplus/(Deficit)</b>                             | <b>1 003 848</b>  | <b>1 716 212</b>  | <b>1 312 048</b>  | <b>1 627 750</b>  | <b>1 684 340</b>  | <b>1 958 434</b>  | <b>1 157 580</b>  | <b>442 041</b>    |                   |                             |
| <b>Statement of financial position</b>               |                   |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Carrying value of assets                             | 25 416 114        | 24 126 443        | 23 180 684        | 23 981 432        | 24 337 030        | 24 428 053        | 25 544 804        | 22 692 905        | 96.7%             |                             |
| of which:  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                             |
| Acquisition of assets                                | (1 626 627)       | (928 001)         | (1 327 771)       | (776 359)         | (1 354 590)       | (1 164 223)       | (2 534 634)       | (966 300)         | 56.0%             |                             |
| Investments  | 979 668           | 2 781 577         | 932 832           | 2 086 888         | —                 | 3 000 107         | —                 | 1 942 818         | 513.0%            |                             |
| Inventory  | 915               | 1 180             | 6 222             | 1 391             | 1 180             | 1 459             | 1 180             | 1 391             | 57.1%             |                             |
| Receivables and prepayments                          | 1 222 808         | 943 188           | 1 257 213         | 1 183 312         | 1 205 969         | 1 014 864         | 1 187 984         | 1 089 667         | 86.8%             |                             |
| Cash and cash equivalents                            | 371 937           | 1 014 508         | 382 402           | 1 226 566         | 766 816           | 1 369 568         | 361 345           | 2 731 440         | 336.9%            |                             |
| Taxation   | —                 | 461               | —                 | 4 980             | —                 | 60 824            | —                 | 4 980             | —                 |                             |
| Derivatives financial instruments                    | —                 | —                 | —                 | 701               | —                 | —                 | —                 | —                 | —                 |                             |
| <b>Total assets</b>                                  | <b>27 991 443</b> | <b>28 867 357</b> | <b>25 759 354</b> | <b>28 485 270</b> | <b>26 310 994</b> | <b>29 874 875</b> | <b>27 095 313</b> | <b>28 463 201</b> | <b>108.0%</b>     |                             |
| Accumulated surplus/(deficit)                        | 10 499 378        | 12 583 585        | 12 172 368        | 14 060 266        | 14 544 753        | 16 383 929        | 15 302 298        | 15 262 341        | 111.0%            |                             |
| Capital and reserves                                 | 750 000           | 750 000           | 750 000           | 750 000           | 750 000           | 750 000           | 750 000           | 750 000           | 100.0%            |                             |
| Borrowings   | 14 064 051        | 12 984 054        | 10 189 595        | 11 176 550        | 9 226 101         | 9 817 516         | 9 027 848         | 10 732 809        | 105.2%            |                             |
| Deferred income                                      | —                 | 72 345            | 346 881           | 66 198            | 172 027           | 68 080            | 172 027           | 141 221           | 50.3%             |                             |
| Trade and other payables                             | 901 892           | 752 284           | 721 688           | 724 241           | 749 918           | 1 276 534         | 981 685           | 766 302           | 104.9%            |                             |
| Taxation   | 1 271 536         | 1 418 018         | 1 393 339         | 1 427 206         | 833 338           | 1 346 013         | 826 597           | 779 697           | 114.9%            |                             |
| Provisions   | 155 056           | 207 389           | 185 482           | 205 786           | 34 858            | 226 433           | 34 858            | 30 831            | 163.4%            |                             |
| Derivatives financial instruments                    | 349 531           | 99 682            | —                 | 75 023            | —                 | 6 370             | —                 | —                 | 51.8%             |                             |
| <b>Total equity and liabilities</b>                  | <b>27 991 443</b> | <b>28 867 357</b> | <b>25 759 353</b> | <b>28 485 270</b> | <b>26 310 995</b> | <b>29 874 875</b> | <b>27 095 312</b> | <b>28 463 201</b> | <b>108.0%</b>     |                             |

## Statements of estimates of financial performance and position

Table 35.25 Airports Company of South Africa statements of estimates of financial performance and position

| Statement of financial performance                             |                   |                         | Average: Expenditure/ Total (%) | Medium-term estimate |                   |                   | Average: Expenditure/ Total (%) |
|--|-------------------|-------------------------|---------------------------------|----------------------|-------------------|-------------------|---------------------------------|
|  | Revised estimate  | Average growth rate (%) |                                 |                      |                   |                   |                                 |
| R thousand   | 2016/17           | 2013/14 - 2016/17       |                                 | 2017/18              | 2018/19           | 2019/20           | 2016/17 - 2019/20               |
| <b>Revenue</b>   |                   |                         |                                 |                      |                   |                   |                                 |
| <b>Non-tax revenue</b>   | <b>6 727 413</b>  | <b>-3.3%</b>            | <b>99.3%</b>                    | <b>7 262 805</b>     | <b>7 603 126</b>  | <b>7 863 326</b>  | <b>5.3%</b>                     |
| Sale of goods and services other than capital assets of which: | 6 628 807         | -2.4%                   | 94.4%                           | 7 132 954            | 7 490 478         | 7 774 875         | 5.5%                            |
| Sales by market establishment                                  | 6 628 807         | -2.4%                   | 94.4%                           | 7 132 954            | 7 490 478         | 7 774 875         | 5.5%                            |
| Aeronautical revenue   | 3 424 054         | -9.1%                   | 56.9%                           | 3 424 054            | 3 424 054         | 3 424 054         | —                               |
| Non-aeronautical revenue                                       | 3 424 054         | 10.1%                   | 37.5%                           | 3 424 054            | 3 424 054         | 3 424 054         | —                               |
| Other non-tax revenue  | 98 605            | -32.6%                  | 4.8%                            | 129 851              | 112 648           | 88 451            | -3.6%                           |
| <b>Total revenue</b>   | <b>6 727 413</b>  | <b>-4.3%</b>            | <b>100.0%</b>                   | <b>7 262 805</b>     | <b>7 603 126</b>  | <b>7 863 326</b>  | <b>5.3%</b>                     |
| <b>Expenses</b>  |                   |                         |                                 |                      |                   |                   |                                 |
| <b>Current expenses</b>  | <b>6 087 615</b>  | <b>4.3%</b>             | <b>88.1%</b>                    | <b>6 026 455</b>     | <b>6 310 921</b>  | <b>6 281 035</b>  | <b>1.0%</b>                     |
| Compensation of employees                                      | 1 117 876         | 4.0%                    | 16.6%                           | 1 247 904            | 1 326 464         | 1 408 393         | 8.0%                            |
| Goods and services   | 2 577 419         | 13.9%                   | 32.4%                           | 2 472 678            | 2 609 552         | 2 706 456         | 1.6%                            |
| Depreciation   | 1 314 827         | -2.1%                   | 20.5%                           | 1 365 813            | 1 406 639         | 1 450 528         | 3.3%                            |
| Interest, dividends and rent on land                           | 1 077 493         | -4.2%                   | 18.7%                           | 940 060              | 968 266           | 715 658           | -12.8%                          |
| <b>Total expenses</b>  | <b>6 285 372</b>  | <b>1.8%</b>             | <b>100.0%</b>                   | <b>6 409 196</b>     | <b>6 710 889</b>  | <b>6 770 987</b>  | <b>2.5%</b>                     |
| <b>Surplus/(Deficit)</b>                                       | <b>442 041</b>    | <b>—</b>                | <b>—</b>                        | <b>853 609</b>       | <b>892 237</b>    | <b>1 092 339</b>  | <b>35.2%</b>                    |
| <b>Statement of financial position</b>                         |                   |                         |                                 |                      |                   |                   |                                 |
| Carrying value of assets of which:                             | 22 692 905        | -2.0%                   | 82.3%                           | 23 098 616           | 23 229 380        | 23 548 733        | 1.2%                            |
| Acquisition of assets  | (966 300)         | 1.4%                    | -3.3%                           | (1 771 531)          | (1 537 407)       | (1 769 888)       | 22.4%                           |
| Investments  | 1 942 818         | -11.3%                  | 8.5%                            | 1 942 818            | 1 942 818         | 1 942 818         | —                               |
| Inventory  | 1 391             | 5.6%                    | —                               | 1 391                | 1 391             | 1 391             | —                               |
| Receivables and prepayments                                    | 1 089 667         | 4.9%                    | 3.7%                            | 1 172 540            | 1 231 311         | 1 278 062         | 5.5%                            |
| Cash and cash equivalents                                      | 2 731 440         | 39.1%                   | 5.5%                            | 2 956 648            | 1 474 524         | 1 988 744         | -10.0%                          |
| Taxation   | 4 980             | 121.1%                  | 0.1%                            | 4 980                | 4 980             | 4 980             | —                               |
| <b>Total assets</b>  | <b>28 463 201</b> | <b>-0.5%</b>            | <b>100.0%</b>                   | <b>29 176 993</b>    | <b>27 884 404</b> | <b>28 764 728</b> | <b>0.4%</b>                     |
| Accumulated surplus/(deficit)                                  | 15 262 341        | 6.6%                    | 50.4%                           | 16 116 118           | 17 008 238        | 18 100 645        | 5.9%                            |
| Capital and reserves   | 750 000           | —                       | 2.6%                            | 750 000              | 750 000           | 750 000           | —                               |
| Borrowings   | 10 732 809        | -6.1%                   | 38.7%                           | 10 419 345           | 8 234 216         | 7 936 554         | -9.6%                           |
| Deferred income  | 141 221           | 25.0%                   | 0.3%                            | 141 221              | 141 221           | 141 221           | —                               |
| Trade and other payables                                       | 766 302           | 0.6%                    | 3.0%                            | 902 784              | 899 760           | 967 342           | 8.1%                            |
| Taxation   | 779 697           | -18.1%                  | 4.3%                            | 816 693              | 820 139           | 838 135           | 2.4%                            |
| Provisions   | 30 831            | -47.0%                  | 0.6%                            | 30 831               | 30 831            | 30 831            | —                               |
| <b>Total equity and liabilities</b>                            | <b>28 463 201</b> | <b>-0.5%</b>            | <b>100.0%</b>                   | <b>29 176 992</b>    | <b>27 884 405</b> | <b>28 764 728</b> | <b>0.4%</b>                     |

## Personnel information

Table 35.26 Airports Company of South Africa personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 |   |       | Number and cost <sup>1</sup> 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 (%) | Average: Salary level/Total (%) |         |        |           |                   |
|   |   |       | 2015/16  |         |           | 2016/17          |         |           | 2017/18                          |         |           | 2018/19 |         |           |                         |                                 | 2019/20 |        |           | 2016/17 - 2019/20 |
|   |   |       | Number   | Cost    | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost    | Unit cost | Number  | Cost    | Unit cost |                         |                                 | Number  | Cost   | Unit cost |                   |
| Airports Company of South Africa            |   |       | 2 532  | 1 113.3 | 0.4       | 3 120            | 1 117.9 | 0.4       | 3 120                            | 1 247.9 | 0.4       | 3 120   | 1 326.5 | 0.4       | 3 120                   | 1 408.4                         | 0.5     | 8.0%   | 100.0%    |                   |
| Salary level                                | 3 120                                     | 3 120 | 2 532  | 1 113.3 | 0.4       | 3 120            | 1 117.9 | 0.4       | 3 120                            | 1 247.9 | 0.4       | 3 120   | 1 326.5 | 0.4       | 3 120                   | 1 408.4                         | 0.5     | 8.0%   | 100.0%    |                   |
| 1 – 6                                       | 1 488                                     | 1 488 | 1 169  | 214.0   | 0.2       | 1 488            | 231.9   | 0.2       | 1 488                            | 259.5   | 0.2       | 1 488   | 275.1   | 0.2       | 1 488                   | 291.9                           | 0.2     | 8.0%   | 47.7%     |                   |
| 7 – 10                                      | 1 259                                     | 1 259 | 1 012  | 462.8   | 0.5       | 1 259            | 447.7   | 0.4       | 1 259                            | 498.1   | 0.4       | 1 259   | 529.8   | 0.4       | 1 259                   | 563.1                           | 0.4     | 7.9%   | 40.4%     |                   |
| 11 – 12                                     | 192                                       | 192   | 182  | 161.5   | 0.9       | 192              | 158.7   | 0.8       | 192                              | 181.8   | 0.9       | 192     | 194.0   | 1.0       | 192                     | 205.9                           | 1.1     | 9.1%   | 6.2%      |                   |
| 13 – 16                                     | 164                                       | 164   | 152  | 227.6   | 1.5       | 164              | 232.4   | 1.4       | 164                              | 255.3   | 1.6       | 164     | 270.6   | 1.7       | 164                     | 287.1                           | 1.8     | 7.3%   | 5.3%      |                   |
| 17 – 22                                     | 17  | 17    | 17   | 47.3    | 2.8       | 17               | 47.1    | 2.8       | 17                               | 53.3    | 3.1       | 17      | 56.9    | 3.3       | 17                      | 60.3                            | 3.5     | 8.6%   | 0.5%      |                   |

1. Rand million.

## Passenger Rail Agency of South Africa

### Mandate

The Passenger Rail Agency of South Africa is a schedule 3B public entity in terms of the Public Finance Management Act (1999). Its mandate is contained in the Legal Succession to the South African Transport Services Amendment Act (2008). The act requires the agency to 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.

## Selected performance indicators

**Table 35.27 Passenger Rail Agency of South Africa performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/objective/activity   | Outcome   | Past                         |                              |                              | Current     | Projections |             |             |
|---|--|---|------------------------------|------------------------------|------------------------------|-------------|-------------|-------------|-------------|
|   |  |   | 2013/14                      | 2014/15                      | 2015/16                      | 2016/17     | 2017/18     | 2018/19     | 2019/20     |
| Number of new train sets delivered to Metrorail per year                          | Metrorail  | Outcome 6: An efficient, competitive and responsive economic infrastructure network | — <sup>1</sup>               | — <sup>1</sup>               | 2                            | 9           | 7           | 12          | 51          |
| Number of Metrorail passenger trips per year                                      | Metrorail  |   | 543 million                  | 516 million                  | 448 million                  | 440 million | 457 million | 470 million | 484 million |
| Percentage of Metrorail trains on time per year                                   | Metrorail  |   | 83%<br>(572 541/<br>689 808) | 81%<br>(546 822/<br>675 089) | 81%<br>(499 623/<br>616 819) | 80%         | 83%         | 85%         | 88%         |
| Percentage of Metrorail rolling stock available per year                          | Metrorail  |   | 97%<br>(693 986/<br>715 449) | 97%<br>(673 785/<br>694 624) | 96%<br>(629 432/<br>655 658) | 96%         | 96%         | 96%         | 96%         |
| Number of Metrorail coaches refurbished per year                                  | Metrorail  |   | 566                          | 436                          | 350                          | 350         | 350         | 350         | 350         |
| Customer satisfaction rating per year   | Administration   |   | 69%                          | 65%                          | 57%                          | 60%         | 62%         | 63%         | 64%         |
| Number of Shosholoz Meyl passengers per year                                      | Mainline passenger services (Shosholoz Meyl)                           |   | 930 893                      | 854 164                      | 659 573                      | 484 000     | 758 000     | 780 000     | 804 000     |
| Number of Shosholoz Meyl coaches refurbished per year                             | Mainline passenger services (Shosholoz Meyl)                           |   | 32                           | 59                           | 64                           | 60          | 60          | 60          | 60          |
| Number of new Shosholoz Meyl locomotives per year                                 | Mainline passenger services (Shosholoz Meyl)                           |   | — <sup>1</sup>               | 9                            | 4                            | 0           | 9           | 16          | 0           |
| Number of train station improvement projects completed per year                   | Passenger Rail Agency of South Africa: Corporate real estate solutions |   | 80                           | 65                           | 53                           | 47          | 47          | 47          | 47          |
| Number of train station upgrade projects completed for commercialisation per year | Passenger Rail Agency of South Africa: Corporate real estate solutions |   | 14                           | 14                           | 21                           | 13          | 13          | 13          | 13          |
| Number of Autopax passengers per year   | Autopax  | Entity mandate  | 2.7 million                  | 3.1 million                  | 3 million                    | 2.5 million | 3 million   | 3 million   | 3 million   |

1. No historical data available.

## Expenditure analysis

Over the medium term, the Passenger Rail Agency of South Africa will aim to improve the reliability of rail services and increase rail passenger ridership. To this end, the agency will continue to make investments in its capital infrastructure, including the refurbishment and overhaul of its coaches; acquire new rolling stock and locomotives; modernise depots and stations; and upgrade its signalling and other rail infrastructure. The agency also expects to finalise and implement its turnaround strategy to improve operational performance over the medium term.

The agency expects over the medium term to deliver 70 new train sets for Metrorail and 25 new locomotives for Shosholoz Meyl, complete 141 train station improvement projects, and refurbish 1 230 coaches for Metrorail and Shosholoz Meyl. The agency plans to spend R49.3 billion over the period for this purpose. These investments in infrastructure and the implementation of the agency's turnaround strategy are expected to stabilise the percentage of trains available for service at 96 per cent over the medium term. They are also expected to grow passenger trips from 440 million in 2016/17 to 484 million in 2019/20 for Metrorail, and passenger numbers from 484 000 in 2016/17 to 804 000 in 2019/20 for Shosholoz Meyl. Spending on goods and services over the period, as a result, is expected to increase at an average annual rate of 7.4 per cent, from R4.6 billion in 2016/17 to R5.7 billion in 2019/20. Likewise spending on compensation of employees is expected to increase at an average annual rate of 7.3 per cent, from R5.3 billion in 2016/17 to R6.6 billion in 2019/20, as personnel numbers grow from 16 749 to 17 007 over the same period.

The anticipated growth in passenger numbers is expected to increase fare revenue from R2.8 billion in 2016/17 to R4.3 billion in 2019/20, at an average annual rate of 15.7 per cent. The agency also derives revenue from transfers from the Department of Transport and rental income from property. Total revenue is expected to increase at an average annual rate of 7.8 per cent, from R10.9 billion in 2016/17 to R13.7 billion in 2019/20.

## Programmes/objectives/activities

**Table 35.28 Passenger Rail Agency of South Africa expenditure trends and estimates by programme/objective/activity**

| Table 35.26 Passenger Rail Agency of South Africa expenditure trends and estimates by programme/objective/activity |                 |            |            |                  |                         |                                 |                                  |            |            |                         |                                 |
|--|-----------------|------------|------------|------------------|-------------------------|---------------------------------|----------------------------------|------------|------------|-------------------------|---------------------------------|
|  | Audited outcome |            |            | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |            |            | Average growth rate (%) | Average: Expenditure/ Total (%) |
| R thousand   | 2013/14         | 2014/15    | 2015/16    | 2016/17          | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19    | 2019/20    | 2016/17 - 2019/20       |                                 |
| Administration   | 1 630 233       | 1 720 469  | 1 921 301  | 1 830 271        | 3.9%                    | 15.6%                           | 1 553 239                        | 1 650 637  | 1 733 408  | -1.8%                   | 12.7%                           |
| Metrorail  | 6 483 070       | 6 491 193  | 6 939 387  | 7 219 733        | 3.7%                    | 59.7%                           | 8 563 914                        | 9 103 288  | 9 769 309  | 10.6%                   | 64.5%                           |
| Main line passenger services (Shosholoza Meyl)   | 423 463         | 737 257    | 1 531 051  | 814 079          | 24.3%                   | 7.5%                            | 913 454                          | 978 129    | 1 046 089  | 8.7%                    | 7.0%                            |
| Passenger Rail Agency of South Africa: Corporate real estate solutions   | 735 042         | 865 139    | 884 652    | 916 597          | 7.6%                    | 7.5%                            | 697 247                          | 761 902    | 807 377    | -4.1%                   | 6.0%                            |
| Intersite  | 41 321          | 32 403     | 29 528     | 35 152           | -5.2%                   | 0.3%                            | 71 077                           | 92 141     | 92 983     | 38.3%                   | 0.5%                            |
| Autopax  | 943 203         | 1 021 207  | 987 106    | 1 058 204        | 3.9%                    | 8.8%                            | 1 114 389                        | 1 184 583  | 1 255 475  | 5.9%                    | 8.6%                            |
| PRASA Technical  | –               | 77 360     | 90 838     | 87 579           | –                       | 0.5%                            | 68 754                           | 74 074     | 78 107     | -3.7%                   | 0.6%                            |
| Total  | 10 256 332      | 10 945 028 | 12 383 863 | 11 961 615       | 5.3%                    | 100.0%                          | 12 982 074                       | 13 844 754 | 14 782 748 | 7.3%                    | 100.0%                          |

## Statements of historical financial performance and position

**Table 35.29 Passenger Rail Agency of South Africa statements of historical financial performance and position**

| Statement of financial performance                   |                    |                   |                   |                    |                   |                   |                    |                    |  | Average: Outcome/ Budget (%) |
|--|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|--|------------------------------|
|  | Budget             | Audited outcome   | Budget            | Audited outcome    | Budget            | Audited outcome   | Budget estimate    | Revised estimate   |  |                              |
| R thousand   | 2013/14            | 2014/15           | 2015/16           | 2016/17            | 2013/14 - 2016/17 |                   |                    |                    |  |                              |
| <b>Revenue</b>                                       |                    |                   |                   |                    |                   |                   |                    |                    |  |                              |
| <b>Non-tax revenue</b>                               | <b>3 732 233</b>   | <b>4 250 308</b>  | <b>3 990 072</b>  | <b>3 961 427</b>   | <b>4 760 329</b>  | <b>4 160 116</b>  | <b>4 581 293</b>   | <b>3 957 072</b>   |  | <b>95.7%</b>                 |
| Sale of goods and services other than capital assets | 3 730 990          | 3 629 428         | 3 988 781         | 3 640 006          | 4 482 681         | 3 584 915         | 4 390 161          | 3 605 559          |  | 87.1%                        |
| of which:  |                    |                   |                   |                    |                   |                   |                    |                    |  |                              |
| Sales by market establishment                        | 3 589 472          | 3 330 556         | 3 792 391         | 3 421 058          | 4 317 812         | 3 362 673         | 4 096 125          | 3 392 646          |  | 85.5%                        |
| Rental income  | 492 640            | 458 292           | 508 625           | 480 351            | 627 212           | 567 982           | 669 720            | 640 706            |  | 93.4%                        |
| Fare revenue   | 3 096 832          | 2 872 264         | 3 283 766         | 2 940 707          | 3 690 600         | 2 794 691         | 3 426 405          | 2 751 940          |  | 84.2%                        |
| Other sales  | 141 518            | 298 872           | 196 390           | 218 948            | 164 869           | 222 242           | 294 036            | 212 913            |  | 119.6%                       |
| Other non-tax revenue                                | 1 243              | 620 880           | 1 291             | 321 421            | 277 649           | 575 201           | 191 132            | 351 513            |  | 396.6%                       |
| <b>Transfers received</b>                            | <b>4 766 614</b>   | <b>6 291 199</b>  | <b>5 206 598</b>  | <b>5 930 401</b>   | <b>5 459 770</b>  | <b>7 911 336</b>  | <b>6 256 560</b>   | <b>6 978 079</b>   |  | <b>125.0%</b>                |
| <b>Total revenue</b>                                 | <b>8 498 847</b>   | <b>10 541 507</b> | <b>9 196 669</b>  | <b>9 891 828</b>   | <b>10 220 099</b> | <b>12 071 452</b> | <b>10 837 853</b>  | <b>10 935 151</b>  |  | <b>112.1%</b>                |
| <b>Expenses</b>                                      |                    |                   |                   |                    |                   |                   |                    |                    |  |                              |
| <b>Current expenses</b>                              | <b>10 328 860</b>  | <b>10 256 332</b> | <b>9 890 657</b>  | <b>10 945 028</b>  | <b>11 180 404</b> | <b>12 383 863</b> | <b>12 294 562</b>  | <b>11 961 615</b>  |  | <b>104.2%</b>                |
| Compensation of employees                            | 4 488 032          | 4 439 860         | 3 777 492         | 4 665 687          | 4 793 959         | 4 800 880         | 5 129 536          | 5 345 016          |  | 105.8%                       |
| Goods and services                                   | 4 559 900          | 3 518 475         | 4 642 372         | 4 124 092          | 4 544 514         | 5 301 869         | 4 760 738          | 4 609 638          |  | 94.8%                        |
| Depreciation   | 1 276 869          | 1 976 219         | 1 469 685         | 2 136 318          | 1 507 777         | 2 271 385         | 2 058 778          | 1 998 764          |  | 132.8%                       |
| Interest, dividends and rent on land                 | 4 059              | 321 779           | 1 108             | 18 931             | 334 154           | 9 729             | 345 510            | 8 197              |  | 52.4%                        |
| <b>Total expenses</b>                                | <b>10 328 860</b>  | <b>10 256 332</b> | <b>9 890 657</b>  | <b>10 945 028</b>  | <b>11 180 404</b> | <b>12 383 863</b> | <b>12 294 562</b>  | <b>11 961 615</b>  |  | <b>104.2%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>(1 830 013)</b> | <b>285 175</b>    | <b>(693 988)</b>  | <b>(1 053 200)</b> | <b>(960 305)</b>  | <b>(312 411)</b>  | <b>(1 456 709)</b> | <b>(1 026 464)</b> |  |                              |
| <b>Statement of financial position</b>               |                    |                   |                   |                    |                   |                   |                    |                    |  |                              |
| Carrying value of assets                             | 31 300 140         | 31 380 212        | 41 326 429        | 34 147 919         | 43 886 466        | 37 450 665        | 51 061 699         | 43 278 981         |  | 87.3%                        |
| of which:  |                    |                   |                   |                    |                   |                   |                    |                    |  |                              |
| Acquisition of assets                                | (7 682 235)        | (7 682 235)       | (10 685 568)      | (11 037 984)       | (14 103 547)      | (9 029 408)       | (15 010 421)       | (12 831 391)       |  | 85.5%                        |
| Inventory  | 240 449            | 240 449           | 236 620           | 253 597            | 249 937           | 297 391           | 230 393            | 303 680            |  | 114.4%                       |
| Loans  | —                  | 24 211            | 24 211            | —                  | —                 | —                 | —                  | —                  |  | 100.0%                       |
| Receivables and prepayments                          | 260 559            | 1 254 232         | 254 217           | 7 891 721          | 10 344 229        | 10 470 731        | 14 689 683         | 13 635 624         |  | 130.2%                       |
| Cash and cash equivalents                            | 1 495 651          | 3 484 182         | 2 536 064         | 1 683 720          | 959 343           | 6 116 819         | 2 211 803          | 7 495 848          |  | 260.7%                       |
| Non-current assets held for sale                     | 916                | —                 | —                 | —                  | —                 | —                 | —                  | —                  |  | —                            |
| Defined benefit plan assets                          | 7 611              | 7 611             | 7 580             | 4 163              | 3 151             | 6 007             | 2 521              | 4 163              |  | 105.2%                       |
| Taxation   | 126                | —                 | —                 | —                  | —                 | —                 | —                  | —                  |  | —                            |
| <b>Total assets</b>                                  | <b>33 305 452</b>  | <b>36 390 897</b> | <b>44 385 121</b> | <b>43 981 120</b>  | <b>55 443 127</b> | <b>54 341 613</b> | <b>68 196 099</b>  | <b>64 718 296</b>  |  | <b>99.1%</b>                 |
| Accumulated surplus/(deficit)                        | (5 189 481)        | (2 928 218)       | (3 622 207)       | (2 534 919)        | (4 658 500)       | (2 847 330)       | (6 115 209)        | (3 873 794)        |  | 62.2%                        |
| Capital and reserves                                 | 4 248 258          | 4 248 258         | 4 248 258         | 4 248 258          | 4 248 258         | 4 248 258         | 4 248 258          | 4 248 258          |  | 100.0%                       |
| Capital reserve fund                                 | 30 900 238         | 30 310 551        | 39 702 255        | 37 963 857         | 49 488 988        | 48 274 568        | 61 521 776         | 60 186 756         |  | 97.3%                        |
| Borrowings   | 213 558            | 92 760            | 48 262            | 48 210             | —                 | 1 518             | —                  | —                  |  | 54.4%                        |
| Finance lease  | —                  | —                 | —                 | —                  | 2 731 178         | —                 | 2 882 623          | —                  |  | —                            |
| Trade and other payables                             | 2 467 008          | 4 040 710         | 3 370 894         | 3 563 071          | 2 949 864         | 3 906 170         | 4 955 268          | 3 464 433          |  | 109.0%                       |
| Provisions   | 664 837            | 626 836           | 637 659           | 692 643            | 683 338           | 758 429           | 703 383            | 692 643            |  | 103.0%                       |
| Derivatives financial instruments                    | 1 034              | —                 | —                 | —                  | —                 | —                 | —                  | —                  |  | —                            |
| <b>Total equity and liabilities</b>                  | <b>33 305 452</b>  | <b>36 390 897</b> | <b>44 385 121</b> | <b>43 981 120</b>  | <b>55 443 127</b> | <b>54 341 613</b> | <b>68 196 099</b>  | <b>64 718 296</b>  |  | <b>99.1%</b>                 |

### Statements of estimates of financial performance and position

Table 35.30 Passenger Rail Agency of South Africa statements of estimates of financial performance and position

| Statement of financial performance                   |                  | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate |              |              | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|-------------------------|---------------------------------|----------------------|--------------|--------------|-------------------------|---------------------------------|
|  | Revised estimate |                         |                                 |                      |              |              |                         |                                 |
| R thousand   | 2016/17          | 2013/14 - 2016/17       |                                 | 2017/18              | 2018/19      | 2019/20      | 2016/17 - 2019/20       |                                 |
| Revenue  |                  |                         |                                 |                      |              |              |                         |                                 |
| Non-tax revenue                                      | 3 957 072        | -2.4%                   | 37.8%                           | 4 770 411            | 5 071 080    | 5 340 454    | 10.5%                   | 38.2%                           |
| Sale of goods and services other than capital assets | 3 605 559        | -0.2%                   | 33.5%                           | 4 665 160            | 4 965 574    | 5 234 621    | 13.2%                   | 36.8%                           |
| of which:  |                  |                         |                                 |                      |              |              |                         |                                 |
| Sales by market establishment                        | 3 392 646        | 0.6%                    | 31.3%                           | 4 488 517            | 4 743 071    | 5 004 536    | 13.8%                   | 35.1%                           |
| Rental income  | 640 706          | 11.8%                   | 4.9%                            | 834 032              | 707 459      | 746 403      | 5.2%                    | 5.9%                            |
| Fare revenue   | 2 751 940        | -1.4%                   | 26.3%                           | 3 763 678            | 4 035 612    | 4 258 133    | 15.7%                   | 29.4%                           |
| Other sales  | 212 913          | -10.7%                  | 2.2%                            | 176 643              | 222 503      | 230 085      | 2.6%                    | 1.7%                            |
| Other non-tax revenue                                | 351 513          | -17.3%                  | 4.3%                            | 105 251              | 105 506      | 105 833      | -33.0%                  | 1.4%                            |
| Transfers received                                   | 6 978 079        | 3.5%                    | 62.2%                           | 7 568 618            | 7 976 497    | 8 366 639    | 6.2%                    | 61.8%                           |
| Total revenue  | 10 935 151       | 1.2%                    | 100.0%                          | 12 339 029           | 13 047 577   | 13 707 093   | 7.8%                    | 100.0%                          |
| Expenses   |                  |                         |                                 |                      |              |              |                         |                                 |
| Current expenses                                     | 11 961 615       | 5.3%                    | 100.0%                          | 12 982 074           | 13 844 754   | 14 782 748   | 7.3%                    | 119.4%                          |
| Compensation of employees                            | 5 345 016        | 6.4%                    | 42.3%                           | 5 667 253            | 6 126 954    | 6 611 016    | 7.3%                    | 44.3%                           |
| Goods and services                                   | 4 609 638        | 9.4%                    | 38.3%                           | 5 126 253            | 5 380 930    | 5 704 841    | 7.4%                    | 38.9%                           |
| Depreciation   | 1 998 764        | 0.4%                    | 18.5%                           | 2 188 568            | 2 336 870    | 2 466 891    | 7.3%                    | 16.8%                           |
| Interest, dividends and rent on land                 | 8 197            | -70.6%                  | 0.9%                            | —                    | —            | —            | -100.0%                 | —                               |
| Total expenses                                       | 11 961 615       | 5.3%                    | 100.0%                          | 12 982 074           | 13 844 754   | 14 782 748   | 7.3%                    | 100.0%                          |
| Surplus/(Deficit)                                    | (1 026 464)      | (3)                     | —                               | (643 045)            | (797 177)    | (1 075 655)  | 1.6%                    | —                               |
|  |                  |                         |                                 |                      |              |              |                         |                                 |
| Statement of financial position                      |                  |                         |                                 |                      |              |              |                         |                                 |
| Carrying value of assets                             | 43 278 981       | 11.3%                   | 74.9%                           | 52 993 818           | 63 912 318   | 79 443 776   | 22.4%                   | 71.2%                           |
| of which:  |                  |                         |                                 |                      |              |              |                         |                                 |
| Acquisition of assets                                | (12 831 391)     | 18.6%                   | -20.7%                          | (15 537 895)         | (16 428 954) | (17 348 976) | 10.6%                   | -18.8%                          |
| Inventory  | 303 680          | 8.1%                    | 0.6%                            | 288 496              | 274 071      | 260 368      | -5.0%                   | 0.4%                            |
| Receivables and prepayments                          | 13 635 624       | 121.5%                  | 15.4%                           | 17 407 704           | 20 941 198   | 20 901 219   | 15.3%                   | 21.9%                           |
| Cash and cash equivalents                            | 7 495 848        | 29.1%                   | 9.1%                            | 5 595 868            | 4 235 104    | 2 542 990    | -30.3%                  | 6.5%                            |
| Defined benefit plan assets                          | 4 163            | -18.2%                  | 0.0%                            | 5 647                | 5 308        | 4 989        | 6.2%                    | 0.0%                            |
| Total assets   | 64 718 296       | 21.2%                   | 100.0%                          | 76 291 532           | 89 367 999   | 103 153 342  | 16.8%                   | 100.0%                          |
| Accumulated surplus/(deficit)                        | (3 873 794)      | 9.8%                    | -6.3%                           | (4 465 730)          | (5 217 294)  | (6 252 855)  | 17.3%                   | -5.9%                           |
| Capital and reserves                                 | 4 248 258        | 0.0%                    | 8.9%                            | 4 248 258            | 4 248 258    | 4 248 258    | -0.0%                   | 5.3%                            |
| Capital reserve fund                                 | 60 186 756       | 25.7%                   | 87.9%                           | 71 834 556           | 84 986 542   | 98 854 862   | 18.0%                   | 94.5%                           |
| Trade and other payables                             | 3 464 443        | -5.0%                   | 7.9%                            | 3 940 669            | 4 575 357    | 5 487 800    | 16.6%                   | 5.2%                            |
| Provisions   | 692 643          | 3.4%                    | 1.4%                            | 733 779              | 775 136      | 815 277      | 5.6%                    | 0.9%                            |
| Total equity and liabilities                         | 64 718 296       | 21.2%                   | 100.0%                          | 76 291 532           | 89 367 999   | 103 153 342  | 16.8%                   | 100.0%                          |

### ***Personnel information***

Table 35.31 Passenger Rail Agency of South Africa personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 |        |   | Number and cost <sup>1</sup> 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 (%) | Average Salary level/Total (%) |         |        |           |
|   |        |   | 2015/16  |         |           | 2016/17          |         |           | 2017/18                          |         |           | 2018/19 |         |           |                         |                                | 2019/20 |        |           |
|   |        |   | Number   | Cost    | Unit cost | Number           | Cost    | Unit cost | Number                           | Cost    | Unit cost | Number  | Cost    | Unit cost |                         |                                | Number  | Cost   | Unit cost |
| Passenger Rail Agency of South Africa       |        |   |  |         |           |                  |         |           |                                  |         |           |         |         |           |                         |                                |         |        |           |
| Salary level                                | 17 007 | 18 027                                    | 16 723   | 4 800.9 | 0.3       | 16 749           | 5 345.0 | 0.3       | 17 007                           | 5 667.3 | 0.3       | 17 007  | 6 127.0 | 0.4       | 17 007                  | 6 611.0                        | 0.4     | 7.3%   | 100.0%    |
| 1 – 6                                       | 5 947  | 3 862                                     | 7 952  | 1 271.4 | 0.2       | 5 947            | 988.5   | 0.2       | 5 947                            | 1 036.9 | 0.2       | 5 947   | 1 121.0 | 0.2       | 5 947                   | 1 209.6                        | 0.2     | 7.0%   | 35.1%     |
| 7 – 10                                      | 10 317 | 12 190                                    | 8 131  | 2 793.7 | 0.3       | 10 083           | 3 483.9 | 0.3       | 10 317                           | 3 705.1 | 0.4       | 10 317  | 4 005.6 | 0.4       | 10 317                  | 4 322.1                        | 0.4     | 7.5%   | 60.5%     |
| 11 – 12                                     | 258    | 1 388                                     | 226  | 171.9   | 0.8       | 244              | 193.7   | 0.8       | 258                              | 210.3   | 0.8       | 258     | 227.3   | 0.9       | 258                     | 245.3                          | 1.0     | 8.2%   | 1.5%      |
| 13 – 16                                     | 400    | 500                                       | 339  | 375.4   | 1.1       | 396              | 466.3   | 1.2       | 400                              | 484.0   | 1.2       | 400     | 523.3   | 1.3       | 400                     | 564.6                          | 1.4     | 6.6%   | 2.4%      |
| 17 – 22                                     | 85     | 87  | 75   | 188.6   | 2.5       | 79               | 212.7   | 2.7       | 85                               | 231.0   | 2.7       | 85      | 249.7   | 2.9       | 85                      | 269.4                          | 3.2     | 8.2%   | 0.5%      |

1. Rand million.

## Road Accident Fund

## Mandate

The Road Accident Fund Act (1996) provides for the establishment of the Road Accident Fund, whose sole legal mandate is to compensate South African road users for loss or damage caused by motor vehicle accidents within the borders of South Africa.



## Selected performance indicators

**Table 35.32 Road Accident Fund performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/objective/activity          | Outcome        | Past                         |                              |                              | Current        | Projections    |                |                |
|---|---------------------------------------|----------------|------------------------------|------------------------------|------------------------------|----------------|----------------|----------------|----------------|
|   |                                       |                | 2013/14                      | 2014/15                      | 2015/16                      | 2016/17        | 2017/18        | 2018/19        | 2019/20        |
| Direct claims as a percentage of total personal claims per year | Payment of claims to accident victims | Entity mandate | 27%<br>(R14.2bn/<br>R53.2bn) | 30%<br>(R17.8bn/<br>R58.6bn) | 35%<br>(R22.5bn/<br>R64.4bn) | 38%            | 40%            | 42%            | 45%            |
| Legal costs as a percentage of claim payments per year          | Payment of claims to accident victims |                | 21%<br>(R4.6bn/<br>R20.9bn)  | 19%<br>(R5.4bn/<br>R27.9bn)  | 13%<br>(R5.2bn/<br>R38.9bn)  | 11%            | 9%             | 7%             | 5%             |
| Number of open claims received but not finalised per year       | Payment of claims to accident victims |                | 198 407                      | 179 778                      | 184 899                      | 174 867        | 182 101        | 196 866        | 219 908        |
| Loss of support: Average value per claim                        | Payment of claims to accident victims |                | R392 744                     | R368 883                     | R379 702                     | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> |
| Loss of earnings: Average value per claim                       | Payment of claims to accident victims |                | R649 912                     | R732 371                     | R739 214                     | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> |
| General damages: Average value per claim                        | Payment of claims to accident victims |                | R211 003                     | R334 799                     | R385 673                     | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> | – <sup>1</sup> |

1. Data not available.

## Expenditure analysis

The Road Accident Fund's main focus over the medium term is on compensating road accident victims for losses and damages. The payment of claims to accident victims is expected to increase from R70.4 billion in 2016/17 to R95 billion in 2019/20, at an average annual rate of 10.5 per cent. This includes provisions for the payment of claims, which account for 53 per cent of total payments. Provision for outstanding claims is expected to increase as the value and number of claims reported is expected to remain high. The number of claims are expected to increase from 174 867 in 2016/17 to 219 908 in 2019/20.

The fund derives revenue from the fuel levy. An inflationary increase in the levy in 2017/18 is expected to increase total revenue at an average annual rate of 5.6 per cent over the MTEF period, from R35.3 billion in 2016/17 to R41.5 billion in 2019/20. As revenue growth is set to remain slower than growth in the average value of claims, the fund expects the accumulated deficit to increase from R183.1 billion in 2016/17 to R328.8 billion in 2019/20.

The entity's staff complement is expected to increase from 2 902 in 2016/17 to 2 952 in 2018/19 as the fund implements the new organisational structure, which is expected to increase productivity. As a result, expenditure on compensation of employees is expected to grow at an average annual rate of 8.6 per cent, from R1.3 billion in 2016/17 to R1.7 billion in 2019/20. Expenditure growth in goods and services is mainly driven by the fund's preparation to implement the road accident benefit scheme. Spending on this item is set to grow at an average annual rate of 4 per cent, from R765 million in 2016/17 to R860.2 million in 2019/20. The funding provides for ICT at the fund's new service centres and a systems upgrade.

## Programmes/objectives/activities

**Table 35.33 Road Accident Fund expenditure trends and estimates by programme/objective/activity**

|                                       | Audited outcome   |                   |                   | Revised estimate  | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average: Expenditure/ Total (%) |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|---------------------------------|----------------------------------|-------------------|-------------------|-------------------------|---------------------------------|
|                                       | 2013/14           | 2014/15           | 2015/16           |                   |                         |                                 | 2017/18                          | 2018/19           | 2019/20           |                         |                                 |
| R thousand                            |                   |                   |                   | 2016/17           | 2013/14 - 2016/17       |                                 |                                  |                   |                   | 2016/17 - 2019/20       |                                 |
| Administration                        | 1 373 915         | 1 675 417         | 1 898 088         | 2 366 647         | 19.9%                   | 3.4%                            | 2 667 314                        | 3 016 873         | 3 497 105         | 13.9%                   | 3.5%                            |
| Payment of claims to accident victims | 36 442 094        | 40 456 056        | 66 266 472        | 70 357 924        | 24.5%                   | 96.6%                           | 71 573 026                       | 82 479 505        | 95 047 936        | 10.5%                   | 96.5%                           |
| <b>Total</b>                          | <b>37 816 009</b> | <b>42 131 473</b> | <b>68 164 560</b> | <b>72 724 571</b> | <b>24.4%</b>            | <b>100.0%</b>                   | <b>74 240 340</b>                | <b>85 496 378</b> | <b>98 545 041</b> | <b>10.7%</b>            | <b>100.0%</b>                   |

## Statements of historical financial performance and position

Table 35.34 Road Accident Fund statements of historical financial performance and position

| Statement of financial performance   |              |                 |              |                 |               |                 |                 |                  |                             |
|--------------------------------------|--------------|-----------------|--------------|-----------------|---------------|-----------------|-----------------|------------------|-----------------------------|
|                                      | Budget       | Audited outcome | Budget       | Audited outcome | Budget        | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| R thousand                           | 2013/14      |                 | 2014/15      |                 | 2015/16       |                 | 2016/17         |                  | 2013/14 - 2016/17           |
| Revenue                              |              |                 |              |                 |               |                 |                 |                  |                             |
| Non-tax revenue                      | 668 035      | 238 432         | 149 461      | 65 591          | 66 206        | 93 105          | 81 655          | 91 107           | 50.6%                       |
| Other non-tax revenue                | 668 035      | 238 432         | 149 461      | 65 591          | 66 206        | 93 105          | 81 655          | 91 107           | 50.6%                       |
| Transfers received                   | 20 930 664   | 20 278 011      | 22 457 948   | 22 614 340      | 32 982 691    | 33 113 056      | 34 194 791      | 35 198 792       | 100.6%                      |
| Total revenue                        | 21 598 699   | 20 516 443      | 22 607 410   | 22 679 931      | 33 048 896    | 33 206 161      | 34 276 447      | 35 289 899       | 100.1%                      |
| Expenses                             |              |                 |              |                 |               |                 |                 |                  |                             |
| Current expenses                     | 1 478 253    | 1 373 915       | 1 732 718    | 1 675 417       | 1 913 896     | 1 898 088       | 2 337 580       | 2 366 647        | 98.0%                       |
| Compensation of employees            | 966 050      | 854 690         | 1 178 267    | 1 080 927       | 1 195 777     | 1 264 363       | 1 291 440       | 1 348 985        | 98.2%                       |
| Goods and services                   | 433 873      | 452 147         | 481 137      | 482 041         | 645 468       | 435 469         | 959 807         | 764 961          | 84.7%                       |
| Depreciation                         | 66 608       | 38 132          | 60 958       | 45 184          | 59 628        | 47 220          | 72 621          | 52 414           | 70.4%                       |
| Interest, dividends and rent on land | 11 722       | 28 946          | 12 355       | 67 265          | 13 022        | 151 036         | 13 712          | 200 287          | 880.8%                      |
| Transfers and subsidies              | 17 973 449   | 36 442 094      | 23 895 751   | 40 456 056      | 55 478 984    | 66 266 472      | 53 222 195      | 70 357 924       | 141.8%                      |
| Total expenses                       | 19 451 702   | 37 816 009      | 25 628 469   | 42 131 473      | 57 392 880    | 68 164 560      | 55 559 775      | 72 724 571       | 139.7%                      |
| Surplus/(Deficit)                    | 2 146 997    | (17 299 566)    | (3 021 059)  | (19 451 542)    | (24 343 983)  | (34 958 399)    | (21 283 329)    | (37 434 672)     | -                           |
| Statement of financial position      |              |                 |              |                 |               |                 |                 |                  |                             |
| Carrying value of assets of which:   | 279 656      | 268 169         | 313 672      | 281 807         | 301 834       | 227 245         | 332 956         | 270 390          | 85.3%                       |
| Acquisition of assets                | (86 655)     | (51 040)        | (82 500)     | (57 613)        | (90 750)      | (40 895)        | (95 560)        | (95 559)         | 69.0%                       |
| Inventory                            | 2 931        | 3 603           | 3 384        | 4 929           | 5 225         | 5 736           | 5 538           | 6 080            | 119.1%                      |
| Loans                                | -            | 132 974         | 148 567      | 140 855         | 149 211       | 147 147         | 158 164         | 155 976          | 126.5%                      |
| Accrued investment interest          | 20 996       | 16 116          | 36 765       | 4 356           | 4 617         | 9 541           | 4 894           | 10 113           | 59.6%                       |
| Receivables and prepayments          | 5 012 372    | 4 768 710       | 5 107 006    | 5 887 118       | 8 330 339     | 7 361 832       | 9 113 725       | 7 361 832        | 92.1%                       |
| Cash and cash equivalents            | 9 450 458    | 2 504 775       | 149 461      | 1 048 224       | 1 666 206     | 2 044 261       | 1 681 655       | 1 691 107        | 56.3%                       |
| Total assets                         | 14 766 413   | 7 694 347       | 5 758 856    | 7 367 289       | 10 457 431    | 9 795 762       | 11 296 932      | 9 495 498        | 81.3%                       |
| Accumulated surplus/(deficit)        | (43 232 664) | (90 925 544)    | (52 159 143) | (110 377 091)   | (134 667 512) | (145 335 490)   | (156 004 566)   | (183 074 918)    | 137.2%                      |
| Capital and reserves                 | 72 249       | 127 786         | 123 614      | 130 535         | 130 535       | 83 398          | 130 535         | 83 398           | 93.0%                       |
| Trade and other payables             | 459 194      | 600 204         | 533 576      | 259 083         | 12 099 958    | 248 615         | 18 736 550      | 256 899          | 4.3%                        |
| Provisions                           | 57 467 634   | 97 891 901      | 57 260 809   | 117 354 762     | 132 894 451   | 154 799 239     | 148 434 413     | 192 230 119      | 142.0%                      |
| Total equity and liabilities         | 14 766 413   | 7 694 347       | 5 758 856    | 7 367 289       | 10 457 431    | 9 795 762       | 11 296 932      | 9 495 498        | 81.3%                       |

## Statements of estimates of financial performance and position

Table 35.35 Road Accident Fund statements of estimates of financial performance and position

| Statement of financial performance     |                     |                         |                                |                      |                     |                     |                         |                                |
|--|---------------------|-------------------------|--------------------------------|----------------------|---------------------|---------------------|-------------------------|--------------------------------|
|  | Revised estimate    | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate |                     |                     | Average growth rate (%) | Average: Expenditure/Total (%) |
| R thousand                             | 2016/17             | 2013/14 - 2016/17       |                                | 2017/18              | 2018/19             | 2019/20             | 2016/17 - 2019/20       |                                |
| <b>Revenue</b>                         |                     |                         |                                |                      |                     |                     |                         |                                |
| Non-tax revenue                        | 91 107              | -27.4%                  | 0.5%                           | 82 278               | 82 057              | 82 051              | -3.4%                   | 0.2%                           |
| Other non-tax revenue                  | 91 107              | -27.4%                  | 0.5%                           | 82 278               | 82 057              | 82 051              | -3.4%                   | 0.2%                           |
| <b>Transfers received</b>              | <b>35 198 792</b>   | <b>20.2%</b>            | <b>99.5%</b>                   | <b>37 148 254</b>    | <b>39 265 704</b>   | <b>41 464 583</b>   | <b>5.6%</b>             | <b>99.8%</b>                   |
| <b>Total revenue</b>                   | <b>35 289 899</b>   | <b>19.8%</b>            | <b>100.0%</b>                  | <b>37 230 532</b>    | <b>39 347 761</b>   | <b>41 546 634</b>   | <b>5.6%</b>             | <b>100.0%</b>                  |
| <b>Expenses</b>                        |                     |                         |                                |                      |                     |                     |                         |                                |
| Current expenses                       | 2 366 647           | 19.9%                   | 3.4%                           | 2 667 314            | 3 016 873           | 3 497 105           | 13.9%                   | 7.2%                           |
| Compensation of employees              | 1 348 985           | 16.4%                   | 2.1%                           | 1 480 786            | 1 599 248           | 1 727 188           | 8.6%                    | 1.9%                           |
| Goods and services                     | 764 961             | 19.2%                   | 1.0%                           | 809 804              | 826 275             | 860 229             | 4.0%                    | 1.0%                           |
| Depreciation                           | 52 414              | 11.2%                   | 0.1%                           | 45 656               | 40 838              | 37 391              | -10.6%                  | 0.1%                           |
| Interest, dividends and rent on land   | 200 287             | 90.6%                   | 0.2%                           | 331 068              | 550 512             | 872 297             | 63.3%                   | 0.6%                           |
| <b>Transfers and subsidies</b>         | <b>70 357 924</b>   | <b>24.5%</b>            | <b>96.6%</b>                   | <b>71 573 026</b>    | <b>82 479 505</b>   | <b>95 047 936</b>   | <b>10.5%</b>            | <b>96.5%</b>                   |
| <b>Total expenses</b>                  | <b>72 724 571</b>   | <b>24.4%</b>            | <b>100.0%</b>                  | <b>74 240 340</b>    | <b>85 496 378</b>   | <b>98 545 041</b>   | <b>10.7%</b>            | <b>100.0%</b>                  |
| <b>Surplus/(Deficit)</b>               | <b>(37 434 672)</b> | <b>-</b>                | <b>-</b>                       | <b>(37 009 808)</b>  | <b>(46 148 617)</b> | <b>(56 998 407)</b> | <b>15.0%</b>            | <b>-</b>                       |
| <b>Statement of financial position</b> |                     |                         |                                |                      |                     |                     |                         |                                |
| Carrying value of assets of which:     | 270 390             | 0.3%                    | 3.1%                           | 325 071              | 370 769             | 443 999             | 18.0%                   | 3.5%                           |
| Acquisition of assets                  | (95 559)            | 23.3%                   | -0.7%                          | (100 337)            | (105 354)           | (110 623)           | 5.0%                    | -1.0%                          |
| Inventory                              | 6 080               | 19.1%                   | 0.1%                           | 6 445                | 6 832               | 7 242               | 6.0%                    | 0.1%                           |
| Loans                                  | 155 976             | 5.5%                    | 1.7%                           | 165 334              | 175 254             | 185 770             | 6.0%                    | 1.7%                           |
| Accrued investment interest            | 10 113              | -14.4%                  | 0.1%                           | 10 720               | 11 363              | 12 045              | 6.0%                    | 0.1%                           |
| Receivables and prepayments            | 7 361 832           | 15.6%                   | 73.6%                          | 7 699 036            | 7 842 560           | 7 881 772           | 2.3%                    | 77.6%                          |
| Cash and cash equivalents              | 1 691 107           | -12.3%                  | 21.4%                          | 1 682 278            | 1 682 057           | 1 682 051           | -0.2%                   | 17.0%                          |
| <b>Total assets</b>                    | <b>9 495 498</b>    | <b>7.3%</b>             | <b>100.0%</b>                  | <b>9 888 884</b>     | <b>10 088 835</b>   | <b>10 212 879</b>   | <b>2.5%</b>             | <b>100.0%</b>                  |
| Accumulated surplus/(deficit)          | (183 074 918)       | 26.3%                   | -1 522.9%                      | (220 155 724)        | (268 023 327)       | (328 842 118)       | 21.6%                   | -2 507.7%                      |
| Capital and reserves                   | 83 398              | -13.3%                  | 1.3%                           | 83 398               | 83 398              | 83 398              | -                       | 0.8%                           |
| Trade and other payables               | 256 899             | -24.6%                  | 4.1%                           | 272 312              | 288 651             | 305 971             | 6.0%                    | 2.8%                           |
| Provisions                             | 192 230 119         | 25.2%                   | 1 617.5%                       | 229 688 898          | 277 740 112         | 338 665 630         | 20.8%                   | 2 604.0%                       |
| <b>Total equity and liabilities</b>    | <b>9 495 498</b>    | <b>7.3%</b>             | <b>100.0%</b>                  | <b>9 888 884</b>     | <b>10 088 834</b>   | <b>10 212 880</b>   | <b>2.5%</b>             | <b>100.0%</b>                  |



## Personnel information

**Table 35.36 Road Accident Fund personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2017 |   | Number and cost <sup>1</sup> 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 (%) | Average: Salary level/Total (%) |                   |         |      |       |        |
|   |   | 2015/16  |       |           | 2016/17          |       |           | 2017/18                          |       | 2018/19   |         | 2019/20 |           |                         |                                 | 2016/17 - 2019/20 |         |      |       |        |
|   |   | Number   | Cost  | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number  | Cost    | Unit cost |                         |                                 |                   |         |      |       |        |
| Road Accident Fund                          |   | 2 902  | 2 902 | 2 728     | 1 264.4          | 0.5   | 2 902     | 1 349.0                          | 0.5   | 2 952     | 1 480.8 | 0.5     | 2 952     | 1 599.2                 | 0.5                             | 2 952             | 1 727.2 | 0.6  | 8.6%  | 100.0% |
| Salary level                                |   |  |       |           |                  |       |           |                                  |       |           |         |         |           |                         |                                 |                   |         |      |       |        |
| 1 – 6                                       | 102                                       | 102  | 157   | 15.4      | 0.1              | 102   | 11.9      | 0.1                              | 102   | 12.9      | 0.1     | 102     | 13.9      | 0.1                     | 102                             | 15.0              | 0.1     | 8.0% | 3.5%  |        |
| 7 – 10                                      | 2 239                                     | 2 239  | 2 063 | 776.1     | 0.4              | 2 239 | 835.2     | 0.4                              | 2 289 | 925.9     | 0.4     | 2 289   | 1 000.0   | 0.4                     | 2 289                           | 1 080.0           | 0.5     | 8.9% | 77.4% |        |
| 11 – 12                                     | 369                                       | 369  | 336   | 256.9     | 0.8              | 369   | 275.6     | 0.7                              | 369   | 297.6     | 0.8     | 369     | 321.4     | 0.9                     | 369                             | 347.2             | 0.9     | 8.0% | 12.6% |        |
| 13 – 16                                     | 185                                       | 185  | 165   | 193.7     | 1.2              | 185   | 207.1     | 1.1                              | 185   | 223.7     | 1.2     | 185     | 241.6     | 1.3                     | 185                             | 260.9             | 1.4     | 8.0% | 6.3%  |        |
| 17 – 22                                     | 7   | 7  | 7     | 22.2      | 3.2              | 7     | 19.1      | 2.7                              | 7     | 20.7      | 3.0     | 7       | 22.3      | 3.2                     | 7                               | 24.1              | 3.4     | 8.0% | 0.2%  |        |

1. Rand million.

## South African National Roads Agency

### Mandate

The South African National Roads Agency is a schedule 3A public entity established by the South African National Roads Agency Limited and National Roads Act (1998). 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 these functions. This includes both toll and non-toll roads.

### Selected performance indicators

**Table 35.37 South African National Roads Agency performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/objective/activity | Outcome   | Past      |           |           | Current   | Projections |           |           |
|---|------------------------------|---|-----------|-----------|-----------|-----------|-------------|-----------|-----------|
|   |                              |   | 2013/14   | 2014/15   | 2015/16   | 2016/17   | 2017/18     | 2018/19   | 2019/20   |
| Smooth travel exposure: Percentage of travel undertaken per year on national roads with roughness less than 4.2 on international roughness index              | Routine maintenance          | Entity mandate  | 95%       | 96%       | 96%       | 95%       | 95%         | 95%       | 95%       |
| Low rut exposure: Percentage of travel undertaken per year on national roads with rut depth less than 20 mm   | Routine maintenance          |   | 98%       | 99%       | 96%       | 99%       | 95%         | 95%       | 95%       |
| High texture exposure: Percentage of travel undertaken per year on national roads with macro-texture higher than 0.4 mm                                       | Routine maintenance          |   | 98%       | 99%       | 99%       | 99%       | 95%         | 95%       | 95%       |
| Bridge condition exposure index: Percentage of travel over or under bridges undertaken per year on national roads with overall condition index higher than 80 | Routine maintenance          |   | 93%       | 92%       | 93%       | 93%       | 90%         | 90%       | 90%       |
| Length of network with active routine road maintenance contracts  | Routine maintenance          |   | 19 704 km | 21 403 km | 21 490 km | 21 579 km | 21 946 km   | 21 946 km | 21 946 km |
| Resurface length: Length of road ressealed/overlaid per year  | Routine maintenance          | Outcome 6: An efficient, competitive and responsive economic infrastructure network | 1 290 km  | 851 km    | 1 563 km  | 900 km    | 1 000 km    | 1 100 km  | 1 100 km  |
| Length of road strengthened/improved per year   | Strengthening                |   | 659 km    | 687 km    | 370 km    | 450 km    | 475 km      | 500 km    | 500 km    |

### Expenditure analysis

Over the medium term, the South African National Roads Agency will focus on preventative maintenance of the national road network, in line with the outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework to improve and preserve national road infrastructure. The agency plans to resurface 3 200 kilometres, and strengthen and improve 1 475 kilometres of road over the medium term.

Total expenditure is expected to increase at an average annual rate of 17.1 per cent, from R26.3 billion in 2016/17 to R42.2 billion in 2019/20. Spending on the improvements programme is expected to increase at an average annual rate of 65.2 per cent over the medium term, as the agency focuses on rehabilitation due to the extent of the road network that is beyond its design life. Expenditure on new facilities is expected to increase at an average

annual rate of 42.9 per cent, from R4.5 billion in 2016/17 to R13.1 billion in 2019/20, as the agency plans to build new interchanges and additional lanes to existing roads. Spending on goods and services is expected to increase from R19.5 billion in 2016/17 to R35 billion in 2019/20 as the road maintenance programme continues.

The agency employs 330 personnel and this is expected to increase to 390 in 2019/20 due to the absorption of interns into the agency's organisational structure. As a result, spending on compensation of employees is expected to increase at an average annual rate of 12.7 per cent, from R275.2 million in 2016/17 to R393.9 million in 2019/20.

The agency's income mainly comprises revenue generated from toll fees and transfers from the Department of Transport. The total national road network comprises 14.5 per cent toll roads, with the remaining 85.5 per cent non-toll roads. Toll revenue is expected to increase from R5.3 billion in 2016/17 to R6.1 billion in 2019/20. Transfers from the Department of Transport for non-toll roads is expected to increase at an average annual rate of 10.2 per cent, from R13.9 billion in 2016/17 to R18.6 billion in 2019/20 for the strengthening and improvements of the road network.

### Programmes/objectives/activities

**Table 35.38 South African National Roads Agency expenditure trends and estimates by programme/objective/activity**

|                     | Audited outcome   |                   |                   | Revised estimate  | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                   |                   | Average growth rate (%) | Average: Expenditure/Total (%) |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|--------------------------------|----------------------------------|-------------------|-------------------|-------------------------|--------------------------------|
| R thousand          | 2013/14           | 2014/15           | 2015/16           | 2016/17           | 2013/14 - 2016/17       |                                | 2017/18                          | 2018/19           | 2019/20           | 2016/17 - 2019/20       |                                |
| Administration      | 6 132 079         | 8 967 487         | 8 172 553         | 7 796 334         | 8.3%                    | 49.8%                          | 7 316 173                        | 7 459 336         | 8 191 314         | 1.7%                    | 23.6%                          |
| Routine maintenance | 1 304 649         | 1 440 538         | 888 340           | 8 925 455         | 89.8%                   | 15.2%                          | 7 625 564                        | 6 254 826         | 5 037 799         | -17.4%                  | 22.2%                          |
| Strengthening       | 3 042 157         | 1 002 647         | 1 522 868         | 2 021 820         | -12.7%                  | 12.3%                          | 2 721 237                        | 4 968 222         | 2 036 630         | 0.2%                    | 8.9%                           |
| Improvements        | 1 610 755         | 1 116 385         | 1 586 322         | 3 074 604         | 24.0%                   | 10.8%                          | 6 461 263                        | 11 275 608        | 13 873 485        | 65.2%                   | 24.4%                          |
| New facilities      | 715 477           | 1 219 423         | 2 347 755         | 4 477 305         | 84.3%                   | 11.9%                          | 5 537 614                        | 6 149 615         | 13 055 335        | 42.9%                   | 20.9%                          |
| <b>Total</b>        | <b>12 805 117</b> | <b>13 746 480</b> | <b>14 517 838</b> | <b>26 295 518</b> | <b>27.1%</b>            | <b>100.0%</b>                  | <b>29 661 851</b>                | <b>36 107 607</b> | <b>42 194 563</b> | <b>17.1%</b>            | <b>100.0%</b>                  |

### Statements of historical financial performance and position

**Table 35.39 South African National Roads Agency statements of historical financial performance and position**

| Statement of financial performance                   |                    |                   |                     |                    |                   |                   |                    |                    |                             |
|--|--------------------|-------------------|---------------------|--------------------|-------------------|-------------------|--------------------|--------------------|-----------------------------|
|  | Budget             | Audited outcome   | Budget              | Audited outcome    | Budget            | Audited outcome   | Budget estimate    | Revised estimate   | Average: Outcome/Budget (%) |
| R thousand   | 2013/14            |                   | 2014/15             |                    | 2015/16           |                   | 2016/17            |                    | 2013/14 - 2016/17           |
| <b>Revenue</b>                                       |                    |                   |                     |                    |                   |                   |                    |                    |                             |
| <b>Non-tax revenue</b>                               | <b>3 341 157</b>   | <b>33 174 775</b> | <b>4 692 476</b>    | <b>6 941 046</b>   | <b>5 099 839</b>  | <b>7 891 803</b>  | <b>7 045 819</b>   | <b>6 357 085</b>   | <b>269.4%</b>               |
| Sale of goods and services other than capital assets | 3 341 157          | 3 703 264         | 4 546 030           | 6 678 125          | 4 441 632         | 5 438 392         | 6 406 584          | 5 839 245          | 115.6%                      |
| of which:  |                    |                   |                     |                    |                   |                   |                    |                    |                             |
| Sales by market establishment                        | 3 341 157          | 3 518 877         | 4 221 433           | 6 376 166          | 4 091 632         | 5 114 496         | 6 163 591          | 5 369 683          | 114.4%                      |
| Toll Income  | 3 341 157          | 3 481 612         | 4 193 491           | 6 331 769          | 4 044 865         | 5 063 920         | 6 143 591          | 5 295 410          | 113.8%                      |
| Concession income                                    | —                  | 5 150             | —                   | 7 751              | 7 107             | 2 867             | —                  | —                  | 221.9%                      |
| Rental income on leased properties                   | —                  | 32 115            | 27 942              | 36 646             | 39 660            | 47 709            | 20 000             | 74 273             | 217.7%                      |
| Other sales  | —                  | 184 387           | 324 597             | 301 959            | 350 000           | 323 896           | 242 993            | 469 562            | 139.5%                      |
| Other non-tax revenue                                | —                  | 29 471 511        | 146 446             | 262 921            | 658 207           | 2 453 411         | 639 235            | 517 840            | 2 265.1%                    |
| <b>Transfers received</b>                            | <b>7 809 708</b>   | <b>5 075 045</b>  | <b>8 197 875</b>    | <b>5 369 373</b>   | <b>12 542 488</b> | <b>6 577 427</b>  | <b>13 915 586</b>  | <b>13 915 586</b>  | <b>72.9%</b>                |
| <b>Total revenue</b>                                 | <b>11 150 865</b>  | <b>38 249 820</b> | <b>12 890 351</b>   | <b>12 310 419</b>  | <b>17 642 327</b> | <b>14 469 230</b> | <b>20 961 405</b>  | <b>20 272 671</b>  | <b>136.2%</b>               |
| <b>Expenses</b>                                      |                    |                   |                     |                    |                   |                   |                    |                    |                             |
| <b>Current expenses</b>                              | <b>13 944 140</b>  | <b>12 805 117</b> | <b>23 362 813</b>   | <b>13 746 480</b>  | <b>17 771 315</b> | <b>14 517 838</b> | <b>26 560 835</b>  | <b>26 295 518</b>  | <b>82.5%</b>                |
| Compensation of employees                            | 142 965            | 200 255           | 200 253             | 208 754            | 244 574           | 256 595           | 275 235            | 275 235            | 109.0%                      |
| Goods and services                                   | 7 321 123          | 6 855 964         | 18 123 686          | 8 498 852          | 11 565 594        | 7 713 167         | 19 811 656         | 19 546 339         | 75.0%                       |
| Depreciation   | 3 430 723          | 2 246 132         | 1 594 874           | 1 594 874          | 2 559 147         | 2 902 856         | 2 866 244          | 2 866 244          | 92.0%                       |
| Interest, dividends and rent on land                 | 3 049 329          | 3 502 766         | 3 444 000           | 3 444 000          | 3 402 000         | 3 645 220         | 3 607 700          | 3 607 700          | 105.2%                      |
| <b>Total expenses</b>                                | <b>13 944 140</b>  | <b>12 805 117</b> | <b>23 362 813</b>   | <b>13 746 480</b>  | <b>17 771 315</b> | <b>14 517 838</b> | <b>26 560 835</b>  | <b>26 295 518</b>  | <b>82.5%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>(2 793 275)</b> | <b>25 444 703</b> | <b>(10 472 462)</b> | <b>(1 436 061)</b> | <b>(128 988)</b>  | <b>(48 608)</b>   | <b>(5 599 430)</b> | <b>(6 022 847)</b> | <b>—</b>                    |

**Table 35.39 South African National Roads Agency statements of historical financial performance and position**

| Statement of financial position               |                    |                    |                    |                    |                    |                    |                    |                     |               | Average:<br>Outcome/<br>Budget<br>(%) |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------|---------------------------------------|
| R thousand                                    | Budget             | Audited<br>outcome | Budget             | Audited<br>outcome | Budget             | Audited<br>outcome | Budget<br>estimate | Revised<br>estimate |               |                                       |
|   | 2013/14            |                    | 2014/15            |                    | 2015/16            |                    | 2016/17            |                     |               |                                       |
| Carrying value of assets                      | 271 918 982        | 305 167 840        | 277 511 358        | 310 181 587        | 314 083 710        | 316 758 757        | 322 546 488        | 322 546 488         | 105.8%        |                                       |
| of which:                                     |                    |                    |                    |                    |                    |                    |                    |                     |               |                                       |
| Acquisition of assets                         | (8 071 639)        | (8 732 300)        | (12 199 237)       | (9 129 372)        | (12 381 045)       | (8 492 221)        | (10 650 936)       | (10 650 936)        | 85.5%         |                                       |
| Investments                                   | 2 921 271          | 1 016 887          | 596 103            | 712 510            | 464 063            | 925 907            | 515 293            | 294 293             | 65.6%         |                                       |
| Receivables and prepayments                   | 1 719 734          | 1 158 103          | 2 357 829          | 4 967 164          | 4 157 829          | 7 661 333          | 3 956 898          | 3 956 898           | 145.5%        |                                       |
| Cash and cash equivalents                     | 3 631 932          | 4 150 924          | 3 939 012          | 9 479 440          | 5 939 012          | 9 490 108          | 4 433 692          | 4 433 692           | 153.6%        |                                       |
| Non-current assets held for sale              | –                  | 86 740             | 139 574            | 26 971             | 139 574            | 20 096             | 146 553            | 146 553             | 65.9%         |                                       |
| <b>Total assets</b>                           | <b>280 191 919</b> | <b>311 580 494</b> | <b>284 543 876</b> | <b>325 367 672</b> | <b>324 784 188</b> | <b>334 856 201</b> | <b>331 598 924</b> | <b>331 377 924</b>  | <b>106.7%</b> |                                       |
| Accumulated surplus/(deficit)                 | (6 226 400)        | (7 557 919)        | (4 611 594)        | (8 506 465)        | (4 860 945)        | (8 627 866)        | (2 070 749)        | (3 938 960)         | 161.1%        |                                       |
| Capital and reserves                          | 205 397 957        | 240 431 487        | 210 590 326        | 240 103 113        | 239 681 077        | 241 007 982        | 239 681 077        | 239 681 077         | 107.4%        |                                       |
| Capital reserve fund                          | 34 906 298         | 28 578 618         | 31 559 021         | 33 738 081         | 34 559 021         | 38 071 742         | 37 219 335         | 37 219 335          | 99.5%         |                                       |
| Borrowings                                    | 42 191 418         | 30 083 772         | 36 626 967         | 36 714 191         | 38 144 164         | 38 842 700         | 39 749 343         | 39 749 343          | 92.8%         |                                       |
| Finance lease                                 | –                  | –                  | –                  | 418                | –                  | 849                | –                  | –                   | –             |                                       |
| Deferred income                               | 1 270 811          | 7 019 741          | 1 061 203          | 8 777 888          | 7 347 750          | 11 006 334         | 7 949 107          | 7 949 107           | 197.1%        |                                       |
| Trade and other payables                      | 2 331 380          | 1 811 675          | 2 730 333          | 3 719 418          | 2 930 608          | 4 172 915          | 2 130 639          | 3 777 850           | 133.2%        |                                       |
| Benefits payable                              | –                  | 28 587             | –                  | –                  | –                  | –                  | –                  | –                   | –             |                                       |
| Provisions                                    | 9 975              | 409 701            | 28 587             | 420 391            | 43 859             | 379 083            | 50 630             | 50 630              | 946.9%        |                                       |
| Managed funds (e.g. poverty alleviation fund) | 310 480            | 1 027 785          | 469 491            | –                  | 849 112            | –                  | 800 000            | 800 000             | 75.2%         |                                       |
| Derivatives financial instruments             | –                  | 9 747 048          | 6 089 542          | 10 400 637         | 6 089 542          | 10 002 462         | 6 089 542          | 6 089 542           | 198.4%        |                                       |
| <b>Total equity and liabilities</b>           | <b>280 191 919</b> | <b>311 580 495</b> | <b>284 543 876</b> | <b>325 367 672</b> | <b>324 784 188</b> | <b>334 856 201</b> | <b>331 598 924</b> | <b>331 377 924</b>  | <b>106.7%</b> |                                       |

**Statements of estimates of financial performance and position****Table 35.40 South African National Roads Agency statements of estimates of financial performance and position**

| Statement of financial performance                   |                     |                   | Average<br>growth<br>rate<br>(%) | Average:<br>Expen-<br>diture/<br>Total<br>(%) |                      |              |                   | Average<br>growth<br>rate<br>(%) | Average:<br>Expen-<br>diture/<br>Total<br>(%) |
|--|---------------------|-------------------|----------------------------------|---|----------------------|--------------|-------------------|----------------------------------|---|
|  | Revised<br>estimate |                   |                                  |   | Medium-term estimate |              |                   |                                  |   |
| R thousand   | 2016/17             | 2013/14 - 2016/17 |                                  | 2017/18                                       | 2018/19              | 2019/20      | 2016/17 - 2019/20 |                                  |   |
| Revenue  |                     |                   |                                  |   |                      |              |                   |                                  |   |
| Non-tax revenue                                      | 11 726 768          | -29.3%            | 57.3%                            | 12 707 272                                    | 10 620 129           | 12 959 931   | 3.4%              | 42.2%                            |   |
| Sale of goods and services other than capital assets | 11 208 928          | 44.7%             | 32.6%                            | 12 689 033                                    | 10 601 000           | 12 489 654   | 3.7%              | 41.3%                            |   |
| of which:  |                     |                   |                                  |   |                      |              |                   |                                  |   |
| Sales by market establishment                        | 5 369 683           | 15.1%             | 30.7%                            | 4 995 372                                     | 5 245 980            | 6 187 064    | 4.8%              | 19.1%                            |   |
| Toll Income  | 5 295 410           | 15.0%             | 30.4%                            | 7 327 216                                     | 5 157 016            | 6 092 762    | 4.8%              | 20.9%                            |   |
| Rental income on leased properties                   | 74 273              | 32.2%             | 0.3%                             | 41 270  | 88 964               | 94 302       | 8.3%              | 0.3%                             |   |
| Other sales  | 469 562             | 36.6%             | 1.9%                             | 325 175                                       | 109 040              | 115 526      | -37.3%            | 0.9%                             |   |
| Other non-tax revenue                                | 517 840             | -74.0%            | 24.7%                            | 18 239  | 19 129               | 470 277      | -3.2%             | 0.9%                             |   |
| Transfers received                                   | 13 915 586          | 40.0%             | 42.7%                            | 15 944 823                                    | 17 632 982           | 18 614 828   | 10.2%             | 57.8%                            |   |
| Total revenue  | 25 642 354          | -12.5%            | 100.0%                           | 28 652 095                                    | 28 253 111           | 31 574 759   | 7.2%              | 100.0%                           |   |
| Expenses   |                     |                   |                                  |   |                      |              |                   |                                  |   |
| Current expenses                                     | 26 295 518          | 27.1%             | 100.0%                           | 29 661 851                                    | 36 107 607           | 42 194 563   | 17.1%             | 224.5%                           |   |
| Compensation of employees                            | 275 235             | 11.2%             | 1.5%                             | 312 038                                       | 368 239              | 393 917      | 12.7%             | 1.0%                             |   |
| Goods and services                                   | 19 546 339          | 41.8%             | 60.7%                            | 22 926 632                                    | 29 316 368           | 35 017 958   | 21.5%             | 79.0%                            |   |
| Depreciation   | 2 866 244           | 8.5%              | 15.0%                            | 3 296 181                                     | 3 296 000            | 3 480 576    | 6.7%              | 9.8%                             |   |
| Interest, dividends and rent on land                 | 3 607 700           | 1.0%              | 22.8%                            | 3 127 000                                     | 3 127 000            | 3 302 112    | -2.9%             | 10.2%                            |   |
| Total expenses                                       | 26 295 518          | 27.1%             | 100.0%                           | 29 661 851                                    | 36 107 607           | 42 194 563   | 17.1%             | 100.0%                           |   |
| Surplus/(Deficit)                                    | (653 164)           | (1)               | –                                | (1 009 756)                                   | (7 854 496)          | (10 619 804) | 153.3%            | –                                |   |
|  |                     |                   |                                  |   |                      |              |                   |                                  |   |
| Statement of financial position                      |                     |                   |                                  |   |                      |              |                   |                                  |   |
| Carrying value of assets                             | 322 546 488         | 1.9%              | 96.3%                            | 284 411 965                                   | 294 071 713          | 357 748 288  | 3.5%              | 97.3%                            |   |
| of which:  |                     |                   |                                  |   |                      |              |                   |                                  |   |
| Acquisition of assets                                | (10 650 936)        | 6.8%              | -2.8%                            | (13 312 070)                                  | (14 111 426)         | (14 817 873) | 11.6%             | -4.1%                            |   |
| Investments  | 294 293             | -33.9%            | 0.2%                             | 593 168                                       | 339 279              | 518 546      | 20.8%             | 0.1%                             |   |
| Receivables and prepayments                          | 3 956 898           | 50.6%             | 1.3%                             | 3 457 621                                     | 3 630 502            | 3 100 000    | -7.8%             | 1.1%                             |   |
| Cash and cash equivalents                            | 4 433 692           | 2.2%              | 2.1%                             | 4 502 365                                     | 4 727 486            | 5 430 578    | 7.0%              | 1.5%                             |   |
| Non-current assets held for sale                     | 146 553             | 19.1%             | –                                | –   | –                    | 32 130       | -39.7%            | –                                |   |
| Total assets   | 331 377 924         | 2.1%              | 100.0%                           | 292 965 119                                   | 302 768 980          | 366 829 542  | 3.4%              | 100.0%                           |   |
| Accumulated surplus/(deficit)                        | (3 938 960)         | -19.5%            | -2.2%                            | (711 587)                                     | 3 592 748            | 20 303 856   | -272.7%           | 1.3%                             |   |
| Capital and reserves                                 | 239 681 077         | -0.1%             | 73.8%                            | 239 681 077                                   | 236 577 620          | 236 577 620  | -0.4%             | 74.2%                            |   |
| Capital reserve fund                                 | 37 219 335          | 9.2%              | 10.5%                            | 44 373 193                                    | 51 304 060           | 58 928 014   | 16.6%             | 14.8%                            |   |
| Borrowings   | 39 749 343          | 9.7%              | 11.1%                            | –   | –                    | 36 440 894   | -2.9%             | 5.5%                             |   |
| Deferred income                                      | 7 949 107           | 4.2%              | 2.7%                             | 6 545 706                                     | 8 156 287            | 8 507 805    | 2.3%              | 2.4%                             |   |
| Trade and other payables                             | 3 777 850           | 27.8%             | 1.0%                             | 3 076 730                                     | 3 138 265            | 2 755 196    | -10.0%            | 1.0%                             |   |
| Provisions   | 50 630              | -50.2%            | 0.1%                             | –   | –                    | 66 824       | 9.7%              | –                                |   |
| Managed funds (e.g. poverty alleviation fund)        | 800 000             | -8.0%             | 0.1%                             | –   | –                    | 353 911      | -23.8%            | 0.1%                             |   |
| Derivatives financial instruments                    | 6 089 542           | -14.5%            | 2.8%                             | –   | –                    | 2 895 422    | -21.9%            | 0.7%                             |   |
| Total equity and liabilities                         | 331 377 924         | 2.1%              | 100.0%                           | 292 965 119                                   | 302 768 980          | 366 829 542  | 3.4%              | 100.0%                           |   |

## Personnel information

**Table 35.41 South African National Roads Agency personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2017 |   |  | Number and cost <sup>1</sup> 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 (%) | Average Salary level/Total (%) |     |       |        |
|   |   |  | 2015/16  |       |           | 2016/17          |       |           | 2017/18                          |       |           | 2018/19 |       |           | 2019/20 |       |           |                         |                                |     |       |        |
|   |   |  | Number   | Cost  | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number  | Cost  | Unit cost | Number  | Cost  | Unit cost |                         |                                |     |       |        |
| South African National Roads Agency         |   |  | 330  | 390   |           | 325              | 256.6 | 0.8       | 330                              | 275.2 | 0.8       | 355     | 312.0 | 0.9       | 390     | 368.2 | 0.9       | 390                     | 393.9                          | 1.0 | 12.7% | 100.0% |
| Salary level                                |   |  |  |       |           |                  |       |           |                                  |       |           |         |       |           |         |       |           |                         |                                |     |       |        |
| 1 – 6                                       | 10  |  | 10   | 1.3   | 0.1       | 10               | 1.6   | 0.2       | 10                               | 1.8   | 0.2       | 10      | 1.9   | 0.2       | 10      | 2.0   | 0.2       | 10                      | 2.0                            | 0.2 | 7.0%  | 2.7%   |
| 7 – 10                                      | 178                                       |  | 188  | 70.3  | 0.4       | 178              | 77.6  | 0.4       | 188                              | 86.4  | 0.5       | 188     | 92.5  | 0.5       | 188     | 98.9  | 0.5       | 188                     | 98.9                           | 0.5 | 8.4%  | 50.8%  |
| 11 – 12                                     | 55  |  | 95   | 45.7  | 0.8       | 55               | 50.3  | 0.9       | 65                               | 61.4  | 0.9       | 95      | 93.0  | 1.0       | 95      | 99.4  | 1.0       | 95                      | 99.4                           | 1.0 | 25.5% | 20.9%  |
| 13 – 16                                     | 84  |  | 94   | 122.4 | 1.5       | 84               | 134.4 | 1.6       | 89                               | 150.4 | 1.7       | 94      | 168.0 | 1.8       | 94      | 179.7 | 1.9       | 94                      | 179.7                          | 1.9 | 10.2% | 24.7%  |
| 17 – 22                                     | 3   |  | 3  | 16.8  | 5.6       | 3                | 11.3  | 3.8       | 3                                | 12.1  | 4.0       | 3       | 13.0  | 4.3       | 3       | 13.9  | 4.6       | 3                       | 13.9                           | 4.6 | 7.0%  | 0.8%   |

1. Rand million.

## Air Traffic and Navigation Services Company

### Mandate

The Air Traffic and Navigation Services Company is a schedule 2 public entity established in terms of the Air Traffic and Navigation Services Act (1993). The company is mandated 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 International Civil Authority Organisation standards and recommended practices, and South African civil aviation regulations and technical standards.

### Selected performance indicators

**Table 35.42 Air Traffic and Navigation Services Company performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/objective/activity | Outcome   | Past           |             |             | Current     | Projections |             |             |
|--|------------------------------|---|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  |                              |   | 2013/14        | 2014/15     | 2015/16     | 2016/17     | 2017/18     | 2018/19     | 2019/20     |
| Number of incidents per 100 000 movements                                    | Communication                | Outcome 11: Create a better South Africa and contribute to a better Africa and a better world | 2              | 2           | 2           | 2           | 2           | 2           | 2           |
| Number of aircraft on OR Tambo International Airport runway per hour         | Navigation                   | Outcome 6: An efficient, competitive and responsive economic infrastructure network           | – <sup>1</sup> | 53          | 53          | 53          | 53          | 53          | 53          |
| Number of aircraft on King Shaka International Airport runway per hour       | Navigation                   |   | 24             | 24          | 24          | 24          | 24          | 24          | 24          |
| Number of aircraft on Cape Town International Airport runway per hour        | Navigation                   |   | 30             | 30          | 30          | 30          | 30          | 30          | 30          |
| Number of aircraft within OR Tambo International Airport airspace per hour   | Navigation                   |   | 60             | 60          | 60          | 60          | 60          | 60          | 60          |
| Number of aircraft within King Shaka International Airport airspace per hour | Navigation                   |   | 24             | 24          | 24          | 24          | 24          | 24          | 24          |
| Number of aircraft within Cape Town International Airport airspace per hour  | Navigation                   |   | 30             | 30          | 30          | 30          | 30          | 30          | 30          |
| Average delay per delayed flight   | Navigation                   |   | 120 seconds    | 120 seconds | 120 seconds | 120 seconds | 120 seconds | 120 seconds | 120 seconds |
| Average service availability (percentage) per year                           | Navigation                   |   | 98.7%          | 98.7%       | 99.0%       | 98.7%       | 98.7%       | 98.7%       | 98.7%       |

1. No historical data available.

### Expenditure analysis

The medium-term strategic focus of the Air Traffic and Navigation Services Company is to provide safe, efficient and cost-effective air traffic management solutions and associated services; and expand the company's footprint to cover Africa and the Indian Ocean region. To achieve this, the company will focus on building its capacity in communication, navigation, surveillance and simulator systems, spending on which is expected to increase at an average annual rate of 4.3 per cent over the medium term.

The company seeks to improve safety performance over the medium, which requires employing 1 279 staff over the medium term. As air traffic management is systems and labour intensive, compensation of employees is expected to be the largest spending item. The company employs 364 air traffic controllers. This number is expected to increase over the MTEF period to 382 in 2019/20.

The entity aims to maximise airspace capacity at all airports, with the average service availability expected to remain at 98.7 per cent over the medium term. Spending on goods and services is expected to increase at an average annual rate of 3.2 per cent, driven by costs on repairs and maintenance. The major contributor to spending on this item is electronic maintenance support contracts and costs related to maintaining radar equipment. Most support contracts are paid for in foreign currencies and will be affected by fluctuations in exchange rates. As a result, spending on goods and services is expected to increase from R385.5 million in 2016/17 to R423.2 million in 2019/20.

Revenue is generated from en-route and approach fees (aerodrome fees, area fees and terminal manoeuvring area fees). The company's revenue is expected to increase at an average annual rate of 3.5 per cent, from R1.6 billion in 2016/17 to R1.8 billion in 2019/20, mainly because of expected increases in traffic movements and various airlines changing their mix of aircraft.

### Programmes/objectives/activities

**Table 35.43 Air Traffic and Navigation Services Company expenditure trends and estimates by programme/objective/activity**

|                       | Audited outcome  |                  |                  | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                  |                  | Average growth rate (%) | Average: Expenditure/ Total (%) |
|-----------------------|------------------|------------------|------------------|------------------|-------------------------|---------------------------------|----------------------------------|------------------|------------------|-------------------------|---------------------------------|
| R thousand            | 2013/14          | 2014/15          | 2015/16          | 2016/17          | 2013/14 - 2016/17       | 2016/17                         | 2017/18                          | 2018/19          | 2019/20          | 2016/17 - 2019/20       | 2019/20                         |
| Administration        | 171 982          | 189 668          | 216 570          | 228 055          | 9.9%                    | 15.9%                           | 231 400                          | 244 722          | 258 426          | 4.3%                    | 15.9%                           |
| Communication         | 540 582          | 596 175          | 680 733          | 716 834          | 9.9%                    | 50.0%                           | 727 350                          | 769 223          | 812 299          | 4.3%                    | 50.0%                           |
| Navigation            | 56 868           | 62 716           | 71 611           | 75 409           | 9.9%                    | 5.3%                            | 76 515                           | 80 920           | 85 452           | 4.3%                    | 5.3%                            |
| Surveillance          | 89 528           | 98 735           | 112 739          | 118 718          | 9.9%                    | 8.3%                            | 120 459                          | 127 394          | 134 528          | 4.3%                    | 8.3%                            |
| Display systems       | 12 126           | 13 373           | 15 270           | 16 080           | 9.9%                    | 1.1%                            | 16 316                           | 17 255           | 18 221           | 4.3%                    | 1.1%                            |
| Simulator and systems | 211 028          | 232 729          | 265 738          | 279 830          | 9.9%                    | 19.5%                           | 283 934                          | 300 281          | 317 097          | 4.3%                    | 19.5%                           |
| <b>Total</b>          | <b>1 082 114</b> | <b>1 193 397</b> | <b>1 362 662</b> | <b>1 434 927</b> | <b>9.9%</b>             | <b>100.0%</b>                   | <b>1 455 974</b>                 | <b>1 539 795</b> | <b>1 626 024</b> | <b>4.3%</b>             | <b>100.0%</b>                   |

### Statements of historical financial performance and position

**Table 35.44 Air Traffic and Navigation Services Company statements of historical financial performance and position**

| Statement of financial performance   |                  |                  |                  |                  |                  |                  |                  |                  |                              |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------------------|
|  | Budget           | Audited outcome  | Budget           | Audited outcome  | Budget           | Audited outcome  | Budget estimate  | Revised estimate | Average: Outcome/ Budget (%) |
| R thousand   | 2013/14          | 2014/15          | 2014/15          | 2015/16          | 2015/16          | 2016/17          | 2016/17          | 2016/17          | 2013/14 - 2016/17            |
| <b>Revenue</b>   |                  |                  |                  |                  |                  |                  |                  |                  |                              |
| <b>Non-tax revenue</b>   | <b>1 274 937</b> | <b>1 326 376</b> | <b>1 328 611</b> | <b>1 476 860</b> | <b>1 442 192</b> | <b>1 605 804</b> | <b>1 605 779</b> | <b>1 605 779</b> | <b>106.4%</b>                |
| Sale of goods and services other than capital assets   | 1 213 848        | 1 227 356        | 1 263 807        | 1 341 122        | 1 337 911        | 1 430 840        | 1 462 342        | 1 462 342        | 103.5%                       |
| of which:  |                  |                  |                  |                  |                  |                  |                  |                  |                              |
| Sales by market establishment  | 1 213 848        | 1 227 356        | 1 263 807        | 1 341 122        | 1 337 911        | 1 430 840        | 1 462 342        | 1 462 342        | 103.5%                       |
| En-route and approach fees   | 1 165 563        | 1 159 327        | 1 196 117        | 1 267 728        | 1 263 100        | 1 342 131        | 1 377 063        | 1 377 063        | 102.9%                       |
| Very small aperture terminal and North-Eastern Africa: Indian Ocean very small aperture terminal revenue | 45 633           | 65 666           | 61 828           | 71 177           | 68 621           | 86 735           | 74 946           | 74 946           | 118.9%                       |
| Aeronautical information services/rental received  | 2 652            | 2 363            | 5 862            | 2 216            | 6 190            | 1 974            | 10 333           | 10 333           | 67.4%                        |
| Other non-tax revenue  | 61 089           | 99 020           | 64 804           | 135 738          | 104 281          | 174 964          | 143 437          | 143 437          | 148.1%                       |
| <b>Total revenue</b>   | <b>1 274 937</b> | <b>1 326 376</b> | <b>1 328 611</b> | <b>1 476 860</b> | <b>1 442 192</b> | <b>1 605 804</b> | <b>1 605 779</b> | <b>1 605 779</b> | <b>106.4%</b>                |
| <b>Expenses</b>  |                  |                  |                  |                  |                  |                  |                  |                  |                              |
| <b>Current expenses</b>  | <b>1 132 775</b> | <b>987 506</b>   | <b>1 156 329</b> | <b>1 092 235</b> | <b>1 246 263</b> | <b>1 257 221</b> | <b>1 368 485</b> | <b>1 368 485</b> | <b>96.0%</b>                 |
| Compensation of employees  | 739 918          | 627 412          | 741 542          | 686 122          | 781 254          | 754 329          | 855 832          | 855 832          | 93.8%                        |
| Goods and services   | 246 794          | 237 946          | 299 106          | 289 637          | 342 848          | 394 269          | 385 486          | 385 486          | 102.6%                       |
| Depreciation   | 127 447          | 115 935          | 105 000          | 115 578          | 110 879          | 107 910          | 112 166          | 112 166          | 99.1%                        |
| Interest, dividends and rent on land   | 18 616           | 6 213            | 10 681           | 898              | 11 282           | 712              | 15 000           | 15 000           | 41.1%                        |
| <b>Total expenses</b>  | <b>1 172 581</b> | <b>1 082 114</b> | <b>1 204 568</b> | <b>1 193 397</b> | <b>1 301 123</b> | <b>1 362 662</b> | <b>1 434 927</b> | <b>1 434 927</b> | <b>99.2%</b>                 |
| <b>Surplus/(Deficit)</b>   | <b>102 356</b>   | <b>244 262</b>   | <b>124 043</b>   | <b>283 463</b>   | <b>141 069</b>   | <b>243 142</b>   | <b>170 852</b>   | <b>170 852</b>   |                              |

**Table 35.44 Air Traffic and Navigation Services Company statements of historical financial performance and position**

| Statement of financial position     |                  |                    |                  |                    |                  |                    |                    |                     | Average:<br>Outcome/<br>Budget<br>(%) |
|-------------------------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|--------------------|---------------------|---------------------------------------|
|                                     | Budget           | Audited<br>outcome | Budget           | Audited<br>outcome | Budget           | Audited<br>outcome | Budget<br>estimate | Revised<br>estimate |                                       |
| R thousand                          | 2013/14          |                    | 2014/15          |                    | 2015/16          |                    | 2016/17            |                     | 2013/14 - 2016/17                     |
| Carrying value of assets            | 1 172 457        | 837 317            | 1 066 942        | 856 437            | 1 136 043        | 972 491            | 1 087 732          | 1 087 732           | 84.1%                                 |
| of which:                           |                  |                    |                  |                    |                  |                    |                    |                     |                                       |
| Acquisition of assets               | (262 500)        | (113 466)          | (172 613)        | (137 147)          | (192 508)        | (229 785)          | (210 476)          | (210 476)           | 82.4%                                 |
| Investments                         | 12 541           | —                  | —                | —                  | —                | —                  | —                  | —                   | —                                     |
| Inventory                           | 893              | 259                | 250              | —                  | 264              | —                  | 278                | 278                 | 31.9%                                 |
| Loans                               | 400 000          | 13 983             | 15 462           | 15 361             | 16 327           | 17 742             | 17 209             | 17 209              | 14.3%                                 |
| Receivables and prepayments         | 159 363          | 196 149            | 173 805          | 251 270            | 183 655          | 210 389            | 282 887            | 282 887             | 117.6%                                |
| Cash and cash equivalents           | 302 295          | 803 432            | 926 951          | 1 063 350          | 1 027 615        | 1 228 000          | 1 796 609          | 1 796 609           | 120.7%                                |
| Taxation                            | —                | 12 291             | —                | —                  | —                | 8 050              | —                  | —                   | —                                     |
| <b>Total assets</b>                 | <b>2 047 549</b> | <b>1 863 431</b>   | <b>2 183 410</b> | <b>2 186 418</b>   | <b>2 363 904</b> | <b>2 436 672</b>   | <b>3 184 715</b>   | <b>3 184 715</b>    | <b>98.9%</b>                          |
| Accumulated surplus/(deficit)       | 1 252 863        | 1 435 710          | 1 537 811        | 1 719 173          | 1 699 162        | 1 962 315          | 1 896 057          | 1 896 057           | 109.8%                                |
| Capital and reserves                | 190 646          | 190 646            | 190 646          | 190 646            | 190 646          | 190 646            | 190 646            | 190 646             | 100.0%                                |
| Borrowings                          | 358 033          | —                  | 190 974          | —                  | 221 395          | —                  | 378 349            | 378 349             | 32.9%                                 |
| Trade and other payables            | 85 054           | 68 410             | 106 340          | 102 403            | 86 782           | 127 676            | 383 339            | 383 339             | 103.1%                                |
| Taxation                            | 83 329           | 83 372             | 83 989           | 79 666             | 88 145           | 52 511             | 72 954             | 72 954              | 87.8%                                 |
| Provisions                          | 77 624           | 85 293             | 73 650           | 94 530             | 77 774           | 103 524            | 263 368            | 263 368             | 111.0%                                |
| <b>Total equity and liabilities</b> | <b>2 047 549</b> | <b>1 863 431</b>   | <b>—</b>         | <b>2 186 418</b>   | <b>2 363 904</b> | <b>2 436 672</b>   | <b>3 184 715</b>   | <b>—</b>            |                                       |

**Statements of estimates of financial performance and position****Table 35.45 Air Traffic and Navigation Services Company statements of estimates of financial performance and position**

| Statement of financial performance                     |                  |                         |                                |                      |                  |                  |                         |                                |
|--|------------------|-------------------------|--------------------------------|----------------------|------------------|------------------|-------------------------|--------------------------------|
|  | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate |                  |                  | Average growth rate (%) | Average: Expenditure/Total (%) |
| R thousand   | 2016/17          | 2013/14 - 2016/17       |                                | 2017/18              | 2018/19          | 2019/20          | 2016/17 - 2019/20       |                                |
| <b>Revenue</b>   |                  |                         |                                |                      |                  |                  |                         |                                |
| <b>Non-tax revenue</b>                                 | <b>1 605 779</b> | <b>6.6%</b>             | <b>100.0%</b>                  | <b>1 600 634</b>     | <b>1 685 788</b> | <b>1 780 192</b> | <b>3.5%</b>             | <b>100.0%</b>                  |
| Sale of goods and services other than capital assets   | 1 462 342        | 6.0%                    | 90.9%                          | 1 484 898            | 1 563 894        | 1 651 471        | 4.1%                    | 92.3%                          |
| of which:  |                  |                         |                                |                      |                  |                  |                         |                                |
| Sales by market establishment                          | 1 462 342        | 6.0%                    | 90.9%                          | 1 484 898            | 1 563 894        | 1 651 471        | 4.1%                    | 92.3%                          |
| En-route and approach fees                             | 1 377 063        | 5.9%                    | 85.6%                          | 1 476 446            | 1 476 446        | 1 559 127        | 4.2%                    | 88.3%                          |
| Very small aperture terminal and North-Eastern Africa: | 74 946           | 4.5%                    | 5.0%                           | 80 212               | 80 212           | 84 704           | 4.2%                    | 4.8%                           |
| Indian Ocean very small aperture terminal revenue      |                  |                         |                                |                      |                  |                  |                         |                                |
| Aeronautical information services/Rental received      | 10 333           | 63.5%                   | 0.3%                           | 7 236                | 7 236            | 7 641            | -9.6%                   | 0.5%                           |
| Other non-tax revenue                                  | 143 437          | 13.1%                   | 9.1%                           | 115 736              | 121 894          | 128 720          | -3.5%                   | 7.7%                           |
| <b>Total revenue</b>                                   | <b>1 605 779</b> | <b>6.6%</b>             | <b>100.0%</b>                  | <b>1 600 634</b>     | <b>1 685 788</b> | <b>1 780 192</b> | <b>3.5%</b>             | <b>100.0%</b>                  |
| <b>Expenses</b>  |                  |                         |                                |                      |                  |                  |                         |                                |
| <b>Current expenses</b>                                | <b>1 368 485</b> | <b>11.5%</b>            | <b>92.6%</b>                   | <b>1 399 718</b>     | <b>1 483 020</b> | <b>1 566 069</b> | <b>4.6%</b>             | <b>115.7%</b>                  |
| Compensation of employees                              | 855 832          | 10.9%                   | 57.6%                          | 883 624              | 939 470          | 992 080          | 5.0%                    | 60.6%                          |
| Goods and services                                     | 385 486          | 17.4%                   | 25.5%                          | 380 516              | 400 759          | 423 202          | 3.2%                    | 26.3%                          |
| Depreciation   | 112 166          | -1.1%                   | 9.0%                           | 123 060              | 129 607          | 136 865          | 6.9%                    | 8.3%                           |
| Interest, dividends and rent on land                   | 15 000           | 34.2%                   | 0.4%                           | 12 518               | 13 184           | 13 922           | -2.5%                   | 0.9%                           |
| <b>Total expenses</b>                                  | <b>1 434 927</b> | <b>9.9%</b>             | <b>100.0%</b>                  | <b>1 455 974</b>     | <b>1 539 795</b> | <b>1 626 024</b> | <b>4.3%</b>             | <b>100.0%</b>                  |
| <b>Surplus/(Deficit)</b>                               | <b>170 852</b>   | <b>—</b>                | <b>—</b>                       | <b>144 660</b>       | <b>145 993</b>   | <b>154 168</b>   | <b>-3.4%</b>            | <b>—</b>                       |
| <b>Statement of financial position</b>                 |                  |                         |                                |                      |                  |                  |                         |                                |
| Carrying value of assets                               | 1 087 732        | 9.1%                    | 39.5%                          | 1 260 851            | 1 327 676        | 1 402 026        | 8.8%                    | 41.9%                          |
| of which:  |                  |                         |                                |                      |                  |                  |                         |                                |
| Acquisition of assets                                  | (210 476)        | 22.9%                   | -7.1%                          | (233 119)            | (26 825)         | (34 350)         | -45.4%                  | -4.2%                          |
| Inventory  | 278              | 2.4%                    | 0.0%                           | 293                  | 309              | 326              | 5.4%                    | 0.0%                           |
| Loans  | 17 209           | 7.2%                    | 0.7%                           | 18 121               | 19 081           | 20 150           | 5.4%                    | 0.6%                           |
| Receivables and prepayments                            | 282 887          | 13.0%                   | 9.9%                           | 75 696               | 18 542           | 19 585           | -58.9%                  | 3.2%                           |
| Cash and cash equivalents                              | 1 796 609        | 30.8%                   | 49.6%                          | 1 467 856            | 1 611 783        | 1 720 559        | -1.4%                   | 54.2%                          |
| <b>Total assets</b>                                    | <b>3 184 715</b> | <b>19.6%</b>            | <b>100.0%</b>                  | <b>2 822 817</b>     | <b>2 977 391</b> | <b>3 162 645</b> | <b>-0.2%</b>            | <b>100.0%</b>                  |
| Accumulated surplus/(deficit)                          | 1 896 057        | 9.7%                    | —                              | 2 040 715            | 2 186 707        | 2 313 084        | 6.9%                    | 69.6%                          |
| Capital and reserves                                   | 190 646          | —                       | —                              | 190 646              | 190 646          | 190 646          | —                       | 6.3%                           |
| Borrowings   | 378 349          | —                       | —                              | 291 557              | 326 334          | 390 708          | 1.1%                    | 11.4%                          |
| Trade and other payables                               | 383 339          | 77.6%                   | —                              | 115 752              | 155 567          | 143 456          | -27.9%                  | 6.5%                           |
| Taxation   | 72 954           | -4.4%                   | —                              | 97 827               | 103 012          | 108 781          | 14.2%                   | 3.2%                           |
| Provisions   | 263 368          | 45.6%                   | —                              | 86 319               | 15 125           | 15 972           | -60.7%                  | 3.1%                           |
| <b>Total equity and liabilities</b>                    | <b>3 184 715</b> | <b>19.6%</b>            | <b>—</b>                       | <b>2 822 817</b>     | <b>2 977 391</b> | <b>3 162 645</b> | <b>-0.2%</b>            | <b>100.0%</b>                  |



## Personnel information

Table 35.46 Air Traffic and Navigation Services Company personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 |                        |   | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |       |           |                  |       |           |                                  |       |           |         |       |           |         |       |           | Number                  |                                |                   |
|---|------------------------|---|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|---------|-------|-----------|-------------------------|--------------------------------|-------------------|
| Air Traffic and Navigation Services Company | Number of funded posts | Number of posts on approved establishment | Actual   |       |           | Revised estimate |       |           | Medium-term expenditure estimate |       |           |         |       |           |         |       |           | Average growth rate (%) | Average Salary level/Total (%) |                   |
|   |                        |   | 2015/16  |       |           | 2016/17          |       |           | 2017/18                          |       |           | 2018/19 |       |           | 2019/20 |       |           |                         |                                | 2016/17 - 2019/20 |
|   |                        |   | Number   | Cost  | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number  | Cost  | Unit cost | Number  | Cost  | Unit cost |                         |                                |                   |
| Salary level                                | 1 279                  | 1 279                                     | 1 211  | 754.3 | 0.6       | 1 279            | 855.8 | 0.7       | 1 279                            | 883.6 | 0.7       | 1 279   | 939.5 | 0.7       | 1 279   | 992.1 | 0.8       | 5.0%                    | 100.0%                         |                   |
| 1 – 6                                       | 63                     | 63  | 84   | 79.2  | 0.9       | 63               | 85.2  | 1.4       | 63                               | 88.0  | 1.4       | 63      | 93.6  | 1.5       | 63      | 98.8  | 1.6       | 5.0%                    | 4.9%                           |                   |
| 7 – 10                                      | 875                    | 875                                       | 831  | 470.7 | 0.6       | 875              | 514.1 | 0.6       | 875                              | 530.8 | 0.6       | 875     | 564.3 | 0.6       | 875     | 595.9 | 0.7       | 5.0%                    | 68.4%                          |                   |
| 11 – 12                                     | 341                    | 341                                       | 296  | 204.4 | 0.7       | 341              | 256.5 | 0.8       | 341                              | 264.9 | 0.8       | 341     | 281.6 | 0.8       | 341     | 297.4 | 0.9       | 5.0%                    | 26.7%                          |                   |

1. Rand million.

## Cross-Border Road Transport Agency

### Mandate

The Cross-Border Road Transport Agency is a schedule 3A public entity established in terms of the Cross-Border Road Transport Act (1998). The agency's legislative mandate requires it to: advise the Minister of Transport on cross-border road transport policy, regulate access to the market by the road transport freight and passenger industry in respect of cross-border road transport by issuing permits and undertaking road transport law enforcement, and play a facilitative role in contributing to the economic prosperity of the region.

### Selected performance indicators

Table 35.47 Cross-Border Road Transport Agency performance indicators by programme/objective/activity and related outcome

| Indicator  | Programme/objective/activity                            | Outcome        | Past           |                |                | Current | Projections    |                |                |
|--|---|----------------|----------------|----------------|----------------|---------|----------------|----------------|----------------|
|  |   |                | 2013/14        | 2014/15        | 2015/16        | 2016/17 | 2017/18        | 2018/19        | 2019/20        |
| Client/carrier satisfaction rating per year  | Facilitate the unimpeded flow of cross-border transport | Entity mandate | — <sup>1</sup> | 63%            | 72%            | 65%     | 70%            | 80%            | 85%            |
| Number of roadside inspections performed per year  | Promote safe and reliable cross-border transport        |                | 211 798        | 178 753        | 241 415        | 234 136 | 245 843        | 258 135        | 271 042        |
| Number of additional borders with permanently deployed inspectors within a 2 km proximity from major borders | Promote safe and reliable cross-border transport        |                | — <sup>1</sup> | 2              | 2              | 1       | 1              | 1              | 1              |
| Average number of hours taken to issue a permit  | Promote regional integration                            |                | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 24      | — <sup>2</sup> | — <sup>2</sup> | — <sup>2</sup> |
| Percentage of permits issued from front offices within 24 hours  | Facilitate the unimpeded flow of cross-border transport |                | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 90%     | 90%            | 90%            | 90%            |
| Percentage of permits issued from remote offices within three days   | Promote regional integration                            |                | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 90%     | 90%            | 90%            | 90%            |

1. No historical data available.

2. Indicator discontinued.

### Expenditure analysis

Over the medium term, the Cross-Border Road Transport Agency will continue to focus on promoting safe and reliable cross-border transport. In doing so, the agency will work towards introducing market-driven regulated competition and service access mechanisms, as well as promote efficiencies in permit issuance.

Most of the agency's revenue will be generated from the provision of permits to operators of cross-border transport for freight and passengers. Revenue from permit fees is expected to grow at an average annual rate of 4.7 per cent, from R201.2 million in 2016/17 to R230.8 million in 2019/20, constituting 94.9 per cent of total revenue over the medium term. The increase in revenue from permits issued over the MTEF period is largely driven by an expected increase in the number of permits issued due to greater compliance by cross-border transport operators. The deployment of permanent inspectors to three additional borders, and an increase in roadside inspections from 234 136 in 2016/17 to 271 042 in 2019/20, is expected to increase compliance by cross-border transport operators. However, the growth of revenue from permit fees over MTEF period is expected to be slower when compared with the period 2013/14 to 2016/17.

Revenue from permit fees grew by an average annual rate of 68.1 per cent between 2013/14 and 2016/17 following an adjustment to the permit fees charged by the agency, which was later found irregular by a declaratory court,



leading to a Constitutional Court ruling in May 2015 that the permit fee adjustment must be refunded. As a result, the agency will continue to have an accumulated deficit of R195.3 million over the medium term. The agency's total expenditure over the medium term is expected to decrease from R238.9 million in 2016/17 to R234.1 million in 2019/20, mainly driven by a reduction in spending on compensation of employees over the same period, from R165.9 million in 2016/17 to R149.7 million in 2019/20. This reduction is due to an expected transfer of personnel from the agency's road transport inspectorate to the Road Traffic Management Corporation, resulting in the agency's staff complement decreasing from 315 in 2016/17 to 177 in 2019/20.

## Programmes/objectives/activities

**Table 35.48 Cross Border Road Transport Agency expenditure trends and estimates by programme/objective/activity**

|  | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|-----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
| R thousand   | 2013/14         | 2014/15        | 2015/16        | 2016/17          | 2013/14 - 2016/17       |                                 | 2017/18                          | 2018/19        | 2019/20        | 2016/17 - 2019/20       |                                 |
| Administration   | 328 725         | 78 026         | 89 482         | 101 846          | -32.3%                  | 49.8%                           | 126 370                          | 131 356        | 137 657        | 10.6%                   | 54.8%                           |
| Facilitate unimpeded flow of cross-border transport          | 11 920          | 10 689         | 14 382         | 14 147           | 5.9%                    | 5.3%                            | 23 879                           | 24 821         | 26 012         | 22.5%                   | 9.8%                            |
| Promote safe and reliable cross-border transport             | 72 496          | 82 052         | 72 525         | 81 546           | 4.0%                    | 31.8%                           | 15 951                           | 16 580         | 17 375         | -40.3%                  | 14.1%                           |
| Promote regional integration                                 | 21 430          | 23 358         | 16 675         | 21 023           | -0.6%                   | 8.4%                            | 22 616                           | 23 508         | 24 636         | 5.4%                    | 10.1%                           |
| Strategic positioning to enhance organisation sustainability | 17 155          | 10 811         | 3 110          | 20 351           | 5.9%                    | 4.8%                            | 26 046                           | 27 074         | 28 374         | 11.7%                   | 11.2%                           |
| <b>Total</b>   | <b>451 726</b>  | <b>204 936</b> | <b>196 173</b> | <b>238 913</b>   | <b>-19.1%</b>           | <b>100.0%</b>                   | <b>214 862</b>                   | <b>223 339</b> | <b>234 054</b> | <b>-0.7%</b>            | <b>100.0%</b>                   |

## Statements of historical financial performance and position

**Table 35.49 Cross Border Road Transport Agency statements of historical financial performance and position**

| Statement of financial performance                   |                |                  |                |                 |                |                 |                 |                  |                   | Average: Outcome/ Budget (%) |
|--|----------------|------------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|-------------------|------------------------------|
|  | Budget         | Audited outcome  | Budget         | Audited outcome | Budget         | Audited outcome | Budget estimate | Revised estimate |                   |                              |
| R thousand   | 2013/14        |                  | 2014/15        |                 | 2015/16        |                 | 2016/17         |                  | 2013/14 - 2016/17 |                              |
| <b>Revenue</b>                                       |                |                  |                |                 |                |                 |                 |                  |                   |                              |
| Non-tax revenue                                      | 212 900        | 84 531           | 213 956        | 207 358         | 240 735        | 231 516         | 238 913         | 238 913          | 84.1%             |                              |
| Sale of goods and services other than capital assets | 199 500        | 42 340           | 184 792        | 166 798         | 199 206        | 190 868         | 201 197         | 201 197          | 76.6%             |                              |
| of which:  |                |                  |                |                 |                |                 |                 |                  |                   |                              |
| Administrative fees                                  | 199 500        | 42 340           | 184 792        | 166 798         | 199 206        | 190 868         | 201 197         | 201 197          | 76.6%             |                              |
| Other non-tax revenue                                | 13 400         | 42 191           | 29 164         | 40 560          | 41 529         | 40 648          | 37 716          | 37 716           | 132.3%            |                              |
| <b>Total revenue</b>                                 | <b>212 900</b> | <b>84 531</b>    | <b>213 956</b> | <b>207 358</b>  | <b>240 735</b> | <b>231 516</b>  | <b>238 913</b>  | <b>238 913</b>   | <b>84.1%</b>      |                              |
| <b>Expenses</b>                                      |                |                  |                |                 |                |                 |                 |                  |                   |                              |
| Current expenses                                     | 212 900        | 451 726          | 213 958        | 204 936         | 240 735        | 196 174         | 238 913         | 238 913          | 120.4%            |                              |
| Compensation of employees                            | 112 322        | 118 190          | 142 156        | 131 999         | 159 979        | 139 207         | 165 923         | 165 923          | 95.7%             |                              |
| Goods and services                                   | 88 805         | 328 821          | 68 802         | 68 489          | 74 385         | 54 159          | 64 729          | 65 269           | 174.1%            |                              |
| Depreciation   | 11 773         | 4 715            | 3 000          | 4 448           | 6 371          | 2 808           | 8 261           | 7 721            | 67.0%             |                              |
| <b>Total expenses</b>                                | <b>212 900</b> | <b>451 726</b>   | <b>213 958</b> | <b>204 936</b>  | <b>240 735</b> | <b>196 174</b>  | <b>238 913</b>  | <b>238 913</b>   | <b>120.4%</b>     |                              |
| <b>Surplus/(Deficit)</b>                             | <b>-</b>       | <b>(367 195)</b> | <b>(2)</b>     | <b>2 422</b>    | <b>-</b>       | <b>35 342</b>   | <b>-</b>        | <b>-</b>         | <b>-</b>          |                              |
| <b>Statement of financial position</b>               |                |                  |                |                 |                |                 |                 |                  |                   |                              |
| Carrying value of assets                             | 32 850         | 9 640            | 46 152         | 10 729          | 29 729         | 9 119           | 38 729          | 32 748           | 42.2%             |                              |
| of which:  |                |                  |                |                 |                |                 |                 |                  |                   |                              |
| Acquisition of assets                                | (25 075)       | (5 008)          | (25 075)       | (6 444)         | (30 000)       | (1 265)         | (7 721)         | (7 721)          | 23.3%             |                              |
| Receivables and prepayments                          | 3 246          | 3 914            | 3 408          | 3 169           | 3 966          | 2 516           | 4 394           | 2 642            | 81.5%             |                              |
| Cash and cash equivalents                            | 53 751         | 120 308          | 118 106        | 109 005         | 9 218          | 112 236         | 7 681           | 75 691           | 221.0%            |                              |
| <b>Total assets</b>                                  | <b>89 847</b>  | <b>133 862</b>   | <b>167 667</b> | <b>122 903</b>  | <b>42 913</b>  | <b>123 871</b>  | <b>50 804</b>   | <b>111 081</b>   | <b>140.0%</b>     |                              |
| Accumulated surplus/(deficit)                        | 75 231         | (258 099)        | 155 231        | (255 677)       | (180 180)      | (220 335)       | (109 812)       | (195 335)        | 1 561.3%          |                              |
| Deferred income                                      | 6 600          | -                | 4 400          | -               | -              | -               | -               | -                | -                 |                              |
| Trade and other payables                             | 6 612          | 15 139           | 6 744          | 15 415          | 205 284        | 12 756          | 143 762         | 15 382           | 16.2%             |                              |
| Provisions   | 1 403          | 376 301          | 1 291          | 363 068         | 17 190         | 283 955         | 16 431          | 234 888          | 3 464.7%          |                              |
| Derivatives financial instruments                    | -              | 521              | -              | 97              | 619            | 47 495          | 423             | 56 146           | 10 005.7%         |                              |
| <b>Total equity and liabilities</b>                  | <b>89 847</b>  | <b>133 862</b>   | <b>167 667</b> | <b>122 903</b>  | <b>42 913</b>  | <b>123 871</b>  | <b>50 804</b>   | <b>111 081</b>   | <b>140.0%</b>     |                              |

## Statements of estimates of financial performance and position

Table 35.50 Cross Border Road Transport Agency statements of estimates of financial performance and position

| Statement of financial performance                             |                  |                         |                                 |                      |                |                |                         |                                 |
|--|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
|  | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate |                |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
| R thousand   | 2016/17          | 2013/14 - 2016/17       |                                 | 2017/18              | 2018/19        | 2019/20        | 2016/17 - 2019/20       |                                 |
| <b>Revenue</b>   |                  |                         |                                 |                      |                |                |                         |                                 |
| <b>Non-tax revenue</b>   | <b>238 913</b>   | <b>41.4%</b>            | <b>100.0%</b>                   | <b>214 861</b>       | <b>223 339</b> | <b>234 054</b> | <b>-0.7%</b>            | <b>100.0%</b>                   |
| Sale of goods and services other than capital assets of which: | 201 197          | 68.1%                   | 74.3%                           | 211 378              | 219 833        | 230 825        | 4.7%                    | 94.9%                           |
| Administrative fees  | 201 197          | 68.1%                   | 74.3%                           | 211 378              | 219 833        | 230 825        | 4.7%                    | 94.9%                           |
| Other non-tax revenue  | 37 716           | -3.7%                   | 25.7%                           | 3 483                | 3 506          | 3 229          | -55.9%                  | 5.1%                            |
| <b>Total revenue</b>   | <b>238 913</b>   | <b>41.4%</b>            | <b>100.0%</b>                   | <b>214 861</b>       | <b>223 339</b> | <b>234 054</b> | <b>-0.7%</b>            | <b>100.0%</b>                   |
| <b>Expenses</b>  |                  |                         |                                 |                      |                |                |                         |                                 |
| <b>Current expenses</b>  | <b>238 913</b>   | <b>-19.1%</b>           | <b>100.0%</b>                   | <b>214 862</b>       | <b>223 339</b> | <b>234 054</b> | <b>-0.7%</b>            | <b>107.3%</b>                   |
| Compensation of employees                                      | 165 923          | 12.0%                   | 57.7%                           | 127 889              | 138 836        | 149 719        | -3.4%                   | 63.8%                           |
| Goods and services   | 65 269           | -41.7%                  | 40.3%                           | 81 512               | 78 714         | 78 898         | 6.5%                    | 33.6%                           |
| Depreciation   | 7 721            | 17.9%                   | 2.0%                            | 5 461                | 5 788          | 5 436          | -11.0%                  | 2.7%                            |
| <b>Total expenses</b>  | <b>238 913</b>   | <b>-19.1%</b>           | <b>100.0%</b>                   | <b>214 862</b>       | <b>223 339</b> | <b>234 054</b> | <b>-0.7%</b>            | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>                                       | <b>-</b>         | <b>(1)</b>              | <b>-</b>                        | <b>(1)</b>           | <b>-</b>       | <b>-</b>       | <b>-</b>                | <b>-</b>                        |
| <b>Statement of financial position</b>                         |                  |                         |                                 |                      |                |                |                         |                                 |
| Carrying value of assets                                       | 32 748           | 50.3%                   | 13.2%                           | 45 028               | 57 729         | 73 318         | 30.8%                   | 46.9%                           |
| of which:  |                  |                         |                                 |                      |                |                |                         |                                 |
| Acquisition of assets  | (7 721)          | 15.5%                   | -4.2%                           | (15 000)             | (15 001)       | (16 000)       | 27.5%                   | -12.1%                          |
| Receivables and prepayments                                    | 2 642            | -12.3%                  | 2.5%                            | 2 774                | 913            | 1 076          | -25.9%                  | 1.7%                            |
| Cash and cash equivalents                                      | 75 691           | -14.3%                  | 84.3%                           | 60 350               | 45 475         | 45 475         | -15.6%                  | 51.4%                           |
| <b>Total assets</b>  | <b>111 081</b>   | <b>-6.0%</b>            | <b>100.0%</b>                   | <b>108 152</b>       | <b>104 117</b> | <b>119 869</b> | <b>2.6%</b>             | <b>100.0%</b>                   |
| Accumulated surplus/(deficit)                                  | (195 335)        | -8.9%                   | -188.6%                         | (195 335)            | (195 335)      | (195 335)      | -                       | -176.8%                         |
| Trade and other payables                                       | 15 382           | 0.5%                    | 12.0%                           | 15 587               | 14 460         | 15 382         | -                       | 13.7%                           |
| Provisions   | 234 888          | -14.5%                  | 254.3%                          | 228 947              | 223 092        | 234 462        | -0.1%                   | 208.3%                          |
| Derivatives financial instruments                              | 56 146           | 375.9%                  | 22.3%                           | 58 953               | 61 900         | 65 360         | 5.2%                    | 54.8%                           |
| <b>Total equity and liabilities</b>                            | <b>111 081</b>   | <b>-6.0%</b>            | <b>100.0%</b>                   | <b>108 152</b>       | <b>104 117</b> | <b>119 869</b> | <b>2.6%</b>             | <b>100.0%</b>                   |

## Personnel information

Table 35.51 Cross Border Road Transport Agency personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 |   |         | Number and cost <sup>1</sup> 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 (%) | Average: Salary level/Total (%) |                   |      |        |        |
|   |   | 2015/16 |  |           | 2016/17          |      |           | 2017/18                          |      | 2018/19   |        | 2019/20 |           |                         |                                 | 2016/17 - 2019/20 |      |        |        |
|   |   | Number  | Cost   | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost |                         |                                 |                   |      |        |        |
| Cross Border Road Transport Agency          |   |         |  |           |                  |      |           |                                  |      |           |        |         |           |                         |                                 |                   |      |        |        |
| Salary level                                | 315                                       | 315     | 282  | 139.2     | 0.5              | 315  | 165.9     | 0.5                              | 177  | 127.9     | 0.7    | 177     | 138.8     | 0.8                     | 177                             | 149.7             | 0.8  | -3.4%  | 100.0% |
| 1 - 6                                       | 26  | 26      | 16   | 2.0       | 0.1              | 26   | 4.0       | 0.2                              | 17   | 2.5       | 0.1    | 17      | 2.7       | 0.2                     | 17                              | 2.9               | 0.2  | -10.2% | 9.3%   |
| 7 - 10                                      | 235                                       | 235     | 220  | 74.8      | 0.3              | 235  | 85.1      | 0.4                              | 115  | 47.8      | 0.4    | 115     | 51.4      | 0.4                     | 115                             | 54.7              | 0.5  | -13.7% | 67.4%  |
| 11 - 12                                     | 33  | 33      | 26   | 19.9      | 0.8              | 33   | 26.4      | 0.8                              | 25   | 22.4      | 0.9    | 25      | 24.1      | 1.0                     | 25                              | 25.8              | 1.0  | -0.8%  | 13.2%  |
| 13 - 16                                     | 19  | 19      | 19   | 23.8      | 1.3              | 19   | 25.7      | 1.4                              | 18   | 27.9      | 1.5    | 18      | 28.7      | 1.6                     | 18                              | 30.7              | 1.7  | 6.2%   | 9.1%   |
| 17 - 22                                     | 2   | 2       | 1  | 18.8      | 18.8             | 2    | 24.8      | 12.4                             | 2    | 27.3      | 13.7   | 2       | 32.0      | 16.0                    | 2                               | 35.6              | 17.8 | 12.9%  | 1.0%   |

1. Rand million.

## Driving licence card account

### Mandate

The driving licence card account is a trading entity that was established in terms of the Public Finance Management Act (1999) in 2007. 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 licence cards.

## Selected performance indicators

**Table 35.52 Driving licence card account performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/objective/activity           | Outcome        | Past        |             |             | Current     | Projections |             |             |
|---|--|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   |  |                | 2013/14     | 2014/15     | 2015/16     | 2016/17     | 2017/18     | 2018/19     | 2019/20     |
| Number of driving licence cards produced and delivered per year | Manufacturing of driving licence cards | Entity mandate | 2.3 million | 2.4 million | 2.1 million | 2.2 million | 2.3 million | 2.4 million | 2.4 million |

## Expenditure analysis

The driving licence card account's focus over the medium term will be on supporting and contributing to the achievement of the Department of Transport's strategic objective of a safe and secure transport sector. The entity will, therefore, implement a new model that will see migration to the manufacturing of highly secured credit card-type driving licence cards. The migration process includes upgrades to existing ICT infrastructure and related computer software.

The entity's revenue is generated from the sale of driving licence cards, which accounts for 96.9 per cent of total revenue over the medium term. Revenue from the sale of driving licences is expected to increase at an average annual rate of 5.9 per cent, from R198.2 million in 2016/17 to R235.4 million in 2019/20. This increase will largely be driven by an expected increase in the number of driving licence cards manufactured and delivered, from 2.2 million in 2016/17 to 2.4 million in 2019/20. The entity also expects to recuperate the costs of implementing the new model through a driving licence card fee adjustment, from R79 in 2016/17 to R84 in 2017/18.

Total expenditure is expected to increase at an average annual rate of 4.3 per cent, from R211.8 million in 2016/17 to R240.5 million in 2019/20. This increase in spending is expected to be slower compared with the average annual growth rate of 16.9 per cent in the period 2013/14 to 2016/17. This was mainly because of increased spending on compensation of employees and goods and services linked to the new model. The entity's staff complement grew from 27 in 2015/16 to 50 in 2016/17. Personnel levels are expected to remain constant over the MTEF period. Expenditure on goods and services accounted for 82.4 per cent of total expenditure from 2013/14 to 2016/17 at R492.7 million. However, spending on this item is expected to decrease to 75.5 per cent, or R516.7 million, of total expenditure over the medium term as operational efficiencies from the new model are realised.

## Programmes/objectives/activities

**Table 35.53 Driving licence card account expenditure trends and estimates by programme/objective/activity**

| R thousand   | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/Total (%) |
|--|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|  | 2013/14         | 2014/15        | 2015/16        |                  |                         |                                | 2017/18                          | 2018/19        | 2019/20        |                         |                                |
| Administration   | 3 285           | 2 687          | 7 516          | 12 985           | 58.1%                   | 4.2%                           | 13 757                           | 14 272         | 15 072         | 5.1%                    | 6.3%                           |
| Manufacturing of driving licence cards                     | 129 229         | 113 232        | 96 176         | 155 304          | 6.3%                    | 82.8%                          | 164 515                          | 173 712        | 183 440        | 5.7%                    | 75.7%                          |
| Infrastructure (live enrolment units management)           | –               | 22 720         | 15 425         | 41 300           | –                       | 12.1%                          | 33 557                           | 36 852         | 38 916         | -2.0%                   | 16.9%                          |
| Service delivery (driving licence testing centres support) | –               | 1 677          | 1 873          | 2 241            | –                       | 1.0%                           | 2 466                            | 2 885          | 3 047          | 10.8%                   | 1.2%                           |
| <b>Total</b>   | <b>132 514</b>  | <b>140 316</b> | <b>120 990</b> | <b>211 830</b>   | <b>16.9%</b>            | <b>100.0%</b>                  | <b>214 295</b>                   | <b>227 721</b> | <b>240 475</b> | <b>4.3%</b>             | <b>100.0%</b>                  |

## Statements of historical financial performance

Table 35.54 Driving licence card account statements of historical financial performance

| Statement of financial performance                   |                |                 |                |                 |                |                 |                 |                  |                             |
|--|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|-----------------------------|
|  | Budget         | Audited outcome | Budget         | Audited outcome | Budget         | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| R thousand   | 2013/14        |                 | 2014/15        |                 | 2015/16        |                 | 2016/17         |                  | 2013/14 - 2016/17           |
| <b>Revenue</b>                                       |                |                 |                |                 |                |                 |                 |                  |                             |
| <b>Non-tax revenue</b>                               | <b>173 438</b> | <b>183 321</b>  | <b>168 358</b> | <b>183 800</b>  | <b>185 189</b> | <b>202 990</b>  | <b>196 829</b>  | <b>211 829</b>   | <b>108.0%</b>               |
| Sale of goods and services other than capital assets | 172 500        | 182 199         | 165 900        | 176 593         | 181 700        | 189 379         | 193 200         | 198 200          | 104.6%                      |
| of which:  |                |                 |                |                 |                |                 |                 |                  |                             |
| Sale of the driving licences                         | 172 500        | 182 199         | 165 900        | 176 593         | 181 700        | 189 379         | 193 200         | 198 200          | 104.6%                      |
| Other non-tax revenue                                | 938            | 1 122           | 2 458          | 7 207           | 3 489          | 13 611          | 3 629           | 13 629           | 338.3%                      |
| <b>Total revenue</b>                                 | <b>173 438</b> | <b>183 321</b>  | <b>168 358</b> | <b>183 800</b>  | <b>185 189</b> | <b>202 990</b>  | <b>196 829</b>  | <b>211 829</b>   | <b>108.0%</b>               |
| <b>Expenses</b>                                      |                |                 |                |                 |                |                 |                 |                  |                             |
| <b>Current expenses</b>                              | <b>173 438</b> | <b>132 514</b>  | <b>160 577</b> | <b>140 316</b>  | <b>185 189</b> | <b>120 990</b>  | <b>196 829</b>  | <b>211 830</b>   | <b>84.6%</b>                |
| Compensation of employees                            | 5 399          | 3 285           | 15 710         | 4 548           | 18 756         | 9 590           | 19 975          | 19 976           | 62.5%                       |
| Goods and services                                   | 143 819        | 118 064         | 118 854        | 115 223         | 130 285        | 100 867         | 152 060         | 158 560          | 90.4%                       |
| Depreciation   | 24 220         | 11 165          | 26 013         | 20 545          | 36 148         | 10 473          | 24 794          | 33 294           | 67.9%                       |
| Interest, dividends and rent on land                 | –              | –               | –              | –               | –              | 60              | –               | –                | –                           |
| <b>Total expenses</b>                                | <b>173 438</b> | <b>132 514</b>  | <b>160 577</b> | <b>140 316</b>  | <b>185 189</b> | <b>120 990</b>  | <b>196 829</b>  | <b>211 830</b>   | <b>84.6%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>–</b>       | <b>50 807</b>   | <b>7 781</b>   | <b>43 484</b>   | <b>–</b>       | <b>82 000</b>   | <b>–</b>        | <b>(1)</b>       |                             |

## Statements of estimates of financial performance

Table 35.55 Driving licence card account statements of estimates of financial performance

| Statement of financial performance                   |                  | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term estimate |                |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
|--|------------------|-------------------------|---------------------------------|----------------------|----------------|----------------|-------------------------|---------------------------------|
|  | Revised estimate |                         |                                 |                      |                |                |                         |                                 |
| R thousand   | 2016/17          | 2013/14 - 2016/17       |                                 | 2017/18              | 2018/19        | 2019/20        | 2016/17 - 2019/20       |                                 |
| <b>Revenue</b>                                       |                  |                         |                                 |                      |                |                |                         |                                 |
| <b>Non-tax revenue</b>                               | <b>211 829</b>   | <b>4.9%</b>             | <b>100.0%</b>                   | <b>214 294</b>       | <b>227 722</b> | <b>240 475</b> | <b>4.3%</b>             | <b>100.0%</b>                   |
| Sale of goods and services other than capital assets | 198 200          | 2.8%                    | 95.6%                           | 210 488              | 222 907        | 235 390        | 5.9%                    | 96.9%                           |
| of which:  |                  |                         |                                 |                      |                |                |                         |                                 |
| Sales by market establishment                        | 198 200          | 2.8%                    | 95.6%                           | 210 488              | 222 907        | 235 390        | 5.9%                    | 96.9%                           |
| Other non-tax revenue                                | 13 629           | 129.9%                  | 4.4%                            | 3 806                | 4 815          | 5 085          | -28.0%                  | 3.1%                            |
| <b>Total revenue</b>                                 | <b>211 829</b>   | <b>4.9%</b>             | <b>100.0%</b>                   | <b>214 294</b>       | <b>227 722</b> | <b>240 475</b> | <b>4.3%</b>             | <b>100.0%</b>                   |
| <b>Expenses</b>                                      |                  |                         |                                 |                      |                |                |                         |                                 |
| <b>Current expenses</b>                              | <b>211 830</b>   | <b>16.9%</b>            | <b>100.0%</b>                   | <b>214 294</b>       | <b>227 722</b> | <b>240 475</b> | <b>4.3%</b>             | <b>149.1%</b>                   |
| Compensation of employees                            | 19 976           | 82.5%                   | 5.8%                            | 21 267               | 22 500         | 23 761         | 6.0%                    | 9.8%                            |
| Goods and services                                   | 158 560          | 10.3%                   | 82.4%                           | 162 973              | 172 079        | 181 715        | 4.6%                    | 75.5%                           |
| Depreciation   | 33 294           | 43.9%                   | 11.9%                           | 30 054               | 33 143         | 34 999         | 1.7%                    | 14.7%                           |
| <b>Total expenses</b>                                | <b>211 830</b>   | <b>16.9%</b>            | <b>100.0%</b>                   | <b>214 294</b>       | <b>227 722</b> | <b>240 475</b> | <b>4.3%</b>             | <b>100.0%</b>                   |
| <b>Surplus/(Deficit)</b>                             | <b>(1)</b>       | <b>(1)</b>              | <b>-</b>                        | <b>-</b>             | <b>-</b>       | <b>-</b>       | <b>-100.0%</b>          | <b>-</b>                        |

## Personnel information

Table 35.56 Driving licence card account personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 |   |         | Number and cost <sup>1</sup> 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 (%) | Average: Salary level/Total (%) |                   |        |           |        |
|   |   | 2015/16 |  |           | 2016/17          |      |           | 2017/18                          |      | 2018/19   |        | 2019/20 |           |                         |                                 | 2016/17 - 2019/20 |        |           |        |
|   |   | Number  | Cost   | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost | Number                  |                                 |                   | Cost   | Unit cost |        |
| Driving Licence Card Account                |   |         |  |           |                  |      |           |                                  |      |           |        |         |           |                         |                                 |                   |        |           |        |
| Salary level                                | 50  | 50      | 27   | 9.6       | 0.4              | 50   | 20.0      | 0.4                              | 50   | 21.3      | 0.4    | 50      | 22.5      | 0.5                     | 50                              | 23.8              | 0.5    | 6.0%      | 100.0% |
| 7 – 10                                      | 43  | 43      | 23   | 7.9       | 0.3              | 43   | 13.6      | 0.3                              | 43   | 14.4      | 0.3    | 43      | 15.2      | 0.4                     | 43                              | 16.1              | 0.4    | 5.6%      | 86.0%  |
| 11 – 12                                     | 6   | 6       | 3  | 1.7       | 0.6              | 6    | 5.3       | 0.9                              | 6    | 5.8       | 1.0    | 6       | 6.1       | 1.0                     | 6                               | 6.5               | 1.1    | 7.0%      | 12.0%  |
| 13 – 16                                     | 1   | 1       | 1  | –         | –                | 1    | 1.0       | 1.0                              | 1    | 1.1       | 1.1    | 1       | 1.2       | 1.2                     | 1                               | 1.2               | 1.2    | 5.5%      | 2.0%   |

1. Rand million.

## Ports Regulator of South Africa

### Mandate

The Ports Regulator of South Africa is a schedule 3A public entity established in terms of the National Ports Act (2005), which mandates the entity to function as an economic regulator of the ports system in South Africa. In accordance with this mandate, the entity performs functions that relate mainly to regulating pricing and other aspects of economic regulation, promoting equal access to ports facilities and services, monitoring the industry's compliance with the regulatory framework, and hearing any complaints and appeals lodged with it.

## Selected performance indicators

**Table 35.57 Ports Regulator of South Africa performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/objective/activity | Outcome   | Past           |                |                | Current | Projections    |                |                |
|---|------------------------------|---|----------------|----------------|----------------|---------|----------------|----------------|----------------|
|   |                              |   | 2013/14        | 2014/15        | 2015/16        | 2016/17 | 2017/18        | 2018/19        | 2019/20        |
| Number of tariff benchmarking studies conducted per year                    | Economic regulation          | Outcome 6: An efficient, competitive and responsive economic infrastructure network | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 1       | 1              | 1              | 1              |
| Number of tariff assessments for Transnet National Ports Authority per year | Economic regulation          |   | 1              | 1              | 1              | 1       | 1              | 1              | 1              |
| Number of tribunal days per year <sup>2</sup>                               | Tribunal                     |   | 30             | 30             | 30             | 30      | 30             | 30             | 30             |
| Number of cases heard per year  | Tribunal                     |   | 6              | 15             | 10             | 10      | 10             | 10             | 10             |
| Number of complaints and appeals received per year                          | Tribunal                     |   | 20             | 15             | 5              | 10      | — <sup>3</sup> | — <sup>3</sup> | — <sup>3</sup> |

1. No historical data available.

2. Wording of indicator revised.

3. Indicator discontinued.

## Expenditure analysis

Over the MTEF period, the Ports Regulator of South Africa will focus on the strengthening of economic regulation of ports infrastructure to give expression to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework. The regulator will also focus on the finalisation of the Transnet National Ports Authority asset valuation project, which will form the basis for the determination of port infrastructure user tariffs. In addition, the regulator will develop a tariff strategy and methodology as well as implement a tariff manual, which is expected to create greater regulatory stability and predictability regarding tariffs in the country's ports system.

Over the medium term, the regulator will initiate three new tariff benchmarking studies and conduct three tariff assessments, which will contribute to the implementation of the tariff manual. The regulator will continue to aim to hear at least 10 cases per year within 30 tribunal days. These activities will largely be funded through operational transfers from the Department of Transport, which account for 98.7 per cent of the regulator's total revenue. Due to expansions in its operations linked to tariff assessments and the Transnet National Ports Authority asset valuation project, the regulator will use its accumulated surpluses to cover some of the operational shortfalls in 2016/17. An additional R18 million, which is earmarked for the strengthening of economic regulation of port infrastructure, has been allocated to the regulator over the medium term. Transfers received by the regulator are expected to increase from R28.6 million in 2016/17 to R31.8 million in 2019/20.

The regulator's total expenditure is expected to increase at an average annual rate of 3.5 per cent, from R29 million in 2016/17 to R32.1 million in 2019/20. This is mainly driven by an increase in spending on compensation of employees. In line with its medium-term strategic focus, the regulator will employ more personnel in economic regulation, increasing its staff complement from 17 in 2016/17 to 20 in 2019/20. Spending on compensation of employees accounts for 58.7 per cent of total expenditure over the medium term and is expected to increase at an average annual rate of 12.6 per cent, from R13.4 million in 2016/17 to R19.1 million in 2019/20. Spending on goods and services is expected to decrease from R15.2 million in 2016/17 to R13 million in 2019/20. This is largely due to accelerated one-off spending on the Transnet National Ports Authority assets valuation project in 2016/17.

## Programmes/objectives/activities

**Table 35.58 Ports Regulator of South Africa expenditure trends and estimates by programme/objective/activity**

| R thousand           | Audited outcome |               |               | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |               |               | Average growth rate (%) | Average: Expenditure/Total (%) |
|----------------------|-----------------|---------------|---------------|------------------|-------------------------|--------------------------------|----------------------------------|---------------|---------------|-------------------------|--------------------------------|
|                      | 2013/14         | 2014/15       | 2015/16       |                  |                         |                                | 2017/18                          | 2018/19       | 2019/20       |                         |                                |
| Administration       | 11 762          | 9 014         | 9 744         | 15 216           | 9.0%                    | 55.9%                          | 10 228                           | 10 145        | 11 597        | -8.7%                   | 43.1%                          |
| Economic regulation  | 1 407           | 2 152         | 2 839         | 4 836            | 50.9%                   | 12.9%                          | 3 917                            | 5 111         | 7 189         | 14.1%                   | 19.0%                          |
| Tribunal             | 1 176           | 3 020         | 3 156         | 2 319            | 25.4%                   | 12.0%                          | 2 625                            | 4 421         | 5 190         | 30.8%                   | 13.2%                          |
| Industry development | 938             | 2 618         | 2 535         | 3 897            | 60.8%                   | 11.6%                          | 3 559                            | 3 741         | 4 828         | 7.4%                    | 14.6%                          |
| Monitoring           | 1 042           | 968           | 1 907         | 2 694            | 37.2%                   | 7.6%                           | 2 480                            | 2 552         | 3 330         | 7.3%                    | 10.1%                          |
| <b>Total</b>         | <b>16 325</b>   | <b>17 772</b> | <b>20 181</b> | <b>28 962</b>    | <b>21.1%</b>            | <b>100.0%</b>                  | <b>22 809</b>                    | <b>25 970</b> | <b>32 134</b> | <b>3.5%</b>             | <b>100.0%</b>                  |

## Statements of historical financial performance

Table 35.59 Ports Regulator of South Africa statements of historical financial performance

| Statement of financial performance                   |               |                 |               |                 |               |                 |                 |                  |                             |
|--|---------------|-----------------|---------------|-----------------|---------------|-----------------|-----------------|------------------|-----------------------------|
|  | Budget        | Audited outcome | Budget        | Audited outcome | Budget        | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| R thousand   | 2013/14       |                 | 2014/15       |                 | 2015/16       |                 | 2016/17         |                  | 2013/14 - 2016/17           |
| <b>Revenue</b>                                       |               |                 |               |                 |               |                 |                 |                  |                             |
| Non-tax revenue                                      | 313           | 275             | 302           | 411             | 310           | 485             | 299             | 401              | 128.4%                      |
| Sale of goods and services other than capital assets | –             | –               | –             | 3               | –             | –               | –               | –                | –                           |
| of which:  |               |                 |               |                 |               |                 |                 |                  |                             |
| Administrative fees                                  | –             | –               | –             | 3               | –             | –               | –               | –                | –                           |
| Other non-tax revenue                                | 313           | 275             | 302           | 408             | 310           | 485             | 299             | 401              | 128.2%                      |
| Transfers received                                   | 15 900        | 15 900          | 16 852        | 16 852          | 27 627        | 27 627          | 28 561          | 28 561           | 100.0%                      |
| <b>Total revenue</b>                                 | <b>16 213</b> | <b>16 175</b>   | <b>17 154</b> | <b>17 263</b>   | <b>27 937</b> | <b>28 112</b>   | <b>28 860</b>   | <b>28 962</b>    | <b>100.4%</b>               |
| <b>Expenses</b>                                      |               |                 |               |                 |               |                 |                 |                  |                             |
| Current expenses                                     | 16 213        | 16 325          | 17 154        | 17 772          | 27 937        | 20 181          | 28 860          | 28 962           | 92.3%                       |
| Compensation of employees                            | 9 744         | 7 185           | 11 623        | 9 794           | 11 860        | 11 579          | 12 673          | 13 365           | 91.3%                       |
| Goods and services                                   | 5 599         | 8 803           | 5 089         | 7 554           | 15 778        | 8 170           | 15 497          | 15 205           | 94.7%                       |
| Depreciation   | 870           | 337             | 442           | 424             | 299           | 432             | 690             | 392              | 68.9%                       |
| <b>Total expenses</b>                                | <b>16 213</b> | <b>16 325</b>   | <b>17 154</b> | <b>17 772</b>   | <b>27 937</b> | <b>20 181</b>   | <b>28 860</b>   | <b>28 962</b>    | <b>92.3%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>–</b>      | <b>(150)</b>    | <b>–</b>      | <b>(509)</b>    | <b>–</b>      | <b>7 931</b>    | <b>–</b>        | <b>–</b>         | <b>–</b>                    |

## Statements of estimates of financial performance

Table 35.60 Ports Regulator of South Africa statements of estimates of financial performance

| Statement of financial performance |                  |                         |                                |                      |               |               |                         |                                |  |
|------------------------------------|------------------|-------------------------|--------------------------------|----------------------|---------------|---------------|-------------------------|--------------------------------|--|
|                                    | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate |               |               | Average growth rate (%) | Average: Expenditure/Total (%) |  |
| R thousand                         | 2016/17          | 2013/14 - 2016/17       |                                | 2017/18              | 2018/19       | 2019/20       | 2016/17 - 2019/20       |                                |  |
| <b>Revenue</b>                     |                  |                         |                                |                      |               |               |                         |                                |  |
| Non-tax revenue                    | 401              | 13.4%                   | 1.8%                           | 320                  | 351           | 360           | -3.5%                   | 1.3%                           |  |
| Other non-tax revenue              | 401              | 13.4%                   | 1.8%                           | 320                  | 351           | 360           | -3.5%                   | 1.3%                           |  |
| Transfers received                 | 28 561           | 21.6%                   | 98.2%                          | 22 489               | 25 619        | 31 774        | 3.6%                    | 98.7%                          |  |
| <b>Total revenue</b>               | <b>28 962</b>    | <b>21.4%</b>            | <b>100.0%</b>                  | <b>22 809</b>        | <b>25 970</b> | <b>32 134</b> | <b>3.5%</b>             | <b>100.0%</b>                  |  |
| <b>Expenses</b>                    |                  |                         |                                |                      |               |               |                         |                                |  |
| Current expenses                   | 28 962           | 21.1%                   | 100.0%                         | 22 809               | 25 970        | 32 134        | 3.5%                    | 139.8%                         |  |
| Compensation of employees          | 13 365           | 23.0%                   | 50.7%                          | 14 764               | 16 769        | 19 070        | 12.6%                   | 58.7%                          |  |
| Goods and services                 | 15 205           | 20.0%                   | 47.4%                          | 7 826                | 9 046         | 12 962        | -5.2%                   | 40.5%                          |  |
| Depreciation                       | 392              | 5.2%                    | 2.0%                           | 219                  | 155           | 102           | -36.2%                  | 0.8%                           |  |
| <b>Total expenses</b>              | <b>28 962</b>    | <b>21.1%</b>            | <b>100.0%</b>                  | <b>22 809</b>        | <b>25 970</b> | <b>32 134</b> | <b>3.5%</b>             | <b>100.0%</b>                  |  |
| <b>Surplus/(Deficit)</b>           | <b>–</b>         | <b>(1)</b>              | <b>–</b>                       | <b>–</b>             | <b>–</b>      | <b>–</b>      | <b>–</b>                | <b>–</b>                       |  |

## Personnel information

Table 35.61 Ports Regulator of South Africa personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 |                        |   | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |      |           |                  |      |           |                                  |      |           |        |         |           | Number                  |                                 |     |       |        |
|---|------------------------|---|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-----|-------|--------|
| Salary level                                | Number of funded posts | Number of posts on approved establishment | Actual   |      |           | Revised estimate |      |           | Medium-term expenditure estimate |      |           |        |         |           | Average growth rate (%) | Average: Salary level/Total (%) |     |       |        |
|   |                        |   | 2015/16  |      |           | 2016/17          |      |           | 2017/18                          |      | 2018/19   |        | 2019/20 |           |                         |                                 |     |       |        |
|   |                        |   | Number   | Cost | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number | Cost    | Unit cost |                         |                                 |     |       |        |
| Ports Regulator of South Africa             |                        |   | 17   | 11.6 | 0.7       | 17               | 13.4 | 0.8       | 19                               | 14.8 | 0.8       | 19     | 16.8    | 0.9       | 20                      | 19.1                            | 1.0 | 12.6% | 100.0% |
| 1 – 6                                       | 2                      | 2   | 2  | 0.3  | 0.2       | 2                | 0.3  | 0.2       | 4                                | 0.8  | 0.2       | 2      | 0.4     | 0.2       | 2                       | 0.4                             | 0.2 | 6.8%  | 13.3%  |
| 7 – 10                                      | 9                      | 9   | 9  | 3.2  | 0.4       | 9                | 4.0  | 0.4       | 9                                | 4.3  | 0.5       | 11     | 6.1     | 0.6       | 11                      | 6.5                             | 0.6 | 17.8% | 53.3%  |
| 11 – 12                                     | 1                      | 1   | 1  | 0.9  | 0.9       | 1                | 1.0  | 1.0       | 1                                | 1.1  | 1.1       | 1      | 1.1     | 1.1       | 1                       | 1.2                             | 1.2 | 6.9%  | 5.4%   |
| 13 – 16                                     | 4                      | 4   | 4  | 4.6  | 1.1       | 4                | 5.1  | 1.3       | 4                                | 5.4  | 1.3       | 4      | 5.7     | 1.4       | 5                       | 7.3                             | 1.5 | 13.3% | 22.7%  |
| 17 – 22                                     | 1                      | 1   | 1  | 2.6  | 2.6       | 1                | 3.0  | 3.0       | 1                                | 3.2  | 3.2       | 1      | 3.4     | 3.4       | 1                       | 3.6                             | 3.6 | 6.1%  | 5.4%   |

1. Rand million.

## Railway Safety Regulator

### Mandate

The Railway Safety Regulator is a schedule 3A public entity established in terms of the National Railway Safety Regulator Act (2002) to establish a national regulatory framework for South Africa, and monitor and enforce compliance in the rail sector. The regulator's primary legislative mandate is to oversee and enforce safety performance by all railway operators in South Africa, including those of neighbouring countries whose rail operations connect with and enter South Africa.



## Selected performance indicators

**Table 35.62 Railway Safety Regulator performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/objective/activity | Outcome        | Past           |                |                | Current        | Projections |         |         |
|--|------------------------------|----------------|----------------|----------------|----------------|----------------|-------------|---------|---------|
|  |                              |                | 2013/14        | 2014/15        | 2015/16        | 2016/17        | 2017/18     | 2018/19 | 2019/20 |
| Percentage of planned audits conducted on high-risk corridors  | Investigations               | Entity mandate | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 100%           | 100%        | 100%    | 100%    |
| Reduction in the number of platform train interface occurrences  | Investigations               |                | 15             | 34             | 12             | 12             | 11          | 10      | 6       |
| Number of level crossing investigations conducted per year   | Investigations               |                | 30             | 34             | 13             | 10             | 30          | 40      | 50      |
| Percentage reduction in the number of people struck by trains  | Investigations               |                | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 10          | 20      | 30      |
| Number of investigations conducted on perway (bridges and platforms) and rolling stock related to derailments per year | Operations                   |                | 30             | 34             | 29             | 40             | 45          | 50      | 55      |

1. No historical data available.

## Expenditure analysis

Over the medium term, the Railway Safety Regulator will focus on improving railway safety and providing an independent regulatory function that focuses particularly on high-risk areas in ensuring minimised major rail incidents. This is in line with the regulator's core function, which is to promote safe railways by performing audits, inspections, investigations and reviews; and undertake research on railway safety including standards, regulatory models and technologies. The regulator plans to conduct audits on 100 per cent of high-risk corridors over the medium term, with personnel comprising its major cost. Spending on compensation of employees accounts for 63.1 per cent of total expenditure over the medium term, increasing at an average annual rate of 8.5 per cent over the medium term, from R150.1 million in 2016/17 to R191.7 million in 2019/20.

The number of investigations conducted is expected to increase from 40 in 2016/17 to 55 in 2019/20. As a result, travel and accommodation for the inspectorate and investigation unit is expected to increase spending on goods and services at an average annual rate of 1.8 per cent, from R102.9 million in 2016/17 to R108.4 million in 2019/20. This slow increase in spending on goods and services is because of cost-cutting initiatives implemented by the regulator such as reductions in professional fees.

The regulator's revenue is derived from safety permit fees, technology audits, technical awareness workshops and transfers from the Department of Transport. Total revenue is expected to increase at an average annual rate of 5.9 per cent, from R253 million in 2016/17 to R300 million in 2019/20. Safety permits account for 55.1 per cent of total revenue, while transfers from the Department of Transport account for 22.4 per cent. The regulator is exploring new business opportunities in Africa to grow its revenue over the MTEF period.

## Programmes/objectives/activities

**Table 35.63 Railway Safety Regulator expenditure trends and estimates by programme/objective/activity**

|                | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Average: Expenditure/ Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/ Total (%) |
|----------------|-----------------|----------------|----------------|------------------|-------------------------|---------------------------------|----------------------------------|----------------|----------------|-------------------------|---------------------------------|
|                | 2013/14         | 2014/15        | 2015/16        |                  |                         |                                 | 2017/18                          | 2018/19        | 2019/20        |                         |                                 |
| R thousand     |                 |                |                | 2016/17          | 2013/14 - 2016/17       |                                 |                                  |                |                | 2016/17 - 2019/20       |                                 |
| Administration | 67 905          | 55 641         | 83 136         | 117 489          | 20.1%                   | 46.8%                           | 105 096                          | 111 769        | 118 310        | 0.2%                    | 41.3%                           |
| Investigations | 6 711           | 8 442          | 18 086         | 23 641           | 52.2%                   | 7.5%                            | 23 485                           | 25 235         | 26 648         | 4.1%                    | 9.0%                            |
| Operations     | 32 927          | 68 210         | 107 704        | 99 915           | 44.8%                   | 42.0%                           | 121 251                          | 133 205        | 140 664        | 12.1%                   | 44.9%                           |
| Legal          | —               | 6 425          | 12 060         | 11 931           | —                       | 3.7%                            | 12 630                           | 13 641         | 14 405         | 6.5%                    | 4.8%                            |
| <b>Total</b>   | <b>107 543</b>  | <b>138 718</b> | <b>220 986</b> | <b>252 976</b>   | <b>33.0%</b>            | <b>100.0%</b>                   | <b>262 462</b>                   | <b>283 850</b> | <b>300 027</b> | <b>5.9%</b>             | <b>100.0%</b>                   |



## Statements of historical financial performance

**Table 35.64 Railway Safety Regulator statements of historical financial performance**

| Statement of financial performance                   |               |                 |                |                 |                |                 |                 |                  |                             |
|--|---------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|-----------------------------|
|  | Budget        | Audited outcome | Budget         | Audited outcome | Budget         | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| R thousand   | 2013/14       |                 | 2014/15        |                 | 2015/16        |                 | 2016/17         |                  | 2013/14 - 2016/17           |
| <b>Revenue</b>                                       |               |                 |                |                 |                |                 |                 |                  |                             |
| Non-tax revenue                                      | 40 050        | 63 950          | 83 300         | 99 150          | 182 330        | 165 916         | 196 990         | 196 990          | 104.6%                      |
| Sale of goods and services other than capital assets | 39 900        | 57 919          | 83 000         | 79 709          | 106 000        | 107 080         | 131 090         | 131 090          | 104.4%                      |
| of which:  |               |                 |                |                 |                |                 |                 |                  |                             |
| Administrative fees                                  | 39 900        | 57 919          | 83 000         | 79 709          | 106 000        | 107 080         | 131 090         | 131 090          | 104.4%                      |
| Other non-tax revenue                                | 150           | 6 031           | 300            | 19 441          | 76 330         | 58 836          | 65 900          | 65 900           | 105.3%                      |
| Transfers received                                   | 46 513        | 46 513          | 51 504         | 51 504          | 53 379         | 53 379          | 55 987          | 55 987           | 100.0%                      |
| <b>Total revenue</b>                                 | <b>86 563</b> | <b>110 463</b>  | <b>134 804</b> | <b>150 654</b>  | <b>235 709</b> | <b>219 295</b>  | <b>252 977</b>  | <b>252 977</b>   | <b>103.3%</b>               |
| <b>Expenses</b>                                      |               |                 |                |                 |                |                 |                 |                  |                             |
| Current expenses                                     | 86 563        | 107 543         | 134 804        | 138 718         | 225 236        | 220 986         | 252 976         | 252 976          | 103.0%                      |
| Compensation of employees                            | 50 428        | 65 060          | 85 919         | 85 017          | 131 794        | 133 178         | 150 110         | 150 110          | 103.6%                      |
| Goods and services                                   | 34 489        | 40 881          | 47 057         | 49 717          | 89 442         | 80 859          | 102 866         | 102 866          | 100.2%                      |
| Depreciation   | 1 446         | 1 602           | 1 828          | 3 984           | 4 000          | 6 949           | —               | —                | 172.3%                      |
| Interest, dividends and rent on land                 | 200           | —               | —              | —               | —              | —               | —               | —                | —                           |
| <b>Total expenses</b>                                | <b>86 563</b> | <b>107 543</b>  | <b>134 804</b> | <b>138 718</b>  | <b>225 236</b> | <b>220 986</b>  | <b>252 976</b>  | <b>252 976</b>   | <b>103.0%</b>               |
| <b>Surplus/(Deficit)</b>                             | <b>—</b>      | <b>2 920</b>    | <b>—</b>       | <b>11 936</b>   | <b>10 473</b>  | <b>(1 691)</b>  | <b>1</b>        | <b>1</b>         |                             |

## Statements of estimates of financial performance

**Table 35.65 Railway Safety Regulator statements of estimates of financial performance**

| Statement of financial performance                   |                     | Average<br>growth<br>rate<br>(%) | Average:<br>Expenditure/<br>Total<br>(%) | Medium-term estimate |                |                | Average<br>growth<br>rate<br>(%) | Average:<br>Expenditure/<br>Total<br>(%) |
|--|---------------------|----------------------------------|--|----------------------|----------------|----------------|----------------------------------|--|
|  | Revised<br>estimate |                                  |  | 2017/18              | 2018/19        | 2019/20        |                                  |  |
| R thousand   | 2016/17             | 2013/14 - 2016/17                |  |                      |                |                | 2016/17 - 2019/20                |  |
| <b>Revenue</b>                                       |                     |                                  |  |                      |                |                |                                  |  |
| Non-tax revenue                                      | 196 990             | 45.5%                            | 69.3%                                    | 202 898              | 220 772        | 233 228        | 5.8%                             | 77.7%                                    |
| Sale of goods and services other than capital assets | 131 090             | 31.3%                            | 51.5%                                    | 151 145              | 165 938        | 175 230        | 10.2%                            | 56.6%                                    |
| of which:  |                     |                                  |  |                      |                |                |                                  |  |
| Administrative fees                                  | 131 090             | 31.3%                            | 51.5%                                    | 151 145              | 165 938        | 175 230        | 10.2%                            | 56.6%                                    |
| Other non-tax revenue                                | 65 900              | 121.9%                           | 17.8%                                    | 51 753               | 54 834         | 57 998         | –4.2%                            | 21.1%                                    |
| <b>Transfers received</b>                            | <b>55 987</b>       | <b>6.4%</b>                      | <b>30.7%</b>                             | <b>59 564</b>        | <b>63 078</b>  | <b>66 800</b>  | <b>6.1%</b>                      | <b>22.3%</b>                             |
| <b>Total revenue</b>                                 | <b>252 977</b>      | <b>31.8%</b>                     | <b>100.0%</b>                            | <b>262 462</b>       | <b>283 850</b> | <b>300 028</b> | <b>5.9%</b>                      | <b>100.0%</b>                            |
| <b>Expenses</b>                                      |                     |                                  |  |                      |                |                |                                  |  |
| Current expenses                                     | 252 976             | 33.0%                            | 100.0%                                   | 262 462              | 283 850        | 300 028        | 5.9%                             | 185.8%                                   |
| Compensation of employees                            | 150 110             | 32.1%                            | 60.3%                                    | 171 388              | 181 500        | 191 664        | 8.5%                             | 63.1%                                    |
| Goods and services                                   | 102 866             | 36.0%                            | 37.8%                                    | 91 074               | 102 350        | 108 364        | 1.8%                             | 36.9%                                    |
| <b>Total expenses</b>                                | <b>252 976</b>      | <b>33.0%</b>                     | <b>100.0%</b>                            | <b>262 462</b>       | <b>283 850</b> | <b>300 028</b> | <b>5.9%</b>                      | <b>100.0%</b>                            |
| <b>Surplus/(Deficit)</b>                             | <b>1</b>            | <b>(1)</b>                       | <b>–</b>                                 | <b>–</b>             | <b>–</b>       | <b>–</b>       | <b>–100.0%</b>                   |  |

## Personnel information

**Table 35.66 Railway Safety Regulator personnel numbers and cost by salary level**

| Number of posts estimated for 31 March 2017 |    |   | Number and cost <sup>1</sup> 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 (%) | Average: Salary level/Total (%) |        |       |           |
|   |    |   | 2015/16  |       |           | 2016/17          |       |           | 2017/18                          |       | 2018/19   |        | 2019/20 |           |                         |                                 |        |       |           |
|   |    |   | Number   | Cost  | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number | Cost    | Unit cost |                         |                                 | Number | Cost  | Unit cost |
| Railway Safety Regulator                    |    |   | 211  | 133.2 | 0.6       | 195              | 150.1 | 0.8       | 205                              | 171.4 | 0.8       | 210    | 181.5   | 0.9       | 210                     | 191.7                           | 0.9    | 8.5%  | 100.0%    |
| 1 – 6                                       | 25 | 25  | 45   | 3.9   | 0.1       | 25               | 3.4   | 0.1       | 28                               | 5.2   | 0.2       | 28     | 5.0     | 0.2       | 28                      | 5.3                             | 0.2    | 16.4% | 13.3%     |
| 7 – 10                                      | 75 | 75  | 71   | 27.8  | 0.4       | 75               | 32.9  | 0.4       | 80                               | 40.2  | 0.5       | 84     | 42.8    | 0.5       | 84                      | 45.2                            | 0.5    | 11.1% | 39.4%     |
| 11 – 12                                     | 34 | 34  | 34   | 23.1  | 0.7       | 34               | 25.6  | 0.8       | 35                               | 29.4  | 0.8       | 35     | 30.6    | 0.9       | 35                      | 32.4                            | 0.9    | 8.1%  | 17.0%     |
| 13 – 16                                     | 56 | 56  | 56   | 66.3  | 1.2       | 56               | 74.8  | 1.3       | 57                               | 82.2  | 1.4       | 58     | 87.9    | 1.5       | 58                      | 92.8                            | 1.6    | 7.5%  | 27.9%     |
| 17 – 22                                     | 5  | 5   | 5  | 12.1  | 2.4       | 5                | 13.4  | 2.7       | 5                                | 14.3  | 2.9       | 5      | 15.2    | 3.0       | 5                       | 16.0                            | 3.2    | 6.2%  | 2.4%      |

1. Rand million.

## Road Traffic Infringement Agency

### Mandate

The Road Traffic Infringement Agency is a schedule 3A public entity that derives its mandate from the Administrative Adjudication of Road Traffic Offences (AARTO) Act (1998). The agency was established 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, and carry out community education and community awareness programmes. The agency is in the process of building capacity to fulfil its mandate of rolling out AARTO nationally.

### Selected performance indicators

**Table 35.67 Road Traffic Infringement Agency performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/objective/activity  | Outcome        | Past           |                | Current        | Projections    |                |                |                |
|---|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   |   |                | 2013/14        | 2014/15        |                | 2016/17        | 2017/18        | 2018/19        | 2019/20        |
| Percentage of received representations adjudicated within 21 days | Enforce compliance by penalising the contravention of road traffic laws | Entity mandate | — <sup>1</sup> | — <sup>1</sup> | — <sup>1</sup> | 100%           | 100%           | 100%           | 100%           |
| Number of representations for infringements adjudicated per year  | Enforce compliance by penalising the contravention of road traffic laws |                | 151 734        | 132 962        | 151 000        | — <sup>2</sup> | — <sup>2</sup> | — <sup>2</sup> | — <sup>2</sup> |
| Number of courtesy letters issued per year                        | Discourage contravention of traffic laws                                |                | 200 469        | 817 969        | 3 million      | 1.3 million    | 1.6 million    | 2.1 million    | 2.2 million    |
| Number of enforcement orders served per year                      | Enforce compliance by penalising the contravention of road traffic laws |                | 44 652         | 593 713        | 640 169        | 1.3 million    | 1.5 million    | 2 million      | 2.1 million    |

1. No historical data available.

2. Indicator discontinued.

### Expenditure analysis

The full implementation of AARTO is in the pilot phase in the City of Johannesburg and City of Tshwane, and remains the main focus of the Road Traffic Infringement Agency over the medium term. This as the agency prepares for a national rollout of the act. The agency will also focus on discouraging and penalising those contravening road traffic laws, and developing efficient adjudication processes.

Courtesy letters issued and enforcement orders served by the agency are expected to increase to 2.2 million and 2.1 million respectively by 2019/20. Spending on goods and services is expected to be the major expenditure item, growing from R180.3 million in 2016/17 to R309.2 million in 2019/20 at an average annual rate of 19.7 per cent, mainly due to printing and postage costs for infringement notices. As a result, total expenditure is expected to increase at an average annual rate of 18.8 per cent, from R301.4 million in 2016/17 to R505.2 million in 2019/20. The agency's staff complement is expected to grow from 175 in 2016/17 to 275 in 2019/20 due to the agency's efforts of increasing its footprint in preparation of the national rollout. Spending on compensation of employees is expected to increase at an average annual rate of 17.5 per cent, from R119.6 million in 2016/17 to R194.2 million in 2019/20.

The agency derives its revenue from various sources, including transfers from the Department of Transport, which account for 3 per cent of total revenue; and funds generated from infringement and administrative penalties and fees, accounting for 97 per cent. The agency expanded collection channels to include major retail stores, municipalities and district vehicle licence renewal offices. As a result, total revenue is expected to increase from R301.2 million in 2016/17 to R505.2 million in 2019/20.

### Programmes/objectives/activities

**Table 35.68 Road Traffic Infringement Agency expenditure trends and estimates by programme/objective/activity**

| R thousand   | Audited outcome |               |                | Revised estimate | Average growth rate (%) |               | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average expenditure/Total (%) |
|--|-----------------|---------------|----------------|------------------|-------------------------|---------------|----------------------------------|----------------|----------------|-------------------------|-------------------------------|
|  | 2013/14         | 2014/15       | 2015/16        |                  | 2013/14 - 2016/17       | 2016/17       | 2017/18                          | 2018/19        | 2019/20        |                         |                               |
| Administration   | 30 008          | 51 862        | 63 902         | 78 878           | 38.0%                   | 41.8%         | 84 750                           | 89 341         | 94 344         | 6.1%                    | 21.3%                         |
| Discourage contravention of traffic laws                                   | 11 700          | 9 032         | 13 956         | 79 440           | 89.4%                   | 15.9%         | 98 786                           | 111 707        | 117 963        | 14.1%                   | 24.6%                         |
| Encourage payment of penalties   | 4 612           | 26 972        | 55 381         | 41 136           | 107.4%                  | 20.4%         | 82 709                           | 106 613        | 112 583        | 39.9%                   | 19.9%                         |
| Public awareness and education revised: Change the behaviour of road users | 6 067           | 8 446         | 19 829         | 65 132           | 120.6%                  | 13.0%         | 75 765                           | 79 051         | 82 115         | 8.0%                    | 18.5%                         |
| Increase access to AARTO information management processes                  | 6 998           | —             | 4 671          | 14 813           | 28.4%                   | 4.9%          | 22 683                           | 24 384         | 25 847         | 20.4%                   | 5.2%                          |
| Generation, packaging and dissemination of road safety information         | —               | 3 121         | 2 459          | 14 809           | —                       | 2.4%          | 15 668                           | 32 010         | 33 802         | 31.7%                   | 5.6%                          |
| Finalise preparations for AARTO rollout                                    | —               | —             | 7 232          | 7 147            | —                       | 1.7%          | 7 562                            | 37 873         | 38 528         | 75.3%                   | 5.0%                          |
| <b>Total</b>   | <b>59 385</b>   | <b>99 433</b> | <b>167 430</b> | <b>301 355</b>   | <b>71.8%</b>            | <b>100.0%</b> | <b>387 923</b>                   | <b>480 979</b> | <b>505 182</b> | <b>18.8%</b>            | <b>100.0%</b>                 |

## Statements of historical financial performance

Table 35.69 Road Traffic Infringement Agency statements of historical financial performance

| Statement of financial performance                   |                |                 |                |                 |                |                 |                 |                  |                             |
|--|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|-----------------------------|
|  | Budget         | Audited outcome | Budget         | Audited outcome | Budget         | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| R thousand   | 2013/14        |                 | 2014/15        |                 | 2015/16        |                 | 2016/17         |                  | 2013/14 - 2016/17           |
| <b>Revenue</b>                                       |                |                 |                |                 |                |                 |                 |                  |                             |
| <b>Non-tax revenue</b>                               | <b>95 400</b>  | <b>81 811</b>   | <b>142 057</b> | <b>115 966</b>  | <b>184 101</b> | <b>242 282</b>  | <b>291 263</b>  | <b>291 263</b>   | <b>102.6%</b>               |
| Sale of goods and services other than capital assets | –              | 1 000           | –              | –               | –              | –               | –               | –                | –                           |
| of which:  |                |                 |                |                 |                |                 |                 |                  |                             |
| Sales by market establishment                        | –              | 1 000           | –              | –               | –              | –               | –               | –                | –                           |
| Other non-tax revenue                                | 95 400         | 80 811          | 142 057        | 115 966         | 184 101        | 242 282         | 291 263         | 291 263          | 102.5%                      |
| <b>Transfers received</b>                            | <b>25 000</b>  | <b>25 000</b>   | <b>15 300</b>  | <b>15 300</b>   | <b>11 497</b>  | <b>11 497</b>   | <b>10 092</b>   | <b>10 092</b>    | <b>100.0%</b>               |
| <b>Total revenue</b>                                 | <b>120 400</b> | <b>106 811</b>  | <b>157 357</b> | <b>131 266</b>  | <b>195 598</b> | <b>253 779</b>  | <b>301 355</b>  | <b>301 355</b>   | <b>102.4%</b>               |
| <b>Expenses</b>                                      |                |                 |                |                 |                |                 |                 |                  |                             |
| <b>Current expenses</b>                              | <b>120 400</b> | <b>59 385</b>   | <b>157 357</b> | <b>99 433</b>   | <b>195 598</b> | <b>167 430</b>  | <b>301 355</b>  | <b>301 355</b>   | <b>81.0%</b>                |
| Compensation of employees                            | 35 913         | 31 935          | 125 357        | 44 211          | 83 421         | 65 319          | 125 757         | 119 584          | 70.5%                       |
| Goods and services                                   | 84 237         | 26 404          | 30 650         | 52 417          | 110 751        | 97 275          | 174 094         | 180 267          | 89.2%                       |
| Depreciation   | 250            | 1 046           | 1 350          | 2 805           | 1 426          | 4 836           | 1 504           | 1 504            | 225.0%                      |
| <b>Total expenses</b>                                | <b>120 400</b> | <b>59 385</b>   | <b>157 357</b> | <b>99 433</b>   | <b>195 598</b> | <b>167 430</b>  | <b>301 355</b>  | <b>301 355</b>   | <b>81.0%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>–</b>       | <b>47 426</b>   | <b>–</b>       | <b>31 833</b>   | <b>–</b>       | <b>86 349</b>   | <b>–</b>        | <b>–</b>         |                             |

## Statements of estimates of financial performance

Table 35.70 Road Traffic Infringement Agency statements of estimates of financial performance

| Statement of financial performance |                  |                         |                                |                      |                |                |                         |                                |
|------------------------------------|------------------|-------------------------|--------------------------------|----------------------|----------------|----------------|-------------------------|--------------------------------|
|                                    | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate |                |                | Average growth rate (%) | Average: Expenditure/Total (%) |
| R thousand                         | 2016/17          | 2013/14 - 2016/17       |                                | 2017/18              | 2018/19        | 2019/20        | 2016/17 - 2019/20       |                                |
| <b>Revenue</b>                     |                  |                         |                                |                      |                |                |                         |                                |
| Non-tax revenue                    | 291 263          | 52.7%                   | 89.3%                          | 370 227              | 469 257        | 497 412        | 19.5%                   | 97.0%                          |
| Other non-tax revenue              | 291 263          | 53.3%                   | 89.0%                          | 370 227              | 469 257        | 497 412        | 19.5%                   | 97.0%                          |
| Transfers received                 | 10 092           | -26.1%                  | 10.7%                          | 17 696               | 11 722         | 7 770          | -8.3%                   | 3.0%                           |
| <b>Total revenue</b>               | <b>301 355</b>   | <b>41.3%</b>            | <b>100.0%</b>                  | <b>387 923</b>       | <b>480 979</b> | <b>505 182</b> | <b>18.8%</b>            | <b>100.0%</b>                  |
| <b>Expenses</b>                    |                  |                         |                                |                      |                |                |                         |                                |
| Current expenses                   | 301 355          | 71.8%                   | 100.0%                         | 387 923              | 480 979        | 505 181        | 18.8%                   | 297.0%                         |
| Compensation of employees          | 119 584          | 55.3%                   | 44.2%                          | 127 742              | 160 202        | 194 240        | 17.5%                   | 36.1%                          |
| Goods and services                 | 180 267          | 89.7%                   | 53.8%                          | 258 602              | 319 107        | 309 178        | 19.7%                   | 63.5%                          |
| Depreciation                       | 1 504            | 12.9%                   | 2.0%                           | 1 579                | 1 670          | 1 764          | 5.4%                    | 0.4%                           |
| <b>Total expenses</b>              | <b>301 355</b>   | <b>71.8%</b>            | <b>100.0%</b>                  | <b>387 923</b>       | <b>480 979</b> | <b>505 181</b> | <b>18.8%</b>            | <b>100.0%</b>                  |
| <b>Surplus/(Deficit)</b>           | <b>–</b>         | <b>(1)</b>              | <b>–</b>                       | <b>–</b>             | <b>–</b>       | <b>–</b>       | <b>–</b>                |                                |

## Personnel information

Table 35.71 Road Traffic Infringement Agency personnel numbers and cost by salary level

| Number of posts estimated for 31 March 2017 |   |     | Number and cost <sup>1</sup> 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 (%) | Average: Salary level/Total (%) |                   |       |        |
|   |   |     | 2015/16  |      |           | 2016/17          |       |           | 2017/18                          |       | 2018/19   |        | 2019/20 |           |                         |                                 | 2016/17 - 2019/20 |       |        |
|   |   |     | Number   | Cost | Unit cost | Number           | Cost  | Unit cost | Number                           | Cost  | Unit cost | Number | Cost    | Unit cost |                         |                                 |                   |       |        |
| Road Traffic Infringement Agency            |   |     | 115  | 65.3 | 0.6       | 175              | 119.6 | 0.7       | 201                              | 127.7 | 0.6       | 252    | 160.2   | 0.6       | 275                     | 194.2                           | 0.7               | 17.5% | 100.0% |
| Salary level                                | 175                                       | 275 | 115  | 65.3 | 0.6       | 175              | 119.6 | 0.7       | 201                              | 127.7 | 0.6       | 252    | 160.2   | 0.6       | 275                     | 194.2                           | 0.7               | 17.5% | 100.0% |
| 1 – 6                                       | 18  | 35  | 14   | 2.6  | 0.2       | 18               | 5.8   | 0.3       | 31                               | 9.9   | 0.3       | 32     | 10.1    | 0.3       | 35                      | 12.9                            | 0.4               | 30.8% | 12.8%  |
| 7 – 10                                      | 119                                       | 182 | 74   | 28.2 | 0.4       | 119              | 59.1  | 0.5       | 132                              | 63.8  | 0.5       | 176    | 85.4    | 0.5       | 182                     | 97.6                            | 0.5               | 16.2% | 67.4%  |
| 11 – 12                                     | 21  | 41  | 10   | 9.0  | 0.9       | 21               | 21.5  | 1.0       | 21                               | 22.9  | 1.1       | 27     | 31.6    | 1.2       | 41                      | 48.7                            | 1.2               | 31.3% | 12.0%  |
| 13 – 16                                     | 16  | 16  | 16   | 22.1 | 1.4       | 16               | 29.6  | 1.9       | 16                               | 27.3  | 1.7       | 16     | 29.0    | 1.8       | 16                      | 30.8                            | 1.9               | 1.3%  | 7.3%   |
| 17 – 22                                     | 1   | 1   | 1  | 3.4  | 3.4       | 1                | 3.6   | 3.6       | 1                                | 3.9   | 3.9       | 1      | 4.1     | 4.1       | 1                       | 4.3                             | 4.3               | 6.2%  | 0.5%   |

1. Rand million.

## Road Traffic Management Corporation

### Mandate

The Road Traffic Management Corporation is a schedule 3A public entity established in terms of the Road Traffic Management Corporation Act (1999). The act requires the corporation to pool national and provincial government resources to provide 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.

## Selected performance indicators

**Table 35.72 Road Traffic Management Corporation performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/objective/activity | Outcome        | Past    |           |         | Current | Projections |         |         |
|---|------------------------------|----------------|---------|-----------|---------|---------|-------------|---------|---------|
|   |                              |                | 2013/14 | 2014/15   | 2015/16 | 2016/17 | 2017/18     | 2018/19 | 2019/20 |
| Number of road safety educational programmes implemented per year                     | Operations                   | Entity mandate | 3       | 5         | 4       | 4       | 4           | 4       | 4       |
| Number of road traffic statistics reports published per year                          | Operations                   |                | -1      | 6         | 1       | 7       | 7           | 7       | 7       |
| Number of speed operations concluded in collaboration with provinces per year         | Law enforcement              |                | -1      | -1        | 48      | 12      | -2          | -2      | -2      |
| Number of drink-driving operations concluded in collaboration with provinces per year | Law enforcement              |                | -1      | -1        | 103     | 12      | -2          | -2      | -2      |
| Number of vehicles stopped and checked per year                                       | Law enforcement              |                | 240 000 | 1 355 948 | 477 295 | 450 000 | -2          | -2      | -2      |
| Number of road traffic law enforcement interventions in support of provinces per year | Law enforcement              |                | -1      | -1        | -1      | 648     | 648         | 648     | 648     |
| Number of fatal road accidents per year   | Law enforcement              |                | 10 170  | 10 367    | 10 613  | 10 400  | 10 192      | 9 988   | 9 789   |
| Number of road fatalities per year  | Law enforcement              |                | 11 844  | 12 702    | 12 944  | 12 685  | 12 431      | 12 182  | 11 939  |

1. No historical data available.

2. Indicator discontinued.

## Expenditure analysis

In line with the goals of government's 2014-2019 medium-term strategic framework of reducing road accidents and fatalities, the Road Traffic Management Corporation will focus on improving law enforcement visibility on roads, as well as implementing road safety education initiatives. The corporation will also focus on the full integration of the administration and maintenance of the electronic national traffic information system, following the Constitutional Court ruling in November 2016 that affirms the corporation's role.

The electronic national traffic information system is the national register and asset that stores, records, manages and enforces the requirements of the National Road Traffic Act (1996) and regulations pertaining to the act. It provides for the registration and licensing of vehicles from which transaction fees are levied. The corporation expects the bulk of its revenue to be generated by these levies over the medium term, increasing at an average annual rate of 4.5 per cent from R498.3 million in 2016/17 to R568.3 million in 2019/20. This growth is largely driven by a projected increase in vehicle registrations on the electronic national traffic information system over the period.

Over the same period, the corporation plans to contribute to government's 2014-2019 medium-term strategic framework target of reducing the number of road accidents and fatalities by 2 per cent per year. This will be achieved by running 12 road safety educational programmes and supporting provincial traffic departments in 648 road law traffic interventions per year over the medium term. As a result, the corporation's total expenditure is expected to increase at an average annual rate of 5.9 per cent over the medium term, from R701.1 million in 2016/17 to R831.8 million in 2019/20. This increase will be largely driven by spending on compensation of employees, from R325.9 million in 2016/17 to R401.2 million in 2019/20. The corporation's staff complement grew from 401 in 2014/15 to 689 in 2016/17 because of the accelerated recruitment of national traffic police officers and other personnel in preparation of the electronic national traffic information system. The corporation's staff complement is expected to remain constant over the medium term.

## Programmes/objectives/activities

**Table 35.73 Road Traffic Management Corporation expenditure trends and estimates by programme/objective/activity**

|                                   | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/Total (%) |
|-----------------------------------|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|                                   | 2013/14         | 2014/15        | 2015/16        |                  |                         |                                | 2017/18                          | 2018/19        | 2019/20        |                         |                                |
| R thousand                        |                 |                |                | 2016/17          | 2013/14 - 2016/17       |                                |                                  |                |                | 2016/17 - 2019/20       |                                |
| Administration                    | 118 624         | 161 430        | 488 675        | 319 420          | 39.1%                   | 51.5%                          | 331 422                          | 355 537        | 378 444        | 5.8%                    | 45.3%                          |
| Operations                        | 18 659          | 64 353         | 82 091         | 99 556           | 74.7%                   | 13.1%                          | 105 728                          | 111 966        | 118 374        | 5.9%                    | 14.3%                          |
| Law enforcement                   | 95 060          | 92 855         | 155 638        | 171 182          | 21.7%                   | 28.3%                          | 181 795                          | 192 521        | 203 302        | 5.9%                    | 24.5%                          |
| Traffic intelligence and security | -               | -              | 9 713          | 12 690           | -                       | 0.7%                           | 13 477                           | 14 272         | 15 071         | 5.9%                    | 1.8%                           |
| Strategic services                | -               | -              | 97 102         | 98 210           | -                       | 6.4%                           | 104 299                          | 110 453        | 116 638        | 5.9%                    | 14.1%                          |
| <b>Total</b>                      | <b>232 343</b>  | <b>318 638</b> | <b>833 218</b> | <b>701 058</b>   | <b>44.5%</b>            | <b>100.0%</b>                  | <b>736 722</b>                   | <b>784 749</b> | <b>831 830</b> | <b>5.9%</b>             | <b>100.0%</b>                  |

## Statements of historical financial performance

Table 35.74 Road Traffic Management Corporation statements of historical financial performance

| Statement of financial performance                   |         |                    |         |                    |         |                    |                    |                     |                   | Average:<br>Outcome/<br>Budget<br>(%) |
|--|---------|--------------------|---------|--------------------|---------|--------------------|--------------------|---------------------|-------------------|---------------------------------------|
|  | Budget  | Audited<br>outcome | Budget  | Audited<br>outcome | Budget  | Audited<br>outcome | Budget<br>estimate | Revised<br>estimate |                   |                                       |
| R thousand   | 2013/14 |                    | 2014/15 |                    | 2015/16 |                    | 2016/17            |                     | 2013/14 - 2016/17 |                                       |
| <b>Revenue</b>                                       |         |                    |         |                    |         |                    |                    |                     |                   |                                       |
| <b>Non-tax revenue</b>                               | 6 500   | 438 870            | 448 920 | 452 047            | 475 819 | 455 483            | 507 196            | 507 196             |                   | 128.9%                                |
| Sale of goods and services other than capital assets | –       | 414 697            | 442 680 | 420 916            | 467 470 | 419 844            | 498 329            | 498 329             |                   | 124.5%                                |
| of which:  |         |                    |         |                    |         |                    |                    |                     |                   |                                       |
| Administrative fees                                  | –       | 414 697            | 442 680 | 420 916            | 467 470 | 419 844            | 498 329            | 498 329             |                   | 124.5%                                |
| Other non-tax revenue                                | 6 500   | 24 173             | 6 240   | 31 131             | 8 349   | 35 639             | 8 867              | 8 867               |                   | 333.2%                                |
| <b>Transfers received</b>                            | 166 946 | 166 946            | 176 008 | 176 008            | 184 104 | 184 104            | 193 862            | 193 862             |                   | 100.0%                                |
| <b>Total revenue</b>                                 | 173 446 | 605 816            | 624 928 | 628 055            | 659 923 | 639 587            | 701 058            | 701 058             |                   | 119.2%                                |
| <b>Expenses</b>                                      |         |                    |         |                    |         |                    |                    |                     |                   |                                       |
| <b>Current expenses</b>                              | 173 446 | 232 343            | 624 928 | 318 638            | 659 924 | 833 219            | 701 058            | 701 058             |                   | 96.6%                                 |
| Compensation of employees                            | 108 712 | 118 562            | 161 458 | 151 302            | 170 503 | 306 087            | 182 438            | 325 891             |                   | 144.7%                                |
| Goods and services                                   | 59 125  | 108 386            | 456 703 | 158 827            | 482 275 | 508 033            | 507 628            | 364 175             |                   | 75.7%                                 |
| Depreciation   | 5 494   | 5 065              | 6 693   | 8 334              | 7 068   | 18 397             | 10 953             | 10 953              |                   | 141.5%                                |
| Interest, dividends and rent on land                 | 115     | 330                | 74      | 175                | 78      | 701                | 39                 | 39                  |                   | 407.4%                                |
| <b>Total expenses</b>                                | 173 446 | 232 343            | 624 928 | 318 638            | 659 924 | 833 219            | 701 058            | 701 058             |                   | 96.6%                                 |
| <b>Surplus/(Deficit)</b>                             | –       | 373 473            | –       | 309 417            | –       | (193 631)          | –                  | –                   |                   | –                                     |

## Statements of estimates of financial performance

Table 35.75 Road Traffic Management Corporation statements of estimates of financial performance

| Statement of financial performance                   |                     |                                  |  |                      |         |         |                                  |  |                   | Average:<br>Expenditure/<br>Total<br>(%) |
|--|---------------------|----------------------------------|--|----------------------|---------|---------|----------------------------------|--|-------------------|--|
|  | Revised<br>estimate | Average<br>growth<br>rate<br>(%) | Average:<br>Expenditure/<br>Total<br>(%) | Medium-term estimate |         |         | Average<br>growth<br>rate<br>(%) | Average:<br>Expenditure/<br>Total<br>(%) |                   |  |
| R thousand   | 2016/17             | 2013/14 - 2016/17                |  | 2017/18              | 2018/19 | 2019/20 | 2016/17 - 2019/20                |  | 2016/17 - 2019/20 |  |
| <b>Revenue</b>                                       |                     |                                  |  |                      |         |         |                                  |  |                   |  |
| <b>Non-tax revenue</b>                               | 507 196             | 4.9%                             | 72.0%                                    | 538 167              | 569 389 | 604 409 | 6.0%                             | 72.7%                                    |                   |  |
| Sale of goods and services other than capital assets | 498 329             | 6.3%                             | 68.0%                                    | 505 426              | 535 246 | 568 354 | 4.5%                             | 69.1%                                    |                   |  |
| of which:  |                     |                                  |  |                      |         |         |                                  |  |                   |  |
| Administrative fees                                  | 498 329             | 6.3%                             | 68.0%                                    | 505 426              | 535 246 | 568 354 | 4.5%                             | 69.1%                                    |                   |  |
| Other non-tax revenue                                | 8 867               | -28.4%                           | 3.9%                                     | 32 741               | 34 143  | 36 055  | 59.6%                            | 3.6%                                     |                   |  |
| <b>Transfers received</b>                            | 193 862             | 5.1%                             | 28.0%                                    | 198 555              | 215 361 | 227 421 | 5.5%                             | 27.3%                                    |                   |  |
| <b>Total revenue</b>                                 | 701 058             | 5.0%                             | 100.0%                                   | 736 722              | 784 750 | 831 830 | 5.9%                             | 100.0%                                   |                   |  |
| <b>Expenses</b>                                      |                     |                                  |  |                      |         |         |                                  |  |                   |  |
| <b>Current expenses</b>                              | 701 058             | 44.5%                            | 100.0%                                   | 736 722              | 784 750 | 831 830 | 5.9%                             | 213.5%                                   |                   |  |
| Compensation of employees                            | 325 891             | 40.1%                            | 45.4%                                    | 352 528              | 376 465 | 401 201 | 7.2%                             | 47.6%                                    |                   |  |
| Goods and services                                   | 364 175             | 49.8%                            | 52.4%                                    | 372 521              | 395 922 | 417 538 | 4.7%                             | 50.8%                                    |                   |  |
| Depreciation   | 10 953              | 29.3%                            | 2.1%                                     | 11 632               | 12 318  | 13 045  | 6.0%                             | 1.6%                                     |                   |  |
| Interest, dividends and rent on land                 | 39                  | -50.9%                           | 0.1%                                     | 41                   | 44      | 46      | 6.0%                             | 0.0%                                     |                   |  |
| <b>Total expenses</b>                                | 701 058             | 44.5%                            | 100.0%                                   | 736 722              | 784 750 | 831 830 | 5.9%                             | 100.0%                                   |                   |  |
| <b>Surplus/(Deficit)</b>                             | –                   | (1)                              |  | –                    | –       | –       | –                                |  |                   |  |

## Personnel information

Table 35.76 Road Traffic Management Corporation personnel numbers and cost by salary level

| Number of posts<br>estimated for<br>31 March 2017 |   | Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment |       |              |                  |      |              |                                  |      |              |         |      |              |                                  |   | Number  |       |              |       |        |
|---|---|--|-------|--------------|------------------|------|--------------|----------------------------------|------|--------------|---------|------|--------------|----------------------------------|---|---------|-------|--------------|-------|--------|
| Number<br>of<br>funded<br>posts                   | Number<br>of<br>posts<br>on approved<br>establishment | Actual   |       |              | Revised estimate |      |              | Medium-term expenditure estimate |      |              |         |      |              | Average<br>growth<br>rate<br>(%) | Average<br>Salary<br>level/Total<br>(%) |         |       |              |       |        |
|   |   | 2015/16  |       |              | 2016/17          |      |              | 2017/18                          |      |              | 2018/19 |      |              |                                  |   | 2019/20 |       |              |       |        |
|   |   | Number   | Cost  | Unit<br>cost | Number           | Cost | Unit<br>cost | Number                           | Cost | Unit<br>cost | Number  | Cost | Unit<br>cost |                                  |   | Number  | Cost  | Unit<br>cost |       |        |
| Road Traffic Management<br>Corporation            |   |  |       |              |                  |      |              |                                  |      |              |         |      |              |                                  |   |         |       |              |       |        |
| Salary<br>level                                   | 689   |  | 2 017 | 634          | 306.1            | 0.5  | 689          | 325.9                            | 0.5  | 689          | 352.5   | 0.5  | 689          | 376.5                            | 0.5                                     | 689     | 401.2 | 0.6          | 7.2%  | 100.0% |
| 1 – 6   | 109   | 162  | 103   | 12.6         | 0.1              | 109  | 13.4         | 0.1                              | 109  | 14.7         | 0.1     | 109  | 15.6         | 0.1                              | 109                                     | 16.6    | 0.2   | 7.3%         | 15.8% |        |
| 7 – 10  | 469   | 1 705  | 434   | 177.6        | 0.4              | 469  | 189.3        | 0.4                              | 469  | 204.5        | 0.4     | 469  | 219.2        | 0.5                              | 469                                     | 233.6   | 0.5   | 7.3%         | 68.1% |        |
| 11 – 12   | 28  | 52   | 23    | 18.2         | 0.8              | 28   | 19.4         | 0.7                              | 28   | 20.9         | 0.7     | 28   | 22.2         | 0.8                              | 28                                      | 23.6    | 0.8   | 6.9%         | 4.1%  |        |
| 13 – 16   | 76  | 90   | 67    | 80.3         | 1.2              | 76   | 85.5         | 1.1                              | 76   | 93.2         | 1.2     | 76   | 99.0         | 1.3                              | 76                                      | 105.5   | 1.4   | 7.3%         | 11.0% |        |
| 17 – 22   | 7   | 8  | 7     | 17.4         | 2.5              | 7    | 18.3         | 2.6                              | 7    | 19.3         | 2.8     | 7    | 20.5         | 2.9                              | 7                                       | 21.9    | 3.1   | 6.1%         | 1.0%  |        |

1. Rand million.

## South African Civil Aviation Authority

### Mandate

The South African Civil Aviation Authority is a schedule 3A public entity that was established in 1998 and is governed by the Civil Aviation Act (2009). Its mandate is to promote, regulate and enforce civil aviation safety and security standards across the aviation industry.

### Selected performance indicators

**Table 35.77 South African Civil Aviation Authority performance indicators by programme/objective/activity and related outcome**

| Indicator  | Programme/objective/activity                 | Outcome        | Past    |         |         | Current | Projections |         |         |
|--|--|----------------|---------|---------|---------|---------|-------------|---------|---------|
|  |  |                | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18     | 2018/19 | 2019/20 |
| Number of aircraft inspections conducted and certificates issued per year                  | Continuously improve civil aviation safety   | Entity mandate | 554     | 483     | 490     | 500     | 510         | 520     | 530     |
| Number of air safety infrastructure inspections conducted and certificates issued per year | Continuously improve civil aviation safety   |                | 280     | 293     | 277     | 258     | 260         | 263     | 266     |
| Number of air safety operations inspections conducted and certificates issued per year     | Continuously improve civil aviation safety   |                | 981     | 1 003   | 1 114   | 1 155   | 1 178       | 1 201   | 1 226   |
| Number of aviation security inspections conducted and certificates issued per year         | Continuously improve civil aviation security |                | 1 359   | 1 371   | 1 170   | 1 124   | 1 147       | 1 170   | 1 194   |

### Expenditure analysis

Over the MTEF period, the South African Civil Aviation Authority will focus on improving civil aviation safety and security through increasing safety and security oversight activities, training and development. The entity will also pay close attention to improving efficiencies in its operations and aligning them with international standards through a review of its business processes and the implementation of a new enterprise business system.

The entity generates most of its revenue from passenger safety charges, user fees and fuel levies. Reaching a total of R2 billion over the medium term, passenger safety charges are expected to make up 78.7 per cent of revenue over the period. This revenue source is projected to grow at an average annual rate of 9 per cent over the medium term, in line with expected growth in passenger volumes.

Over the medium term, the entity expects to increase inspections in all categories, from 3 037 inspections in 2016/17 to 3 216 inspections in 2019/20. To support the increase in inspections in line with its new business enterprise system and efforts to ensure compliance with international standards, the entity will increase its staff complement from 495 in 2016/17 to 610 in 2019/20. As a result, over the MTEF period, the entity anticipates its total expenditure to increase at an average annual rate of 11.2 per cent, from R557.5 million in 2016/17 to R766.8 million in 2019/20. This growth in expenditure will be largely driven by an increase in spending on compensation of employees, from R384.2 million in 2016/17 to R517.4 million in 2019/20. Spending on goods and services will increase at an average annual rate of 9.1 per cent, from R161 million in 2016/17 to R209.1 million in 2019/20, mainly because of spending on computer services, maintenance costs, training and development for new inspectors linked to the new business enterprise system, and the acquisition of a new flight inspection aircraft.

### Programmes/objectives/activities

**Table 35.78 South African Civil Aviation Authority expenditure trends and estimates by programme/objective/activity**

|  | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average: Expenditure/Total (%) |
|--|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
|  | 2013/14         | 2014/15        | 2015/16        |                  |                         |                                | 2017/18                          | 2018/19        | 2019/20        |                         |                                |
| R thousand                                   |                 |                |                | 2016/17          | 2013/14 - 2016/17       |                                |                                  |                |                | 2016/17 - 2019/20       |                                |
| Administration                               | 199 680         | 234 056        | 248 024        | 296 910          | 14.1%                   | 51.8%                          | 354 335                          | 393 992        | 423 053        | 12.5%                   | 54.4%                          |
| Continuously improve civil aviation safety   | 180 892         | 185 804        | 196 320        | 228 329          | 8.1%                    | 42.1%                          | 264 654                          | 287 222        | 304 527        | 10.1%                   | 40.3%                          |
| Continuously improve civil aviation security | 26 661          | 26 774         | 27 575         | 32 308           | 6.6%                    | 6.0%                           | 34 324                           | 36 740         | 39 218         | 6.7%                    | 5.3%                           |
| <b>Total</b>                                 | <b>407 233</b>  | <b>446 634</b> | <b>471 919</b> | <b>557 547</b>   | <b>11.0%</b>            | <b>100.0%</b>                  | <b>653 313</b>                   | <b>717 954</b> | <b>766 798</b> | <b>11.2%</b>            | <b>100.0%</b>                  |



## Statements of historical financial performance

**Table 35.79 South African Civil Aviation Authority statements of historical financial performance**

| Statement of financial performance                   |                |                 |                |                 |                |                 |                 |                  |                             |
|--|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|-----------------------------|
|  | Budget         | Audited outcome | Budget         | Audited outcome | Budget         | Audited outcome | Budget estimate | Revised estimate | Average: Outcome/Budget (%) |
| R thousand   | 2013/14        |                 | 2014/15        |                 | 2015/16        |                 | 2016/17         |                  | 2013/14 - 2016/17           |
| <b>Revenue</b>                                       |                |                 |                |                 |                |                 |                 |                  |                             |
| Non-tax revenue                                      | 416 910        | 399 380         | 449 489        | 444 905         | 505 972        | 519 826         | 552 139         | 578 256          | 100.9%                      |
| Sale of goods and services other than capital assets | 404 962        | 381 579         | 439 135        | 431 646         | 498 073        | 506 014         | 544 929         | 567 353          | 100.0%                      |
| of which:  |                |                 |                |                 |                |                 |                 |                  |                             |
| Administrative fees                                  | 404 962        | 381 579         | 439 135        | 431 646         | 498 073        | 506 014         | 544 929         | 567 353          | 100.0%                      |
| Other non-tax revenue                                | 11 948         | 17 801          | 10 354         | 13 259          | 7 899          | 13 812          | 7 210           | 10 903           | 149.1%                      |
| Transfers received                                   | 18 155         | 16 901          | 19 239         | 17 916          | 20 124         | 18 740          | 21 191          | 21 191           | 95.0%                       |
| <b>Total revenue</b>                                 | <b>435 065</b> | <b>416 281</b>  | <b>468 728</b> | <b>462 821</b>  | <b>526 096</b> | <b>538 566</b>  | <b>573 330</b>  | <b>599 447</b>   | <b>100.7%</b>               |
| <b>Expenses</b>                                      |                |                 |                |                 |                |                 |                 |                  |                             |
| Current expenses                                     | 416 566        | 407 233         | 468 683        | 446 634         | 504 883        | 472 108         | 563 258         | 557 547          | 96.4%                       |
| Compensation of employees                            | 279 552        | 281 559         | 323 714        | 303 816         | 338 630        | 324 566         | 386 501         | 384 199          | 97.4%                       |
| Goods and services                                   | 124 307        | 118 679         | 134 264        | 133 531         | 156 155        | 137 941         | 163 088         | 161 026          | 95.4%                       |
| Depreciation   | 12 707         | 6 995           | 10 705         | 9 287           | 10 098         | 9 601           | 13 669          | 12 322           | 81.0%                       |
| <b>Total expenses</b>                                | <b>416 566</b> | <b>407 233</b>  | <b>468 683</b> | <b>446 634</b>  | <b>504 883</b> | <b>472 108</b>  | <b>563 258</b>  | <b>557 547</b>   | <b>96.4%</b>                |
| <b>Surplus/(Deficit)</b>                             | <b>18 499</b>  | <b>9 048</b>    | <b>45</b>      | <b>16 187</b>   | <b>21 213</b>  | <b>66 458</b>   | <b>10 072</b>   | <b>41 900</b>    |                             |

## Statements of estimates of financial performance

**Table 35.80 South African Civil Aviation Authority statements of estimates of financial performance**

| Statement of financial performance                   |                  |                         |                                |                      |                 |                |                         |                                |  |
|--|------------------|-------------------------|--------------------------------|----------------------|-----------------|----------------|-------------------------|--------------------------------|--|
|  | Revised estimate | Average growth rate (%) | Average: Expenditure/Total (%) | Medium-term estimate |                 |                | Average growth rate (%) | Average: Expenditure/Total (%) |  |
| R thousand   | 2016/17          | 2013/14 - 2016/17       |                                | 2017/18              | 2018/19         | 2019/20        | 2016/17 - 2019/20       |                                |  |
| <b>Revenue</b>                                       |                  |                         |                                |                      |                 |                |                         |                                |  |
| Non-tax revenue                                      | 578 256          | 13.1%                   | 96.3%                          | 628 514              | 679 929         | 733 180        | 8.2%                    | 96.6%                          |  |
| Sale of goods and services other than capital assets | 567 353          | 14.1%                   | 93.4%                          | 621 301              | 673 585         | 728 317        | 8.7%                    | 95.5%                          |  |
| of which:  |                  |                         |                                |                      |                 |                |                         |                                |  |
| Administrative fees                                  | 567 353          | 14.1%                   | 93.4%                          | 621 301              | 673 585         | 728 317        | 8.7%                    | 95.5%                          |  |
| Other non-tax revenue                                | 10 903           | -15.1%                  | 2.9%                           | 7 213                | 6 344           | 4 863          | -23.6%                  | 1.1%                           |  |
| Transfers received                                   | 21 191           | 7.8%                    | 3.7%                           | 22 251               | 23 436          | 24 860         | 5.5%                    | 3.4%                           |  |
| <b>Total revenue</b>                                 | <b>599 447</b>   | <b>12.9%</b>            | <b>100.0%</b>                  | <b>650 765</b>       | <b>703 365</b>  | <b>758 040</b> | <b>8.1%</b>             | <b>100.0%</b>                  |  |
| <b>Expenses</b>                                      |                  |                         |                                |                      |                 |                |                         |                                |  |
| Current expenses                                     | 557 547          | 11.0%                   | 100.0%                         | 653 313              | 717 954         | 766 798        | 11.2%                   | 146.2%                         |  |
| Compensation of employees                            | 384 199          | 10.9%                   | 68.7%                          | 449 682              | 484 617         | 517 372        | 10.4%                   | 68.2%                          |  |
| Goods and services                                   | 161 026          | 10.7%                   | 29.3%                          | 178 662              | 195 684         | 209 104        | 9.1%                    | 27.7%                          |  |
| Depreciation   | 12 322           | 20.8%                   | 2.0%                           | 19 128               | 26 110          | 28 980         | 33.0%                   | 3.1%                           |  |
| Interest, dividends and rent on land                 | -                | -                       | -                              | 5 841                | 11 543          | 11 342         | -                       | 1.0%                           |  |
| <b>Total expenses</b>                                | <b>557 547</b>   | <b>11.0%</b>            | <b>100.0%</b>                  | <b>653 313</b>       | <b>717 954</b>  | <b>766 798</b> | <b>11.2%</b>            | <b>100.0%</b>                  |  |
| <b>Surplus/(Deficit)</b>                             | <b>41 900</b>    | <b>1</b>                |                                | <b>(2 548)</b>       | <b>(14 589)</b> | <b>(8 758)</b> | <b>-159.3%</b>          |                                |  |

## Personnel information

**Table 35.81 South African Civil Aviation Authority personnel numbers and cost by salary level**

| Table 35.81 South African Civil Aviation Authority personnel numbers and cost by salary level |   |         |  |           |                  |      |           |                                  |      |           |         |      |           |                         |                                |           |                   |       |        |
|---|---|---------|--|-----------|------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|-------------------------|--------------------------------|-----------|-------------------|-------|--------|
| Number of posts estimated for 31 March 2017   |   |         | Number and cost <sup>1</sup> 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 (%) | Average Salary level/Total (%) |           |                   |       |        |
|   |   | 2015/16 |  |           | 2016/17          |      |           | 2017/18                          |      |           | 2018/19 |      |           | 2019/20                 |                                |           | 2016/17 - 2019/20 |       |        |
|   |   | Number  | Cost   | Unit cost | Number           | Cost | Unit cost | Number                           | Cost | Unit cost | Number  | Cost | Unit cost | Number                  | Cost                           | Unit cost |                   |       |        |
| South African Civil Aviation Authority  |   |         |  |           |                  |      |           |                                  |      |           |         |      |           |                         |                                |           |                   |       |        |
| Salary level  | 610                                       | 610     | 497  | 324.6     | 0.7              | 495  | 384.2     | 0.8                              | 610  | 449.7     | 0.7     | 610  | 484.6     | 0.8                     | 610                            | 517.4     | 0.8               | 10.4% | 100.0% |
| 1 – 6   | 55  | 55      | 55   | 3.4       | 0.1              | 55   | 5.3       | 0.1                              | 51   | 4.9       | 0.1     | 51   | 5.0       | 0.1                     | 51                             | 5.3       | 0.1               | 0.0%  | 9.0%   |
| 7 – 10  | 279                                       | 279     | 256  | 130.0     | 0.5              | 255  | 146.3     | 0.6                              | 281  | 168.6     | 0.6     | 281  | 183.9     | 0.7                     | 281                            | 198.9     | 0.7               | 10.8% | 47.4%  |
| 11 – 12   | 216                                       | 216     | 144  | 124.4     | 0.9              | 144  | 158.0     | 1.1                              | 219  | 192.1     | 0.9     | 219  | 205.0     | 0.9                     | 219                            | 215.7     | 1.0               | 10.9% | 34.2%  |
| 13 – 16   | 57  | 57      | 39   | 58.1      | 1.5              | 38   | 65.4      | 1.7                              | 56   | 74.0      | 1.3     | 56   | 80.0      | 1.4                     | 56                             | 85.9      | 1.5               | 9.5%  | 8.8%   |
| 17 – 22   | 3   | 3       | 3  | 8.7       | 2.9              | 3    | 9.1       | 3.0                              | 3    | 10.2      | 3.4     | 3    | 10.8      | 3.6                     | 3                              | 11.6      | 3.9               | 8.3%  | 0.5%   |

1. Rand million.

## South African Maritime Safety Authority

### Mandate

The South African Maritime Safety Authority is a schedule 3A public entity established in terms of the South African Maritime Safety Authority Act (1998). Its mandate is to promote South Africa's maritime interests, ensure safety of life and property at sea, and prevent and combat the pollution of the marine environment by ships. The entity's mandate was expanded to include the responsibility of implementing and executing the long-range



identification and tracking of ships along the South African coastline. This vessel monitoring system assists in securing South Africa's coastal waters. In 2007, the entity's mandate was expanded to include the regulation of boating activities on South Africa's inland waters. Other functions are also defined in international maritime conventions to which South Africa is a signatory.

The entity is responsible for administering inland small vessel regulations, which includes the activities of inland water vessel inspections, licensing, surveying, safety promotion and awareness, accident investigation, the development of examination standards, certificates of competence, and the awarding certificates of fitness. The entity has also been tasked with the responsibility of monitoring ships traversing South African waters and ensuring their safe navigation at a distance for purposes of securing South Africa and its territorial interests.

### Selected performance indicators

**Table 35.82 South African Maritime Safety Authority performance indicators by programme/objective/activity and related outcome**

| Indicator   | Programme/objective/activity                                | Outcome        | Past        |             |             | Current     | Projections |             |             |
|---|---|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   |   |                | 2013/14     | 2014/15     | 2015/16     | 2016/17     | 2017/18     | 2018/19     | 2019/20     |
| Percentage of maritime pollution incidents that have been successfully managed per year | Prevent and combat pollution of marine environment by ships | Entity mandate | 100%<br>(2) | 100%<br>(1) | 100%<br>(2) | 100%<br>(1) | 100%        | 100%        | 100%        |
| Percentage of vessels held accountable for pollution per year                           | Prevent and combat pollution of marine environment by ships |                | 100%<br>(2) | 100%<br>(1) | 100%<br>(2) | 100%<br>(1) | 100%<br>(1) | 100%<br>(1) | 100%<br>(1) |
| Number of inspections conducted on foreign ships per year                               | Ensure the safety of life and property at sea               |                | 302         | 286         | 252         | 265         | 305         | 312         | 318         |
| Number of fatalities reported on South African waters per year                          | Ensure the safety of life and property at sea               |                | 10          | 22          | 33          | 6           | 6           | 6           | 6           |
| Number of inspections conducted on local ships per year                                 | Ensure the safety of life and property at sea               |                | 10 852      | 9 978       | 11 701      | 11 750      | 11 845      | 11 890      | 11 923      |
| Number of seafarer certificates issued per year   | Ensure the safety of life and property at sea               |                | 14 521      | 17 781      | 10 859      | 17 802      | 17 871      | 17 901      | 18 010      |

### Expenditure analysis

The South African Maritime Safety Authority's focus over the medium term will be on safety, promoting a culture of preventing marine incidents and combating the pollution caused by ships. As such, the entity plans to conduct 318 inspections on foreign ships and 11 923 inspections on local ships in 2019/20. Due to the labour intensive nature of these activities, spending on compensation of employees will remain the entity's largest expenditure component, accounting for 50.8 per cent of total expenditure over the medium term, increasing at an average annual rate of 5.9 per cent from R193.9 million in 2016/17 to R230.4 million in 2019/20.

The entity plans to significantly increase spending on infrastructure, which will be channelled towards the replacement of obsolete capital assets that impede the authority's service delivery initiatives. Infrastructure spending and the cost of travel related to training, and survey and inspection work are expected to be the main drivers of spending on goods and services, growing at an average annual rate of 6.1 per cent, from R186.7 million in 2016/17 to R222.7 million in 2019/20.

The entity generates most of its revenue from levies, which constitute more than 80.3 per cent of total revenue, charged to foreign ships calling on South African ports. Transfers from the Department of Transport account for 2.9 per cent of revenue and are for the operations and maintenance of the Maritime and Aeronautical Rescue Coordination Centre. Revenue from third parties accounts for 5 per cent. Total revenue is expected to grow at an average annual rate of 4.5 per cent, from R397.2 million in 2016/17 to R453 million in 2019/20.

## Programmes/objectives/activities

**Table 35.83 South African Maritime Safety Authority expenditure trends and estimates by programme/objective/activity**

|   | Audited outcome |                |                | Revised estimate | Average growth rate (%) | Average Expenditure/Total (%) | Medium-term expenditure estimate |                |                | Average growth rate (%) | Average Expenditure/Total (%) |
|---|-----------------|----------------|----------------|------------------|-------------------------|-------------------------------|----------------------------------|----------------|----------------|-------------------------|-------------------------------|
| R thousand  | 2013/14         | 2014/15        | 2015/16        | 2016/17          | 2013/14 - 2016/17       |                               | 2017/18                          | 2018/19        | 2019/20        | 2016/17 - 2019/20       |                               |
| Administration  | 36 045          | 31 093         | 31 906         | 34 614           | -1.3%                   | 8.5%                          | 36 760                           | 38 929         | 41 109         | 5.9%                    | 9.1%                          |
| Prevent and combat pollution of marine environment by ships | 181 485         | 156 538        | 53 177         | 57 023           | -32.0%                  | 27.7%                         | 60 558                           | 64 131         | 67 722         | 5.9%                    | 14.9%                         |
| Ensure the safety of life and property at sea               | 149 316         | 129 863        | 205 619        | 220 488          | 13.9%                   | 45.7%                         | 238 798                          | 248 901        | 262 947        | 6.0%                    | 58.1%                         |
| Promote South Africa's maritime interests                   | 81 753          | 70 503         | 63 813         | 68 427           | -5.8%                   | 18.1%                         | 72 670                           | 76 957         | 81 267         | 5.9%                    | 17.9%                         |
| <b>Total</b>  | <b>448 599</b>  | <b>387 997</b> | <b>354 515</b> | <b>380 552</b>   | <b>-5.3%</b>            | <b>100.0%</b>                 | <b>408 786</b>                   | <b>428 919</b> | <b>453 045</b> | <b>6.0%</b>             | <b>100.0%</b>                 |

## Statements of historical financial performance

**Table 35.84 South African Maritime Safety Authority statements of historical financial performance**

Statement of financial performance

|  | Budget         | Audited outcome  | Budget         | Audited outcome | Budget         | Audited outcome | Budget estimate | Revised estimate | Average Outcome/Budget (%) |
|--|----------------|------------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|----------------------------|
| R thousand   | 2013/14        |                  | 2014/15        |                 | 2015/16        |                 | 2016/17         |                  | 2013/14 - 2016/17          |
| <b>Revenue</b>                                       |                |                  |                |                 |                |                 |                 |                  |                            |
| <b>Non-tax revenue</b>                               | <b>336 996</b> | <b>301 051</b>   | <b>349 873</b> | <b>299 639</b>  | <b>303 184</b> | <b>318 221</b>  | <b>321 981</b>  | <b>389 634</b>   | <b>99.7%</b>               |
| Sale of goods and services other than capital assets | 335 189        | 292 899          | 348 043        | 298 903         | 302 387        | 308 790         | 321 135         | 389 336          | 98.7%                      |
| of which:  |                |                  |                |                 |                |                 |                 |                  |                            |
| Sales by market establishment                        | 248 124        | 263 423          | 257 716        | 273 084         | 276 116        | 270 555         | 293 235         | 351 241          | 107.7%                     |
| Portnet levies                                       | 248 124        | 231 781          | 257 716        | 250 353         | 250 949        | 250 797         | 266 508         | 331 207          | 104.0%                     |
| Contributions received                               | —              | 31 642           | —              | —               | —              | —               | —               | —                | —                          |
| Other sales  | 87 065         | 29 476           | 90 327         | 25 819          | 26 271         | 38 235          | 27 900          | 38 095           | 56.8%                      |
| Other non-tax revenue                                | 1 807          | 8 152            | 1 830          | 736             | 797            | 9 431           | 846             | 298              | 352.6%                     |
| <b>Transfers received</b>                            | <b>12 901</b>  | <b>12 901</b>    | <b>6 887</b>   | <b>6 887</b>    | <b>7 245</b>   | <b>7 205</b>    | <b>7 694</b>    | <b>7 586</b>     | <b>99.6%</b>               |
| <b>Total revenue</b>                                 | <b>349 897</b> | <b>313 952</b>   | <b>356 760</b> | <b>306 526</b>  | <b>310 429</b> | <b>325 426</b>  | <b>329 676</b>  | <b>397 220</b>   | <b>99.7%</b>               |
| <b>Expenses</b>                                      |                |                  |                |                 |                |                 |                 |                  |                            |
| <b>Current expenses</b>                              | <b>349 898</b> | <b>448 599</b>   | <b>356 760</b> | <b>387 996</b>  | <b>310 430</b> | <b>354 515</b>  | <b>329 676</b>  | <b>380 552</b>   | <b>116.7%</b>              |
| Compensation of employees                            | 119 229        | 128 616          | 161 063        | 145 339         | 171 534        | 163 813         | 182 169         | 193 898          | 99.6%                      |
| Goods and services                                   | 224 677        | 319 983          | 195 698        | 242 657         | 138 896        | 190 702         | 147 507         | 186 653          | 133.0%                     |
| Depreciation   | 5 992          | —                | —              | —               | —              | —               | —               | —                | —                          |
| <b>Total expenses</b>                                | <b>349 898</b> | <b>448 599</b>   | <b>356 760</b> | <b>387 996</b>  | <b>310 430</b> | <b>354 515</b>  | <b>329 676</b>  | <b>380 552</b>   | <b>116.7%</b>              |
| <b>Surplus/(Deficit)</b>                             | <b>—</b>       | <b>(134 647)</b> | <b>—</b>       | <b>(81 470)</b> | <b>(1)</b>     | <b>(29 089)</b> | <b>—</b>        | <b>16 668</b>    |                            |

## Statements of estimates of financial performance

**Table 35.85 South African Maritime Safety Authority statements of estimates of financial performance**

Statement of financial performance

|  | Revised estimate | Average growth rate (%) | Average Expenditure/Total (%) | Medium-term estimate |                |                | Average growth rate (%) | Average Expenditure/Total (%) |
|--|------------------|-------------------------|-------------------------------|----------------------|----------------|----------------|-------------------------|-------------------------------|
| R thousand   | 2016/17          | 2013/14 - 2016/17       |                               | 2017/18              | 2018/19        | 2019/20        | 2016/17 - 2019/20       |                               |
| <b>Revenue</b>                                       |                  |                         |                               |                      |                |                |                         |                               |
| <b>Non-tax revenue</b>                               | <b>389 634</b>   | <b>9.0%</b>             | <b>97.4%</b>                  | <b>395 821</b>       | <b>415 212</b> | <b>438 571</b> | <b>4.0%</b>             | <b>97.1%</b>                  |
| Sale of goods and services other than capital assets | 389 336          | 10.0%                   | 95.9%                         | 395 471              | 414 802        | 438 031        | 4.0%                    | 97.0%                         |
| of which:  |                  |                         |                               |                      |                |                |                         |                               |
| Sales by market establishment                        | 351 241          | 10.1%                   | 86.1%                         | 355 166              | 383 572        | 405 052        | 4.9%                    | 88.5%                         |
| Portnet levies                                       | 331 207          | 12.6%                   | 79.0%                         | 298 319              | 353 203        | 372 983        | 4.0%                    | 80.3%                         |
| Contributions received                               | 20 034           | -14.1%                  | 2.5%                          | 20 034               | 20 034         | 20 034         | —                       | 4.8%                          |
| Other sales  | 38 095           | 8.9%                    | 9.8%                          | 40 305               | 31 230         | 32 979         | -4.7%                   | 8.5%                          |
| Other non-tax revenue                                | 298              | -66.8%                  | 1.5%                          | 350                  | 410            | 540            | 21.9%                   | 0.1%                          |
| <b>Transfers received</b>                            | <b>7 586</b>     | <b>-16.2%</b>           | <b>2.6%</b>                   | <b>12 965</b>        | <b>13 707</b>  | <b>14 475</b>  | <b>24.0%</b>            | <b>2.9%</b>                   |
| <b>Total revenue</b>                                 | <b>397 220</b>   | <b>8.2%</b>             | <b>100.0%</b>                 | <b>408 786</b>       | <b>428 919</b> | <b>453 046</b> | <b>4.5%</b>             | <b>100.0%</b>                 |
| <b>Expenses</b>                                      |                  |                         |                               |                      |                |                |                         |                               |
| <b>Current expenses</b>                              | <b>380 552</b>   | <b>-5.3%</b>            | <b>100.0%</b>                 | <b>408 786</b>       | <b>428 919</b> | <b>453 045</b> | <b>6.0%</b>             | <b>120.0%</b>                 |
| Compensation of employees                            | 193 898          | 14.7%                   | 40.8%                         | 205 920              | 218 069        | 230 388        | 5.9%                    | 50.8%                         |
| Goods and services                                   | 186 653          | -16.4%                  | 59.2%                         | 202 867              | 210 850        | 222 657        | 6.1%                    | 49.2%                         |
| <b>Total expenses</b>                                | <b>380 552</b>   | <b>-5.3%</b>            | <b>100.0%</b>                 | <b>408 786</b>       | <b>428 919</b> | <b>453 045</b> | <b>6.0%</b>             | <b>100.0%</b>                 |
| <b>Surplus/(Deficit)</b>                             | <b>16 668</b>    | <b>(1)</b>              | <b>—</b>                      | <b>—</b>             | <b>—</b>       | <b>—</b>       | <b>-100.0%</b>          |                               |

| Number of posts estimated for 31 March 2017 |     | Number and cost <sup>1</sup> 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 (%) | Average: Salary level/Total (%) |                   |      |        |
|   |     |  |   | 2015/16   |        |      | 2016/17          |        |      | 2017/18                          |        | 2018/19 |           | 2019/20 |                         |                                 |                   |      |        |
| South African Maritime Safety Authority     |     | Number   | Cost                                      | Unit cost | Number | Cost | Unit cost        | Number | Cost | Unit cost                        | Number | Cost    | Unit cost | Number  | Cost                    | Unit cost                       | 2016/17 - 2019/20 |      |        |
| Salary level                                | 285 | 285  | 270                                       | 163.8     | 0.6    | 285  | 193.9            | 0.7    | 287  | 205.9                            | 0.7    | 287     | 218.1     | 0.8     | 287                     | 230.4                           | 0.8               | 5.9% | 100.0% |
| 1 – 6                                       | 40  | 40   | 40  | 10.8      | 0.3    | 40   | 22.7             | 0.6    | 40   | 24.0                             | 0.6    | 40      | 25.5      | 0.6     | 40                      | 26.9                            | 0.7               | 5.8% | 14.0%  |
| 7 – 10                                      | 124 | 124  | 118                                       | 47.3      | 0.4    | 124  | 52.7             | 0.4    | 126  | 56.4                             | 0.4    | 126     | 59.7      | 0.5     | 126                     | 63.1                            | 0.5               | 6.2% | 43.8%  |
| 11 – 12                                     | 88  | 88   | 79  | 59.7      | 0.8    | 88   | 69.7             | 0.8    | 88   | 73.8                             | 0.8    | 88      | 78.2      | 0.9     | 88                      | 82.6                            | 0.9               | 5.8% | 30.7%  |
| 13 – 16                                     | 31  | 31   | 31  | 40.6      | 1.3    | 31   | 43.1             | 1.4    | 31   | 45.7                             | 1.5    | 31      | 48.4      | 1.6     | 31                      | 51.1                            | 1.6               | 5.8% | 10.8%  |
| 17 – 22                                     | 2   | 2  | 2   | 5.4       | 2.7    | 2    | 5.7              | 2.8    | 2    | 6.0                              | 3.0    | 2       | 6.4       | 3.2     | 2                       | 6.7                             | 3.4               | 5.8% | 0.7%   |

1. Rand million.

## Additional tables

**Table 35.A Summary of conditional grants to provinces and municipalities<sup>1</sup>**

| R thousand  | Audited outcome   |                   |                   | Adjusted appropriation | Medium-term expenditure estimate |                   |                   |
|---|-------------------|-------------------|-------------------|------------------------|----------------------------------|-------------------|-------------------|
|   | 2013/14           | 2014/15           | 2015/16           | 2016/17                | 2017/18                          | 2018/19           | 2019/20           |
| <b>Conditional grants to provinces</b>  |                   |                   |                   |                        |                                  |                   |                   |
| <b>Road Transport</b>   |                   |                   |                   |                        |                                  |                   |                   |
| Provincial roads maintenance grant: Roads in support of electricity generation infrastructure component | 808 900           | 803 002           | 830 000           | 801 000                | 852 000                          | 894 600           | 939 330           |
| Provincial roads maintenance grant: Roads maintenance component   | 7 519 488         | 7 956 245         | 8 221 154         | 9 379 071              | 9 631 664                        | 10 431 068        | 11 242 335        |
| Provincial roads maintenance grant: Disaster relief component   | 409 387           | 602 251           | 480 590           | 298 123                | 270 000                          | 210 000           | –                 |
| <b>Public Transport</b>   |                   |                   |                   |                        |                                  |                   |                   |
| Public transport operations grant   | 4 552 521         | 4 832 709         | 4 939 448         | 5 400 292              | 5 722 871                        | 5 990 298         | 6 325 755         |
| <b>Total</b>  | <b>13 290 296</b> | <b>14 194 207</b> | <b>14 471 192</b> | <b>15 878 486</b>      | <b>16 476 535</b>                | <b>17 525 966</b> | <b>18 507 420</b> |
| <b>Conditional grants to municipalities</b>   |                   |                   |                   |                        |                                  |                   |                   |
| <b>Road Transport</b>   |                   |                   |                   |                        |                                  |                   |                   |
| Rural roads asset management systems grant  | 52 205            | 75 223            | 96 842            | 101 514                | 107 309                          | 113 533           | 119 891           |
| <b>Public Transport</b>   |                   |                   |                   |                        |                                  |                   |                   |
| Public transport network grant  | 5 549 981         | 5 870 846         | 5 953 090         | 5 592 691              | 6 159 559                        | 6 582 669         | 6 962 248         |
| <b>Total</b>  | <b>5 602 186</b>  | <b>5 946 069</b>  | <b>6 049 932</b>  | <b>5 694 205</b>       | <b>6 266 868</b>                 | <b>6 696 202</b>  | <b>7 082 139</b>  |

1. Detail provided in the Division of Revenue Act (2017).

**Table 35.B Summary of departmental public private partnership projects<sup>1</sup>**

| Project description: National fleet project        |  | Project annual unitary fee at time of contract | Budgeted expenditure | Medium-term expenditure estimate |         |     |
|--|--|--|----------------------|----------------------------------|---------|-----|
| R thousand   |  | 2016/17  | 2017/18              | 2018/19                          | 2019/20 |     |
| Projects signed in terms of Treasury Regulation 16 |  | 425  | 497                  | 557                              | 624     | 659 |
| Project monitoring cost                            |  | 425  | 497                  | 557                              | 624     | 659 |
| Total  |  | 425  | 497                  | 557                              | 624     | 659 |

1. Only payments that have received National Treasury approval.

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

|  |  |
|--|--|
| Project name   | National fleet project   |
| Brief description  | Provision of fleet management services   |
| Date public private partnership agreement was signed   | 01-Oct-16  |
| Duration of public private partnership agreement   | 5 years (extended for 2 years, expiring on 30 November 2013). The contract is being extended on a month-to-month basis |
| Variations and amendments to public private partnership agreement  | Period extension   |
| Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities |  |

Table 35.C Summary of expenditure on infrastructure

| Project name   | Service delivery outputs  | Current project stage | Total project cost | Audited outcome   |                   |                   | Adjusted appropriation 2016/17 | Medium-term expenditure estimate |                   |
|--|---|-----------------------|--------------------|-------------------|-------------------|-------------------|--------------------------------|----------------------------------|-------------------|
|  |   |                       |                    | 2013/14           | 2014/15           | 2015/16           |                                | 2017/18                          | 2018/19           |
| R thousand   |   |                       |                    |                   |                   |                   |                                |                                  | 2019/20           |
| <b>Infrastructure transfers to other spheres, agencies and departments</b>                   |   |                       |                    |                   |                   |                   |                                |                                  |                   |
| <b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b> |   |                       |                    |                   |                   |                   |                                |                                  |                   |
| South African National Roads Agency  | Development and upkeep of national road network   | Various               | –                  | 7 043 451         | 8 180 798         | 8 891 865         | 8 891 865                      | 11 112 352                       | 12 505 401        |
| Passenger Rail Agency of South Africa  | Maintenance and rehabilitation of passenger rail infrastructure   | Construction          | –                  | 7 481 110         | 11 058 959        | 11 595 379        | 11 595 379                     | 9 300 187                        | 10 675 110        |
| Public transport infrastructure grant  | Provision of public transport infrastructure and systems for municipalities                               | Various               | –                  | 4 668 676         | 4 678 032         | –                 | –                              | –                                | –                 |
| Passenger Rail Agency of South Africa: Rolling stock   | Provision of new rolling stock  | Various               | –                  | –                 | 6 047 959         | 2 560 508         | 4 170 266                      | 4 420 482                        | 4 676 870         |
| Provincial roads maintenance grant   | Maintenance of provincial road infrastructure   | Various               | –                  | 7 519 488         | 9 361 498         | 9 531 744         | 10 202 503                     | 10 753 664                       | 11 535 668        |
| Public transport network grant   | Funding for accelerated construction and improvement of public and non-motorised transport infrastructure | Various               | –                  | –                 | –                 | 5 953 090         | 5 592 691                      | 6 159 559                        | 6 582 669         |
| <b>Total</b>   |   |                       | –                  | <b>26 712 725</b> | <b>39 327 246</b> | <b>38 532 586</b> | <b>40 452 704</b>              | <b>41 746 244</b>                | <b>45 975 718</b> |
|  |   |                       |                    |                   |                   |                   |                                |                                  | <b>48 538 935</b> |



# BUDGET 2017

## ESTIMATES OF NATIONAL EXPENDITURE

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**national treasury**

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National Treasury  
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