7

Roads and transport

Introduction

This chapter reviews the current roads and transport landscape, discusses budget and expenditure trends, and presents the medium-term outlook for the sector.

Without effective transport infrastructure and services, South Africa cannot realise its economic potential

Transportation is key to sustainable economic growth in any country. Developing and maintaining transport infrastructure, and providing an effective and efficient public transport system, can create employment, improve efficiency across the economy and ensure sustainable development by reducing carbon emissions from private vehicles in congested urban spaces. In addition, roads provide citizens with access to schools, hospitals, clinics and other social amenities.

The roads and transport sector is guided by government's Outcome 6, which seeks to promote "an efficient, competitive and responsive economic infrastructure network". There are three main areas in which provincial governments play a critical role in this sector. The first is delivery and maintenance of provincial roads infrastructure. Secondly, provinces provide public transport such as commuter bus services. Thirdly, they are responsible for transport safety and traffic law enforcement. Provincial government spending in these three areas (excluding special projects such as the Gautrain) increased from R19.9 billion in 2010/11 to R25.7 billion in 2013/14 and is set to increase to R31.9 billion in 2016/17.

The overall condition of provincial roads has steadily declined despite higher spending

In each of the above areas, there are issues that need to be addressed. Firstly, despite the growth in funding there has been a steady decline in the overall condition of provincial roads. For example, in four provinces (Gauteng, KwaZulu-Natal, Limpopo and Western Cape) allocations for road infrastructure grew by an annual average of more than 14 per cent between 2010/11 and 2013/14. Nevertheless, visual condition indices and provincial road asset management plans indicate an increase in the percentages of the pre-existing road network classified as "poor" or "very poor". In response to this deterioration, government has ring-fenced funding for the maintenance and rehabilitation of provincial roads. There is more information on this below.

Secondly, urban municipalities need to focus on rapid commuter services in line with migratory patterns into their areas; at the same time, the provincial function of managing services across municipal boundaries must be maintained.

Finally, in the context of unacceptably high accident and fatality rates and of damage to roads from over-loading of large vehicles, traffic safety and law enforcement are critical.

Current landscape

Institutional arrangements

The Roads Infrastructure Strategic Framework for South Africa, approved by Cabinet in 2006, provides policy direction for planning and developing road infrastructure. The framework calls for the assessment of the road network and the functional classification of roads to provide clarity about what investment is needed. It recommends the alignment of road asset management systems across national, provincial and local government.

Provinces are responsible for about 31 per cent of South Africa's proclaimed roads, amounting to 190 686 kilometres

South Africa has an estimated 750 000 kilometres of roads, of which 618 081 kilometres are proclaimed roads. These are valued at more than R2 trillion, according to the South African National Roads Agency Limited (SANRAL). Provinces are responsible for 190 686 kilometres of these roads.

Table 7.1 Extent of provincial road networks by type and by province

Province	Paved/ surfaced roads	Gravel roads	Total kilometres	Total number of vehicles, (self-propelled) March 2014	Road densities (vehicle per kilometre)
Eastern Cape	3 608	26 391	29 999	672 835	22.4
Free State	6 613	21 887	28 500	507 938	17.8
Gauteng	3 671	1 832	5 503	3 905 214	709.7
KwaZulu-Natal	7 252	22 228	29 480	1 387 914	47.1
Limpopo	5 593	14 632	20 225	544 535	26.9
Mpumalanga	5 371	8 506	13 877	671 267	48.4
Northern Cape	3 640	22 621	26 261	219 422	8.4
North West	5 176	14 700	19 876	496 999	25.0
Western Cape	6 424	10 541	16 965	1 604 519	94.6
Total	**47 348**	**143 338**	**190 686**	**10 010 643**	**52.5**

Note: Information above excludes access and tertiary/farm roads.

Source: South African National Roads Agency Limited (SANRAL), national Department of Transport

Table 7.1 shows the extent of the provincial road network and the density levels for each province. In addition to these roads, there are an estimated 131 919 kilometres of un-proclaimed roads, mainly serving rural communities. These roads are a serious challenge as they are not recorded on any official inventory nor are they classified as the responsibility of a particular sphere of government.

At 709.7 vehicles per kilometre, Gauteng has the highest road density and the smallest road network. Since the network is expensive to maintain, the province has transferred to SANRAL some of its high volume roads such as the R21 from Tshwane Metropolitan Municipality past OR Tambo International Airport.

The National Land Transport Act outlines the institutional arrangements for public transport services:

- With the exception of the Gautrain, national government is responsible for rail transport.
- Provinces manage the budgets for inter-municipal and interprovincial commuter bus services.
- Municipalities are responsible for municipal bus and taxi services (integrated rapid transport networks).

In 2009/10, funding for bus subsidies was shifted from national government to provinces. The allocation, in the form of a *Public Transport Operations* grant, was R15.2 billion in the 2014 MTEF. Provinces are required to fund any shortfalls, or to rationalise services or transfer them to local government.

There is a total allocation of R15.2 billion for bus subsidies over the 2014 MTEF

Under the National Road Traffic Act (1996), provincial governments collect motor vehicle licence and registration fees for vehicles registered in their jurisdiction. In 2013/14, this amounted to an estimated R7.2 billion. These fees are currently the largest source of provinces' own revenue.

Condition of provincial roads

Assessing the condition of roads at the sub-national (provincial and municipal) level is hampered by the fact that data collection and management systems have not been updated for numerous roads. According to the national Department of Transport and SANRAL, there is condition data for only 82 per cent of provincial roads.

The national road condition database lacks information on 18 per cent of provincial roads

Despite the lack of comprehensive data, it is clear that the general condition of the provincial road network is cause for concern. The net worth of this network illustrates road authorities' efficiency in maintaining their roads. Information provided by SANRAL indicates that the current value of the provincial road network is an estimated R673 billion. Its condition has deteriorated over time due to a lack of life-cycle costing, poor budgeting, overloading, weak maintenance regimes and the lack of an asset management culture leading to deferred maintenance. In addition, about 80 per cent of the network is older than its original design life.

The Department of Transport estimates that, if maintenance is delayed by five years, the cost of reconstructing a road is up to 18 times higher than the cost of resealing it as part of coordinated maintenance. Vehicle operating costs increase dramatically when roads are in poor condition.

As a result, the priority in provincial road infrastructure investment has shifted from new construction towards maintaining the existing network. The *Provincial Roads Maintenance* grant was introduced in 2011/12 as a supplementary funding source for road construction and maintenance. As a condition for receiving allocations in the 2015/16 financial year, provinces are required to submit up-to-date road asset management data.

Alternative methods for financing road infrastructure

Globally, there are a number of approaches to financing road construction, maintenance and rehabilitation. One is to make on-budget provision through the general taxation system. However, this has significant limitations as competing policy priorities are funded through the same revenue stream.

In a second model, motorists pay vehicle licence fees; these are typically renewed annually. Licensing is however expensive to administer and enforce, and there can be high levels of delinquency and fraud.

A third option is to place certain roads on a *fee-for-service* basis. Many countries have adopted electronic tolling, commercially-managed roads funds or, in some cases, a combination of the two. There are risks associated with both methods, most notably in their governance arrangements. However, such systems can work successfully. Electronic tolling is a significant form of direct road financing in middle and low-income countries such as Bangladesh, India, Pakistan, Philippines, Thailand and Morocco; and is even more common in developed countries.

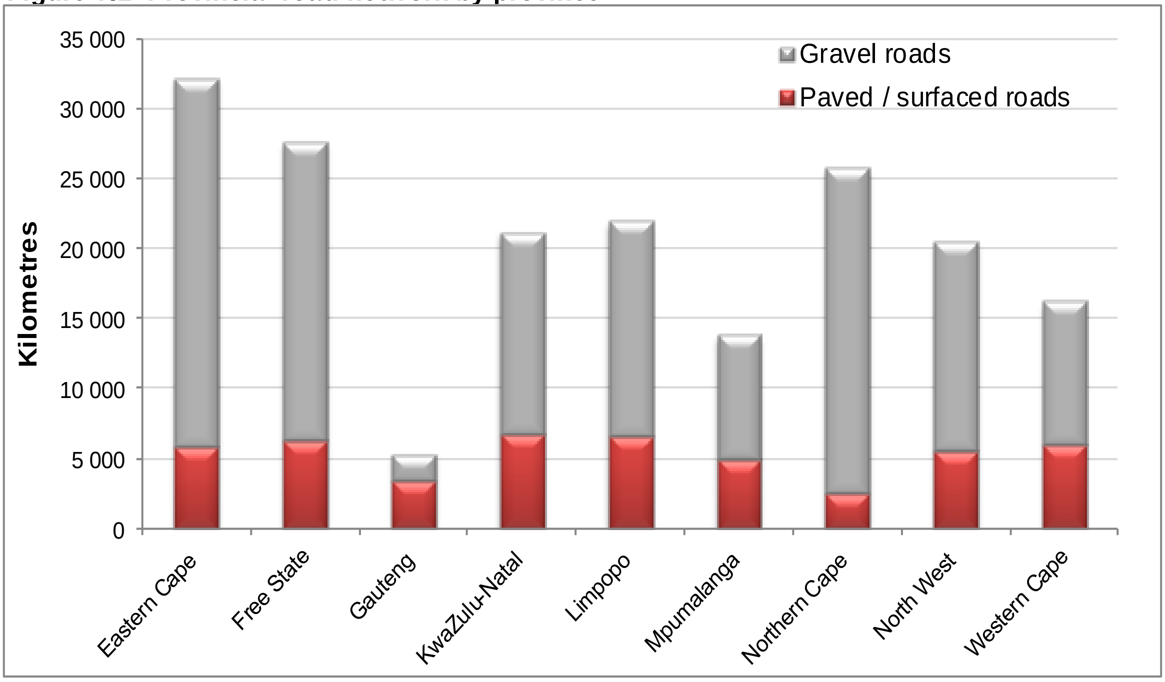
The usage of road funds has been a subject of debate for many years. Early attempts at establishing these funds in the post-World War II period (known as *first-generation road funds*) were unsuccessful, costly and in developing countries became a magnet for corruption. In recent years, several countries have established *second-generation funds*, which appear more effective. Critical to managing them effectively and sustainably is strong corporate governance, commercially-driven and non-bureaucratic operating models, and transparent mechanisms for dividing resources between the agencies responsible for the various parts of the network.

In South Africa, some road authorities and users proposed the use of the general fuel levy as one of the methods for financing road infrastructure. However, this was not implemented as ring-fencing these funds would reduce the responsiveness and flexibility of the budget process. The investment in national, provincial and local roads infrastructure is greater than the revenue raised through the general fuel levy; funds are also needed to address the backlog and maintain the existing network. A user charge/electronic tolling method was therefore adopted on some roads. This was regarded as more equitable as users pay for the benefits they receive. These include reduction in vehicle operating costs and time saved due to reduced traffic congestion.

About 75 per cent of the provincial road network consists of gravel roads

As shown in Figure 7.1 below, about 75 per cent of the country's provincial road network consists of gravel roads.

Figure 7.1 Provincial road network by province



Source: South African National Roads Agency Limited (SANRAL), national Department of Transport

Of the roads for which data is available, about 30 per cent are in poor or very poor condition and certain strategic roads are reaching the end of their useful lives. This has far-reaching economic implications, as the provincial road network is critical to growth and development. It is therefore essential that it is not allowed to deteriorate further due to under-investment in maintenance.

Budget and expenditure trends

Transport infrastructure programme

The National Department of Transport published the S'hamba Sonke ("Moving Together") document in 2011. This is the department's pro-poor strategy for roads infrastructure development and maintenance, and aims to reduce poverty, create employment and empower previously disadvantaged communities. It is currently being implemented through the *Provincial Roads Maintenance* grant. Provincial roads and transport departments prioritise projects and implement them in line with the requirements of the programme. However, inefficiencies in spending provincial road infrastructure budgets remain a concern.

One of the conditions of receiving the grant is that provinces submit road asset management plans indicating infrastructure projects to be implemented over a 10-year period. The purpose of these plans is to promote forward planning on roads infrastructure. As Table 7.2 shows, from 2010/11 to 2013/14 provinces spent approximately R66.4 billion on their road networks. In 2014/15, R20.2 billion is projected to be spent and R23.4 billion in 2016/17, an average annual increase of 8.1 per cent.

Provinces spend an average of 4.4 per cent of their annual budgets on roads infrastructure. The provinces allocating the highest proportions of their budgets to this category are KwaZulu-Natal (6.5 per cent) and Northern Cape (5.8 per cent); the lowest are Eastern Cape (3.3 per cent) and Gauteng (2.2 per cent).

Table 7.2 Provincial expenditure on roads infrastructure by province, 2010/11 – 2016/17

R million	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
		Outcome		Outcome		Medium-term estimates	
Eastern Cape	1 667	1 832	1 955	1 809	1 902	1 813	1 870
Free State	981	1 109	1 210	1 439	1 398	1 761	1 832
Gauteng	1 382	1 152	1 797	1 674	2 099	2 231	2 356
KwaZulu-Natal	4 252	4 948	5 767	5 991	6 878	7 156	7 529
Limpopo	1 514	1 573	1 832	1 037	1 222	1 652	1 922
Mpumalanga	1 215	1 771	1 627	2 049	2 197	2 330	2 387
Northern Cape	424	626	669	898	833	880	927
North West	1 044	1 049	782	1 499	1 200	1 277	1 360
Western Cape	1 791	1 934	1 995	2 097	2 441	2 950	3 196
Total	**14 269**	**15 993**	**17 634**	**18 492**	**20 170**	**22 051**	**23 378**

Percentage growth (average annual)	2010/11–2013/14	2013/14–2014/15	2013/14 – 2016/17
Eastern Cape	2.8%	5.2%	1.1%
Free State	13.6%	-2.9%	8.4%
Gauteng	6.6%	25.4%	12.1%
KwaZulu-Natal	12.1%	14.8%	7.9%
Limpopo	-11.8%	17.9%	22.8%
Mpumalanga	19.0%	7.2%	5.2%
Northern Cape	28.5%	-7.2%	1.1%
North West	12.8%	-19.9%	-3.2%
Western Cape	5.4%	16.4%	15.1%
Total	**9.0%**	**9.1%**	**8.1%**

Source: National Treasury provincial database

Northern Cape, which has the third largest road network, consistently spends below the national average on roads infrastructure

Northern Cape has the third largest road network but consistently spends below the national average on its road infrastructure. Over the medium term, the projected growth rate of the province's roads infrastructure budget remains the lowest in the country. According to data provided by SANRAL, in 2008 49.6 per cent of Northern Cape's paved roads were in good to very good condition and the remainder in fair to very poor condition. In the same period, about 33 per cent of the province's gravel roads were in good to very good condition. The province's 2013/14 road asset management plan indicated that 65 per cent of the total road network was fair to very poor.

KwaZulu-Natal has a strong focus on roads infrastructure

KwaZulu-Natal's spending and budgeting shows a strong focus on roads infrastructure. In 2013/14, this province spent more than 32 per cent of the national total on its roads infrastructure and this trend is consistent throughout the 2014 MTEF period. As table 7.2 shows, other provinces have begun to increase investment in their road infrastructure programme, most notably Gauteng, Mpumalanga and Western Cape.

Maintenance

The rate of deterioration in the condition of the provincial road network is determined largely by the level of maintenance provided. The level of maintenance required depends on the age and condition of the roads. As noted above, provincial road networks are deteriorating, with 30 per cent in poor or very poor condition. This was confirmed by the Infrastructure Report Card issued by the South African Institution of Civil Engineering

(SAICE) in 2011 which rated the provincial road network at "D minus". This signalled that the network has deteriorated significantly over time.

Table 7.3 Provincial expenditure on roads maintenance by province, 2010/11 – 2016/17

R million	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Outcome			Outcome	Medium-term estimates		
Eastern Cape	813	943	1 241	1 145	1 138	975	1 068
Free State	274	1 013	1 064	1 366	1 309	1 632	1 696
Gauteng	642	744	1 304	1 061	1 310	1 213	1 175
Kw aZulu-Natal	2 005	2 389	2 666	2 709	3 760	3 783	3 988
Limpopo	745	570	416	478	555	608	642
Mpumalanga	630	890	690	882	977	1 007	1 061
Northern Cape	179	270	234	476	383	389	409
North West	399	473	401	499	475	472	495
Western Cape	938	1 093	1 033	1 073	1 082	1 392	1 507
Total	**6 624**	**8 386**	**9 050**	**9 690**	**10 987**	**11 472**	**12 042**

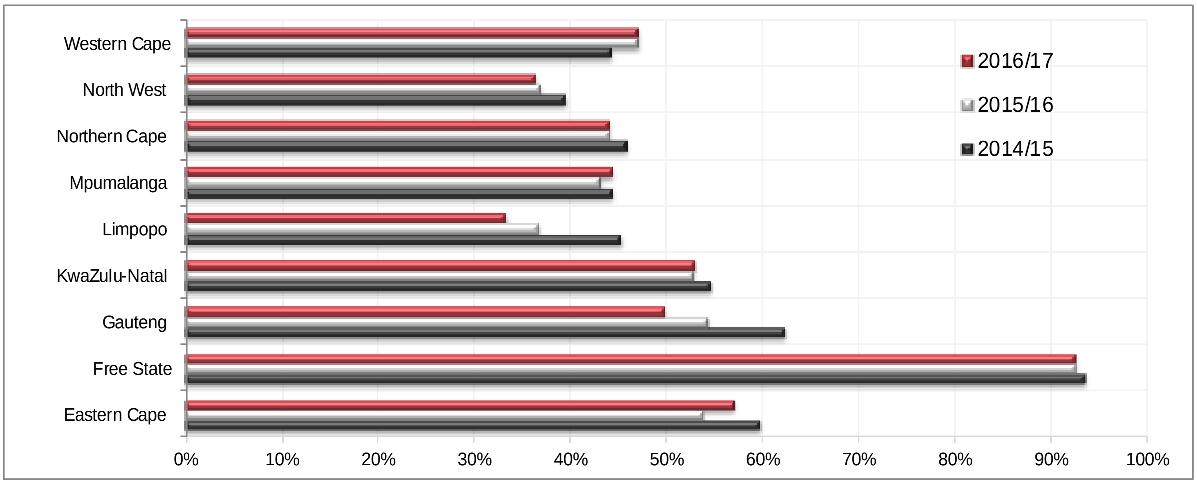
Percentage growth (average annual)	2010/11–2013/14	2013/14–2014/15	2013/14 – 2016/17
Eastern Cape	12.1%	-0.7%	-2.3%
Free State	70.8%	-4.2%	7.5%
Gauteng	18.3%	23.4%	3.5%
Kw aZulu-Natal	10.6%	38.8%	13.8%
Limpopo	-13.7%	16.1%	10.3%
Mpumalanga	11.9%	10.8%	6.4%
Northern Cape	38.6%	-19.5%	-4.9%
North West	7.7%	-4.8%	-0.3%
Western Cape	4.6%	0.8%	12.0%
Total	**13.5%**	**13.4%**	**7.5%**

Source: National Treasury provincial database

With some exceptions, provinces' budgeting for maintenance is erratic, with budget growth rates fluctuating significantly from year to year. Table 7.3 clearly illustrates this. KwaZulu-Natal and, more recently, Mpumalanga and Western Cape are the only provinces whose budgets reflect future spending that is consistent with the current levels.

Maintenance budgets over the medium term are erratic

Figure 7.2 Cost of provincial roads maintenance as percentage of roads infrastructure spending, 2014/15 – 2016/17



Source: National Treasury provincial database

Provinces plan to spend R34.5 billion on roads maintenance over the 2014 MTEF period. However, as Figure 7.2 shows, the roads maintenance budget as a percentage of the total roads infrastructure budget varies considerably across provinces. Given the differences in terrain and topography, it is difficult to define an acceptable level of expenditure on maintenance. Moreover, the required investment depends on the age and condition of the roads in question. Nevertheless, the Department of Transport and SANRAL estimate that about R17.6 billion is needed annually over five years to address the provincial roads maintenance backlog. However, given the consistent history of under spending on roads infrastructure, the provinces' capacity to plan the spending of the available funds remains a concern as planning and managing the multi-year commitments for road maintenance must be undertaken carefully and systematically.

Over R29 billion is available through the Provincial Roads Maintenance grant over the 2014 MTEF

The *Provincial Roads Maintenance* grant makes more than R29 billion available to provinces over the 2014 MTEF period. Since its establishment in 2011/12, the grant has also provided R2 billion to Mpumalanga and R80.3 million to Gauteng for repairing roads damaged by heavy-duty coal haulage vehicles. The 2014/15 allocation includes funding for road networks supporting electricity generation infrastructure; R740 million to Mpumalanga for coal haulage-related work; and R63 million to KwaZulu-Natal for roads supporting the Avon Peaking Power Plant.

The grant framework requires road asset management systems to be used as the primary source of information when selecting projects

From 2015/16, this grant will be based on performance using vehicle operating costs and remaining asset lifespan as indicators to inform future grant allocations. In addition, the grant requires provinces to follow planning best practices and to use and regularly update road asset management systems. These systems must be used as the primary source of information when selecting projects. Allocations are currently based on the extent of the provincial road network, condition of the roads, traffic volumes, and the climatic and topographical factors affecting the network. These factors influence the cost of maintaining each province's road networks.

Traffic volumes

Traffic volumes are a major determinant of pressure on a road network and must guide budgeting decisions. This criterion also influences how the *Provincial Roads Maintenance* grant is allocated to provinces.

Table 7.4 Number of vehicles on South African roads by province, March 2014

Province	Light vehicles	Heavy vehicles	Other	Total as at 31 March 2014	Total as at 31 March 2013	Number of additional vehicles	Year on year growth	Road density (vehicles per kilometre)
Eastern Cape	636 093	22 218	14 524	672 835	656 489	16 346	2.5%	22.4
Free State	449 537	20 823	37 578	507 938	496 890	11 048	2.2%	17.8
Gauteng	3 735 800	133 624	35 790	3 905 214	3 758 053	147 161	3.9%	709.7
KwaZulu-Natal	1 306 198	49 868	31 848	1 387 914	1 340 585	47 329	3.5%	47.1
Limpopo	506 650	22 523	15 362	544 535	515 802	28 733	5.6%	26.9
Mpumalanga	606 774	38 120	26 373	671 267	635 924	35 343	5.6%	48.4
Northern Cape	201 448	9 581	8 393	219 422	210 786	8 636	4.1%	8.4
North West	455 502	17 995	23 502	496 999	481 325	15 674	3.3%	25.0
Western Cape	1 531 551	38 154	34 814	1 604 519	1 553 449	51 070	3.3%	94.6
Total	**9 429 553**	**352 906**	**228 184**	**10 010 643**	**9 649 303**	**361 340**	**3.7%**	**52.5**

Note: Only includes self-propelled vehicles.

Source: National Traffic Information System

Between 2012/13 and 2013/14, the number of vehicles in South Africa grew from 9.6 million to 10.0 million, an annual increase of 3.7 per cent. About 40 per cent of this growth was in Gauteng.

Job creation

Government is investing in roads infrastructure to stimulate economic growth and development, create jobs, and address economic disparities. This investment has the potential to create a large number of jobs in building new infrastructure, operating new facilities, and expanding maintenance and manufacturing components for infrastructure programmes. Road construction and maintenance programmes are also well-suited to labour-intensive job creation.

Public investment in road construction, maintenance and related activities can create a large number of jobs

The Department of Public Works uses "full-time equivalents" as a unit to measure sustainable employment, and provincial road and transport departments were assigned a target of 9 full-time equivalent jobs per R1 million spent on infrastructure. Using this measure, and based on the 2013/14 minimum wage level of about R70 per day for the expanded public works programme, the provincial budgets for road infrastructure in the current MTEF period have the potential to create 590 391 full-time equivalent jobs by March 2017. Programmes that create jobs in the roads and transport sector are discussed in Chapter 8 as public works departments are the custodians of the expanded public works programme in provinces.

Management of revenue from motor vehicle licences

Motor vehicle licence fees are the largest single source of provincial own revenue, and include fees for registering new and used vehicles and for annual renewal of existing motor vehicle licences. Licence fees are based on the weight of vehicles, as this affects their impact on roads.

Table 7.5 Provincial motor vehicle licence revenue by province, 2010/11 – 2016/17

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R million		Outcome		Outcome		Medium-term estimates	
Eastern Cape	332	347	369	411	459	473	518
Free State	301	369	400	447	462	487	513
Gauteng	1 706	2 228	2 402	2 645	2 744	2 952	3 109
KwaZulu-Natal	1 084	1 232	1 319	1 396	1 420	1 510	1 570
Limpopo	183	229	237	264	307	324	341
Mpumalanga	239	239	309	416	389	409	431
Northern Cape	116	124	132	136	154	161	173
North West	197	231	356	368	372	398	418
Western Cape	902	956	1 008	1 095	1 041	1 078	1 134
Total	**5 058**	**5 953**	**6 530**	**7 177**	**7 349**	**7 792**	**8 207**

Percentage growth (average annual)	2010/11–2013/14	2013/14–2014/15	2013/14 – 2016/17
Eastern Cape	7.4%	11.9%	8.1%
Free State	14.1%	3.4%	4.7%
Gauteng	15.7%	3.7%	5.5%
KwaZulu-Natal	8.8%	1.7%	4.0%
Limpopo	13.1%	16.2%	8.9%
Mpumalanga	20.3%	-6.3%	1.2%
Northern Cape	5.3%	13.9%	8.4%
North West	23.2%	1.2%	4.4%
Western Cape	6.7%	-5.0%	1.2%
Total	**12.4%**	**2.4%**	**4.6%**

Source: National Treasury provincial database

Impact of fee levels

Fees must be competitive and carefully considered or a province will lose revenue

The National Road Traffic Act gives provinces the authority to determine vehicle registration fees in their jurisdictions. In addition, Treasury Regulation 7.3.1 requires accounting officers to review, at least annually when finalising the budget, all fees, charges or rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The effect of this authority is mitigated by the fact that vehicle owners and licence holders are not obliged to register a motor vehicle in the area in which they live. Fleet owners can register their vehicles in different provinces to reduce their costs. Fees must therefore be competitive and carefully considered, or a province will lose revenue.

More than 1.3 million new vehicles were added to South Africa's roads between January 2012 and December 2013, with 590 657 registered in Gauteng. The overall number of new vehicles was only 1.1 per cent more than the previous year; however, Gauteng reported a year-on-year increase of 4.8 per cent. While there are many reasons why new vehicle registrations may decline, Gauteng's numbers suggest that owners saw an advantage in registering their vehicles in the province.

Table 7.6 Number of new vehicles registered by province, 2012 – 2013

	As at 31 December 2013				As at 31 December 2012			
Province	Light vehicles	Heavy vehicles	Other	Total	Light vehicles	Heavy vehicles	Other	Total
Eastern Cape	38 363	1 362	874	40 599	40 475	1 303	874	42 652
Free State	21 380	1 223	1 452	24 055	23 022	1 259	1 668	25 949
Gauteng	290 233	9 819	2 183	302 235	277 305	9 024	2 093	288 422
KwaZulu-Natal	92 814	3 618	1 836	98 268	92 715	3 463	1 859	98 037
Limpopo	26 298	1 007	893	28 198	27 293	1 043	843	29 179
Mpumalanga	34 516	2 402	1 261	38 179	34 719	2 099	1 093	37 911
Northern Cape	9 203	456	517	10 176	10 743	420	559	11 722
North West	21 434	1 121	882	23 437	22 186	723	1 038	23 947
Western Cape	77 651	2 062	1 510	81 223	78 426	2 070	1 202	81 698
Total	**611 892**	**23 070**	**11 408**	**646 370**	**606 884**	**21 404**	**11 229**	**639 517**
Percentage year on year change								
Eastern Cape	-5.2%	4.5%	0.0%	-4.8%				
Free State	-7.1%	-2.9%	-12.9%	-7.3%				
Gauteng	4.7%	8.8%	4.3%	4.8%				
KwaZulu-Natal	0.1%	4.5%	-1.2%	0.2%				
Limpopo	-3.6%	-3.5%	5.9%	-3.4%				
Mpumalanga	-0.6%	14.4%	15.4%	0.7%				
Northern Cape	-14.3%	8.6%	-7.5%	-13.2%				
North West	-3.4%	55.0%	-15.0%	-2.1%				
Western Cape	-1.0%	-0.4%	25.6%	-0.6%				
Total	**0.8%**	**7.8%**	**1.6%**	**1.1%**				

Source: South African National Roads Agency Limited (SANRAL), National Traffic Information System

Containing the cost of collecting motor vehicle licence fees

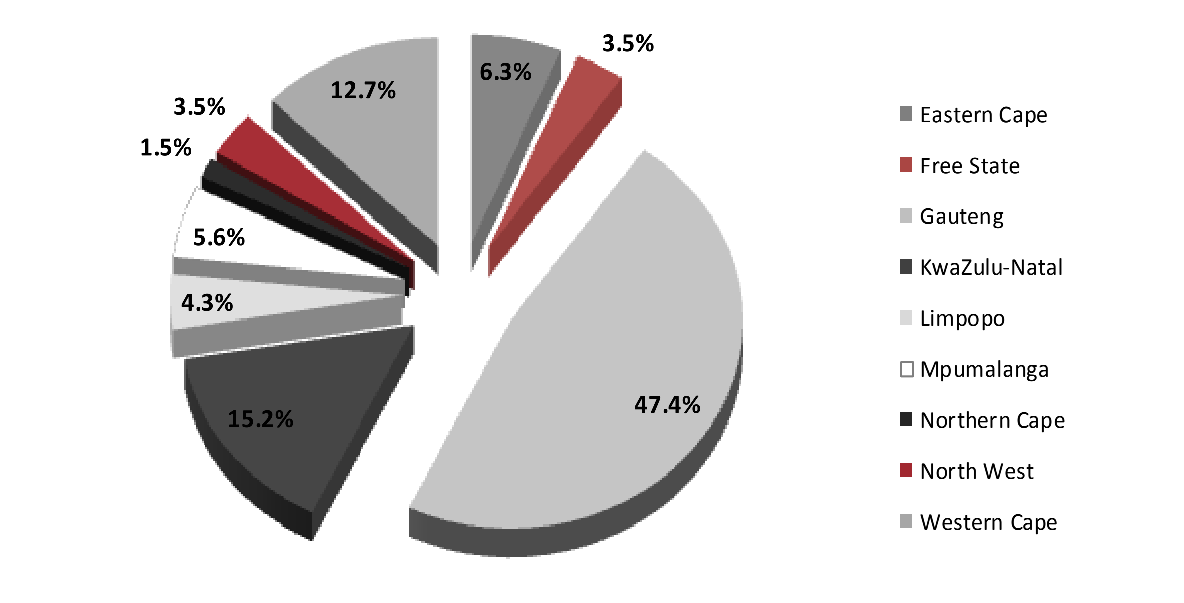
Provinces need to contain the costs of licensing fee collection

Provinces need to contain the costs of collecting motor vehicle licence fees and, to ensure effective collection and avoid additional infrastructure costs, routinely use other state agents to collect licence renewal fees. The most common agents are municipalities, which charge provinces an agency fee for this service. However, as these fees are relatively high, a number of provinces are increasingly using the South African Post Office to collect licence renewal fees.

Province's percentage shares of new motor vehicle registrations

Figure 7.3 shows that Gauteng accounted for 47.4 per cent of the 646 370 new motor vehicles registered in South Africa in 2013.

Figure 7.3 Percentage share of new vehicles registered by province, 2013



Source: South African National Roads Agency Limited (SANRAL), National Traffic Information System

Public transport

The National Land Transport Act (2009) and the Public Transport Strategy are the guiding documents for public transport in South Africa. The Passenger Rail Agency of South Africa, the state-owned rail company, operates commuter rail services and is currently embarking on a R53 billion fleet renewal programme to upgrade ageing infrastructure and the unsafe commuter fleet.

The transfer of the public transport contracting and regulating functions to metropolitan cities will see the Public Transport Operations grant devolved to cities

Provinces are responsible for regulating cross-boundary provincial public transport services (such as commuter bus operations), while municipalities manage the day-to-day operation of services within their jurisdictions. The transfer to metropolitan cities of the public transport contracting and regulating functions will see the *Public Transport Operations* grant devolved to cities. These institutional arrangements are in terms of the National Land Transport Act.

The national Department of Transport is currently finalising the National Learner Transport Policy as part of integrating scholar transport into the mainstream public transport strategy. This will promote the integration of services and ensure best use of buses and subsidies.

Table 7.7 Provincial expenditure on public transport services by province, 2010/11 – 2016/17

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R million		**Outcome**		**Outcome**		**Medium-term estimates**	
Eastern Cape	588	476	708	817	800	821	863
Free State	190	192	218	227	225	239	252
Gauteng	1 452	2 013	1 805	1 842	2 115	2 236	2 373
KwaZulu-Natal	750	800	902	1 046	1 095	1 199	1 263
Limpopo	544	518	590	605	643	660	695
Mpumalanga	769	802	927	951	994	1 046	1 111
Northern Cape	117	123	141	154	160	166	166
North West	551	684	669	669	760	801	840
Western Cape	651	716	739	808	852	891	932
Total	**5 611**	**6 324**	**6 698**	**7 119**	**7 644**	**8 058**	**8 496**
Percentage growth (average annual)		**2010/11–2013/14**		**2013/14–2014/15**		**2013/14 – 2016/17**	
Eastern Cape		11.6%		-2.1%		1.8%	
Free State		6.1%		-0.6%		3.6%	
Gauteng		8.3%		14.8%		8.8%	
KwaZulu-Natal		11.7%		4.8%		6.5%	
Limpopo		3.6%		6.3%		4.7%	
Mpumalanga		7.4%		4.4%		5.3%	
Northern Cape		9.6%		3.9%		2.6%	
North West		6.7%		13.6%		7.9%	
Western Cape		7.5%		5.4%		4.9%	
Total		**8.3%**		**7.4%**		**6.1%**	

Note: Information above refers to land-based public transport services.

Source: National Treasury provincial database

Bus services

Municipal bus services are paid for by commuters and rate payers. Metropolitan municipalities which provide a bus rapid transit system (BRT) use their reserves and transfers from the public transport network operations grant to subsidise these services. In addition, there are bus services managed by provinces that operate across municipal boundaries. The costs of provincial services are partly subsidised by national government.

Government's long-term goal is for municipalities, and particularly the metropolitan municipalities, to fully manage the contracting and regulatory functions within their jurisdictions through integrated rapid public transport networks. Once this happens, funds flowing from the *Public Transport Operations* grant will be transferred directly to the assigned municipalities.

Contracting authorities must supervise, monitor and verify the correctness of the operators' claims

Before 2009/10, bus subsidies were paid by national government. These funds are now part of the *Public Transport Operations* conditional grant, and provinces are currently taking direct responsibility for paying and budgeting for bus subsidies. Over the 2014 MTEF, R15.2 billion is made available through this grant which forms part of the budgets shown in Table 7.7. One of the conditions of the grant is that contracting authorities must supervise, monitor and verify the correctness of operators' claims in terms of the kilometres of services provided, and provide a summary report to the national department. In the past, the subsidy was ticket-based.

At local government level, the *Public Transport Infrastructure* grant and *Public Transport Network Operations* grant provide partial or supplementary funding for overall government spending on public transport. About R15.2 billion and R3.3 billion, respectively, are made available through these grants over the 2014 MTEF.

Traffic management and safety

Provinces regulate public transport, provide safety education, and collaborate with law enforcement

Provinces provide traffic safety services through their departments responsible for roads and transport or, in Gauteng, Mpumalanga and North West, through community safety departments. There are two broad aspects to safety management:

- Provinces have to regulate public transport services (including ensuring that buses are in a safe and roadworthy condition) and provide safety education services.
- In cooperation with the South African Police Service and metropolitan police departments, provinces are also responsible for traffic law enforcement, including monitoring road behaviour, operating traffic control centres, setting up roadblocks, and issuing licences for transporting abnormal or hazardous loads.

Table 7.8 Provincial expenditure on traffic safety and law enforcement by province, 2010/11 – 2016/17

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
R million		**Outcome**		**Outcome**		**Medium-term estimates**	
Eastern Cape	235	268	278	266	308	301	317
Free State	256	239	288	301	322	323	338
Gauteng	244	223	181	222	318	269	261
KwaZulu-Natal	518	559	566	621	700	761	801
Limpopo	395	351	337	379	450	505	571
Mpumalanga	279	288	325	316	436	460	388
Northern Cape	67	69	67	70	75	83	88
North West	213	207	336	365	375	386	407
Western Cape	405	426	478	515	550	582	607
Total	**2 612**	**2 630**	**2 856**	**3 057**	**3 534**	**3 669**	**3 778**
Percentage growth (average annual)		**2010/11–2013/14**		**2013/14–2014/15**		**2013/14 – 2016/17**	
Eastern Cape		4.3%		15.8%		5.9%	
Free State		5.5%		7.1%		3.9%	
Gauteng		-3.1%		43.3%		5.5%	
KwaZulu-Natal		6.3%		12.6%		8.8%	
Limpopo		-1.3%		18.5%		14.6%	
Mpumalanga		4.2%		38.1%		7.1%	
Northern Cape		1.8%		6.8%		7.7%	
North West		19.6%		2.6%		3.7%	
Western Cape		8.3%		6.8%		5.6%	
Total		**5.4%**		**15.6%**		**7.3%**	

Source: National Treasury provincial database

Between 2010/11 and 2013/14, provincial expenditure on traffic safety and law enforcement rose at an average annual rate of 5.4 per cent. Over the

2014 MTEF, this expenditure is projected to grow at an average annual rate of 7.3 per cent.

South Africa has very high road accident and fatality rates. According to the World Health Organisation's 2013 Global Status Report on Road Safety, the vehicle accident mortality rate in its 182 member countries (including South Africa) was about 15.9 deaths per 100 000 people. In the same year, South Africa's mortality rate was 31.9 deaths per 100 000 people, almost twice the world average.

Human factors such as driver error, high speeds, alcohol consumption by motorists and pedestrians and driver fatigue are responsible for more than 80 per cent of fatal crashes. Countries with dense traffic such as France, Italy and the United Kingdom have lower road death rates compared to South Africa. There are lessons that can be learned from such countries on how to improve road safety.

The latest road safety initiatives aim to change the behaviour of road users

The latest road safety initiatives in South Africa aim to change the behaviour of road users. After considerable delay, a number of provisions of the Administrative Adjudication of Road Traffic Offences Act (1998) are being implemented. These include establishing the Road Traffic Infringement Agency, which provides administrative support for fines and court summonses issued. The Road Traffic Management Corporation is also increasing education and enforcement initiatives. These will include vehicle inspections on major routes and taking punitive measures in the form of a licence de-merit system for repeat traffic offenders.

Medium-term outlook

There is a strong focus on road maintenance and repair over the medium term

Provincial budgets over the medium term show a strong focus on maintaining and repairing roads, integrating public transport networks, more rigorously enforcing traffic laws and managing assets.

The *Provincial Roads Maintenance* grant continues to support increased road maintenance while contributing to job creation. The grant also provides for enhanced data collection to update the road asset management system and thus provide a more complete picture of the state of the provincial road network.

Government will take additional steps to implement the National Land Transport Act, working towards metropolitan management of most public transport systems to provide integrated public transport services.

Provinces need to support national efforts to change the behaviour of road users through more coherent planning and budgeting, as well as better collaboration with national and local government and with the wider community.

Conclusion

The quality of the country's road network and the need for reliable public transport are at the centre of government's attention

The quality of the country's road network, and the need for an effective and reliable public transportation system, are now receiving greater attention by provinces. Efficient provision of public transport services should progressively discourage private car ridership and encourage the use of public transport.

Municipal authorities, especially in metropolitan areas, are the most logical and potentially effective entities to operate public transportation. The focus over the medium term is to implement the local government mandate outlined in the National Land Transport Act. Provincial governments and national government need to work together to give effect to policy and to put transportation services and systems into operation in an integrated and efficient way.

Provincial roads and transport departments must inculcate a culture of asset management. While some information is already available, the development of reliable provincial road asset management systems will create a better understanding of provinces' transport infrastructure investment needs, and will enable better planning, prioritisation and budget-making.