



DEPARTMENT OF TRANSPORT

Annual
Report
2011/12



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



DEPARTMENT OF TRANSPORT

Annual Report 2011/2012

Mr. Dikobe Ben Martins, MP
Minister of Transport

I have the honour of submitting the Annual Report of the Department of Transport for the period 1 April 2011 to 31 March 2012.

Mr. George Mahlalela
11 August 2012

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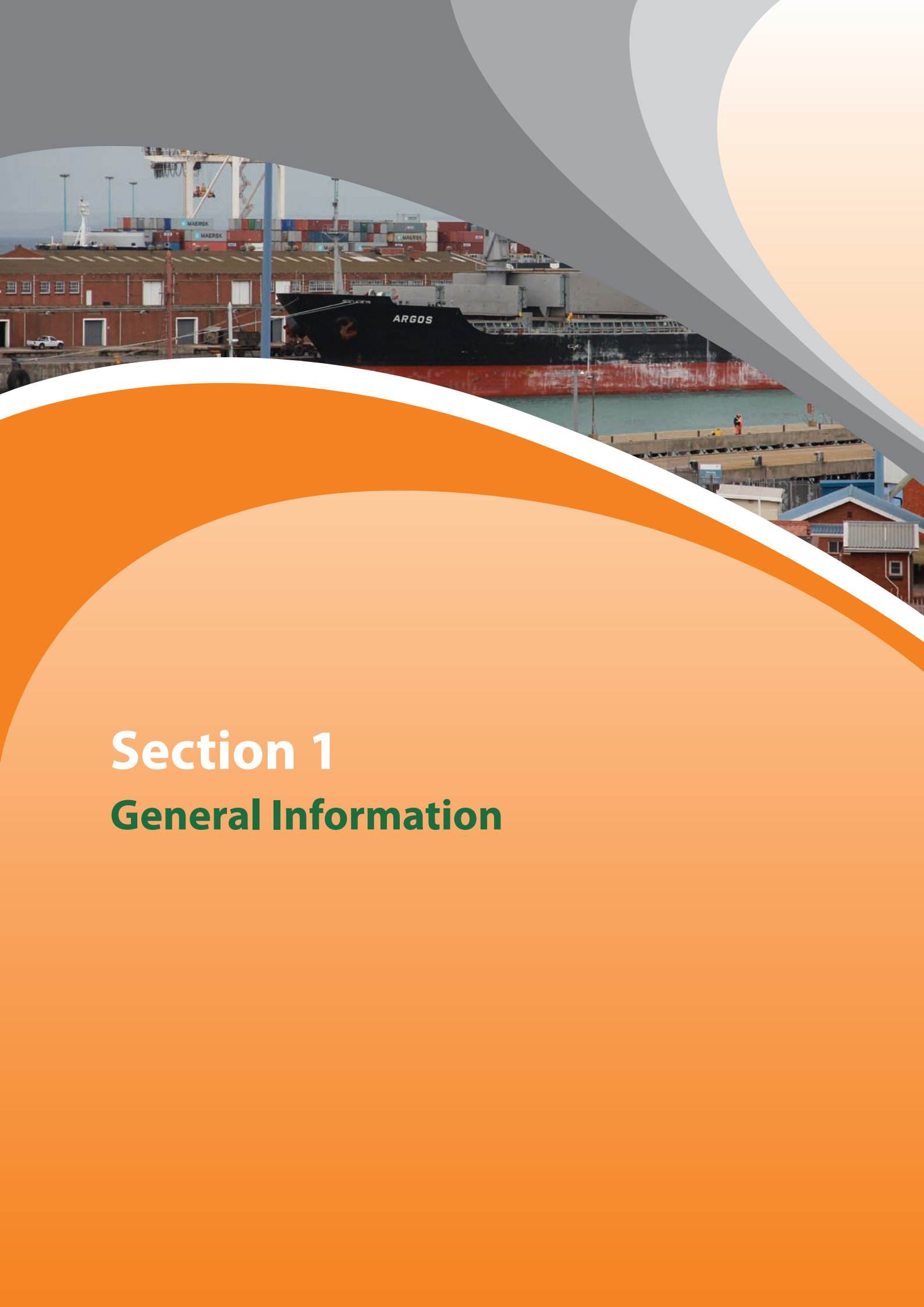
DEPARTMENT OF TRANSPORT

VOTE 37
ANNUAL REPORT

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Section 1

General Information

1. GENERAL INFORMATION

Vision, Mission and Values

Vision

"Transport, the Heartbeat of Economic Growth and Social Development!"

Mission

Lead the development of efficient integrated transport systems by creating a framework of sustainable policies and regulators and implementable models to support government strategies for economic, social and international development.

Values

The core values of the Department are:

- ❖ Maintain fairness and equity in all our operations;
- ❖ Strive for quality and affordable transport for all;
- ❖ Stimulate innovation in the transport sector;
- ❖ Ensure transparency, accountability and monitoring of all operations; and
- ❖ Ensure sustainability, financial affordability, accessibility as well as the upholding of the *Batho Pele* Principles.

Mandate

To maximize the contribution of transport to the economic and social development goals of our country by providing fully integrated transport operations and infrastructure.

The main roles of the Department of Transport (DoT) and its public entities in relation to the transport sector are:

- ❖ Policy and strategy formulation in all functional areas;
- ❖ Substantive regulation in functional areas where DoT has legislative competence;
- ❖ Implementation in functional areas where DoT has legislative competence;
- ❖ Leadership, coordination and liaison in all functional areas;
- ❖ Capacity building in all functional areas;
- ❖ Monitoring and evaluation and oversight in all functional areas; and
- ❖ Stimulate investment and development across all modes.

Outcomes

In order to implement the strategic objectives of the department, the following six (6) outcomes were identified:

1. An efficient and integrated transport infrastructure network for social and economic development;
2. A transport sector that is safe and secure;
3. Improved rural access, infrastructure and mobility;
4. Improved rural transport systems;
5. Increased contribution to job creation; and
6. Increased contribution of transport to environmental sustainability.

Legislative Mandate

Land Transport Legislation

The National Land Transport (2009) clarifies the concurrent roles and responsibilities of the different spheres of Government in relation to public transport. It also consolidates public transport planning, service delivery, regulation

and monitoring in the municipal sphere, establishes the national and provincial public transport regulators and enhances overall transport regulatory functions. The regulations required by the act to support the transformation of public transport management were published in December 2009. The legislation and regulatory framework will support the implementation of the 2007 public transport strategy.

Passenger rail system

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

Road traffic management and regulations

The National Road Traffic Amendment Act (2008) and the Cross Border Transport Amendment Act (2008) allow for better road traffic enforcement and improved cross border regulation. The pilot project for the implementation of the Administrative Adjudication of Road Traffic Offences Act (1998), a demerit point system for traffic offences, has been rolled out in the municipal areas of Tshwane and Johannesburg. Over the MTEF period, the system will be extended to all municipal areas following the establishment of the Road Traffic Infringement Agency, expected in 2010/11 as required by legislation, which will administer the system.

Civil Aviation

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

Policy developments and legislative changes for the financial year

Road Accident Fund

The Road Accident Fund Amendment Act (2006) came into effect in August 2008 with the publication of regulations guiding, primarily, the assessment of injuries. The act creates an equitable, affordable and sustainable system for victims of road accidents and their families. In November 2009, Cabinet approved the policy to provide benefits to road accident victims as a form of social security and to move away from the current fault based systems.

Road Accident Fund: No-Fault Policy

The draft no-fault policy for the proposed Road Accident Benefit Scheme (RABS) was finalised. The RABS will form part of the Comprehensive Social Security System (CSSS) and aims to provide a more sustainable, affordable, equitable and reasonable scheme. It aims to further eliminate disparities with regard to access to treatment and compensation.

Laws administered by the Department of Transport

AVIATION

1. Carriage by Air Act, 1946 (Act 47 of 1946)
2. Aviation Act, 1962 (Act 74 of 1962)
3. Air Services Licensing Act, 1990 (Act 115 of 1990)
4. Airports Company Act, 1993 (Act 44 of 1993)
5. Air Traffic and Navigation Services Company Act, 1993 (Act 45 of 1993)
6. Convention on the International Recognition of Rights in Aircraft Act, 1993 (Act 53 of 1993)
7. International Air Services Act, 1993 (Act 60 of 1993)
8. South African Civil Aviation Authority Levies Act, 1998 (Act 41 of 1998)
9. South African Airways Unallocatable Debt Act, 2000 (Act 7 of 2000)
10. South African Maritime and Aeronautical Search and Rescue Act, 2002 (Act 44 of 2002)
11. Convention on International Interests in Mobile Equipment Act, 2007 (Act 4 of 2007)
12. Civil Aviation Act, 2009 (Act 13 of 2009)

MOTOR VEHICLES

13. Road Transportation Act, 1977 (Act 74 of 1977)
14. Urban Transport Act, 1977 (Act 78 of 1977)
15. Road Traffic Act, 1989 (Act 29 of 1989)
16. Financial Supervision of the Road Accident Fund Act, 1993 (Act 8 of 1993)
17. Road Accident Fund Act, 1996 (Act 56 of 1996)
18. National Road Traffic Act, 1996 (Act 93 of 1996)
19. Cross Border Road Transport Act, 1998 (Act 4 of 1998)
20. Transport Appeal Tribunal Act, 1998 (Act 39 of 1998)
21. National Land Transport Interim Arrangements Act, 1998 (Act 45 of 1998)
22. Administrative Adjudication of Road Traffic Offences Act, 1998 (Act 46 of 1998)
23. Road Traffic Laws Rationalisation Act, 1998 (Act 47 of 1998)
24. Road Accident Fund Commission Act, 1998 (Act 71 of 1998)
25. Road Traffic Management Corporation Act, 1999 (Act 20 of 1999)
26. National Land Transport Transition Act, 2000 (Act 22 of 2000)
27. National Land Transport Act, 2009 (Act 05 of 2009)

RAILWAYS AND HARBOURS

28. Railway Purchase Act, 1971 (Act 25 of 1971)
29. Railway and Harbours Purchase Act, 1977 (Act 47 of 1977)
30. Railway Construction Act, 1985 (Act 75 of 1985)
31. Second Railway Construction Act, 1985 (Act 94 of 1985)
32. South African Transport Services Conditions and Service Act, 1988 (Act 41 of 1998)
33. Legal Succession to the South African Transport Services Act, 1989 (Act 9 of 1989)
34. National Railway Safety Regulator Act, 2002 (Act 16 of 2002)
35. National Ports Act, 2005 (Act 12 of 2005)

ROADS

36. Advertising on Roads and Ribbon Development Act, 1940 (Act 21 of 1940)
37. National Roads Act, 1972 (Act 54 of 1971)
38. National Road Safety Act, 1972 (Act 9 of 1972)
39. South African Roads Board Act, 1988 (Act 74 of 1988)
40. Transport Deregulation Act, 1988 (Act 80 of 1988)
41. South African National Roads Agency Limited and National Roads, 1998 (Act 07 of 1998)

SHIPPING

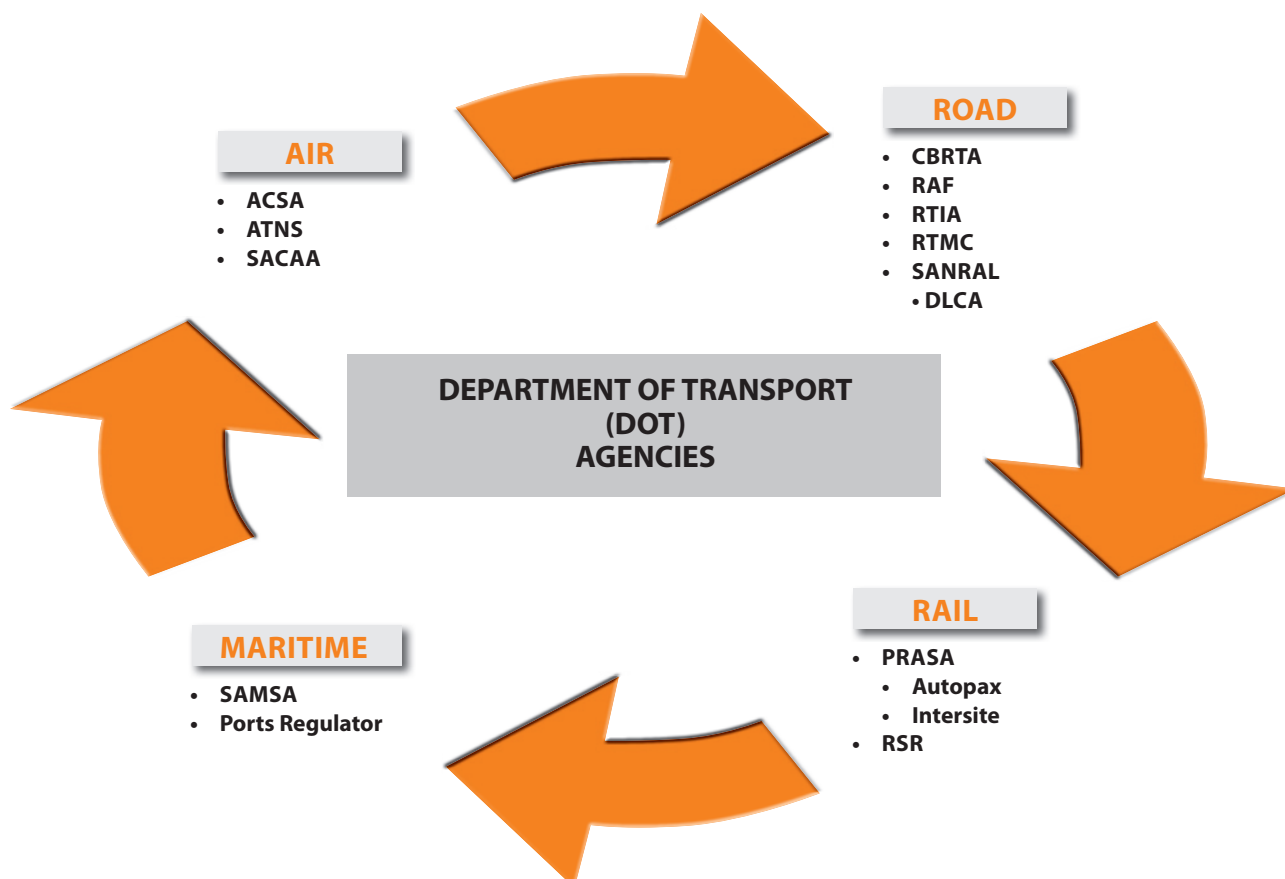
42. Merchant Shipping Act, 1951 (Act 57 of 1951)
43. Marine Traffic Act, 1981 (Act 2 of 1981)
44. Carriage of Goods by Sea Act, 1986 (Act 1 of 1986)
45. Marine Pollution (Prevention of Pollution from Ships), 1986 (Act 2 of 1986)
46. Shipping and Civil Aviation Laws Rationalisation Act, 1994 (Act 28 of 1994)
47. Wreck and Salvage Act, 1996 (Act 94 of 1996)
48. South African Maritime Safety Act, 1998 (Act 5 of 1998)
49. South African Maritime Safety Authority Levies Act, 1998 (Act 6 of 1998)
50. Ship Registration Act, 1998 (Act 58 of 1998)
51. Sea Transport Documents Act, 2000 (Act 65 of 2000)

Entities Reporting to the Minister of Transport

The Department of Transport has oversight responsibility of twelve (12) Public Entities to deliver on its mandate, as implementing Agencies.

The following entities report to the Minister of Transport:

TRANSPORT PORTFOLIO



1. **Airports Company South Africa (ACSA)** Limited was established in 1993 as a public company under the Companies Act of 1973, as amended, and the Airports Company Act of 1993, as amended, and listed as a major public entity in terms of Schedule 2 of the Public Finance Management Act (PFMA). ACSA is majority owned i.e. 70% by the South African Government through the Department of Transport (DoT), the Public Investment Corporation (PIC) owns 20%, whilst black economic empowerment shareholders and employees hold the remainder. The company is legally and financially autonomous and operates under commercial law.

Nature of business: ACSA has to ensure airport capacity, and to facilitate the movement of passenger and goods, that involves management of transport costs and infrastructure to contribute to Growth and development programmes.

2. **Air Traffic and Navigation Services (ATNS)** is established in terms of the Air Traffic and Navigation Air Services Company Act, 1993 (Act No. 45 of 1993), and listed in Schedule 2 of the PFMA.

Nature of business: Section 4 of the ATNS Company Act mandates ATNS to provide safe, efficient and cost effective Air Traffic Management solutions and associated services on behalf of the State in accordance with International Civil Aviation Organisation (ICAO) Standards and Recommended Practices and the South African Civil Aviation Regulations and Technical Standards.

As a commercial business, ATNS relies on current revenues and debt funding for its operational and capital expenditure requirements. The Company is particularly dependent on Air Traffic Management Solutions and Associated Services revenues from its core business in South Africa. These revenues are regulated by the Regulating Committee.

3. **Cross Border Road Transport Agency (C-BRTA):** The strategic intent is clearly stipulated in the Cross Border Road Transport Agency Act, 1998 (Act No. 4 of 1998) as amended, and listed as schedule 3B of the PFMA.

Nature of business: The C-BRTA is mandated through the SADC Protocol to take up the role of championing regional integration that is, creating public value by facilitating the unimpeded flow of cross border freight and passenger by road in order to promote trade and economic development with the SADC regions.

4. **Passenger Rail Agency of South Africa (PRASA)** as an arm of the National Department of Transport, the Shareholder, its primary focus is on the mandate as contained in the Legal Succession to the South African Transport Services ("SATS") Act, 1989 (Act No. 9 of 1989) as amended in November 2008, is listed as schedule 3B in the PFMA.

Nature of business: PRASA should facilitate integrating individuals and communities, enabling a better quality of life through access to socio-economic opportunities. PRASA has now shifted its focus away from the stabilization of commuter rail services (Metrorail) towards implementing a major financial turnaround aimed at ensuring that PRASA becomes a viable entity capable of delivering on its legal and public transport mandate.

5. **The Ports Regulator (PR)**, National Port Act, 2005, schedule S of the PFMA.

Nature of business: The mandate of the entity is the quasi-judicial regulatory functions of the Regulator as well as the institutional reform support. PR must ensure the following:

- Exercise economic regulation of the ports system in line with government's strategic objectives;
- Promote equity of access to ports and to facilities and services provided in ports;
- Monitor the activities of the National Ports Authority to ensure compliance with the Act;
- Adjudicate complaints and appeals against the Authority;

- Approve or reject the Authority tariffs;
- Promote regulated competition; and
- Regulate the provision of adequate, affordable and efficient port services and facilities

6. **The Railway Safety Regulator (RSR)** was established in terms of the National Railway Safety Regulator Act, 2002 (Act No. 16 of 2002) (as amended), and listed in schedule 3B of the PFMA.

Nature of business: The mandate of the RSR is to oversee safety in the railway transport industry. The mission of the RSR is to oversee and promote safe railway operations through appropriate support, monitoring and enforcement, guided by an enabling regulatory framework, including regulations and safety standards. Over the medium term, the RSR will continue to strive to work towards an effective railway safety compliance regime.

7. **Road Accident Fund (RAF)**, Road Accident Fund Act, 1996 (Act No. 56 of 1996), schedule 3A of the PFMA.

Nature of business: The basis of the current Road Accident Fund is the Road Accident Fund 56 of 1996 which provides that“

“The object of the Fund shall be the payment of compensation in accordance with this Act for loss or damage wrongfully caused by driving a motor vehicle”

During the FY 2010-2011, the RAF strategy focused on piloting and testing new business processes, supporting the Department of Transport in transforming the inherently flawed fault based legislation and reducing the backlog of claims by means of improved efficiencies.

Within this mandate, the RAF provides two types of cover; personal insurance cover to accident victims or their families and indemnity cover to the wrongdoer in an accident. Claims against the RAF for bodily injury and personal loss arising from road accidents are based on the common law of delict and liability insurance principles.

The effective functioning of the RAF is hampered by a number of factors, these factors can be divided into three categories namely:

- Flaws in the fundamental design of the accident compensation scheme’
- Internal challenges faced by the RAF; and
- Environmental issues.

8. **The Road Traffic Infringement Agency (RTIA):** RTIA derives its mandate directly from the Administrative Adjudication of Road Traffic Offences (AARTO) Act, 1998 (Act No, 46 of 1998), and listed as schedule 3A of the PFMA.

Nature of business: The Agency’s mandate is predicated on the objective of decriminalising road traffic infringements and dealing with them through administrative justice processes, thereby freeing the courts to deal with more serious crimes, including excessive speeding and driving under the influence.

The Act provides that the objects of the Agency are to:

- Administer the procedures to discourage the contravention of road traffic laws and to execute the adjudication of infringements;
- Enforce penalties imposed against persons contravening road traffic laws;
- Provided specialised prosecution support services; and
- Undertake community education and community awareness programmes in order to ensure that individuals understand their rights and options.

9. Road Traffic Management Corporation (RTMC): The primary mandate of the Road Traffic Management Corporation (RTMC) is derived from the Road Traffic Management Corporation Act, 1999 (Act No. 20 of 1999), and listed in schedule 3A of the PFMA.

Nature of business: The Act provides, in the public interest, for cooperative and coordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters by the national, provincial and local spheres of Government.

10. **South African Civil Aviation Authority (SACAA):** SACAA was established on 01 October 1998 following the enactment of the South African Civil Aviation Authority Act, 1998 (Act No. 40 of 1998), and listed as schedule 3B in the PFMA. The Act provided for the establishment of a civil aviation authority charged with promoting, regulating and enforcing civil aviation safety and security standards.

Nature of business: The mandate of SACAA is:

“Regulating the civil aviation industry to ensure security and safety by complying with International Civil Aviation Organisation (ICAO) and taking into consideration the local context”.

SACAA performs administrative and oversight control over 11,020 registered aircraft, 1,967 licensed aircraft maintenance engineers, 430 air maintenance organisations (27% overseas based), 249 air operating certificate holders and 231 aviation training organisations and 12,951 pilots.

11. **South African Maritime Safety Authority (SAMSA):** South African Maritime Safety Authority Act, 1998 (Act No. 5 of 1998), schedule 3B of the PFMA.

Nature of business: The SAMSA Act mandate is divided into two broad and distinct areas:

1. Meeting the United Nation’s conventions in regard to safety and pollution at sea;
2. Attending to nation’s developmental challenges as they affect our oceans and inland waters. (The Republic’s Maritime Interests)
 - The first area (UN Conventions) is achieved by ensuring **safety of life and property, as well as marine environmental protection**, within the South African waters and beyond, through:
 - Search and Rescue services;
 - Salvage tug services to protect the marine environment;
 - Port State Control ship surveys;
 - Coastal State Control; and
 - Qualification and Certification of seafarers.

12. **The South African National Road Agency Limited (SANRAL)** is an independent, statutory company established in terms of the South African National Road Agency Limited and National Road Act, 1998 (Act No. 7 of 1998), as amended, and listed as schedule 3A of the PFMA.

Nature of business: SANRAL’s mandate is to finance, improve, manage and maintain the national road network – both toll and non-toll roads.

- Responsible for proclaimed national roads;
 - o Toll and Non-Toll network
- Maintain, upgrade, operate, rehabilitate and fund national roads;

General Information
for the year ended 31 March 2012

- N17 East Toll Road Extension
- N1 South and R30 Bloemfontein – Kroonstad
- N1 Polokwane Bypass
- N3 Mariannhill Extension
- Levy tolls to service toll roads;
- Manage concessionaires;

Current Concessions	
N4 East: Maputo Development Corridor	563 kms from Pretoria to Maputo, Mozambique
N3 Toll Road	429 kms from Heidelberg to Cedara
N4 West: Bakwena Platinum Corridor	385 kms between Pretoria and Bela-Bela on the N1 and Pretoria and the Botswana Border

- Advise the Minister on road related matters; and
- Create public value.

AUDIT OUTCOMES 2011/12

Dept./ENTITY	Audit Outcome	Findings on Predetermined Objectives	Findings on Compliance	2010/11 Audit Outcome
Department of Transport (DoT)	Unqualified	No	Yes	Unqualified with findings on compliance and predetermined objectives
SANRAL	Unqualified	No	No	Unqualified with no findings
CBRTA	Qualified	Yes	Yes	Qualified
PRASA	Unqualified	No	Yes	Unqualified with findings on compliance
RTMC	Unqualified	Yes	Yes	Adverse
RTIA	Unqualified	Yes	Yes	Disclaimer
RSR	Unqualified	No	Yes	Unqualified with findings on compliance
Ports Regulator	Unqualified	No	Yes	Unqualified with findings on predetermined objectives and compliance
ATNS	Unqualified	No	No	Unqualified with no findings
SAMSA	Unqualified	Yes	Yes	Unqualified with findings on predetermined objectives and compliance
ACSA	Unqualified	No	Yes	Unqualified with no findings
SACAA	Unqualified	No	Yes	Unqualified with findings on compliance
RAF	Unqualified	No	Yes	Unqualified with findings on compliance
DLCA	Unqualified	No	Yes	Unqualified with findings on predetermined objectives and compliance
Autopax	Unqualified	No	Yes	Unqualified with no findings
Intersite	Unqualified	No	Yes	Unqualified with no findings

FOREWORD BY THE MINISTER AND DEPUTY MINISTER OF TRANSPORT



Minister Dikobe Ben Martins, MP

It is our pleasure to present the Annual Report of the Department of Transport for the financial year 2011/2012. The report reflects the achievements of the financial year under review, while also highlighting the challenges faced by the Department during the same period.

We present this report mindful of the strategic role of transport in the economy and social development. A good transport infrastructure is also needed to drive economic growth and development across other sectors of the economy.

His Excellency President Jacob Zuma, in his State of the Nation Address in February 2012, identified transport as one of the key drivers of the economy. The strategic role of transport is further emphasised in the National Development Plan issued by the National Planning Commission in August 2012.

A Significant amount of financial resources have been allocated to the Department and its State Owned Companies (SOCs) to improve all modes of transport, especially public transport.

These interventions build on the advances of the past eighteen (18) years of democracy. Led by the democratic government, our country has made significant advances to ensure that quality and affordable transport is available to all South Africans, including those who live in rural and poor urban areas. But, given the more than three decades backlog of inadequate infrastructure refurbishment, a lot still needs to be done across the transport value chain.

Part of our infrastructure and services, especially in the metropolitan areas, also compare with the best in the world. The inroads we are making to create a world class infrastructure are also recognised by both local and international stakeholders.

According to the second report card on infrastructure released in 2011 by the South African Institute of Civil Engineering (SAICE), aviation was the country's best performing infrastructure industry, awarded the report's only 'A' level of performance. The report also states that South Africa's national road network was "good to excellent".

According to the same report, other SOC's such as the South African National Roads Agency Limited (SANRAL), the Airports Company of South Africa (ACSA) and the Ports Authority also performed exceptionally well.

OR Tambo International Airport was named the best airport in Africa, and was also in the top three most-improved airports worldwide at the 2010/11 World Airport Awards held in Denmark. The Johannesburg Bus Rapid Transit (BRT) system has also scooped various international awards.



Deputy Minister Sindisiwe Chikunga, MP

During the year under review, progress was attained across the different programme areas of the Department, including integrated transport, maritime, road transport, and civil aviation.

Progress made include the implementation of integrated transport networks in twelve cities, refurbishment of over 500 rail coaches, scrapping of 12 000 taxis, and investment of over R5 billion in the S'Hamba Sonke Programme, resulting in the creation of 60 089 jobs across the country.

Notwithstanding the achievements mentioned above, a lot still needs to be done to provide access to secure, quality and affordable transport for passengers and freight. We need to improve infrastructure in the cities and deploy new infrastructure in rural and under-served urban areas.

State Owned Companies and regulators are critical delivery agencies of government. It is therefore important that they always work within the remit of their respective statutes, the Public Finance Management Act, and established corporate governance practices. The current state of our SOCs and agencies reflects various levels of capacity and performance.

While some of them are performing well, others are faced with serious difficulties to meet their fiduciary responsibilities. Areas of weakness range from limited capacity to corporate governance failures. The Department will increase its capacity to exercise the required oversight and shareholder activism by filling all vacancies in the boards of governance and undertaking periodic review of the performance of the said boards. We will also review various laws and policies to strengthen corporate governance in the agencies.

We will address all the issues pertaining to the Department as raised in the Auditor General's report, in order to ensure optimal performance.

We will pay specific attention to efforts aimed at improving public transport, through the rehabilitation of the rail infrastructure and the acquisition of new rolling stock. We are also reviewing the bus subsidy scheme to ensure that the mini-bus taxis also benefit.

Road safety remains a big challenge facing the Department and the country as a whole. The high rate of accidents on our roads is not acceptable. As a remedy, we are strengthening our capacity to enforce compliance with the law.

Improving safety and security at sea and endeavours to industrialise the maritime sector will also receive the necessary focus. The implementation of transport projects as part of the Presidential Infrastructure Coordinating Commission is on-going.

General Information
for the year ended 31 March 2012

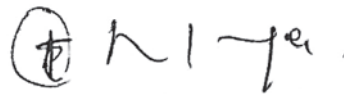
We wish to thank the Department, Members of the Executive Councils (MECs) responsible for transport in different provinces, the twelve agencies under the Department, local and international stakeholders, and the general public for their contribution in making it possible for us to implement our mandate.

We also wish to thank the Portfolio Committee on Transport for their support and guidance.

With the continued support and cooperation of all stakeholders we will meet our vision to make transport the heartbeat of economic growth and social development.



Min. Dikobe Ben Martins, MP
Minister of Transport



Ms Sindisiwe Chikunga, MP
Deputy Minister: Transport

ACCOUNTING OFFICER'S OVERVIEW



**George Mahlalela - Accounting Officer
Department of Transport**

Policy Interpretation

The Department has the responsibility to oversee the implementation of transport policies and programme. The overarching goal is to better the lives of our people and stimulate social and economic growth.

As we strive to advance this mandate we cannot ignore the global and domestic economic challenges which have a direct and indirect impact on South Africa's broad performance on economic growth. We however have the view that in spite of various challenges we shall strive to carry out this responsibility that includes among other things infrastructure development, rural development, and safe, reliable and sustainable transportation services.

In light of current economic issues our focus is to ameliorate investment opportunities, job creation and economic growth. We remain determined that through various rail and road projects our 2011/12 financial year should be able to create a significant number of jobs.

The National Travel Survey of 2005 and the Public Transport Strategy that Cabinet approved in 2006 are documents that are at the core of our planning and will guide us in delivering sustainable and efficient public transport system. Through the Presidential Infrastructure Coordination Commission (PICC) and the Infrastructure Development Cluster (IDC), we remain committed to improve our roads; ports, rail, energy and telecommunication as part of South Africa's infrastructure agenda over the next five years.

Public Transport

As part of South Africa's Public Transport Strategy (PTS) we are moving towards an improved quality integrated Mass Rapid Public Transport Network which includes rail, taxi and bus services.

The objectives of the White Paper on National Transport Policy, Moving South Africa and the Public Transport Strategy is the provision of public transport that is reliable, affordable, safe and integrated and is able to meet customer's needs.

Integrated Public Transport Networks

Currently the integrated public transport networks are being rolled out in 12 cities, Joburg, Cape Town, Tshwane, Nelson Mandela Bay, Buffalo City, Mangaung, eThekweni, Polokwane, Mbombela, Rustenburg, Pietermaritzburg and Ekurhuleni. For 2012/13, R5 billion has been allocated in the Public Transport Infrastructure and Systems Grant to 12 cities that were identified to implement Integrated Rapid Public Transport Networks. For the 2013/14 and 2014/15 years, R5.55 billion and R5.87 billion are allocated in the MTEF respectively.

Taxi Recapitalization Programme (TRP)

So far about 48-thousand old taxi vehicles have been scrapped at a cost of R2.3bn out of an initial target of 12-thousand old minibus taxis. As government we have taken the broader approach to create a model that will:

- Convince financial services industry to create affordable facilities for the taxi industry

- Support the industry's strategies to organize itself into cooperatives that can transact economically on behalf of members
- Develop a post TRP vehicle replacement model for the taxi industry
- Facilitate the incorporation of the taxis and small bus operations into mainstream public transport subsidy.

Rail infrastructure

We are embarking on a comprehensive rail upgrade that intends to place rail at the centre of our freight and commuter movement. We will over the next few years invest over R40 billion in passenger rail infrastructure and services.

The major challenge is that the bulk of our rail infrastructure has reached the end of its economic life. New investments in new infrastructure which includes signaling and rolling stock is an absolute necessity that will go a long way in positioning rail as the mode of choice, and a reliable and efficient mass mover both in the commuter and long distance environment.

Recapitalizing the rail business also means that we must reinvest in both the existing rail network and new lines in order to respond in a decisive way to new post-apartheid spatial and economic dynamics. A focused rail revitalization programme will become a key programme over the medium term working with other departments in the economic cluster, and our domestic and international partners in the private sector.

Road Transport

Road safety

Road safety remains a key challenge facing the department and society as a whole. Reducing road fatalities remains one of our priority areas of concern. Our experience to date is that road safety campaigns must be conducted throughout the year. We have to be more stringent in the application of regulations within the road transport operations, law enforcement on issues such as vehicle and driver fitness. The implementation of these measures must be regarded as a priority by provincial and local authorities.

Road infrastructure and GFIP

Whilst the Gauteng Freeway Improvement Project (GFIP) matter has been before the Constitutional Court, government has continued to search for a lasting solution through the Inter-Ministerial Committee (IMC) chaired by His Excellency the Deputy President Kgalema Motlhanthe. The Inter Ministerial Committee has met with various stakeholders, including labour, business, the Opposition to Urban Tolling Alliance (Outa) and the South African Council of Churches. Government is committed to finding a last solution in financing the road infrastructure.

Freight Logistics and Industrial Corridor Development

Freight Logistics forms a very important element of the economic growth in the Country, SADC, Continent and the Global Village. As part of this planning process, freight logistics is taking centre stage, in that; it forms part of the overall integrated planning objective as articulated in the planning document. The plan has identified key freight corridors within South Africa linking them to SADC and the overall Continent. This therefore enhances the streamlining process of freight flows across the borders of the Republic to the Region and the Continent.

The Durban-Free State-Gauteng Logistics and Industrial Corridor remains a critical corridor for Africa. Its institutionalization forms part of the following Work streams:

- The Planning and Infrastructure Work stream, which deals with identification of infrastructure projects, planning thereof and the implementation process. Key to these projects are: The Port of Durban expansion and in this

regard the Old Durban Airport sale between Transnet and ACSA has been finalized; secondly is the development of the Cato Ridge area suitable to a logistics developmental environment, with the intentions to contribute to the value chain within the corridor; Thirdly the Harrismith Freight Logistics Conceptual Framework, suitable to be a strategic area for freight distribution and industrialization towards the upliftment of the livelihood of the community within the area and traffic growth to the corridor; and lastly the City Deep Container Terminal as a Regional Hub for Africa and all other strategic inland terminals around the Gauteng province.

- Policy, Regulation and Environment Work stream, which deal with generic policy intervention and decision, which might impact on regional freight flow and environmental issues;
- Funding and Finance Work stream, which is currently developing a funding framework for this important corridor, which options might need to be shared with strategic stakeholders within the Continent; and lastly
- the Communication Work stream, which its core function and responsibility is to develop an internal and external communication strategy for the corridor.

It is therefore imperative that this corridor be seen as one of the busiest in the Southern Hemisphere both in terms of value and tonnage and the critical role it would play in complimenting the Regional and Continental sea ports as well as inland ports and landlocked countries within African.

Maritime safety and industrial development

Maritime safety remains one of the key strategic areas of focus. The department has identified the need to upgrade the existing infrastructure along our coast to ensure the safety of life at sea. Various options are being considered to create a lasting solution.

At the same time, the department is finalizing the maritime policy that will give guidance on issues such as increased investments and economic participation in the maritime shipping environment. We need to create an enabling environment for South Africans to participate actively in the entire value chain of the shipping business and industry. In this respect, the Department will launch a Green Paper on Maritime Shipping in due course.

Civil Aviation

South Africa's aviation services are premised on the work of the South African Civil Aviation Authority, the Air Traffic Navigation Services and the Airports Company South Africa. These three entities have an obligation to ensure that aviation safety and security, airports infrastructure development and air navigation services are efficiently carried out. The development and promotion of our air transport industry is dependent partly on the review of the current Airlift Strategy that was a 5-year strategy which has become a priority. The strategy will review an analysis that includes successes, challenges and obstacles faced in its implementation with a view of mitigating these challenges in the future.

Strategic Infrastructure Programme (SIP)

The department is one of the key participants in the Strategic infrastructure programme driven by the Presidential Infrastructure Coordinating Commission. A number of critical infrastructure investments will be led by the Department of Transport.

These include the development of the Durban-Free State-Gauteng logistics corridor, and unlocking economic opportunities in the North West province. Given the economic spin offs of these and other infrastructure investments, we will keep stakeholders informed of the progress made.

Regulatory framework and institutional capacity

Given the fact that transport is one of the most regulated industries in the economy, regulation becomes important for a number of reasons, including promoting efficiency, safety of citizens, effective competition, provision of quality and affordable services. At the moment there are several regulators involved in the transport industry, and overlaps have been noted in terms of their mandates.

In order to streamline the regulatory model, the department is investigating a new model which may entail merging various regulators. The outcome of this will be informed by studies being undertaken. This will also allow us to harmonize the economic regulation across the transport industry. It is for this reason that a Single Transport Economic Regulator (STER) is envisaged.



George Mahlalela
Accounting Officer
Department of Transport





Section 2

Information on Predetermined Objectives

2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1 Overall Performance

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
35,084,013	41,517,420	41,196,531	320,889
Responsible Minister	Minister of Transport		
Administering Dept.	Department of Transport		
Accounting Officer	Director-General of Transport		

2.1.2 Aim of vote

Lead the provision of an integrated, sustainable, reliable and safe transport system through planning, development, coordination, promotion and the implementation of transport policies, regulations and strategies.

2.1.3 Strategic Outcome Oriented Goals

Departmental Strategic Outcomes:

- Integrated Infrastructure Network
- Transport sector that is safe and secure
- Improved rural access, infrastructure and mobility
- Improved public transport systems
- Increased contribution to job creation
- Increase contribution of transport to environmental sustainability

PROGRAMME 1

Branch: Administration

PROGRAMME 2

Branch: INTEGRATED TRANSPORT PLANNING (ITP)

To support, manage and facilitate national transport planning underpinned by the Strategic Planning Framework and relevant strategies, co-ordinate inter-sphere relations in relation to transport planning, support line functions and other spheres of Government in creating seamless integration in transport operations, co-ordinate efforts to integrate interventions in the region and continent and provide economic modelling and analysis and manage research, innovation and environmental activities for the sector and develop indicators for monitoring the performance of the sector.

PROGRAMME 3

Branch: Rail Transport

- Upgrade priority commuter rail corridors
- Enhance the efficiencies and reliability of the rail transport sector
- Safe railway infrastructure and equipment
- Create jobs through the manufacturing and maintenance of new Rolling Stock

PROGRAMME 4

Branch: Road Transport

Deal with fraud and corruption within road traffic management, in the issuance of roadworthy certificates and driving licenses, to ensure the safe movement of all road users of public roads. Improve the service rendered at all driving licenses and Registering Authority, thereby reducing the period it takes to acquire a driving license and renew motor vehicle licenses.

PROGRAMME 5

Branch: Civil Aviation

- Regulate air transport
- Air transport economic regulation
- Improve airfreight services
- National Civil Aviation Policy
- National Strategy for Airport Infrastructure
- Civil aviation regional and international cooperation
- Civil aviation safety
- Civil aviation security
- Minimise aviation emissions
- Integrate aviation search and rescue regimes, services and systems within the SADC region
- Transform and develop the industry at downstream
- Improve airport/airspace efficiency at congested airports

PROGRAMME 6

Branch: Maritime Transport

- Maritime transport policy and legislation
- Improved maritime safety and security
- Create jobs through training and deployment of Seafarers
- Reduce levels of pollution at sea
- Promoting growth in local maritime industry

PROGRAMME 7

Branch: Public Transport

- Regulate public transport
- Transport sector that is safe and secure
- Develop Public transport Industry
- Efficient and effective scholar transport system
- Improve rural access and mobility

2.1.4 Overview of the service delivery environment for 2011/12

Programme 1: Administration

The year under review has witnessed a total availability of contracts and management on the operation of fleet services. On travel management arrangements, there has been a 90% customer satisfaction. All travel service arrangements were made in line with the departmental policy. The travel policy was also revised. Accommodation was provided to DoT officials and business partners. All staff was satisfactorily accommodated, albeit the space is still very limited due to SAPS continued occupation of other floors in the building. The cellphone policy is still undergoing revision.

The Department has witnessed an improved management of performance. Department Bargaining Council meetings have been held successfully and the relationship between the employer and organised labour have been very effective. The HR plan was developed and approved by the Minister. In addition, the counter offer policy was implemented for retention of scarce skills. There are 490 students enrolled in the Further Education and Training (FET) curriculum programme as introduced in 2012. As part of the job creation strategy, 5 pilot sites were identified and prepared for the implementation of the FET programme. In addition, there are 15 students currently enrolled in the scholarship programme at the University of Pardubice in the Czech Republic.

On the international front, bilateral relations between South Africa and Cuba are in place. Cuba agreed to train 18 000 South African students. The agreement is on training and capacity building in transport related disciplines. Processes are under way to finalise and sign the agreement during a joint Ministerial Commission between South Africa and the Flanders. The agreement is on Maritime related disciplines. DoT invited the Japanese to the International Investors Conference in order to promote investment into the infrastructure projects. The Department also negotiated and signed the eNatis agreement with Lesotho. A team of inspectors and technicians have already begun implementing the eNatis agreement. The South African Government and People's Republic of China (PRC) have two Memorandums of Understanding in place. The agreements were negotiated and signed during the State Visit by President Jacob Zuma to PRC in August 2010. The two countries will again meet in July 2012 to review the implementation plan. South Africa has also assisted in the mobilisation of the transport sector agencies to provide support towards the creation of the State of South Sudan. CAA and ATNS assisted South Sudanese with compliance to ICAO Standards. The challenge is the resumption of hostilities in South Sudan. South Africa hosted a SADC Ministers of Transport and Meteorology Conference where they adopted a progress report on various projects in the SADC. Such projects include SADC Upper Airspace Control Centre. The Minister was appointed as a champion of road safety projects for SADC. SA retained its seat at the ICAO council.

The Legal services Unit participated in the draft, amendment, review of several bills through parliament. Their involvement resulted in the proclamation of two acts. Other Bills could not be presented due to ongoing consultations.

The Programme Management Unit has completed the prioritisation model for strategic projects. The model is currently being tested with Department Agencies for possible extension. The monitoring model for all modes of transport has been completed. Strategic project prioritisation model has been developed.

The work of the Communications and Stakeholder Management Chief Directive has been premised on the following:

- The development of the Department of Transport's 2011/12 Communication Strategy
- Media Liaison for the Minister, Deputy Minister and the Director-General

Information on Predetermined Objectives for the year ended 31 March 2012

- Communication and Stakeholder Management
- Content Development, Publications and Research
- Writing of the Minister and Director-General speeches
- Events Management, Public Participation and Campaigns

The Communication Chief Directorate developed the Department of Transport's Communication Strategy and Stakeholder management programme to highlight transport as an enabler of social and economic growth and to populate the department's programmes.

This would ensure uniformity and compliance with the DoT's Communication Strategy and corporate identity manual. Implementation of the review of the 2012/13 Communication Strategy in line with the Government's Programme of Action. This would enable the Chief Directorate to implement effective service delivery communication aligned to all relevant stakeholders.

Communications unit has been implementing the United Nations Decade of Action for Road Safety (through speeches, media statements, events and campaigns – more than 43 speeches and statements on road safety have been written and issued)

- Communicated and highlighted Road Safety campaigns
- Communicated and updated on road safety milestones aligned to the reduction of road fatalities for example less road traffic deaths in the 2012 Easter Holiday.

The Chief Directorate communicated milestones in the development of Transport Infrastructure Development by:

- Developing a transport infrastructure communication plan aligned to the DoT's Communication Strategy
- Showcasing rural development and job creation projects through transport infrastructure development: (S'hamba Sonke, Zibambele, Siya-vatendela, Gundulashu road programmes)
- Analysed and communicated rural development and job creation projects.

October Transport Month

- Developed the 2011/12 October Transport Month communication plan
- Profiled safety in all modes of transport through the Minister, Deputy Minister and Director-General
- Profiled and showcased transport infrastructure development through the Minister, Deputy Minister and the Director-General
- Monitored and evaluated transport negative and positive media coverage.

Promoting the use of Public Transport

- Highlighted and communicated milestones in the improvements on public transport (passenger rail, Taxi Recap, Bus Rapid Transit, buses milestones)
- Communicated the challenges of traffic congestion
- Communicated the effects of carbon emissions – global warming through traffic congestion.

Programme 2

In the past financial year we were able to get the Minister of Transport to sign the directive in terms of Section 79 of the Ports Act authorizing Transnet National Ports Authority (TNPA) to give a temporary licence to Transnet Port Terminals (TPT) to operate for a period of three years.

The past year we were able to institutionalize the management of the Durban-Free State-Gauteng Logistics and Industrial Corridor. This corridor is part of the 17 Strategic Integrating Project (SIPs) approved by the Presidential Infrastructure Coordinating Commission as flagship in the management of a coordinated approach to delivering key economic infrastructure. In the institutionalization of the corridor, teams were established to focus on key delivery areas and these were, Policy, Legislation and Regulation; Finance and Funding; Planning and Infrastructure and Communications. A final Corridor Infrastructure Decision Matrix, which has a list of identified projects, has been completed and submitted to the Presidential Infrastructure Coordinating Commission (PICC) for the 2011 Cabinet Lekgotla and the recently published Presidential Infrastructure Booklet and Plan. This process has also completed the sale of the old Durban International Airport between the Airports Company of South Africa (ACSA) and Transnet.

A draft King Sabata Dalindyebo (KSD) Rural Integrated Plan is currently being finalized and some of the identified projects in this regard are being constructed and implemented e.g. Umthatha Airport upgrade, roads and bridge constructions etc.

The Transport Planning Forums have been established in eight of the nine provinces (excluding Gauteng) and the implementation thereof is ongoing.

We are part of a team that was appointed to coordinate transport infrastructure delivery under a Presidential Initiative for the King Sabatha Dalindyebo (KSD) Municipality. In this structure we lead a work stream on Transport and Mobility that oversaw the completion of the reconstruction of the N2 and other supporting roads around the KSD Municipal area.

Programme 4: Road Transport

In line with improving service delivery and the extension of testing period to include Saturday and Sunday and extending the validity period of the Learners license, the Department is continuing to implement interventions that will improve the current services being rendered at all customer contact centres.

Programme 5: Civil Aviation

The Branch has timeously issued 248 non-scheduled foreign operators permits whilst 19 scheduled foreign operator's permits have been issued. 1235 Overflight applications have been issued in time.

The Air Traffic and Navigation Services Company have been appointed as an interim Slot Coordinator. Slots are allocated to aircraft operators by the Slots Coordinator in an environment where capacity is constrained either from an airport or airspace perspective. The aim of this process is to maximize efficiencies and synergy within this environment for the benefit of all stakeholders.

The Draft White Paper on National Civil Aviation Policy has been developed and all internal processes have been completed but have not yet been approved by Cabinet. Civil Aviation is vital to international trade and tourism. Therefore, an efficient, reliable and sustainable South African aviation Industry should be promoted, while maintaining control over international air transport services within a well-defined regulatory framework flexible enough to cater for changing needs and circumstance. These changes are part of globalization and include important matters such as the liberalization of air transport, introducing of technologically advanced airport and air traffic systems, greater emphasis on factors affecting the environment and protecting the interests of users of air transport

Programme 6: Maritime Transport

The Department hosted a Maritime BEE conference in Durban in partnership with KZN Department of Economic Development to solicit inputs and industry resolutions or suggestions with regards to the creation of more jobs in the industry

The Department celebrated World Maritime Day in Richards Bay from 21 to 22 September 2011 and learners from schools from the previous disadvantaged communities in the vicinity were invited.

Maritime Policy Positions were developed from a study done on the shipping sector in the process of drafting a Green Paper on Maritime Policy

- *List all the key services that is rendered to the public, and provide relevant information on each such service, for example, how many people used that service during the financial year, how many people were turned away or could not be served and what was the quality of that service*

PROGRAMME 3

516 million passengers were transported by Metrorail, 1,4m by Mainline Passenger services and 4, 4 million passengers on Autopax.

PROGRAMME 4

Branch: Road Transport

- Registration and licensing of motor vehicles

The service relates to the capturing and storing on eNaTIS system of details of motor vehicles that have been manufactured, built or imported into the Republic for purposes of either being sold or be operated on a public road.

This service captures the motor vehicle information thereafter issues that particular vehicle with an eNaTIS model number, which enables transactions to be performed on the vehicles.

All Manufacturers, builders and Importers (MIB) of motor vehicle uses the service, furthermore it is also rendered to private persons that import or built motor vehicles for private use.

All motor vehicles that are offered for sale in the Republic have gone through the registration process.

644 770 Motor vehicles have been registered during the previous financial year.

1 452 435 used motor vehicles that changed ownership were registered during the previous financial year.

- Licensing of Motor vehicles

Every motor vehicle that has been registered on to the eNaTIS system and is operated on a public road must be licensed annually.

All motor vehicles of which their license expired during the previous financial year were licensed for the current year to be able to be operated on a public road.

Information on Predetermined Objectives for the year ended 31 March 2012

➤ Registration and licensing of manufacturers, importers and builders

The service relates to registration and licensing of Manufacturers, builders and Importers (MIB) who intends introducing unit unto the eNaTIS system.

➤ Inspection of Driving License Testing Centres (DLTC)

The service relates to the inspections conducted at driving license testing centres to ensure that the centre complies with the standards as prescribed in the legislation.

391 registered Driving License Testing Centres (DLTC) have been inspected to ensure that they comply with the requirements of legislation regarding their registration, which enables them test persons for driving licenses.

➤ Fitness of vehicles

The services is intend to ensure that motor vehicles that are operated on a public road are roadworthy to ensure the safety of occupants in such motor vehicles, to ensure that they are not involved in accidents.

Furthermore, all the motor vehicles that are presented to be tested for roadworthiness are issued with the required Certificate of Roadworthy, except those ones that are deemed not to be roadworthy.

➤ Operator fitness

107 Dangerous goods operators have been inspected to ensure that they comply with the legislative requirements regarding the transportation of dangerous goods on public roads.

➤ Delivery of driving license cards

98% of driving license cards ordered were produced and delivered to Driving License Testing Centres. Out of 884 live capture units delivered to driving license testing centres, 835 are operating. Training of officials for the proper use of the live capture units is offered immediately after installation.

Programme 5: Civil Aviation

The issuing of Foreign Operators Permits to 248 non scheduled operators and 19 to scheduled operators. Overflight Permits have been issued to 1235 applicants.

The International Air Services Council issued 9 new air services licenses to international service providers whilst 15 new domestic licenses have been issued by Air Services Licensing Council

Programme 6: Maritime Transport

The MV Phoenix that went aground near the Port of Durban and polluted the sea and environment has been successfully salvaged.at the end of November 2011.

1300 Pre-arrival messages from ships were received by the Maritime Safety Coordination Center who is responsible for ship security clearance which gives an average of 1084 ship clearance messages.

PROGRAMME 3: Rail Transport

The major reasons for train delays on Metrorail remain rolling stock followed by signals. The tender for recapitalisation of the fleet has been launched by the Minister of Transport and the National Signaling programme has commenced in the 2011/12 financial year. Both of these projects are however long term to rectify the situation.

PROGRAMME 4: Road Transport

Branch: Road Transport

Since entire road transport management service are rendered through prescribed system modules it has been rendered adequately without any major interruptions. The exception is when the Telkom lines has been stolen, however the Department is currently rolling out 3G card to the centres to be able to render the service even if the lines are down. Furthermore the enhancement that the Department does on the eNaTIS is enabling the DOT to continuously improve on the current service.

Programme 5: Civil Aviation

None

Programme 6: Maritime Transport

None

- *Explanations/reasons for any additions to or virement between the main appropriation allocations, and report on any rollovers from the previous financial year*

Programme 2: Integrated Transport Plannig

The Department was allocated R34,9 Million for the execution of the National Household Travel Survey (NHTS) in 2011/2012. The NHTS had to be delayed on account of census 2011 which was conducted by Statistic South Africa in October 2011 and the conducting of a pilot to test Census data sets and hence the project had to be moved to 2012/2013 financial year. There are some critical outputs of Census 2011 which have necessitated the delaying of the NHTS and they are the updated Enumerated Areas (EAs) Boundries. The survey and sampling should be based on the census 2011 EA boundries in order for the NHTS to be current and relevant. There is some latest information which will be used from the Census 2011 so that the data collected from the NHTS is relevant. An extra R6 Million is to be allocated in 2012/2013 to augment the resources required to conduct the NHTS.

The Department also applied for a rollover of R1,4 million for the execution of National Transport Master Plan (NATMAP) 2050 which was also delayed due to the reviewing of the policy option, rewriting of the executive summary, review of provincial chapters and data-sets.

Programme 5: Civil Aviation

No rollovers were requested.

Programme 6: Maritime Transport

No rollovers were requested.

- *Description of any significant developments, external to the department, that may have impacted either on the demand for the department's services or on the department's ability to deliver those services.*

Programme 2: Integrated Transport Planning

The issuing of the directive, in terms of Section 79 of the National Ports Act, by the Minister of Transport and supported by the Minister of Public Enterprises as well as by Cabinet to have Transnet National Ports Authority (TNPA) issue a temporary licence to Transnet Port Terminals (TPT) to operate the Port of Ngqura (Coega Port), on a temporary basis, for a period of three years whilst TNPA undertakes a section 56 process, a requirement under the National Ports Act.

Programme 5: Civil Aviation

None

Programme 6: Maritime Transport

None

- *Highlight significant achievements with regard to the 12 outcomes*

Programme 1: Administration

Road Accident Benefit Scheme (RABS) Policy

The Policy for the Road Accident Benefit Scheme (RABS) was finalised and approved by Cabinet on 7 September 2011. The RABS Policy was published in the Government Gazette on 21 November 2011 for general information. Legislative drafting for the RABS has commenced.

Programme 2: Integrated Transport Planning

The development of the draft final Branch Line Strategy has been completed and now forms part of the comprehensive Rail Policy process. The institutionalization of the Durban-Free-State-Gauteng Logistics and Industrial Corridor has been finalized, which culminated to an infrastructure decision matrix with clear milestones allowing for competition, infrastructure expansion to take place.

The finalization of the Road Freight Strategy which will form part of the review of the National Freight Logistics Strategy.

The finalization of the National Transport Masterplan and its Action Agenda. These documents were further drafted into two Synopsis reports that are to be submitted through Cluster for Cabinet consideration and approval.

Programme 4: Road Transport

The launch of the Decade of Action and the SADC Road Safety Campaign by the Department is intended to improve the safety of all road users of public roads in the Republic and within the SADC region.

Programme 5: Civil Aviation

The Appeals Committee with regard to the decisions of the South African Civil Aviation Authority as provided for in the Civil Aviation Act, 2009 has been established and is fully functional.

Programme 6: Maritime Transport

The National Ports Consultative Committee (NPCC) provided for in the National Ports Act has been launched in September 2011 and the Department hosted all quarterly meetings of the Ports Consultative Committees (PCCs). These consultative forums are a forum for the Ports Authorities to indicate way and means to improve efficiencies of doing business.

In a Special National Ports Consultative Committee that took place where the committee influenced the reduction of the ports tariffs from a proposed 18% increase to only 2.76%.

The Minister has signed the African Union Maritime Charter (oil pollution prevention) in Angola in November 2011 and will sign the Djibouti Code of Conduct (anti-piracy) in May 2012 in London

Programme 7: Public Transport

53 000 passengers are transported on the Rea Vaya and My Citi BRT systems daily with Rea Vaya account for 42 000 passenger trips daily. Rustenburg, Ethekwini, Tshwane and Nelson Mandela have finalized their Operation Plans for IRPTN's and should begin with infrastructure roll out. The development of the Scholar Transport policy is complete and awaiting final comments from stakeholders.

Provincial assistance: The Department was part of the intervention team doing work in the Limpopo Department of Roads and Transport (implementation of Section 100(1) (b) of the Constitution) and Free State Department of Safety, Roads and Transport. The tasks included the turnaround strategies in the financial and general administration as well as quality assurance in the delivery of key services; particularly in the rollout of infrastructure and public transport operations. The programme required the Department to seek additional resources and therefore virements and rollovers from less performing projects became necessary.

2.1.5 Overview of the organisational environment for 2011/12

Using restructuring to align the department's service delivery model with sector and government strategic objectives, the Research and Innovation sub-program managed transition of various directorates and sub-directorates that were previously in an old program moving to newly created programs. The transition, happening together with budget reprioritization meant that resources were to be reallocated to new sub-programs. The impact on programmes was that new priorities were identified and adopted.

Restructuring of the Department per mode

The handover of information during the restructuring process lead to information being lost – crippled performance.

None conducive working environment (building) has and still has a negative influence on performance by staff.

2.1.6 Key policy developments and legislative changes

Programme 1

Road Accident Benefit Scheme (RABS) Policy

Legislative drafting for the Road Accident Benefit Scheme (RABS) commenced.

The following legislations were passed during the year 2011

(a) The Merchant shipping (Safe Containers)Amendment Act No. 11 of 2011

The purpose of this Act was to give effect to the International Safe containers Convention and to provide for matters connected there with. The Act provides for internationally uniform standard of manufacturing the international containers in order to ensure that the containers have uniform size approved corner fitting for purposes of appropriate and safe stacking of this containers when they reach in other countries. If we have internationally approved specifications of containers, it means countries will have appropriate machinery for loading or offloading the containers in various countries and that will avoid delay in the dispatching of goods to their respective owners.

(b) The Transport acts Repeal Act No. 10 of 2011

The development of this Act was as a result of the process of rationalisation or repealing of legislations which were obsolete or redundant in the department. The object of this Act is to repeal certain obsolete Acts or provisions of the Acts which were either abrogated by dis-use or were redundant, or were not conforming to recent developments especially since 2004 especially those acts which has provisions that conflict with the Bill of rights in the constitution. Since the promulgation of this Act we are certain that there are no transport laws which are redundant or which are abrogated by disuse or are obsolete or violate the Bill of rights in the constitution.

Programme 2

During the year under review the Branch finalized the National Transport Masterplan (NATMAP), a plan that will change transport planning, transport infrastructure investment, land-use patterns and spatial planning. Under the plan the Department of Transport will seek to introduce an Infrastructure Bill, National Planning Framework to guide transport planning and infrastructure use and investment in the transport sector.

Programme 4

The allocation of function to exempt motor vehicles that due to their designs do not comply with the requirements of the National Road Traffic Act and the prescribed standards, which was done at provincial level by dedicated functionaries, has added an additional mandate to the Department. The additional workload requires resourcing to enable the DOT to adequately perform the function.

Programme 5: Civil Aviation

None

Programme 6: Maritime Transport

None

Programme 7

Scholar Transport Policy Development: The process is at the final stage with the final draft having been agreed to with key stakeholders, notably the national Department of Basic Education. It will be gazetted early in the new financial year for final official comments and approval processes.

Amendments to the National Land Transport Act, No. 5 of 2009: The amendment Bill has been concluded with regard to internal processing and will be discussed with stakeholders in the new year. The amendment seeks to clarify the roles of national, provincial and local spheres of government in relation to the authority to contract out public transport services, among others.

2.1.7 Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	% deviation from target
Non-tax revenue						
Sales of goods and services	200,089	98,714	406,176	418,077	305,536	(26.9%)
Sales of scrap, waste and other used current goods	3	3	1	2	0	(100.0%)
Fines, penalties and forfeits	7	(5)	(1)	70	77	10.0%
Interest, dividends and rent on land	368	137	264	120	147	22.5%
Financial transactions (Recovery of loans and advances)	15,339	7,225	2,404	6,350	6,740	6.1%
TOTAL DEPARTMENTAL RECEIPTS	215,806	106,074	408,844	424,619	312,500	(26.4%)

Sales of goods and services amounted to R305, 5 million against a budget of R418, 1 million, mainly because of less than expected revenue from eNaTIS transaction fees.

2.1.8 Departmental expenditure

Programmes	Voted for 2011/12	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
Programme 1	273,982	4,669	20,258	298,909	275,839	23,070
Programme 2	147,808	4,066	(18,636)	133,238	94,808	38,430
Programme 3	9,542,673	1,893	(4,040)	9,540,526	9,532,154	8,372
Programme 4	15,324,253	6,408,013	4,162	21,736,428	21,729,823	6,605
Programme 5	57,615	217	14,670	72,502	65,030	7,472
Programme 6	152,125	162	(12,064)	140,223	138,824	1,399
Programme 7	9,585,557	14,387	(4,350)	9,595,594	9,360,053	235,541
Total	35,084,013	6,433,407	0	41,517,420	41,196,531	320,889

Programme 1:

Saved on office accommodation R8,3 million, saved on capital expenditure R0,8 million, under spent R8 million because the PABX could not be replaced as planned, and savings of R6 million set aside to roll over to appoint a transaction advisor for a new Public Private Partnership for government fleet services. The savings and under expenditure was possible due to shifting of funds from savings on office accommodation.

Programme 2:

The programme under spent R34, 9 million on the National Household Travel Survey. The project was delayed because some critical outputs of the Census 2011 necessitated the delay. A project for the development of a freight optimisation plan amounting to R2, 1 million was under spent due to delays by a consultant. The programme saved R0, 8 million on compensation of employees and saved R0, 5 million on capital expenditure.

Programme 3:

Goods and services was under spent by R7,7 million because planned projects were delayed due to the restructuring of the Department, and the programme saved R0,7 million on compensation of employees.

Programme 4:

The programme saved R4, 1 million on compensation of employees, R2, 1 million on goods and services and R0, 4 million on capital expenditure.

Programme 5:

Civil Aviation saved R0, 3 million on capital expenditure, over spent R0, 1 million on international memberships and under spent R7, 3 million due to delays in projects.

Programme 6:

Maritime Transport saved R0, 2 million on compensation of employees, R0, 9 million on international membership fees, and R0, 3 million on capital expenditure.

Programme 7:

Public Transport under spent on goods and services by R43, 8 million, mainly because funds were set aside for new public transport projects that were committed late in the financial year. A transfer payment from the Public Transport Infrastructure and Systems (PTIS) Grant, amounting to R191, 7 million, was withheld due to consistent under expenditure of the recipient municipality.

Information on Predetermined Objectives
for the year ended 31 March 2012

2.1.9 Transfer payments (excluding conditional grants – see below)

NAME OF INSTITUTION:	Amount R'000	Estimated expenditure of recipient
Departmental agencies		
Railway Safety Regulator	37,475	37,475
Road Traffic Management Corporation	77,949	77,949
South African Civil Aviation Authority	16,216	16,216
South African Maritime Safety Authority	13,464	13,464
South African National Roads Agency Ltd.	14,401,596	13,695,456
Transport Education and Training Authority	197	197
Road Traffic Infringements Agency	17,000	12,000
Ports Regulator	14,361	14,361
Foreign Governments and international organisations		
Membership Fees: African Civil Aviation Commission	2,362	2,362
Membership Fees: Cospas Sarsat Contribution	317	317
Membership Fees: Indian Ocean Memorandum of Understanding	395	395
Membership Fees: International Civil Aviation Organisation	4,841	4,841
Membership Fees: International Maritime Organisation	339	339
Households other transfers		
Taxi Scrapping Administrator (estimated)	459,468	459,468
Sponsorships (Refer Annexure 1O in Financial Statements)	209	209
Leave gratuity	748	748
Non-profit institutions		
Hamnet	50	50
Mountain Club of South Africa	50	50
Off Road Rescue	50	50
National Sea Rescue Institute	1,105	1,105
Taxi : SANTACO	21,176	21,176
Public Corporations		
Passenger Rail Agency of South Africa Ltd.	9,474,098	9,472,598
Universities and Technikons		
University of Stellenbosch	3,097	3,097
University of Pretoria	3,277	3,277
University of Kwa-Zulu Natal	2,815	2,815
TOTAL	24,552,655	23,840,015

NAME OF RECIPIENT OF TRANSFER PAYMENT (Repeat for each recipient – refer list above):

Railway Safety Regulator

(National Railway Safety Regulator Act, No.16 of 2002)

Railway Safety Regulator

The Railway Safety Regulator (RSR) is a public entity established in terms of Section 4 of the National Railway Safety Regulator Act, 2002 (Act No.16 of 2002). The RSR is governed and controlled by a board of directors, appointed by the Minister of Transport, who hold office for a period of three (3) years. The mandate of the RSR can be summarized as follows:

- To oversee safety of railway transport, while operators remain responsible for managing safety of their operations;
- To promote improved safety performance in order to promote the use of rail;
- To monitor and ensure compliance through the conducting of audits, inspections and occurrence investigations;
- To develop regulations;
- To conclude appropriate co-operative agreements or other arrangements with organs of state to ensure effective management and overseeing of safe railway operations and to minimize duplications;
- To develop, adopt or accept standards for safe railway operations;
- To collaborate with and conclude contracts, where appropriate, with any person, body or institution with the view to furthering the objectives of the RSR, including scientific and technical information and training; and
- To promote the harmonization of the railway safety regime of South Africa with SADC railway operations.

Passenger Rail Agency of South Africa

PRASA reports to the Department of Transport through a Board of Control and focused on fulfilling Government's social and economic obligation of providing affordable commuter rail services. Through Metrorail, it delivered 516 million passenger trips, 1, 4 million passengers by Mainline Passenger services and 4, 4 million passengers on Autopax.

Metrorail delivers over 2, 2 million passenger trips on weekdays in the six (6) Metropolitan Centres: Witwatersrand, Pretoria, Cape Town, Durban, Port Elizabeth and East London.

PRASA is about mobility and accessibility – the movement of people – and providing them access to real opportunities that will help them improve their lives. The organization's key objective will therefore be to promote rail as the preferred mode of transport for the masses.

PRASA is made up of four (4) distinct business units:

1. Rail Operations
PRASA Rail Operations is the Rail Operating Division of PRASA which manages urban metro commuter and long distance intercity train services.
 - Metrorail – commuter rail service in major urban metropolitan areas.
 - Shosholoza Meyl – regional and long distance (inter-city) rail based passenger transport services.
2. PRASA Corporate Real Estate Solutions (PRASA CRES) – property management and portfolio development
 - The specific mandate of PRASA CRES, is strictly to manage PRASA's Property Portfolio (Real Estate Management), Optimization and Commercialization of Space, Custodian of PRASA Accommodation Policy, Facilities Management, Station Improvement Programme as well as Station Upgrades. PRASA CRES is expected to focus on earning revenue from PRASA's Property Portfolio.

Subsidiaries

3. Autopax Pty Ltd – road based regional (inter-city) passenger bus service (Translux and City-to-City).
4. Intersite Investments
Intersite's revised mandate is to leverage against the Group's large asset base responsible for property and asset and development and drive the commercialization of PRASA assets. With the major shift in PRASA's strategic objectives to deliver on it's vastly increased mandate. The primary role of Intersite within the PRASA Group is to develop and grow the assets of PRASA to generate funding for the Group.

South African Civil Aviation Authority (SACAA)

The South African Civil Aviation Authority is mandated by the South African Civil Aviation Authority Act of 2009 to regulate and develop the aviation industry. It is sustained through charging user fees, except for the Accident and Incident Investigation Division (AIID) that it administers on behalf of the Department of Transport. The AIID gathers aviation industry incidents and accidents for the purposes of improving safety, and includes investigation aircraft accidents and incidents within the scheduled and non-scheduled industries. To this end, the SACAA received R10.7 million as normal transfer for 2011/12 financial year, and a further R4.5 million for the Tzaneen and Plettenberg Bay accidents. An amount of R1.0 million has also been made available as a contribution towards the International Civil Aviation Day celebrations that took place from 5 to 7 December 2011 at the Bhisho Airport in the Eastern Cape.

South African Maritime Safety Authority (SAMSA)

The South African Maritime Safety Authority aims to ensure the safety of life and property at sea, to prevent and combat pollution of the maritime environment by ships, and to ensure high quality of seafarer's training standards.

The financial performance determines the rate at which Maritime safety regulations can be promulgated and implemented.

South African Maritime Safety Authority – Maritime Rescue Coordinating Centre (MRCC)

In terms of a delegated authority and following Ministerial approval, SAMSA established a dedicated Maritime Rescue Co-ordination Centre (MRCC) in Platteklouf, Cape Town, on behalf of the Department of Transport.

One of the responsibilities of the Department of Transport is to provide an enabling environment for the provision of search and rescue services in South Africa. One way of ensuring this environment is through the establishment of sound and effective institutional and organizational arrangements for the provisioning of search and rescue services.

SASAR was established and delegated with the authority to conduct and co-ordinate SAR operations in South Africa's aviation and maritime search and rescue regions in accordance with the South African Maritime and Aeronautical Search and Rescue Act, 2002.

In order for SASAR to execute its mandate as per the Act, relevant structures and sub-structures were established. The MRCC is one of the structures established by the Department to assist SASAR in the execution of its mandate. This transfer payment is made annually to SAMSA to offset the capital and overhead costs that SAMSA incurs in the management and running of the MRCC. An MOU has been concluded between the Department and SAMSA for this purpose.

Ports Regulator

The Ports Regulator was established in terms of the National Ports Act of 2005 and exercises economic regulation over the ports industry. Key regulatory activities include hearing complaints and appeals against the National Ports Authority, increasing equity in access to ports and port services, monitoring compliance of all port sector participants with the act, approving tariffs of the National Ports Authority and developing the industry in accordance with policy and legislation.

National Sea Rescue Institute (NSRI)

The NSRI was established in 1967. It is a fully registered non-profit making organisation. The institution generates money through donations legacies, subscription and fund-raising efforts.

The NSRI has two main objectives, namely to save lives at sea and to promote water and boating safety. It is a member of South African Search and Rescue (SASAR) Organisation and a signatory to the SASAR Manual with effect from 13 June 1994 up to date. The NSRI contributes to SAR coastal stations and one landlocked station, which serve as a Rescue Sub-centres. It is the only voluntary organisations involved with maritime search and rescue operations and carry approximately 97% of all minor sea operations on the South African coast.

The NSRI requires approximately R 9 000 000.00 per annum to operate an effective rescue service. The institution generates money through grants, donations, legacies, subscription and fund-raising efforts. The annual grant from the Department is for the SAR services rendered on behalf of the South African Search and Rescue (SASAR) organisation, an authority delegated by law to render these services on behalf of the Department.

The grant received from the Department ensures that the NSRI:

- run their day to day business efficiently and effectively;
- resources are installed with the latest technology;
- keep up with ever increasing fuel prices;
- replace all the depleted resources; and
- Maintain their existing resources.

Hamnet

HAMNET is the emergency communications wing of the South African Radio League. It is made up of approximately 165 volunteers (Amateur Radio Operators) who are all members of the League and who are trained and specialize in emergency communications. HAMNET works closely with organizations like the Mountain Club of South Africa as well as the 4x4 Off-road Rescue Unit.

Members of the League have the capability to establish a field station, set up antenna, supply their own power and can communicate with other licenced amateur or HAMNET member, anywhere in South Africa and also in the world should it become necessary.

In times of emergency, arrangements are quickly made to organize a team which can be sent out to a disaster scene and once a field station has been set up, they can communicate to a base station (the control station), with any other group, organization or Government Department via phone, fax or other means of communication. Just like the other voluntary organizations, HAMNET is deployed in almost all of the aeronautical search and rescue operations.

Mountain Club of South Africa (MCSA)

The Mountain Club of South Africa was founded in 1891 and is the only club in Africa to be affiliated to the Union Internationale des Associations D'Alpinisme (UIAA). The UIAA is the International Mountaineering and Climbing Federation and encourages, supports and develops all forms of mountaineering, climbing, hill walking and trekking at an international level. The MCSA is made up of 13 sections across the country, each of which administers its own activities in that region.

The mission of the MCSA is to provide an effective and efficient mountain search and rescue service on a voluntary and free of charge basis to those in need in mountains, irrespective of race, gender or cultural background. They respond to any incident in a mountainous or wilderness area which, involves a missing, stuck or injured person.

The policy of the MCSA is to ensure that best available resources are used during search and rescue operation, and equipments are always maintained to the highest standard of serviceability.

MCSA operates in the mountainous areas of the provinces Gauteng, North-West, Limpopo and Mpumalanga. *The MCSA is called to assist in almost all the aeronautical search and rescue missions across the country.*

Off Road Rescue Unit

The Off-road Rescue Unit of the Four Wheel Drive Club of Southern Africa is a highly trained crew of unpaid volunteer 4x4 owners. They work closely with local emergency services, Disaster Management, the South African Air Force, Civil Aviation, the SAPS, K9 Search and Rescue Association, the Mountain Club of South Africa, and other volunteers.

The Off-road Rescue Unit provide wilderness and urban search and rescue, transport, logistical support, and radio communications functions, in rough terrain areas, in times of need including civil or national emergency. The 4X4 participate in approximately 90% of the aeronautical search and rescue missions.

African Civil Aviation Commission

Established on 15 June 1947 as a specialised agency of the African Union (former OAU), AFCAC aims to encourage co-operation in all civil aviation activities in Africa. South Africa joined AFCAC in September 1994. Whereas the International Civil Aviation Organisation (ICAO) is responsible for global international civil aviation, AFCAC focuses on civil aviation matters within Africa. South Africa, as a member of AFCAC, actively participates in its endeavours to represent the Southern African and the continent's civil aviation interests at ICAO. South Africa is required to pay a compulsory membership fee annually as determined by the council.

International Civil Aviation Organisation

The International Civil Aviation Organization (ICAO), a specialized agency of the United Nations, was created with the signing of the Convention on International Civil Aviation in Chicago on 7 December 1944. ICAO is the permanent body charged with the administration of the principles laid out in the Convention and is the global forum for civil aviation. The primary function of ICAO is the setting of global standards and recommended practices for environmental protection, safety, security and efficiency of international civil aviation. The ICAO standards and recommended practices must be implemented by all Contracting States.

ICAO works to achieve its vision of safe, secure and sustainable development of civil aviation through cooperation amongst its 190 Member States. To implement this vision, ICAO has established Strategic Objectives for the period 2005-2010, namely to enhance global civil aviation safety and security, minimize the adverse effect of global civil aviation on the environment, enhance the efficiency of aviation operations, maintain the continuity of aviation operations and strengthen law governing international civil aviation. South Africa, as a Contracting State, is therefore, bound by the set standards and recommended practices of ICAO. In addition, South Africa is required to pay compulsory annual membership fees as determine by the ICAO Council.

ICAO, through its safety oversight program has been involved in a number of projects designed to establish or improve Governments' flight safety oversight capability. The Southern African Development Community

– Community Cooperative Development of Operational Safety and Continuing Airworthiness Programme (SADC—COSCAP) project is a cooperative agreement between SADC member States and implemented by ICAO. This project is designed to assist SADC - States in overcoming deficiencies in their air transport systems by instituting measures to address safety concerns raised by ICAO. After ICAO Audits, all States, to varying degrees, were found to have deficiencies in their safety oversight capacities.

COSPAS SARSAT

The International COSPAS-SARSAT Programme Agreement (ICSPA) was concluded on 8 July 1985 by four countries, namely, the former Union of the Soviet Socialist Republics, the United States of America, Canada and France. The International COSPAS- SARSAT System is run by a Council, whose main function is to carry out the relevant policies and coordinate the activities of the Parties. The Programme consists inter alia of Ground Segment Providers which refers to any state that establishes and operates Ground Segment equipment like the Local User Terminal (LUT) and Mission Control Centres, and avails itself of the system in terms of the above Agreement.

The purpose of the Agreement is inter alia to provide distress alert and location data from the system to the international community in support of search and rescue operations on a non-discriminatory basis. The Agreement further supports the objectives of the IMO and ICAO concerning search and rescue by providing these distress alert and location data.

Following the purchasing and installation of the LUT in February 1999, South Africa could not function in isolation from other search and rescue regimes. It therefore became necessary for South Africa to affiliate to the International COSPAS-SARSAT Programme as a Ground Segment Provider in compliance with international trends, standards and requirements. South Africa became a member of the ICSPA from 2001, after the Letter of Association with the Programme was signed by the Minister of Foreign Affairs following approval by Parliament. The payment is for annual membership fees.

International Maritime Organisation

The International Maritime Organization (IMO) is a specialized Agency of the United Nations that is responsible for measures to improve Safety and Security of the international shipping and to protect marine environment from pollution by ships. IMO Convention was established under the auspices of the United Nations in Geneva on 17 March 1948 and met for the first time in January 1959. Currently, it has 164 Member States. IMO's governing body is the Assembly and is made up of all 164 Member States and meets normally once every two years. The Council is a governing body in between Assembly sessions. It prepares work programmes for the assembly. The Maritime Safety Committee, Marine Environment Protection, Legal, Technical Cooperation and Facilitation Committees and a number of sub-committees, carry out the mainly technical work.

South Africa was re-admitted to membership of IMO immediately following her re-admission to the United Nations. Currently, SA is a member of the IMO Council. Each member state is required to pay the annual membership fee as determined by the IMO Council.

Indian Ocean Memorandum of Understanding

The Indian Ocean Memorandum of Understanding (IOMOU) was finalized in Pretoria on the 5th of June 1998. South Africa signed the MOU in January 1999. Other members of the IOMOU are Australia, Bangladesh, Djibouti, Eritrea, Ethiopia, India, Kenya, Maldives, Mauritius, Mozambique, Myanmar, Oman, Seychelles, Singapore, South Africa, Sri Lanka, Tanzania, Iran, Kenya, Maldives, Oman and Yemen.

The primary purpose of the IOMOU is to eliminate substandard ships in the region. This is done through Port State Control (PSC). The Port State Control aims to verify whether foreign flag vessels calling at a port of a state, comply with applicable international maritime conventions. When vessels are not found in substantial compliance with applicable laws or relevant convention requirements, the PSC system impose actions to ensure that they are brought into compliance. Member States to the IOMOU are required to pay annual membership fees.

Assessment of actual amount spent by each entity:

South African Civil Aviation Authority (SACAA)

Out of the R10.7 million allocated and transferred and received by SACAA, a total of R12.37 million was spent resulting in a R1.67 million under-funding. Out of the R4.5 million "special investigation" allocation, R235 000 has been spent so far. However, the salvaging project in Plettenberg Bay is still underway. A full spending report will be provided.

Ports Regulator

An amount of R 14, 362 million has been allocated and transferred to the Ports Regulator.

South African Maritime Safety Authority (SAMSA)

An amount of R 13,464 has been allocated and transferred to the SAMSA of which an amount of R 5, 865 million was for the services rendered for the management of the Maritime Rescue Coordination Centre (MRCC) on behalf of the Department, whilst an amount of R 7, 599 million was for other functions performed by SAMSA on behalf of the Department.

International Civil Aviation Organisation (ICAO)

As a member State, South Africa contributes an annual membership fee. For the year ended March 2012 South Africa contributed R 2,434 million. An amount of R 2,407 million has been made available for the SADC—COSCAP project through the ICAO.

African Civil Aviation Commission

As a member State, South Africa contributes an annual membership fee. For the year ended March 2012 South Africa contributed R 2,362 million.

International Maritime Organisation

As a member State, South Africa contributes an annual membership fee. For the year ended March 2012 South Africa contributed R 0,339 million.

Indian Ocean Memorandum of Understanding

South African contribution amounted to R 0,395 million

COSPAR-SARSAT

South African contribution amounted to R 0,317 million

Non-Profit Institutions

A total amount of R 1,255 million (National Sea Rescue Institute – R1, 105 million; Off Road Rescue – R 0,050 million; Mountain Club Of South Africa – R 0, 050 million; HAMNET – R 0,050 million) has been allocated and paid to the Search and Rescue related institutions.

Assessment of actual amount spent by each entity:

Railway Safety Regulator

A total amount of R37,475,000 was transferred to the entity. Each quarterly transfer was done as per the payment schedule and after receiving the quarterly report for the afore running quarter.

Passenger Rail Agency of South Africa

The ability to provide the requisite level of funding to address both the investment capital and rapidly expanding operational requirements to affect the mandate is fundamental to the successful performance of PRASA. There has been a significant increase in the capital grant allocation over the past four years. This is in line with the Phase 1 requirements of stabilising commuter rail. A total amount of R9,474,098,000 was transferred to the entity in equal monthly payments.

Comments on monthly monitoring systems:

Passenger Rail Agency of South Africa

As the sole shareholder of PRASA, the Minister annually enters into a Shareholder's Compact/ Performance Agreement with PRASA. The Compact contains deliverables that should be achieved by the organisation at the end of the financial year and the approved targets are reported to the Department on a quarterly basis. During the 2011/12 financial year, the Accounting Authority (the PRASA Board) reported quarterly to the Executive Authority (the Minister) on performance against the Shareholder's Compact/Performance Agreement. The Department, as the executive arm of the Minister, monitored the performance of PRASA on an ongoing basis in order to facilitate effective performance monitoring, evaluation and corrective action.

In November 2011, with the introduction of the new structure in the Department, the Rail Transport Branch took over the responsibility for monitoring PRASA and provided the Minister with analysis of the 3rd quarterly report.

South African Civil Aviation Authority (SACAA)

With regards to internal controls around the transfer to the Accident and Incident Investigation Division (AIID) of the SACAA, it has multi-level functions to ensure controls are adhered to. It must be stated that salaries and travel constitute a large portion of the expenditure. Concerning hiring of staff, this is controlled by SACAA's Human Resource Policies and this area is audited annually by internal and external auditors. As far as travel is concerned, the procurement is performed through a service provider appointed through a transparent tender process. However due to the Division's reactionary nature, as accidents are not planned, there are usually limited options at procurement point as flights and accommodation rates cannot be booked in advance and it is impossible to negotiate discounted rates.

There are standard processes set for ensuring control of SACAA finances, and in this case AIID expenditure. A purchase order system administered by the procurement department is in place and enforces

interdepartmental approvals. This system is linked to budgets with excess expenditure in comparison to budgets having to be approved by an administrative structure. Performance against budgets are analysed and reported to the Executive Committee and related Board structures and finally to the Department through quarterly reports.

South African Maritime Safety Authority (SAMSA [including SAMSA - MRCC])

SAMSA is expected to provide quarterly reports to the Department before any quarterly payments could be made. In addition to these quarterly reports, the Head of Maritime SAR Operations report on the activities of the MRCC at every Executive Committee meeting.

Ports Regulator

Quarterly reports are submitted before quarterly payments could be made.

International Civil Aviation Organisation (ICAO)

Managed by the Council of ICAO. South Africa is represented on the council by a permanent representative.

African Civil Aviation Commission (AFCAC)

Managed by the Commission

International Maritime Organisation

Managed by the Council of the IMO. South Africa is represented on the council by a permanent representative.

Indian Ocean Memorandum of Understanding (IOMOU)

Managed by the Secretariat of the IOMOU.

Non-Profit Institutions

Agreements have been concluded with the voluntary organizations and these agreements are implemented to the letter before any grant could be paid. The NSRI provide written reports to the Department/ MRCC on every incident that they are involved with.

The other three voluntary organizations provides reports on their role and involvement during debriefing sessions held at the end of each and every SAR mission by the Rescue Co-ordination Centres and also at the Sub-Committees meetings to which relevant Departmental officials are members. They are also required to provide the Department with an annual report before their grants could be paid.

Details of difficulties experienced with monthly monitoring:

South African Civil Aviation Authority (SACAA)

SACAA experienced hardly any challenges from a monitoring point of view, except that over the years AIID has witnessed underfunding from the Department of Transport/National Treasury. To this end various correspondence was sent, including meetings at all organisational levels, culminating in improved funding for the coming years. This was confirmed by National Treasury.

The Accident and Incident Investigation Division's (AIID) plan to half accidents by 2015 has been a challenge as this requires coordination of parties within and beyond SACAA's borders. As a start, the SACAA has analysed accidents for the past three years with recommended action from the various Divisions within the SACAA. It has become apparent that external involvement is necessary, necessitating a comprehensive proposal being prepared for relevant stakeholders together with current industry liaisons that have resulted in the decrease in total accidents.

Establishing the Independence of aviation Accidents and Incidents Investigation Division (AIID) was delayed as the current Civil Aviation Act was restrictive requiring Board Members not to have any interest in the aviation industry, a requirement that would render them less effective. This, and other options to establish the same are being considered at organizational and Department of Transport level.

South African National Taxi Council (SANTACO)

The Department continued to support SANTACO as part of the implementation of the National Taxi Task Team agreement made in the late 90's as part of the formalization, regulation and development of the taxi industry. The taxi mode continues to be the most preferred mode among low income earning segments of the society, accounting for 65% passengers daily. SANTACO on the other hand developed a transformation focused strategy called the TR 2020 Strategy and the department has committed to providing support for its implementation. In the year under review the Department transferred R21, 176m to SANTACO to finance projects and services agreed to in the Service Level Agreement.

2.1.10 Public Entities

Passenger Rail Agency of South Africa

(Chapter 5 of the Legal Succession to the South African Transport Services Act, No. 9 of 1989)

The main function of the Passenger Rail Agency of South Africa (PRASA) is to ensure that rail commuter services are provided in the public interest at the request of the Department of Transport. The Agency inherited all assets (land and properties) in and around commuter stations and corridors from the South African Transport Services for the purpose of commercializing them with the long term vision of reducing the Government subsidy for commuter rail. The Agency successfully merged with Metrorail Services in 2007/08, formerly a division of Transnet, to provide commuter rail services. These services are provided in six (6) regions: Gauteng, Tshwane, Cape Town, Durban, Port Elizabeth and East London.

The second phase of merging rail services was completed in March 2009 with the incorporation of Shosholoz Meyl into the Agency. The Agency also took over Autopax from Transnet to increase public transport services, initially for the 2010 Soccer World Cup event.

Intersite Investments is a subsidiary of the agency within the PRASA Group with its main aim to develop and grow the assets of PRASA to generate funding for the Group.

The financial performance of the Agency can influence the level of public transport subsidies needed to sustain rail commuter subsidies. The enhancement and maintenance of rail infrastructure is key to the policy of promoting a fair playing field for various modes of transport, particularly for public commuter transport subsidies. A major backlog still exists in the rail capital infrastructure.

Key Achievements:

Acquisition of new rolling stock for PRASA has made headlines with the approval of the feasibility study by Cabinet and launch of the procurement process by the Minister of Transport in April 2012.

The accelerated rolling stock programme on Metrorail coaches resulted in 510 coaches delivered for the financial year, 60 coaches above target.

Progress on key infrastructure investment programmes such as the National Signaling Programme and Bridge City Extension is making good progress.

Output: Priority passenger rail corridors developed and upgraded (rolling stock, signaling and line extension)

The general overhaul programme for Metrorail resulted in the delivery of 510 coaches, 60 coaches or 13% higher than target, in the 2011/12 financial year. On the Mainline Passenger Services side, no coaches were delivered as the results of a new prototype air conditioning system suitable for rail is undergoing testing. The national signaling programme Stage 1, Gauteng Phase 1 is making good progress with an interim solution for the Lenz – Midway section commissioned in October 2011. The design for the Gauteng Nerve Centre was completed ahead of schedule and the environmental impact assessment concluded in December 2011. Stage 1 tenders for the KwaZulu Natal and Western Cape regions were issued in third quarter of 2011/12 and bids received in the fourth quarter.

The Greenview to Pienaarspoort line extension is experiencing a 4 – 6 month delay as result of the liquidation of the main contractor on Work Package 1 as well as the default of the contractor on work package 2 for Greenview and Mamelodi stations. Completion has been rescheduled for 2012/13 financial year.

The Bridge City Line Extension is progressing well. The construction work on earthworks and piling are progressing as planned and the work on viaducts and bridges have commenced. The Bridge City station had been completed in 2010/11. The rail link tender process was completed March 2011 as result of excessive cost estimates that required review and delayed the project. The rail link designs were completed in April 2011. Project completion is expected by March 2013.

The principal approval for the PRASA Fleet renewal was made in 2010/11 and a transaction advisor appointed in December 2010. During the financial year under review a successful market engagement involving local and international suppliers as well as emerging suppliers was conducted in April 2011. The Metrorail Feasibility study was completed and approved by an Intergovernmental Steering committee which included senior officials from the National Department of Transport, Department of Trade and Industry, National Treasury, Department of Public Enterprises, Railway Safety Regulator and PRASA. This Feasibility Study was presented to the Minister of Transport for consideration, before presentation to Cabinet. Cabinet approved the study in December 2011. The procurement documentation has been completed and the tender launched April 2012 by the Minister of Transport.

Other achievements:

Passenger numbers on the commuter rail side have improved by 9, 5% on 2010/11, mainly as a result of actions of PRASA Rail operations to ensure all revenues are collected.

Autopax passengers increased by 65% on 2010/11 as result of more buses run during the year on mainly existing routes.

Accident per million vehicle kilometer improved to 1.41 an improvement of 7% whilst fatalities per million passengers transported reduced by 5% to 0.5 fatalities per million passengers transported. The Group has procured 75.5% of their goods and services from B-BBEE compliant enterprises.

PRASA

Key Achievements:

- **Acquisition of new Rolling Stock**
During the financial year under review a successful market engagement involving local and international suppliers as well as emerging suppliers was conducted in April 2011. A feasibility study was completed and approved by an Intergovernmental Steering committee which included senior officials from the National Department of Transport, Department of Trade and Industry, National Treasury, Department of Public Enterprises, Railway Safety Regulator and PRASA. This Feasibility Study was presented to the Minister of Transport for consideration, before presentation to Cabinet. Cabinet approved the study in December 2011. The procurement documentation has been completed and the tender launched May 2012 by the Minister of Transport.
- **Accelerated Rolling Stock Programme**
The accelerated rolling stock programme resulted in 510 coaches delivered to Metrorail for the financial year, 60 coaches above target.
- **Key infrastructure investment programmes**
The national signaling programme Stage 1, Gauteng Phase 1 is making good progress with an interim solution for the Lenz – Midway section commissioned in October 2011. The design for the Gauteng Nerve Centre was completed ahead of schedule and the environmental impact assessment concluded in December 2011. Stage 1 tenders for the KwaZulu Natal and Western Cape regions were issued in third quarter of 2011/12 and bids received in the fourth quarter.

The Bridge City Line Extension is progressing well. The construction work on earthworks and piling are progressing as planned and the work on viaducts and bridges have commenced. The Bridge City station had been completed in 2010/11. The rail link tender process was completed March 2011 as result of excessive cost estimates that required review and delayed the project. The rail link designs were completed in April 2011. Project completion is expected by March 2013.

South African Civil Aviation Authority (SACAA)

Year-on-year accident comparison between 2010/11 and 2011/12 financial year indicate a 14% drop in accidents despite an increase in fatalities and serious accidents. The Tzaneen aircraft accidents are a significant contributor to the increase in fatalities. This means that safety discussions with industry through various forums are productive, hence total decrease in the number of accidents. Written assurance was obtained from the South African Civil Aviation Authority in terms of Section 38(1) (j) of the Public Finance Management Act that the entity implements effective, efficient and transparent financial management and internal control systems.

Summary report on each institution's compliance with section 38(1) (j) of the PFMA:

South African Maritime Safety Authority (SAMSA)

Written assurance was obtained from the South African Maritime Safety Authority in terms of Section 38(1) (j) of the Public Finance Management Act that the entity implements effective, efficient and transparent financial management and internal control systems.

Ports Regulator

Written assurance was obtained from the Ports Regulator in terms of Section 38(1) (j) of the Public Finance Management Act that the entity implements effective, efficient and transparent financial management and internal control systems.

Railway Safety Regulator

Written assurance was obtained from the Railway Safety Regulator in terms of section 38(1) (j) of the Public Finance Management Act that the entity implements effective, efficient and transparent financial management and internal control systems.

Passenger Rail Agency of South Africa

Written assurance was obtained from the Passenger Rail Agency of South Africa in terms of section 38(1) (j) of the Public Finance Management Act that the entity implements effective, efficient and transparent financial management and internal control systems.

Written assurances were obtained from all the entities (except membership fees paid for the African Civil Aviation Commission, International Civil Aviation Organisation, COSPAS-SARSAT, Indian Ocean Memorandum of Understanding, International Maritime Organisation) that they implement effective, efficient and transparent financial management and internal control systems before any funds were transferred to them in compliance with section 38(1) (j) of the PFMA. In fact, this requirement is provided for in the agreements or MOU concluded with these entities.

2.1.11 Conditional grants and earmarked funds

Table of grants and payments

NAME OF INSTITUTION:	Amount R'000	Estimated expenditure of recipient.
Municipalities - Public Transport Infrastructure and Systems Grant:	4,611,647	1,822,316
Nelson Mandela	340,000	66,803
Buffalo City	180,000	5,864
Mangaung	15,000	64,586
Ekurhuleni	20,000	8,845
Johannesburg	1,700,000	803,086
Tshwane	200,000	78,477
Ethekwini	205,000	152
Msunduzi	65,000	21,677
Polokwane	55,347	900
Mbombela	45,000	23,953
Rustenburg	178,000	93,239
Cape Town	1,608,300	654,734
Municipalities - Rural Transport Grant:	35.439	2,721,546
OR Tambo	1,687	373,393
Chris Hani	1,688	373,393
Amatole	1,688	373,393
Sekhukhune	1,687	
Ukhahlamba	1,688	
Umkhanyakude	1,687	

Information on Predetermined Objectives
for the year ended 31 March 2012

NAME OF INSTITUTION:	Amount R'000	Estimated expenditure of recipient.
Alfred Nzo	1,687	373,393
UThungulu	1,687	
Sisonke	1,687	502,170
ILembe	1,687	32,160
UMgungundlovu	1,688	213,978
Capricorn	1,687	
Umzinyathi	1,688	
Amajuba	1,688	
Zululand	1,688	
Dr Ruth Segomotsi Mompati	1,687	
Ugu	1,688	479,666
Uthukela	1,688	
Mopani	1,688	
Vhembe	1,688	
Ngaka Modiri Molema	1,688	
Provinces - Gautrain Rapid Rail Link Grant:		
Gauteng Treasury - Gautrain Rapid Rail Link	5,300	5,300
Provinces - Public Transport Operations Grant:	4,153,232	4,354,768
Province - Eastern Cape	166,953	166,158
Province - Free State	184,566	183,714
Province - Gauteng	1,577,612	1,778,990
Province - Kwazulu Natal	773,473	773,473
Province - Limpopo	249,498	249,498
Province - Mpumalanga	420,099	425,218
Province - North West	77,211	75,203
Province - Northern Cape	37,565	36,259
Province - Western Cape	666,255	666,255
Provinces - Provincial Road Maintenance Grant:	6,697,354	5,839,946
Province - Eastern Cape	1,115,753	1,112,362
Province - Free State	468,933	345,342
Province - Gauteng	567,076	134,596
Province - Kwazulu Natal	1,266,384	1,266,384
Province - Limpopo	974,379	833,424
Province - Mpumalanga	1,016,603	1,066,854
Province - North West	369,979	258,942
Province - Northern Cape	507,106	346,271
Province - Western Cape	411,141	475,771
TOTAL	15,502,972	14,738,576

Information on Predetermined Objectives
for the year ended 31 March 2012

GRANT NAME: PUBLIC TRANSPORT OPERATIONS GRANT

To provide supplementary funding towards public transport services provided by provincial departments of transport:

Name of Grant	Public Transport Operations Grant (PTOG)
Purpose	To provide supplementary funding towards public transport services provided by provincial departments.
Performance Indicator	Number of passengers benefited from the subsidised services provided in terms of the grant.
Continuation	The grant to continue during the period covered by strategic plan.
Motivation	Continuation of the grant is imperative for the subsidization of public transport services provided by provincial departments in order: <ul style="list-style-type: none"> • To assist Provinces/Contracting authorities to meet their contractual obligations with contracted bus operators. • To make public transport affordable and accessible to all poor communities.

PTOG performance

Provinces	Budget	Expenditure
Province - Eastern Cape	166,953	166,158
Province - Free State	184,566	183,714
Province – Gauteng	1,577,612	1,778,990
Province - Kwazulu Natal	773,473	773,473
Province – Limpopo	249,498	249,498
Province – Mpumalanga	420,099	425,218
Province - North West	77,211	75,203
Province - Northern Cape	37,565	36,259
Province - Western Cape	666,255	666,255
	4,153,232	4,354,768

PUBLIC TRANSPORT INFRASTRUCTURE AND SYSTEMS GRANT (PTIS)

To provide supplementary funding towards public transport services provided by provincial departments of transport:

Strategic goal	<ul style="list-style-type: none"> • To support the Public Transport Strategy (PTS) and Action Plan in promoting the provision of accessible, reliable and affordable Integrated Rapid Public Transport Network (IRPTN) services in the major cities of South Africa in line with the National Land Transport Act (NLTA)
Grant purpose	<ul style="list-style-type: none"> • To provide for accelerated planning, construction and improvement of public and non-motorised transport networks.
Outcomes statements	<ul style="list-style-type: none"> • Improved public transport (PT) network services that are formal, scheduled and well managed and which are accessible to an increasing percentage of the population of the major cities
Outputs	<ul style="list-style-type: none"> • Public transport infrastructure includes development of dedicated lanes, upgrade of network routes, stations, depots and control centres and the fare system • Public transport services include buses, security, station management, ticketing and contributions towards the economic rights of existing operators and workers. • IRPTN plans which should be approved at municipal level and contain: <ul style="list-style-type: none"> - network operational plans including universal access design plans - engineering and architectural designs - vehicle and technology plans - institutional and operator business plans and financial, marketing and communication plans for the network services

Information on Predetermined Objectives
for the year ended 31 March 2012

To provide supplementary funding towards public transport services provided by provincial departments of transport.

PTIS performance as at January 2012

Municipality	2011/12 Allocation	Transferred by 31 Jan 2012	Spent by 31 Jan 2012	%Spent of Transfers
Buffalo City	180,000	120,000	0	0.00%
Cape Town	1,800,000	1,608,300	292,808	18.21%
Ekurhuleni	20,000	20,000	5,812	29.06%
eThekweni	205,000	205,000	57,916	28.25%
Johannesburg	1,700,000	1,452,000	750,797	51.71%
Mangaung	15,000	15,000	10,643	70.95%
Mbombela	45,000	40,000	21,714	54.29%
Msunduzi	65,000	65,000	21,677	33.35%
Nelson Mandela	340,000	220,000	31,650	14.39%
Polokwane	55,347	44,500	900	2.02%
Rustenburg	178,000	125,000	29,304	23.44%
Tshwane	200,000	200,000	69,356	34.68%
TOTAL	4,603,347	3,914,800	1,223,221	31.25%

Gautrain Rapid Rail Link

Purpose:

To provide for national government funding contribution to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail Link network.

Expected outputs:

- The completion of the civil networks and operational systems of the Gautrain Rapid Rail Link according to the specifications and milestones agreed between the Gauteng Province and the Concessionaire in the PPP Concession Agreement (CA).
- Implementation of the Gautrain Strategic Innovation Plan as approved by Cabinet in December 2005.

Road Transport

Table of grants and payments

NAME OF INSTITUTION:	Amount R'000	Estimated expenditure of recipient
Provinces - Provincial Road Maintenance Grant:	6 457 354	5 969 674
Province - Eastern Cape	1 034 086	1 048 622
Province - Free State	447 165	340 806
Province - Gauteng	566 917	137 985
Province - Kwazulu Natal	1 236 648	1 357 466
Province - Limpopo	934 208	777 042
Province - Mpumalanga	1 016 603	1 180 210
Province - North West	308 760	457 460
Province - Northern Cape	501 826	258 942
Province - Western Cape	411 141	411 141

Information on Predetermined Objectives
for the year ended 31 March 2012

NAME OF INSTITUTION:	Amount R'000	Estimated expenditure of recipient
Municipalities - Rural Transport Grant:	35.439	12.398
OR Tambo	1,687	0,893
Chris Hani	1,688	0,893
Amatole	1,688	0,893
Sekhukhune	1,687	0,282
Ukhahlamba	1,688	0,282
Umkhanyakude	1,687	0,893
Alfred Nzo	1,687	0,893
uThungulu	1,687	0,282
Sisonke	1,687	1,443
iLembe	1,687	0,313
uMgungundlovu	1,688	1,794
Capricorn	1,687	0,282
Umzinyathi	1,688	0,282
Amajuba	1,688	0,282
Zululand	1,688	0,282
Dr Ruth Segomotsi Mompati	1,687	0,282
Ugu	1,688	0,999
Uthukela	1,688	0,282
Mopani	1,688	0,282
Vhembe	1,688	0,282
Ngaka Modiri Molema		
Provinces - Gautrain Rapid Rail Link Grant:	1,688	0,282
Gauteng Treasury - Gautrain Rapid Rail Link	5,300	
Provinces - Public Transport Operations Grant:		
Province - Eastern Cape	166,953	
Province - Free State	184,566	
Province - Gauteng	1,577,612	
Province - Kwazulu Natal	773,473	
Province - Limpopo	249,498	
Province - Mpumalanga	420,099	
Province - North West	77,211	
Province - Northern Cape	37,565	
Province - Western Cape	666,255	

Purpose:

To implement the S'hamba Sonke Strategy. The PRMG serves to supplement provincial roads investments and support preventative maintenance on provincial road networks; and to ensure provinces implement and maintain road asset management systems.

The S'hamba Sonke Programme provides a set of principles to guide the prioritisation of infrastructure investments to maximise the economic impact and development multipliers for maintaining and upgrading South Africa's provincial road network. S'hamba Sonke Programme also introduces road maintenance methodologies that are specifically designed to create jobs, to support enterprise and co-operative development and to build the productive assets of resource poor communities on an unprecedented scale.

Expected Outputs:

- Collected traffic volumes data and pavement condition data
- Updated road asset management systems
- Squared kilometres of preventative, routine and emergency maintenance work
- Percentage of roads for which condition of roads changed from poor and very poor to at least fair
- Weighbridges
- Percentage of roads in good or very good condition maintained in that condition
- Number of EPWP work opportunities created
- Number of S3 students provided with experiential internships
- Number of emerging contractor opportunities created

RURAL TRANSPORT SERVICES AND INFRASTRUCTURE GRANT (RTSIG)

Purpose:

To assist rural district municipalities to set up rural road asset management systems, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa

Expected Outputs:

- Collection of road inventory data including conditions assessment and traffic data;
- Setting up pavement and bridge management system compatible with national standards

Explanation of whether transfers were made as scheduled:

Gautrain Rapid Rail Link

Payment was made as per the Payment Schedule approved by National Treasury.

Transfer payment for April was made on 5 May 2011, the Division of Revenue Act of 2011 was enacted very late in April and the transfer could not be made on time. The National Treasury advised that the transfers should be made only after the bill was enacted.

Transfers were made as scheduled. A total of R191.7m was withheld by DoT from the City of Cape Town due to projected underspending and the department complied with the DORA in this regard.

Information on Predetermined Objectives
for the year ended 31 March 2012

Road Transport

Provinces	Approved amount of 1st transfer	Actual transfer amount	Approved amount of 2nd transfer	Actual transfer amount	Approved amount of 3rd transfer	Actual transfer amount	Approved amount of 4th transfer	Actual transfer amount
EC	R 155 115	R 155 115	R 206 817	R 206 817	R 310 226	R 310 226	R 361 930	R 361 930
FS	R 75 029	R 75 029	R 196 842	R 196 842	R 82 842	R 82 842	R 92 452	R 92 452
GP	R 55 017	R 55 017	R 179 289	R 179 289	R 214 878	R 214 878	R 117 733	R 117 733
KZN	R 309 162	R 309 162	R 309 162	R 309 162	R 309 161	R 309 161	R 309 161	R 309 161
LP	R 191 016	R 191 016	R 206 766	R 206 766	R 154 941	R 154 941	R 381 485	R 381 485
MP	R 150 138	R 150 138	R 225 231	R 225 231	R 263 138	R 263 138	R 378 096	R 378 096
NC	R 86 085	R 86 085	R 93 672	R 93 672	R 71 650	R 71 650	R 57 353	R 57 353
NW	R 57 642	R 57 642	R 164 921	R 164 921	R 172 742	R 172 742	R 106 521	R 106 521
WC	R 61 191	R 61 191	R 116 349	R 116 349	R 108 670	R 108 670	R 124 931	R 124 931
Totals		R1140 395		R1699049		R1688248		R1929 662
Total PRMG Transferred								R6457354

Provinces	Approved date of 1st transfer	Actual transfer date	Approved date of 2nd transfer	Actual transfer date	Approved date of 3rd transfer	Actual transfer date	Approved date of 4th transfer	Actual transfer date
EC	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	9 Jan 12
FS	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	9 Jan 12
GP	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	16 Mar 12
KZN	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	9 Jan 12
LP	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	9 Jan 12
MP	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	9 Jan 12
NC	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	9 Jan 12
NW	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	30 Mar 12
WC	13 May 11	13 May 11	19 Aug 11	19 Aug 11	11 Nov 11	11 Nov 11	9 Jan 12	9 Jan 12

Summary of PRMG Payments /Transfer Dates

All funds for PRMG (100%) were transferred as indicated in the Tables above, and all payments were made in accordance to the approved National Treasury Payment Schedule for Transfer Payments, except the Fourth transfers for North West and Gauteng which was withheld due to poor expenditure records. The transfer for Gauteng was released upon receipt of "proof of commitments" for PRMG funded projects. The payment to North West was released after a submission was approved to add additional projects and after the gazetting process to publish the amended PRMG Project List was completed.

Although the Department of Transport's invoking of Section 16 (3) of DORA by with-holding the 4th transfers to the above mentioned provinces was in terms of the DORA, the Department did not comply to the DORA requirements by with-holding the funds for more than 30 days. The reason for this non-compliance was due to the both provinces failing to provide the required information within the initial 30 days holding period. It was an oversight by the Department not to formally inform the National Treasury of extending the holding period by more than 30 days.

Municipality	Approved amount of 1st transfer	Actual transfer amount	Month of transfer
OR Tambo	1.687	1.687	Oct 2011
Chris Hani	1.688	1.688	Oct 2011
Amatole	1.688	1.688	Oct 2011
Sekhukhune	1.687	1.687	Oct 2011
Ukhahlamba	1.688	1.688	Oct 2011
Umkhanyakude	1.687	1.687	Oct 2011
Alfred Nzo	1.687	1.687	Oct 2011
uThungulu	1.687	1.687	Oct 2011
Sisonke	1.687	1.687	Oct 2011
iLembe	1.687	1.687	Oct 2011
uMgungundlovu	1.688	1.688	Oct 2011
Capricorn	1.687	1.687	Oct 2011
Umzinyathi	1.688	1.688	Oct 2011
Amajuba	1.688	1.688	Oct 2011
Zululand	1.688	1.688	Oct 2011
Dr Ruth Segomotsi Mompati	1.687	1.687	Oct 2011
Ugu	1.688	1.688	Oct 2011
Uthukela	1.688	1.688	Oct 2011
Mopani	1.688	1.688	Oct 2011
Vhembe	1.688	1.688	Oct 2011
Ngaka Modiri Molema	1.688	1.688	Oct 2011

Summary of RTSIG Payments /Transfer Amounts

As indicated in the above table, all funds for RTSIG were transferred in one trench in October 2011 to the respective District Municipalities.

Public Transport

Transfer payment for April was made on the 5 May 2011, the Division of Revenue Act of 2011 was enacted very late in April and the transfer could not be made on time. The national Treasury advised that the transfers should be made only after the bill was enacted.

Gautrain Rapid Rail Link

No portion of the grant was retained at the National department, all funds were transferred.

Road Transport

No funds was retained for administration costs from the PRMG as well as RTSIG

Analysis of spending trends for each grant:

Gautrain Rapid Rail Link

The final payment of R5,3 million from the grant was made in July 2011.

Compliance with the conditions of the grant was monitored through attendance of weekly Gautrain Executive Committee meetings and the monthly Project Progress meetings. Furthermore, the monthly payment claims from the Concessionaire were scrutinized and the quarterly reports submitted in terms of the DORA were studied. There were no areas in which compliance fell short of requirements.



Road Transport

Provinces	Approved Budget for 2011/12	Actual Expenditure	Remarks	Corrective Measures
EC	R 1 034 086	R 1 048 622	Records imply that province reported its own expenditure into the PRMG	Reconciliation required by the provincial financial C.F.O.
FS	R 447 165	R 340 806	Province to submit proof of Procurement of service providers and commitment of all PRMG funds. Un-spent funds to be returned to the National Fiscus	Reconciliation required by the provincial financial C.F.O. & his team. The Province is responsible to apply for Rollovers if applicable
GP	R 566 917	R 137 985	Procurement of service providers and commit all funds.	Due to poor expenditure, the 4th transfer was delayed which resulted in "urgency" from the province with their
KZN	R 1 236 648	R 1 357 466	Records imply that province reported its own expenditure into the PRMG	Reconciliation required by the provincial financial C.F.O.
LP	R 934 208	R 777 042	Province to submit proof of Procurement of service providers and commitment of all PRMG funds. Un-spent funds to be returned to the National Fiscus	Reconciliation required by the provincial financial C.F.O. & his team. The Province is responsible to apply for Rollovers if applicable
MP	R 1 016 603	R 1 180 210	Records imply that province reported its own expenditure into the PRMG	Reconciliation required by the provincial financial C.F.O.
NC	R 308 760	R 457 460	Records imply that province reported its own expenditure into the PRMG	Reconciliation required by the provincial financial C.F.O.
NW	R 501 826	R 258 942	Additional project had to be added in the PRMG gazette list. Province to submit proof of Procurement of service providers and commitment of all PRMG funds. Un-spent funds to be returned to the National Fiscus	An amendment of project list to be done with the gazetting of the 2012/13 project list. Reconciliation required by the provincial financial C.F.O. & his team. The Province is responsible to apply for Rollovers if applicable
WC	R 411 141	R 411 141	No deviations	None required
Total	R 6 457 354	R 5 969 707		

Summary of PRMG Expenditure per province

On average, there were no challenges with expenditure, except in the Gauteng province which only started spending in the third quarter and the North West province whose expenditure was below average. The collective expenditure is R 5 969 674.00 against a target of R 6 457 354, which represents a 92% expenditure, however the provinces had committed its funds and some projects are in progress. The Department shall monitor and ensure that all committed projects are completed and verify that the payments are effected for these projects as per the PRMG Gazetted Project List. It must be noted that with capacity challenges in the department, verification processes only started in the middle of the Third Quarter after acquisition of a Service Provider. During verifications, it was noted that there are deviations by some provinces in that they have not spent their PRMG allocations on the gazetted project lists. Final decisions shall be taken after consultations with National Treasury on remedial / corrective measures to be implemented. It is expected that a revised PRMG Project List shall be published. However, the Department shall ensure that only projects that in line with the S'hamba Sonke Roads Programme are selected and that these projects can be realistically implemented within the required timeframes and budget.

Public Transport

The Spending trend

The spending trend was monitored through monthly and quarterly reports submitted by provinces. The Department conducted a mid-term expenditure review that was discussed with all the provinces at the Public Transport Intergovernmental Forum. The reports were discussed; analysed and corrective measures were undertaken.

Monitoring compliance

Performance was monitored through the performance reports provided by provinces.

Gautrain Rapid Rail Link

The Concessionaire achieved a reduced scope Operational Commencement Date 1 (OCD1) on 8 June 2010, in time for the 2010 Soccer World Cup. This was the section between O R Tambo International Airport and Sandton.

The contractual date for OCD2 (operating of the whole system for operations) was 27 March 2011. However, this was not achieved, due to delays in construction. Partial opening of the system between Hatfield and Rosebank was achieved on 2 August 2011. The remaining section, between Rosebank and Park Station in Johannesburg, was not opened for operations due to excessive water ingress in the tunnel over that section. The Gautrain Management Agency and the Concessionaire are currently in dispute regarding this matter. The exact date for opening this section is not known yet as remedial works is being carried out in the tunnel by the Concessionaire.

Road Transport

Outputs	Key Performance Indicator	Status	Reason not achieved	Corrective Measures
<ul style="list-style-type: none"> Collected traffic volumes data and pavement condition data 	<ul style="list-style-type: none"> Feedback from provinces National Traffic Statistics Report and Visual Condition Data Assessment report 	<ul style="list-style-type: none"> Incomplete Work in progress 	<ul style="list-style-type: none"> Lack of technical capacity at some provinces Road Condition Data is not up to date by some provinces 	<ul style="list-style-type: none"> DOT has committed to work with provinces to ensure that the monitoring of traffic for the 2012/13 financial years. These would be assessed on annual basis. The DORA now allows a province to utilize up to R10 million of the PRMG to employ technical staff to assist in the operational functions
<ul style="list-style-type: none"> Updated road asset management systems 	<ul style="list-style-type: none"> Feedback from provinces National Visual Condition Assessment report 	<ul style="list-style-type: none"> Incomplete Work in progress 	<ul style="list-style-type: none"> Lack of technical capacity at some provinces Road Condition Data is not up to date by some provinces 	<ul style="list-style-type: none"> DOT has committed to work with provinces to ensure that the monitoring of traffic for the 2012/13 financial years. These would be assessed on annual basis. The DORA now allows a province to utilize up to R10 million of the PRMG to employ technical staff to assist in the operational functions
<ul style="list-style-type: none"> Squared kilometres of preventative, routine and emergency maintenance work 	<ul style="list-style-type: none"> Feedback from provinces PRMG provincial reports 	<ul style="list-style-type: none"> 3 908 933 m² of re-sealing 2 700 km of re-gravelling 593 942 m² of black top patching (incl pothole repairs) 217 647 km of gravel roads has been bladed 	<ul style="list-style-type: none"> No significant deviation from targets 	<ul style="list-style-type: none"> none
<ul style="list-style-type: none"> Percentage of roads for which condition of roads changed from poor and very poor to at least fair 	<ul style="list-style-type: none"> Feedback from provinces National Visual Condition Assessment report 	<ul style="list-style-type: none"> Work in progress to develop Road Network Condition Report 	<ul style="list-style-type: none"> Lack of technical capacity at some provinces Road Condition Data is not up to date by some provinces 	<ul style="list-style-type: none"> DOT has committed to work with provinces to ensure that the monitoring of traffic for the 2012/13 financial years. These would be assessed on annual basis. The DORA now allows a province to utilize up to R10 million of the PRMG to employ technical staff to assist in the operational functions

Information on Predetermined Objectives
for the year ended 31 March 2012

Outputs	Key Performance Indicator	Status	Reason not achieved	Corrective Measures
<ul style="list-style-type: none"> • Weighbridge infrastructure & monitoring systems operational and where the Road Transport Quality System (R.T.Q.S.) is implemented 	<ul style="list-style-type: none"> • Feedback from provinces • National Overload Control Statistics & Report 	<ul style="list-style-type: none"> • No monitoring and evaluation took place 	<ul style="list-style-type: none"> • No funds could be used for weighbridge infrastructure and overload control as PRMG was strictly for "road maintenance" work only 	<ul style="list-style-type: none"> • Therefore this cannot be an output for PRMG and shall be taken off the revised DORA conditions. • The department shall formally request the RTMC to Monitor & Evaluate Overload Control Traffic Statistics and report on it in the annual Traffic Report
<ul style="list-style-type: none"> • Percentage of roads in good or very good condition maintained in that condition 	<ul style="list-style-type: none"> • Feedback from provinces • National Traffic Statistics Report and Visual Condition Data Assessment report 	<ul style="list-style-type: none"> • Incomplete • Work in progress 	<ul style="list-style-type: none"> • Lack of technical capacity at some provinces • Road Condition Data is not up to date by some provinces 	<ul style="list-style-type: none"> • Provinces to update Visual Condition Assessment Data for the 2012/13 financial years. • The DORA now allows a province to utilize up to R10 million of the PRMG to employee technical staff to assist in the operational functions
<ul style="list-style-type: none"> • Number of EPWP work opportunities created 	<ul style="list-style-type: none"> • 70 000 jobs – No. of new jobs created through routine maintenance • 120 000 – No. of new jobs created through construction and upgrade of roads 	<ul style="list-style-type: none"> • 156 118 work opportunities created • 60 089 Full Time Equivalent Jobs (FTEs) was created • Not achieved 	<ul style="list-style-type: none"> • Job creation is low due to projects not optimising on labour intensity methods. • Due to PRMG funds not allowed for construction and upgrade of roads 	<ul style="list-style-type: none"> • The DORA conditions now support the use of S'hamba Sonke (SSP) and EPWP guidelines to select projects for PRMG funding. • DOT has committed to work with Provinces to revisit projects to be in line with objectives of the S'hamba Sonke (SSP) and EPWP Guidelines. • This is not a measurable target against PRMG and must be removed going forward
<ul style="list-style-type: none"> • Number of S3 students provided with experiential internships 	<ul style="list-style-type: none"> • Provincial feedback reports 	<ul style="list-style-type: none"> • Satisfactory progress 	<ul style="list-style-type: none"> • inadequate information received to determine the actual training achieved 	<ul style="list-style-type: none"> • further engagement with provinces required • implementation of an appropriate monitoring & evaluation & reporting system to be agreed upon
<ul style="list-style-type: none"> • Number of emerging contractor opportunities created 	<ul style="list-style-type: none"> • Provincial feedback reports 	<ul style="list-style-type: none"> • Satisfactory progress 	<ul style="list-style-type: none"> • inadequate information received to determine the success • this can be better evaluated after 18 months 	<ul style="list-style-type: none"> • further engagement with provinces required • implementation of an appropriate monitoring & evaluation & reporting system to agree upon

Comparative Analysis of Performance – Planned vs Actual Outputs Achieved for PRMG

The following has been delivered (figures combined for all Provinces) 3 908 933 square meters of re-sealing roads completed, 2700 km of re-gravelling roads completed, 593 942 square meters of black top patching (including pothole repairs) has been completed and 217647km of gravel roads has been bladed.

A total of 156 118 job opportunities were created which is 101% of the annual target. 60 089 Full Time Equivalent (FTE) jobs against the annual target of 70 000 jobs (83% of annual target achieved). It must be noted that due to the sudden phasing out of the Infrastructure Grant to Provinces (IGP) and introduction of the Provincial Road Maintenance Grant (PRMG), there was some confusion cause at the beginning. Initially, all Road Authorities were under the impression the PRMG was going to be a total new fund. The Department of Transport developed the S'hamba Sonke Roads Programme with this understanding and tabled it for adoption at a Transport MINMEC in February 2011. The DORA Conditions did not allow this grant to be utilized for construction and upgrade of roads. Although, the PRMG is dedicated for maintenance of the Provincial Road Network, these conditions causes a major setback, especially with trying to address the needs of rural access roads – especially access to schools, hospitals and clinics. Secondly, this causes a serious impact or inability to create jobs from for construction and upgrade of roads projects.

Only when an authority knows their network (extent, condition, interventions required and investment requirements) can it make optimal decisions in terms of investment and scheduling of interventions. For this reason one of the conditions for provinces to continue accessing funds from the Provincial Road Maintenance Grant after the 2012/13 financial year is that they must have updated road asset management systems, the output of which will inform the prioritisation and funding of projects. The rational for making road condition assessment compulsory is thus as a result of:

- Shortage of information on the road network
- Shortage of information on the condition of the road network
- Increasing backlog of roads in rural and urban communities
- Poor information flow for effective road service delivery co- ordination and integration.
- Determining Road Classification and Administrative responsibility

Public Transport

The department ensured that funds were spent for the purpose they were intended for i.e. provision of subsidized bus service.

OUTPUTS

Subsidy per trip operated
Subsidy per km operated
Subsidy per passenger
Subsidy per vehicle
Number of vehicles subsidised
Number of scheduled trips
Number of trips operated
Total number of penalties incurred
Monetary value of penalties (including escalation)
Passengers per km operated
Passengers per trip operated
Employees per vehicle

Information on Predetermined Objectives for the year ended 31 March 2012

The City of Cape Town started initial Milestone zero operations of the MyCiti service on the Tableview to CBD corridor. They also implemented an interim compliant smartcard fare system by February 2012 and ordered 190 feeder vehicles that are universally accessible for delivery from March 2012. By March 2012, the Cape Town service was carrying an estimated 12 000 average weekday passenger trips.

The City of Johannesburg mostly completed the remaining infrastructure for Phase 1b in 2011/12 and was carrying over 40 000 average weekday passenger trips by March 2012. The city did experience problems such as a 2 month long driver strike which was resolved by October 2011. The city plans to start operating Phase 1b services in the second half of 2013.

Ekurhuleni managed to complete a draft Operations Plan by March 2012, Tshwane were ready with a revised Phase 1 plan for implementation from July 2012. Progress in Buffalo City was stalled for most of the year due to supply chain issues and disputes. Nelson Mandela Bay was also stalled for most of the year due to legal challenges by selected taxi associations against the taxi co—operatives that were set up to work with the city.

Rustenburg and eThekweni completed their Operations Plan and were ready to start construction by July 2012. Mangaung and Msunduzi only managed to start work on their Operations Plan in this period. Polokwane was also stalled for the first half of the year due to procurement delays. Mbombela was delayed due to a need to get provincial support to be able to investigate and restructure the current subsidised bus service in the city.

For future years, the DoT intends to monitor cities against their budget proposal commitments and cash flow projections very closely and will not hesitate to invoke DORA provisions allowing for the withholding and stopping and reallocation of funds away from underperforming cities that will not be able to spend. The DoT will start invoking these provisions from as early as the first quarter of the 2012/13 municipal financial year.



An overall assessment of compliance with the DORA:

The Department and receiving spheres have complied with the requirement of DORA

Task	Date Completed	Remarks
Development of business plan guidelines for S'hamba Sonke	11 March 2011	Issued in March 2011
Inception meeting with Provinces	4 April 2011	None
Finalisation of payment schedules	13 April 2011	None
Review of Business Plans	April – July 2011	Delays experienced due to lack of understanding by some Road Authorities about S'hamba Sonke
Review of Project List	April – July 2011	Delayed by business plans review process
Transfer to Payments	As per approved payment schedule	Compliant to National Treasury requirements, except for North West and Gauteng
Gazetting of PRMG Project Lists	8 July 2011	Late, due to finalisation of above processes. A total of 423 projects were gazetted
Issuing Standard Reporting templates	March & July 2011	PRMG spreadsheets was issued in addition to the Infrastructure Reporting Module (IRM) and Quarter Performance Reporting (QPR) templates of National Treasury
Inception meeting with Provinces	4 April 2011	
Finalisation of payment schedules	13 April 2011	
Monitoring & Evaluation & Reporting	On-going	Both the Receiving and the Transferring Office failed to report 100% in terms the DORA requirements.

Progress and Update with regards Departmental (National Transferring Officer) Tasks (PRMG)

Task	Date Completed	Remarks
Development of business plan as per guidelines of S'hamba Sonke Framework	March 2012	Formal briefing letters send to provinces with the SSP Strategy as the Business Plan Guidelines to assist provinces
Submission of Project List by all provinces on Standard Table B5 / format prescribed by National Treasury	June 2011	Late, due to finalisation of above processes
Submission of Standard User Asset Management Plan to the DoT by August 2011	November 2011	Provinces were supposed to revise their business plans to capture the S'hamba Sonke pillars
Monthly Financial Expenditure Reports to National DoT	Monthly	Receiving Officers failed to report 100% in terms the DORA requirements. Most provinces comply but information is forwarded to provincial treasuries and the department is not copied. This does not give enough time to interrogate the expenditure
Monthly PRMG Reporting Template to National DoT	Monthly	Receiving Officers failed to report 100% in terms the DORA requirements. Not all information is captured in the IRM
Consolidated Closure Report to National DoT	In progress, only due end of May 2012	Provinces to submit to the Department of Transport

Progress and Update with regards Provincial (Receiving Officer) Tasks (PRMG)

Because of the quality of information received and/or lack of information received from the provinces, the main area of difficulties experienced was consolidation of information received from provinces and providing reports to the National Treasury as per the prescribed timeframes of the DORA. Due to lack of internal capacity with DoT, an external service provider was appointed since November 2011 to assist with Programme and Project Management.

The corrective action or strategy to improve on reporting compliance from provinces is to with-hold payments to defaulting provinces until there is reporting compliance by these provinces. The Service provider is expected to plug the internal capacity gap with regards technical, analytical, administrative and reporting skills.

To assist the provinces, the Department has issued the S'hamba Sonke Programme Implementation Manual to the provinces, which provides step-by-step guidance to provinces on how to successfully implement the S'hamba Sonke Programme and thus achieve the SSP objectives. During October & November or 2012, the Department engaged with provinces to review the SSP. The Department shall also ensure greater awareness and provide support to the provinces through the SSP service provider during 2012/13.

Task	Date Completed	Remarks
Presentation of Progress by respective District Municipalities	15 September 2011	
Transfer Payment done (Date of Transfer/ Payment)	October 2011	
Monitoring & Evaluation	February 2012	Restructuring in the Department during 2011 and a new project leader was appointed and started in December 2012
Review of the progress and performance of the Grant (Departmental financial Year)	March 2012	
Approach National Treasury for roll-over of funds	May 2012	
Review of the progress and performance of the Grant (Municipal financial Year)	July 2012	

Progress and Update with regards Departmental (National Transferring Officer) Tasks (RTISG)

Task	Date Completed	Remarks
Development of business plan as per guidelines of		
Compliance to Grant condition requirement for the transfer	October 2011	Late, due to election of new councils at municipalities which had to approve the project through a resolution
Procurement of service providers for Road Asset Management Systems (RAMS)	Varies	Model of implementation differs from the four provinces who participate. DoT proposed Intergovernmental Cooperation intervention on implementation the project
Monthly Financial Expenditure Reports to National DoT	Monthly	Most municipalities did not submit reports even though they were not spending. Reporting has since improved.
Consolidated Closure Report to National DoT		In progress

Progress and Update with regards Municipal (Receiving Officer) Tasks (RTISG)

An overall assessment of compliance with the DORA:

In general there was a broad commitment to compliance with DORA by both the DoT and municipalities. Lessons for future years indicate that the department needs to tighten up on monitoring potential under spending from as early as the first quarter and should move more swiftly to invoke relevant DORA provisions in this regard. Municipalities need to be more diligent about their monthly and quarterly reporting and with regard to their project management of cash flows to avoid under spending. The Department and receiving spheres have complied with the requirement of DORA

2.1.12 Capital investment, maintenance and asset management plan

Asset Management

The following information to be supplied by Supply Chain Management where applicable:

- *Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft:*

The asset holdings have not changed over the period in review, however the disposal and scrapping was done. All thefts and losses were reported to the Directorate: Security to investigate and forwarded their findings to Legal Services who determine the liability before the loss is sent to the delegated officer for approval. After approval has been obtained the necessary write off (recoverable or non recoverable) will be done. The backlog relating to the finalising of the shortages due to theft and losses has increased due to capacity constraints in SCM the staff of the Asset Section assisted by staff of the Logis Section had to work overtime to complete the annual stock count and disposal before the 31 March 2012. The write off of shortages and losses due to theft will be finalised in the first quarter of the 2012/2013 financial year.

- *Measures taken to ensure that the department's asset register remained up-to-date during the period under review:*

Monthly reconciliations of the Capital Expenditure on BAS and the LOGIS asset report are done to ensure that all assets have been captured on the asset register.

- *The current state of the department's capital stock, for example what percentage is in good, fair or bad condition:*

36% good, 34% fair and 30 bad.

- *Major maintenance projects that have been undertaken during the period under review:*

None

- *Facilities that were closed down or down-graded during the period under review:*

None

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for the year ended 31 March 2012

- *Projects that will be carried forward to the forthcoming financial year:*

Interim Rain Econ Reg Capacity
Barnowl
News Papers
Cellular Phone
Groceries for Ministry
Cleaning Service
Security
Taxi Scrapping Administration
Bus Industry Restructured Fund
Automated Fare Collection
Model Tender Document
National Road Safety Strategy
Oil Pollution Prevention
Verification of Qualifications
E Project Management System
Switchboard Services
Interim Rain Econ Reg Capacity
KSD Rural Dev & Transport Plan
S'hamba Sonke
Arrive Alive
Off Site Data Storage
Land modal shift study
Oversight of IRPTN's
National Land Transport Act
RAF Amendment Bill
Border Optimisation
Development of Rail Policy
IT Oversight Audit
Investor's Conference
Address of AG's Report
Address of AG's Report
Address of AG's Report
Maintenance
Macro Econ Impact of Transport
Integrated Infrastructure Network
Integrated Infrastructure Network
Public Transport Grant
Advertising & Media Buying
Negotiations and Transfer
Natmap 2050
Renewal of the Microsoft Licensing
Renewal of Novel Licences
Safety of Life at sea service
E-Natis
National Household Travel Survey
Drivers licence - Tasima
Study on Global Competiveness

Information on Predetermined Objectives for the year ended 31 March 2012

- Processes in place for the tendering of projects:**

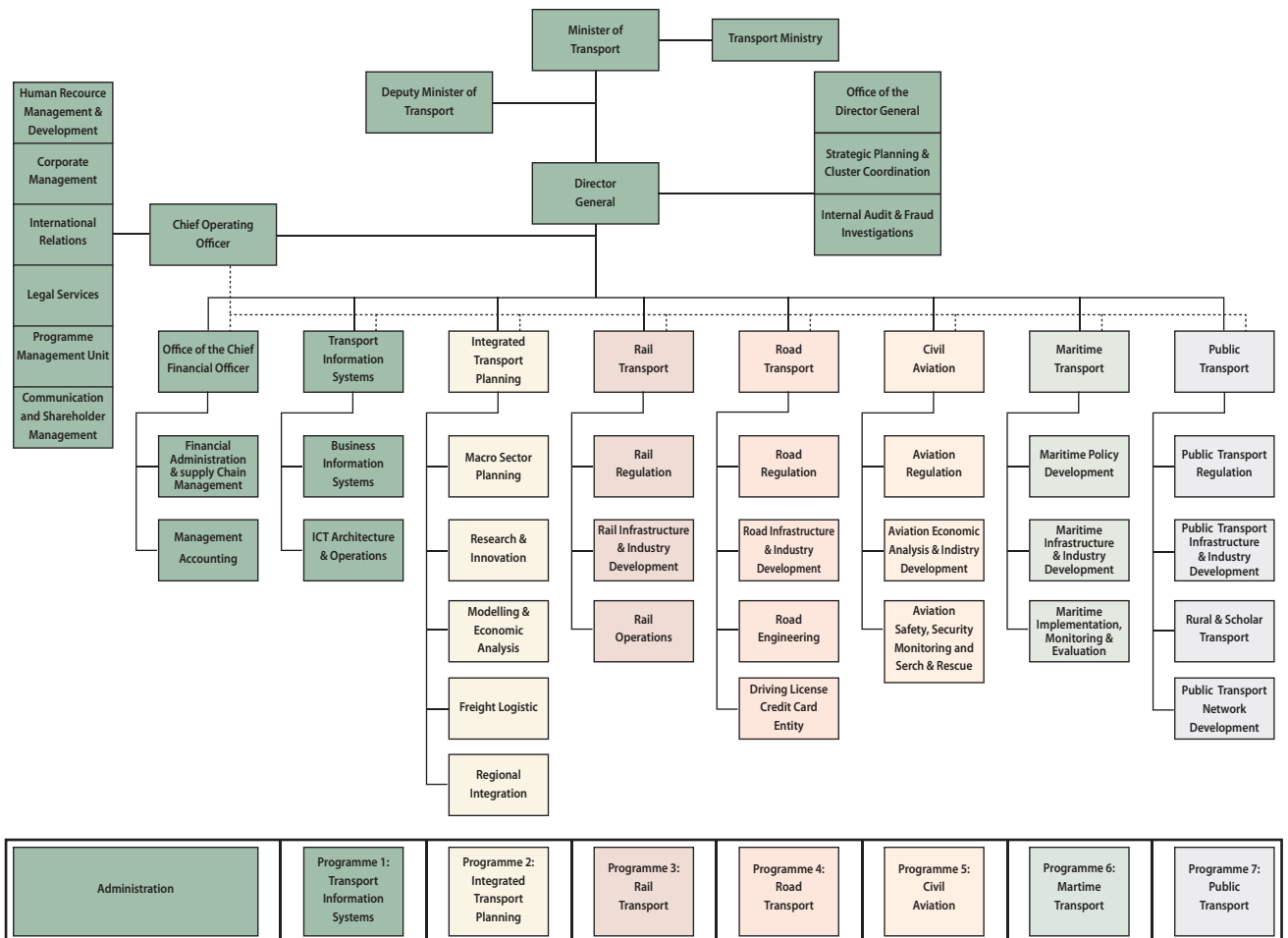
A post of Deputy Director: Project Management has been established on the Supply Chain Management establishment. The functions of this post will be to implementation and maintaining of the new contract management system.

Progress made in addressing the maintenance backlog during the period under review:

The Department did not have any maintenance backlogs during the period under review.

DEPARTMENTAL ORGANOGRAM

Re-aligned Organisational Structure for the Department of Transport
May 2011



2.2 PROGRAMME PERFORMANCE

The activities of the Department of Transport are organized in the following programmes:

Programme 1: Administration

Programme 2: Integrated Transport Planning

Programme 3: Rail Transport

Programme 4: Road Transport

Programme 5: Civil Aviation

Programme 6: Maritime Transport

Programme 7: Public Transport

Selected performance indicators

Indicators	Annual performance					Actual performance against targets
	Past		Current	Projected		
	2009/10	2010/11	2011/12	2012/13	2013/14	2011/12
Number of average week day bus rapid transit passengers	118	30 000	45 000	70 000	110 000	45 000
Number of taxis scrapped per year	11 616	9 164	8 682	9 117	9 681	7 650
Extent of secondary road network in poor and very poor condition	65 966 km	63 278 km	59 674 km	56 071 km	52 773 km	Data not yet available
Total number of Regulatory Entities established in the country			4 Prov	1 Nat 2 Prov	3 Prov 1 Mun	4 Prov

Programme 1: Administration

Purpose: Coordinate and render effective, efficient strategic support and administrative services to the Minister, the Director-General and department.

Performance indicators and targets:

- **Approved and implemented Departmental Human Resource (HR) Strategy**

The Departmental HR Strategy, is part of the Human Resource Management and Development subprogramme that assists in achieving the department's outcome of rural development, job creation and directly contributes to outcome 12 of the priorities of government of : *An efficient effective and development orientated public service and an empowered fair and inclusive citizenship*. Through the HR plan which was developed and approved by the Minister, the department did not only comply with the Public Service prescripts but also ensured that resources are evenly distributed and deployed where they are highly needed. The service delivery model that was developed aligned the new organizational structure with the key mandate of the department which is based on four modes of transport namely Road, Rail, Aviation and Maritime, and four other branches that provide support. This alignment provides the department with an opportunity to focus and close all gaps related to each mode of transport. It has also enabled the department to increase the number of funded posts with 88 from the previous 677 to the current 765 posts on the establishment. The increase in the number of newly created posts had the following impact on the HR strategy:

- It contributed to a high vacancy rate from 24% to 32%. The department could not continue filling posts on the old structure during the restructuring process.
- It reduced the 2% disability target that was reached on the old structure to 1, 8%.

The increase in the number of posts to be filled must be seen in a positive light as it provides the department with an opportunity to improve service delivery, to attract the relevant skills needed, and to ensure that employment equity levels of the department are realized.

- **Approved Transport sector Human Resource Development (HRD) Strategy**

The HRD strategy is twofold, i.e. internally focused to develop the skills within the department as well as externally focused to develop skills for the transport sector. The HRD strategy II 2009-2012 was approved and has been implemented, but is due to be reviewed during 2012. The information provided on the internal skills development is therefore based on the annual implementation plan which covers the internship programme, the bursaries, and skills programmes of the overall Public Service Skills Strategy developed by DPSA.

The Transport Sector Strategy is driven by the department in collaboration with our external partners such as TETA and both local and international Higher Institutions of Learning through Memoranda of Agreement. The three regions of Centres of Development (COD) which comprises of 13 Local Universities and the International University of Pradubize (Prague programme); the Transport Research Activity Centre (TRAC) and the five Further Education Training institutions form part of the Transport Sector Strategy to develop skills pipeline within the sector. This strategy provides skills for the National, Provincial and Municipal spheres of government. The Transport Sector Strategic Document which is aligned to the new organizational structure is still at a developmental stage. The objective of the strategic document is to integrate and coordinate skills development across all four modes of transport, in terms of the participation of all stakeholders in the transport sector (private, public sector, government, Higher Institutions of Learning and international partnerships).

Programme 2: Integrated Transport Planning

Purpose: Manage and facilitate national strategic planning and planning for new projects. Formulate national transport policy and strategy; coordinate international as well as intersphere relations. Provide modelling and analysis of the sector.

Strategic Objectives:

- Enhancing and coordination of integrated freight transport planning and institutional arrangement/mechanism
- Develop appropriate institutional and regulatory frameworks by December 2011 that will enhance and promote the participation of the second economy players in the mainstream economy.
- Encourage private sector participation and investment by developing policies to address transport planning and freight logistics by December 2011.
- Support an effective and efficient transport system by developing a transport performance indicator database by 2012 that will assist in measuring the economic performance and impact of the sector.
- Improve transport planning by establishing a national planning forum by 2012 that integrates planning across all spheres of government, and develop a master planning framework to support the work of the forum.
- Improve the impact of transport projects by coordinating and managing the total lifecycle of projects and maintaining effective monitoring, evaluation and reporting systems on an ongoing basis.

Performance indicators and targets:

Durban-Free State-Gauteng Corridor: The corridor was launched in October 2010. An Institutional Framework and Implementation Plan have been completed. Various projects have been identified and are implemented on an ongoing basis.

KSD Integrated Rural Transport Plan: A draft Plan has been finalized in this regard. Identified project construction and site verification are being undertaken.

Update of National Freight Databank: A draft framework for a National Freight Information System had been completed. Collection of freight flow information on all nine provinces has been completed. A framework for collection and collation of freight flow has been completed toward an Update of the National Freight Databank.

Transport Planning Forums: Eight provincial planning forums have been established, with the Gauteng province outstanding. A draft framework for these forums has been completed for implementation.

Convergence Framework: A draft Framework dealing with infrastructure, efficiencies, funding, compliance etc. has been completed in this regard in consultation with all relevant stakeholders for implementation purposes.

Regional Integration sub-programme in the year 2011/12 achieved the following targets:-

Development of Freight Movement Optimisation Plans for 6 border posts. Draft final report has already been submitted. These plans will be implemented during the 2012/13 financial year and will ensure that border delays are averted resulting in decrease in transport costs in the regional logistic chain.

Developed the Terms of Reference for regional projects to harmonise the road transport standards in the SADC region and the survey on the status of regional transport infrastructure. These projects will be undertaken in the year 2012/13, and their implementation thereafter will result in the improvement of trade within the region.

Participated and lead the consultation process in the development of the North South Corridor. This is a major project for the country as AU has honoured the President of the Republic to champion its infrastructure development.

The Research and Innovation sub-program had a significant achievement in the 2011/2012 financial year in assisting with establishing a framework for measurement of quantity of emissions in the country. A Greenhouse Gas (GHG) Inventory Report was compiled in collaboration with other sub-programs. The result will be increased contribution of transport to overall environmental sustainability. Through integrated transport planning, the overall impact will be contribution to energy efficiency and to sector-wide Strategy and Action Plan on Climate change and Environmental protection. It is a stepping stone towards re realization of the commitment of South Africa at the United Nations Framework Convention on Climate Change (UNFCCC) to reduce greenhouse gasses by 34% from business as usual by 2020

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Performance on old KPI's				
Develop and Implement Traffic flow Optimisation Plans for border posts		6 Border Posts	Draft final report submitted	Spending is slow due to Consultants' failure to comply with the request to properly account for hours, effort and rates
Improved competition and regulation	Branch Line Strategy	Cabinet approval of review of transport industry structure to consistently drive the principle of separating policy from regulation from operations	Development of Rail Policy (including Branch Lines)	Rail Branch Line Strategy part of Rail Policy
Lowering the cost of doing business	Implementation of National Freight Logistics Strategy	Implementation of the Durban-Gauteng Transport Corridor Institutional Framework	Institutionalisation of Durban-Gauteng Corridor and Action Plan	None
Key facilities developed: i) Business proposal for decommissioning of Durban International	Sale of Old Durban International Airport	Complete Pre-Feasibility study by Jan 2012	Sale of Airport finalised	None
ii) Cato Ridge facility	Feasibility Study	Approval of investment and implementation plan	Final Draft Feasibility Study underway	None
Reduce Number of illegal releases in marine environment		Develop Ballast Water Act Regulations to protect SA waters from invasive species		
Reduction in level of noise		Start developing strategy for noise reduction in all transport systems		
Finalise Airfreight Strategy	Airfreight Strategy	Airfreight Strategy approved	Project handed over to Aviation Branch	Departmental Restructuring
Finalise Road Freight Strategy and start implementation	Road Freight Strategy	- Finalise consultation on the draft Road Freight Strategy by August 2011 - Final (draft) Road Freight Strategy approved by Feb. 2012	Draft Strategy completed and handed over to Road Branch	Departmental Restructuring

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Performance on new KPI's				
Cabinet approval of the NATMAP 2050 document		Final consultation process with critical stakeholders. Finalization of NATMAP 2050 synopsis document by March 2012		
Macro Planning Framework update		Developed template for review of trends and projections for Macro Planning by March 2012		
Development of the National Planning and Implementation Bill		Draft Bill by March 2012		
Data bank Feasibility report developed		Developed requirements or indicators for the Databank		
Transport plans reviewed and aligned with the NLTA.		Provide transport planning coordination and review of Transport plans		
Integrated transport networks, distribution centres and logistics hubs' framework		Finalised the framework. Monitor trade trends locally, regionally and globally		
Mapped and developed key corridors, sub-corridors with associated key nodal points for integration of information flow (O-D pairs) between modes	National Freight Databank	Finalised mapping of feeder networks on secondary and tertiary corridors	Developed Databank Architecture Framework	Part of consolidated Database Feasibility Report
Developed sector performance indicators and determine targets to improve corridor performances	Durban-Free State-Gauteng Logistics & Industrial Corridor	Extent scope of databanks to include passenger and freight performance indicators and targets Alignment with existing transport models	Institutional Framework and Action Plan completed	None

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Developed an integrated national intermodal facility infrastructure framework/plan	Intermodal Facilities Framework	Finalised the intermodal facility framework/plan	Provincial visits underway	None
Rural Integrated Transport Plans (ITPs)	KSD Integrated Rural Transport Plan	Finalised KSD IRTP framework.	Draft Final Plan underway	Extension of timeframes
Developed and mapped out key centres of production to support key rural economic nodes	Freight Intermodal Facilities Framework	Identified and improved satellite centres of production in rural provinces	Provincial visits underway	None
Developed rural specific indicators and targets to monitor freight performance within IDPs and ITPs		Updated existing databanks to focus on improving rural freight performance		
Identify and develop strategic rural freight logistics infrastructure	Roll-out Rural Transport Plan	Pilot, improve and support key rural infrastructure to enable access and mobility	Conceptual Framework underway	None
Transport statistical data		Reports on National Household Travel Survey; and Report on Transport Statistics Bulletin available by March 2012		
Implemented Integrated Transport Sector B-BBEE Codes		Established a B-BBEE Charter Council Undertook communication & marketing of the B-BBEE Charter Conducted B-BBEE Road Shows to (KZN, Gauteng & WC) Produced B-BBEE Annual Report Consulted all 12 transport entities on BBBEE compliance		

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics			
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance
		Target (2011/12)	Actual (2011/2012)
Efficient flow of goods through the borders of the country		Develop traffic flow optimization plans for key border posts. Status quo reports for 6 border posts completed. i.e. Lebombo/Ressanno Garcia; Maseru Bridge; Beit-Bridge; SkilpadshEk/Lobatse; Kopfontein/Tlokweg; Oshoek/Ngwenya	
Enhanced Africa integration through implementation of initiatives by regional institutions, like NEPAD, AU, SADC, etc.		Conducted a study on the harmonisation of transport standards within SADC region	
Efficient trade through the development of regional Corridors		Terms of reference completed	
		Developed Management Instruments for Regional Corridors	
Reviewed Transport Innovation and Technology Research Strategy; and undertake a study on main technologies and innovations to reduce accidents on roads in South Africa		Conducted consultations on the North-South Corridor MOU	
		Conducted a study on the status of regional infrastructure	
		Terms of reference completed	
		Discussion document based on literature study of main technologies in road transport	

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Developed a Transport Sector Monitoring and Evaluation Framework; and compile Transport Sector M&E Report for 2013/14.		Collected data for the development of the business plan for M&E Framework Developed an internal Target Setting Framework		
Developed a rural accessibility /multi-deprivation index and research on impact of freight accidents on South Africa's roads		Collected data on the development of e-M&E Framework Discussion document on "a rural accessibility /multi-deprivation index for South Africa"		
Durban-Free State-Gauteng Corridor	Development of Institutional Framework for the corridor	Finalise Infrastructure Decision Matrix and Implementation Plan	Developed draft Infrastructure Decision Matrix and Institutional Arrangements	None
KSD Integrated Rural Transport Plan	KSD IRTP Framework	Finalise KSD IRTP Framework	Implementation of quick wins for short-medium and long term	Extension of scope for the project
Update of National Freight Databank	National Freight Database	Collect, collate and consolidate freight information	Developed framework and terms of reference for databank	None
Transport Planning Forums	National Planning Forum	Nine Provincial Forums	Eight Forums established	Gauteng outstanding
Convergence Framework	Develop of Framework	Consolidation of stakeholder input	Draft Framework completed	None

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)		
Freight Movement Optimisation Plans for 6 border posts.	Service Providers appointed to assist with the development of freight movement optimisation plans	Final report on freight movement optimisation plans for 6 border posts	Draft final report submitted	There were issues between the Department and the Consultants relating to the management of the contract, which delayed progress
Development and approval of Terms of Reference for the following projects:- 1. Harmonisation of road transport standards in the SADC. 2. Status on Regional Transport Infrastructure	SADC Protocol requires that road transport standards be harmonized in the region	Terms of Reference approved for projects to start in 2012/13	Terms of Reference approved & supply chain process completed	Target achieved
Lead the coordination of the development of the North South Corridor.	No MOU exist smooth operations among the member states	Signing of the MOU by 7 member states	Have not been signed	There has been a need for consultation as many other Government Departments will directly be affected
Funding Strategy & models	Funding framework PPP Framework Treasury Regulations	Advise and/or develop Funding framework/model for the following: Moloto Corridor development Durban-free State-Gauteng Corridor	Moloto process restarted and TOR finalized. DBN-FS-GP corridor funding work stream formed and started operating during 2011. Projects consolidated and funding gaps identified	Process for restarting Moloto delayed. Funding framework to be looked into this current financial year
Investor Relations & Investment promotions	DTI Trade and Investment Promotion	Promote transport projects by hosting international investor conference. Round table discussions per mode so as to attract investors and market the projects	Investor conference hosted on the 11th of June 2011. China Investment promotion & Exhibitions in Partnership with DTI on the 22nd November to 1st of December 2011	Round tables discussions didn't take place as there were not budgeted for

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
National Household Travel Survey (NHTS)	Travel Analysis Zones were updated to be in line with the 2011 municipal boundaries	Conduct a full scale National Household Travel Survey in all the nine provinces	<p>The questionnaire and training materials have been developed with the assistance of Statistics South Africa as the main service provider</p> <p>Conducted a pilot survey covering about 1200 household for purposes of testing the data collection instrument (questionnaire). The pilot survey was conducted in three provinces, i.e., KwaZulu-Natal, Gauteng and Western Cape</p>	<p>The full scale NHTS had to be delayed on account of the Census 2011 which was conducted by Statistics South Africa in October 2011. As a result it was decided that it had to be moved to 2012/13. There are some critical outputs of Census 2011 which have necessitated the delaying of the NHTS, and they are the updated Enumeration Areas (EAs) Boundaries. The survey and sampling activities should be based on the latest (Census 2011) Enumeration Areas (EAs) boundaries for the Travel Survey to be current and relevant. Some latest data from Census 2011 is needed to carry out the NHTS. For example the latest population data for the EAs is needed for drawing a probability proportional to size (pps) sample of households to be covered in the survey. In essence an updated sampling frame is essential for the NHTS. In light of this the NHTS had to be delayed until the Census 2011 was carried out</p>
Green House Gas (GHG) Inventory and a model to reduce in emissions.	Inventory Framework	-GHG Inventory -GHG Database -GHG Model and a strategy to reduce emission in the country	GHG Inventory Completed GHG Database Completed	Unavailability of data & funds
Global competitiveness study final report	Terms of Reference	Final report on the global competitiveness	SCM process and service provider was appointed	SCM process took too long to finalize the appointment of service provider

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)		
Macroeconomic Impact of transport in the Economy	Terms of Reference	Final report on macroeconomic Impact of transport	Service provider was appointed	SCM process took too long
Land transport modal shift analysis	Terms of Reference Appointment of a service provider Inception Report	Final report on land transport modal shift analysis	Draft chapters on benchmarking, qualitative surveys Reappointment of service provider to finish the project Questionnaire development and data collection Inception Report	Process of extension of contract too long
Develop Policy, legislation and implementation for the establishment of STER. On completion of above frameworks, undertake Cabinet process for approval	none	Set-up STER Task Team by March 2011 Approved Road Map by June 2011 Approved Terms of Reference (ToR) by November 2011. Complete bid processes by March 2012	Task Team formulated and functioning Road Map developed and approved by the DG TOR developed, approved and advertised	None
Establishment of BEE Charter Council		Appointment of BBBEE Charter Council Members	The draft advert for appointment of Council Members has been developed and ready for submission to media Submission prepared to appraise the Minister & Deputy Minister on the issue Draft Charter Council developed Draft strategic documents are in place.	Appointment of Charter Council members has not happened as the Minister is still to be appraised and funding is sourced

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
Communication and Marketing of the BBBEE Charter	Conducted Provincial BEE Road Shows in Eastern Cape, Free State, Northern Cape, North West, Mpumalanga, Limpopo Presented at ACSA, ATNS, RAF Boards, etc.	Target (2011/12) Education and awareness Campaigns conducted	Actual (2011/2012) B-BBEE Road Shows were undertaken in KZN & Western Cape Provinces. Presentations made to PRASA EXCO and Aviation Stakeholders Successfully organized an uMeyezane BEE Maritime Sector Conference in partnership with KZN DEDT Held meetings with HOD & Officials of GAUTRANS to prepare for Gauteng Province BEE Road Show	Gauteng Province could not take place due to continuous change of HODs and lack of allocation of GAUTRANS staff to work with the BEE unit staff on this project
Verification of Nine (9) Provincial Transport Departments	None	Provinces to be issued with Verification Certificates	Letter draft and signed by the DDG: ITP and thereafter forwarded to the Provinces. The letter informs the Provinces about the due process which will be undertaken to get them verified on B-BBEE. Draft ToR have been developed for approval	Lack of funding delayed execution of the project during this financial year
Annual Report	None	Status quo analysis on progress made against ITS-BBEEC	Draft TOR developed	Lack of funding delayed execution of the project during this financial year
Implement a Sustainable Transport Portal	Project Initiation	A fully functional Sustainable Transport Portal	Obtained a bid winner	UNDP, the funder, had issues with the procurement process
Develop a rural accessibility / multi-deprivation index	Two different sets of TOR on same concept still to be merged	Accessibility index conducted for 12 districts	Had the ToR approved, and advertised, and a compulsory briefing session held	Slow supply chain processes

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Freight Logistics				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)		
Quantity of emissions measured	Collaborative project plan	Greenhouse Gas (GHG) Inventory Compiled	Greenhouse Gas (GHG) Inventory Compiled up to Tier Level 1	Budget proposal for Tier Level 2 data collection needed re submission by the service provider to comply with Supply Chain regulations
Energy efficiency measurement	None	Developed energy efficiency framework	GHG Database Complete. Draft GHG Inventory available but Tier Level 2 Data Collection is still in Progress	No deviation because it was completely externally funded
Minimise or reduce Disaster Risk in Transport	None	Approved Transport Disaster Management Plan	Sourcing Funds. The project has to be rolled over to new financial year	No deviation because it was never allocated any budget in the year
Monitoring and Evaluation Framework	Indicators Framework	Internal discussion document on the M&E Framework	Discussion document on the M&E Framework	None
Reviewed Innovation and Technology Research Strategy	Innovation and Technology Research Strategy	Reviewed Innovation and Technology Research Strategy	Not completed	Project put on hold as a result of extended sick leave for the official responsible

Programme 3: Rail Transport

Purpose: Facilitate and co-ordinate the development of sustainable rail transport policies, strategies and systems and oversee rail public entities.

Strategic Objectives:

- Priority passenger rail corridors developed and upgraded (Rolling stock, Signaling & Line extensions)
- Enhance efficiencies and reliability in rail freight sector
- Safe railway infrastructure and equipment
- Create jobs through manufacturing and maintenance

Performance indicators and targets:

After more than 30 years of absence of investment in new rolling stock for PRASA, the Department is planning to invest significantly in new rolling stock over the next twenty years. A detailed feasibility study has been conducted to determine the number of coaches that should be procured, the associated costs and the economic viability of the project. The programme established an Inter-Departmental Committee consisting of the Departments of Trade and Industry (DTI), Public Enterprises (DPE), the Rail Safety Regulator (RSR), PRASA and National Treasury. Based on the outcome of the feasibility study, Cabinet in December 2011 approved the acquisition of new rolling stock as being an economically viable project.

The procurement programme commenced in January 2012 and follows the fleet programme process as set out in the government's Industrial Policy Action Plan (IPAP II). The objective of the fleet programme is to develop long-term procurement plans which satisfy PRASA's requirements and at the same time establish predictable demand which will make investments in local supply industries attractive. The establishment of local manufacturing industries will result in substantial sustainable jobs over the twenty year procurement period and the redevelopment of rail engineering capacity and skills that have been lost over decades of underinvestment in the local rail engineering industry.

A draft Green Paper on Rail Transport policy has been finalised to create a foundation and framework to stimulate discussion for the development and finalisation of the National White Paper on Rail Transport Policy. The Green Paper outlines the policy areas identified as key decision areas that require further discussion, consultation and debate. The main policy areas are investment, Private Sector Participation, Institutional Arrangements, Rail Transport Planning, Skills development and Job Creation, Regulation, Rail Safety Management, and Security Management. The outcome of this Green Paper process is the clarification of Government's vision and policy position in rail transport. In addition, it will identify and/or confirm key policy development and implementation areas related to legislative amendments and developments, and refine Government's provisional approach on addressing inherent challenges in rail transport.

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: RAIL TRANSPORT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)		
Performance on new KPI's				
Budget approval Procurement and Request for Proposal preparation	None	Completion of Needs and Feasibility Study	Needs and Feasibility Study completed and funds secured - Request for Proposals work in progress	Procurement delays and other related challenges
Contract negotiations Financial / Commercial close Pre-payment for first contract Finalisation of 1st test vehicle				Falls outside scope of AR - 2012/13 & 2013/14
Finalised accident and incident status quo report			State of Safety Report 2010/11 finalized and produced	On schedule
Concluded regulatory safety gap analysis Implemented Gap Analysis Report recommendations				Falls outside scope of AR - 2012/13 & 2013/14
450 rail coaches generally overhauled and upgraded Gauteng Nerve Centre	450	490	510	This was completed on the Metrorail side. On Shosholoza Meyl side no coaches done as new prototype for air conditioner is being tested
Gauteng Train Control Nerve Centre	2 of 6 sections completed	Phase 1 completed	Concept designs of GNC finalized. Phase 2 Tender scheduled in June 2012	On schedule

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: RAIL TRANSPORT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Greenview – Piensaarspoort line extension	Construction of stations and perway	Extensions completed	Doubling of the line stands at 95%. The contract for Mamelodi Gardens station has been awarded. Adjudication of tenders delayed due to review of original design	Construction at Mamelodi Gardens can only commence once the station drawings are approved by the City of Tshwane or when conditional commencement of the station is approved by CoT. Informal settlements still occupying some parts of the rail reserve and CoT is responsible for their relocation. Delay of 4 – 6 months due to liquidation of main contractor on doubling of line and default of appointed contractor on Greenview and Mamelodi stations
Bridge City line extension	Completion of station and construction of perway started	Extensions completed	Construction work on earthworks and piling progressing as planned	On schedule following late start as result of cost negotiations. Project on schedule
Development of the Rail Transport Policy: Green Paper White Paper	Conceptualized development or Rail Policy	Green Paper on Rail Transport Policy.	Draft Green Paper awaiting approval from the Minister	On schedule
Interim regulatory capacity established for Rail Economic Regulator	Procurement process completed to appoint service providers	Operating scan and intervention report developed	Final draft Implementation Plan for Interim Rail Economic Regulator with Treasury and DPE for comments	On schedule
Reduction of incidents	3 720	3 720	State of Safety Report 2010/11 finalized and produced	On schedule
Construction of the Gauteng Rapid Rail Link	-	Opening of Phase 2 for services	Phase 2 partially opened for service (Hatfield to Rosebank)	The remaining section, between Rosebank and Park Station, is not opened for operations due to excessive water ingress in the tunnel over that section. Remedial work to be done by Service Provider

Programme 4: Road Transport

Purpose: Regulate road traffic management. Ensure the maintenance and development of an integrated road network, through the development of standards and guidelines and oversight of the road agencies and provincial road expenditure.

Strategic Objectives:

- Facilitate the rehabilitation of roads by supporting the upgrading of 2 156km of coal haulage roads by quarterly monitoring of spending by provinces and the South African National Roads Agency.
- Improve the condition of provincial roads by reducing those in poor to very poor condition from 65 966km in 2009/10 to between 56 071km and 52 773km by 2014 through a targeted maintenance programme across the provinces.
- Contribute to halving unemployment by promoting industry development and labour intensive methodologies to create additional 70 000 fulltime equivalent jobs in the roads sector by 2011/12.
- Support the implementation of the road infrastructure strategic framework by ensuring the use of updated road asset management systems in all provinces by 2013 and the development of these systems at local government level.
- Improve rural access to road transport by assisting municipalities in developing non-motorised infrastructure in 21 district municipalities by 2014.
- Review and development of the Road Safety Strategy that will assist the Department to reduce road accidents fatalities and serious injuries by 50 percent by 2020, in line with the Decade of Action and the Millennium Development Goals.
- Improvement of service at all road traffic customer contact centres, thereby reducing the period it takes to obtain a driving license and renew motor vehicle licenses.
- Deal fraud and corruption within road traffic management in the issuance of roadworthy certificates and driving licenses.

Performance indicators and targets:

Road Regulation

The Amendments to the National Road Traffic Act and the Regulations have been effected which would lead to the reduction of accidents on public roads, thereby creating safe movement and better protection in the transportation of persons on public roads. The implementation of learner and driving licenses programme will enhance and improving driving skills of driver and lead to improved service delivery. Implementation of periodic motor vehicle testing will increase safety of passengers in public transport motor vehicles. Draft Road Safety Strategy has been completed, the strategy contains interventions that will enable the Department to reduce the number of accidents and fatalities on our road, thereby ensuring that we achieve the Millenium Development Goals and these of the Decade of Action for Road Safety 2011-2020.

Road Engineering Standards (RES)

The Department of Transport through the S'hamba Sonke Marshal Plan Document developed a Road Asset Management Policy that will assist in quantifying and analysis of the requirements of the road networks in South Africa. This includes "Knowing Your Network" (Extent of various road networks; Condition of road networks; Intervention on each road network; and Investment requirements on each road network). The Policy is at the draft stage and is current being consulted with all interest and affected Parties.

In a drive to ensure efficient and effective investment in rural roads infrastructure the Department of Transport has made grant funding available for 21 rural District Municipalities (DM) across the country to set up Road Asset Management Systems (RAMS). The grant funding is essentially for the standardised collection of road inventory data including condition assessment and traffic data. Twenty (25) technicians have been put into an intensive Geographic Information System (GIS) and RAMS training programme after

which they will be equipped and placed in the Districts for the implementation of the programme. As part of Developing Road Engineering Standards the DOT has developed a Route Descriptions and Destination Analysis Document in order to assist motorists in navigating to their destinations certain roads or strings of roads are allocated route numbers in accordance with the SA Road Traffic Signs Manual. The Document formally states the description of each approved national, provincial and regional route through the country so that road authorities may correctly include route numbers on road traffic signs and also so that mapmakers may correctly show these routes in their publications, whether in paper or electronic form.

Road Infrastructure & Industry Development (RIID)

Through the S'hamba Sonke roads programme it can be reported that R6, 123,909 has been spent from Provincial Road Maintenance Grant as at 31 March 2012, which represents 95% of the R6, 47billion 2011/12 budget. The following has been delivered (figures combined for all Provinces) 3 908 933 square meters of re-sealing roads completed, 2700 km of re-gravelling roads completed, 593 942 square meters of black top patching (including pothole repairs) has been completed and 217647km of gravel roads has been bladed. The target to Improve the condition of provincial roads by reducing those in poor to very poor condition from 65 966km in 2009/10 to between 56 071km and 52 773km by 2014 through a targeted maintenance programme across the provinces is work in progress. The impact of the S'hamba Sonkle Road Programme to road condition shall only become known after the road condition assessment exercise are completed by the provinces and this is due with their business plans submission by August 2012. A total of 60 089 Full Time Equivalent (FTE) jobs were created which implies 83% of the 70 000 annual target was achieved. A further 156 118 work opportunities were created which implies 101 % of the annual target of 154 957 was achieved

In the absence of a budget approval to implement Pothole Hotline, the repairs of potholes were monitored by monitoring physical work done instead of the turnaround time to undertake repairs. As a long term solution to pothole problems, as of 2013/14 the Road Maintenance Grant allocations (already published in the DORA) will be prioritised based on Road Condition Assessment data, in order to force road authorities to do preventative maintenance and thus prevent potholes from developing. The Department shall develop and issue Road Asset Management System Guidelines to the provinces.

Due to budgetary constraints, the budget of the Department was reprioritised and as a result NMT budget was cut to Zero in 2011/12. However, 900 bicycles were procured by the department for visitors and delegates of COP 17. Though the Department did not provide any budgetary provision to the development of NMT infrastructure in the selected municipalities, the Department assisted four municipalities in developing NMT plans to promote NMT.

Driving License Card Account (DLCA)

2 082 091 driving license cards were produced and issued to driving license testing centres. 98% of the driving license cards ordered during the year were delivered. To enable the efficient and effective card application process 884 live capture units were delivered to the driving license testing centres. Of these units 835 are operating. All calls logged during the year with regard to the maintenance of live capture units were resolved.

19 policies were developed and approved during the current financial year. The audit committee and steering committee have been established which provide oversight functions over the entity. Reports have been submitted on achievements of objectives by issuing reports on a monthly and quarterly basis in order to comply with applicable legislations. The entity has reported a positive liquidity compared to the prior year.

The entity is still conducting discussions with provinces, to finalise the crucial contents of the memorandum of association document hence the delay in signing.

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Road Transport			
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance
		Target (2011/12)	Actual (2011/2012)
Performance on old KPI's			
Average turnaround time to eliminate potholes reported through the hotline	New project identified, therefore no baseline data	120 hours	In the absence of a budget, the repairs of potholes were monitored by monitoring the physical work done instead of the turnaround time to undertake repairs. For all provinces, a total of 3 908 933 square meters of re-sealing roads completed and 942 square meters of black top patching (including pothole repairs) has been completed
			Project to establish "pothole hotline" not implemented due to no budget approval. Therefore no effective monitoring on the turnaround time for repairs of potholes. As a long term solution to pothole problems, as of 2013/14 the Road Maintenance Grant allocations (already published in DORA) will be prioritised based on Road Condition Assessment Data However preventative maintenance strategy is being implemented to ensure road authorities to do preventative maintenance and thus prevent potholes from developing. The DoT shall develop and issue Road Asset Management System (RAMS) Guidelines for the Provinces
Number of Municipalities rolling out NMT infrastructure	New project, therefore no baseline data	6 Municipalities	No progress to date
Number of rural schools receiving bicycles for learners	1340 bicycles	5 000 bicycles	900 bicycles
Scholar Transport Policy		No Target set	No budgetary provision made for this financial year No budget was approved for this financial year. However, these 900 bicycles were provided for COPE 17 and became available after COPE 17 and were issued by the NMT section
Scholar Transport Migration Model		No Target set	Pending Pending

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Road Transport				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)		
Performance on new KPI's				
Number of kilometres/m ² roads maintained	PRMG is a newly established grant, therefore no baseline data.	Surfaced roads resealed (m ²) - 7 484 303 Re-gravel (km) - 2 793 Blacktop patching (m ²) - 1 357 488 Roads bladed (km) - 601 156	3 908 933 (m ²) of re-sealing roads completed, 2700 km of re-gravelling roads completed, 593 942 (m ²) of black top patching (including pothole repairs) has been completed and 217 647 km of gravel roads has been bladed.	Not all PRMG funded projects were 100% completed at the end of March 2012. Final figures shall only be available when all projects are completed
2156 km of roads rehabilitated	Coal Haulage network was defined in 2010/11. For provinces, a Coal Haulage project is funded through PRMG which is a newly established grant, therefore no baseline data. SANRAL received special allocation for National Roads within the coal haulage network	317 kms in Mpumalanga. 197 kms National. 40 kms in Gauteng	SANRAL (National) 918 km (Routine Maintenance) 241 km strengthening / reconstructed Mpumalanga 65 km rehabilitation Gauteng 64 km (re-seal)	No deviations, however some projects delayed due to shortages of Bitumen, procurement processes delays in obtaining water use licenses
120 000 Full Time Employment created	PRMG is a newly established grant, therefore no baseline data	EC - 20 736 FS - 5 693 GP - 3 800 KZN - 22 278 Limpopo - 4 432 Mpumalanga - 8 346 Northern Cape - 741 North West - 2 142 Western Cape - 597 (70 000 for 2011/12 Plus 20 000 for 2012/13 Plus 30 000 for 2013/14)	60 089 for 2011/12	Most projects were already designed conventionally when the Provincial Road Maintenance Grant (PRMG) became effective hence the low job creation numbers. Provinces shall then be instructed to revisit projects in line with S'Hamba Sonke and EPWP Guidelines. The project will be evaluated, verified and gazetted in the next financial year (2012/13) to try and achieve the MTEF targets
Implemented motor vehicles safety standards	Safety Standards incorporated into the National Road Traffic Act	Development of standards and legislation for the fitment of safety devices in motor vehicles	Currently, no new safety standards developed	

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Road Transport			
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance
		Target (2011/12)	Actual (2011/2012)
Facilitated the implementation and rollout of Administrative Adjudication of Road Traffic Offences (AARTO)	AARTO currently rolled-out in two major cities (Tshwane and Johannesburg)	Implementation of enabling legislation for the roll-out of AARTO	Proposed national roll-out and Draft AARTO regulation published
Road asset management policy & Guideline developed	New projects; therefore no baseline data	Draft policy consulted to affected and interested stakeholders	No variation
Critical technical standards & norms reviewed and revised.		COTO approval for TRH3, TRH20. Digitised Road Traffic Signs Manual and Route Numbering Document updated	SADC Volume 1&4 and South African Road Traffic Signs Manual Volume 2&3 digitised. Route Descriptions and Destination Analysis Document revised
Road Infrastructure Safety Framework developed			
Turnaround time for delivery of drivers license cards ordered by provinces measured in calendar days and number of cards ordered per day	The delivery turnaround time based on production levels was 24 calendar day 1 942 000 drivers' license cards were produced during the financial year	24 days for 7 201 - 8 400 cards per day	An average of 14 days is utilised to manufacture 1 card
Total number of LCU's installed and ready for use	A total of 863 LCU's were delivered to DLTC's in 2010/11 of which 615 were installed and ready for use	845	884 live capture units LCU's were delivered to DLTC's of which 835 were installed
Register of calls logged to indicate LCU repair turnaround times	None	Distance <100km: 9 hours; <200km 11.5 hours; >200km 14 hours	All calls logged on the remedy system were resolved at an average completion time of 22 hours per call. Register of calls logged maintained April 2011-March 2012 on the remedy system
			Lack of space at various Driving License Testing Centres to install live capture units as well as network and cabling not connected Suppliers delay to deliver spare parts for repairs

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for the year ended 31 March 2012

Sub-programme/programme: Road Transport					
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance	
		Target (2011/12)			
Number of provinces entered into memorandum of understanding for the settlement of long outstanding debts (120 days, 90 days, 60 days) and time frames for the payment of cards ordered	No memoranda of understanding with provinces	2	None	Eastern Cape Provincial management postponed the meeting to April 2012. Some DLTC's in Mpumalanga constantly fail to attend scheduled meetings. Most of KwaZulu Natal DLTC's dispute their outstanding loans	
Collected debts: 60 days and older	Debts 60 days and older at 31 March 2011 R21,420,000 (before provision of debts)	R18 million	R15 million	Eastern Cape Provincial management postponed the meeting to April 2012. Some DLTC's in Mpumalanga constantly fail to attend scheduled meetings. Most of KwaZulu Natal DLTC's dispute their outstanding loans	
Improved ratio of current assets to current liabilities	Ratio of current assets to current liabilities at 31 March 2011 was 0.49:1	0.85:1	1.09:1	No variance	
Approved Strategic Plans and APPs of five (5) roads public entities annually	All the roads public entities Strategic Plans for the 2010/11 were approved by the Minister	Approval of final Strategic Plans and APP's by the Executive Authority by 31 March 2011	All the roads public entities Strategic Plans and APPs for the 2011/12 are approved by the Minister	No Variance	
Reports on analysis of Quarterly reports against the APP	All quarterly reports submitted and analysed	Approval of quarterly reports by the Executive Authority per quarter	All quarterly reports were submitted and analysed	No Variance	
Reports on analysis of Annual reports prepared for the AGMs	Annual reports of public entities submitted and analysis report prepared for the AGMs	Approval of analysis reports by the Executive Authority by end September	Annual reports of public entities submitted and analysis report prepared for the AGMs	No Variance	
Implementation of Electronic Performance Management System (EPMS) to all 12 public entities	A Business Case and Project Plan for the EPMS developed in 2010/11	Pilot of the EPMS to C-BRTA and PRSA and roll-out to all public entities	The User Requirements Analysis and the Document workflow model developed during 2011/12	No Variance	

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Road Transport Regulation				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)		
The implementation of Periodic Vehicle Testing	Only vehicles that changes ownership or have not been licensed, or built up, declared unroadworthy are currently required to undergo testing	Draft regulation amendments to the National Road Traffic Act finalised. The target date for the implementation of annual testing of vehicles 10 years and older is envisaged is 2012	Incorporation and publication of the Regulations into the National Road Traffic Act	No Variance
Development of the Road Safety Strategy	Review of the current Road to Safety Strategy 2006 onwards	Draft Road Safety Strategy finalised	Approval of the Strategy	
Amendment of the National Road Traffic Act, 1996	Proclamation of Act 64 of 2008 into the National Road Traffic Act, 1996	Publication of the of the Act amendment to the National Road Traffic Act into the Government Gazette	Amendments Incorporated into the National Road Traffic Act	No Variance
Reduction of fatalities during the year - Nationally	14 000	Reduction of number of fatalities annually by 2100	13954, there has been improvement on the festive and Easter season	Accidents reporting have improved, road safety interventions achieving the DOT targets
Number of schools implementing Gr.12 Learner's and Driver's Licence Programme across all Provinces	No baseline new project	Roll out of the learner's and driver licenses programme to 20% of schools	2.3% of the 20% person has roll-out the program	The DOT could not finalise the implementation
Number of schools implementing safety education campaign at schools focusing on learning material	No baseline new project		23% of the current schools have already implemented the road safety	Lack of dedicated road safety teachers in schools
Regulation of the Driving School Industry.	None	Amendment of the National Road Traffic Act and the Regulations by the incorporation of the provisions dealing with driving schools	Draft regulation finalised to be published for comments	

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for the year ended 31 March 2012

SubProgramme/Programme: Road Engineering Standard				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
Road Asset Management Systems (RAMS)	New Indicator/ No baseline	Uniform RAMS rolled out in 21 District Municipalities	Programme for Standardised Data Collection is in regress in 5 DM's Slow progress has been Identified with 16 of the 21 DM	No Variance
Updated Road Engineering Standards	TRH Documents revised and updated (4No)	Road Infrastructure Asset Management Policy	Draft Road Infrastructure Asset Management Policy Developed	No Variance
		Digitising of the SADC Volume 1 & 4 and South African Road Traffic Signs Manual Volume 2 & 3	SADC Volume 1&4 and South African Road Traffic Signs Manual Volume 2&3 digitised	No Variance
		The Revision of the Document Titled: Route Descriptions and Destination Analysis of Numbered Routes in South Africa (1996)	Route Descriptions and Destination Analysis Document revised	No Variance
Additional to Strategic Plan				
Stakeholder management and communication for S'hamba Sonke Programme (SSP)	National Launch the S'hamba Sonke Programme Develop Guidelines for Implementation	1 National launch & 2 Provincial launches	1 National launch & 2 Provincial launches	No Variance
	Management of the Road Investment in the entire MTEF Period	Performance Management, Monitoring & Reporting of all Provincial Road Authorities	Concept Document & Implementation. Guidelines developed. Status of Bitumen Supply Report	No Variance
			Management of the Road Investment in the entire MTEF Period	No Variance
SubProgramme/Programme: Driving License Card Account				
Turnaround time for delivery of drivers license cards ordered by provinces measured in calendar days and number of cards ordered per day	The delivery turnaround time based on production levels was 24 calendar day per driver licence card 1 942 000 drivers license cards were produced during the financial year	24 days for 7 201 - 8 400 cards per day 2 084 786	An average of 14 days is utilised to manufacture 1 card	No deviation No deviation

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for the year ended 31 March 2012

SubProgramme/Programme: Driving License Card Account				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)		
Number of forged driving license cards	To date no fraudulently manufactured driving license document have managed to pass the most basic detention features of the card	0	0	No deviation
Total number of LCU's installed and ready for use.	A total of 863 LCU's were delivered to DLTC's in 2010/11 of which 615 were in stalled and ready for use	845	884 live capture units LCU's were delivered to DLTC's of which 835 were installed	Lack of space at various Driving License Testing Centres to install live capture units as well as network and cabling not connected
Register of calls logged to indicate LCU repair turnaround times	None	Distance <100km: 9 hours; <200km 11.5 hours; > 200km 14 hours	All calls logged on the remedy system were resolved at an average completion time of 21 hours per call Register of calls logged maintained April 2011-March 2012 on the remedy system	Suppliers delay to deliver spare parts for repairs
Number of provinces entered into memorandum of understanding for the settlement of long outstanding debts (120 days,90 days,60 days)and timeframes for the payment of cards ordered	No memoranda of understanding with provinces	2	None	Meeting with three provinces to discuss the contents of the document is still in progress. Three have been consulted
Collected debts: 60 days and older	Debts 60 days and older at 31 March 2011 R21 420 000 (before provision of bad debts)	R18 million	R15 million	Driving License Testing Centres fail to pay the long outstanding debt despite efforts by the entity
Improved ratio of current assets to current liabilities	Ratio of current assets to current liabilities at 31 March 2011 was 0,49:1	0.85:1	1.09:1	No deviation
DLCA EXCO established	Governance structures: Audit Committee, DLCA Steering Committee	DLCA Executive committee established	Executive committee not yet established	Establishment of Executive Committee under consideration by Department of Transport

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub Programme/Programme: Driving License Card Account					
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance	
		Target (2011/12)			
Delegations specific to DLCA	None	Financial delegations developed Procurement delegations developed	Financial and procurement delegations were developed and approved by the accounting officer	No deviation	
Developed a reporting framework	None	Reporting framework developed and implemented	Reporting framework has been developed and approved by the accounting officer	No deviation	
Quarterly reports submitted on achievements of objectives	None	4 Reports on achievement of objectives	4 reports on achievement of objectives were issued	No deviation	
Monthly financial reports issued	Monthly management accounts	12 Reports	12 Management accounts have been issued	No deviation	
Number of policies specific to the DLCA approved	Policies consist of DOT policies that were adopted by the DLCA	5	19 policies developed and approved	No deviation	
Number of policies specific to the DLCA implemented	None	0	0	No deviation	
Number of monthly checklist completed monitor compliance	None	3	1	Official was still trained hence the delay.	
Number of positions filled	None	6 positions filled	Four (4) contract positions filled Successful candidate for Deputy Director: Financial Accounting approved by accounting officer	Delays in the recruitment process for permanent appointments	

Information on Predetermined Objectives
for the year ended 31 March 2012

Additional to Strategic Plan			
Performance Indicator	Actual Performance against Target		Reason for Variance
	Target (2011/12)	Actual (2011/2012)	
Transfer of DLCA accounting function from Deloitte Consulting to DLCA officials and relocation to DoT offices on 15th February 2012	DLCA accounting functions performed by DLCA staff	DLCA accounting functions performed have been transferred to the entity and is executed internally by DLCA staff as from 20 February 2012	None
Extension of contract for the manufacturing of drivers license cards and maintenance of live capture units	Contract extended by the 28th February 2012	Contract was renegotiated and extended by the 28th February 2012	None

Road Regulation

There are proposed changes to the implementation of learner's licenses in schools, by focusing more on the training and the issuance of learner's and driving licenses to learners. The previous indicator related more on the number of schools that was implementing the driving license project, the objective is currently to improve on the number of learners that have been issued and are holders of driving licenses. This would ensure that once they enter the job market they are employable.

Road Infrastructure & Industry Development

The 70 000 Full Time Equivalent (FTE) jobs was the initial target, However the Provincial Business Plans indicate a 68 765 FTE and 156 118 work opportunities. The change was not significant as the target achieved is about 83% of the 70 000 annual target.

With regards to creation of 120 000 new jobs through construction and upgrade of roads using the PRMG. It was not possible due to Construction (Capital) projects being excluded from the PRMG funding. Therefore no data can be reported against this target against the PRMG implying an under-performance or neglect of monitoring this target. This target must be removed in the revised Departmental Strategic Plan as it does apply if PRMG cannot be utilized for capital work.

The proposed Project to establish a "pothole hotline" was not implemented due to no budget approval, which made it difficult the average turnaround time to eliminate potholes reported through the hotline. There was serious challenges is managing the turnaround time to repair potholes, since implementation is by road authorities and there needs to be capacity which will focus on pothole hotline issues including funding for monitoring. However, there is continuous monitoring and evaluation of complaints performance on data (calls) received on the presidential hotline. As a long term solution to pothole problems, as of 2013/14 the Road Maintenance Grant allocations (already published in DORA) will be prioritised based on Road Condition Assessment Data; in order to force road authorities to do preventative maintenance and thus prevent potholes from developing in the first place. To provide technical support and direction, the DoT shall develop and issue Road Asset Management System (RAMS) Guidelines to the Provinces. The DoRA also makes provisions for the provinces to utilise up to R10 million to hire skilled staff and further allows R1000 per km to collect visual condition data on paved roads and R500 per km on gravel roads.

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for the year ended 31 March 2012

Driving License Card Account (DLCA)

Strategic plan for the period 2011/12-2013/14 deviated from the framework for strategic plans and annual performance plans issued by National Treasury. The strategic plan was initially tabled in parliament without being approved. It was therefore the prerogative of the management to prepare a revised strategic plan and annual performance plan in accordance with National Treasury framework. Both the initial and revised 2011/12-2013/14 strategic has been approved.

Performance Indicator	Key activities and Targets	
	2011/12	Reason for Change
Total cost of provision of driver licenses is calculated; Minister and Treasury approves proposed tariffs	Cost of provision of driver licenses is calculated and tariffs adjusted accordingly; tariffs are implemented	Performance indicator planned for 2012/13, contract expiring opportunity to renegotiate the card price
Provincial Treasuries approve the tariffs on service charges	Engage Provincial Admin and Treasuries on the service fees	
The DLCA meets all its financial obligations and is financially sustainable and viable		
The revenue of DLCA is shared according to 70% for DLTCs, 20% for DLCA and 10% for Provincial agencies COTO and MINMEC have approved the sharing of revenue	Amend the legislation and the contract to reflect the percentage sharing of revenue; amend the service level agreements to reflect the percentage sharing; table policy to COTO and MINMEC for approval	Fees charged by provinces for driver's license cards are determined by the respective provincial Ministers and DLCA does not have authority over them. Hence it may never be achieved
COTO/MINMEC gives approval	Table proposal to COTO/MINMEC; implement directives	
Targets and standards for delivery of licenses are agreed with the service provider	Agreed targets and standards are implemented	Performance targets rephrased to indicate expected targets and standards for delivery of cards
The terms and conditions of transfer are agreed with Provinces	Meet with Provinces to agree on terms and conditions of transfer	2nd quarter performance report indicated that majority of provinces did not concur with the proposal
Introduce legislation to operate the business on the basis of paid up fees before provision of licenses	Identify areas for amendment and implement	Other possible alternative methods for improving collection of revenue are still considered as part of debt collection strategy and proper consultation with all stakeholders must be conducted
Executive authority commissions a capacity audit for all underperforming DLTCs	Identify underperforming DLTCs and perform capacity audit; develop program to address challenges	This is not a direct mandate for DLCA, but a function for Roads Regulation sub-programme under Roads Branch can result in duplication of resources
Provincial Treasuries approve proposed adjustments	Formulate an assessment criteria for service charges	Function is not within the DLCA mandate resulting in tapping on zones that DLCA does not have authority over. Hence it may never be achieved
Operate one bank account for revenue collection and remunerate services according to service standards	Table matter to COTO and MINMEC for approval; implement COTO/ MINMEC directives	Fees charged by provinces for driver's license cards are determined by the respective Ministers and DLCA does not have authority over them. Hence it may never be achieved

Information on Predetermined Objectives
for the year ended 31 March 2012

Performance Indicator	Key activities and Targets	
	2011/12	Reason for Change
All agencies are remunerated according to performance quality; a performance criteria is agreed with all agencies	DLCA enter into revised performance agreements with all Provinces; agree on a performance criteria	Debt collection strategy include the establishment of MOU between DLCA and provinces
Revenue is deposited in the DLCA bank accounts	Amend legislation and contract with service provider; implement amended legislation and contract with service provider	Other possible alternative methods for improving collection of revenue are still considered as part of debt collection strategy and proper consultation with all stakeholders must be conducted

Programme 5: Civil Aviation

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

Strategic Objectives:

Civil Aviation safety and security improved
Effective Air transport economic regulation
Civil aviation international and regional cooperation
Develop National Civil Aviation Policy

Performance indicators and targets:

Appointment of the Slot Coordinator and development of the Slot Coordination Framework:

A "slot" is defined as "the permission given by the coordinator to use the full range of airport infrastructure necessary to operate an aircraft at a coordinated airport on a specific date and time for the purpose of landing or take-off." Slots are allocated to aircraft operators by the Slot Coordinator in an environment where capacity is constrained, either from an airport- or an airspace perspective. The aim of this process is to maximise efficiencies and synergy within this environment for the benefit of all stakeholders. South Africa currently has three fully coordinated airports, namely O. R. Tambo International Airport, Cape Town International Airport and King Shaka International Airport.

The development of a formal slot coordination framework received priority attention in order to address the growing congestion at the coordinated airports, requiring higher levels of efficiency as well as greater discipline around the usage of slots. In particular, the constrained funding available to ACSA and ATNS for CAPEX Projects which requires the sweating of current infrastructure assets aimed at lessening the financial burden on users, were duly considered. This framework should ultimately contribute to the reduction in the cost of doing business as well as reduce the impact of civil aviation on the environment through improved operational efficiencies.

The slot coordination framework and draft regulations were developed in consultation with industry stakeholders in order to strengthen the Slot Coordinator's position in conducting slot coordination and to effectively monitor and enforce slot utilisation. South Africa has hosted various major events and the framework and proposed regulations to manage such events from an airports slots-perspective will streamline the use of capacity available at the relevant airports.

The Air Traffic and Navigation Services Company (ATNS) has been appointed as the interim Slot Coordinator until the 15th of January 2013 and the draft Slot Coordination Regulations have been submitted to the Civil Aviation Regulations Committee for consideration with a view of completion in the next financial year.

Information on Predetermined Objectives
for the year ended 31 March 2012

In the table below, departments should report on performance indicators and targets for each programme or every sub-programme under each Programme as specified in the ENE and Annual Performance Plan (APP)

PROGRAMME 5: CIVIL AVIATION				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Performance indicators as per old Strategic Plan				
Establish the Aviation Safety Investigation Board (ASIB)	Established legislative framework	Proclamation to bring into force the relevant parts of the Civil Aviation Act	A process for the amendment of Act to make provision for an independent accident investigation body, other than the ASIB, has been initiated	The ASIB could not be formed as section 24 dealing with conflict of interest precluded all qualified persons from being appointed. The Act must now be amended before an independent accident investigation body can be formed
Issuance of air services licenses	Bilateral air services framework	Receiving of applications, registering and stamping of applications, publications in Government Gazette and sending applications to SACAA for technical assessment	Issued nine (9) new licenses for International Air Services Council. Issued fifteen (15) new Domestic Licenses	No variance. The project is ongoing
Issuance of foreign operator's permits	Bilateral air services framework	Collection, analysis and forecasting economic and aviation data Enhancement of the Paradox permit system to the new efficient in-house system for filing of permits	Sent letters to operators to confirm the operations of air services Foreign Operators Permits: Non Scheduled -248, Scheduled – 19. Overflight Permits - 1235	No variance. The project is ongoing
Re-establishment of the National Air Transport Facilitation Committee	Established legislative framework	Maintenance of the Electronic System for Issuance of licences and FOP's 4 meetings	Collated data from operators by enquiring on the confirmation of operators of air services 4 meetings were held	No variance. The project is ongoing No variance

Information on Predetermined Objectives
for the year ended 31 March 2012

Performance indicators as per new Strategic Plan				
PROGRAMME 5: CIVIL AVIATION				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Reviewed Airlift Strategy	Bilateral air services framework	Facilitate a consultative process	Requested inputs from the Chief Executive Officers of airlines and DDG's of sister Departments on the impact of the implementation of the Airlift Strategy of 2006	None
Negotiated and reviewed bilateral air services agreements	Bilateral air services framework	Identify and engage a minimum of 7 key countries	Signed fifteen (15) MOU's with Botswana, Singapore, China, Sri-Lanka, Burundi, Luxembourg, Eritrea, Pakistan, Burkina Faso, Azerbaijan, Iceland, Saudi Arabia, Swaziland, Syria and South Korea. Concluded six (6) Records of Discussions with Hong Kong, Malaysia, Mexico, Sierra Leone, United Arab Emirates and Slovakia	No variance. The project is ongoing
Liberalised air services frameworks at SADC and in Africa	Bilateral air services framework	Facilitate the establishment of the institutional framework	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Reviewed regulatory framework for ACSA and ATNS	Established economic regulation framework	Develop funding model for ACSA and ATNS Develop regulations for ACSA and ATNS	The process of the the development of the funding models has been concluded The scope of the process of the development of regulations has been extended due to the need to firstly review and strengthen the primary legislation	No variance No variance
Forecast and planning framework	Established economic regulation framework	Develop industry performance measures	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Managed Permission Application Process for ACSA and ATNS	Established economic regulation framework	Develop the calendar and timeframes Conclude the procurement process Develop the consultation framework	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13

Information on Predetermined Objectives
for the year ended 31 March 2012

PROGRAMME 5: CIVIL AVIATION					
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Target (2011/12)	Actual (2011/2012)	Reason for Variance
Developed Airfreight Strategy	National Civil Aviation Policy	Review Terms of Reference	Update of draft White Paper and re-submission to the Minister for approval	All internal processes have been completed. The Draft White Paper (DWP) has not yet been approved by Cabinet during the period under review	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13 Delay due to the need for further consultation and clarification of the proposed policy positions at Ministerial, Cabinet and Parliamentary level
National Civil Aviation Policy reviewed	Current National Civil Aviation Policy and Transport Policy	Internal consultation (DOT and Agencies) to review NADP recommendations	Update of draft White Paper and re-submission to the Minister for approval	Internal review of the NADP Report has highlighted weaknesses which are being addressed in consultation with the South African Civil Aviation Authority regarding key airport regulatory matters. Further consultation with industry stakeholders to continue in the next financial year	Budgetary constraints Extent and complexity of weaknesses found during review necessitated extensive further research and consultations
Approved National Airports Development Plan	General guidelines on airport development in terms of the current Civil Aviation Policy	SA represented at SADC, AFCAC and ICAO	Internal consultation (DOT and Agencies) to review NADP recommendations	Outdated statistics and related data were identified and partially addressed during the period under review. This process will continue in the next financial year	
Facilitate the effective representation of South Africa at SADC, Africa and international civil aviation	Existing conventions and protocols	SA represented at SADC, AFCAC and ICAO	SA represented at SADC, AFCAC and ICAO	SA represented at 40 multilateral fora	No variance
Enhanced/Effective communication with SADC, AFCAC and ICAO through state letters	Existing conventions and protocols	Timeous processing/response to all state letters	Timeous processing/response to all state letters	62 State Letters from ICAO HQ and 98 State Letters from ICAO Regional Office were processed	No variance
Effective management of the National Air Transport Facilitation Committee (NATFC)	Existing conventions and protocols	Promulgation of the NATFC	Promulgation of the NATFC	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13

Information on Predetermined Objectives
for the year ended 31 March 2012

PROGRAMME 5: CIVIL AVIATION				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Developed Airfreight Strategy	National Civil Aviation Policy	Review Terms of Reference	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Promulgated regulations	Established legislative framework	Promulgation of Civil Aviation Regulations i.t.o the Civil Aviation Act, 2009	Regulations have been translated into the Afrikaans language and are enroute to the Minister for approval	Due to the bulkiness of the regulations, it took a while before translation into Afrikaans could be finalised
Established Aviation Appeals Committee	Established legislative framework	Establishment of the Aviation Appeals Committee	Appeal Committee established and fully functional	No variance
Aviation Security (AVSEC) Audit facilitated	Established legislative framework	Audit Report and implementation of corrective action plans	Corrective action plan filed with ICAO. NASP amended to address the findings and has been approved by the Minister	No variance
Reviewed National Security Programme (NASP)	Established legislative framework	Consultation with stakeholders	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Facilitated the establishment of an One-Stop Aviation Security System within the region	Established legislative framework	Negotiate and get buy-in from all relevant stakeholders Prepare a working paper to present to the SADC – Civil Aviation Committee	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Compliance with the ICAO Assembly Resolution A22	Civil Aviation Policy	Develop a draft strategy	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
A37 Assembly Resolution supported	Civil Aviation Policy	Inform stakeholders	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Standardized SAR regulations for the SADC region	SADC Protocol and the Saly Portudal Declaration	Develop standard regulations in consultation with SADC member States	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Signed MOU on the co-ordination of SAR services by SADC Member States	SADC Protocol and the Saly Portudal Declaration	Negotiate and conclude MOU on the co-ordination of aviation SAR services	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13

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for the year ended 31 March 2012

PROGRAMME 5: CIVIL AVIATION				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
SADC Regional SAR Plan	SADC Protocol and the Saly Portudal Declaration	Develop a SADC regional SAR plan in consultation with SADC Member States	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Established Regional SAR Co-ordinating Committee with clear Terms of Reference	SADC Protocol and the Saly Portudal Declaration	Develop Terms of Reference for the SADC Regional SAR Co-ordinating Committee	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Cost-effective Cospas-Sarsat MEOSAR system within the SADC region	Existing International Aviation and Maritime SAR Conventions and the International COSPAS-SARSAT Programme Agreement	Consult with relevant national stakeholders to obtain buy-in for this initiative	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13	NEW ACTIVITY THAT WILL ONLY BE ADDRESSED IN 2012/13
Commemorated International Civil Aviation Day (ICAD) 2012	Existing ICAO Conventions and ICAO Resolution A29-1	Commemorate the International Civil Aviation Day 2011 (7 December 2012)	International Civil Aviation Day celebrations took place 5 to 7 December 2011 at Bhisho Airport (Belembu) in the Eastern Cape	No variance
Promoted aviation awareness	Existing conventions	Visit 40 schools in remaining 6 provinces	3 500 learners doing mathematics and science from grades 10 to 12 and their educators from different districts in the Eastern Cape were invited to attend the International Civil Aviation Day event that took place between 5 to 7 December 2011	No variance
Airport/ Airspace Slot Coordination Framework	Limited guidance in terms of Aeronautical Information Publication	Slot Coordinator appointed Draft regulations supporting the slot coordination framework developed	ATNS has been appointed as the Slot Coordinator until 15 January 2013 Ongoing work was done on draft regulations to encapsulate the agreed slot coordination framework. Regulations were drafted in consultation with industry stakeholders during the period under review and submitted for consideration of the Civil Aviation Regulations Committee (CARCOM)	No variance

Programme 6: Maritime Transport

Purpose: Coordinate the development of a safe, reliable and viable maritime transport sector through the development of policies and legislation, and through monitoring and oversight of the maritime public entities.

Strategic Objectives:

- Contribute to a safe, secure, environmentally friendly and efficient maritime industry by:
 - o developing and updating regulations, with the aim aimed of ensuring compliance with International Maritime Organisation mandatory instruments and national legislation.
 - o finalising the maritime policy by end of 2012, which will outline the requirements in the maritime transport sector regarding safety, security, environmental protection and job creation.
- Enhance economic development by providing a sound framework for sustainable growth in job creation drivers such as transshipment hubs, ship building and ship repair and ship recycle.
- Ensure opportunities for adequate training and skilling of seafarers by facilitating their placement on board vessels operated locally or overseas by March 2012.
- Reduce the number of accidents and incidents in the sea environment by establishing a safety plan and facilitate the implementation of the security strategy by March 2012.

Performance indicators and targets:

- The Minister of Transport has signed the African Maritime Charter in November 2011 in Angola.
- South African has been re-elected to the Council of the International Maritime Organisation in November 2011.
- Completed the consultation process on the Djibouti Code of Conduct. The Minister of Transport will sign the Code of Conduct during May 2012 in London. The Department is taking part in all the implementation meetings of the Code of Conduct.
- The Department hosted the IMO Green House Gas conference in November 2012 in Durban.
- The Department also held the World Maritime Day celebrations in Richards Bay on 21 and 22 September 2012.
- The National Ports Consultative Committee provided for in the National Ports Act has been launched in September 2011 and the Department hosted all quarterly meetings of the Ports Consultative Committees.
- An agreement has been reached with the Department of Labour on the ratification of the Maritime Labour Convention.
- Policy positions were developed from study done on the shipping sector and several consultation forums were held with key stakeholder from the Maritime Industry as from October 2011 to March 2012.
- A special National Port Consultative Committee meeting took place to influence the reduction of the port tariffs from a proposed 18% increase to 2, 76% only.
- A study to compare the benefits of ship registers globally with that of South Africa was initiated.
- A directive was sent to the National Ports Authority to formalize the launch of the Port of Ngqura.

Information on Predetermined Objectives
for the year ended 31 March 2012

PROGRAMME 6: MARITIME TRANSPORT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
Reduce number of days that ships wait for unloading and loading at Ports	Number of accidents and incidents at sea in 2010 – 53 Number of security incidents reported in 2010 – 3 Safety and security convention/instruments from IMO	Amend the National Ports Act to improve efficiency of doing business in South Africa	A tariff increase of 2.76% was granted by the South African Ports Regulator for the 2012/13 financial year Developed a questionnaire for the amendment of the National Ports Act and the Commercial Ports Policy	Shortage of Human Resources
Reduce number of accidents and incidents at sea	Number of accidents and incidents at sea in 2010 – 53 Number of security incidents reported in 2010 – 3 Safety and security convention/instruments from IMO	Establish an implementation strategy to implement Port Policy and Port Act	Wrote a letter to the National Port Authority (NPA) for the implementation of Section 56 of the National Ports Act. Launched the National Port Consultative Committee (NPCC) on 20 September 2011	Lack of capacity
		Implementation plan for inland waterway strategy	The strategy is in an advanced stage of development	No variance
		Develop and implement of ship clearance system	The Request for Information was published by SITA on 9 March 2012 in the Tender Bulletin. Ref 030/2011 with closing date 10 April 2012	
		Audit and evaluation of implementation of safety and security legislation and compliance with international conventions and standards	The Maritime Transport Security Bill has been completed and tabled to the Department and SAMSA to separate the regulations from the Bill. Intended Terms of Reference to be drafted for a service provider to complete the process	Shortage of staff and delay from the Maritime Law Association to provide response/inputs

Information on Predetermined Objectives
for the year ended 31 March 2012

PROGRAMME 6: MARITIME TRANSPORT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)	Actual (2011/2012)	
		Framework for reporting on safety and security incidents fully operational	The framework for reporting on security incidents exists	The framework existed since 2004. What is lacking is the enforcement of the framework to enable the Department to collect reports. The project is tied up with the outstanding Maritime Security Bill
		Development of security strategy in line with Djibouti Code (DC) and AU Maritime Charter (AMC)	South Africa will sign the Djibouti Code of Conduct in May 2012 in London. The Department is taking part in the Djibouti Code of Conduct implementation meetings. The African Maritime Transport Charter was signed in Angola	The African Maritime Charter could not be ratified because of insufficient consensus of countries that signed it
Increase pool of Seafarers through appropriate training and qualifications	No South African owned training/ shipping vessel Few bilateral on training assistance Role of SAMSA and TETA defined	Consult and finalise the draft Skills Development Strategy	Hosted a Maritime BEE Conference in Durban in partnership with KZN DED to solicit inputs and industry resolutions/ suggestions with regards to creation of more jobs in the industry Project roll over has been proposed	Capacity constraints Capacity constraints
		Evaluate compliance of current training curriculum with STWC requirements	Directorate Capacity Development has solicited and incorporated them into the broader departmental Capacity Development Strategy	Capacity and budgetary constraints
		Define institutional arrangements for implementation of Skills Development Strategy	In collaboration with KZN DED, there is implementation commitment from the MEC and local institutions	Capacity constraints
		Project Plan on implementation of 3 bilaterals related to training deliverable		

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for the year ended 31 March 2012

PROGRAMME 6: MARITIME TRANSPORT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
Initiate strategic interventions to develop maritime transport sector such as – Coastal Shipping/ cabotage Trans-shipment : shipping repair/ building/breaking and identification of conflict areas within the NPA	No South African position on economic opportunities in the maritime transport sector No ship on SA Register	Target (2011/12)	Actual (2011/2012)	Budgetary constraints
		Draft Maritime Policy	Terms of Reference was drafted for the draft Green Paper on Maritime Shipping Policy. The Appointment of a service provider completed in February 2012	
Prevention of pollution at sea	Merchant Shipping Bill Regulatory instruments from Marine Environment Protection Committee (MEPC) of the IMO African Union Charter	Target (2011/12)	Actual (2011/2012)	No variance
		Identification of economic drives	Inter-governmental Workshop held on the recommendation of the study : Ship Register, Ship Building, Green Cycling, Coastal Shipping, Transshipment Hub. Comments to be incorporated in the Green Paper	
Prevention of pollution at sea	Merchant Shipping Bill Regulatory instruments from Marine Environment Protection Committee (MEPC) of the IMO African Union Charter	Target (2011/12)	Actual (2011/2012)	No variance
		Appointment of panel of experts	Expert panel appointment not approved. Service provider in place for the development of the green paper	
Prevention of pollution at sea	Merchant Shipping Bill Regulatory instruments from Marine Environment Protection Committee (MEPC) of the IMO African Union Charter	Target (2011/12)	Actual (2011/2012)	No variance
		Consultation process/Stakeholder Forum	Held quarterly PCC meetings and launched the National Port Consultative Committee On 20 September 2011	
Prevention of pollution at sea	Merchant Shipping Bill Regulatory instruments from Marine Environment Protection Committee (MEPC) of the IMO African Union Charter	Target (2011/12)	Actual (2011/2012)	National Treasury requested that the Bill to be enacted only after the finalization of the new/proposed Money Bill - that is not yet finalised
		Merchant Shipping (Civil Liability Convention) Bill	National Treasury submitted their amendments in March 2012. Draft bill to be accordingly amended	
Prevention of pollution at sea	Merchant Shipping Bill Regulatory instruments from Marine Environment Protection Committee (MEPC) of the IMO African Union Charter	Target (2011/12)	Actual (2011/2012)	No variance
		Merchant Shipping (Safe Containers Convention) Bill	Proclamation signed and is now an Act of Parliament	
Prevention of pollution at sea	Merchant Shipping Bill Regulatory instruments from Marine Environment Protection Committee (MEPC) of the IMO African Union Charter	Target (2011/12)	Actual (2011/2012)	The Charter could not be ratified because of insufficient consensus of countries that signed it
		Ratification of the African Maritime Charter (AMC)	The African Maritime Transport Charter was signed in Angola	

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for the year ended 31 March 2012

PROGRAMME 6: MARITIME TRANSPORT				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
Prevention of pollution at sea	Review of environmental protection policy positions	Convene a workshop with all affected parties, DoT, DEA, SAMSA, etc., to review the National Contingency Plan	National Contingency Plan is 90% completed	No variance as such as the 10% outstanding are comments and inputs that still need to be considered in the next workshop to be convened by all the parties
	Draft Ballast Water Act	Revision of environmental protection policy positions	Service provider appointed in March 2012	Lack of capacity/expert in the field and institutional challenges
	Define institutional arrangements for financial model for implementation of feasibility study – standby tugboat	Convene a Director General: Steering Committee meeting to deliberate on the feasibility study conducted in to the Standby Tug boat	Letters for the convening of the DG: Steering Committee have been drafted and submitted to the Office of the Champion: Maritime Transport	No approval has been obtained for the convening of the DG: Steering Committee meetings
New Strategic Plan				
Reduced number of accidents and incidents at sea and inland waterways	Number of accidents and incidents at sea in 2010 - 53 Number of security incidents reported in 2010 – 3 Safety and security convention/instruments from IMO	Developed MoU with relevant stakeholders on Djibouti Code of Conduct	For 2012/13	For 2012/13
		<ul style="list-style-type: none"> Regulatory Framework National Coordination Strategy Audit and evaluate implementation of safety regulations and compliance with international conventions and standards		
Reduced number of accidents and incidents at sea and inland waterways	Number of accidents and incidents at sea in 2010 – 53 Number of security incidents reported in 2010 – 3 Safety and security convention/instruments from IMO	Ratification of International Conventions and Treaties	For 2012/13	For 2012/13

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for the year ended 31 March 2012

PROGRAMME 6: MARITIME TRANSPORT			
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance
		Target (2011/12)	Actual (2011/2012)
Improved capacity and systems to develop and train seafarers	No South African owned training/ shipping vessel Few bilateral on training assistance Role of SAMSA and TETA defined	Promoted career awareness in maritime transport sector	For 2012/13
		Audited rate of employment creation in maritime transport sector over past 3 years and ongoing trend (emphasis on seafarers)	
Reduced levels of pollution at sea	Merchant Shipping Bill Regulatory instruments from Marine Environment Protection Committee (MEPC) of the IMO African Union Charter	Evaluated current institutional arrangements for skills development	
		Analysed current training curriculum and benchmark with global trends	
		Reviewed skills development strategy and make recommendations	
		Developed bilateral/agreements to improve rate of employment of seafarers globally	
		Implementation and monitoring of current environmental protection regulations	For 2012/13
		Facilitated the implementation of multilaterals on environmental protection within maritime transport	
		Reviewed national salvage strategy and make recommendations	
		Analyse feasibility study on second tug boat and reviewed recommendation	

Information on Predetermined Objectives
for the year ended 31 March 2012

PROGRAMME 6: MARITIME TRANSPORT					
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	Actual (2011/2012)	Reason for Variance
		Target (2011/12)			
Promoted catalytic economic initiatives in Maritime transport sector		Ratification of MARPOL Annex IV and V Bunker Fuel Ship wreck removal Developed business case for a coastshipping line between Ngqura and Richards Bay (type of cargo, duration, cost, benefits) Developed a business case for ship acquisition and operations (sustainability based on cargo, crew, destinations, ROI, etc.) Developed a model for transshipment at Ngqura		For 2012/13	For 2012/13
				For 2012/13	For 2012/13

Programme 7: Public Transport

Purpose: Develop norms and standards and regulations and legislation to guide the development of public transport for rural and urban passengers. Regulate interprovincial public transport and tourism services. Monitor and evaluate the implementation of the public transport strategy and the National Land Transport Act (2009).

Strategic Objectives:

- Improve public transport access and reliability by developing norms and standards to support the development of integrated public transport networks in 12 cities by 2020, and monitor and evaluate progress.
- Ensure efficient and effective public and tourism transport by establishing the National Public Transport Regulator as required by the National Land Transport Act (2009) by 2011/12.
- Increase the equity ownership and broad based black empowerment in the public transport sector by implementing the industry development model to empower 20 per cent of taxi operators and 20 per cent of small bus operators by 2014.
- Align and integrate the taxi recapitalisation programme with national and provincial rail services, metropolitan rapid public transport corridor services and provincial bus services by redefining the taxi recapitalisation project by 2013.
- Ensure integrated and optimised public transport services by facilitating the development of integrated rapid public transport networks and feeder and distribution systems in five municipalities by 2014.

Performance indicators and targets:

The sub-programme Public Transport Industry Development has successfully been able to achieve the following in the 2011/12 financial year:

- Developed a draft discussion document regarding macro socio economic analysis of transport investment gearing towards the reform of public transport funding
- Developed a data base and empowerment strategy for small bus operators including a constitution for the newly formed National Small Bus Operators Council. Facilitated elective conferences in various provinces for office bearers in the new structure
- Finalized a conflict resolution framework for public transport operators
- Developed performance based model contract documents to be used for Integrated Public Transport Networks

Information on Predetermined Objectives
for the year ended 31 March 2012

Programme 7: Public Transport			
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance
		Target (2011/12)	Actual (2011/2012)
Performance on old KPI'S			
Number of cities with approved Network plans	3 cities draft plans completed (Buffalo, Rustenburg & Polokwane)	9 Cities	9 cities
Number of cities implementing Integrated Public Transport Networks, Feeder and Distribution systems	Rea Vaya Starter Service operational in City of Johannesburg	1 (Cape Town's Integrated Rapid Transit (IRT) Starter Service)	Systems operational in two cities, namely City of Johannesburg and City of Cape Town. Rea Vaya Phase 1 a fully operational MyCITI Starter Service
Number of rural districts rolling out planned and integrated Public Transport services	Assessment Report covering 6 districts	Assessment Report covering 6 districts	Developed a differentiated IRPTN solution for rural districts
Number of average week-day bus rapid transit passengers	Rea Vaya: 34 000 pax/day	45,000	Before ReaVaya strike: 43 000 pax/day After Strike: 42 000 pax/day MyCITI Starter Service: 8000 pax/day
Implement empowerment model for the industry including subsidy model	Conclude desktop research and benchmarking	Conclude desktop research and benchmarking	Report finalized
New Institutional arrangement implemented in all 9 Provinces and Metros	National Public Transport Regulator established	National Public Transport Regulator established	4 Provincial regulatory entities established
Redevelopment of National Land Transport Information System	Integration of the NLTIS onto the e-Natis backbone	Integration of the NLTIS onto the e-Natis backbone	The NPTR will only be established in 2012/13. Given the new Departmental establishment only came into being in November 2012. Hence, the process to establish the NPTR started thereafter. The NPTR committee has been shortlisted and awaiting Ministers approval
			Integration onto the eNatis platform dependent on the rollout of the IT hub

Information on Predetermined Objectives
for the year ended 31 March 2012

Programme 7: Public Transport				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance	
		Target (2011/12)	Actual (2011/2012)	
Performance on old KPI'S				
Review regulatory instruments to enhance efficiencies	Review NLTA to ensure responsiveness to seamless integration of commuter rail services	Review NLTA to ensure responsiveness to seamless integration of commuter rail services	Draft Bill developed	Target met
Performance on new KPI'S				
NLTA Amendment Bill drafted and implemented	Drafted Amendment Bill	Drafted Amendment Bill	First Draft Amendment Bill developed	Target met
Established national NPTR, Provincial PREs and Municipal MREs, regulatory entities	Provincial Regulatory Entity (PRE) Undertake 1 study towards establishment of MRE	Provincial Regulatory Entity (PRE) Undertake 1 study towards establishment of MRE	Nominations to the NPTR done and gazetted, PRE for Kzn, Western Cape and Gauteng established, due diligence for Cape Town MRE done	Target dependent on provinces and municipalities
Trained and placed interns in District Municipals	20	20	18 interns placed in District Municipals	One District Municipality decided not to participate at the last minute. The second intern resigned because he found a job
Number of interprovincial and tourism Operating Licences (OL) applications processed by the national regulatory entity (NPTR)	4 000 operating licences (OL)	4 000 operating licences (OL)	NPTR awaiting inauguration	NPTR awaiting inauguration
Number of Appeal cases resolved	34	34	40 Appeal cases resolved by the TAT	The KZN TAT was disestablished. Hence outstanding KZN cases were handed over to the national TAT
Number of transport forums established	None	None	This is a local level responsibility	This is a municipal function. This target should be removed

Information on Predetermined Objectives
for the year ended 31 March 2012

Programme 7: Public Transport			
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance
		Target (2011/12)	Actual (2011/2012)
Performance on old KPI'S			
Facilitated and developed Integrated Public Transport Networks (IPTNs)	Completed outstanding network operational plans Launch CoCT's starter service Rea Vaya full Phase 1a	Completed outstanding network operational plans Launch CoCT's starter service Rea Vaya full Phase 1a	Ops plans for 9 cities under development and at various stages of completion
Number of cities with approved Network plans		6	Ops plans for 9 cities under development and at various stages of completion
Number of average week-day bus rapid transit passengers	Rea Vaya: 34 000 pax/day	Rea Vaya 100 000 pax per day My CITI partial Phase 1: 112 000 pax/day	Before ReaVaya strike: 43 000 pax/day After Strike: 42 000 pax/day MyCITI Starter Service: 8000 pax/day
Developed systems to ensure full participation of small bus operators in the public transport operations	Strategy and standard constitution for SBO developed Convened elective conference for small bus operators in two (2) Provinces	Strategy and standard constitution for SBO developed Convened elective conference for small bus operators in two (2) Provinces	
Managed and monitored the public transport contracts and institute subsidy management systems	Draft strategy for sustainable funding of subsidised public transport services	Draft strategy for sustainable funding of subsidised public transport services	Report was released on the macro socio- economic analysis of the proposed transport funding investment looking at the historic investment gaps and international comparators
Developed taxi industry empowerment implementation plan to support the TR3 2020 Strategy	Establish a panel of expert	Establish a panel of expert	Panel established Target met
Developed a public transport conflict resolution strategy	Develop conflict resolution strategy	Develop conflict resolution strategy	Strategy completed Target met

Information on Predetermined Objectives
for the year ended 31 March 2012

Programme 7: Public Transport				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
Performance on old KPI'S				
Managed roll-out and monitoring of taxi recapitalisation project and introduce environmentally friendly taxi vehicles	7 923 taxis to be scrapped. The Gauteng Province through its Agency the AIDC has funded a pilot project on the use of LPG in taxis	7 923 taxis to be scrapped	7631 vehicles scrapped as at 31 March 2012. Balance of 292 vehicles were at the scrapping sites but process of verifications were still in process. Vehicles were paid out in April 2012. The Department is in support of this project and plays an active roll in providing engagement with the taxi industry for their participation in this project	
			CO2 emission reduced by 11% per vehicle 30% reduction in CO carbon monoxide 14% reduction in fuel costs Five new filling stations built by SASOL Started in the Tshwane regions -now in other regions of Gauteng	
			70 Vehicles converted in 2010/11 200 Vehicles converted in 2011/12 85 Vehicles to be converted in 2012/13	
Developed Scholar Transportation Framework inclusive of a policy, operating standards and safety guidelines	Finalised adoption of scholar transport policy by the Minister and parliament	Finalised adoption of scholar transport policy by the Minister and parliament	The draft scholar transport policy is complete	Target met
Scholar Transport policy and framework finalised and implemented	Finalise scholar transport policy Green Paper	Finalise scholar transport policy Green Paper	The draft scholar transport policy is complete	Target met

Information on Predetermined Objectives
for the year ended 31 March 2012

Programme 7: Public Transport			
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Reason for Variance
		Target (2011/12)	Actual (2011/2012)
Performance on old KPI'S			
Number of Provinces migrated scholar transport from education to transport	Migration model implemented in 3 Provinces	Migration model implemented in 3 Provinces	Scholar transport services function transferred to Depts. of Transport in Mpumalanga, North West and Eastern Cape Target met
Number of bicycles distributed per District Municipalities (DM)	900 Bicycles and helmets distributed	900 Bicycles and helmets distributed	Dependent on the approval of the Scholar Transport policy
Number of District Municipalities integrated Shova Kalula to scholar transport service	N/A	N/A	Dependent on the approval of the Scholar Transport policy
Managed the implementation of the revised District Municipalities transport plans in identifies Districts	Reviewed RTSSA to incorporate accessibility needs of people with disabilities	Reviewed RTSSA to incorporate accessibility needs of people with disabilities.	Process delayed by the restructuring in the dept. that split the division into two.
Developed rural network plans in six (6) District Municipalities in terms of National Public Transport Strategy	Differentiated model for rural districts		Development of IPTN's in rural districts dependent on the differentiated plan
Accessibility / mobility index for modal integration developed for special need categories	Accessibility / mobility index for modal integration		Dependent on the RTSSA review
Number of District ITP reviewed and aligned with the IDPs	Differentiated model for rural districts		Differentiated model for rural districts developed Target met

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Public Transport Infrastructure and Industry Development				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
Develop industry empowerment implementation plan to support TR3 2020 Strategy	Draft plan by October 2011 and approval by November 2011	Draft plan by October 2011 and approval by November 2011	Appointment of Project Management Unit to support the TR3 2020 Strategy. Established a data base of panel of experts	Target met
Develop a concept document for financial model for Public transport	PT needs assessment Final draft concept document	PT needs assessment Final draft concept document	Research done for a differentiated approach towards PT integration	Target met
TRP contract review	TRP contract and SLA in place	Conduct assessment of current TRP contract	Engaged the Scrapping Administrator to identify concerns within the program.	Terms of reference took time as were depended on the TRP scraping agency and the PT needs assessment study
Develop a Public Transport conflict resolution strategy	None	Desktop research and approval of the Strategy	Strategy completed and in the approval stage	N/A
Investigate ways of promoting public transport greening	Pilot project to introduce LPG on PT vehicles	Assessment of the pilot project and expansion	Phase two of pilot project launched	Work in progress to initiate phase two of the pilot project
Development of a Performance based Quality Contract Model	Performance Based Quality Contract Model Document in place	Performance Based Quality Contract Model Document in place	Negotiated Gross-Based and Nett Based Model Contract Document finalized and submitted	Target met
Public Transport Industry formalised	Implementation of the resolutions of the SBO summit	Small Bus Operator's data-base developed and updated regularly	MOU between the Department and Small Bus Operators NCC finalised. The Small Bus Operators Constitution finalised elective conference was held in Limpopo. Workshop held to finalise the SBO's strategy for formalisation and empowerment	N/A
Public Transport Reform	Small Bus Operator's data-base developed and updated regularly	Align and synergise the PTIS, TRP and the PTOG in support of the IPTNs as well as services outside of the networks	MOU between the Department and Small Bus Operators NCC finalised. The Small Bus Operators Constitution finalised elective conference was held in Limpopo. Workshop held to finalise the SBO's strategy for formalisation and empowerment	Target met

Information on Predetermined Objectives
for the year ended 31 March 2012

Sub-programme/programme: Rural and Scholar Transport				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target	Actual (2011/2012)	Reason for Variance
		Target (2011/12)		
Finalise Scholar transport policy	Review of the draft scholar transport policy	Finalized the draft policy	The draft scholar transport policy is complete	Awaiting internal sign off before gazetting
Alignment of NMT services	Preliminary assessment on 22 district municipalities NMT	NMT standards updated in accordance with SABS standards District municipal bicycle plans to be developed	Three districts have integrated Non-motorised transport services Moses Kotane in North West, Nelson Mandela Bay in Eastern Capea and Ntombela local municipality in Mpumalanga	None
Promotion of Shova Kalula bicycle project	Interdepartmental cycling plans for GEF with department of Tourism and Environment	Bicycle plans for four cities were developed; City of Cape town, city of Johannesburg, city of Tshwane and Polokwane Promotion of cycling and integration into Ethekhwini	Plans were finalised	None

Performance indicators and targets:

Provide a narrative of the significant achievements:

Bus Rapid Transit Systems are operational in two cities, namely City of Johannesburg and City of Cape Town. Johannesburg's Rea Vaya Phase 1a system has been operational since 2009 when it launched its Starter Service. Currently Rea Vaya's Phase 1a is carrying up to 42 000 passenger trips per day on 143 vehicles. The next phase (1b) will be implemented in the first half of 2013 and will connect Soweto with the CBD via Parktown.

Cape Town's MyCiTi launched its Starter service in May 2011. MyCiTi's average number of passengers per day peaked at about 11 400, in February 2012 on the Tableview Phase 1a route but has since declined to about 10 600, on account of the introduction of EFC (electronic fare collection). The Airport Shuttle service (CTIA to the Civic Station) is carrying about 12 300 passengers per month or up to about 500 passengers/day on a typical weekday. The full phase 1a will be incrementally implemented with full completion by Sept 2013.

The Department broke new ground through the launch of the new EMV-compliant smart card payment system for the MyCiTi bus rapid transport system. The new system is being piloted in the MyCiTi IRT system, as the first bus-based public transport service in the country to put into operation the EMV automated fare collection (AFC) system as prescribed by the Department's Regulations.

Based on feedback from the initial services in Johannesburg and Cape Town, communities are very positive about a formal, dedicated, high quality public transport service that comprises BRT and there has been calls from others areas of these cities for routes to be introduced as well.

9 cities have now completed their Phase 1a operational plans and 3 have already commenced with their planning processes.

2 other municipalities, namely Ethekwini and Rustenburg have advanced operational plans for BRT lines that can be operational by 2015 – subject to the timing of national grant funding.





Section 3

REPORT OF THE AUDIT COMMITTEE

**for the year ended
31 March 2012**

We are pleased to present our report for the financial year ending on 31st March 2012.

Audit Committee Members and Attendance:

The Committee met six times this financial year as per its approved terms of reference. It consists of the following members:

Name of member Number of meetings attended	Number of meetings attended
D. Coovadia (Chairperson)	6
D. Block	6
B. Mwelase	5
R. Haman	4
J. Mabala	4

The Committee's meetings were regularly attended by the accounting officer, internal auditors, the chief financial officer (CFO), management and by the representatives from the office of the Auditor-General South Africa (AGSA).

Audit Committee Responsibility

The Committee reports that it has operated and performed its oversight responsibilities independently and objectively in compliance with section 38(1)(a) of the PFMA and Treasury Regulations 3.1.13. The Committee has adopted appropriate formal terms of reference in its Audit Committee Charter, which have been approved by the Accounting Officer. The Committee has also regulated its affairs in compliance with the Charter and has discharged its responsibilities as contained therein. The Audit Committee is an advisory Committee of the entity operating with an independent and objective stance.

The effectiveness of internal control

The system of internal control applied by the department over financial and risk management is effective. In line with the PFMA and the King III Report on corporate governance requirements, internal audit provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the reports of the Auditor-General South Africa, we noted that there were no matters reported that indicated material deficiencies in internal control. Despite the challenges of capacity and budget constraints, there was concerted effort and hard work from management and officials to implement the business plan and to achieve the mandate.

However, a number of control deficiencies were reported both by the AGSA and internal auditors during the period under review. Despite these control inadequacies, the Audit Committee is of the view that the system of internal control on financial statements was satisfactory. This is however not the case with performance information.

Internal Audit

During the year under review, internal audit continued to face capacity constraints, which caused a delay in the completion of the planned audits.

Submission of in year management and monthly / quarterly reports in terms of Public Finance Management Act

As per discussion with management, management confirmed that the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer during the year under review were properly formulated and have complied with the PFMA and Treasury Regulations in this regard.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General South Africa's management letter and management's responses thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General South Africa.



D Coovadia
Chairperson: Audit Committee

Date: 31 July 2012

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 Important policy decisions and strategic issues facing the department

Developed transport networks in road, rail, aviation and maritime remain catalysts for economic development and for participation of the majority of our people in the economy. Investments in transport infrastructure across all modes will continue to protect the country's economy and to facilitate access to transport and the movement of people, goods and services.

A focus area will be to attract investments into a number of areas including the maintenance of infrastructure, provision of new infrastructure in rural areas and urban areas of our country. Urban mobility and rural access, including labour intensive road maintenance programmes are some of the key areas of focus over the medium term.

The public transport strategy is still being implemented to reach the ultimate goal of affordable and safe mass public transport networks. It guides public transport subsidy reform, mode rationalisation, the implementation of the taxi recapitalisation programme and integrated rapid public transport networks, which include Bus Rapid Transit systems and priority rail corridors. As the plan is being implemented, it contributes to improving mobility and access to safe transport for more people.

Major challenges persist in the transport sector, notably the backlogs in road maintenance and rail infrastructure. Road maintenance will be prioritised through the S'Hamba Sonke project through labour intensive forms of road maintenance. A focused rail revitalisation programme will become a key activity over the medium term to address investment needs in infrastructure such as signaling and rolling stock. The Passenger Rail Agency of South Africa Ltd. started a turnaround plan to strengthen its financial position, reduce operational cost and to reverse the under investment and under funding in passenger rail. Investors will be sought to invest in infrastructure that has a demonstrable cost recovery basis.

Some strategic issues regarding roads facing the department are:

- Review of the current Road Safety Strategy and the implementation of new strategy geared at achieving a reduction of accidents and the implementation of the Decade of Action by 2020.
- Improvement of service delivery at Driving License Testing Centres and Registering Authorities, to increase the output on the acquisition of driving licenses and the licensing of motor vehicles.
- Regulation of the Driving Schools Industry to enhance and improve the driving skills of drivers thereby reducing the number of accidents on public roads. The Department will continue implementing various policy interventions that seek to reduce contributory factors to roads accidents.

Ministerial outputs over the medium term include:

- Increasing the market share of freight to rail.
- Benchmarking the cost of building and maintenance of roads to assess our efficiency and to develop an appropriate funding model.
- Implementation of the Road Infrastructure Strategic Framework for South Africa (RISFSA), which addresses the priority of road maintenance.
- Implementation of the Rural Transport Strategy for South Africa.
- Reduction of road accident fatalities.
- Development of Integrated Rapid Public Transport Networks.

- Completion of a Rail Policy and Rail Act.
- Establishment of a Rail Economic Regulator as a precursor to an envisaged Transport Economic Regulator in future.
- Implementation of the National Freight Logistics Strategy.
- The introduction of private operators on the secondary rail network.
- Implement the National Ports Act and create transparent cross-subsidies between port and rail infrastructure.
- The introduction of competition for the management of container terminals to remove inefficiencies.

To execute its mandate, the department identified the following strategic outcomes over the medium term:

- An effective and integrated infrastructure network that serves as a catalyst for social and economic development: The department will ensure the maintenance and strategic expansion of the road network, and support the development of road asset management systems in rural and provincial authorities. In addition the department will support rail and ports efficiency and enhance capacity and competitiveness.
- A safe and secure transport sector: The department will implement various policy interventions that seek to reduce the number of accidents and incidents in the road, rail, aviation and maritime environment.
- Improved public transport systems: Over the medium term, the department will implement measures to ensure an effective, efficient, affordable and accessible public transport system in both urban and rural areas through, among others, the implementation of integrated public transport networks, and establishment and strengthening of regulatory entities, acquisition of new rail rolling stock, and development and upgrading of priority passenger rail corridors.
- Increased contribution to job creation: The department will prioritise job creation through the implementation of an industry empowerment model, the finalisation and approval of the maritime policy underpinned by industry development, and broad based black economic empowerment (BEE).
- Increased transport contribution to environmental protection and streamlining of the strategy and regulatory environment: The department will implement measures aimed at reducing the impact of transport on climate change by supporting more energy efficient modes of freight and passenger transport and promote the use of cleaner fuels.

Key policy developments over the medium term include:

- National Rail Policy: The rail policy seeks to establish a single overarching framework for rail transport in South Africa. The fundamental purpose of the National Rail Policy will be to enable the revitalization of rail in South Africa through the implementation of strategically focused policy interventions. Successful rail revitalisation will have a significant positive impact on job creation and skills development within the industry. A competitive, revitalised rail industry will not only attract potential job seekers, but the need for skilled personnel and expertise will increase exponentially and many opportunities to jobseekers will become available.
- Road Accident Benefit Scheme Policy and Bill: The draft policy was approved by Cabinet for publication in November 2009, and published in the Government Gazette in February 2010. In terms of an envisaged fundamental overhaul, the draft policy proposes that the Road Accident Fund be replaced by the Road Accident Benefit Scheme Administrator and that the current adversarial system be replaced with a scheme based on the principle of social security.

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**Report of the Accounting Officer
for the year ended 31 March 2012**

- Aviation policy: The purpose of the national civil aviation policy is to address aviation safety and security; institutional arrangements; aviation infrastructure; air transport; general aviation; unmanned aircraft systems; aircraft operations and the environment; human resource development and training; and research and development. In addition the policy will ensure South Africa's compliance with the Convention on International Civil Aviation and address South African and regional civil aviation needs and requirements.
- National Land Transport Act (2009): The implementation of the act establishes a national, provincial and municipal public transport regulator, inter-modal planning committees, and land transport advisory boards at the municipal level. The act provides for the devolution of regulatory functions to municipalities, including bus and taxi operating licences, and provides for service level agreements with the Passenger Rail Agency of South Africa. The act also establishes municipal land transport funds to fund public transport services and infrastructure.

The Act will be reviewed with the purpose of clarifying the contracting authority role among the three spheres to enable smooth transformation of the public transport service through the negotiated contract system that should be rolled throughout the country starting in 2012/13 financial year.

- Maritime transport policy: The intention of this policy is to create a governance framework for the maritime sector to integrate the Southern African Development Community region through coastal shipping and trade; create jobs through a maritime value chain; and grow the economy through efficient port operations.
- The department through the S'hamba Sonke road maintenance plan developed a draft Road Asset Management Policy that will assist in quantifying and analysing the requirements of the road networks in South Africa. This includes "Knowing Your Network" (Extent of various road networks; Condition of road networks; Intervention on each road network; and Investment requirements on each road network). The policy is at the draft stage and is current being consulted with all interest and affected parties.
- The Scholar Transport Policy shall be finalized to provide clear guidelines with regard to the transporting of learners in the country. This function is performed by different departments in the various province and a clear migration plan will be developed to address function shift challenges where migration is preferred.

1.2 Significant events that have taken place during the year

- Community Road Safety Councils were launched.
- The first National Traffic Intervention Unit was launched
- The S'hamba Sonke road maintenance programme was launched in rural communities and in provinces
- The National Launch of the "Decade of Action for Road Safety" took place.
- A Transport Investor's conference was hosted in June 2011 to identify and attract potential investors in transport infrastructure.
- The 3rd Pan-African Aviation Training Coordination Conference took place, which was attended by aviation experts representing the majority of the African continent and SADC countries.
- The second launch of the Gautrain took place with the official opening of the Pretoria-Johannesburg route.
- An African Renaissance Conference was held amongst regional leaders to address African connectivity and development and to promote inter-modal transport systems, transport corridor development, transport investments and partnerships.
- A PRASA Centre of Excellence Graduation ceremony was held at which 300 station and corridor

managers graduated after months of intense training in order to provide better services to train commuters.

- The World Maritime Day was commemorated.
- The October Transport Month was launched. The initiatives included media briefings on over 30 stakeholder engagements and public participation events during October 2011.

Civil Aviation

- Appointment of the Slot Coordinator and development of the Slot Coordination Framework:
 - o A "slot" is defined as "the permission given by the coordinator to use the full range of airport infrastructure necessary to operate an aircraft at a coordinated airport on a specific date and time for the purpose of landing or take-off." Slots are allocated to aircraft operators by the Slot Coordinator in an environment where capacity is constrained, either from an airport- or an airspace perspective. The aim of this process is to maximise efficiencies and synergy within this environment for the benefit of all stakeholders. South Africa currently has three fully coordinated airports, namely O. R. Tambo International Airport, Cape Town International Airport and King Shaka International Airport.
 - o The development of a formal slot coordination framework received priority attention in order to address the growing congestion at the coordinated airports, requiring higher levels of efficiency as well as greater discipline around the usage of slots. In particular, the constrained funding available to ACSA and ATNS for CAPEX Projects which requires the sweating of current infrastructure assets aimed at lessening the financial burden on users, were duly considered. This framework should ultimately contribute to the reduction in the cost of doing business as well as reduce the impact of civil aviation on the environment through improved operational efficiencies.
 - o The slot coordination framework and draft regulations were developed in consultation with industry stakeholders in order to strengthen the Slot Coordinator's position in conducting slot coordination and to effectively monitor and enforce slot utilisation. South Africa has hosted various major events and the framework and proposed regulations to manage such events from an airports slots-perspective will streamline the use of capacity available at the relevant airports.
 - o The Air Traffic and Navigation Services Company (ATNS) has been appointed as the interim Slot Coordinator until the 15th of January 2013 and the draft Slot Coordination Regulations have been submitted to the Civil Aviation Regulations Committee for consideration with a view of completion in the next financial year.

Maritime Transport

- The Minister of Transport has signed the African Maritime Charter in November 2011 in Angola.
- South African has been re-elected to the Council of the International Maritime Organisation (IMO) in November 2011.
- Completed the consultation process on the Djibouti Code of Conduct. The Minister of Transport will sign the Code of Conduct during May 2012 in London. The Department is taking part in all the implementation meetings of the Code of Conduct.
- The Department hosted the IMO Green House Gas conference in November 2012 in Durban.
- The Department also held the World Maritime Day celebrations in Richards Bay on 21 and 22 September 2012.
- The National Ports Consultative Committee (NPCC) provided for in the National Ports Act has been launched in September 2011 and the Department hosted all quarterly meetings of the Ports Consultative Committees (PCC).

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- An agreement has been reached with the Department of Labour on the ratification of the Maritime Labour Convention.
- Policy positions were developed from study done on the shipping sector and several consultation forums were held with key stakeholder from the Maritime Industry as from October 2011 to March 2012.
- A special National Port Consultative Committee meeting took place to influence the reduction of the port tariffs from a proposed 18% increase to 2,76% only.

1.3 Major projects undertaken during the year:

- Work on optimization plans for Border Posts was completed.
- Facilitated the transaction for the sale of Durban International Airport. The transaction was submitted to the Competition Commission for approval.
- Finalised draft 2050 Vision for the Durban-Gauteng Corridor Institutional arrangement and implementation plan, and a Conceptual Framework towards a Business Case was completed.
- The Greenhouse Gas Database was completed, and a draft Greenhouse Gas Inventory is available, but Tier Level 2 Data Collection is still in progress.
- A Service Level Agreement for conducting the National Household Travel Survey has been finalised and is ready for signing by the respective Accounting Officers. A pilot survey to test the questionnaire has been conducted in three selected provinces.
- A final draft Road Freight Strategy was approved.
- Funding was received for the roll out of taxi technology: smart cards and the project is ready to be rolled out in phases in one province.
- A new funding business model was implemented for the Cross Border Road Transport Agency with effect from 1 April 2011.
- A total of 384 out of 490 coaches were overhauled or upgraded.
- The Greenview - Pienaarspoort line extension was completed.
- Construction commenced on the Bridge City rail line extension.
- A draft Green Paper on Rail Policy was completed for approval.
- A feasibility study on rail manufacturing was completed, transaction advisors were appointed and funding was secured to procure new rolling stock, continue upgrading signaling infrastructure and to construct new rail depots.
- A total of 40,621 full time equivalent jobs were created through the S'Hamba Sonke road maintenance programme. A total of 395,223 job opportunities were created.
- Legislation was approved and published to require buses to be tested every 6 months.
- Draft Regulations were completed to require all vehicles older than 10 years to be tested every 24 months.
- A total of 14,978 schools implemented a road safety education campaign focusing on learning material.
- A total of 2,082,122 driver's license cards were produced and delivered during the year.
- A total of 213 Live Capture Units were installed at Driving License Testing Centres to improve on the speed and quality of processing driver's licenses at these centres.
- The verification of assets belonging to the Driving License Card Account has been completed in 8 provinces by the end of the financial year.
- The liquidity of the Driving License Card Account was improved by R47 million during the year.
- A Draft White Paper on National Civil Aviation Policy was developed and is still in the process of consultation.
- Draft legislation was completed to establish the Civil Aviation Safety Investigation Board.

- The President ratified the African Maritime Charter.
- A Framework for reporting on maritime safety and security incidents was gazetted and became fully operational.
- The Merchant Shipping (Safe Containers Convention) Act, 2011 (Act No. 10 of 2011) came into operation.
- Final drafts of the Model Tender and Contract Document (Gross-Based), and the Nett-Based Documents (i.e. Model Negotiated Contract Document) and the Model Tender (Contract Document) were finalised.
- 10 cities have final or draft final operational plans to facilitate Integrated Public Transport Networks (IPTNs) and integrated public transport services in rural districts. Only 2 cities however have implemented Integrated Public Transport Networks, Feeder and Distribution systems.
- A small bus operator's database was established and is updated regularly.
- Cabinet invoked section 100(1)(a) of the Constitution on the Department of Safety, Roads and Transport in the Free State and section 100(1)(b) on the Limpopo Department of Roads and Transport and that meant the Department had to play a role in the implementation of the Cabinet decision.
- Service Level Agreement (SLA) was signed with Statistics SA for the NTHS (National Household Travel Survey). Travel Analysis Zones and Census 2011 Enumeration Areas were also confirmed. Piloting of the final draft of the questionnaire was carried out.
- In structuring innovative national research and development programmes in the sector, a new Strategic Collaboration Agreement with CSIR (Council for Scientific and Industrial Research) was negotiated.
- Development of position papers related to the maritime shipping policy, namely, ship register, coastal shipping, transshipment hub, ship building, ship repair and green ship recycling.
- The launch of the National Ports Consultative Committee as per the National Ports Act of 2005.
- The signing of the AU Maritime transport Charter by the Minister of Transport.
- Initiation of the process regarding the ratification of the Maritime Labour Convention (MLC 2006), and the ensuing development of the relevant legislation presented to NEDLAC.

1.4 Spending trends

The department under spent its budget by R320.9 million against the revised budget for the year of R41.5 billion, an under expenditure of 0.8%. A transfer payment from the Public Transport Infrastructure and Systems Grant amounting to R191.7 million was withheld. Less taxi's were scrapped than budgeted for, resulting in under expenditure of R23.3 million, which was shifted within the programme and across programmes to fund other expenditure needs. Savings on accommodation costs amounted to R31.1 million, of which R22.9 million was shifted within and across programmes to fund other projects.

Projects amounting to R104 million were delayed or could not be completed, savings of R16.4 million was realised on goods and services and R2.3 million on capital expenditure. Compensation of employees was under spent by R5.7 million due to posts that could not be filled, and R0.8 million was saved on foreign membership fees.

The shifting of funds after the adjusted budget resulted in decreases in the budgets for compensation of employees and transfers to Households of R17 million and R22.5 million respectively, and increases in the budgets for goods and services (R17.6 million), transfers to departmental agencies and accounts (R13 million), foreign membership fees (R3.1 million), transfers to non-profit institutions (R5.5 million), and machinery and equipment (R0.3 million).

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Explanations for the under expenditure can be viewed in Note 4 to the Appropriation Statement. Rollovers of unspent funds were requested as detailed below:

Details	R'000
Replacement of PABX	8,000
Transaction advisor for a new public private partnership for government fleet services	6,000
National Household Travel Survey	34,900
Development of a freight optimisation plan	2,100
Rail industry development	1,000
Development of Rail Policy and Act	2,308
Institutional reform - passenger rail	1,000
Establishment of Rail Economic Regulator (RER)	511
S'hamba Sonke Programme Management Support	4,468
Local User Terminal for Watchkeeping Services	6,049
Green Paper on Maritime Shipping Policy	500
Development of Ballast Water Act and Regulations	600
Public transport industry development	4,800
Technical support and verification of bus contracts payments	8,500
Technical support and verification of road infrastructure payments	30,200
Public Transport Infrastructure and Systems Grant	191,700
Total of rollovers requested	<u>302,636</u>

1.5 Adjusted budget and virements

A budget of R35,084,013,000 was allocated to the department. In its Adjusted budget and a special Adjusted budget, additional amounts totaling R6,433,407,000 were allocated to the department. This brought the total revised allocation to R41,517,420,000. The additional amount was made up as follows:

	R'000	R'000
Original budget		35,084,013
Funds rolled over from the previous year:		22,975
Office accommodation	3,569	
Establishing interim rail economic regulatory capacity	1,790	
King Sabatha Dalindyebo Integrated Sustainable Rural Development and Transport plan	3,476	
Management of the implementation of automated fare collection regulations and data structure	4,785	
Implementation of accessible public transport corridors as part of Integrated Public Transport Network	1,451	
implementation of Public Transport Operations Grant	7,904	
Shifting of funds from other Departments		240,000
Transport Disaster Management Grant	240,000	
Significant and unforeseeable economic and financial events:		2,792
Higher personnel remuneration increases than the main budget provided for	2,792	
Self financing amounts:		417,640
eNaTIS transaction fees	417,640	
Special adjusted budget:		5,750,000
SANRAL: Gauteng Freeway Improvement Project	5,750,000	
Total of Adjusted Budget		<u>41,517,420</u>

1.6 Other material matters

Gauteng Freeway Improvement Project

The implementation of electronic tolling (e-tolling) on the improved Gauteng Freeways was delayed. In the event that the South African National Roads Agency Ltd. (SANRAL) may not be able to meet its financial commitments, its creditors may call up the guarantees that were provided by government, and government shall have to settle the commitments. Any expenditure that may be incurred by government as a result of guarantees that are called up by creditors, shall constitute unauthorised expenditure for the department. Financial guarantees that were issued are listed on Annexure 3A to the Annual Financial Statements.

Unauthorised expenditure:

Unauthorised expenditure of R1.2 billion was incurred in 2008/09 and 2009/10 as over expenditures of the budgets of Programme 7, due to bus subsidy claims. According to procedure, National Treasury was requested to advise Parliament regarding the approval or otherwise of the unauthorised expenditure. The national bus subsidy budget was moved to Conditional Grants under the Division of Revenue (DoRA) Act from 2009/10 onwards, so that expenditure on bus subsidies can be limited and better managed to ensure that there is no future over expenditure on bus subsidies.

Fruitless and wasteful expenditure

The department incurred fruitless and wasteful expenditure of R49,107 during the financial year. Amounts totaling R1,063 was recovered or resolved, and R42,133 was transferred to debts during the year, which include cases from the previous financial year.

Irregular expenditure:

Also refer to Note 27 to the Annual Financial Statements.

Irregular expenditure of R48,482,112 was incurred during 2011/12 as follows:

- Further expenditure incurred on "site refresh" costs on sites that is managed by a service provider on behalf of the department without inviting competitive bids, amounting to R31,92 million in 2011/12 and R4,932,448 in previous financial years. The matter is being investigated.
- A "least cost routing" service was concluded in 2009 without following tender procedures, which resulted in irregular expenditure of R1,865,495 declared for 2011/12, and R5,158,783 for previous financial years.
- Two publications were arranged at costs of R66,120 and R60,192 without inviting competitive bids. The matters are being investigated.
- Additional work was commissioned on a contract without approval and without following procurement procedures, amounting to R1,861,755.
- A supplier was paid on a "tax invoice" amounting to R275,000, but was not registered for VAT.
- An overpayment to the Centres of Development in 2010/11 was not recovered by reducing the transfer payments to Universities by R26,417 as requested by Treasury.
- A bid was awarded for an amount of R12,407,133 without following the correct procedures. The matter is being investigated.

Seven cases of irregular expenditure, amounting to R21,120,871 were condoned. Disciplinary steps were taken in four of the cases, and in the other three cases, disciplinary steps could not be taken because the responsible officials left the employ of the department. Disciplinary steps were taken in one case that was not condoned and will be re-investigated.

Measures that were put in place detected the incidents of irregular expenditure, and are aimed at preventing irregular expenditure. In some cases control measures cannot prevent irregular expenditure, such as:

- A component receives quotations from Supply Chain Management (SCM) for approval, but contacts the service provider that scored the highest points directly to commence with the work or deliver the goods without obtaining an official order.
- Although an order was issued to a service provider, the relevant component approved additional work without obtaining prior authorisation.
- Cases in which a component does not obtain quotations and authorises work without following procurement procedures.

Measures that were put in place to prevent and / or detect irregular expenditure are as follows:

- All cases are referred to the department's legal services to determine whether any official can be held liable and relevant managers are requested to take disciplinary steps.
- The Bid Adjudication Committee (BAC) will not consider condoning irregular expenditure until a legal opinion has been obtained where applicable and disciplinary steps were considered.
- The contract management system monitors all payments against orders that are placed, and will detect payments that exceed the contract value.
- The contract management system will detect any payments that are approved for processing for which no order was placed.
- Payments for all procurements must be processed via Supply Chain Management (SCM) so that any irregular procurement can be detected before payment.
- To prevent the occurrence of not completing the internal order and requisition forms, the Supply Chain Management (SCM) component does not make any approval documents or letters of acceptance available until the internal order and requisition forms are completed.
- Initiatives to train all officials who are involved in the approval of procurement matters will continue.

Electronic National Traffic Information System (eNaTIS) transaction fees

The department is responsible for the maintenance and operations of the eNaTIS system. Transaction fees on the renewal of motor vehicle licenses were introduced in June 2007 to fund the cost of eNaTIS maintenance and operations, and were earmarked for this purpose.

In 2007, National Treasury issued a Practice Note stipulating that the Road Traffic Management Corporation (RTMC) must collect the transaction fees and pay all of the transaction fees that it collected over to the department. The department must transfer all the fees received from the RTMC into the National Revenue Fund (NRF). Income from transaction fees that was paid into the National Revenue Fund is requested back on the Adjusted Budget of the department as a self-financing allocation to cover the cost of maintaining the eNaTIS system.

During 2009/10, the RTMC did not pay all of the transaction fees that it collected over to the department. An amount of R222.5 million was not paid over to the department, but was irregularly retained by the RTMC to fund other projects. The amount of R222.5 million that was retained by the RTMC is included in receivables (claims recoverable) of the department. The amount is included in the amount owing to the

department by the RTMC on Note 12.1 and Annexure 4 to the Annual Financial Statements. To prevent the non-payment of transaction fees in the future, an investigation was conducted at the RTMC, which included the non-payment of transaction fees. Officials were suspended, a disciplinary process was started and an acting Chief Executive Officer was appointed at the RTMC.

In turn, the amount of transaction fees that the RTMC owes to the department, is due to be paid over to the National Revenue Fund (NRF) as soon as the funds are collected. The amount of R222,5 million that the department owes to the Revenue Fund is included in payables in Note 17.2 to the Annual Financial Statements.

Also included in receivables in Note 12.4 to the Annual Financial Statements, is the cost of eNaTIS maintenance that was incurred by the department, amounting to R527 million, that the department must still request back on its Adjusted Budget as a self-financing allocation to cover the cost.

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 Programmes

Programme 1: Administration

The programme provides for the strategic leadership and corporate support to the Minister and the department's senior management, as well as for various activities associated with organising, managing and administering the department. The programme also plays a role in building capacity, supporting identified centres of development among the tertiary institutions that provide transport-related education, and supporting the Transport Sector Education and Training Authority. The programme is also responsible for promoting the efficient use of Government motor transport and for determining policy for Government's subsidised motor transport scheme.

Programme 2: Integrated Transport Planning

Integrated Transport Planning manages and facilitate national strategic planning including the planning for new projects, and conducts research and formulates national transport policy, including for the cross-modal area of logistics. It also coordinates international and intersphere relations.

Programme 3: Rail Transport

Rail Transport provides for the development of rail policy and economic regulation that promotes an integrated and sustainable passenger and freight rail industry. The passenger rail system is coordinated nationally with the commuter rail services planned for by the local spheres of Government. Rail systems will be economically regulated on the basis of fair competition in order to reduce system costs and improve services in order to meet customer and national objectives for user cost, travel times, choice of mode and safety. The programme exercises oversight over the Passenger Rail Agency of South Africa (PRASA) and the Railway Safety Regulator (RSR).

Programme 4: Road Transport

Road Transport ensures safety and security on public roads by the regulation of road traffic management and ensuring the maintenance and development of an integrated road network, through the development of roads related safety standards and appropriate guidelines. The programme also oversees that road

based agencies implement the strategic priorities of the department and the government, and ensures that provincial road expenditure is implemented in accordance with government priorities.

Programme 5: Civil Aviation

Civil Aviation facilitates the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards through regulation and investigation and to oversee aviation public entities.

Programme 6: Maritime Transport

Maritime Transport coordinates the development of a safe, reliable and economically viable maritime transport sector through the development of policies and legislation, and through monitoring and oversight of maritime public entities.

Programme 7: Public Transport

Public Transport develops norms and standards as well as regulations and legislation to guide the development of public transport for rural and urban passengers. It regulates interprovincial public transport and tourism services, and monitors and evaluates the implementation of the public transport strategy and the National Land Transport Act (2009).

2.2 Tariff policy

The department does not charge tariffs. A range of tariffs and levies are, however, charged by Public Entities and the Trading Entity under the control of the department. The Minister of Transport and National Treasury approve these tariffs and levies.

2.3 Free Services

The department does not render free services.

2.4 Inventories

Inventory at the end of the financial year comprised of stationery that was valued at cost on the first in first out basis, amounting to R39,860 (2011 R30,093).

3. CAPACITY CONSTRAINTS

Major capacity constraints and their impact on programmes and service delivery in the transport sector remain as follows:

- The demand for road and rail transport far outstrips the capacity of Government to fund these needs.
- The provincial and local Government's road infrastructure is collapsing through lack of maintenance. Backlogs in road maintenance limit the expansion of the road network, the maintenance of the road network and increases road transportation costs. This is exacerbated by an inability from Roads Authorities, particularly lower order Municipalities, to effectively quantify the extent and condition of their network within their jurisdiction. This is attributable to a range of factors including lack of technical engineering skills, budgetary constraints and either poorly maintained or no information technology systems in place to ensure effective asset management.

- The bulk of the rail infrastructure has reached the end of its economic life. This has severe implications for the punctuality of rail services where frequent breakdowns limit the number of operational rolling stock available due to ongoing maintenance and refurbishment.
- Airport infrastructure needs to keep pace with demands of passenger volume increases. This will require, inter alia, optimising current assets through improving operational efficiency.
- Capacity of ports and the efficiency of port operations need to keep pace with the demands of the economy.
- Serious capacity constraints are being experienced in the roll out of the Public Transport Strategy and Action Plan. Limited public transport planning, business planning and operational (logistical) capacity are available at Provincial and Local levels.
- Inefficiencies in the rail system caused rail tonnage to decline while road tonnage increased, increasing the burden on roads. Freight logistics costs are currently much higher than those compared to South Africa's trading partners.
- South Africa requires a shipping policy to position itself in the global maritime network and to ensure economic development, job creation and transformation in the maritime industry.
- With regard to anti-piracy measures, the department needs to ensure that the Djibouti Code of Conduct is signed and implemented by all stakeholders.
- South Africa requires a Coastal Shipping strategy and well-defined transshipment strategy to create opportunities and jobs for South African in the maritime transport sector.
- The multilateral African Union (AU) Yamoussoukro Declaration of 1988 and the Decision Relating to the Implementation of the Yamoussoukro Declaration Concerning the Liberalisation of Access to Air Transport Markets in Africa of 2000 aim to promote more efficient aviation services across Africa by liberalising air transport for all intra-Africa air services and to harmonise air transport policies in Africa. To date, the Declaration and Decision have only been partially implemented across the continent, mainly through bilateral air services agreements.
- The Department has identified scarce and critical skills in the areas of engineering, logistics, aviation, maritime and road transport (law enforcement officers, incident managers) in collaboration with other partners and stakeholders in the transport sector.
- There are shortages of qualified maritime staff to deliver on strategic outputs such as the development of a maritime transport policy and a maritime security strategy.

Some of the activities that were undertaken to reduce the impact of these capacity constraints are:

- The implementation of the Road Infrastructure Strategic Framework for South Africa addresses road maintenance as well as the roll-out of a road asset management system and the re-classification of the road network, which will inform the prioritisation of roads to be maintained.
- Transaction Advisers have been appointed to conduct a feasibility study into the procurement of new rolling stock for the Passenger Rail Agency of South Africa (PRASA) over a period of 18 years.
- The development of the National Airports Development Plan to ensure the airport infrastructure is kept in line with demand to address the rapid increase in air passenger volumes and airport infrastructure.
- Development and implementation of a formal airport slot coordination system is kept in line with demand to address the rapid increase in air passenger volumes and airport infrastructure.
- The development of a Freight Logistics Strategy, National Transport Master Plan, Public Transport Strategy and National Passenger Rail Plan.
- Monitoring the outcome, effectiveness and impact of policies on the performance of the transport system.

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- Developing a national strategic transport infrastructure framework for all modes of transport.
- Developing and implementing an integrated infrastructure investment plan.
- Developing transport planning requirements, guidelines and standards for alignment of transport plans with other sector plans.
- Development and facilitation of an inter sphere strategic implementation framework for national programmes.
- In addressing the scarce skills, the department continues its skills development interventions through partnerships with the Centres of Development (COD's), COD-Alumni initiative, Prague Scholarship Programme, internships and learnerships. Officials also participated in specialised training programmes, both in and outside of the country.

4. UTILISATION OF DONOR FUNDS

The United Nations Development Programme made R1,8 million available over a period of two years to support the stipends of ten young graduates, currently placed within the department across various Transport related areas, to acquire workplace based experience within the scarce skill and critical areas, to strengthen the skills base in areas where skills shortages exist. This project also sponsored the 2010 World Cup Skills Development initiative during 2009/10 and 2010/11. A total of R280,000 was spent during the year.

5. TRADING ENTITIES AND PUBLIC ENTITIES

Also refer to Annexure 2A to the Annual Financial Statements.

Passenger Rail Agency of South Africa Ltd.

(Chapter 5 of the Legal Succession to the South African Transport Services Act, no. 9 of 1989)

The main function of the Passenger Rail Agency of South Africa is to ensure that rail commuter services are provided in the public interest at the request of the Department of Transport or any local government body designated as a transport authority. The Agency inherited all assets (land and properties) in and around commuter stations and corridors from the South African Transport Services for the purpose of commercialising them in order to reduce the Government subsidy for commuter rail. The property portfolio is managed by Intersite Property Management Services, a wholly owned subsidiary of the Agency, which was established in 1992. The Agency successfully merged with Metrorail Services in 2007/08, formerly a division of Transnet, to provide commuter rail services. These services are provided in six regions: Gauteng, Tshwane, Cape Town, Durban, Port Elizabeth and East London.

The second phase of merging rail services was completed in March 2009 with the incorporation of Shosholozza Meyl into the Agency. The Agency also took over Autopax from Transnet to increase public transport services, initially for the 2010 Soccer World Cup event.

The financial performance of the Agency can influence the level of public transport subsidies needed to sustain rail commuter subsidies. The enhancement and maintenance of rail infrastructure is key to the policy of promoting a fair playing field for various modes of transport, particularly for public commuter transport subsidies. A major backlog still exists in the rail capital infrastructure.

Government issued guarantees to the Passenger Rail Agency of South Africa of R1.216 billion to guarantee the obligations of Autopax (Pty) Ltd. for the provision of inter-city buses.

South African National Roads Agency Limited

(The South African National Roads Agency Limited and National Roads Act, no. 41 of 1998)

The purpose of the South African National Roads Agency is to maintain and develop South Africa's national road network and to manage assets relating to the national road network. The enabling Act charges the Agency, a company registered in terms of the Companies Act, with the following principal tasks:

- Strategically plan, design, construct, operate, rehabilitate and maintain the national roads.
- Deliver and maintain a world-class primary road network.
- Generate revenues from the development and management of assets.
- Undertake research and development to enhance the quality of roads.
- Advise the Minister of Transport on matters relating to roads.
- Upon request from the Minister of Transport and in agreement with a foreign country, to finance, plan, construct, acquire, provide, operate and maintain roads in that country.

The financial performance of the Agency, with respect to its Public-Private Partnerships, is crucial for the generation of alternative funding mechanisms for the creation and maintenance of national road infrastructure. The Agency's ongoing maintenance of existing national road infrastructure and participation in overloading control initiatives contribute to maintaining transport infrastructure, reducing the need for major future road refurbishment and reducing damage to roads, thereby improving road safety.

Government issued guarantees to the South African National Roads Agency to cover capital market loans of R31.91 billion, bonds and money market loans of R 6 billion, a loan for construction work on the N1 for an amount of R 1.037 billion, and a loan for R1.147 billion.

Road Accident Fund

(The Road Accident Fund Act, no. 56 of 1996)

The Road Accident Fund compensates victims of vehicle accidents on terms and conditions provided for in various Acts. The Fund receives a dedicated Road Accident Fund levy, which is imposed on petrol and diesel.

The financial performance of the Road Accident Fund impacts on the public's expectation of to what extent they will be compensated for personal injury and fatalities due to certain road accidents. It therefore influences the portion of the fuel levy allocated to the Fund and also influences the concerns of stakeholders and Government regarding the sustainability of the Fund to meet its future commitments.

Cross-Border Road Transport Agency

(The Cross Border Road Transport Act, no. 4 of 1998)

The Agency regulates and controls access to the cross-border road market by the road transport industry. It facilitates the establishment of cooperative and consultative relationships and structures between public and private sector institutions with an interest in cross-border road transport.

Air Traffic and Navigation Services Company Limited

(The Air Traffic and Navigation Services Company Act, no. 45 of 1993)

The Air Traffic and Navigation Services Company are responsible for the safe, orderly and expeditious flow of air traffic, and navigational and associated services in its area of control. It provides extensive air traffic information services and related aeronautical support services in the major airspace corridors and at 21 airports throughout South Africa. The company's Aviation Training Academy is a well-established facility currently used by South African students and a large number of African countries for air traffic services training, as well as technical training for equipment support. The company currently manages approximately 10 percent of the world's airspace.

The financial performance of the Company has an impact on cost of the efficiency and effectiveness of aviation safety and the concomitant reliance placed on aviation safety measures in the country and in the SADC region.

South African Maritime Safety Authority

(The South African Maritime Safety Authority Act, no. 5 of 1998)

The South African Maritime Safety Authority aims to ensure the safety of life and property at sea, to prevent and combat pollution of the maritime environment by ships, and to promote South Africa as a maritime nation.

The financial performance determines the rate at which Maritime safety regulations can be promulgated and implemented.

South African Civil Aviation Authority

(The Civil Aviation Act, no. 13 of 2009)

The primary purpose of the Civil Aviation Authority is to promote, regulate and support high levels of safety and security throughout the civil aviation industry. Its core activities relate to aviation safety and security oversight of operations, aircraft, personnel, airports and airspace. The Authority also renders aircraft accident and incident investigation services on behalf of the Department of Transport.

The performance of the authority can determine the rate at which Aviation safety regulations can be promulgated and implemented.

Airports Company of South Africa Limited

(The Airports Company Act, no. 44 of 1993)

The Airports Company of South Africa's main operational activities is in three areas:

- Airport services, including the provision and maintenance of runways, taxi-ways and aprons together with terminal facilities, security, fire and rescue services.
- Retail and commercial landlord activities, including the provision of space within terminals to appropriate retailers (generally through turnover-related concessions) and the provision of other sites to operators such as car hire firms, banks and advertisers.

- Property activities, including the development of airport infrastructure, retail and office premises and car parking facilities.

The financial performance of the Company influences the rate at which airport infrastructure and operations can be improved and maintained to comply with safety and security regulations and needs.

Road Traffic Management Corporation

(Road Traffic Management Corporation Act, no. 20 of 1999)

The Corporation is responsible for road traffic law enforcement, training of traffic personnel, vehicle registration, licensing and roadworthiness testing, driver testing and licensing, management of traffic information systems, accident investigation and recording and public road safety awareness communication.

The financial performance of the Road Traffic Management Corporation influences the effectiveness and funding needs for all spheres of Government involved in road traffic law enforcement.

Railway Safety Regulator

(National Railway Safety Regulator Act, no.16 of 2002)

The Railway Safety Regulator (Regulator) was created in order to:

- Provide for and promote safe railway operations;
- Encourage the collaboration and participation of interested and affected parties in improving railway safety;
- Recognise the prime responsibility and accountability of railway operators in ensuring the safety of railway operations:
- Facilitate a modern, flexible and efficient regulatory regime that ensures the continuing enhancement of safe railway operations; and
- Promote the harmonisation of the railway safety regime of the Republic of South Africa with the objectives and requirements for safe railway operations of the Southern African Development Community.

Ports Regulator

(National Ports Act, 2005 (Act No 12 of 2005))

Main functions of the Ports Regulator:

- Prevent abuse of power by the Ports Authority;
- Ensure equality of access to the provision of port services;
- Monitor the business relationship between Transnet and the Ports Authority to ensure that Transnet does not derive an unfair advantage over other transport companies; and
- Ensure that revenues generated by the Ports Authority are used to the benefit of the Authority and its customers.

Driving License Card Account

The Trading Entity was created to manage two bank accounts into which Driving License Testing Centres pay funds for the manufacturing of credit card driving licenses, and from which the cost of manufacturing these cards are paid. During the year, the department appointed staff to strengthen the management of the Trading Entity and to perform the financial record keeping and accounting services in-house rather than to outsource these services. Officials visited all provinces to increase efforts to collect outstanding debts, and visited Driving License Testing Centres to physically verify assets of the Trading Entity that are deployed at these centres.

The South African Search and Rescue (SASAR) Organisation

(South African Maritime and Aeronautical Search and Rescue Act, 2002 (Act No. 44 of 2002))

SASAR is not a public entity or trading entity, but a co-operative organisation that coordinates search and rescue services.

SASAR was established to ensure a co-ordinated and effective provision of maritime and aeronautical search and services within the South African search and rescue regions.

The primary functions of SASAR are to co-ordinate available resources to:

- Search for, assist and, where appropriate, effect a rescue operation for:
- Survivors of aircraft crashes or forced landings;
- The crew and passengers of vessels in distress;
- Survivors of maritime accidents or incidents; and
- Survivors of any military aircraft or vessel accident or incident if such aircraft or vessel is not engaged in an act of war.
- Co-ordinate the evacuation of a seriously injured or ill person from a vessel at sea where the person's condition is such a nature that he or she must obtain medical treatment sooner than that vessel would be able to get him or her to a suitable medical facility.

Air Services Licensing Council (ASLC)

The Air Service Licensing Council (ASLC) is a statutory body established in terms of Section 3 (1) of the Air Services Licensing Act No.115 of 1990. The Air Services Licensing Act, 1990, regulates access to the domestic air services market based on airlines' ability to operate safe, secure and reliable air services. No economic regulation is applicable for entry into the domestic market.

The purpose of the Air Service Licensing Council is:

- To adjudicate the applications for operation of Domestic Air Services;
- The licensing and control of air services; and
- Responsible for the monitoring of air services to ensure safety and reliability.

International Air Services Council (IASC)

The International Air Services Council (Council) is a statutory body, established in terms of Section 3 of the International Air Services Act 60 of 1993. The Council is responsible for adjudicating applications for licenses and permits to operate International Air Services to and from South Africa.

The purpose of the International Air Service Council is:

- To adjudicate the applications for operation of International Air Services;
- Promote trade with, and tourism to and from, the Republic;
- Promote competition between persons who operate International Air Services;
- Promote a high standard of safety in the operation of International Air Services;
- Promote the development and interest of the local International Air Services industry; and
- Promote the interest and needs of users, or potential users, of International Air Services in the Republic.

Regulating Committee for ACSA and ATNS (“The Regulating Committee”)

The Regulating Committee is a statutory body and was established through the promulgation of the Airports Company Act, 1993 (Act No. 44 of 1993). The mandate of the Regulating Committee is the economic - and service standards regulation of both the Airports Company of South Africa (ACSA) and the Air Traffic and Navigation Services Company (ATNS), to ensure that they do not abuse their monopoly positions.

The Regulating Committee is expected to perform its duties in terms of the Airports Company Act, 1993, and the Air Traffic and Navigation Services Company Act, 1993 (Act No. 45 of 1993), in such a manner as is best, calculated to:

- Restrain ACSA and ATNS from abusing their monopoly positions, in such a manner as to not place undue restrictions on their commercial activities;
- Promote the reasonable interest and needs of the users of ACSA owned airports, navigation infrastructure, air traffic services and air navigation services;
- Promote the safe, efficient, economical and sustainable operation of the ACSA owned airports, navigation infrastructure, air traffic services and air navigation services;
- Encourage the timely improvement of facilities at ACSA owned airports and air navigation infrastructure so as to satisfy anticipated demands by users; and
- Ensure that ACSA and ATNS, after taking into consideration any compensation paid, or to be paid, to them by the State, are able to finance their obligations and have a reasonable prospect of earning a commercial return.

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6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments are reported on in Note 6 in the Notes and Note 40 of the Disclosure Notes to the Annual Financial Statements and are listed in Annexures 1A to 1J to the Annual Financial Statements.

Entities to whom transfer payments were made	Amount R'000	Reason for transfer
Departmental agencies	14,578,258	
Railway Safety Regulator	37,475	Railway safety
Road Traffic Management Corporation	77,949	Road traffic management
South African Civil Aviation Authority	16,216	Aviation safety
South African Maritime Safety Authority	13,464	Maritime safety
South African National Roads Agency Ltd.	14,401,596	National roads
Transport Education and Training Authority	197	Staff training
Road Traffic Infringements Agency	17,000	Road traffic infringements
Ports Regulator	14,361	Ports regulation
Foreign Governments and international organisations	8,054	
Membership Fees: African Civil Aviation Commission	2,362	Membership fees
Membership Fees: Cospas Sarsat Contribution	317	Membership fees
Membership Fees: Indian Ocean Memorandum of Understanding	200	Membership fees
Membership Fees: International Civil Aviation Organisation	4,841	Membership fees
Membership Fees: International Maritime Organisation	334	Membership fees
Households other transfers	449,072	
Taxi Scrapping Administrator (estimated)	448,113	Taxi scrapping
Sponsorships (Refer Annexure 1O in Financial Statements)	209	Sponsorships
Leave gratuity	748	Leave gratuity
Injury on duty	2	
Municipalities - Public Transport Infrastructure and Systems Grant	4,611,647	
Nelson Mandela	340,000	Public transport infrastructure and systems
Buffalo City	180,000	^
Mangaung	15,000	^
Ekurhuleni	20,000	^
Johannesburg	1,700,000	^
Tshwane	200,000	^
Ethekwini	205,000	^
Msunduzi	65,000	^
Polokwane	55,347	^
Mbombela	45,000	^
Rustenburg	178,000	^
Cape Town	1,608,300	^
Municipalities - Rural Transport Grant	35,439	
OR Tambo	1,687	Rural transport
Chris Hani	1,688	Rural transport
Amatole	1,688	Rural transport

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Entities to whom transfer payments were made	Amount R'000	Reason for transfer
Sekhukhune	1,687	Rural transport
Ukhahlamba	1,688	Rural transport
Umkhanyakude	1,687	Rural transport
Alfred Nzo	1,687	Rural transport
uThungulu	1,687	Rural transport
Sisonke	1,687	Rural transport
iLembe	1,687	Rural transport
uMgungundlovu	1,688	Rural transport
Capricorn	1,687	Rural transport
Umzinyathi	1,688	Rural transport
Amajuba	1,688	Rural transport
Zululand	1,688	Rural transport
Dr Ruth Segomotsi Mompati	1,687	Rural transport
Ugu	1,688	Rural transport
Uthukela	1,688	Rural transport
Mopani	1,688	Rural transport
Vhembe	1,688	Rural transport
Ngaka Modiri Molema	1,688	Rural transport
Non-profit institutions	22,431	
Hamnet	50	Search and rescue services
Mountain Club of South Africa	50	Search and rescue services
Off Road Rescue	50	Search and rescue services
National Sea Rescue Institute	1,105	Search and rescue services
Taxi : SANTACO	21,176	Taxi operations
Provinces - Gautrain Rapid Rail Link Grant	5,300	
Gauteng Treasury - Gautrain Rapid Rail Link	5,300	Gautrain Rapid Rail Link
Provinces - Public Transport Operations Grant	4,153,232	
Province - Eastern Cape	166,953	Public transport operations - bus subsidies
Province - Free State	184,566	^
Province - Gauteng	1,577,612	^
Province - Kwazulu Natal	773,473	^
Province - Limpopo	249,498	^
Province - Mpumalanga	420,099	^
Province - North West	77,211	^
Province - Northern Cape	37,565	^
Province - Western Cape	666,255	^
Provinces - Provincial Road Maintenance Grant	6,697,354	
Province - Eastern Cape	1,115,753	Provincial roads
Province - Free State	468,933	Provincial roads
Province - Gauteng	567,076	Provincial roads
Province - Kwazulu Natal	1,266,384	Provincial roads
Province - Limpopo	974,379	Provincial roads
Province - Mpumalanga	1,016,603	Provincial roads

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Entities to whom transfer payments were made	Amount R'000	Reason for transfer
Province - North West	369,979	Provincial roads
Province - Northern Cape	507,106	Provincial roads
Province - Western Cape	411,141	Provincial roads
Public Corporations	9,474,098	
Passenger Rail Agency of South Africa Ltd.	9,474,098	Commuter rail
Universities and Technikons	9,189	
University of Stellenbosch	3,097	Capacity development
University of Pretoria	3,277	Capacity development
University of Kwa-Zulu Natal	2,815	Capacity development
TOTAL	40,044,074	

Accountability Arrangements

The relevant Acts, Memoranda of Understanding, Shareholder Compacts and Performance Agreements govern the accountability arrangements for transfer payments to public entities under the control of the department, and accountability arrangements with Provinces and Local government to which transfer payments are made. Public entities are also required to submit quarterly reports on performance to the Minister of Transport, and recipients of conditional grants must comply with the provisions of the Division of Revenue Act.

For all transfers, written assurances were obtained from the entities in terms of section 38(1)(j) of the Public Finance Management Act that the entity implements effective, efficient and transparent financial management and internal control systems.

Quarterly financial reports and performance reports of public entities are reviewed, analysed and reported on to the Minister of Transport. These reports are considered before transfer payments are made to public entities that receive transfer payments from the department.

a Division of Revenue Act Committee meets regularly to ensure that recipients of conditional grants comply with the requirements of the Division of Revenue Act. A compliance matrix is updated monthly for purposes of monitoring compliance with the Act, and to inform the compliance certificate that is sent to National Treasury on a monthly basis.

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

A Transport Fleet Services Public Private Partnership was entered into during November 2006 to render vehicle fleet services to six Government departments. The contract has since been extended for a period of two years until November 2013. Services that are provided for in the contract include long-term vehicle rentals, short-term day-to-day vehicle rentals, short medium term vehicle rentals, a 24-hour Call Centre, chauffeur and point-to-point driven services, an internet based fleet management system with an electronic log book, and a fuel management system. Also refer to Note 31 in the financial statements. The PPP contract has been extended for a period of 2 years, up until November 2013, in order to conclude the procurement of a new PPP. There are currently 12 National Government user Departments participating on the contract.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The Internal Audit component is firmly established with the Chief Audit Executive responsible for the overall management of the unit.

The current Audit Committee was appointed in May 2010 for a period of three years. The Department is satisfied with the service rendered by the Audit Committee.

The Risk Management and Security Committee held two meetings, and two risk management workshops were held during the financial year.

Risk management has been incorporated into the performance management system of the department as well as quarterly reporting to the Audit Committee. Risk mitigation measures were incorporated into the strategic plan of the department.

An Investigations and Forensics Directorate was established since August 2008.

The department has a fraud prevention policy, of which the high level objectives are:

- The creation of an anti-fraud culture
- The maximum deterrence / prevention of fraud and corruption
- The prompt and successful detection of fraud and corruption which could not be prevented
- The professional investigation of detected or reported fraud and corruption
- Effective remediation including imposition of appropriate sanctions in disciplinary proceedings, civil recouping of funds or assets siphoned from the department as well as reporting criminal cases to the South African Police Services.

The Audit Committee held two special and four regular meetings during the financial year.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

None.

10. NEW/PROPOSED ACTIVITIES

The new activities were or will be undertaken within the department's budget allocations. Where applicable, it is indicated whether new activities were funded by reprioritisation or by the allocation of additional funds. New activities continue to address capacity constraints in the transport sector and aim to promote the achievement of stated objectives. The operations of the department are adapted to address the activities.

New activities undertaken during the financial year include:

- The Provincial Road Maintenance grant was put on the department's budget to supplement provincial roads investments and support preventative, routine and emergency maintenance on provincial road networks. It also aims to ensure that provinces implement and maintain road asset management systems.
- The Road Traffic Infringements Agency became operational in 2011/12.

**DEPARTMENT OF TRANSPORT
VOTE 37**

**Report of the Accounting Officer
for the year ended 31 March 2012**

- The S’Hamba Sonke road maintenance programme was started to improve provincial road infrastructure and create jobs through labour intensive forms of road maintenance.
- The department joined the world in implementing the United Nations Decade of Action for Road Safety programme, which runs from 2011 to 2020.

New activities planned:

- The department intends to take over the maintenance and development of the eNaTIS system from the current service provider and to incorporate the resources into a Trading Entity.
- A rail recapitalisation programme will commence to upgrade and replace signaling systems and build new depots in preparation for a 20 year programme for the replacement of rolling stock, which is expected to commence in 2014/15.
- A Transport Information Systems branch was created to develop and execute plans to utilise technology as a strategic resource in the transport sector. The branch will also be responsible for developing, maintaining and implementing standards relating to Intelligent Transport Systems for the country.

11. ASSET MANAGEMENT

All assets have been captured in the asset register. A proper fixed asset register was established during 2004/05, and an asset management unit was established within the Supply Chain Management component of the department during that year. The department complied with the minimum requirements of the asset management reforms since 2004/05.

12. EVENTS AFTER THE REPORTING DATE

None.

13. PERFORMANCE INFORMATION

Programmes submit and present performance information for each quarter to the office of the Director-General, which consolidates the information and submits it to the Minister of Transport for review.

14. SCOPA RESOLUTIONS

Nil

15. PRIOR YEAR AUDIT REPORT

Mechanisms put in place to resolve matters reported by the Auditor-General in the previous financial year are as follows:

- Unauthorised expenditure: The bus subsidy budget was moved to a conditional grant under the Division of Revenue Act since 2009/10 to avoid future over expenditure on bus subsidies by the department.

- Irregular expenditure: The Bid Adjudication Committee, adopted the approach that no submissions for condoning irregular expenditure will be considered unless a legal opinion has been obtained where appropriate and disciplinary steps have been considered, because the Public Finance Management Act does not leave disciplinary steps to the discretion of the Accounting Officer in such cases, but makes it mandatory.
- Fruitless and wasteful expenditure – no shows and non-arrivals: The No Show Committee deliberated on all no shows and non-arrivals reported. A register of no shows is maintained and updated daily.
- Performance reports have been completed for each quarter. The development of proper measurable objectives and the timely, accurate and verifiable reporting on predetermined objectives however remains a concern. To address this matter and other audit issues, a group of consultants were appointed to assist the department to address specific audit issues, including developing and reporting on predetermined objectives.
- A Programme Management Unit was created on the new structure, which will be responsible for monitoring and evaluation of performance, amongst others.
- A compliance template was adopted by the Executive Committee to improve on reporting and compliance requirements, against which all reporting requirements and regular compliance requirements will be checked and reported on to the Executive Committee on a regular basis. Capacity constraints prohibited the implementation of reporting against the compliance template during 2011/12.
- A progress report on the implementation of mechanisms to resolve matters reported by the Auditor-General is presented to the audit committee quarterly.
- A system was developed to record all payments after 30 days, which are reported to the Treasury on a monthly basis with effect from February 2012. For all payments after 30 days, an explanation must be provided and signed off by the Chief Financial Officer.
- Audit reports were regularly tabled for consideration by the Executive Committee. Special meetings were held to consider audit issues and this initiative will be continued to ensure that internal control weaknesses are highlighted and addressed.

16. EXEMPTIONS OR DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

None.

17. APPROVAL

The Annual Financial Statements set out on pages 118 to 141 have been approved by the Accounting Officer.



Mr. G. Mahlalela
Accounting Officer

Date: 17 July 2012

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO 37: DEPARTMENT OF TRANSPORT

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Transport set out on pages 145 to 194, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with Departmental Financial Reporting Framework prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Transport as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with The *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of these matters.

Material under spending of the budget

8. The department has materially under spent its budget. At the date of this report, under spending amounted to R 320,9 million. The details of the under spending are included in paragraph 1.4 of the accounting officer's report.

Additional matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Financial reporting framework

10. Section 20(2) (a) of the PAA requires me to express an opinion on the fair presentation of the financial statements of Department of Transport. As the financial reporting framework applied by the department is a compliance framework, this would have resulted in my opinion stating that the financial statements were prepared, in all material respects, in accordance with the applicable financial reporting framework, but for the required.

Unaudited supplementary schedules

11. The supplementary information set out on pages 195 to 208 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 18 to 113 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

15. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

16. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter below.

Achievement of planned targets

17. Of the total number of planned targets, 100 were achieved during the year under review. This represents 26% of total planned targets that were not achieved during the year under review.

Compliance with laws and regulations

18. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Procurement and Contract management

19. The preference point system as per the Preferential Procurement Policy Framework Act was not applied in the awarding of bids above R500,000.

Expenditure Management

20. The accounting officer did not take effective and appropriate steps to prevent irregular expenditure, as per the requirements of section 38(1) (c) (ii) of the PFMA.

Internal control

21. I considered internal control relevant to my audit of the financial statements, annual report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

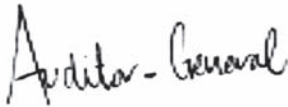
Leadership

22. Management did not establish a culture of compliance within the department.
23. Leadership did not exercise its oversight responsibility over compliance and related internal controls. This resulted in irregular expenditure being incurred.

OTHER REPORTS

Investigations

24. There are investigations being conducted on the awarding of certain tenders. The investigations aim to establish whether there were any gross irregularities in the tender processes. The investigations were still ongoing at the reporting date.



Pretoria
31 July 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

DEPARTMENT OF TRANSPORT

VOTE 37

Appropriation Statements
for the year ended 31 March 2012

Appropriation per programme											
	2011/12						2010/11				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
1. ADMINISTRATION											
Current payment	278,188	(324)	9,240	287,104	264,683	22,421	92.2%	242,757	234,873		
Transfers and subsidies	9,523	194	-	9,717	9,713	4	100.0%	9,283	9,775		
Payment for capital assets	1,958	130	-	2,088	1,279	809	61.3%	1,721	1,304		
Payment for financial assets	-	-	-	-	164	(164)	0.0%	-	158		
	289,669	-	9,240	298,909	275,839	23,070		253,761	246,110		
2. INTEGRATED TRANSPORT PLANNING											
Current payment	139,717	(1,326)	(7,240)	131,151	93,264	37,887	71.1%	67,869	58,518		
Transfers and subsidies	-	125	-	125	121	4	96.8%	-	-		
Payment for capital assets	761	1,201	-	1,962	1,421	541	72.4%	783	191		
Payment for financial assets	-	-	-	-	2	(2)	0.0%	-	16		
	140,478	-	(7,240)	133,238	94,808	38,430		68,652	58,725		
3. RAIL TRANSPORT											
Current payment	25,592	(71)	(2,000)	23,521	15,196	8,325	64.6%	22,932	20,438		
Transfers and subsidies	9,516,873	-	-	9,516,873	9,516,873	-	100.0%	9,239,200	9,239,200		
Payment for capital assets	61	71	-	132	85	47	64.4%	90	50		
	9,542,526	-	(2,000)	9,540,526	9,532,154	8,372		9,262,222	9,259,688		
4. ROAD TRANSPORT											
Current payment	507,032	(70)	(500)	506,462	500,280	6,182	98.8%	348,510	339,532		
Transfers and subsidies	21,217,338	70	12,000	21,229,408	21,229,407	1	100.0%	6,939,558	6,939,558		
Payment for capital assets	558	-	-	558	127	431	22.8%	556	203		
Payment for financial assets	-	-	-	-	9	(9)	0.0%	-	1,303		
	21,724,928	-	11,500	21,736,428	21,729,823	6,605		7,288,624	7,280,596		

DEPARTMENT OF TRANSPORT

VOTE 37

Appropriation Statements
for the year ended 31 March 2012

Appropriation per programme										
	2011/12					2010/11				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
5. CIVIL AVIATION										
Current payment	46,427	(4,503)	6,500	48,424	41,134	7,290	84.9%	48,098	40,978	
Transfers and subsidies	19,212	4,503	-	23,715	23,820	(105)	100.4%	11,992	12,115	
Payment for capital assets	363	-	-	363	76	287	20.9%	349	36	
	66,002	-	6,500	72,502	65,030	7,472		60,439	53,129	
6. MARITIME TRANSPORT										
Current payment	109,722	(67)	(670)	108,985	108,788	197	99.8%	119,405	117,600	
Transfers and subsidies	30,876	41	-	30,917	29,972	945	96.9%	26,646	25,800	
Payment for capital assets	295	26	-	321	64	257	19.9%	274	75	
Payment for financial assets	-	-	-	-	-	-	0.0%	-	21	
	140,893	-	(670)	140,223	138,824	1,399		146,325	143,496	
7. PUBLIC TRANSPORT										
Current payment	169,049	5,833	(5,330)	169,552	125,710	43,842	74.1%	134,323	117,111	
Transfers and subsidies	9,443,723	(5,854)	(12,000)	9,425,869	9,234,168	191,701	98.0%	8,074,596	7,916,161	
Payment for capital assets	152	21	-	173	173	-	100.0%	141	29	
Payment for financial assets	-	-	-	-	2	(2)	0.0%	-	-	
TOTAL	9,612,924	-	(17,330)	9,595,594	9,360,053	235,541		8,209,060	8,033,301	
Reconciliation with Statement of Financial Performance										
Add:										
Departmental receipts				312,500				408,844		
Actual amounts per Statement of Financial Performance (Total Revenue)				41,829,920				25,697,927		
Actual amounts per Statement of Financial Performance					41,196,531				25,075,045	

DEPARTMENT OF TRANSPORT

VOTE 37

Appropriation Statements
for the year ended 31 March 2012

Appropriation per Economic classification										
	2011/12					2010/11				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000	
Current payments										
Compensation of employees	297,192	(18,986)	2,000	280,206	274,462	5,744	98.0%	252,764	250,758	
Goods and services	978,535	18,458	(2,000)	994,993	874,593	120,400	87.9%	731,130	678,292	
Transfers & subsidies										
Provinces & municipalities	15,694,672	-	-	15,694,672	15,502,972	191,700	98.8%	8,022,293	8,022,293	
Departmental agencies & accounts	14,565,258	1,000	12,000	14,578,258	14,578,258	-	100.0%	6,985,930	6,985,744	
Universities & technikons	9,189	-	-	9,189	9,189	-	100.0%	8,669	8,695	
Foreign governments & international organisations	5,745	3,100	-	8,845	8,054	791	91.1%	5,420	4,733	
Public corporations & private enterprises	9,474,098	-	-	9,474,098	9,474,098	-	100.0%	8,765,206	8,765,206	
Non-profit institutions	16,978	5,500	-	22,478	22,431	47	99.8%	16,017	15,981	
Households	471,605	(10,521)	(12,000)	449,084	449,072	12	100.0%	497,740	339,957	
Payment for capital assets										
Machinery & equipment	4,148	1,449	-	5,597	3,225	2,372	57.6%	3,914	1,888	
Payment for financial assets										
Total	41,517,420	-	-	41,517,420	41,196,531	320,889	99.2%	25,289,083	25,075,045	

DEPARTMENT OF TRANSPORT

VOTE 37

Appropriation Statements
for the year ended 31 March 2012

Detail per Programme 1 - ADMINISTRATION											
	2011/12						2010/11				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
1.1 MINISTRY											
Current payment	28,169	7,054	5,780	41,003	40,974	29	99.9%	45,114	45,114	45,114	45,114
Transfers and subsidies	-	9	-	9	9	-	100.0%	317	317	317	317
Payment for capital assets	322	130	-	452	448	4	99.1%	385	385	385	385
Payment for financial assets	-	-	-	-	30	(30)	0.0%	-	-	-	-
1.2 MANAGEMENT											
Current payment	51,494	10,200	3,500	65,194	65,142	52	99.9%	25,440	25,151	25,151	25,151
Transfers and subsidies	-	40	-	40	39	1	97.5%	-	487	-	487
Payment for capital assets	425	-	-	425	381	44	89.6%	488	282	488	282
Payment for financial assets	-	-	-	-	-	-	0.0%	-	8	-	8
1.3 CORPORATE SERVICES											
Current payment	122,741	(300)	1,700	124,141	110,060	14,081	88.7%	119,651	119,705	119,651	119,705
Transfers and subsidies	9,523	95	-	9,618	9,616	2	100.0%	8,855	8,860	8,855	8,860
Payment for capital assets	968	-	-	968	367	601	37.9%	830	619	830	619
Payment for financial assets	-	-	-	-	127	(127)	0.0%	-	150	-	150
1.4 COMMUNICATIONS											
Current payment	17,948	4,600	1,260	23,808	23,799	9	100.0%	35,319	35,319	35,319	35,319
Transfers and subsidies	-	50	-	50	49	1	98.0%	111	111	111	111
Payment for capital assets	243	-	-	243	83	160	34.2%	18	18	18	18
Payment for financial assets	-	-	-	-	7	(7)	0.0%	-	-	-	-
1.5 OFFICE ACCOMMODATION											
Current payment	57,836	(21,878)	(3,000)	32,958	24,708	8,250	75.0%	17,233	9,584	17,233	9,584
TOTAL	289,669	-	9,240	298,909	275,839	23,070	92.3%	253,761	246,110	253,761	246,110

DEPARTMENT OF TRANSPORT

VOTE 37

Appropriation Statements
for the year ended 31 March 2012

Programme 1 Per Economic classification	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	117,072		12,240	129,312	129,273	39	100.0%	112,654	112,654
Goods and services	161,116	(324)	(3,000)	157,792	135,410	22,382	85.8%	130,103	122,219
Transfers & subsidies									
Departmental agencies & accounts	197			197	197	-	100.0%	186	
Universities & technikons	9,189			9,189	9,189	-	100.0%	8,669	8,695
Households	137	194		331	327	4	98.8%	428	1,080
Payment for capital assets									
Machinery & equipment	1,958	130		2,088	1,279	809	61.3%	1,721	1,304
Payment for financial assets									
				-	164	(164)	0.0%		158
TOTAL	289,669	-	9,240	298,909	275,839	23,070	92.3%	253,761	246,110

DEPARTMENT OF TRANSPORT

VOTE 37

Appropriation Statements
for the year ended 31 March 2012

Details per Sub-Programme	Detail per Programme 2 - INTEGRATED TRANSPORT PLANNING									
	2011/12					2010/11				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
2.1 TRANSPORT PLANNING										
Current payment	93,721	(26,240)	(4,800)	62,681	27,747	34,934	44.3%	18,048	18,048	
Transfers and subsidies		11		11	11	-	100.0%	37	37	
Payment for capital assets	567			567	101	466	17.8%			
Payment for financial assets				-		-	0.0%			16
2.2 FREIGHT LOGISTICS										
Current payment	18,913	3,790	(2,439)	20,264	17,461	2,803	86.2%	18,813	14,100	
Transfers and subsidies		14		14	14	-	100.0%			
Payment for capital assets	61	1		62	62	-	100.0%	57	109	
2.3 MODELING & ECONOMIC ANALYSIS										
Current payment	11,964	17,101	(1)	29,064	28,974	90	99.7%	14,595	12,741	
Transfers and subsidies		90		90	86	4	95.6%			
Payment for capital assets	113			113	56	57	49.6%	108	26	
2.4 REGIONAL INTEGRATION										
Current payment	4,373	2,643		7,016	7,012	4	99.9%	10,061	7,648	
Transfers and subsidies				-		-	0.0%			
Payment for capital assets	20	1,112		1,132	1,117	15	98.7%	97	14	
Payment for financial assets				-	2	(2)	0.0%			
2.5 PROGRAMME MANAGEMENT UNIT										
Current payment	2,500	2,080		4,580	4,565	15	99.7%	3,498	3,385	
Transfers and subsidies		10		10	10	-	100.0%			
Payment for capital assets		8		8	8	-	100.0%	484		
2.6 INTEG TRANS PLAN ADMIN SUP										
Current payment	8,246	(700)		7,546	7,505	41	99.5%	2,854	2,596	
Transfers and subsidies				-		-	0.0%			
Payment for capital assets		80		80	77	3	96.3%		5	
TOTAL	140,478	-	(7,240)	133,238	94,808	38,430	71.2%	68,652	58,725	

DEPARTMENT OF TRANSPORT

VOTE 37

Appropriation Statements
for the year ended 31 March 2012

Programme 2 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	62,771	(4,599)	(7,240)	50,932	50,141	791	98.4%	45,749	43,730
Goods and services	76,946	3,273		80,219	43,123	37,096	53.8%	22,120	14,788
Transfers & subsidies									
Households		125		125	121	4	96.8%		
Payment for capital assets									
Machinery & equipment	761	1,201		1,962	1,421	541	72.4%	783	191
Payment for financial assets									
TOTAL	140,478	-	(7,240)	133,238	94,808	38,430	71.2%	68,652	58,725

DEPARTMENT OF TRANSPORT

VOTE 37

Appropriation Statements
for the year ended 31 March 2012

Details per Sub-Programme	Detail per Programme 3 - RAIL TRANSPORT							2010/11	
	2011/12				Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Final Appropriation R'000	Actual Expenditure R'000
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000					
3.1 RAIL REGULATION									
Current payment	11,573	(155)	(1,500)	9,918	3,472	65.0%	6,986	5,923	
Payment for capital assets	4	30		34	1	97.1%	3	7	
3.2 RAIL INFRASTRUCTURE & INDUSTRY DEVELOPMENT									
Current payment	5,004	(185)		4,819	2,716	43.6%	4,746	4,262	
Payment for capital assets	57			57	45	21.1%	53	2	
3.3 RAIL OPERATIONS									
Current payment	3,734	310		4,044	123	97.0%	5,489	5,472	
3.4 RAIL OVERSIGHT									
Current payment				-	-	0.0%	660		
Transfers and subsidies	9,516,873			9,516,873	-	100.0%	9,239,200	9,239,200	
Payment for capital assets				-	-	0.0%	34		
3.5 RAIL ADMINISTRATION SUPPORT									
Current payment	5,281	(41)	(500)	4,740	2,014	57.5%	5,051	4,781	
Payment for capital assets		41		41	1	97.6%		41	
TOTAL	9,542,526	-	(2,000)	9,540,526	8,372	99.9%	9,262,222	9,259,688	

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Programme 3 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	11,044		(2,000)	9,044	8,388	656	92.7%	9,011	8,962
Goods and services	14,548	(71)		14,477	6,808	7,669	47.0%	13,921	11,476
Transfers & subsidies									
Provinces & municipalities	5,300			5,300	5,300	-	100.0%	438,360	438,360
Departmental agencies & accounts	37,475			37,475	37,475	-	100.0%	35,634	35,634
Public corporations & private enterprises	9,474,098			9,474,098	9,474,098	-	100.0%	8,765,206	8,765,206
Payment for capital assets									
Machinery & equipment	61	71		132	85	47	64.4%	90	50
TOTAL	9,542,526	-	(2,000)	9,540,526	9,532,154	8,372	99.9%	9,262,222	9,259,688

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Detail per Programme 4 - ROAD TRANSPORT										
Details per Sub-Programme	2011/12					2010/11				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
4.1 ROAD REGULATION										
Current payment	456,541	1,286	1,500	459,327	458,880	447	99.9%	250,186	248,642	
Transfers and subsidies		14		14	14	-	100.0%			
Payment for capital assets	181			181	54	127	29.8%	168	92	
Payment for financial assets				-	9	(9)	0.0%		1,303	
4.2 ROAD INFRASTRUCTURE & INDUSTRY DEVELOPMENT										
Current payment	41,817	(56)		41,761	37,669	4,092	90.2%	57,428	52,419	
Transfers and subsidies		56		56	55	1	98.2%			
Payment for capital assets	324			324	53	271	16.4%	301	49	
4.3 ROAD OVERSIGHT										
Current payment	1,300	(1,300)		-		-	0.0%	347		
Transfers and subsidies	21,217,338		12,000	21,229,338	21,229,338	-	100.0%	6,939,558	6,939,558	
4.4 ROAD ADMINISTRATION SUPPORT										
Current payment	7,374		(2,000)	5,374	3,731	1,643	69.4%	40,549	38,471	
Payment for capital assets	53			53	20	33	37.7%	87	62	
TOTAL	21,724,928	-	11,500	21,736,428	21,729,823	6,605	100.0%	7,288,624	7,280,596	

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for the year ended 31 March 2012

Programme 4 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	39,707	(6,630)	(500)	32,577	28,503	4,074	87.5%	34,443	34,774
Goods and services	467,325	6,560		473,885	471,777	2,108	99.6%	314,067	304,758
Transfers & subsidies									
Provinces & municipalities	6,732,793			6,732,793	6,732,793	-	100.0%	21,438	21,438
Departmental agencies & accounts	14,484,545		12,000	14,496,545	14,496,545	-	100.0%	6,918,120	6,918,120
Households		70		70	69	1	98.6%		
Payment for capital assets									
Machinery & equipment	558			558	127	431	22.8%	556	203
Payment for financial assets									
					9	(9)	0.0%		1,303
TOTAL	21,724,928	-	11,500	21,736,428	21,729,823	6,605	100.0%	7,288,624	7,280,596

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Appropriation Statements
for the year ended 31 March 2012

Detail per Programme 5 - CIVIL AVIATION									
Details per Sub-Programme	2011/12					2010/11			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 AVIATION REGULATION									
Current payment	22,176	(3,390)	5,966	24,752	23,179	1,573	93.6%	18,522	14,371
Transfers and subsidies		290		290	288	2	99.3%		
Payment for capital assets	190			190	58	132	30.5%	177	15
5.2 AVIATION INFRASTRUCTURE & INDUSTRY DEVELOPMENT									
Current payment	5,962	(1,425)		4,537	4,165	372	91.8%	11,109	8,411
Transfers and subsidies		13		13	13	-	100.0%		
Payment for capital assets	56			56	8	48	14.3%	52	1
5.3 AVIATION SAFETY & SECURITY									
Current payment	12,086	(3,526)		8,560	5,379	3,181	62.8%	8,634	8,634
Transfers and subsidies		100		100	100	-	100.0%		
5.4 AVIATION OVERSIGHT									
Current payment				-			0.0%	355	
Transfers and subsidies	19,212	4,100		23,312	23,419	(107)	100.5%	11,992	12,115
Payment for capital assets				-			0.0%	11	
5.5 AVIATION ADMINISTRATION SUPPORT									
Current payment	6,203	3,838	534	10,575	8,411	2,164	79.5%	9,478	9,562
Payment for capital assets	117			117	10	107	8.5%	109	20
TOTAL	66,002	-	6,500	72,502	65,030	7,472	89.7%	60,439	53,129

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for the year ended 31 March 2012

Programme 5 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	23,114		6,500	29,614	29,601	13	100.0%	23,009	22,704
Goods and services	23,313	(4,503)		18,810	11,533	7,277	61.3%	25,089	18,274
Transfers & subsidies									
Departmental agencies & accounts	15,216	1,000		16,216	16,216	-	100.0%	8,223	8,223
Foreign governments & international organisations	3,996	3,100		7,096	7,203	(107)	101.5%	3,769	3,892
Households		403		403	401	2	99.5%		
Payment for capital assets									
Machinery & equipment	363			363	76	287	20.9%	349	36
TOTAL	66,002	-	6,500	72,502	65,030	7,472	89.7%	60,439	53,129

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Appropriation Statements
for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 MARITIME REGULATION									
Current payment	7,771	2,790	(100)	10,461	10,434	27	99.7%	5,623	5,592
Transfers and subsidies		11		11	10	1	90.9%		
Payment for capital assets	122			122	19	103	15.6%	30	40
Payment for financial assets				-		-	0.0%		21
6.2 MARITIME INFRASTRUCTURE & INDUSTRY DEVELOPMENT									
Current payment	45,931	28,700		74,631	74,579	52	99.9%	63,405	62,332
Payment for capital assets	56			56	19	37	33.9%	135	15
6.3 MARITIME SAFETY & SECURITY									
Current payment	49,751	(25,557)	(570)	23,624	23,582	42	99.8%	40,900	40,115
Transfers and subsidies		30		30	30	-	100.0%		
Payment for capital assets		26		26	26	-	100.0%		
6.4 MARITIME OVERSIGHT									
Transfers and subsidies	30,876			30,876	29,932	944	96.9%	26,646	25,800
6.5 MARITIME ADMINISTRATION SUPPORT									
Current payment	6,269	(6,000)		269	193	76	71.7%	9,477	9,561
Payment for capital assets	117			117		117	0.0%	109	20
TOTAL	140,893	-	(670)	140,223	138,824	1,399	99.0%	146,325	143,496

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Appropriation Statements
for the year ended 31 March 2012

Programme 6 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	17,228	(7,757)	(670)	8,801	8,642	159	98.2%	14,736	15,109
Goods and services	92,494	7,690		100,184	100,146	38	100.0%	104,669	102,491
Transfers & subsidies									
Departmental agencies & accounts	27,825			27,825	27,825	-	100.0%	23,767	23,767
Foreign governments & international organisations	1,749			1,749	851	898	48.7%	1,651	841
Non-profit institutions	1,302			1,302	1,255	47	96.4%	1,228	1,192
Households		41		41	41	-	100.0%		
Payment for capital assets									
Machinery & equipment	295	26		321	64	257	19.9%	274	75
Payment for financial assets									
							0.0%		21
TOTAL	140,893	-	(670)	140,223	138,824	1,399	99.0%	146,325	143,496

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Appropriation Statements
for the year ended 31 March 2012

Detail per Programme 7 - PUBLIC TRANSPORT									
Details per Sub-Programme	2011/12					2010/11			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 LAND TRANSPORT REGULATION									
Current payment	27,495	(4,825)	(4,650)	18,020	13,200	4,820	73.3%	9,592	5,928
Payment for financial assets				-	2	(2)	0.0%		
7.2 NATIONAL PUBLIC TRANSPORT REGULATOR									
Current payment	7,000	(6,176)		824	823	1	99.9%	896	896
7.3 PUBLIC TRANSPORT INFRASTRUCTURE & INDUSTRY DEVELOPMENT									
Current payment	126,225	13,439		139,664	101,677	37,987	72.8%	119,371	107,256
7.4 PUBLIC TRANSPORT OVERSIGHT									
Current payment	1,200	295	(1,180)	315	312	3	99.0%		
Transfers and subsidies	9,443,723	(5,854)	(12,000)	9,425,869	9,234,168	191,701	98.0%	8,074,596	7,916,161
7.5 PUBLIC TRANSPORT ADMINISTRATION SUPPORT									
Current payment	7,129	3,100	500	10,729	9,698	1,031	90.4%	4,464	3,031
Payment for capital assets	152	21		173	173	-	100.0%	141	29
TOTAL	9,612,924	-	(17,330)	9,595,594	9,360,053	235,541	97.5%	8,209,060	8,033,301

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Appropriation Statements
for the year ended 31 March 2012

Programme 7 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	26,256		(6,330)	19,926	19,914	12	99.9%	13,162	12,825
Goods and services	142,793	5,833	1,000	149,626	105,796	43,830	70.7%	121,161	104,286
Transfers & subsidies									
Provinces & municipalities	8,956,579			8,956,579	8,764,879	191,700	97.9%	7,562,495	7,562,495
Non-profit institutions	15,676	5,500		21,176	21,176	-	100.0%	14,789	14,789
Households	471,468	(11,354)	(12,000)	448,114	448,113	1	100.0%	497,312	338,877
Payment for capital assets									
Machinery & equipment	152			173	173	-	100.0%	141	29
Payment for financial assets									
TOTAL	9,612,924	-	(17,330)	9,595,594	9,360,053	235,541	97.5%	8,209,060	8,033,301

**DEPARTMENT OF TRANSPORT
VOTE 37**

**Notes to the Appropriation Statement
for the year ended 31 March 2012**

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%

Administration	298,909	275,839	23,070	7.7%
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Funds were shifted within the programme to cover over expenditure on communications (R4,6 million), traveling (R7,1 million) and unplanned for consultant services (R10,2 million) to address audit issues. This shifting of funds, amounting to R21,9 million, was possible due to savings on office accommodation because another tenant could not vacate the premises as planned. Funds were shifted across programmes to augment the budget for compensation of employees by R12,2 million after the amended structure was implemented. The remaining R23,1 million on the budget is made up of savings on office accommodation of R8,3 million, savings on capital expenditure of R0,8 million, under expenditure of R8 million because the PABX could not be replaced as planned, and savings of R6 million set aside to roll over to appoint a transaction advisor for a new Public Private Partnership for government fleet services. The under expenditure of R8 million on the PABX was also requested to be rolled over to the next financial year.

Integrated Transport Planning	133,238	94,808	38,430	28.8%
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An amount of R34,9 million, which was specifically appropriated to fund the National Household Travel Survey, was under spent. The project was delayed because some critical outputs of the Census 2011 necessitated the delay, and some latest data from Census 2011 is needed to carry out the National Household Travel Survey. A project for the development of a freight optimisation plan amounting to R2,1 million was under spent because of capacity constraints of a consultant to develop a freight optimisation plan. Rollovers were requested for the previous two projects. The programme saved R0,8 million on compensation of employees after R7,2 million was shifted to other programmes when the new structure was implemented, and saved R0,5 million on capital expenditure.

Rail Transport	9,540,526	9,532,154	8,372	0.1%
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An amount of R2 million for compensation of employees was shifted to other programmes when the new structure was implemented. Goods and services was under spent by R7,7 million because planned projects were delayed, mainly the development of a Rail Policy and Act (R4,2 million), the establishment of a Rail Economic Regulator (R2,5 million), and industry development and institutional reform (R1 million). Rollovers amounting to R4,8 million were requested for these three projects. The programme saved R0,7 million on compensation of employees.

DEPARTMENT OF TRANSPORT

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Notes to the Appropriation Statement for the year ended 31 March 2012

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
R'000	R'000	R'000	%

Road Transport	21,736,428	21,729,823	6,605	0.0%
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An amount of R6,6 million was shifted within the programme from compensation of employees to goods and services to increase funding for road regulation and safety related projects. The transfer payment to the Road Traffic Infringements Agency was increased by R12 million by shifting funds from savings within Public Transport. The increased once off allocation to the Road Traffic Infringements Agency enabled it to settle its debts that accumulated because of the cost of issuing infringement notices. The programme ended up saving R4,1 million on compensation of employees, R2,1 million on goods and services and R0,4 million on capital expenditure. A rollover of R4,4 million was requested for the S'Hamba Sonke road maintenance programme.

Civil Aviation	72,502	65,030	7,472	10.3%
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Funds were shifted across programmes to augment the budget for compensation of employees by R6,5 million after the amended structure was implemented. Funds were shifted within the programme to increase the transfer payment to the Civil Aviation Safety Authority by R1 million to fund the annual Civil Aviation Day, and to increase transfers to the International Civil Aviation Organisation by R3,1 million for contributions to the Cooperative Aviation Security Programme in the Southern African Development Community. In the end, the programme saved R0,3 million on capital expenditure, over spent R0,1 million on international memberships and under spent R7,3 million due to delays in the establishment of an Aviation Safety Investigation Board, the establishment of a Committee to appeal decisions, and delays in regulatory projects, such as drafting a White Paper on Civil Aviation Policy, promulgating Regulations, and reviewing the Civil Aviation Strategy.

Maritime Transport	140,223	138,824	1,399	1.0%
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An amount of R7,7 million was shifted within the programme from compensation of employees to goods and services to increase funding for oil pollution prevention services to fund irrecoverable, unforeseen and unavoidable expenditure incurred as a result of a ship that ran aground. The programme under spent R6 million that was planned to replace a Local User Terminal for search and rescue services, because a new tender to facilitate the continuation of the services was unaffordable and would have included the replacement of the Terminal. The programme also under spent R0,5 million on developing a Green Paper on Maritime Shipping Policy and under spent R0,6 million on the development of a Ballast Water Act and related Regulations. Rollovers of R7,1 million were requested for these three projects. The programme eventually saved R0,2 million on compensation of employees, R0,9 million on international membership fees, and R0,3 million on capital expenditure.

Public Transport	9,595,594	9,360,053	235,541	2.5%
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The programme shifted R6,3 million from compensation of employees to other programmes when the new structure was implemented. Before funds were shifted after the Adjusted Budget, an amount of R23,3 million was under spent on the scrapping of taxis. This under expenditure was utilised to increase the transfer payment to the Road Traffic Infringements Agency in the programme: Road Transport by R12 million as detailed under Road Transport above, to increase the transfer payment to the South African National Taxi Association (SANTACO) by R5,5 million to assist SANTACO to establish a training academy for taxi drivers, and to augment the budget for goods and services by R5,8 million. The budget for goods and services was increased to allocate additional funding for technical support to provincial authorities for the implementation of public transport projects.

Goods and services was eventually under spent by R43,8 million, and rollovers amounting to R43,5 million were requested for goods and services. The rollovers were requested for the appointment of a team of experts to assist provincial authorities to implement the Public Transport Operations Grant (R4,8 million), and to provide technical support for the implementation of public transport projects (R38,7 million). A transfer payment from the Public Transport Infrastructure and Systems Grant, amounting to R191,7 million, was withheld from the City of Cape Town due to consistent under spending of allocations from this grant. The City of Cape Town however committed the expenditure via contractual obligations, although its cash flow requirements only require the funding in the next financial year. A rollover was requested to enable the department to transfer the R191,7 million to the City of Cape Town in the next financial year.

DEPARTMENT OF TRANSPORT

VOTE 37

Notes to the Appropriation Statement for the year ended 31 March 2012

4.2 Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	280,206	274,462	5,744	2.0%
Goods and services	994,993	874,593	120,400	12.1%
Transfers and subsidies				
Provinces and municipalities	15,694,672	15,502,972	191,700	1.2%
Departmental agencies and accounts	14,578,258	14,578,258	0	0.0%
Universities and technikons	9,189	9,189	0	0.0%
Public corporations and private enterprises	9,474,098	9,474,098	0	0.0%
Foreign governments and international organisations	8,845	8,054	791	8.9%
Non-profit institutions	22,478	22,431	47	0.2%
Households	449,084	449,072	12	0.0%
Gifts and donations				
Payments for capital assets				
Machinery and equipment	5,597	3,225	2,372	42.4%
Payments for financial assets				
	0	177	(177)	N/a

The department under spent on compensation of employees (R5,7 million) and machinery and equipment (R2,4 million) due to posts that could not be filled as a result of a restructuring process that was only finalised at the end of October 2011.

Savings of R16,9 million was realised on goods and services because the premises could not be occupied as planned (R8,3 million), savings were set aside to roll over funds for a transaction advisor for a new Public Private Partnership for government fleet services (R6 million), R2,1 million was saved on road safety related projects after funds were shifted from compensation of employees to increase funding for road regulation and safety related projects, and R0,5 million was saved on general administrative expenditure across programmes.

Goods and services was under spent by R103,5 million because the PABX could not be replaced as planned (R8 million), funds specifically appropriated for the National Household Travel Survey could not be spent (R34,9 million), a project to update freight optimisations plans was delayed (R2,1 million), the development of a Rail Policy and Act was delayed (R4,2 million), the establishment of a Rail Economic Regulator was delayed (R2,5 million), a project on rail industry development and institutional reform was delayed (R1 million), Civil Aviation under spent R7,3 million due to delays in the establishment of an Aviation Safety Investigation Board, the establishment of a Committee to appeal decisions, and delays in regulatory projects, such as drafting a White Paper on Civil Aviation Policy, promulgating Regulations, and reviewing the Civil Aviation Strategy, and Public Transport under spent R43,5 million on the appointment of a team of experts to assist provincial authorities to implement the Public Transport Operations Grant (R4,8 million), and to provide technical support for the implementation of public transport projects (R38,7 million).

Transfers to provinces and municipalities was under spent by R191,7 million because a transfer payment from the Public Transport Infrastructure and Systems Grant was withheld from the City of Cape Town due to consistent under spending of allocations from this grant as explained under Public Transport above.

DEPARTMENT OF TRANSPORT

VOTE 37

Statement of Financial Performance
for the year ended 31 March 2012

		2011/12	2010/11
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	41,517,420	25,289,083
Departmental revenue	2	312,500	408,844
TOTAL REVENUE		41,829,920	25,697,927
EXPENDITURE			
Current expenditure			
Compensation of employees	3	274,462	250,758
Goods and services	4	874,593	678,292
Total current expenditure		1,149,055	929,050
Transfers and subsidies			
Transfers and subsidies	6	40,044,074	24,142,609
Total transfers and subsidies		40,044,074	24,142,609
Expenditure for capital assets			
Tangible capital assets	7	2,925	1,888
Software and other intangible assets	7	300	
Total expenditure for capital assets		3,225	1,888
Payments for financial assets	5	177	1,498
TOTAL EXPENDITURE		41,196,531	25,075,045
SURPLUS / (DEFICIT) FOR THE YEAR		633,389	622,882
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		320,889	214,038
Departmental revenue and NRF Receipts	15	312,500	408,844
SURPLUS/(DEFICIT) FOR THE YEAR		633,389	622,882

DEPARTMENT OF TRANSPORT

VOTE 37

Statement of Financial Position

as at 31 March 2012

		2011/12	2010/11
	Note	R'000	R'000
ASSETS			
Current Assets			
		2,033,882	2,238,701
Unauthorised expenditure	8	1,207,374	1,207,374
Fruitless and wasteful expenditure	9	-	12
Cash and cash equivalents	10	35	20,072
Prepayments and advances	11	9,747	166,020
Receivables	12	816,726	845,223
Non-Current Assets			
		6,089,441	6,089,441
Investments	13	6,089,441	6,089,441
TOTAL ASSETS			
		8,123,323	8,328,142
LIABILITIES			
Current Liabilities			
		2,033,558	2,238,323
Voted funds to be surrendered to the Revenue Fund	14	320,889	120,272
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	71	101,455
Bank overdraft	16	1,488,832	1,793,288
Payables	17	223,766	223,308
Non-Current Liabilities			
Payables	18	58	91
TOTAL LIABILITIES			
		2,033,616	2,238,414
NET ASSETS			
		6,089,707	6,089,728
Represented by:			
Capitalisation reserve		6,089,441	6,089,441
Recoverable revenue		266	287
TOTAL			
		6,089,707	6,089,728

DEPARTMENT OF TRANSPORT

VOTE 37

Statement of Changes in Net Assets
for the year ended 31 March 2012

	2011/12	2010/11
Note	R'000	R'000
Capitalisation Reserves		
Opening balance	6,089,441	6,089,441
Closing balance	6,089,441	6,089,441
Recoverable revenue		
Opening balance	287	539
Transfers	(21)	(252)
Debts revised	(5)	(200)
Debts recovered (included in departmental receipts)	(137)	(313)
Debts raised	121	261
Closing balance	266	287
TOTAL	6,089,707	6,089,728

DEPARTMENT OF TRANSPORT

VOTE 37

Cash Flow Statement
for the year ended 31 March 2012

		2011/12	2010/11
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		41,829,920	25,505,087
Annual appropriated funds received	1.1	41,517,420	25,096,243
Departmental revenue received	2	312,500	408,844
Net (increase)/ decrease in working capital		185,240	(418,993)
Surrendered to Revenue Fund		(534,156)	(307,564)
Current payments		(1,149,055)	(929,050)
Payments for financial assets		(177)	(1,498)
Transfers and subsidies paid		(40,044,074)	(24,142,609)
Net cash flow available from operating activities	19	287,698	(294,627)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(3,225)	(1,888)
Net cash flows from investing activities		(3,225)	(1,888)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(21)	(252)
Increase/ (decrease) in non-current payables		(33)	85
Net cash flows from financing activities		(54)	(167)
Net increase/ (decrease) in cash and cash equivalents		284,419	(296,682)
Cash and cash equivalents at beginning of period		(1,773,216)	(1,476,534)
Cash and cash equivalents at end of period	20	(1,488,797)	(1,773,216)

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. REVENUE

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. EXPENDITURE

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4 ASSETS

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

5. LIABILITIES

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

5.7.1 Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

5.7.2 Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all

outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. NET ASSETS

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. RELATED PARTY TRANSACTIONS

Specific information with regards to related party transactions is included in the disclosure notes.

9. KEY MANAGEMENT PERSONNEL

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. PUBLIC PRIVATE PARTNERSHIPS

A description of the Public Private Partnerships (PPP) arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

DEPARTMENT OF TRANSPORT

VOTE 37

Notes to the Annual Financial Statements for the year ended 31 March 2012

1 ANNUAL APPROPRIATION

1.1 Annual Appropriation

	2011/12			
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Appropriation Received 2010/11
Programmes	R'000	R'000	R'000	R'000
ADMINISTRATION	298,909	298,909	-	250,403
INTGRTE TRANSPORT PLANNING	133,238	133,238	-	41,457
RAIL TRANSPORT	9,540,526	9,540,526	-	210,868
ROAD TRANSPORT	21,736,428	21,736,428	-	6,977,706
CIVIL AVIATION	72,502	72,502	-	25,454
MARITIME TRANSPORT	140,223	140,223	-	17,441,170
PUBLIC TRANSPORT	9,595,594	9,595,594	-	149,185
Total	41,517,420	41,517,420	-	25,096,243

2 Departmental Revenue

	Note	2011/12 R'000	2010/11 R'000
Sales of goods and services other than capital assets	2.1	305,536	406,177
Fines, penalties and forfeits	2.2	77	(1)
Interest, dividends and rent on land	2.3	147	264
Transactions in financial assets and liabilities	2.4	6,740	2,404
Departmental revenue collected		312,500	408,844
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		305,534	406,176
Sales by market establishment		34	21
Administrative fees		305,408	406,035
Other sales		92	120
Sales of scrap, waste and other used current goods		2	1
Total		305,536	406,177
2.2 Fines, penalties and forfeits	2		
Penalties		77	(1)
Total		77	(1)
2.3 Interest, dividends and rent on land	2		
Interest		147	264
Total		147	264
2.4 Transactions in financial assets and liabilities	2		
Receivables		-	284
Other Receipts including Recoverable Revenue		6,740	2,120
Total		6,740	2,404

DEPARTMENT OF TRANSPORT
VOTE 37

Notes to the Annual Financial Statements
for the year ended 31 March 2012

		2011/12	2010/11
		R'000	R'000
3	Compensation of Employees		
	3.1 Salaries and wages		
	Basic salary	160,093	146,657
	Performance award	11,181	5,995
	Service Based	681	483
	Compensative/circumstantial	5,271	5,228
	Periodic payments	17,917	21,691
	Other non-pensionable allowances	51,961	45,164
	Total	247,104	225,218
	3.2 Social Contributions		
	Employer contributions		
	Pension	19,634	18,414
	Medical	7,657	7,116
	Bargaining council	67	9
	Insurance	-	1
	Total	27,358	25,540
	Total compensation of employees	274,462	250,758
	Average number of employees	514	529
4	Goods and services		
	Administrative fees	1,050	846
	Advertising	13,820	17,042
	Assets less than R5,000	624	614
	Bursaries (employees)	1,171	1,832
	Catering	1,002	874
	Communication	30,058	17,280
	Computer services	7,528	17,522
	Consultants, contractors and agency/outsourced services	666,963	533,890
	Entertainment	483	475
	Audit cost – external	5,564	6,816
	Fleet services	1	1
	Inventory	4,977	5,485
	Operating leases	27,598	12,229
	Property payments	4,739	1,577
	Transport provided as part of the departmental activities	14,156	13,091
	Travel and subsistence	45,691	37,594
	Venues and facilities	44,761	6,898
	Training and staff development	2,202	2,770
	Other operating expenditure	2,205	1,456
	Total	874,593	678,292
	4.1 Assets less than R5,000		
	Tangible assets	624	614
	Machinery and equipment	624	614
	Total	624	614

DEPARTMENT OF TRANSPORT

VOTE 37

Notes to the Annual Financial Statements for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
4.2 Computer services	4		
SITA computer services		3,545	5,592
External computer service providers		3,983	11,930
Total		7,528	17,522
4.3 Consultants, contractors and Agency/ Outsourced Services	4		
Business and advisory services		664,223	527,445
Legal costs		1,544	4,832
Contractors		535	1,435
Agency and support/outsourced services		661	178
Total		666,963	533,890
4.4 Audit cost – external	4		
Regularity audits		5,564	6,816
Total		5,564	6,816
4.5 Inventory	4		
Other consumables		216	253
Materials and supplies		38	-
Stationery and printing		4,723	5,232
Total		4,977	5,485
4.6 Property payments	4		
Other		4,739	1,577
Total		4,739	1,577
4.7 Travel and subsistence	8		
Employee costs		45,691	37,594
Domestic travel costs		29,231	19,836
International travel costs		16,460	17,758
Total		45,691	37,594
4.8 Other operating expenditure	4		
Learnerships		3	-
Professional bodies, membership and subscription fees		593	455
Resettlement costs		1,135	407
Other		474	594
Total		2,205	1,456
5 Payments for financial assets			
Material losses through criminal conduct		9	58
Theft	5.4	9	57
Other material losses	5.1	-	1
Other material losses written off	5.2	167	1,406
Debts written off	5.3	1	34
Total		177	1,498

DEPARTMENT OF TRANSPORT
VOTE 37

Notes to the Annual Financial Statements
for the year ended 31 March 2012

		2011/12	2010/11
		R'000	R'000
5.1 Other material losses	5		
Nature of other material losses			
Incident Disciplinary Steps taken/ Criminal proceedings			
Double bookings	None	-	1
Total		-	1
5.2 Other material losses written off	5		
Nature of losses			
Irregular expenditure written off			1,406
Interest on a legal settlement		7	-
Irrecoverable cost of litigation		71	-
Claim for loss of income plus legal costs		48	-
Vehicle hire and accommodation - no show		41	-
Total		167	1,406
5.3 Debts written off	5		
Nature of debts written off			
Overpayments and State guarantees		-	34
Travel and subsistence		1	-
Total debt written off		1	34
5.4 Details of theft	5		
Nature of theft			
Stolen computer equipment		9	57
Total		9	57
6 Transfers and Subsidies			
Provinces and municipalities	36, Annexure 1A	15,502,972	8,022,293
Departmental agencies and accounts	ANNEXURE 1B	14,578,258	6,985,744
Universities and technikons	ANNEXURE 1C	9,189	8,695
Foreign governments and international organisations	ANNEXURE 1E	8,054	4,733
Public corporations and private enterprises	ANNEXURE 1D	9,474,098	8,765,206
Non-profit institutions	ANNEXURE 1F	22,431	15,981
Households	ANNEXURE 1G	448,863	339,914
Gifts, donations and sponsorships made	ANNEXURE 1J	209	43
Total		40,044,074	24,142,609
Unspent funds transferred to the above beneficiaries			
7 Expenditure for capital assets			
Tangible assets			
Machinery and equipment	34	2,925	1,888
Software and other intangible assets		300	-
Computer software	35	300	-
Total		3,225	1,888

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Notes to the Annual Financial Statements for the year ended 31 March 2012

7.1 Analysis of funds utilised to acquire capital assets - 2011/12

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible assets	2,925	-	2,925
Machinery and equipment	2,925	-	2,925
Software and other intangible assets	300	-	300
Computer software	300	-	-
Total	3,225	-	3,225

7 Analysis of funds utilised to acquire capital assets - 2010/11

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible assets	1,888	-	1,888
Machinery and equipment	1,888	-	1,888
Total	1,888	-	1,888

	Note	2011/12 R'000	2010/11 R'000
8 Unauthorised Expenditure			
8.1 Reconciliation of unauthorised expenditure			
Opening balance		1,207,374	1,207,374
Unauthorised expenditure awaiting authorisation / written off		1,207,374	1,207,374
8.2 Analysis of unauthorised expenditure awaiting			
Current		1,207,374	1,207,374
Total		1,207,374	1,207,374
8.3 Analysis of unauthorised expenditure awaiting authorisation per type			
Unauthorised expenditure relating to overspending of the vote or a main division within the vote		1,207,374	1,207,374
Total		1,207,374	1,207,374
9 Fruitless and wasteful expenditure			
9.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		12	12
Less: Amounts transferred to receivables for recovery		(12)	-
Fruitless and wasteful expenditure awaiting condonement		-	12
9.2 Analysis of awaiting condonement per economic classification			
Current		-	12
Total		-	12
10 Cash and Cash Equivalents			
Cash on hand		28	28
Investments (Domestic)		7	20,044
Total		35	20,072

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Notes to the Annual Financial Statements
for the year ended 31 March 2012

		2011/12	2010/11
		R'000	R'000
11	Prepayments and Advances		
	Prepayments	5,730	163,844
	Advances paid to other entities	4,017	2,176
	Total	9,747	166,020

		2011/12			2010/11
		Less than one year	One to three years	Older than three years	Total
		R'000	R'000	R'000	R'000
12	Receivables				
	Claims recoverable	8,281	279,964		288,245
	Recoverable expenditure	105			105
	Staff debt	82	343	67	492
	Other debtors	412,403	115,407	74	527,884
	Total	420,871	395,714	141	816,726

		2011/12	2010/11
		R'000	R'000
12.1	Claims recoverable		
	National departments	179	204
	Provincial departments	20	58
	Public entities	288,046	290,548
	Local governments	-	20,000
	Total	288,245	310,810
12.2	Recoverable expenditure (disallowance accounts)		
	Salary overpayments	105	58
	Total	105	58
12.3	Staff debt		
	Overpayments and State guarantees	87	209
	Subsistence and travel	197	308
	Other	208	4
	Total	492	521
12.4	Other debtors		
	Ex personnel - overpayments and State guarantees	188	309
	Subsistence and travel	23	66
	NaTIS transaction fees to be recovered from Revenue Fund	527,026	532,787
	Over payment to medical scheme		2
	Other	134	157
	Pending cases for theft of equipment	513	513
	Total	527,884	533,834

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Notes to the Annual Financial Statements
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	Note	2011/12 R'000	2010/11 R'000
13 Investments			
Non-Current			
Shares and other equity			
Passenger Rail Authority of South Africa Ltd.		4,248,259	4,248,259
Airports Company Ltd.		559,492	559,492
Air Traffic and Navigation Services Company Ltd.		190,646	190,646
S.A. National Roads Agency Ltd.		1,091,044	1,091,044
Total non-current		6,089,441	6,089,441
Analysis of non current investments			
Opening balance		6,089,441	6,089,441
Closing balance		6,089,441	6,089,441
14 Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		120,272	99,074
Transfer from statement of financial performance		320,889	214,038
Voted funds not requested/not received	1.1	-	(192,840)
Paid during the year		(120,272)	-
Closing balance		320,889	120,272
15 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		101,455	175
Transfer from Statement of Financial Performance		312,500	408,844
Paid during the year		(413,884)	(307,564)
Closing balance		71	101,455
16 Bank Overdraft			
Consolidated Paymaster General Account		1,488,832	1,793,288
Total		1,488,832	1,793,288
17 Payables - current			
Clearing accounts	17.1	1,208	499
Other payables	17.2	222,558	222,809
Total		223,766	223,308
17.1 Clearing accounts	17		
Income tax		1,183	499
Pension fund		2	-
Medical aid		23	-
Total		1,208	499
17.2 Other payables	17		
eNaTIS transaction fees owing to the Revenue Fund and due by the Road Traffic Management Corporation		222,544	222,544
Other		14	265
Total		222,558	222,809

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Notes to the Annual Financial Statements
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	Note	One to two	Two to	More than	Total	2010/11
		years	three years	three years	R'000	R'000
		R'000	R'000	R'000	R'000	R'000
18 Payables – non-current						
Other payables	18.1	58			58	91
Total		58	-	-	58	91

	Note	2011/12	2010/11
		R'000	R'000
18.1 Other payables	18		
Appeal deposits		58	91
Total		58	91
19 Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		633,389	622,882
Add back non cash/cash movements not deemed operating activities		(345,691)	(917,509)
(Increase)/decrease in receivables – current		28,497	(264,058)
(Increase)/decrease in prepayments and advances		156,273	(155,049)
(Increase)/decrease in other current assets		12	-
Increase/(decrease) in payables – current		458	114
Expenditure on capital assets		3,225	1,888
Surrenders to Revenue Fund		(534,156)	(307,564)
Voted funds not requested/not received		-	(192,840)
Net cash flow generated by operating activities		287,698	(294,627)
20 Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		(1,488,832)	(1,793,288)
Cash on hand		28	28
Cash with commercial banks (Local)		7	20,044
Total		(1,488,797)	(1,773,216)

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	Note	2011/12 R'000	2010/11 R'000
21 Contingent liabilities and contingent assets			
21.1 Contingent liabilities			
Liable to Nature			
Housing loan guarantees Employees	Annex 3A	137	182
Other guarantees	Annex 3A	19,690,663	19,073,020
Claims against the department	Annex 3B	66,671	81,757
Total		19,757,471	19,154,959
22 Commitments			
Current expenditure			
Approved and contracted		912,576	316,159
Approved but not yet contracted		32	136
		912,608	316,295
Capital Expenditure (including transfers)			
Approved and contracted		487	168
Approved but not yet contracted		21	47
		508	215
Total Commitments		913,116	316,510
Committed for longer than a year:			
Current expenditure approved and contracted R406,001,961			
23 Accruals			
Listed by economic classification		30 days	30+ days
Goods and services		54,649	52,240
Capital assets		177	10
Total		54,826	52,250
		107,076	29,530
Listed by programme level	Note	2011/12 R'000	2010/11 R'000
Programme 1		14,536	16,034
Programme 2		1,607	6,667
Programme 3		653	-
Programme 4		76,677	431
Programme 5		3,087	431
Programme 6		9,867	5,257
Programme 7		649	710
Total		107,076	29,530
Confirmed balances with departments	Annex 5	914	330
Confirmed balances with other government entities	Annex 5	119	3,759
Total		1,033	4,089
24 Employee benefits			
Leave entitlement		31,273	26,115
Service bonus (Thirteenth cheque)		5,415	4,952
Capped leave commitments		9,836	9,434
Total		46,524	40,501

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25 Lease commitments

25.1 Operating leases expenditure

2011/12	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	51,122	2,743	53,865
Later than 1 year and not later than 5 years	-	-	254,829	3,078	257,907
Later than five years	-	-	306,940	-	306,940
Total lease commitments	-	-	612,891	5,821	618,712

2010/11	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	31,385	1,091	32,476
Later than 1 year and not later than 5 years	-	-	233,789	766	234,555
Later than five years	-	-	379,103	-	379,103
Total lease commitments	-	-	644,277	1,857	646,134

26 Receivables for departmental revenue

Transactions in financial assets and liabilities

Total

26.1 Analysis of receivables for departmental revenue

Opening balance

Less: Amounts received

Add: Amounts recognised

Closing balance

27 Irregular expenditure

27.1 Reconciliation of irregular expenditure

Opening balance

Add: Irregular expenditure - relating to prior year

Add: Irregular expenditure - relating to current year

Less: Amounts condoned

Less: Amounts not recoverable (not condoned)

Irregular expenditure awaiting condonation

Analysis of awaiting condonation per age classification

Current year

Prior years

Total

Note

2011/12	2010/11
R'000	R'000
266	287
266	287
287	539
142	313
121	61
266	287
21,340	2,849
8,403	(133)
48,482	20,646
(21,396)	(616)
-	(1,406)
56,829	21,340
46,342	20,646
10,487	694
56,829	21,340

			2011/12
			R'000
27.2	Details of irregular expenditure - current year		
	Incident	Disciplinary steps taken/ criminal proceedings	
	Extension of contract to replace eNaTIS equipment	Written warning and investigation	31,920
	Costs incurred on least cost routing of telephone services	Official resigned before disciplinary steps could be taken	1,866
	No procurement process followed for environmental publication	None yet	66
	No procurement process followed for a publication	None yet	60
	Extension of contract for road safety media campaigns	None yet	1,862
	Supplier not registered for VAT charged VAT	None yet	275
	Overpayment to Centres of Development not recovered	None yet	26
	Bid awarded without following correct procedures	None yet	12,407
			48,482
27.3	Details of irregular expenditure condoned		
	Incident	Condoned by (condoning authority)	
	Advertisement without following procurement procedures	Bid Adjudication Committee	96
	Procurement of laptop bag without following procedures	Accounting Officer	4
	Work was proceeded after a contract expired	Accounting Officer	131
	No procurement process - employee left the department	Accounting Officer	46
	No competitive bids invited for a call center	Accounting Officer	13,680
	Quote accepted on price rather than points	Accounting Officer	140
	No procedures followed to arrange least cost routing	Accounting Officer	7,024
	Payment on tax invoice to a supplier not registered for VAT	Bid Adjudication Committee	275
			21,396
27.4	Details of irregular expenditure under investigation		
	Incident		
	Extension of scope without prior approval, and delegated authority was exceeded		41,852
	Bid awarded without following correct procedures		12,407
	No procurement procedures followed for environmental publication		66
	No procurement procedures followed for a publication		60
			54,385

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	2011/12	2010/11
	R'000	R'000
28 Fruitless and wasteful expenditure		
28.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	2,214	2,324
Fruitless and wasteful expenditure – relating to prior year	-	(85)
Fruitless and wasteful expenditure – relating to current year	49	48
Less: Amounts transferred to receivables for recovery	(42)	(73)
Fruitless and wasteful expenditure awaiting condonement	2,221	2,214
28.2 Analysis of awaiting condonement per economic classification		
Current	2,221	2,214
Total	2,221	2,214

28.3 Analysis of Current Year's Fruitless and wasteful expenditure		2011/12
Incident	Disciplinary steps taken/criminal proceedings	R'000
Non-arrivals and no shows	No Show Committee decided to recover the cost from individuals	2
	To recover from Travel Agent	1
	To write off	2
	Cases being investigated	10
	Recovered	1
	Written off	33
	Total	49

	Note	2011/12	2010/11
		R'000	R'000
29 Related party transactions			
Revenue received			
Tax revenue/user charges		41,517,420	25,096,243
Transactions in financial assets and liabilities		10,000	56,465
Total		41,527,420	25,152,708
Payments made			
Goods and services		47,502	67,612
Purchases of capital assets			373
Transactions in financial assets and liabilities		541,887	413,221
Total		589,389	481,206
Year end balances arising from revenue/payments			
Receivables from related parties		65,681	68,208
Payables to related parties			(4,082)
Total		65,681	64,126
Other			
S.A. National Roads Agency Ltd.		19,426,320	18,604,630
Passenger Rail Authority of South Africa		264,343	468,390
Total		19,690,663	19,073,020

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Name of related party	Relationship	Types of transaction	Elements of transaction
Auditor General	National Department	Goods and services	External audit
Department of Foreign Affairs	National Department	Goods and services	Foreign offices and overseas trips
Department of Housing	National Department	Goods and services	Salary claims
Department of Public Works	National Department	Goods and services	Salary claims
Department of Infrastructure Development	National Department	Goods and services and transactions in financial assets and liabilities	Salary claims and refund of salary claims
Dept of Justice & Constitutional Development	National Department	Goods and services	Salary claims and legal services
Dept of Water Affairs & Forestry	National Department	Goods and services	Salary claims
Government Communications	National Department	Goods and services	Salary claims and communication services
Government Printer	National Department	Goods and services	Tender advertisements, printing and stationery
National Intelligence Agency	National Department	Goods and services	Security clearances
National Treasury	National Department	Tax revenue / user charges, goods and services and transactions in financial assets and liabilities	Salary claims, professional services, training, voted funds and surrenders and revenue surrendered
Ports Regulator	Public Entity	Goods and services	Salary claims
Property Management Trading Entity	Public Entity	Goods and services	Rental of premises
Railway Safety Regulator	Public Entity	Goods and services	Salary claims
Road Traffic Management Corporation	Public Entity	Goods and services	Salary claims
South African Bureau of Standards	Public Entity	Goods and services	Publications
South African Civil Aviation Authority	Public Entity	Goods and services	Salary claims
South African Maritime Safety Authority	Public Entity	Goods and services	Traveling costs
Driving License Card Account	Trading Entity	Transactions in financial assets and liabilities	Audit fees and refunds

		2011/12	2010/11
		R'000	R'000
30	Key management personnel	Note	
		No. of	
		Individuals	
	Political office bearers (provide detail below)	2	3,468
	Level 15 to 16	17	15,754
	Level 14 (including CFO if at a lower level)	28	23,816
	Total		43,038
			33,529

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Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
31 Public Private Partnership			
Contract fee paid		10,037	6,907
Goods and Services (excluding lease payments)		10,037	6,907
Any guarantees issued by the department are disclosed in Note 21.1			
32 Impairment			
Debtors		422	277
Total		422	277
33 Provisions			
Claim against the department for an aircraft accident		-	13,351
Claim for termination of agreement		2,736	2,415
Interest on late payments		-	12
Claim for a demand guarantee		29,772	29,772
Pending cases for theft of equipment		513	513
Other		36	8
Claim for damages due to cut grass not removed from the N1		35	-
Claim for a communications event		1,535	-
eNaTIS transaction fees due by the Road Traffic Management Corporation		222,544	-
Total		257,171	46,071

34 Movable Tangible Capital Assets

34.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Curr year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	29,091	113	2,925	85	32,044
Transport assets	822		-	-	822
Computer equipment	18,299	(3)	2,399	31	20,664
Furniture and office equipment	7,414	115	345	47	7,827
Other machinery and equipment	2,556	1	181	7	2,731
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	29,091	113	2,925	85	32,044

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Disclosure Notes to the Annual Financial Statements
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Additions

34.2 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,925	-	-	-	2,925
Computer equipment	2,399				2,399
Furniture and office equipment	345				345
Other machinery and equipment	181				181
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2,925	-	-	-	2,925

Disposals

34.3 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	85	85	-
Computer equipment		31	31	
Furniture and office equipment		47	47	
Other machinery and equipment		7	7	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	85	85	-

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Disclosure Notes to the Annual Financial Statements
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Movement for 2010/11

34.4 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	37,219	1,908	10,036	29,091
Transport assets	10,601	-	9,779	822
Computer equipment	16,985	1,456	142	18,299
Furniture and office equipment	7,184	336	106	7,414
Other machinery and equipment	2,449	116	9	2,556
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	37,219	1,908	10,036	29,091

Minor assets

34.5 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	6	-	16,212	-	16,218
Current Year Adjustments to Prior Year Balances				(2)		(2)
Additions				612		612
Disposals				215		215
TOTAL MINOR ASSETS	-	6	-	16,607	-	16,613

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost		1		12,168		12,169
TOTAL NUMBER OF MINOR ASSETS	-	1	-	12,168	-	12,169

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Disclosure Notes to the Annual Financial Statements
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35 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Curr year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	5		300	-	305
TOTAL INTANGIBLE CAPITAL ASSETS	5	-	300	-	305

Movement for 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	5	-	-	5
TOTAL INTANGIBLE CAPITAL ASSETS	5	-	-	5

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Disclosure Notes to the Annual Financial Statements
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36 STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2010/11 Division of Revenue Act
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re- allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by dept	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Gauteng Treasury - Gautrain Rapid Rail Link	5,300		-	5,300	5,300			5,300	5,300	100%	438,360
Province - Eastern Cape	1,201,039		81,667	1,282,706	1,282,706			1,282,706	1,278,520	100%	153,596
Province - Free State	631,731		21,768	653,499	653,499			653,499	529,056	81%	169,264
Province - Gauteng	2,144,529		159	2,144,688	2,144,688			2,144,688	1,913,586	89%	1,496,442
Province - Kwazulu Natal	2,010,121		29,736	2,039,857	2,039,857			2,039,857	2,039,857	100%	714,587
Province - Limpopo	1,183,706		40,171	1,223,877	1,223,877			1,223,877	1,082,922	88%	214,472
Province - Mpumalanga	1,436,702		-	1,436,702	1,436,702			1,436,702	1,492,072	104%	402,522
Province - North West	579,037		(131,847)	447,190	447,190			447,190	334,145	75%	60,416
Province - Northern Cape	346,325		198,346	544,671	544,671			544,671	382,530	70%	30,370
Province - Western Cape	1,077,396		-	1,077,396	1,077,396			1,077,396	1,142,026	106%	632,402
	10,615,886	-	240,000	10,855,886	10,855,886	-	-	10,855,886	10,200,014		4,312,431

It is certified that all transfers in terms of the Division of Revenue Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province.

The Gautrain Rapid Rail Link Grant was paid into the bank account designated for the transfer of the grant.

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Annexures to the Annual Financial Statements
for the year ended 31 March 2012

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Johannesburg	1,700,000			1,700,000	1,700,000			1,700,000	803,086	47%	1,070,471
Tshwane	200,000			200,000	200,000			200,000	78,477	39%	864,180
Cape Town	1,800,000			1,800,000	1,608,300	191,700		1,608,300	654,734	41%	850,000
Ethekwini	205,000			205,000	205,000			205,000	152	0%	330,000
Mangaung	15,000			15,000	15,000			15,000	64,586	431%	15,000
Mbombela	45,000			45,000	45,000			45,000	23,953	53%	15,000
Nelson Mandela	340,000			340,000	340,000			340,000	66,803	20%	408,333
Polokwane	55,347			55,347	55,347			55,347	900	2%	20,000
Ekurhuleni	20,000			20,000	20,000			20,000	8,845	44%	20,000
Rustenburg	178,000			178,000	178,000			178,000	93,239	52%	20,000
Buffalo City	180,000			180,000	180,000			180,000	5,864	3%	71,478
Msunduzi	65,000			65,000	65,000			65,000	21,677	33%	15,000
Chris Hani	1,688			1,688	1,688			1,688	373,393	22120%	1,100
Ehlanzeni	-			-	-			-	-		2,000
OR Tambo	1,687			1,687	1,687			1,687	373,393	22134%	2,000
Sekhukhune	1,687			1,687	1,687			1,687	-	0%	1,300
John Taolo Gaetsewe	-			-	-			-	-		2,000
Umkhanyakude	1,687			1,687	1,687			1,687	-	0%	2,000
Amatole	1,688			1,688	1,688			1,688	373,393	22120%	
Ukhahlamba	1,688			1,688	1,688			1,688	-	0%	

DEPARTMENT OF TRANSPORT

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Annexures to the Annual Financial Statements
for the year ended 31 March 2012

ANNEXURE 1A (CONTINUED)
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Alfred Nzo	1,687			1,687	1,687			1,687	373,393	22134%	
Ugu	1,688			1,688	1,688			1,688	479,666	28416%	
uMgungundlovu	1,688			1,688	1,688			1,688	213,978	12676%	
Uthukela	1,688			1,688	1,688			1,688	-	0%	
Umkhanyakathi	1,688			1,688	1,688			1,688	-	0%	
Amajuba	1,688			1,688	1,688			1,688	-	0%	
Zululand	1,688			1,688	1,688			1,688	-	0%	
uThungulu	1,687			1,687	1,687			1,687	-	0%	
Sisonke	1,687			1,687	1,687			1,687	502,170	29767%	
iLembe	1,687			1,687	1,687			1,687	32,160	1906%	
Mopani	1,688			1,688	1,688			1,688	-	0%	
Vhembe	1,688			1,688	1,688			1,688	-	0%	
Capricorn	1,687			1,687	1,687			1,687	-	0%	
Ngaka Modiri Molema	1,688			1,688	1,688			1,688	-	0%	
Dr Ruth Segomotsi Mompoti	1,687			1,687	1,687			1,687	-	0%	
	4,838,786	-	-	4,838,786	4,647,086	191,700	-	4,647,086	4,543,862		3,709,862

It is certified that all the amounts were paid into the primary bank accounts of the Municipalities. In some cases, the amounts that were spent exceed the amount of grants transferred to the recipient. In these cases, additional amounts were spent on the initiatives by the municipalities from their own resources.

DEPARTMENT OF TRANSPORT

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Annexures to the Annual Financial Statements
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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2010/11 Appropriation Act
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
South African National Roads Agency Ltd.	8,651,596		5,750,000	14,401,596	14,401,596	100%
Railway Safety Regulator	37,475			37,475	37,475	100%
South African Civil Aviation Authority	15,216		1,000	16,216	16,216	100%
South African Maritime Safety Authority	13,464			13,464	13,464	100%
Transport Education and Training Authority	197			197	197	100%
Road Traffic Management Corporation	77,949			77,949	77,949	100%
Ports Regulator	14,361			14,361	14,361	100%
Road Traffic Infringements Agency	5,000		12,000	17,000	17,000	100%
	8,815,258	-	5,763,000	14,578,258	14,578,258	
						6,985,930

ANNEXURE 1C

STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION			TRANSFER		2010/11 Appropriation Act	
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000		Amount not transferred R'000
University of Stellenbosch	3,064			3,064	3,097	(33)	-1%
University of Pretoria	3,310			3,310	3,277	33	1%
University of Kwa-Zulu Natal	2,815			2,815	2,815	-	0%
	9,189	-	-	9,189	9,189	-	
							8,669

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Annexures to the Annual Financial Statements
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ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION			TRANSFER			2010/11		
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred R'000	Capital R'000	Current R'000	Appropriation Act R'000
Public Corporations									
Transfers									
Passenger Rail Agency of South Africa	9,474,098			9,474,098	9,474,098	100%	6,134,768	3,339,330	8,765,206
TOTAL	9,474,098			9,474,098	9,474,098	100%	6,134,768	3,339,330	8,765,206

ANNEXURE 1E
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE		2010/11
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Transfers						
COSPAS / SARSAT	372			372	317	85%
International Civil Aviation Organisation	3,169		3,100	6,269	4,841	77%
Indian Ocean Memorandum of Understanding	249			249	200	80%
International Maritime Organisation	1,128			1,128	334	30%
African Civil Aviation Commission	827			827	2,362	286%
TOTAL	5,745	-	3,100	8,845	8,054	

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION			EXPENDITURE		2010/11 Appropriation Act
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Transfers						
National Sea Rescue Institute	1,105			1,105	1,105	100%
SANTACO	15,676		5,500	21,176	21,176	100%
HAMNET	66			66	50	76%
Off Road Rescue Unit	65			65	50	77%
The Mountain Club of South Africa	66			66	50	76%
TOTAL	16,978	-	5,500	22,478	22,431	16,017

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION			EXPENDITURE		2010/11 Appropriation Act
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Transfers						
Taxi recapitalisation	471,468	(12,000)	(11,354)	448,114	448,113	100%
Leave gratuity	137		622	759	748	99%
Injury on duty	-		2	2	2	100%
TOTAL	471,605	(12,000)	(10,730)	448,875	448,863	497,740

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
		R'000	R'000
Received in kind			
Toyota Hino South Africa	Sponsor Road Transport Management Systems workshops		143
Transport Education and Training Authority	Sponsored a Workplace Experience project		142
Pro-Active College	Sponsored a motivational session for secretaries		2
Training and Instructional Design Academy of South Africa (TIDASASA)	Sponsored a seminar for secretaries		27
Siyangoba Seminars	Promotional material for Human Resource Development week		17
International Maritime Organisation	Sponsor a Maritime workshop on safety, security and environmental protection		16
Port of Antwerp in Belgium	Sponsor maritime training for officials		178
Smit Amandla Marine	Sponsorship of the World Maritime Day		40
Safmarine	Sponsorship of the World Maritime Day		18
Grindrod / Unicorn Group	Sponsorship of the World Maritime Day		25
Transnet National Ports Authority	Sponsorship of the World Maritime Day		25
Transnet Port Terminals	Sponsorship of the World Maritime Day		4
University of Pardubice in Prague	Subsidy to students in transport		326
Air Traffic and Navigation Services Company Ltd.	Sponsorship of the Anti-Corruption Day		112
UNDP South Africa	Sponsorship of a skills development programme	280	330
TOTAL		280	1,405

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ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2011/12	2010/11
	R'000	R'000
Paid in cash		
Sponsor a dinner during the World Assembly of the International Council of Aircraft Owners and Pilot's Associations	100	
Sponsor a Summit for Rural Women, Widows and Domestic Workers	100	
Gifts for guests to the South African office at the International Maritime Organisation	8	
Sponsor a sports tournament amongst departments	1	
Sponsor Human Settlements Sports Tournament		1
Sponsor Sithengile Secondary School's Art and Culture initiative as part of maritime awareness		10
Donation to African Charity in Canada by the ICAO office		2
Sponsor International Transport of Dangerous Goods and Environment Conference		30
TOTAL	209	43

Annexures to the Annual Financial Statements
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ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

NAME OF PUBLIC ENTITY	State entity's PFMA Schedule Type (state year end if not 31 March)	% Held 11/12	% Held 10/11	Number of shares held		Cost of investment R'000		Net Asset Value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed Yes/No
				2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	
National/Provincial Public Entity												
Passenger Rail Agency of South Africa Ltd.	3B	100%	100%	4,248,258,440	4,248,258,440	4,248,259	4,248,259	1,863,193	632,633	(652,829)	(199,999)	No
Airports Company Ltd.	2	74.60%	74.60%	372,994,884	372,994,884	559,492	559,492	9,718,534	9,628,118	78,403	(188,864)	No
Air Traffic and Navigation Services Company Ltd.	2	100.00%	100.00%	190,646,000	190,646,000	190,646	190,646	1,189,738	977,246	294,675	182,040	No
S.A. National Roads Agency Ltd.	3A	100%	100%	4,000	4,000	1,091,044	1,091,044	199,298,145	165,790,169	(2,169,806)	22,220,162	No
Road Traffic Management Corporation	3A							(186,902)	(132,870)	(5,679)	(134,781)	No
Urban Transport Fund	3A							-	-	-	-	No
Gross Border Road Transport Agency	3A							78,937	2,062	76,153	(10,852)	No
Road Accident Fund	3A							(43,210,141)	(43,268,630)	800,848	(925,384)	No
Railway Safety Regulator	3A							4,867	1,420	3,499	367	No
South African Maritime Safety Authority	3A							231,088	215,409	16,443	75,857	No
South African Civil Aviation Safety Authority	3A							151,785	88,333	59,318	(6,128)	No
Ports Regulator	3A							6,073	351	3,709	351	No
Road Traffic Infringements Agency	3A							6,373	-	12,046	-	No
TOTAL				4,811,903,324	4,811,903,324	6,089,441	6,089,441	169,151,690	133,934,241	(1,483,220)	21,012,769	

Annexures to the Annual Financial Statements
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ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (continued)

NAME OF PUBLIC ENTITY	Nature of business	Cost of investment R'000		Net Asset Value of investment R'000		Amounts owing to Entities R'000		Amounts owing by Entities R'000	
		2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
Controlled entities									
Passenger Rail Agency of South Africa Ltd.	Public transport	4,248,259	4,248,259	1,863,193	632,633				
Airports Company Ltd.	Airports	559,492	559,492	9,718,534	9,628,118				
Air Traffic and Navigation Services Company Ltd.	Air traffic control	190,646	190,646	1,189,738	977,246				
S.A. National Roads Agency Ltd.	Roads	1,091,044	1,091,044	199,298,145	165,790,169				
Road Traffic Management Corporation	Road traffic			(186,902)	(132,870)			234,102	230,587
Urban Transport Fund	Urban transport			-	-				
Cross Border Road Transport Agency	Cross border			78,937	2,062				
Road Accident Fund	Road accidents			(43,210,141)	(43,268,630)				
Railway Safety Regulator	Rail safety			4,867	1,420				
South African Maritime Safety Authority	Maritime safety regulation			231,088	215,409			14	
Driving License Card Account	Driving license cards				53,283			52,310	59,939
Ports Regulator	Ports regulation			6,073	351			25	22
South African Civil Aviation Safety Authority	Civil Aviation safety regulation			151,785	88,333			1,595	
Road Traffic Infringements Agency	Road traffic infringements			6,373	-				
TOTAL		6,089,441	6,089,441	169,151,690	133,987,524	-	-	288,046	290,548

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Annexures to the Annual Financial Statements
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ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2011	Guarantees draw downs during the year	Guaranteed repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2012	Guaranteed interest for year ended 31 March 2012	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
Stannic		3,886	-	-	-	-	-	-	-
	Subtotal	3,886	-	-	-	-	-	-	-
	Housing								
ABSA		183	90				90		
First National Bank		35	45		45		-		
African Bank		21	-				-		
NBS		42	-				-		
Nedcor (Nedbank)		186	-				-		
Saambou Bank		21	-				-		
Standard Bank		43	-				-		
VBS Mutual Bank		81	47				47		
	Subtotal	612	182	-	45	-	137	-	-
	Other								
S.A. National Roads Agency Ltd.	Capital Market loans	31,910,000	10,569,000	865,000			11,434,000		
S.A. National Roads Agency Ltd.	N1 Loan	1,036,523	932,748		46,130		886,618		
S.A. National Roads Agency Ltd.	SZ Bonds & Money Market Loans	6,000,000	5,781,000	334,000	156,000		5,959,000		
S.A. National Roads Agency Ltd.	EIB Loan	1,146,702	1,146,702				1,146,702		
Passenger Rail Agency of South Africa Ltd.	Obligations of Autopax (Pty) Ltd. for inter-city buses	1,216,776	468,390		204,047		264,343		
	Subtotal	41,310,001	18,897,840	1,199,000	406,177	-	19,690,663	-	-
	TOTAL	41,314,499	18,898,022	1,199,000	406,222	-	19,690,800	-	-

DEPARTMENT OF TRANSPORT

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Annexures to the Annual Financial Statements
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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of liability	Opening balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					18,913
Injuries sustained during a paragliding accident	16,934	1,979			-
Claim for an aviation accident	13,351		13,351		534
Motor vehicle damages	390	207	63		225
Injuries sustained during motor vehicle accidents	225				1,500
Loss of income	1,517		17		2,736
Termination of an agreement	2,415	321			10,000
Infringement of constitutional rights: Drivers license	10,000				29,772
Demand Guarantee	29,772				-
Travel expenses	7,153		7,153		204
Not renewing a professional drivers license		204			1,131
Loss of support due to a vehicle accident		1,131			86
Lease not paid by Gauteng Province		86			35
Fire damage due to cut grass not removed from N1		35			1,535
Claim for a communications event		1,535			
TOTAL	81,757	5,498	20,584	-	66,671

DEPARTMENT OF TRANSPORT

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Annexures to the Annual Financial Statements
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ANNEXURE 4
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Social Development				38	-	38
Department of Justice				155	-	155
Department of Public Works			12		12	-
Department of International Relations and Cooperation			4	3	4	3
Department of Water Affairs					-	-
Department of Health			56	5	56	5
Premier's Office Kwa-Zulu Natal					-	-
Gauteng Department of Transport			9	58	9	58
S.A. National Defence Force			2	3	2	3
Nelson Mandela Metro		20,000			-	20,000
Department of Rural Development and Land Reform					-	-
Department of Cooperative Governance & Traditional Affairs			28		28	-
Eastern Cape Office of the Premier			11		11	-
Department Environmental Affairs					-	-
Office of the President			71		71	-
SASSA			6		6	-
Other Government Entities			199	262	199	20,262
Road Traffic Management Corporation			234,102	230,587	234,102	230,587
Driving License Card Account		59,939	52,310		52,310	59,939
Ports Regulator			25	22	25	22
S.A. Civil Aviation Authority			1,595		1,595	-
S.A. Maritime Safety Authority			14		14	-
			288,046	230,609	288,046	290,548
TOTAL	-	79,939	288,245	230,871	288,245	310,810

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Annexures to the Annual Financial Statements
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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Foreign Affairs		323			-	323
Department of Justice and Constitutional Development	811	7			811	7
Department of Public Works	81				81	
The Presidency	22				22	
Total	914	330	-	-	914	330
OTHER GOVERNMENT ENTITY						
Current						
Government Printing Works	119				119	
Subtotal	119	-	-	-	119	-
Non-current						
Property Management Trading Entity		3,759			-	3,759
Subtotal	-	3,759	-	-	-	3,759
TOTAL	119	3,759	-	-	119	3,759

ANNEXURE 6
INVENTORY

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2010/11	
Quantity	R'000
622	33
(3,600)	(110)
38,358	12,320
(34,857)	(12,212)
523	31

2011/12	
Quantity	R'000
523	31
	(3)
38,957	8,775
(38,959)	(8,763)
521	40

Note

Inventory
Opening balance
Add/(Less): Adjustments to prior year balances
Add: Additions/Purchases - Cash
Add: Additions - Non-cash
(Less): Disposals
(Less): Issues
Add/(Less): Adjustments
Closing balance

Inventory comprised of stationery that was valued at cost on the first in first out basis

DEPARTMENT OF TRANSPORT

VOTE 37

Human Resources Oversight Report for the year ended 31 March 2012

3 – Employment and Vacancies

3.1 – Employment and vacancies by programme, 31 March 2012

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1 (Transport Ministry, Office of the Deputy Minister, Office of the DG, Branches: Office of the Chief Operations Officer, Financial Services & Transport Information Systems)	372	252	32.26%	128
Programme 2 (Integrated Transport Planning)	65	51	21.54%	32
Programme 3 (Rail Transport)	36	21	41.67%	10
Programme 4 (Road Transport)	112	68	39.28%	46
Programme 5 (Civil Aviation)	70	49	30%	39
Programme 6 (Maritime Transport)	36	19	47.22%	10
Programme 7 (Public Transport)	74	52	29.73%	26
Total	765	512	33.07%	291

3.2 – Employment and vacancies by salary bands, 31 March 2012

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	0	0	0%	0
Skilled (Levels 3-5)	64	50	21.87%	13
Highly skilled production (Levels 6-8)	240	160	33.33%	59
Highly skilled supervision (Levels 9-12)	315	201	36.19%	195
Senior management (Levels 13-16)	146	101	30.82%	24
Total	765	512	33.07%	291

3.3 – Employment and vacancies by critical occupation, 31 March 2012

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

**The Department is currently in the process of aligning posts with the Sector Scares Skills List

DEPARTMENT OF TRANSPORT

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Human Resources Oversight Report for the year ended 31 March 2012

4 Job Evaluation

4.1 Job Evaluation, 1 April 2011 to 31 March 2012

Salary Band	Number of Posts as on 31 March 2012	Number of Jobs Evaluated	% Posts evaluated by salary bands	Post Upgraded		Posts downgraded	
				Number	% Of posts evaluated	Number	% Of posts evaluated
Salary levels 1-2	0	0	0%	0	0%	0	0%
Salary levels 3-5	64	0	0%	0	0%	0	0%
Salary levels 6-8	240	0	0%	0	0%	0	0%
Salary levels 9-12	315	0	0%	0	0%	0	0%
Senior Management Service (Level 13)	99	0	0%	0	0%	0	0%
Senior Management Service (Level 14)	*36	36	100%	0	0%	0	0%
Senior Management Service (Level 15)	*10	10	100%	0	0%	0	0%
Senior Management Service (Level 16)	1	0	0%	0	0%	0	0%
Total	765	46	6.01%	0	0%	0	0%

* The above posts were evaluated and confirmed for the new DoT structure. The structure was approved by the Minister of Transport on 7 September 2011. The above posts will still be ratified by the JE Panel.

4.2 – Profile of employees absorbed in an upgraded post, 1 April 2011 to 31 March 2012

Total number of employees absorbed in an upgraded post					
Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

4.3 Remuneration levels that exceeded the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR V, C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Assistant Director	1	9	11	Motivated
Deputy Director	3	11	13	Motivated
Director	2	13	14	Motivated
Deputy Director-General	1	15	16	Motivated
Deputy Director-General	1	15	16	Motivated
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2011/12				8
Percentage of total employment				1.56%

4.4 Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	1	2
Male	4	1	0	1	6
Total	5	1	0	2	8
Employees with a disability	0	0	0	0	0

EMPLOYMENT CHANGES:

5.1 Annual turnover rates by salary band for the period 1 April 2011 to 31 March 2012

Salary Band	Number of employees per band as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0%
Skilled (Levels 3-5)	54	1	6	11.11%
Highly skilled production (Levels 6-8)	155	4	12	7.74%
Highly skilled supervision (Levels 9-12)	211	3	14	6.63%
Senior Management Service Band A (Level 13)	73	3	1	1.37%
Senior Management Service Band B (Level 14)	19	3	1	5.26%
Senior Management Service Band C (Level 15)	7	3	0	0%
Senior Management Service Band D (Level 16)	1	0	0	0%
Total	520	17	34	6.54%

5.2 Annual turnover rates by critical occupation for the period 1 April 2011 to 31 March 2012

Occupation	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total	Not applicable	Not applicable	Not applicable	Not applicable

**The Department is currently in the process of aligning posts with the Sector Scares Skills List

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5.3 Reasons why staff are leaving the department

Termination Type	Number	% Of total Employment
Death	1	0.19%
Resignation	9	1.76%
Expiry of contract	3	0.59%
Dismissal – operational changes (VSP)	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	2	0.39%
Transfers to other Public Service Departments	19	3.71%
Other (Privatisation)	0	0%
Total	34	6.64%
Total number of employees who left as a % of the total employment		6.64%

5.4 Promotions by critical occupation

Occupation:	Employees as at 1 April 2011	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

**The Department is currently in the process of aligning posts with the Sector Scares Skills List

5.5 Promotions by salary band

Salary Band	Employees 1 April 2011	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	0	0	0%	0	0%
Skilled (Levels 3-5)	54	0	0%	48	88.89%
Highly skilled production (Levels 6-8)	155	3	1.93%	123	79.35%
Highly skilled supervision (Levels 9-12)	211	0	0%	178	84.36%
Senior management (Levels 13-16)	100	1	1%	0	0%
Total	520	4	0.77%	349	67.12%

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6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2012

Occupational categories South African Student Congress (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior officials and Managers (Levels 13-16)	47	2	7	8	29	0	4	4	101
Professionals (Legal Advisor (OSD) (Level 12)	3	0	0	0	0	0	0	0	3
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks (Levels 5-11)	146	7	0	6	197	3	4	21	384
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agricultural and Fishery workers	0	0	0	0	0	0	0	0	0
Craft and Related Trade Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers (Photocopier Operators)	2	0	0	0	1	0	0	0	3
Elementary Occupations (Food Service Assistants, Messengers, Drivers, etc Levels 3-4)	10	0	0	0	11	0	0	0	21
Total	208	9	7	14	238	3	8	25	512
Employees with Disabilities	2	0	0	0	2	0	0	5	9

6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15 –16)	6	0	1	1	0	0	1	1	10
Senior Management (Level 13-14)	41	2	6	7	29	0	3	3	91
Professionally qualified and experienced specialists and mid-management (Level 11-12)	54	1	0	3	35	2	3	5	103
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Level 6-10)	75	6	0	3	157	1	1	15	258
Semi-skilled and discretionary decision making (Level 3-5)	32	0	0	0	17	0	0	1	50
Unskilled and defined decision making (Level 1-2)	0	0	0	0	0	0	0	0	0
Total	208	9	7	14	238	3	8	25	512

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6.3 Recruitment for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15 –16)	2	0	0	1	0	0	0	0	3
Senior Management (Level 13-14)	4	0	0	0	2	0	0	0	6
Professionally qualified and experienced specialists and mid-management (Level 11-12)	2	0	0	0	0	0	1	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Level 6-10)	1	0	0	0	3	0	0	0	4
Semi-skilled and discretionary decision making (Level 3-5)	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making (Level 1-2)	0	0	0	0	0	0	0	0	0
Total	9	0	0	1	6	0	1	0	17
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.4 Promotions for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15 –16)	0	0	0	0	0	0	0	0	0
Senior Management (Level 13-14)	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management (Level 11-12)	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Level 6-10)	2	0	0	0	1	0	0	0	3
Semi-skilled and discretionary decision making (Level 3-5)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Level 1-2)	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	1	0	0	0	4
Employees with disabilities	0	0	0	0	0	0	0	0	0

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6.5 Terminations for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Level 15 –16)	0	0	0	0	0	0	0	0	0
Senior Management (Level 13-14)	0	0	0	0	1	0	1	0	2
Professionally qualified and experienced specialists and mid-management (Level 11-12)	0	0	0	0	6	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Level 6-10)	9	0	0	0	11	0	0	0	20
Semi-skilled and discretionary decision making (Level 3-5)	4	0	0	0	1	1	0	0	6
Unskilled and defined decision making (Level 1-2)	0	0	0	0	0	0	0	0	0
Total	13	0	0	0	19	1	1	0	34
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.6 Disciplinary action for the period 1 April 2011 to 31 March 2012

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	0	2	0	3	0	0	0	8

6.7 Skills development for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	25	0	3	2	18	0	2	0	50
Professionals	1	0	0	0	4	0	0	0	5
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	104	1	0	0	106	0	1	5	217
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Elementary occupations	32	0	0	0	12	0	0	0	44
Total	163	1	3	2	140	0	3	5	317
Employees with disabilities	0	0	0	0	1	0	0	0	1

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7 Performance Reward

7.1 Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012
Excluding SMS Members

	Beneficiary Profile			Cost	
	Number of beneficiaries as on 01 April 2010	Total employment as on 01 April 2010	% Of total Employment	Cost (R'000)	Average Cost per Beneficiary
African Female	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
African Male	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Asian Female	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Asian Male	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Coloured Female	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Coloured Male	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Total Blacks Female	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Total Blacks Male	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
White Female	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
White Male	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Employees with a disability	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Total					

7.2 Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries as on 1 April 2011 (Levels 1-12)	Total Employment as on 1 April 2011 (Levels 1-12)	% of total Employment	Total Cost (R'000)	Average cost per employee
Skilled (Levels 3-5)	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Highly skilled production (Levels 6-8)	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Highly skilled supervision (Levels 9-12)	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Total	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process

7.3 – Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical Occupations	Beneficiary Profile				Cost
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

**The Department is currently in the process of aligning posts with the Sector Scares Skills List

7.4 – Performance related rewards (cash bonus), by salary band, for SMS Members

SMS Band	Number of beneficiaries	Total Employment	% of total Employment	Total Cost (R'000)	Average cost per beneficiary
Band A	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Band B	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Band C	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Band D	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process
Total	Moderation in process	Moderation in process	Moderation in process	Moderation in process	Moderation in process

See addendum attached as Annexure A

8 – Foreign Workers

8.1 – Foreign Workers, 1 April 2011 to 31 March 2012, by salary band

Salary Band	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% of total
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	0	0%	0	0%	0	0%
Highly skilled production (Levels 6-8)	1	33.33%	1	33.33%	0	0%
Highly skilled supervision (Levels 9-12)	1	33.33%	1	33.33%	0	0%
Senior management (Levels 13-16)	1	33.34%	1	33.33%	0	0%
Total	3	100%	3	100%	0	0%

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8.2 Foreign Worker, 1 April 2011 to 31 March 2012, by major occupation

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% Change
Office Administrative Workers	2	66.67%	2	66.67%	0	0%
Professionals & Managers	1	33.33%	1	33.33%	0	0%
Total	3	100%	3	100%	0	0%

9 Leave utilisation for the period 1 January 2011 to 31 December 2011

9.1 Sick leave, 1 January 2011 to 31 December 2011

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)	Total number of Employees using sick leave	Total Number of days with medical certification
Skilled (L 3-5)	382	83.50%	53	14.21%	7	126	373	319
Highly skilled production (L 6-8)	818	76.90%	120	32.20%	7	462	373	629
Highly skilled supervision (L10-12)	1029	78.50%	141	37.80%	7	1,468	373	808
Senior management (L 13-16)	314	80.90%	52	13.90%	6	905	373	254
Contract (L 9-12)	37	75.70%	5	1.30%	7	56	373	28
Contract (L 13-16)	12	100%	2	0.50%	6	39	373	12
Total	2592	79.10%	373	100%	7	3056	373	2050

9.2 – Disability leave (temporary and permanent), 1 January 2011 to 31 December 2011

Salary Band	Total days	% days with medical certification	Number of Employees using Disability leave	% of total employees using Disability leave	Average days per employee	Estimated Cost (R'000)	Total number of Employees using Disability leave	Total Number of days with medical certification
Skilled (L 3-5)	50	150%	2	15.39%	25	23	75	13
Highly skilled production (L 6-8)	84	73.80%	5	38.46%	17	35	62	13
Highly skilled supervision (L10-12)	161	100%	4	30.46%	40	211	161	13
Senior management (L 13-16)	137	100%	1	7.69%	137	365	137	13
Contract (L 13-16)	6	100%	1	7.69%	6	16	6	13
Total	438	100%	13	100%	34	650	441	13

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9.3 Annual Leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days taken	Average per employee	Number of Employees who took leave
Skilled Levels 3-5)	1194	21	58
Highly skilled production (Levels 6-8)	3183	21	155
Highly skilled supervision (Levels 10+12)	4332	21	208
Senior management (Levels 13-16)	2012	19	106
Contract (Levels 3-5)	5	5	1
Contract (Levels 9-12)	210	21	10
Contract (Levels 13-16)	208	16	13
Total	11 144	20	551

9.4 Capped leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2011	Number of Employees who took Capped Leave	Total number of capped leave available at 31 December 2011	Number of Employees with capped leave as at 31 December 2011
Skilled (Levels 3-5)	5	3	36	2	653	18
Highly skilled production (Levels 6-8)	14	7	35	2	1522	44
Highly skilled supervision (Levels 10+12)	3	1	48	3	2724	57
Senior management (Levels 13-16)	36	7	54	5	2506	46
Total	58	5	45	12	7405	165

9.5 Leave payouts for the period 1 April 2011 to 31 March 2012

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	553	13	42538
Capped leave payouts on termination of service for 2011/12	0	0	0
Current leave payout on termination of service for 2011/12	749	22	34045
Total	1302	35	37200

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10. HIV/AIDS & Health Promotion Programmes

10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	None

10.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr Moses Maswanganye Director: Organizational Development and Employee Health and Wellness
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		There is a Sub-directorate (Employee Health and Wellness) which is designated for health and wellbeing of employees. There are two employees dedicated to this task <ul style="list-style-type: none"> • Deputy Director: Employee Health and Wellness; and • Admin Assistant: Employee Health and Wellness
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<ul style="list-style-type: none"> • Providing an effective framework for health promotion and preventative mechanism amongst employees; • Provide a confidential and professional counseling service to all employees and members of their immediate families • Promote improvements in the workplace that increase the opportunity for enhanced performance and service delivery • Enhance the general wellbeing of employees through the implementation of a range of health and wellness interventions such as, Health Risk Assessments, Disease Management, Stress Management, Financial Management, family care matters such as Bereavement support etc • HIV and AIDS Programme, as part of prevention both male and female condoms are distributed and proper use is promoted. • Prevent unnecessary absenteeism and lowered productivity caused by social, physical and psychological factors; and • Provide orientation with regard to the functioning of the EHW. • Trauma Debriefing Sessions arranged for traumatized employees. • Bereavement support offered to employees and their families.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Transport Sector HIV/AIDS Committee <ul style="list-style-type: none"> • Mr M Maswanganye - Department of Transport • Ms D Bohlolo - Department of Transport • Ms V Mofokeng - Department of Transport • Ms S Ngqase - IOM • Mr N Bopape - National Bargaining Council for the Road Freight Industry • Ms T Mogashoa - TETA • Mr L Mojanaga - ILO • Ms M Van Rooyen - PRASA • Ms J Barret - SATAWU • Ms L Peter - RAF • Ms A Mokoena - UTATU • Ms O Nkosi - Gauteng Provincial Department of Transport

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5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X	<p>The following policies are in the process of being reviewed and awaiting approval:</p> <ul style="list-style-type: none"> • HIV/AIDS Policy • Employee Health and Wellness Policy • Substance and Alcohol Abuse Policy <p>Bereavement and Hospitalization Policy and Sports and Recreation policy already being developed awaiting approval</p>
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X	<ul style="list-style-type: none"> • HIV/AIDS Policy which describes the Department's commitment to addressing the epidemic is reviewed in light of latest developments, to ensure compliance with relevant Laws. • HIV/AIDS Programme is popularized and promoted to staff and they are being taught about their rights through the Peer Education Programme. • Peer Educators are appointed from across the spectrum of employees, they receive ongoing training. • No cases of discrimination on the basis of being HIV positive have been reported.
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have you achieved.	X	<p>During the Candlelight Memorial day 60 employees tested for HIV and screened for TB. During the Transport sector sport tournament 10 tested; 15 during the departmental Sports event in November 2011 and during the Wellness Expo 43 employees undertook HCT; Condom Week and Pregnancy awareness, 10 staff were tested and during the Transport Sector HIV & AIDS and TB Workshop Forum, 13 delegates were tested.</p>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X	<ul style="list-style-type: none"> • Conducting of regular health risk screenings and HCT and reporting on these. • On-going counseling offered and referral to outside health providers as part of the EHW Programme for employees; and • Monitoring of the programme through feedback from beneficiaries. • An internal audit for the HIV and AIDS Programme and Employee Health & Wellness has been conducted.

11 Labour Relations

11.1 Collective agreements, 1 April 2011 to 31 March 2012

Subject Matter	Date
Guidelines for matching and placing from old structure to new structure	17 December 2011
Commitment by the employer regarding the consultation process concerning the new organisational structure for the department of transport.	July 2011

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11.2 Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number of Misconducts and Disciplinary Hearings	% of total Disciplinary Hearings
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	50%
Not guilty	1	50%
Case withdrawn	0	0
Total	2	100%

11.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number of Misconducts at Disciplinary Hearings	% of Total of misconducts
Insubordination	0	0
Misuse of state property	1	50%
Negligence	1	50%
Total	2	100%

11.4 Grievances lodged for the period 1 April 2011 to 31 March 2012

	Number	% of Total Grievances lodged
Number of grievances resolved	7	58.33%
Number of grievances not resolved	5	41.67%
Total number of grievances lodged	12	100%

11.5 Disputes lodged with Councils for the period 1 April 2011 to 31 March 2012

	Number	% of Total of disputes lodged
Number of disputes upheld	0	0
Number of disputes dismissed	3	100%
Total number of disputes lodged	3	100%

11.6 Strike actions for the period 1 April 2011 to 31 March 2012

Total number of person working days lost	2,5 Days
Total cost (R'000) of working days lost	2448.34
Amount (R'000) recovered as a result of no work no pay	2448.34

11.7 Precautionary suspensions for the period 1 April 2011 to 31 March 2012

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	335
Cost (R'000) of suspensions	1'081'286.85

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12.1 Training provided for the period 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Level 13-16)	Males	36	0	33	3	36
	Females	64	0	60	4	64
Professionals (Legal Advisors)	Males	4	0	3	0	3
	Females	7	0	3	0	3
Technicians and associate professionals	Males	0	0	0	0	0
	Females	0	0	0	0	0
Clerks (Level 4-12)	Males	222	0	184	39	223
	Females	137	0	102	22	124
Service and sales workers	Males	0	0	0	0	0
	Females	0	0	0	0	0
Skilled agriculture and fishery workers	Males	0	0	0	0	0
	Females	0	0	0	0	0
Craft and related trades workers	Males	0	0	0	0	0
	Females	0	0	0	0	0
Plant and machine operators and assemblers	Males	4	0	5	0	5
	Females	15	0	12	0	12
Elementary occupations	Males	13	0	6	3	9
	Females	18	0	10	14	24
Sub Total	Males	279	0	231	45	276
	Females	241	0	187	40	227
Total		520	0	418	85	503

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Human Resources Oversight Report
for the year ended 31 March 2012

12.2 Training provided 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training provided within the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	36	0	20	3	23
	Male	64	0	30	4	34
Professionals	Female	4	0	4	0	4
	Male	7	0	1	0	1
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	222	0	147	39	186
	Male	137	0	141	22	163
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	4	0	0	0	0
	Male	15	0	1	0	1
Elementary occupations	Female	13	0	12	3	15
	Male	18	0	32	14	46
Sub Total	Female	279	0	183	45	228
	Male	241	0	205	40	245
Total		520	0	388	85	473

13 – Injury on duty

13.1 Injury on duty, 1 April 2011 to 31 March 2012

Nature of injury on duty	Total Number	% of total Employment
Required basic medical attention only	2	0.39%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	2	0.39%

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Human Resources Oversight Report for the year ended 31 March 2012

ADDENDUM TO THE ANNUAL REPORT

ANNEXURE A

7.4 Performance related rewards (cash bonus), by salary band, for SMS Members (2007/2008)

SMS Band	Number of beneficiaries	Total Employment	% of total Employment	Total Cost (R'000)	Average cost per beneficiary
Band A (SL 13)	2	92	2.17%	55 670	27 835
Band B (SL 14)	0	35	0%	0	0
Band C (SL 15)	0	10	0%	0	0
Band D (SL 16)	0	1	0%	0	0
Total	2	138	1.45%	55 670	27 835

7.4 Performance related rewards (cash bonus), by salary band, for SMS Members (2008/2009)

SMS Band	Number of beneficiaries	Total Employment	% of total Employment	Total Cost (R'000)	Average cost per beneficiary
Band A (SL 13)	12	90	13.33%	382 049	31 837
Band B (SL 14)	1	35	2.86%	75737	75737
Band C (SL 15)	0	10	0%	0	0
Band D (SL 16)	0	1	0%	0	0
Total	13	136	9.56%	457 786	107 574

7.4 Performance related rewards (cash bonus), by salary band, for SMS Members (2009/2010)

SMS Band	Number of beneficiaries	Total Employment	% of total Employment	Total Cost (R'000)	Average cost per beneficiary
Band A (SL 13)	17	74	22.97%	620 957	36 527
Band B (SL 14)	1	20	5%	47993	47 993
Band C (SL 15)	0	6	0%	0	0
Band D (SL 16)	0	1	0%	0	0
Total	18	101	17.82%	668 950	84 520

7.4 Performance related rewards (cash bonus), by salary band, for SMS Members (2010/2011)

SMS Band	Number of beneficiaries	Total Employment	% of total Employment	Total Cost (R'000)	Average cost per beneficiary
Band A (SL 13)	18	91	19.78%	1 474 316	81 906
Band B (SL 14)	4	35	11.43%	658 115	164 529
Band C (SL 15)	1	10	10%	96 477	96 477
Band D (SL 16)	0	1	0%	0	0
Total	23	137	16.79%	2 228 908	342 912

GLOSSARY

For Information purposes only

Strategic Infrastructure Projects (SIPs)

The Department is one of the key participants in the Strategic Infrastructure Projects (SIPs) driven by the Presidential Infrastructure Coordinating Commission. (PICC) A number of critical infrastructure investments will be led by the Department of Transport.

These include the development of the Durban-Free State-Gauteng logistics corridor (SIP 2), and unlocking economic opportunities in the North West province (SIP 4). Given the economic spin offs of these and other infrastructure investments, we will keep stakeholders informed of the progress made.

SIP No.	Name	Short Description
1.	Unlocking the Northern Mineral belt with Waterberg as the Catalyst	Unlocking SA's northern mineral belt in one of the poorest Province (Limpopo) through the key infrastructure provision in the Waterberg and Steelpoort districts, initiating new energy and industrial development, shifting coal from road to rail in Mpumalanga and increasing rail capacity to Richards Bay whilst supporting regional integration
2.	Durban-Free State-Gauteng Logistics and Industrial Corridor	Improve logistics and economic integration between the main economic centres and raise the efficiency of the export operations
3.	South Eastern node and corridor development	Improve industrial and agricultural development, and export capability of the Eastern Cape region, and improve economic and logistics linkages with the Northern Cape and KZN
4.	Unlocking the economic opportunities in North West Province	Facilitate further economic growth in the North West Province through the acceleration of the roll out of water, road, rail and electricity infrastructure
5.	Saldanha-Northern Cape Development Corridor	To integrate development and integration between the Northern Cape and Saldanha and expand iron-ore mining, industrial beneficiation and export activities
6.	Integrated Municipal Infrastructure Projects	To raise the quality of life in the least resourced municipalities through integrated action by National Departments in critical service delivery
7.	Integrated Urban Space and Public Transport System	Strategic use of infrastructure to support urban development, overcome spatial apartheid, build integrated and sustainable communities (economic, residential and social), reduce commuting costs and time and promote green urban development
8.	Green energy in support of the South African economy	Establish green energy alternatives for domestic and industrial use
9.	Electricity generation to support socio-economic development	Electricity generation to ensure that South Africa has adequate electricity generation capacity to meet economic and social requirements

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SIP No.	Name	Short Description
10.	Electricity transmission and distribution for all	To increase the transmission network by 50% to transmit and distribute electricity to all South Africans and support economic development and in the process create up to 300 000 construction jobs
11.	Agri-logistics and rural infrastructure	Infrastructure for sustainable rural and agricultural development
12.	Revitalisation of Public Hospitals and other health facilities	The building and refurbishment of hospitals and other public health facilities to ensure access to quality health care and prepare for the NHI
13.	National school building programme	Fast-track the school building programme through a national delivery system
14.	Higher education infrastructure	Infrastructure development to support quality higher education utilizing construction and upgrading to build two new universities, expand university towns and precincts, build and refurbish FET Colleges and expand student accommodation
15.	Expanding access to communication technology	100% access to digital ICT's to all south Africans by 2020 as a driver of new economic opportunities and digital equity
16.	Square Kilometre Array (SKA) and Meer Kat	Building the world's largest advanced radio telescope and leveraging benefits for the region
17.	African Regional Integration	Strengthening regional socio-economic development through infrastructure development

A	AARTO	Administrative Adjudication of Road Traffic Offences Act
	ABS	Anti-lock Braking System
	ACSA	Airports Company of South Africa
	AFCAC	African Civil Aviation Commission
	AG	Auditor-General
	AGMs	Annual General Meetings
	AO	Accounting Officer
	APPs	Annual Performance Plans
	ATM	Air Traffic Management
	ATNS	Air Traffic and Navigation Services
	AU	African Union
	AVSEC	Aviation Security
B	BAS	Basic Accounting System
	B-BBEE	Broad-Based Black Economic Empowerment
	BEE	Black Economic Empowerment
	BRT	Bus Rapid Transit Systems
C	CARCOM	Civil Aviation Regulation Committee
	C-BRTA	Cross-Border Road Transport Agency
	CEOs	Chief Executive Officers
	CFO	Chief Financial Officer
	CI	Corporate Identity
	CIO	Chief Information Officer
	CLC	Civil Liability Convention
	COLTO	Committee of Land Transport Officials
	COO	Chief Operations Officer
	COP17	17th Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC)
	COTO	Committee of Transport Officials
	CSIR	Council for Scientific and Industrial Research
	CSSS	Comprehensive Social Security System
D	DBSA	Development Bank of Southern Africa
	DEA	Department of Environmental Affairs
	DEAT	Department of Environmental Affairs and Tourism
	DG	Director-General
	DLCA	Drivers Licence Card Account
	DLCPF	Card Production Facility
	DLTC	Driving Licence Testing Centre
	DM's	District Municipalities
	DORA	Division of Revenue Act
	DoT	Department of Transport

E	DPME	Department of Monitoring and Evaluation	
	EC	Eastern Cape	
	e-NATIS	Electronic National Administration Traffic Information System	
	EPM	Enterprise Portfolio Management	
	EPMS	Electronic Performance Management System	
	EPWP	Expanded Public Works Programme	
	ESB	Enterprise Service Bus	
F	EXCO	Executive Committee	
	FIFA	Federation Internationale de Football Association	
G	FS	Free State	
	GFIP	Gauteng Freeway Improvement Project	
	GHG	Green House Gases	
H	GP	Gauteng Province	
	HODs	Head of Departments	
	HR	Human Resources	
	HRD	Human Resources Development	
I	IAAIB	Independent Aircraft Accident and Incident Investigation Body	
	ICAD	International Civil Aviation Day	
	ICAO	International Civil Aviation Organization	
	ICT	Information and Communication Technology	
	IDP	Integrated Development Plan	
	IFMS	Integrated Financial Management System	
	ILO	International Labour Organisation	
	IMO	International Maritime Organisation	
	IOPC	International Oil Pollution Compensation	
	IPAP II	Industrial Policy Action	
	IPTNs	Integrated Public Transport Networks	
	IR	International Relations	
	IRPTNs	Integrated Rapid Public Transport Networks	
	ISPS	International Ship and Port Security	
	IT HUB	Information Technology HUB	
	IT	Information Technology	
	ITP	Integrated Transport Planning	
	K	KSD IRTP	King Sabatha Dalindyebo Integrated Rural Transport Plan
		KZN	Kwazulu-Natal
L	LCU	Live Capture Units	
	LP	Limpopo	
	LRIT	Long Range Identification and Tracking	
M	M&E	Monitoring and Evaluation	
	MARPOL	International Convention for the Prevention of Pollution from Ships	

	MBMs	Market Based Measures
	MEC	Members of Executive Council
	MEOSAR	Medium Orbit Search and Rescue
	MEPC	Marine Environment Protection Committee
	MINMEC	Ministers and Members of Executive Council
	MoU	Memorandum of Understanding
	MP	Member of Parliament
	MRCC	Maritime Rescue Coordination Centre
	MSAC	Marine Safety Advisory Council
	MTEF	Medium Term Expenditure Framework
N	NADP	National Airports Development Plan
	NAMAs	Nationally Appropriate Mitigation Actions
	NASP	National Security Programme
	NATFC	National Air Transport Facilitation Committee
	NATMAP	National Master Plan
	NDoT	National Department of Transport
	NC	Northern Cape
	NEPAD	New Partnership for African Development
	NHTS	National Household Travel Survey
	NLTA	National Land Transport Act
	NLTIS	National Land Transport Information System
	NLTIS	National Land Transport System
	NMT	Non-Motorised Transport
	NPTR	National Public Transport Regulatory Entity
	NREP	National Rolling Enforcement Plan
	NTIP	National Traffic Intervention Police Unit
	NTVs	New Taxi Vehicles
O	ODG	Office of the Director-General
	OL	Operating Licence
P	PCCs	Ports Coordinating Committee
	PFMA	Public Finance Management Act No 01 of 1999
	PFU	Project Finance Unit
	PIDA	Programme for Infrastructure Development
	PLTF	Provincial Land Transport Framework
	PMU	Project Management Unit
	POA	Programme of Action
	PPP	Public Private Partnership
	PRASA	Passenger Rail Agency of South Africa
	PRE	Provincial Regulatory Entity
	PRMG	Provincial Road Maintenance Grant

	PRSA	Ports Regulator of South Africa
	PTIS	Public Transport Infrastructure and Systems
	PTOG	Public Transport Operations Grant
	PTS	Public Transport Strategy
R	RABS	Road Accident Benefit Scheme
	RAF	Road Accident Fund
	RER	Rail Economic Regulator
	RFP	Request for Proposals
	RIFSA	Road Infrastructure Strategic Framework for South Africa
	RISFSA	Road Infrastructure Strategic Framework for South Africa
	RMC	Risk Management Committee
	ROI	Return on Investment
	RSR	Railway Safety Regulator
	RTIA	Road Traffic Infringement Agency
	RTMC	Road Traffic Management Corporation
	RTSSA	Rural Transport Strategy for South Africa
S	SABOA	Southern African Bus Operators Association
	SA	South Africa
	SABS	South African Bureau of Standards
	SACAA	South African Civil Aviation Authority
	SACU	South African Customs Union
	SADC	Southern African Development Community
	SAMSA	South African Maritime Safety Authority
	SANRAL	South African National Roads Agency Limited
	SANTACO	South African National Taxi Council
	SAR	Search and Rescue
	SARPs	Standards and Recommended Practices
	SATS	South African Transport Services
	SBO	Small Bus Operators
	SITA	State Information Technology Agency
	SLA	Service Level Agreement
	SOEs	State Owned Entities
	STWC	Standards of Training Certification and Watch Keeping
T	TETA	Transport Education and Training Authority
	TIS	Transport Information Systems
	TKC	Trans Kalahari Corridor
	TRP	Taxi Recapitalisation Programme
U	UN	United Nations
	UNFCC	United Nations Framework Convention on Climate Change
W	WC	Western Cape

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Contact Details

AIRPORTS COMPANY SOUTH AFRICA - ACSA

PUBLIC ENTITY	ACSA – AIRPORTS COMPANY SOUTH AFRICA	
INSTITUTION FRAMEWORK	AIRPORTS COMPANY ACT, 1993 (Act No. 44 of 1993)	
PFMA CLASSIFICATION	Schedule 2	
ACTING MANAGING DIRECTOR	CHAIRPERSON	COMPANY SECRETARY
<p>Mr Bongani Maseko - Acting</p> <p>Tel: (011) 723 1487 Fax: 086 603 6538</p> <p>PA: Rudy Gopal Tel: (011) 723 1487 Fax: 086 603 6538 Email: Rudy.gopal@airports.co.za</p> <p>Nobuzwe Giyose Email: Nobuzwe.Giyose@airports.co.za</p> <p>www.acsa.co.za</p>	<p>Ms Busisiwe Mabuza</p>	<p>Ms Tracy Gwatkin</p> <p>Tel: (011) 723-1400 Fax: (011) 454-4233 Email: Tracy.gwatkin@airports.co.za</p> <p>Physical Address: The Maples Riverwoods, Office Park 24 Johnson Road BEDFORDVIEW 2008</p> <p>Postal Address: P O Box 75480 GARDENVIEW</p>

AIR TRAFFIC & NAVIGATION SERVICES - ATNS

PUBLIC ENTITY	ATNS – AIR TRAFFIC & NAVIGATION SERVICES	
INSTITUTION FRAMEWORK	Air Traffic and Navigation Air Services Company Act, 1993 (Act No 45 of 1993)	
PFMA CLASSIFICATION	Schedule 2	
CHIEF EXECUTIVE OFFICER	CHAIRPERSON	COMPANY SECRETARY
<p>Mr Patrick Dlamini</p> <p>PA: Petunia Zwane petuniaz@atns.co.za</p> <p>Tel: (011) 607 1327</p> <p>www.atns.co.za</p>	<p>Captain Mpho Mamashela</p>	<p>Mr Solomon Mngomezulu</p> <p>Tel: (011) 607 1327/9 Fax: (011) 607 1570 Email: solomonm@atns.co.za</p> <p>PA: Sibongile Mashinini sibongilem@atns.co.za</p> <p>Physical Address: Isando Business Park Gewel Street ISANDO 1620</p> <p>Postal Address: Private Bag X15 KEMPTON PARK 1620</p>

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Contact Details

CROSS BORDER ROAD TRANSPORT AGENCY – CBRTA

PUBLIC ENTITY	CBRTA – CROSS-BORDER ROAD AGENCY	
INSTITUTION FRAMEWORK	Cross Border Road Transport Agency Act, 1998 (Act No. 4 of 1998)	
PFMA CLASSIFICATION	Schedule 3A	
CHIEF OPERATIONS OFFICER	CHAIRPERSON	COMPANY SECRETARY
<p>Mr Sipho Khumalo</p> <p>PA: Ziyanda Tokwe Email: Ziyanda.Tokwe@cbrta.co.za Tel: (012) 348 1357 Fax: (012) 369 8468</p> <p>www.cbrta.co.za</p>	<p>Mr Matete Matete</p>	<p>Ms Nivashnee Naraindath Executive Governance & Strategic Support</p> <p>Tel: (012) 348 1357 Fax: (012) 369 8468 Email: Nivashnee.Naraindath@cbrta.co.za</p> <p>Physical Address: Isando Business Park Gewel Street ISANDO 1620</p> <p>Postal Address: PO Box 560 MENLYN 0063</p>

SOUTH AFRICAN CIVIL AVIATION AUTHORITY – SACAA

PUBLIC ENTITY	SACAA – SOUTH AFRICAN CIVIL AVIATION AUTHORITY	
INSTITUTION FRAMEWORK	South African Civil Aviation Authority Act, 1998 (40 of 1998)≠	
PFMA CLASSIFICATION	Schedule 3A	
DIRECTOR OF CIVIL AVIATION/ CHIEF EXECUTIVE OFFICER	CHAIRPERSON	COMPANY SECRETARY
<p>Mr Zakhele Thwala (Acting)</p> <p>PA: Connie Nkosi Tel: (011) 545 1017 Fax: (011) 545 1181 Email: ConnieC@caa.co.za</p> <p>www.caa.co.za</p>	<p>Ms Phindile Riba</p>	<p>Mr Agente Mohau Motake Email: MotakeA@caa.co.za</p> <p>PA: Ms Dudu Ngwenya Tel: 012 545 1415 Email: NgwenyaD@caa.co.za</p> <p>Physical Address: Ikhaya Lokundiza, Bekker Street Waterfall office park, Treur Close Building 16 MIDRAND</p> <p>Postal Address: Private Bag X 73 HALFWAY HOUSE 1685</p>

SOUTH AFRICA MARITIME SAFETY AUTHORITY – SAMSA

PUBLIC ENTITY	SAMSA – SOUTH AFRICAN MARITIME SAFETY AUTHORITY	
INSTITUTION FRAMEWORK	South African Maritime Safety Authority Act, 1998 (Act No. 5 of 1998)	
PFMA CLASSIFICATION	Schedule 3A	
CHIEF EXECUTIVE OFFICER	CHAIRPERSON	COMPANY SECRETARY
Mr Tsietsi Mokhele PA: Ms Naomi Noge Tel: (012) 366 2628 Fax: (012) 366 2604 Fax: 086 690 0978 Email: nnoge@samsa.org.za www.samsa.org.za	Mr. Comfort Ngidi	Mr Lolo Raphadu Tel: 012 366 2676 Email: companysecretary@samsa.org.za Physical Address: 161 Lynnwood Road Brooklyn PRETORIA Postal Address: P O Box 13186 HATFIELD 2128

SOUTH AFRICAN NATIONAL ROAD AGENCY LIMITED – SANRAL

PUBLIC ENTITY	SANRAL – SOUTH AFRICAN ROAD AGENCY LIMITED	
INSTITUTION FRAMEWORK	South African National Road Agency Limited and National Road Act, 1998 (Act No. 7 of 1998)	
PFMA CLASSIFICATION	Schedule 3A	
CHIEF EXECUTIVE OFFICER	CHAIRPERSON	COMPANY SECRETARY
Mr Nazir Alli PA: Susan Silver Tel: (012) 844 8000 Email: silvas@nra.co.za www.nra.co.za	Ms Tembakazi Mnyaka	Ms Alice Mathew Tel: (012) 844 8035 Email: mathewa@nra.co.za Physical Address: 48 Tambotie Avenue Val de Grace PRETORIA Postal Address: P O Box 415 PRETORIA 0001

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Contact Details

PASSENGER RAIL AGENCY OF SOUTH AFRICA - PRASA

PUBLIC ENTITY	PRASA - PASSENGER RAIL AGENCY OF SOUTH AFRICA	
INSTITUTION FRAMEWORK	Legal Succession to the SA Transport Service Act, 1989 (Act No. 9 of 1989)	
PFMA CLASSIFICATION	Schedule 3B	
CHIEF EXECUTIVE OFFICER	CHAIRPERSON	COMPANY SECRETARY
Mr Lucky Montana PA: Mmanaledi Sepuba Tel: 011 773 1401 Fax: 011 774 6001 Email: msepuba@prasa.com www.prasa.com	Mr Sfiso Buthelezi	Mr Lindikaya Zide Tel: (011) 773 1421/55 Fax: (011) 774 6055 Email: lzide@prasa.com PA: Phindi Dlozi Email: pdlozi@prasa.com Mashadi Sexwale Cell: 083 275 7122 Email: msexwale@prasa.com

ROAD ACCIDENT FUND – RAF

PUBLIC ENTITY	RAF – ROAD ACCIDENT FUND	
INSTITUTION FRAMEWORK	Road Accident Fund Act, 1996 (Act No. 56 of 1996)	
PFMA CLASSIFICATION	Schedule 3A	
CHIEF EXECUTIVE OFFICER	CHAIRPERSON	COMPANY SECRETARY
Dr Eugene Watson Tel: (012) 429-5391 Fax: (012) 429-5649 Fax 2: 012 429 5700 PA: Khosi Ngcobo Tel: +27 12 621 1622 Facsimile: +27 87 809 8229/36 Email: khosin@raf.co.za www.raf.co.za	Dr Ntuthuko Bhengu	Ms June Cornelius Tel: (012) 429-5007 Fax: (012) 429-5199 Email: junec@raf.co.za Physical Address: 420 Witch-hazel Avenue EcoGlades 2 CENTURION 38 Ida Street Menlo Park Postal Address: Private Bag x 178 CENTURION 0063

RAIL SAFETY REGULATOR – RSR

PUBLIC ENTITY	RSR – RAIL SAFETY REGULATOR	
INSTITUTION FRAMEWORK	National Safety Regulator Act, 2002 (Act 16 of 2002)	
PFMA CLASSIFICATION	Schedule 3A	
CHIEF EXECUTIVE OFFICER	CHAIRPERSON	COMPANY SECRETARY
Mr Nkululeko Poya Tel: (011) 417-0016 Fax: (011) 417-0010 PA: Ms Cheryl Walters Email: Cherylw@rsr.org.za www.rsr.org.za	Adv. Brenda Madumise	Mathiba Nyama Tel: (011) 417-0008 Fax: (011) 417-0010 Email: mathiban@rsr.org.za Physical Address: No 2 Enerst Oppenheimer drive Waterview corner BRUMA Postal Address: P O box 655 BRUMA 2026

ROAD TRAFFIC MANAGEMENT CORPORATION- RTMC

PUBLIC ENTITY	RTMC – ROAD TRAFFIC MANAGEMENT COOPERATION	
INSTITUTION FRAMEWORK	Road Traffic Management Cooperation Act, 1999 (Act 20 of 1999)	
PFMA CLASSIFICATION	Schedule 3A	
CHIEF EXECUTIVE OFFICER	CHAIRPERSON	COMPANY SECRETARY
Mr Collins Letsoalo (Acting) PA: Prudence Mokale Tel: 012 999 5202 Fax: 012 999 5331 Email: prudencem@rtmc.co.za www.rtmc.co.za	None	Ms Mampe Khumalo Email: MampeK@rtmc.co.za Physical Address: Boardwalk Office Park Phase 5, Boardwalk Boulevard, Faerie Glen PRETORIA EAST Postal Address: Private Bag X 147 PRETORIA 0001

INDEPENDENT PORTS REGULATOR

PUBLIC ENTITY		Independent Ports Regulator	
INSTITUTION FRAMEWORK		National Ports Act, 2005	
PFMA CLASSIFICATION		Schedule 3A	
CHIEF EXECUTIVE OFFICER		CHAIRPERSON	COMPANY SECRETARY
Mr Riad Khan Tel: 031 365 7800 Fax: 031 365 7858 Email: riadk@portsregulator.org www.portsregulator.org		Ms Gloria Serobe	Name Tel: 031 365 7801 Fax: 0866 046 318 Postal Address: Private BAG x54322 DURBAN 4000 Physical Address: 1101 The Marine 22 Gardiner Street DURBAN 4000

ROAD TRAFFIC INFRINGEMENT AGENCY (RTIA)

PUBLIC ENTITY		Road Traffic Infringement Agency (RTIA)	
INSTITUTION FRAMEWORK		AARTO Act, 1998	
PFMA CLASSIFICATION		Schedule 3A	
REGISTRAR/ CHIEF EXECUTIVE OFFICER		CHAIRPERSON	COMPANY SECRETARY
Mr Japh Chuwe – Acting PA : Beauty Modau Tel: 011 256 1024 Fax: 011 526 1045 Email: beauty@rtia.co.za www.rtia.co.za		Ms Nomini Rapoo	Mr Mncedisi Bilikana Email: Mncedisi.bilikwana@rtia.co.za Physical Address: Waterfall Edge B Howick Close Waterfall Office Park Bekker Road MIDRAND Postal Address: PO Box 147 PRETORIA 0001

