



transport

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Transport
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF TRANSPORT

**ANNUAL PERFORMANCE
PLAN**

**for the
financial year
2020/21**

Republic of South Africa

Revised and Tabled in July 2020

Department of Transport

Annual Performance Plan

2020/21

The Revised Annual Performance Plan 2020/21 for the National Department of Transport is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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Executive Authority Statement

Following the general elections that ushered in the 6th Administration in May 2019, we have this occasion to define our road-map for the next 5 years. After my appointment to this very important portfolio, and supported by a spirited team, I spent the first 100 days tackling pressing challenges that constrain service delivery. These efforts revealed the fault lines in the Transport Agenda and enabled us to re-imagine the role of transport in propelling economic activity while taking strides in advancing social emancipation. The challenges loom large and our resolve to tackle these must be characterised by a new culture of promptness in everything we do. Breathing life into the value of accelerated service delivery requires a paradigm shift and unstinting commitment to service our people.

Through a variety of engagements with sector stakeholders in coordinating this Plan, we ensured that it is aligned to the seven (7) Apex Priorities of the 6th Administration, which are anchored on the National Development Plan (NDP). Our strategy to re-imagine transport and its role in growing the economy and creating jobs is anchored on a dynamic interplay between continuity and change.

We must continue to build momentum towards the realisation of the goals of the White Paper on Transport Policy, while we change tack on how we do things, and give meaning to accelerated service delivery.

In infusing the **Khawuleza** ethos in delivering transport services to the citizenry, our focus will be guided by five strategic priorities:

1. Safety as an enabler of service delivery;
2. Public transport that enables social emancipation and an economy that works;
3. Infrastructure build that stimulates economic growth and job creation;
4. Building a maritime nation, elevating the oceans economy; and
5. Accelerating transformation towards greater economic participation.

1. Safety as an enabler of service delivery

Transport is not only an economic and a social function, but also carries massive security responsibilities. Successive Constitutional Court judgements have affirmed this obligation and have pronounced on the responsibilities of the various organs of state in this regard. Most instructive is the ruling that says that while the mandate for protecting citizens from crime vests with the police, the public transport operator has a concomitant obligation to take reasonable measures to ensure the safety of citizens in its operational environment.

At the heart of our efforts to re-imagine safety in transport, the end-user, being the citizen, must always be at the heart of our interventions. Ours is to ensure that citizens are safe from harm while using public transport. This is true of all modes of transport. These Constitutional Court judgements are instructive as to what the obligations of state-owned public service providers are in respect of safety and security in their environment, as well as the responsibilities of an organ of state that has a complementary role. In a nutshell it can be deduced that the Minister of Transport has ultimate responsibility in ensuring safety and security of passengers when using state-owned public transport services.

In the rail transport space, as a consequence of the 2004 Constitutional Court judgement, the Minister of Police re-established the Railway Police as a unit within the South African Police Services (SAPS). During the early years, the unit was dedicated to policing the totality of the railway environment, with its own Deputy National Commissioner. However, due to resource pressures, SAPS altered the policing model for Railway Police and eliminated the dedicated focus resulting in the incorporation of this unit into the Visible Policing unit. The withdrawal of a stand-alone dedicated focus on the totality of the rail environment has had notable negative effects on the prevalence of crime within the passenger rail environment.

In the aviation space, during the 40th Assembly of the International Civil Aviation Organization (ICAO), South Africa presented a working paper on aviation security, which was well received by the member nations. The paper aptly captures the

essence of the re-imagined transport security in its introduction by emphasising collaboration amongst government security agencies and aviation stakeholders with the key emphasis on the protection of people and property. The re-imagined safety strategy is built on the foundation of a seamlessly integrated value chain that incorporates all the law enforcement and prosecution authorities and takes a holistic view of safety across modes. Insofar as aviation is concerned, our focus will primarily relate to passenger and cargo security and will not interfere with the safety of the skies and aircrafts, as this is regulated by international protocols.

The building blocks of the re-imagined safety strategy must be guided by five objectives.

- Roll out 365-Days Action Agenda which seeks to create a vertical alignment of traffic policing activity through syndicated themes and activities. This is the platform through which the 24-hour, 7-days a week visibility will be piloted and gradually phased in over time.
- In-source security in rail and aviation. The annual investment of R700 million on the part of PRASA and R437 million on the part of ACSA should be directed towards creating permanent jobs and sustainable livelihoods for those entrusted with securing the railways and our airports.
- Roll out a security model in aviation that is vertically and horizontally integrated with other law enforcement authorities, first focusing on passenger security then broadened to include cargo and infrastructure.
- Vertically integrate traffic policing to create a single chain of command and proclaim traffic policing as a 7-day, 24-hour job.
- Create a new institutional arrangement that seamlessly integrates transport security and safety in a single entity. Models may include merger of existing entities, which will form the nucleus of a broader entity with a mandate that cuts across modes.

365-Days Action Agenda

The 365-Days Action Agenda is an action plan that seeks to re-imagine road safety in South Africa and capture the imagination of the nation, through unconventional interventions that seek to primarily transform road user behaviour. The successful implementation of the Action Agenda is dependent on establishing a single chain of command in traffic policing, through co-operative governance instruments, which must enable a seamlessly integrated approach to interventions and messaging.

The Action Agenda is based on a targeted approach that focuses on critical issues identified as key drivers of unsafe conduct on the roads. These should then be packaged as monthly themes on which the national effort will focus. The roll out of the Administrative Adjudication of Road Traffic Offence (AARTO) Amendment Act must be a recurring theme that underpins all other monthly themes.

The President will be the face of the 365-Days Action Agenda, with the payoff line being **24/7 WAYA WAYA, #O KAE MOLAO**. The message is grounded on the acknowledgement that safety on the roads is a collective responsibility for all South Africans in all walks of life. This is a responsibility we must exercise every day and every hour. Similarly, law enforcement authorities must up their game and ensure visibility and enforcement every day and every hour. Road users have an obligation to ensure vigilance and behave in a manner that does not place others in harm's way every day and every hour. Our focus on syndicated law enforcement must have a nationwide footprint. Law Enforcement interventions must be structured along three key thrusts:

- Firstly, traffic policing must become a 24-hour, 7-day activity. While the processes are underway to formalise this, Provincial and Municipal Authorities must be engaged to roster traffic officers in shifts to ensure presence and visibility around the clock. This will obviate overtime pressures, as the officers will still work the same number of hours.
- Secondly, sustained visibility of traffic law enforcement officers on the road and in the proximity of centres of entertainment with sizeable number of revelers.

- Thirdly, we must actively promote and create a conducive environment to enable revelers to make use of alternatives to self-driving when under the influence of alcohol. This includes collaboration with Provincial Authorities to ensure availability of metered taxis or e-hailing services within the ambit of the law.

2. Public Transport

A 2018 World Bank report on the South African economy says, “Government’s investment in education, health services, social assistance, public transport, housing and local amenities accounts for close to 60 percent of government expenditure and has played a notable role to reduce poverty and inequality.”

There is no doubt that public transport plays a critical role in enabling economic activity and social emancipation. Access to centres of economic activity and social services and amenities by and large depends on public transport. The 6th Administration has identified the realisation of a 3-shift economy as a strategic goal aimed at propelling growth in the economy.

However, it can be argued that public transport remains one of the binding constraints in achieving this objective. An economy that functions 24 hours requires a public transport system able to support industries by enabling workers to reach places of economic activity around the clock. Currently, our public transport system is not responsive to this need, resulting in transport being an additional input cost to the employer, which costs invariably get passed on to the end-user.

An efficient, affordable, safe and reliable public transport system is a pre-requisite if transport has to play its role as a driver of economic activity and enabler of economic output. In order to achieve this, seamless integration must be realised across modes.

Transport is undoubtedly the golden thread that binds all the elements of the economic value chain together. Without transport, workers will not be able to report for duty to engage in economic activity. Without transport, finished products will not

be able to leave the factory floor to reach the markets. Without transport, consumers will not be able to access retail outlets to buy the goods.

The building blocks of the public transport system we want must be anchored on the following objectives:

- A public transport funding model that levels the playing field by including taxi participation and enabling effective regulated competition.
- A taxi industry that is firmly integrated into the mainstream economy with every operator realising direct benefits from economic incentives, such as the Taxi Recapitalisation Programme and roll-out of Integrated Public Transport Networks, through taxi co-operatives as an empowerment model of choice.
- Roll-out of the Integrated Public Transport Networks that enable seamless mobility for commuters across transport functional areas.
- Integrated ticketing solution deployed across road-based and rail public transport modes.
- Commuter and regional rail service that is fully responsive to customer needs in an efficient, safe and sustainable way.
- Scholar transport that addresses the needs of learners.
- Efficient, safe and affordable rail and road-based public transport operations.

3. Infrastructure Build That Grows The Economy

Chapter 4 of the National Development Plan calls for the development of economic infrastructure as the foundation of social and economic development. The Department must continue to focus on maintaining national and provincial road networks, providing passenger rail infrastructure and services, and facilitating integrated public transport networks.

Transport is one of the Departments with the largest infrastructure build programme across its entities. Massive infrastructure investments can be found in the Passenger Rail Agency of South Africa (PRASA), the South African National Roads Agency Limited (SANRAL) and Airports Company South Africa (ACSA).

Over the last 4 years, PRASA has been unable to spend R18 billion of its Capital Expenditure (CAPEX) budget. This is despite huge backlogs in the implementation of the Rolling Stock Fleet Renewal Programme. PRASA's crisis is exacerbated by the fact that its project management capability has been hollowed out over the last few years for a variety of reasons.

Over the medium term, the Department is responsible for a total capital budget of R137 billion. This is a massive resource which should be directed such that it achieves maximum impact in growing the economy and creating jobs. The building blocks of the infrastructure build programme must be based on the following objectives.

- Wall-to-wall approach to Integrated Public Transport Networks infrastructure planning and delivery to enables seamless mobility and efficiencies in public transport. Planning Authorities with intersecting public transport flow must plan jointly to realise seamlessness in services.
- Accelerated delivery of attendant infrastructure for Rolling Stock Fleet Renewal Programme and maintenance of current passenger rail infrastructure.

- Focused co-ordination and delivery of transport infrastructure on the AU's North-South Corridor, Lamu Port, South Sudan, Ethiopia Transport (LAPSSET) Corridor.
- Expanding SANRAL footprint to support Provinces and Municipalities in delivering quality road infrastructure and tackling backlogs.
- New institutional arrangement in the form of an Enterprise Project Management Office (EPMO) to support entities and establish a repository of project management expertise with a mandate to ensure capital projects contribute towards economic growth and job creation. This will also enable joint planning by road, rail, aviation and maritime entities to achieve seamless integration.

4. Oceans Economy

As a maritime nation with a coastline in excess of 2 500 kilometres, which is strategically located on one of the busiest shipping routes, surrounded by three oceans on the eastern, western and southern seaboard, we are steadfast on our commitment to position the oceans economy as a strategic contributor to economic stimulation and growth. The bulk of South Africa's trade is seaborne and accounts for more than 80% of the country's trade.

The reality that South Africa is a primary goods export-oriented economy poses many challenges. Transport is significant trade input cost due to the vast distances from our markets. Equally, while we are a maritime trading nation, we have yet to achieve the status as a ship-owning or ship-operating nation.

In the recent past, Cabinet approved the Comprehensive Maritime Transport Policy, placing the country on a developmental trajectory, which will undoubtedly unlock the massive potential of our oceans economy.

In recognising our contribution to the country's efforts towards realising inclusive growth, we must prioritise the acceleration of interventions that will unlock the

potential of the oceans' economy and drive transformation in an aggressive way. Among these is the establishment of a national shipping carrier as a means of building the strategic national shipping capacity and capability.

Enhancing our ship registration framework remains at the centre of our efforts not only to grow our shipping industry, but to transform the sector such that it makes a meaningful contribution to broadening economic participation. Exploiting the potential of our maritime sector must ensure that we realise value to advance both social and economic activity. We must be resolute in our efforts to grow a seafaring nation where young people and women are able to take advantage of our vast maritime resources for their livelihoods and careers.

Coastal shipping occupies centre stage as an intervention not only to aggressively enhance the oceans economy, but also to create jobs. This will be realised by creating a captive market for South Africans where regulation will determine what categories of goods should only be moved by sea. Similarly, South African vessels would be given preference to move cargo from one domestic port to the next, a move that could trigger growth of merchants and create new industries.

Our national policy recognises that South Africa's economy is intrinsically linked with other regional economies and prioritises regional coastal shipping as an important enabler in unlocking the potential of the oceans to the region.

Regional integration is a critical instrument in positioning maritime as a catalyst for economic renewal and growth. Our oceans offer the region and the continent massive opportunities for economic stimulation.

Developing capacity through skilling interventions with a specific focus on maritime is an immediate priority that must be supported by both the public and private sectors. A number of institutions of higher learning offer courses on maritime studies and young people must be exposed to maritime at school level in order to take full advantage of career opportunities in the sector.

We must similarly encourage both government and private companies to send their students to the World Maritime University and the International Maritime Law Institute, these being IMO institutions.

These institutions not only assist governments to train their officials to be able to provide necessary support on the implementation of the IMO instruments, but also provide powerful platforms for collaboration and giving impetus to a global vision.

The building blocks of the Maritime Programme must be based on the following objectives:

- Enhancing South Africa's Shipping Register
- Mainstreaming maritime through empowering historically disadvantaged persons to access opportunities, support development of seafarers and support young people to get involved in maritime through recreation and economic opportunities.
- Rolling out coastal shipping and create partnerships to ensure sustainable support systems to enable effective implementation. The end-goal is to have a SADC region-wide coastal shipping market.
- Creating programmes to elevate fluvial transport and open up new economic opportunities by maximising the use of inland waterways.
- Unlocking maritime for economic stimulation and recreation.
- Corporatising the Transnet National Ports Authority and expediting the full implementation of the National Ports Act of 2005.

5. Transformation

The transformation agenda of the transport sector must focus on the following objectives:

- Transformation of the South African construction, engineering, aviation, maritime sectors in line with national transformation imperatives, in a manner that broadens economic participation, economic growth and job creation.
- Contribution to broad-based black economic empowerment, skills development and the growth of small, medium, macro enterprises and co-operatives, with a particular bias towards township, dorpie and rural economies.

SANRAL's Horizon 2030 aptly captures the core tenets of its transformation agenda, which should be replicated across all our entities. Taking cue from SANRAL, policies and practices of all our entities must cover the whole range of the organisation's activities, from employment equity to skills development, community and enterprise development as well as procurement.

The building blocks of the Empowerment Programme must similarly realise the following objectives.

- Achieve 60% ownership by taxi industry in all publicly-funded Integrated Public Transport Network projects and Taxi Recapitalisation Scrapping entity.
- Rolling out a restructured subsidy model, based on the public transport funding model that includes participation of all road-based modes.
- Establish an Aviation Academy that services the SADC Region and the continent.
- Deliver high-impact socio-economic flagship projects.
- Create a Technical Innovation Hub, underpinned by strong Research and Development and expand the SANRAL Technical Excellence Academy.

- Achieve 60% spend on goods and services with procurement from black-owned, township, dorpie and rural enterprises.
- Leverage private sector expertise and provide skills fast-track programme through partnerships and collaboration.

I have no doubt, that the focused implementation of these strategic priorities will aggressively drive change management to transform the Department from a *laissez-faire* culture to an activist **Khawuleza** ethos. These strategic priorities have been infused into the Department's Strategic Plan and replicated in the plans of our entities and Provinces.

If we are to make a better life for all a lived reality, we need all hands-on deck across all our entities and in all Provinces. We must all commit that what we will deliver to our people are tangible things they can see and experience that will change their lives for the better. This is a commitment we must make **24/7 Waya Waya**.

I want to thank the Deputy Minister of Transport, Hon. Dikeledi Magadzi, for her unwavering support and cooperation, the Director-General, Mr. Alec Moemi, for hitting the ground running in our effort to transform transport into a high-performing sector that contributes to the economy of South Africa and also assisting in shaping our people's lives for the better. We also pass our gratitude to the Chairperson and members of the Portfolio Committee on Transport (PCoT) for their constructive and critical input, the Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure for its contribution.

We remain committed to ensuring that transport becomes the heartbeat that can drive economic prosperity and social liberation for all South Africans.



Hon. Fikile A. Mbalula MP

Executive Authority of the Department of Transport

Statement by the Deputy Minister

The Annual Performance Plan is a yearly to-do-list crafted from the Strategic Plan of the Department, both derive mandate and guidance from legislative and policy instruments. These instruments are informed by the electoral mandate the governing party is entrusted with by the citizens of the country through elections at periodic intervals. The Annual Performance Plan must therefore be realistic and reassuring to the entire citizenry. From the very first elections to the most recent, the governing party has consistently placed the mantra of a better life for all at the centre of its being, and the Department of Transport is but one vehicle meant to deliver the hope for a better life.

In the short space of time that he has been in the driving seat, the Minister of Transport, Honourable Fikile Mbalula has shown himself to be an embodiment of values such as Batho Pele and Khawuleza. In his first hundred (100) days in office, he appointed a permanent Director-General to create certainty and stability in the operations of the Department, set up a war room to focus on the perennial challenges besetting the Passenger Rail Agency of South Africa (PRASA), met boards and executive management teams of Transport entities to identify gaps in governance of these entities, had meetings with provincial counterparts to create a seamless ultimately smooth running delivery model in the transport sector of the country – the list is endless. All this in keeping with the Khawuleza injunction, as he acted swiftly in invoking interventions where these were needed.

And as we engage the 2020/21 financial year performance, our to-do-list must have, as its uppermost consideration, the centrality of citizens and the acceleration of all services transport – making the vision of Transport as the Heartbeat of economic growth and development, and the provision of efficient, accessible, affordable, safe and reliable public transport to ring true. This Annual Performance Plan has all the features of the seven (7) apex priorities of the 6th Administration and these are given expression by the Minister's five (5) strategic priorities for the Department of Transport. In my effort to avoid a lame repeat of these priorities, I wish to refer you to the Statement of the Executive Authority and that of the Accounting Officer elsewhere

in the document, and to lift key areas of delivery as elaborated in the two statements, for emphasis;

- Safety as enabler of service delivery,
- Public Transport that enables social emancipation and an economy that works,
- Infrastructure build that stimulates economic growth and job creation,
- Building a maritime nation, elevating the oceans economy, and
- Accelerating transformation towards greater economic participation.

Starting with the human resource capacity in the Department to do that which our strategic plan envisages and to ensure that programmes enunciated by the Minister are successful, filling of vacant posts will be prioritised, amongst other things. This will strengthen our effort to: (i) do better coordination of entity oversight, (ii) reconfigure existing programmes to mitigate 'inefficiencies and duplications', and enable skills transfer from external consultants to personnel inside the Department.

Another area that will continue to occupy our time, with no exception for the new financial year and within this Annual Performance Plan, is the introduction of new legislation and/or amendment of existing legislation to place the Department on a better pedestal to deliver on set priorities. For highlight, the following bills are currently serving before Parliament and are at various stages of confirmation of Parliamentary and/or Parliamentary committees:

1) The National Land Transport Amendment Bill – this is in order to, inter alia:

- Clarify or simplify various provisions or solve problems that have arisen since implementation of the Act,
- Expand powers of the Minister to make regulations and introduce safety measures,
- Prescribe criteria and requirements for municipalities to enter into contracts for public transport services, and
- Provide for non-motorised and accessible transport.

2) The Road Accident Benefit Scheme (RABS) Bill – this is in order to, inter alia, provide:

- For social security scheme for the victims of road accidents,
- A set of defined benefits on a no-fault basis for bodily injury and death caused by or arising from accidents,
- Exclusion of liability of certain persons otherwise liable for damages in terms of common law.

3) The Airports Company Amendment Bill – this in order to, inter alia, provide for:

- Insertion of new definitions and substitution of certain expressions,
- Appointment, disqualification and vacation of members of the Regulating Committee, and
- Establishment of an Appeal Committee, and for appointment and disqualification of members thereto.

4) The Air Traffic Navigation Services Company Amendment Bill – this in order to, inter alia, provide for:

- Insertion of new definitions and substitution of certain expressions, citations and words,
- Creation of a subsidiary for performance of function inside and outside the country, and
- Appeal mechanisms against decisions of the Regulating Committee.

5) The Civil Aviation Amendment Bill – this amendment is quite thorough going and deeply substantive in nature, and briefly provides for, inter alia, but not limited to:

- Rectification of references to certain Ministers and Departments, and provision on establishment of the South African Civil Aviation Authority,
- Amendment of Chapter 4 of the principal Act on operational independence of aircraft accident and incident investigation,

- Giving of environmental oversight function to the South African Civil Aviation Authority,
- Provision of an employee of the Department to be a member of the Civil Aviation Authority Board, and
- Amendment of provisions on appointment, removal, functions and responsibilities of the Commissioner for Civil Aviation.

Other bills that will be on the legislative programme for 2020 are the following:

- The Marine Oil Pollution (Preparedness, Response and Cooperation),
- The National Road Traffic Amendment Bill,
- The Railway Safety Bill,
- The Transport Appeals Tribunal Amendment Bill, and
- The Economic Regulation of Transport Bill.

The bills below are still at conceptual stages and work around them is proceeding apace:

- The Merchant Shipping Bill,
- The Air Services Bill, and
- The National Ports Amendment Bill.

All these pieces of legislation work in concert with one another to propel the attainment of the set objectives in both the Strategic Plan and Annual Performance Plan.

In our response to the President's State of the Nation Address 2020, we gave the assurance that;

'We have found it urgent to resolve challenges faced by people with disabilities, the elderly, pregnant women and children who find transport infrastructure exclusionary... We continue to engage with organisations and individuals representing persons with disabilities, so that in partnership we

can design settlements, business and public spaces – transport infrastructure include (sic), responsive to the needs of people with disability, the elderly, pregnant women and children.'

In all of these and more, we rely on the exemplary leadership of our Minister, the sound, dynamic and efficient support of the Director-General, the trademark teamwork of our personnel from senior leadership to the very entry level of the Department, because we believe that; *'molapo o tlatswa ke melatswana.'* The big picture that we have painted for ourselves can be a lived reality only when everyone of us put their shoulders behind the wheel, however small the shoulders may appear to be.

A handwritten signature in black ink, appearing to read 'Dikeledi Magadzi', with a stylized flourish at the end.

Hon. Dikeledi Magadzi, MP
Deputy Minister of Transport

Accounting Officer Statement

This Strategic Plan for the Department of Transport (DoT) presents the government priorities and departmental outcomes for the next years (2020 – 2025), and describes, in detail, the interventions that the DoT will undertake to achieve the planned outcomes. The Plan will thus provide a five-year action plan that responds to a variety of trends that affect current and future performance of the transport system in South Africa. The Strategic Plan hereby establishes a structured framework that will guide the development of the Annual Performance Plan; and also pronounce on the processes and/or procedures for planning, reporting, monitoring and evaluation across the Department.

The DoT Strategic Plan (2020-2025) and the Annual Performance Plan (2020/21) meet the statutory requirements of the Public Finance Management Act (PFMA), Treasury Regulations and the Revised Framework for Strategic Plans and Annual Performance Plans, which require that the Minister of Transport develop a five-year strategic plan that will guide activities of the Department in pursuit of its constitutional, legislative and policy mandate. This Strategic Plan is also aligned to the seven (7) priorities of the 6th Administration, which are anchored on the National Development Plan (NDP). The seven (7) priorities, aligned to three (3) pillars of the NDP are:

Pillar 1: A Strong and Inclusive Economy

- Priority 2: Economic Transformation and Job Creation

Pillar 2: Capabilities of South Africans

- Priority 3: Education, Skills and Health
- Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 5: Spatial Integration, Human Settlement and Local Government
- Priority 6: Social Cohesion and Community Safety

Pillar 3: A Capable State

- Priority 1: A Capable, Ethical and Developmental State
- Priority 7: A Better Africa and World

The Minister of Transport, in ensuring that the Department accelerates its delivery of services in response to the above apex priorities of government, identified five strategic priorities that would guide the DoT. These include:

- Safety as an enabler of service delivery;
- Public transport that enables social emancipation and an economy that works;
- Infrastructure build that stimulates economic growth and job creation;
- Building a maritime nation, elevating the oceans economy;
- Accelerating transformation towards greater economic participation.

In addition to the Minister's priorities stated above, the DoT, in response to the National Development Plan (NDP) and the Medium Term Strategic Framework (MTSF), will also prioritise Innovation and Environmental Protection.

Regarding our internal environment, we will re-assess our interventions to ensure that they respond to the coalface experience of end-users and beneficiaries. We will strive to ensure that what we report, as a Department and our entities, mirrors the service delivery environment.

Regarding our human resources, since the creation and approval of the organisational structure, several changes were made that impacted on the size of the establishment. In 2015, several vacant positions were deactivated, reducing the establishment to 699 employees. In 2016, seventeen (17) positions were added through the establishment of the National Public Transport Regulator (NPTR) support thus increasing the number of employees to 716. Over the same period, some vacant and funded positions were moved across the establishment to address priority needs. Key issues to be addressed going forward are filling of vacant positions, coordination of the entity oversight function, reconfiguration of existing

programmes to address inefficiencies and duplications, and ensuring transfer of skills from external consultants to ensure reduction in the use of consultants in the medium to long term.

We will also monitor our expenditure as a sector to ensure we eliminate unnecessary over (and under) spending. The key objective of the Department (and sector) over the medium term will be to address fruitless, wasteful, irregular and unauthorised expenditure. This, the Department will achieve through putting comprehensive controls to ensure that we avoid audit finding in this regard.

One key area we will also focus on is the financial health of our entities by monitoring their current, solvency and cashflow ratios. Where necessary, we will review entities' financial/funding models to improve sustainability and that they are fit-for-purpose to deliver on their mandates.

With regard to transport infrastructure, a key concern facing the Department and sector is the rate of deterioration of our infrastructure, coupled with a declining rate of investment in that space. The Department, in consultation with all stakeholders, will have to address the issue of infrastructure funding, and also address how the user-pay principle can be strengthened and its compliance improved.

As a first step, a decision will be made on the challenges faced by the Gauteng Freeway Improvement Project (GFIP). This decision will be finalised as soon as possible so we can move with implementation. Another key area to look at is the conditional grant-equitable share spend ratio in the Province Road Maintenance Programme. While we will strengthen adherence to conditions put forward by the grant, we will also advocate for provinces to match the grant rand-for-rand (or even allocate more resources) to ensure that road maintenance is prioritised.

In the rail space, ageing and vandalism of infrastructure remain a challenge and weighs heavily on the sector's ability to reign in maintenance costs. Through the Passenger Rail Agency of South Africa (PRASA), we will embark on a comprehensive infrastructure programme to ensure modernisation and improvement

of the rail network. This programme will entail rolling stock renewal, modernisation of stations, and repairs and improvements to perways and signalling.

Other infrastructure development programmes will be in the aviation space through the Airports Company South Africa (ACSA) and the Air Traffic Navigation Services (ATNS).

The Department and the sector have also identified pockets of job creation through all capital infrastructure programmes at PRASA, SANRAL, PRMG, ACSA and ATNS. Beneficiaries of these job opportunities will be biased towards women, youth and persons with disabilities. Targeting in our Annual Performance Plan and in the Technical Indicator Descriptions (TIDs) will include a disaggregation of these groups per programme.

Another key area of focus will be safety and security of transport. Road crashes and fatalities remain a concern. The objective over the medium term will be to decrease road fatalities by 25%. This we will achieve through improving our capacity to implement the National Road Safety Strategy. Roles and responsibilities of all stakeholder will be clearly defined and we will employ intelligent methods to ensure that we focus on the right things. The roll-out of the AARTO Amendment Act and the introduction of the revamped 365-day campaign (which will encompass 24/7 traffic law enforcement) will add a much needed impetus to our efforts.

The security aspect on our roads will also be improved. Issues such as burning of trucks, blocking of roads during service delivery demonstrations, cross-border disputes, etc. are some areas that the Department will seek to address. The Department will also play its role in the security cluster of government to ensure that its security responsibility is clarified accordingly.

In the Civil Aviation space, critical over the medium term will be to ensure the establishment of an independent Aviation Safety Investigation Board.

Public Transport will be strengthened over the medium term. The objective will be to improve its efficiency, accessibility, reliability, affordability and safety. A key

intervention in this space will be the review of the public transport subsidy regime and development of a new integrated public transport funding model. This model will address a pertinent issue of whether the inclusion of minibus taxis in the subsidy regime is feasible. A National Taxi Indaba could, amongst others, discuss the possible professionalisation of the taxi industry and how the revised Taxi Recapitalisation Programme can be optimised to provide more value for the industry.

The Integrated Public Transport Network model also needs review with the key question being whether the current investment into IPTNs is value for money. Does the current expenditure on infrastructure versus returns through operations justify continuation of the existing model?

To ensure accessibility of public transport to persons with disability, the Department will ensure that all our public transport infrastructure and operations adhere to universal access requirements. To date, all new designs of IPTNs, in the cities where infrastructure has been developed, are compliant and buses procured also have special features to accommodate persons with disabilities.

Innovation will be another area that the Department and sector will prioritise over the medium term. With the Fourth Industrial Revolution (4IR) gaining momentum around the globe, South Africa needs to ensure that it doesn't lag behind and thus identifies areas where it can impact. In the transport space, the autonomous vehicle technology is one such area. Over the medium term, we will develop regulations for the introduction of such technology in the country. This will ensure that we have the necessary legislative framework to regulate such technology once it is introduced.

In the Civil Aviation space, we will also be reviewing regulations for Remotely-Piloted Aircraft Systems (RPAS), popularly referred to as Drones. With the popularity of these across the globe, South Africa should ensure that it is not caught lagging particularly with its regulatory responsibility in this regard.

In the Public Transport space, an integrated ticketing (automated fare collection) system will also be introduced in the medium term. This innovative service will improve efficiency of fare collection and also improve accessibility of public transport

by users without limitations of the current silo system where ticketing is prescribed for a particular service, mode and/or regional authority. With the integrated system, ticketing will allow users to use public transport easily without much hindrance.

Transformation efforts will be intensified, particularly in the Aviation and Maritime Transport spaces. Through the implementation of the BBBEE Sector Codes, partnerships with institutions of higher learning and development of a framework for a national shipping carrier in South Africa, the overarching objective is to increase access to an affordable and reliable transport system over the medium term. Women, youth and persons with disability; and previously disadvantaged persons will be prioritised for ownership, management control and/or equity share in this regard.

To enhance the sector contribution to environmental protection, implementation of the Green Transport Strategy will be intensified to ensure reduction of Greenhouse Gas (GHG) emission in line with the national target of 42%. This will be achieved through a sector-specific carbon emission transition plan.

I would like to thank the Minister, Hon. Fikile A. Mbalula (MP) and the Deputy Minister, Hon. Dikeledi Magadzi (MP), for the support and clear guidance provided in shaping our plans for the medium term. I would also like to pay my gratitude to all hardworking members of the transport family for their dedication and commitment. We were all called to serve our people with diligence, honesty and integrity.

We also appreciate the cooperation and commitment shown by all entities and provincial Departments of Transport in ensuring that the transport mandate is carried forward. Working together, we will definitely take this sector to greater heights and ensure delivery at all costs.



Mr. Alec Moemi

Accounting Officer of the Department of Transport

Official Sign-Off

It is hereby certified that this Revised Annual Performance Plan:

- Was developed by the management of the Department of Transport under the guidance of Hon. Fikile A. Mbalula, MP.
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Transport is responsible.
- Accurately reflects the Outputs and Targets that the Department of Transport will endeavour to achieve over the financial year 2020/21.

Adv. Adam Masombuka:
Chief Operations Officer



Mr. Themba Tenza
Integrated Transport Planning



Mr. Ngwako Makaepa
Rail Transport



Mr. Christopher Hlabisa
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Mr. Alec Moemi
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Mr. Mthunzi Madiya
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Mr. Mathabatha Mokonyama
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Mr. Dalian Mabula
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Mr. Zakhele Thwala
Public Entity Oversight



Mr. Bosa F Ramantsi
Head Official Responsible for Planning



Mr. Alec Moemi
Accounting Officer



Supported by:

Hon. Dikeledi Magadzi MP
Deputy Minister of Transport



Approved by:

Hon. Fikile A. Mbalula MP
Executive Authority



Part A: Our Mandate

1. Constitutional Mandate

The Constitution of the Republic of South Africa identifies the legislative responsibilities of different levels of government with regard to airports, roads, traffic management and public transport. Transport is a function that is legislated and executed at all levels of government. The implementation of transport functions at the national level takes place through public entities, which are overseen by the Department. Each public entity has a specific delivery mandate.

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

2. Legislative and Policy Mandates

A. Railways and Ports

- South African Transport Services Conditions and Service Act, 1988 (Act 41 of 1988)
- Legal Succession to the South African Transport Services Act, 1989 (Act 9 of 1989)
- National Railway Safety Regulator Act, 2002 (Act 16 of 2002)
- National Ports Act, 2005 (Act 12 of 2005)

B. Roads

- Advertising on Roads and Ribbon Development Act, 1940 (Act 21 of 1940)
- National Roads Act, 1972 (Act 54 of 1971)
- National Road Safety Act, 1972 (Act 9 of 1972)
- South African Roads Board Act, 1988 (Act 74 of 1988)

- Transport Deregulation Act, 1988 (Act 80 of 1988)
- South African National Roads Agency Limited and National Roads, 1998 (Act 07 of 1998)
- National Environmental Management Act, 1998 (Act 108 of 1998)
- Spatial Planning and Land Use Management Act
- Project and Construction Management Act, 2000 (Act 48 of 2000)
- Engineering Profession Act, 2000 (Act 46 of 2000)
- Construction Industry Development Board Act, 2000 (Act 38 of 2000)
- Government Immovable Asset Management Act, 2007 (Act 17 of 2007)
- National Standards Act, 2008 (Act 8 of 2008)

C. Motor Vehicles

- Road Transportation Act, 1977 (Act 74 of 1977)
- Urban Transport Act, 1977 (Act 78 of 1977)
- Road Traffic Act, 1989 (Act 29 of 1989)
- Financial Supervision of the Road Accident Fund Act, 1993 (Act 8 of 1993)
- Road Accident Fund Act, 1996 (Act 56 of 1996)
- National Road Traffic Act, 1996 (Act 93 of 1996)
- Cross Border Road Transport Act, 1998 (Act 4 of 1998)
- Transport Appeal Tribunal Act, 1998 (Act 39 of 1998)
- National Land Transport Interim Arrangements Act, 1998 (Act 45 of 1998)
- Administrative Adjudication of Road Traffic Offences Act, 1998 (Act 46 of 1998)
- Road Traffic Laws Rationalisation Act, 1998 (Act 47 of 1998)
- Road Accident Fund Commission Act, 1998 (Act 71 of 1998)
- Road Traffic Management Corporation Act, 1999 (Act 20 of 1999)
- National Land Transport Transition Act, 2000 (Act 22 of 2000)
- National Land Transport Act, 2009 (Act 05 of 2009)

D. Civil Aviation

- Airports Company Act, 1993 (Act 44 of 1993)
- Air Services Licensing Act, 1990 (Act 115 of 1990)

- Air Traffic and Navigation Services Company Act, 1993(Act 45 of 1993)
- Carriage by Air Act, 1946 (Act 47 of 1946)
- Civil Aviation Act, 2009 (Act 13 of 2009)
- Convention on the International Recognition of Rights in Aircraft Act, 1993 (Act 53 of 1993)
- Convention on International Interests in Mobile Equipment Act, 2007 (Act 4 of 2007)
- International Air Services Act, 1993 (Act 60 of 1993)
- South African Civil Aviation Authority Levies Act,1998 (Act 41 of 1998)
- South African Maritime and Aeronautical Search and Rescue Act, 2002 (Act 44 of 2002)
- Convention on International Interests in Mobile Equipment Act, 2007 (Act 4 of 2007)

E. Shipping

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

3. Institutional Policies and Strategies over the five-year planning period

a) National White Paper on Transport Policy, 1996

The vision of the White Paper on National Transport policy is to provide safe, reliable, effective, efficient, and fully integrated transport operations and

infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being economically and environmentally sustainable.

b) White Paper on National Policy on Airports and Airspace Management, 1997

This is a national policy response on airports and airspace management as a result of far-reaching changes which have occurred in South Africa in general and in civil aviation in particular. This policy is currently under review to address recent developments and resultant policy gaps.

c) National Commercial Ports Policy, 2002

This aim of this policy is to ensure an internationally competitive port system informed by the knowledge that efficient ports are known to be catalysts for increased trade, and thus provide a comparative advantage for international trade. Thus, this policy aims to ensure affordable, internationally competitive, efficient and safe port services based on the application of commercial rules in a transparent and competitive environment applied consistently across the transport system.

The importance of this policy is further highlighted by the fact that globalisation pressures make it essential that nations integrate their transport systems into the global logistics network. Ports are naturally being incorporated into this changing system and have to adjust to the new challenges and environment.

d) Taxi Recapitalisation Policy, 2009

The Taxi Recapitalisation Policy (TRP) is an intervention by Government to bring about safe, effective, reliable, affordable and accessible taxi operations by introducing New Taxi Vehicles (NTVs) designed to undertake public transport functions in the taxi industry.

4. Relevant Court Rulings

None.

Part B: Our Strategic Focus

5. Vision

“Transport, the Heartbeat of South Africa’s Economic Growth and Social Development.”

6. Mission

The Department of Transport aims to lead the development of efficient integrated transport systems by creating a framework of sustainable policies and regulations; and implementable models to support government strategies for socio-economic development.

7. Values

As the central custodian of the nation’s transport resources, services and products, the Department of Transport acknowledges the obligation it has to the citizens of the Republic of South Africa; and will adopt the following core values to advance its commitment to achieve policy and legislative mandates as set out for the sector:

- 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
- Ensure **sustainability**, **financial affordability**, **accessibility** as well as upholding of the **Batho Pele** principles

8. Situational Analysis

8.1 External Environment Analysis

The Constitution of the Republic of South Africa identifies the legislative responsibilities of different spheres of government with regard to airports, roads, traffic management and public transport. At a policy level, the infrastructure and operations of rail, pipelines, roads, airports, ports and the intermodal operations of public transport and freight are thus defined in the White Paper on Transport. To this effect, the function of Transport, in its entire value chain, is legislated and executed at the three spheres of government, being the national, provincial and local (municipal).

To ensure integrated planning and coordination between the three spheres of government, the South African Inter-Governmental Relations (I-GR) Framework Act, 2005 emphasises that the three spheres are distinctive, interdependent and interrelated. The three spheres are thus autonomous. Notwithstanding their autonomy, the three spheres must plan together for the utilization of scarce resources and to ensure achievement of government priorities.

At a national level, the Department of Transport (DoT) is then responsible for legislation and policies for all transport sub-sectors. The DoT is thus responsible for:

- Conducting sector research,
- Formulating legislation and policies to set the strategic direction of sub-sectors,
- Assigning responsibilities to public entities and other spheres of government,
- Regulating through setting norms and standards, and
- Monitoring implementation.

Implementation of transport functions takes place through public entities, which have been established to enhance implementation and support service delivery. Each entity has a specific delivery mandate as specified in its founding legislation. The

DoT is thus tasked with the oversight of the regulation and delivery of transport through these entities.

The other leg of implementation of transport functions is with provinces. In this regard, the DoT has concurrent functions of public transport and transport regulation with provinces. Public Transport is a concurrent schedule 4A function between national and provincial spheres, and provincial roads and traffic are an exclusive schedule 5A provincial function. To ensure that there is uniformity in planning and reporting towards the achievement of government and / or sector priorities, the DoT needs to coordinate the development and implementation of standardised/customised indicators. These indicators, developed in consultation with all relevant stakeholders, must reflect key applicable deliverables of the sector plan and/or the Medium Term Strategic Framework (MTSF).

Once developed, accounting officers of relevant provincial departments, who are responsible for the implementation of these indicators, must then approve such prior to their inclusion in their respective Strategic Plans (SPs) and Annual Performance Plans (APPs). Standardised indicators would then be gazetted and reported on by provinces on a quarterly and annual basis, with the National Department playing an oversight role over provinces to ensure that they respond to the legislative and policy direction of the sector.

At a local (municipal) level, coordination and integration is done through the development of integrated transport plans, which are facilitated through municipalities' integrated development planning (IDP) processes. Municipal transport is a concurrent schedule 4B function falling in the local government sphere; and municipal roads, traffic and parking are exclusive 5B municipal functions.

Chapter 4 of the National Development Plan (NDP) calls for the development of economic infrastructure as the foundation of social and economic development, a notion embedded in the DoT's vision statement. This call is given action by Outcome 6 of the 2014-2019 Medium Term Strategic Framework (MTSF) with a desired end state being an efficient, competitive and responsive economic infrastructure network, a mission directly aligned to the work of the DoT.

Transport infrastructure and services support economic growth and development by connecting people and goods to markets. This development and maintenance of an efficient and competitive transport system is a key objective of the NDP.

To this effect, the DoT, in partnership with the sector public entities, provincial and local government, will continue to focus on improving mobility and access to social and economic activities by facilitating and creating an enabling environment for maintaining national and provincial road networks, modernising passenger rail infrastructure and improving services, and integrating public transport.

The following sections will focus on assessing how the sector has performed and how it responded to its constitutional mandate in the previous medium term. The assessment will also extend to the DoT's governance stance, especially with regard to compliance to legislation and general controls, expenditure trends, and performance of grants. This assessment will influence the strategic direction of the DoT and sector and also streamline the outcomes and impact that the DoT desires to achieve in the new MTSF. These will guide interventions for the new strategic plan and annual performance plans going forward.

8.1.1 The Problem Statement for Transport

The Department of Transport (DoT) has identified and defined fundamental topical areas that the Department will prioritise over the next five years in response to the Medium Term Strategic Framework (2019 – 2024).

8.1.1.1 SAFETY as an Enabler of Service Delivery

This area will cover all safety issues across the four modes of transport (road, rail, civil aviation and maritime), including safety of public transport; and applicable interventions that will be designed and employed to address such. The DoT's desired outcome will be to reduce all transport-related incidences and accidents, which will ultimately lead to a significant reduction in injuries and fatalities.

- **Road Transport Safety and Security**

One of the most pressing issues facing modern society today, both globally and particularly within the South African context is road safety. By 2030, road traffic crashes are expected to become the fifth leading cause of fatalities worldwide, overtaking AIDS, tuberculosis and cancers of the trachea, bronchus and lungs according to the World Health Organisation (WHO).

In South Africa, approximately 23.5 people per 100 000 lost their lives in the country's roads in 2014, thus approximating about 45 people losing their lives on our roads on a daily basis. In comparison, the 2015 WHO Global Status Report on Road Safety affirms the global average of road fatalities at 17.4 per 100 000, and the average for middle-income countries at 18.4 fatalities per 100 000. This significant impact of road carnages on the economy and society at large provides a convincing case for decisive policies and strategies to address the problem.

The high number of road traffic crashes (RTCs) and its associated consequences have a significant impact on the South African society and this hampers socio-economic development, and impact on the well-being of all South Africans. This

impact is measured in terms of human lives lost, 'pain, grief and suffering', as well as an increasing cost to the economy. The extent of the problem is exacerbated when road fatalities and serious injuries are seen in the context of contributing to a significant economic loss for South Africa. People injured or killed on our roads are often the breadwinners of their families and thus vital contributors to the economy at large.

A study conducted by the Road Traffic Management Corporation (RTMC) has estimated the cost of road traffic crashes to the South African economy to be about R142.9 billion per annum, equating to 3.4% of the Gross Domestic Product (GDP). This has a serious impact on the health system, social development and economic productivity of the country.

The World Health Organisation (WHO) has thus declared that road traffic injuries are estimated to be the eighth leading cause of death globally and with an impact similar to communicable diseases such as malaria, HIV and AIDS. Should the trend persist, road traffic injuries will become the fifth leading cause of death globally, unless countries take urgent action. Cognisant to these facts, South Africa needs to strengthen its resolve to continue working to improve safety on roads by enhancing cooperation and coordination with the spheres of government, and improving stakeholder participation in road safety programmes. The economic and financial analysis emphasise the need to improve road safety in the country to ensure that South Africans can live long, productive lives and that fiscal resources may be made available to aid the country's further development.

As a participant of the United Nations Decade of action for Road Safety 2011-2020 (UNDA), South Africa has endorsed the global undertaking to save up to 5 million lives, and to contribute to the prevention of up to 50 million serious injuries by 2020.

In accordance with this commitment, the National Road Safety Strategy (NRSS), which was approved by Cabinet in 2017, sets a new path for creating a 'safe and secure road environment in South Africa.' The primary strategic target of the Strategy is to ultimately reduce fatal crashes by 50% by the year 2030. The Strategy is based on a safe system approach that looks at a holistic view of the road transport

system and interactions among roads, and roadsides, travel speed, vehicles and the road user. In accordance with the UNDA, the pillars of the strategy that will remain consistent in the NRSS are Road Safety Management, Safer Roads and Mobility, Safer Vehicles, Safer Road Users and Post-Crash Response.

The NRSS has also taken into consideration previous efforts made towards addressing road safety problems in South Africa, by carefully reviewing previous road safety strategies. Key findings of these strategies highlight a lack of effective implementation, insufficient resourcing, misaligned prioritisation, and lack of broader stakeholder participation among the key issues previously experienced. As such, the NRSS focuses on sequencing of proposed interventions in a manner that is realistic and implementable. In addition, the NRSS acknowledges that a number of key institutions were established through previous efforts and that the present task is the effective utilisation of these institutions through the enhancement of coordination and accountability in addressing road safety challenges.

Recognising that the battle to improve road safety cannot be won unless all stakeholders played their role and took responsibility for their own safety, community-based structures have also been established in all provinces to improve civil society participation in road safety. Also noting that road crashes affect young people between the ages of 18 and 35 in large numbers, engagements continue to be held with the youth to empower them to be advocates for their own cause and to re-shape the South African road safety landscape.

The RTMC has also taken pivotal steps to integrate and harmonise traffic law enforcement in the country. The Road Traffic Inspectorate function of the Cross-Border Road Traffic Agency (C-BRTA) was transferred to the RTMC, and the law enforcement review committee commenced its work. Consultative engagements were undertaken in provinces in an ongoing effort to eliminate fragmentation and to harmonise traffic law enforcement standards, policies and procedures across the three spheres of government for greater impact in reducing offences, injuries and fatalities.

Over the Medium Term Strategic Framework (MTSF), greater focus will be put on road safety education, engineering and law enforcement. Effective evaluation mechanisms will also be put in place to ensure the effectiveness, efficiency and impact of our programmes. The target set is to reduce road fatalities by twenty-five (25) percent from the current baseline of 12 921.

Over and above, the sector is also mindful of the fact that corrupt activities within road traffic law enforcement contribute to road crashes and fatalities. Different measures have been put in place, including, but not limited to, anti-corruption awareness campaigns and investigations in collaboration with other law enforcement agencies.

- **Rail Transport Safety and Security**

The Department of Transport plays a key role in ensuring safe rail operations in the country through the development of policies, strategies and legislative regulatory framework. This role is augmented by the Railway Safety Regulator (RSR), which is an independent entity of the Department tasked with overseeing and promoting safe railway operations through appropriate support, monitoring and enforcement throughout the Republic.

To enhance railway safety in the country, National Railway Permit Regulations were also developed. These regulations provided more guidance and clarity to the operators and the railway industry on the procedures to be followed during the application of the railway safety permit. A new Risk-And-Activity Based Permit fee model was also developed with the industry to ensure a fair, equitable and transparent permit fee determination.

During the 2014/15 financial year, a Railway Safety Regulatory Gap Analysis study was conducted with the aim of identifying challenges and shortcomings in the railway safety regulatory framework. The findings from this study formed the basis for the development of the Railway Safety Bill, which seeks to address gaps in the principal legislation regulating railway safety in the country. The process of developing the Railway Safety Act is closely linked to Chapter 12 of the NDP. The Act seeks to

improve safety of passengers, within and around the railway environment. The Act also makes provision for the development of subordinate legislations in order to improve safety of communities situated adjacent to the railway reserves.

During the MTSF, the DoT and RSR will target reducing rail accidents and incidents, with the aim to reduce fatality weighted injuries by 12.5% from the current baseline of 641.

Though security is not the primary mandate of the Department of Transport, the Department acknowledges that security incidences such as mugging and robbery within the railway environment and theft of signalling equipment and railway infrastructure negatively impact on the safety of railway operations. Rail operators, as the first line of defence in the railway space, must provide security in their respective areas. The DoT must therefore collaborate with all State organs responsible for security to ensure issues that affect railways are dealt with.

- **Civil Aviation Safety and Security**

The International Civil Aviation Organization's (ICAO) has established the following five strategic objectives, Safety; Air Navigation Capacity and Efficiency; Security and Facilitation; Economic Development of Air Transport; and Environmental Protection. Furthermore, amongst others ICAO also coordinates assistance and capacity building for States in support of numerous aviation development objectives; produces global plans to coordinate multilateral strategic progress for safety and air navigation; monitors and reports on numerous air transport sector performance metrics; and audits States' civil aviation oversight capabilities in the areas of safety and security.

ICAO is also responsible for the development of Standards and Recommended Practices (SARPS) and policies to support a safe, efficient, secure, economically sustainable and environmentally responsible civil aviation sector.

Through publication of the State of Global Aviation Safety, ICAO's intention is to provide its member states, aviation stakeholders and the traveling public with a

comprehensive overview of ICAO's contribution through its leadership in affecting aviation safety outcomes worldwide.

This approach is achieved by identifying and monitoring global aviation safety metrics that form the basis for practical risk analysis and provide context for the Organisation's actions and programmes aimed at improving global air transport safety programmes. This publication enhances the review of accomplishments and initiatives that drive aviation safety improvements, as well as to motivate and inspire air transport stakeholders to participate in the innovative and practical suite of programmes being implemented to improve all aspects of safety performance. To this effect, ICAO commits to develop proactive and risk-based solutions to reduce the global accident rate and thus encourage the aviation community to recognise the importance of adhering to a globally-harmonised approach to improving and monitoring safety.

As per the approved White Paper on the National Civil Aviation Policy (NCAP) 2017, Policy Statement number 10 stipulates that "A functionally independent Aviation Safety Investigation Board should be established, housed within the DOT, for Aircraft Accident and Incident Investigation as provided in Annex 13 of the Chicago Convention and relevant Standards and Recommended Practices (SARPS) ." Therefore, an Aviation Safety Investigation Board (ASIB) will be established during the medium term.

The ASIB is expected to ensure a high level of efficiency and quality of investigation, which in turn will be vital to improve aviation safety. In order to realise this objective, the DoT will ensure that the ASIB has sufficient autonomy and financial strength for effective conduct of its mandate.

- **Maritime Safety and Security**

Countries across the globe are witnessing unprecedented times for maritime-related economic development, however to enable these opportunities, risk management strategies must be prioritised. Determining threats, vulnerabilities and consequences

to personnel assets, operations and critical infrastructure, it will be crucial that these risks are mitigated and that performance is improved.

To this effect, the development and application of risk assessment and management techniques to maritime safety and security must take into account the complex regulatory and operational context in which the maritime industry operates. The DoT will thus strive to create a unique safety and security platform that will outline current concerns, provide 'fit-for-purpose' tools and management mechanisms, and also enable focused operational programmes aimed at building capacity and critical mass.

Over the medium term, the DoT will focus on ensuring 100% compliance with the International Ship and Port Facility Security (ISPS) Code. The Code, developed in response to the perceived threat to ships and ports after the 9/11 attacks, encompasses a set of measures to enhance security of ships and port facilities. The Code is part of the Safety of Life at Sea (SOLAS) Convention and compliance is mandatory for South Africa as part of the Contracting Parties to SOLAS.

As part of ensuring compliance to the ISPS Code, the DoT will focus mainly on addressing the 'stowaway' problem, which seems to be an ever-present for the shipping industry. This problem is closely linked to vessels and/or cargo-type, as well as to the security training and awareness of the crew. The costs involved in looking after and repatriating stowaways can be substantial, and generally involves moving reluctant people across several continents.

The DoT will aim to reduce stowaways by addressing inadequacies in security and watch keeping. Stringent measures will be put in place to ensure that no unauthorised personnel are able to gain access to vessels, and that all those who have been authorised to board disembark before sailing.

- **Public Transport Safety and Security**

The mandate of the Taxi Recapitalisation Programme (TRP) dealt solely with the scrapping of old minibus taxi vehicles across the country with the overarching

objective being the improvement of road safety by removing unroadworthy minibus taxis from the roads of South Africa. The process involved the scrapping process and facilitation of an upgrade in the fleet of new TRP-compliant vehicles through a scrapping allowance paid directly to taxi operators. By 2018, a total of 72 653 of the initial target of 135 894 minibus taxis had been successfully scrapped.

A review of the TRP was conducted towards the end of the term resulting in the launch of the Revised TRP in April 2019. The RTRP thus introduced key value-add elements to encourage sustainable continuity to the programme. As part of the Revised TRP, the scrapping allowance was increased from R91 000 to R124 000 per scrapped old taxi.

Over the medium, and as part of the extended scope of the Revised TRP, the following will be prioritised:

- Commercialisation: The development of sustainable commercially-viable RTRP management solutions leveraging and exploiting opportunities available in the minibus taxi industry's value chain. These will include affordable supply of new taxi vehicles, finance, short-term insurance, spare parts, repairs, fuel, lubricants, electronic fare collection and property management.
- Illegal operations and verification process: A national survey on the extent of illegal taxi operations across the country will be conducted and a comprehensive database of minibus taxi industry operators will be developed.
- Change management and unity: The RTRP will be used as a catalyst for change to the taxi industry's operating model, through the introduction of collaborative ownership, cooperatives and corporatisation.

8.1.1.2 PUBLIC TRANSPORT that Enables Social Emancipation and an Economy that works

This area will cover issues relating to an inclusive funding model for buses and taxis, roll out of integrated public transport networks (IPTNs), integrated ticketing solutions for road and rail-based public transport, and scholar transport. Some of the key elements for engagement include demographic, geographic, economic and technological trends that affect travel demand across all modes, and how those impact on the ability of our people to access economic opportunities and essential social amenities.

The DoT's desired outcome in this space is to achieve seamless integration of all modal public transport operations that will ultimately ensure that the system is efficient, affordable, safe and reliable. Public transport should thus play a critical role as a driver of economic activity and an enabler of economic output.

Public Transport Network Grant (PTNG)

The Public Transport Strategy has two key thrusts; Accelerated Modal Upgrading and Integrated Rapid Public Transport Networks. The strategy has identified twelve (12) cities and six (6) district municipalities for the first phase implementation. One city, George, was added as the thirteenth (13th) city to pilot solutions for medium cities. The other cities include Johannesburg, Cape Town, Tshwane, Ekurhuleni, Rustenburg, Nelson Mandela Bay, Msunduzi, Mangaung, Polokwane, Mbombela, eThekweni and Buffalo City.

In implementing the strategy, cities developed integrated public transport networks (IPTNs) with initial emphasis on Bus Rapid Transit trunk corridors. However, since 2013, the DoT has reduced the need for dedicated infrastructure and encouraged cities to implement hybrid systems, which include conventional bus and minibus modes that are formally integrated into an IPTN. Despite this relaxation, implementation has been slowing down, mainly due to mismanagement and instability in nearly all cities.

Key achievements

- Of the five (5) cities that have at least commenced pilot services, three (Cape Town, Johannesburg and George) have been relatively successful in terms of passenger numbers;
- 1 023 universally accessible buses were procured in six (6) cities;
- 200 kilometres of dedicated lanes were built in 10 cities;
- 100 stations were procured in 7 cities;
- 600 feeder and distribution stops/routes were upgraded in six (6) cities;
- Six (6) depots were procured in two (2) cities;
- 120 kilometres of sidewalks and cycle lanes in eight (8) cities;
- 1 500 minibus licences were compensated in three (3) cities;
- Six (6) cities carry a combined 172 000 average weekday passengers

Areas posing bottlenecks

- Slow implementation by cities;
- City management and technical instability
- Compromised governance in some projects;
- Weak operations;
- Contract management capacity;
- Diverse approaches among cities.

Recommendations for improvement

- Establish and capacitate IPTN Implementation War Room;
- Centralise procurement and pool resource of all thirteen cities into the War Room;
- Consider partnerships with PRASA, SANRAL and Gautrain to host War Room to save costs and time, with the DoT retaining full strategic command;
- Strengthen monitoring of existing construction and operations of IPTNs to improve efficiencies and curb wastage.

Public Transport Operations Grant (PTOG)

The Public Transport Operations Grant (PTOG) is a national government conditional grant to subsidise the costs of specified forms of commuter transport in South Africa. Every year, over thirty-seven (37) million commuter trip kilometres are subsidised, equating to 1.4 million trips on 2 500 routes.

Key Achievements

The Public Transport Operations Grant (PTOG) managed to transport **1 537 363 151** subsidised passengers during the period 2014- 2018.

Table. 1: Subsidised Passengers

| MTEF | Subsidised passengers |
|--------------|------------------------------|
| 2014/15 | 343 358 101 |
| 2015/16 | 317 705 970 |
| 2016/17 | 301 756 646 |
| 2017/18 | 289 558 281 |
| 2018/19 | 284 984 153 |
| TOTAL | 1 537 363 151 |

Arrears posing bottlenecks

- Funding is the main challenge with regard to PTOG. The table below shows the actual subsidy the operators received compared to what they should have received if the normal escalation was applicable and funds were available.

- All the other financial years, except 2016/17, the operators received less percentage increase vis-à-vis what they were supposed to get. Very little of the real increase in PTOG funding is due to increased services.
- Due to shortage of funding, there were no new contracts introduced since 2003. Provinces are still extending old order contracts on a short-term basis. These short term extensions have created instability in the industry, it also attracted audit queries for provinces. Unfortunately, there is nothing provinces can do as the shortage of funding do not allow for replacement of this contracts, but also the responsibility to conclude new contracts is, by law, assigned to Municipality in terms of the National Land Transport Act no 5 of 2009.

Table: 2: Actual Subsidy vs. Contractual Subsidy

| MTEF | Actual subsidy increase % | Actual Contractual subsidy % increase |
|----------------|--------------------------------------|--|
| 2014/15 | 6.15 | 7.29 |
| 2015/16 | 2,21 | 4.18 |
| 2016/17 | 9.33 | 4.15 |
| 2017/18 | 5.97 | 6.16 |
| 2018/19 | 4.67 | 5.64 |
| Average | 5.66 | 5.48 |

Recommendation for improvement

- Additional funding is required in order to introduce new contracts;
- Current subsidised bus contracts need to be transformed into larger, integrated public transport services contracts. These services should be integrated into larger Integrated Public Transport Networks (IPTN) and the operational funding subsumed into the broader IPTN operational support. Approximately 60% of current PTOG funding will be subsumed in the IPTNs of the large cities in South

Africa. This leaves 40% of current PTOG contracts, largely providing rural or long-distance services that will only be restructured in the medium to long-term.

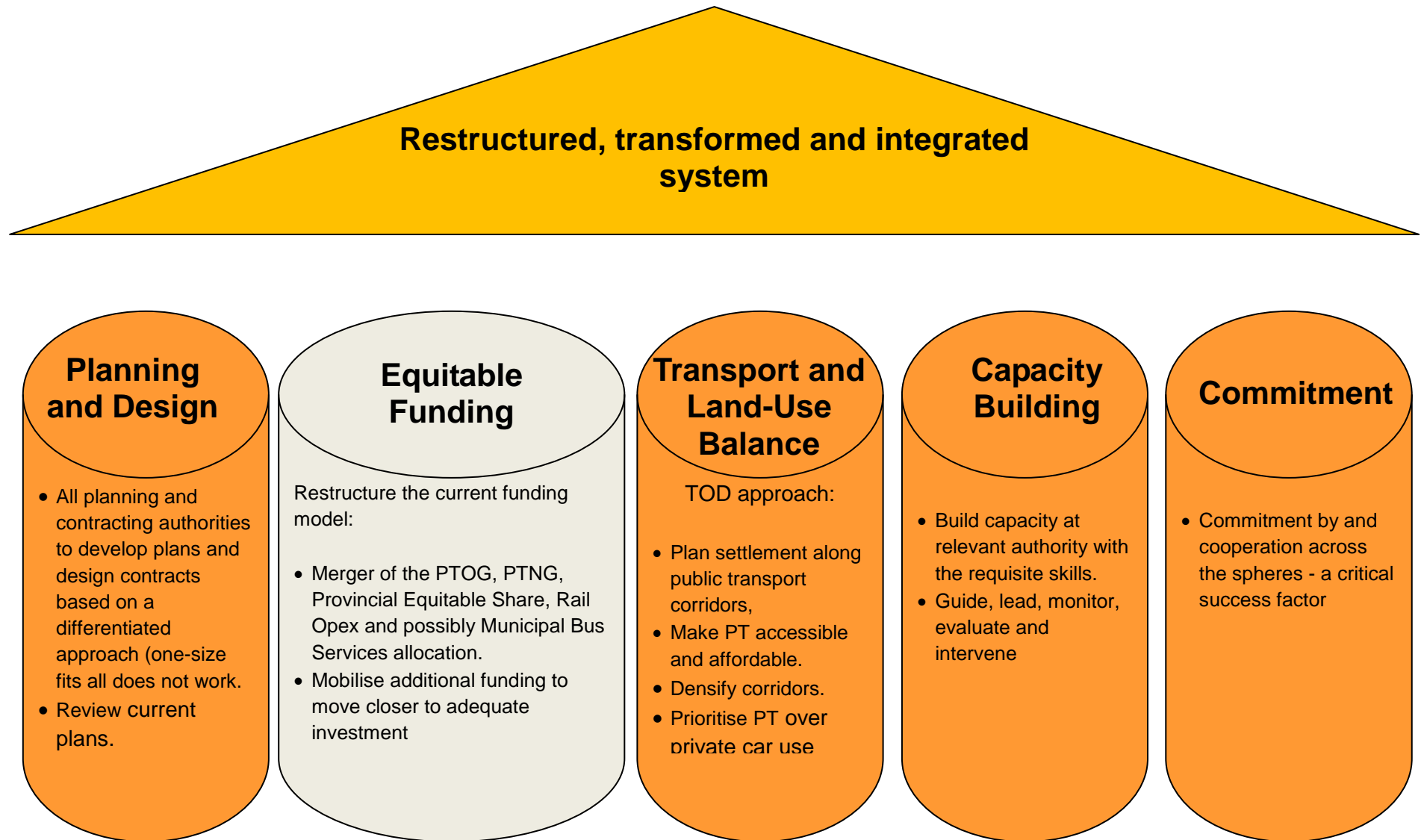
- Expansive investment is required to introduce effective public transport systems, to “Unwind the Legacy” and in time improve service output per unit of subsidy support. Only through capital investment into appropriate systems and on-going operating support to achieve equity and distributional outcomes, can access to quality public transport be broadened. Hence it is vital that infrastructure funding, through Public Transport Network Grant (PTNG) and operational support, through PTOG, are progressively integrated and must share the same overall objective of incrementally bringing about affordable, appropriate and quality public transport systems.

Is the grant achieving its outcome and impact?

- Notwithstanding the challenges mentioned above, the PTOG has to a certain extent, achieved its outcome of providing public transport services in terms of contracts that are kilometre-based and affordable to the users.
- Efficiency in Public transport spending could be improved through the integration of services into larger Integrated Public Transport Networks.

Proposed Refocused Approach for the Medium Term

There is a need to totally restructure, transform, and turnaround the entire Public Transport system based on the following principles:



To restructure, transform and turn around public transport in South Africa, the new system should be able to achieve the following objectives:

- Should be based on derived demand characteristics – basis being that transport is not a basic right but rather a basic necessity to access and achieve such rights;
- System must be accessible and affordable to the user;
- System must prioritise use of public transport and reduce dependence on private car use;
- Planning and designing of the system must address Transport and Land-Use Planning dichotomy;
- System must discourage fragmentation and promote integration, in planning, designing, resource allocation and operations;
- System must incorporate a subsidisation model that targets the service and not the service provider;
- System must be able to provide quality services that are for South African conditions. This includes the review of the current IPTN model (premised on BRT systems pronounced in the 2007 PT Strategy);
- System should be based on 'Operate and Build' as opposed to the current 'Build and Operate' approach. Given the limited funding planning, contracting authorities must move swiftly to operations particularly where minimal or no infrastructure is needed.

A Differentiated Approach: Typologies defined for Intervention – A ‘one-size-fits-all’ approach is not encouraged in the new proposed dispensation

| Type | Main Metros | Emerging Metros / Cities / Medium-Sized Towns | Rural Restructuring / High Developmental Potential | Basic Developmental Potential |
|--------------------------|--|--|--|---|
| Example | <ul style="list-style-type: none"> • Metropolitan Municipalities - Johannesburg - Tshwane - Ekurhuleni - eThekweni - Cape Town - Little rural environment | <ul style="list-style-type: none"> • Major towns - George - Mangaung - Mbombela - Msunduzi - Polokwane - Rustenburg - Nelson Mandela Bay - Adjacent rural environment | <ul style="list-style-type: none"> • Higher-density rural former homelands • Small/minor towns | <ul style="list-style-type: none"> • Low density farming communities • Small/minor towns |
| Proposed Solution | <ul style="list-style-type: none"> • Dedicated Lanes on High Order Corridors • Integrated Bus Operations on Secondary Corridors • Feeder Routes • New Stations • New Vehicle Fleets | <ul style="list-style-type: none"> • Single high volume corridor priority bus trunk route • Other areas comprise bus and feeder integrated scheduled network on existing routes, with some | <ul style="list-style-type: none"> • Quality public transport • Formal bus system • Inter-town services • Mixed fleets including buses, midi buses and taxis • Scheduled services | <ul style="list-style-type: none"> • Formalised mixed operations • Scheduled daily services to main centres • Limited services per day to regional towns • Minimal infrastructure |

| Type | Main Metros | Emerging Metros / Cities / Medium-Sized Towns | Rural Restructuring / High Developmental Potential | Basic Developmental Potential |
|------|---|---|---|-------------------------------|
| | <ul style="list-style-type: none"> • Integrated Ticketing System • Scheduled Services  | <ul style="list-style-type: none"> • priority on busy corridors • Scheduled services  |  | <p>investments</p> |

Proposed Funding Model for Public Transport in the Medium Term – (based on 2018/19 budget figures)

To ensure successful achievement of the re-focused public transport approach, the funding model must also be reviewed to eliminate fragmentation that has proven detrimental over the years. The following actions are thus proposed on the funding model:

- Consolidation of all land based grants (PTNG - R5.7 bn and PTOG – R6.1 bn), provincial equitable share portions (R1.2 bn) and municipal services allocations (R0.8 bn) ;
- Addition of other public transport funding sources – Taxi Recapitalisation Programme (R0.3 bn), Learner Transport (R3.2 bn) and Gautrain Patronage (R1.8 bn);
- Mobilisation of more funding to raise the required R74.7bn over the MTEF (R24.9bn x 3).

Access to Public Transport in Rural Access

The vision of the National Development Plan (NDP 2030) is rural areas, which are spatially, socially and economically well integrated across municipal, district, provincial and regional boundaries, where residents have economic growth, food security and jobs as a result of agrarian transformation and infrastructure development programmes; and have improved access to basic services, health care and quality education.

Achieving this vision will require leadership on land reform, communal tenure security, financial and technical support to farmers, and the provision of social and physical infrastructure for successful implementation. It will also require capacity building to enable state institutions and private industries to implement these interventions. Improved coordination and integration in the planning and implementation of area-based and differentiated rural development plans will be needed over the medium-term to achieve the vision of an inclusive rural economy.

The NDP states that since 1994, the main constraint for rural development has been marginalisation of the poor, with many rural areas and households trapped in a vicious cycle of poverty. Rural areas and communities require greater social, economic and political opportunities to overcome the legacy of marginalization and poverty. The strategic approach is for government stakeholders impacting on rural development working together to create an integrated and inclusive rural economy, starting with mutual acknowledgement of the following problem:

- That apartheid's spatial design (patterns) inevitably resulted in fragmented and segregated development planning, without viable economic, social and cultural linkages between the economically active and the relatively prosperous commercial urban areas of the country and the rural hinterland. Chronic underdevelopment with its social, economic and cultural manifestations through poverty, unemployment rural-urban income inequality still continues.

Over the MTSF, the DoT will prioritise the finalisation and approval of the Road Access Development Plan. In the public transport space, the DoT will also continue to assist district municipalities with integrated public transport network plans. For every financial year during the MTSF, two district municipalities will be assisted. The Shova Kalula Bicycle Distribution Programme will be intensified to ensure that bicycles are distributed to rural learners. The target over the MTSF is to distribute over 40 000 bicycles.

The DoT will also target to revitalise rural rail Branchlines to make rural economies more competitive by enabling provision of transport to some of the far-flung communities. These Branchlines will not only benefit commuters but will also contribute to the proposed modal shift to rail for freight thus alleviating pressure on the road network.

8.1.1.3 *INFRASTRUCTURE* Build that Stimulates Economic Growth and Job Creation

This area will cover key sector infrastructure issues especially with regard to the deterioration rate of sector infrastructure; cost of maintenance, construction and/or expansion of sector strategic infrastructure; and funding and investment in sector infrastructure projects. Essential to these issues are also engagements around methods and technologies that can be employed to enhance durability and resilience of infrastructure to ensure that it lasts longer.

To this effect, the DoT's desired outcomes will be to improve durability and lifespan of key strategic transport infrastructure, maintain existing infrastructure to ensure that it is in a state of good repair.

While South Africa has a relatively good core network of national economic infrastructure, the challenge is to maintain and expand it to address the demands of inclusive economic growth. The economy has already been constrained by inadequate investment and ineffective operation and maintenance of existing infrastructure, while productive investment in historically black communities continues to face constraints.

There is some concern that the state does not have sufficient institutional or financial capacity to finance and implement the infrastructure investment plans on the required scale. South Africa needs to make large investments to propel economic activity. These need to be made in a structured, considered manner to prevent inappropriate initiatives, protect South Africa's resources and ensure that prioritised investments are efficiently implemented.

Current investment levels are insufficient and maintenance programmes are lagging. Given the government's limited finances, private funding will need to be sourced for some of these investments, and policy planning and decision-making will require trade-offs between competing national goals. Government needs not only to better coordinate collaborative investment by businesses and provincial and local government into key infrastructure projects, but to shape its institutional, policy and

regulatory environment in order to enable investment, realise the desired efficiencies, improve infrastructure delivery, and contribute to economic growth and employment creation.

- **Road Infrastructure**

South Africa's road network, including unproclaimed roads, is approximately 750 000 kilometres, making it the tenth longest road network in the world.

Responsibility for the entire road network is split between national, provincial and municipal road authorities. Travel on South Africa's paved roads runs to about 32 billion vehicle-kms per year and this includes travel on national, provincial and local roads. While national roads are mostly paved, majority of the provincial network (more than 80%) consist of low-volume gravel roads, particularly in rural and peri-urban regions; and mainly provide isolated communities with access to public services, economic centres and other key facilities.

National Sphere

The South African National Roads Agency Limited (SANRAL), as an entity of the National Department of Transport, is the implementing agent of the national roads network, and along with the DoT, plays a key role in influencing policy and setting standards. SANRAL is currently managing about 22 214 kilometres, of which 84% are non-tolled and only 16% are tolled.

Provincial Sphere

Provincial roads are a provincial competence, and as such, provincial road networks are maintained by relevant provincial departments, though some roads have been transferred to SANRAL. The provincial road network, which constitutes about 273 621 kilometres of the overall network, is a connector network, and plays a crucial role in supporting economic activity and providing access to social services within provinces.

Provincial road networks, as required by the Provincial Roads Maintenance Grant (PRMG), are assessed on a regular basis. Conditions of provincial roads vary considerably, however the overall condition of networks is less than optimal. Paved road networks tend to be in a better state, with most roads in fair and good condition. Conditions of paved provincial networks have however still experienced deterioration. Most provincial roads are unpaved and largely in poor or very poor condition.

Rural Road Asset Management Systems (RRAMS) Grant

The strategic goal of the RRAMS Grant, as stated in the Division of Revenue Act (DoRA), is to assist rural district municipalities in setting up their road asset management systems (RAMSs), and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

During the inception of the RRAMS Grant in the 2011/12 financial year, twenty-one (21) rural district municipalities (out of a total of twenty-three (23) that were previously declared as Presidential Nodes) were selected and allocated R1 688 million each. This was due to the unavailability of road network information, especially in the local government sphere. This made it difficult to quantify the backlogs as well as to plan and budget for existing network and for future prioritisation.

Key achievements

- Frequency of data collection, which is arguably the most valuable component of any Road Asset Management System (RAMS) has improved. The Department of Transport is now having a sense on how to:
 - ✓ Determine the baseline/benchmark condition of the network,
 - ✓ Assist road authorities in determining optimum maintenance strategies,
 - ✓ Measure performance, and Monitor the change in network condition over time,
 - ✓ Maintain inventory of assets, and

- ✓ Assist the National Treasury in determining budget allocations.

Areas posing bottlenecks

- The Road Asset Data Electronic Exchange Formats document (TMH 18) is still a Committee Draft version, and has no legal standing. The document must follow a “back and forth” process of consensus building and comments until the document is converted to a Draft Standard or Final Standard, where legal standing applies.
- The purpose of the TMH 18: Road Asset Data Electronic Exchange Formats document is to facilitate efficient data management by ensuring uniformity in the format of the data submitted by various road authorities. This information can therefore be uploaded to a central data repository.
- At present, the Department of Transport does not have an appropriate software application, or program, to store and analyse the vast amounts of data it receives annually.
- Bidding Documents of the Road Authorities are often poorly prepared, riddled with errors and omissions and lacking in fundamental information necessary for the preparation of competitive bids.

Recommendations for improvement

- A Centralised Data Repository is required for management, storage, quality control, processing and evaluation of data for prioritization of projects ranging from road safety to capacity improvement and pavement maintenance as well as determining whether appropriate maintenance strategies have been selected and sharing data with the National Treasury for budget allocation purposes.
- The Department of Transport needs to improve the management of the grant system as one of the key areas of reform, which involves on-going work to improve performance monitoring road asset management programme.

- The DoT proposes that a certain portion of the RRAMS and PRMG (5%) be changed from being a direct transfer and to an indirect transfer.

Is the grant achieving its outcomes and impact?

- There is a need to continue monitoring the standardization, integration and uniformity amongst the provincial and municipal RAMS datasets. This is essential to transform the data into information, which is able to support decision-making at the various management levels.
- There has been a noted improvement seen in the data submitted at the end of September 2018.
- There is a need to create a centralised data repository system of which the outcomes will include:
 - ✓ Improved efficiency and reliability of the road network data.
 - ✓ Improved decision-making including the allocation of resources.
 - ✓ Improved asset condition reporting.

Provincial Road Maintenance Grant (PRMG)

The South African road network consists of national, provincial and municipal roads. The South African National Roads Agency Limited (SANRAL), as an entity of the National Department of Transport, is the implementing agent of the national roads network, and along with the DoT, plays a key role in influencing policy and setting standards. Provincial roads are a provincial competence, and as such, provincial road networks are maintained by relevant provincial departments, though some roads have been transferred to SANRAL. The provincial road network is a connector network, and plays a crucial role in supporting economic activity and providing access to social services within provinces.

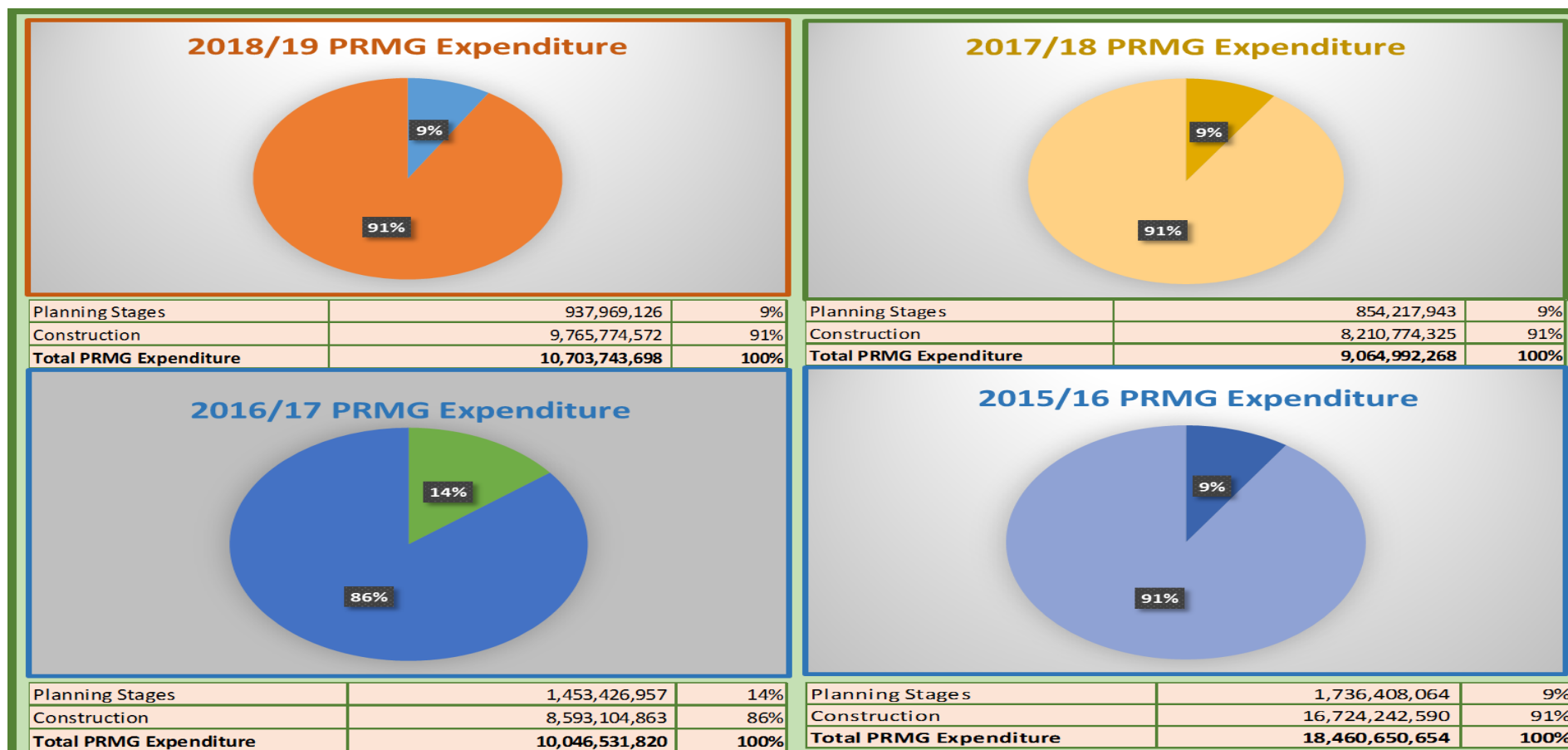
Provincial road networks, as required by the Provincial Roads Maintenance Grant (PRMG), are assessed on a regular basis. Conditions of provincial roads vary considerably, however the overall condition of networks is less than optimal. Paved

road networks tend to be in a better state, with most roads in fair and good condition. Conditions of paved provincial networks have however still experienced deterioration. Most provincial roads are unpaved and largely in poor or very poor condition.

In an environment characterized by budgets constraints, this then presents a variety of challenges. Provinces must decide which roads to prioritise in order to arrest further deterioration and maintain high volume roads. Delays in required maintenance may exponentially increase the total cost of works required. Neglecting maintenance of some roads might be justifiable in a tight fiscal environment, however, these decisions must also take account of access needs of communities and the need to promote economic growth.

Financial Outputs

For the 2018/19 financial year, a budget of R10 324 576 000.00 was allocated under Vote 35 towards the maintenance of the provincial strategic road network. Subsequently, the DoT transferred a total amount of R10 324 576 000.00 of the Grant to all the nine (9) provincial road authorities in line with the Division of the Revenue Act (DoRA).



Physical Outputs

These physical indicators are a reflection what the PRMG was spent on. Since South Africa became a democratic country in 1994, with the amalgamation of provinces with TVBC states, the condition of the road network has continued to deteriorate. Based on this, the DoT saw a need to dedicate a budget for the maintenance of the provincial strategic road network to ensure that these roads are properly maintained. The PRMG was therefore created as a provisional grant, with conditions to be adhered to by provinces.

| Physical Outputs | Summary of Achievements of the MTSF (2014 – 2019) | | | | | |
|---------------------------------|---|------------------|------------------|------------------|-------------------|--------------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total |
| Resealing m2 | 7 905 020 | 2 438 (km) | 3 897 (km) | 8 723 693 | 3 061 175 | 196 962 223 |
| Regravel | 4 068 | 4 560 | 3 775 | 4 165 | 2 670 | 19 237 |
| <i>Blacktop Patching</i> | <i>1 929 757</i> | <i>1 497 281</i> | <i>1 534 166</i> | <i>2 031 045</i> | <i>10 903 316</i> | <i>17 895 574</i> |
| Rehab Km | 1 142 | 1 937 | 1 266 | - | - | 4 345 |
| Rehab m2 | - | - | - | 4 638 844 | 8 974 810 | 13 363 653 |
| Blading Km | 326 175 | 381 867 | 398 113 | 437 170 | 371 547 | 1 914 871 |
| W/opp | 162 839 | 151 673 | 191 638 | 131 969 | 140 988 | 779 333 |

Table 2: Summary of Provincial Targets

Based on the analysis of the physical indicators, there has been a slight under-achievement for some of the indicators. The reasons for this can be attributed to:

- Variances in forecasted estimates at planning v/s implementation stages;
- Possible changes in project lists;
- Insufficient allocation by provinces on equitable share resulting in some of the provinces utilising the grant for capital projects.

Social Indicators

When the PRMG was created in 2011, as a Schedule 4 grant to supplement the provincial road maintenance budget, the core focus for the grant was on the physical component. That included resealing, re-gravelling, blacktop patching, rehabilitation and blading. In considering the triple challenges of unemployment, poverty and inequality, the grant conditions included job creation as one of the key deliverables of the grant. The Grant has since 2014 prioritised labour-intensive road maintenance methods, focussing on women and youth. It is now a requirement in terms of the Division of Revenue Act for provinces to provide annual targets on the number of jobs to be created and to report on this indicator.

In terms of contribution of Job Creation, the PRMG has achieved the following work opportunities - 163 338 (2014/15), 151 673 (2015/16), 191 638 (2016/17), 131 696 (2017/18) and 140 988 (2018/19)

Analysis of Road Condition Data

Based on the analysis of the road network condition data available, it is evident that the PRMG is having mixed success in achieving the overall objective of improving the provincial road network, which has a significant impact on the South African economy through both commercial and private road user cost effects.

PRMG is thus aimed at funding road maintenance and preservation activities. Due to the fact that the provincial road network continues to age, accelerating the deterioration, and achieving end of life, the bulk of the available funding and

resources is required to undertake expensive rehabilitations to maintain navigability on the network. In these instances, a provincial authority cannot simply allocate their budget to preventative maintenance, when key arterials deteriorate completely.

It has been requested by a number of provinces that an additional grant allocation be provided which will fund capital intensive road rehabilitation projects which are in dire need in order to allow for the provision of adequate levels of service to road users by provincial road authorities. It has, however, also been observed from the provinces showing a positive trend in their road network condition, that good planning and strong asset management is a pre-requisite to optimising available budget to maintain or improve the road network condition. The key therefore lies in establishing a strong pavement management system, and allocating the budget appropriately between capital works (rehabilitation) and preventative maintenance.

Key Challenges experienced by some provinces

Some of the key challenges experienced by provinces include:

- Lack of resources, budgets and technical capacity;
- Challenges with provincial procurement systems / inadequate resources in the procurement unit that lead to delays in appointment of service providers.

Critical observations and areas for discussion

- The PRMG remains an important source of funding for the maintenance of provincial roads in South Africa;
- Due to the size of the rehabilitation and strengthening backlog, as well as the maintenance need of provincial road networks, the physical evidence of the benefits of the grant is difficult to see;
- The grant should continue to be increased over time in order to ensure preventative maintenance and reduction of the backlog can be achieved simultaneously;

- Some provinces lack institutional capacity to effectively manage their road networks. The grant should facilitate the provision of increased technical support to the weaker provinces;
- Enforcement of grant conditions and/or strengthening of conditions should be an area of focus to ensure optimal impact as desired by the sector.

Local Government Sphere

The other 66 143 and 256 914 kilometres are managed by metropolitan and local municipalities respectively. The remaining 131 919 kilometres of roads are unproclaimed.

The apartheid spatial planning framework placed blacks in the peripheries of the cities and industrial areas, putting their transport cost above 20% of their disposable income and only prioritised private vehicles infrastructure. There is inequitable access and mobility for road users, especially pedestrians, cyclists and other non-motorised transport (NMT) road users.

Insufficient budget allocation at both provincial and local levels, led to a high percentage of the road network being in poor to very poor condition and has resulted in the continuous deterioration of the road infrastructure condition. The maintenance backlog, as per the 2013 CoTO Report, sits at R197 billion. The prevailing budget constraints thus present a variety of challenges wherein provinces must decide which roads to prioritise in order to arrest further deterioration and maintain high volume roads. Delays in required maintenance may exponentially increase the total cost of works required. Neglecting maintenance of some roads might be justifiable in a tight fiscal environment, however, these decisions must also take account of access needs of communities and the need to promote economic growth.

Over the MTSF, in an effort to address the problem stated above, the DoT, SANRAL and relevant provincial departments will embark on capital infrastructure programmes to improve roads in poor conditions, expand road infrastructure and ensure consistent maintenance of the road network.

- **Rail Infrastructure**

The South African rail network is the eleventh largest in the world at a total track distance of 30 400km. Public sector railways comprise three distinct vertically integrated entities, namely the Transnet Freight Rail (TFR) division of Transnet SOC Ltd (previously Transnet Limited), the Passenger Rail Agency of South Africa (PRASA), and the Gautrain Management Agency.

TFR owns 20 953 route km of cape gauge track, of which 12 801 route km comprises the core network. The remaining track comprises 68 branchlines totalling 6 708 kilometres in length. PRASA operates metropolitan commuter services through its Metrorail division, and long distance commuter services through its Main Line Passenger Services (MLPS) division, Shosholoza Meyl.

PRASA owns 746 route kilometres of cape gauge network or slightly more than half of the track on which Metrorail runs, whilst Shosholoza Meyl trains run almost exclusively on the TFR track. The access relationship that PRASA has with TFR is heavily influenced by the history of the asset split criteria used to allocate infrastructure and rolling stock. The criteria used was that the main user of the network received ownership control of the asset.

In practice, this should have decreased the requirement to access each other's network as much as possible, however, over time the pattern of asset usage has changed, and now in a number of cases Metrorail is operating on network owned by TFR, but where PRASA trains comprise the majority of activity on the track. The Gautrain network is approximately 80 kilometres long and does not interconnect with any other network on basis of its standard gauge track.

The rail sector, for the past 120 years, operated without a National Rail Policy and as such, the sector was negatively affected resulting in a significant loss of the market share. South Africa's railway network is a national asset and its operational effectiveness impacts the whole economy and society. In the absence of a National Rail Policy, coherent direction to guide development of the rail sector in alignment with rail's global development trajectory has not been forthcoming. The National Rail

Policy will give much needed direction to the rail sector and will consider South African setting and its priorities, such as promoting the developmental state, socio-economic development, job creation, eradicating poverty, reducing unemployment and under-development and positioning railways in market spaces that could serve as backbone of the country's logistics and mobility systems.

The Department produced a Green Paper on National Rail Policy which was approved by Cabinet in August 2015 for public consultation. The Green Paper pronounced, amongst others, on the introduction of the standard gauge infrastructure in the rail network as well as rail economic regulation, which will facilitate private sector participation in rail through regulated third party access. Such innovation has seen a mind-set shift in critical stakeholders who have made commitments and strides in investing in rail technologies that will see improvements in the rail sector.

The National Development Plan (NDP) provides a strategic framework to guide actions on the maintenance and expansion of economic infrastructure such as transport and more especially rail transport to support economic growth and social development goals. The NDP states that given government's limited finances, private funding will need to be sourced for some of these investments. In addition to issuing licences and setting tariffs, the NDP requires regulations to place emphasis on stimulating market competition and promoting affordable access to quality services.

A closer working relationship between regulators, utilities and government Departments is emphasized as well as sufficient political will. The NDP recognizes that this will require capacity building in regulatory institutions and that the State itself has to have adequate capacity to formulate policies, support the design of regulators and respond to issues identified by these regulators. The Department established an Interim Rail Economic Regulatory Capacity (IRERC) which prioritizes developing guidelines and frameworks to ensure fair and transparent access to the rail network which will create a conducive environment for private sector participation.

Mobility is a key dimension of the National Development Plan 5-Year Implementation Plan. Transportation cuts across the economy, environmental sustainability, spatial transformation, global connectivity, state capability, social cohesion and health. To function optimally, South Africa needs reliable, economical, integrated smooth-flowing rail corridors linking the various modes of public transport. Investment in the rail network should increase access to an integrated rail network and create a conducive environment for private sector participation and investment in rail infrastructure.

Passenger rail is a critical function that creates enormous positive externalities for the economy and justifies significant subsidisation from government. The consequences of any move by passengers to alternative modes of transport include the new costs that are imposed on the rest of the economy; low-income households relying on more expensive and less safe modes of transport; traffic congestion increases; and people in outlying areas become even more marginalised. Any failure by the Passenger Rail Agency of South Africa (PRASA) to deliver on its primary mandate is, therefore, a matter of great public concern.

PRASA's operational and financial performance is in steep decline. Metrorail's current service levels, when measured by the rate at which trains are available for service, are cancelled and/or are late, or by customer satisfaction, are considerably below the levels of 2009. This is despite R80 billion of capital subsidies being allocated to PRASA for modernisation of the Metrorail network since 2009. Passenger rail safety has also remained problematic.

The decline in PRASA's service reliability resulted in a 60% decline in the number of paying passengers using Metrorail. This is reflected in a combination of declining passenger numbers, the decline in the number of trains running, worsening reliability, commuters defecting to alternative modes of transport and increased fare evasion. Apart from the decline in paying Metrorail passengers, there has also been a 90% decline in long-distance rail passengers.

Measured against the book value of its assets, which have risen nearly six-fold in the past ten years as a result of the modernisation programme, the halving of paid

passenger trips represents significant organisational failure, especially since PRASA's core function is to convey low-income commuters to and from work every day in four of SA's largest centres.

Over the MTSF, the DoT and PRASA will intensify implementation of its capital expenditure programme with focus on three programmes, the Rolling Stock Fleet Renewal programme, the Station Modernisations programme and the Rail Signalling Improvement programme.

- **Aviation Infrastructure**

Civil aviation is vital to international trade, investment, and tourism, as well as contributing to domestic transport, sports and recreation. The Convention on International Civil Aviation of 1944 (Chicago Convention) imposes responsibility for compliance with aviation safety and security Standards and Recommended Practices (SARPs) on Contracting States. Aviation safety and security is of paramount importance and should be enhanced as far as possible.

In this context, national Government should retain overall regulatory accountability to ensure the unbiased regulation of aviation safety and security in accordance with international SARPs as defined by the International Civil Aviation Organization (ICAO). The South African Civil Aviation Authority (SACAA) has been created in terms of the Civil Aviation Act, 2009 (Act No. 13 of 2009) and remains the designated authority for purposes of conducting civil aviation safety and security oversight and overseeing the functioning and development of civil aviation industry in South Africa.

National Civil Aviation Policy cannot be considered in isolation and should be in harmony with Government's broad policy framework. Therefore, the policy has evolved within the parameters set by the Constitution of South Africa, the 2030 National Development Plan (NDP), the White Paper on National Transport Policy (1996) and various legal instruments and international conventions relating to civil aviation.

The White Paper on National Civil Aviation Policy (NCAP - 2017) acknowledges that the present airport infrastructure, with ownership vested in all spheres of government, as well as the private and non-profit sector, is an integral part of the South African transport system. This infrastructure contributes to the socio-economic development of the country in terms of direct job creation and economic activity, stimulating economic activity in the wider airport precinct (including through “airport cities” and “aerotropolises”). It also facilitates domestic- and international tourism, as well as trade. The NCAP also acknowledges that these airports are currently not integrated into a meaningful airport network and that an integrated system involving all spheres of government, should be introduced.

The National Airports Development Plan (NADP) has been initiated in support of the NCAP. It is the plan intended to address the gaps between the current airport network and the future desired state. It will guide and support both overall network planning and the development of individual airports integrated within their broader spatial and transport contexts, in consultation with key airport stakeholders.

An integrated airport network system has the potential to support the NDP’s objective by contributing to growing the economy of the country and ensure that potential investments are utilised effectively and efficiently through economic initiatives such as the aerotropolis concept, airport cities, Special Economic Zones (SEZ’s) linked to international airports aimed at promoting economic growth, trade and tourism and job creation. It could further facilitate the expansion of tourism, including sport and adventure tourism. However, such initiatives must be sustainable to ensure economic growth within the country.

South Africa has more than 1 500 airports, which include licenced, unlicensed and registered airports. In order to understand and describe the airport network, a number of airport attributes need to be taken into account. These include airport infrastructure and facilities (both aeronautical and non-aeronautical), licencing/registration of an airport, designation of an airport as an international port of entry, nature and level of activity (including traffic volumes), ownership, proximity to the strategic transport network, as well as demand and capacity balancing with regard to the airspace.

In terms of infrastructure and capacity, runways are one of the most significant considerations. In South Africa, the majority of runways fall within International Civil Aviation Organization (ICAO) Codes 1 and 2 (short and narrow runways), typically unpaved (grass or gravel) runways. There are at least thirty-nine (39) Code 3 and 4 runways which are longer and wider runways that are typically paved. These include airports such as OR Tambo International Airport, Cape Town International Airport, King Shaka International Airport, Upington International Airport, Lanseria International Airport, Kruger Mpumalanga International Airport and Mafikeng Airport. Other capacity considerations include passenger handling capacity, and airspace co-dependencies between airports.

There are approximately hundred and twenty eight (128) licensed airports, of which 10 are designated as international airports, and sixty-eight (68) voluntarily registered airports. With regards to ownership of airports, there are nine (9) Airports Company South Africa (ACSA) airports, nine (9) provincial government airports, thirty-eight (38) military airports and around hundred (100) municipal (local and district) airports. There are also numerous privately-owned licensed airports with the vast majority of the remainder of the airports being private (business, non-profit, and individual). ACSA has generated R7.6 billion towards the South African economy in the financial year 2018/19, supported R2.9 billion in income for its employees and those of its local suppliers and supported 30 684 jobs of direct employees, indirect in its supply chain and induced jobs owing to wages spent by its direct employees.

ACSA facilitates over 21.1 million annual departing passengers through its airport network. Furthermore, ACSA has an annual departing and arrival throughput passenger capacity of 54.5 million across its entire airport network. To enhance capacity, ACSA will construct nine Code F and seven Code C remote apron stands to provide capacity for more aircraft at O.R. Tambo International Airport. Plans are underway to develop the airport's western precinct and midfield cargo terminal to accommodate growing demand and create opportunities for black-owned businesses in line with the construction sector transformation strategy. The growth in demand for services at Cape Town International Airport places increasing pressure on runway capacity and aircraft parking facilities.

To address this material constraint, ACSA will increase runway capacity by 50%. This will be achieved by re-aligning the primary runway and associated taxiways, increasing the maximum capacity from the current thirty (30) air traffic movements hourly to approximately forty (40), and providing for new procedures for new flight paths. An environmental authorisation has been secured to proceed with the runway re-alignment project. King Shaka International Airport is in the process of extending the Bravo taxiway and construction of two Code F aircraft stands. The project will increase parking capacity for larger international aircraft.

The majority of key Provincial and Municipal owned airports are not sustainable without on-going financial support based on allocations from the fiscus. Some smaller airports are focusing on precinct development to improve viability through increased non-aeronautical revenues.

The financial standing of military airports, which are funded through the budget of the Department of Defence, is difficult to assess, as financial information on these airports are not publicly available. Langebaanweg, Waterkloof, Hoedspruit and Overberg are military airports utilised as diversion airports for civilian aircraft. Some military airports are co-used by civilian operators.

Air Traffic and Navigation Service (ATNS) as a State-Owned Company and national provider of Air Traffic Management (ATM) services plays a significant role in contributing to South Africa's sustainability agenda through airspace infrastructure provision. Air Traffic Management (ATM) ensures orderly, expeditious, safe and secure aircraft movements in South Africa's airspace through the deployment of Communication, Navigation and Surveillance (CNS) infrastructure (terrestrial as well as space-based) in accordance with the strategies defined in the National Airspace Master Plan (NAMP).

To enhance the ATNS Air traffic services (ATS) provided at the nine statutory ACSA airports and at eleven regional airports, it is planned to consolidate approach control services for various airports Terminal Control Areas (TMA's) and to deploy remote tower technology for aerodrome control services without being stationed at the respective airports. Airspace, route and flight procedure designs are continually

reviewed to allow for optimal performance by introducing Continuous Climb Operations (CCO), Continuous Descent Operations (CDO) into airports.

In terms of airspace and airport congestion, a formal slot allocation system is applicable at the three fully coordinated airports in South Africa, which are OR Tambo International, King Shaka International, and Cape Town International Airports. The purpose of slot coordination is to facilitate the optimal utilization of scarce resources at coordinated airports. It also aims to facilitate stability of scheduled air services network serving South Africa; and orderly and safe operations at coordinated airports. Congestion is primarily experienced in the vicinity of the Johannesburg Terminal Area (TMA). There are also some airspace pressures at airports, which serve high volumes of non-scheduled traffic, flight training, general air services, and non-commercial aviation activity.

Over the period of the Medium Term Strategic Framework (MTSF), the DoT will endeavour to seek Cabinet's consideration and approval of the National Airports Development Plan, which will guide both overall network planning and the development of individual airports integrated within their broader spatial and transport contexts.

8.1.1.4 Building a *MARITIME* Nation, Elevating the Oceans Economy

This area presents a strategic opportunity for South Africa. South Africa is bordered by the ocean on three sides. In 2010, the ocean contributed approximately R54 billion to SA's Gross Domestic Product (GDP) and accounted for approximately 310 000 jobs. Studies suggest that the ocean has the potential to contribute up to R177 billion to the GDP and between 800 000 and one million direct jobs.

The DoT, as part of its contribution to unlock the economic potential of the ocean, will look at a number of key areas. These include regional coastal shipping agreement within the Southern African Development Community (SADC), establishment of a national shipping carrier and corporatisation of the Transnet National Ports Authority (TNPA).

One of the key strategic objectives of the Comprehensive Maritime Transport Policy (CMTP) is to develop South Africa to be an International Maritime Centre in Africa. In considering the bold objective, it is important to note that the proposed Maritime Transport Strategy 2030 envisages that this status may be achieved by 2030. Elements that are required to achieve this status involve a number of factors that are required and these include that South Africa's maritime sector must develop beyond its ability to serve national interest and be more occupied in providing efficient services to the global industry.

South Africa, and most countries in Africa, has begun investing and utilizing resources to explore and grow their maritime sectors. The investments into port and logistics infrastructure including warehousing infrastructure has grown exponentially with the most recent major development being the following:

North Africa Ports:

- Tanger-Med (Morocco) and Al Hamdania (Algeria)

West Africa Ports:

- Takoradi (Ghana), Tema (Ghana), Badagry + Lekki (Nigeria) and Lome (Togo)

Southern Africa Ports:

- Porto do Caio Cabinda (Angola), Walvis Bay (Namibia), Durban (South Africa), Maputo (Mozambique) and Port Louis (Mauritius)

East Africa Ports:

- Mombasa (Kenya), Dar es Salam (Tanzania), Bagamoyo (Tanzania), Lamu – LAPSSET (Kenya, Ethiopia, South Sudan) and Doraleh (Djibouti).

As can be deduced from these aforementioned, only a single port in South Africa is undergoing development in the face of huge investments into the port system in our neighbouring countries. The China investment factor, in the form of the Silk Road concept and particularly in Sub-Saharan Africa, is going to shake port and logistics market in a manner not experienced before. There is also a growing demand for South Africa to play a much aggressive role in offshore industries in a manner that will not compromise our commitment to protecting our marine environment.

With the 4th Industrial Revolution (4IR) in our midst, South Africa should promote maritime analytical skills and tools to embrace the 4IR. There is need to learn from the bit of excellence ship and boat building industry where South is already highly recognized in the world and ranking number two (2) after France as leader in the manufacture and distribution of Catamarans and other sophisticated luxury yachts.

The first five years of the next decade are crucial in taking South Africa exactly five (5) years closer in achieving the IMC Status. One of the areas requiring a better marine footprint is shipping and the CMTP and draft Strategy 2030 identifies coastal shipping as a key instrument laying a firm foundation to build and grow the maritime sector. We must also clarify during the coming Medium-Term Expenditure

Framework trade policy as it relates to some of our commodities and on a gradual scale to be shipped by South African to be ship owners. Our focus in the coming decade is going to be in the building a strong maritime industry. South Africa must take steps to promote the development of a national shipping company in the light of the renewed impetus brought about by the CMTP.

Steps will be initiated to configure the structure in to deliver on the mandate of the Programme and all its agencies. There is ongoing need to monitor the staff profile of all maritime entities across the board. Other internal institutional factors that may impact on the achievement of the institution's outcomes must be reflected.

The nature of transformation of the maritime sector requires context and must also be informed by the fact that structurally a developing industry and therefore, part of what we need is modernization and innovation through smart technologies. The delayed appointment of the B-BBEEE Charter Council is delayed transformation. We will continue promoting the implementation of the 2019 Women in Maritime Dialogue Declaration.

8.1.1.5 Accelerating *TRANSFORMATION* towards Greater Economic Participation

The transformation agenda of the sector will focus on the following objectives:

- Transformation of the South African construction, engineering, aviation, maritime sectors in line with national transformation imperatives, in a manner that broadens economic participation, economic growth and job creation.
- The Department of Transport's and all its entities' contribution to broad-based black economic empowerment, skills development and the growth of small, medium, macro enterprises and cooperatives, with a particular bias towards township, dorpie and rural economies.

SANRAL's Horizon 2030 aptly captures the core tenets of its transformation agenda, which should be replicated across all Transport entities. Taking cue from SANRAL, policies and practices of all DoT's entities must cover the whole range of the organisation's activities, from employment equity to skills development, community and enterprise development, procurement, legal, finance and audit with the following key focus areas:

- Develop transformation framework and policy
- Develop sub-sector transformation strategies
- Develop structured supplier development programme
- Ensure implementation by amending relevant policies

The building blocks of the Empowerment Programme constitutes eight pillars:

- Pillar 1: Achieve 60% ownership by taxi industry in all public-funded Integrated Public Transport Network projects and Taxi Recapitalisation Scrapping entity.
- Pillar 2: Roll out restructured subsidy model that includes participation of minibus-taxi industry.
- Pillar 3: Establish Aviation Academy that services the SADC Region and the continent.

- Pillar 4: Deliver high-impact socio-economic flagship projects.
- Pillar 5: Create a Technical Innovation Hub, underpinned by strong Research and Development and expand the SANRAL Technical Excellence Academy.
- Pillar 7: Achieve 60% spend on goods and services with procurement from black-owned, township, dorpie and rural enterprises.
- Pillar 8: Implement revolving door policy to leverage private sector expertise and provide skills fast-track programme through secondment arrangements.

8.1.1.6 *INNOVATION* that Advances Efficiencies and Supports a Continuous Improvement Model

To achieve the sector's desired outcome of a safe, accessible, efficient and environmentally sustainable transport system, the DoT and its sector partners will need to evolve from focusing on operational efficiencies only and to extensively consider technological innovation in various areas such as information and communication systems, navigation systems, mobile platforms, automated and connected vehicles, unmanned aircraft systems and clean energy. Advances in data processing are enabling governments and private companies to improve transport services and better target investments.

In the current environment, where the Fourth Industrial Revolution (4IR) has become a topical issue, innovators have also identified the transport sector as they look to bring new systems into the market. To leverage these efforts for public benefit, the DoT must proactively assess its regulatory environment to identify, research and support areas that may not be sufficiently addressed, by conducting new innovations.

For example, as shown by the rapid spread of Remotely-Propelled Aircraft Systems (RPAS) and the development of autonomous vehicles, new regulatory demands may appear that may need government to adapt its legislation and policies. Without sufficient in-house expertise in such areas, it would then be difficult for the DoT and the sector to provide technical advice thus creating a lag between government response and advancement in the market space.

The DoT must ensure that it is in a position to rapidly respond to the regulatory challenges posed by emerging technologies to ensure their safety, affordability and accessibility. In this regard, the Department should consider strengthening its research capabilities, particularly with regard to safety research and innovation while maintaining close connections with the larger research community.

The DoT's desired outcome in this space is to ensure that South Africa, as part of the global world that is impacted by these technological advances, becomes more

supportive of these beneficial technologies that will ultimately improve efficiencies in the transport space.

Over the medium term, the DoT will, amongst others, prioritise the following:

- Roll out of a *Single (Integrated) Electronic Ticketing System* for government-subsidized public transport operators;
- Automation of manual operations in the driving licence application environment;
- Roll out of a *Virtual (Digital) Driving Licence Card*;
- Development of a legislative framework for implementation of *Autonomous Vehicle Technology*;
- Improvement of the regulatory environment for *Remotely-Piloted Aircraft System (RPAS)*.

8.1.1.7 ENVIRONMENTAL PROTECTION – Recovering and Maintaining a Healthy Natural Environment

This area will cover the effects of transport activities on climate change and environment as a whole, and engage on approaches to avoid or mitigate those effects. The DoT's desired outcome will be to ensure that the sector advances environmentally sustainable policies and investments that promote reduction of carbon and other harmful emissions from all sources of transport.

Movement of goods and services in time and space defines and influences economic activity. Demand for transport shapes the urban landscape and influences our people's spatial choices in relation to schooling, places of work, religious services, economic services such as banking, shopping and basic lifestyle requirements. Businesses, in similar ways, choose to establish themselves based on market proximity and size, and ease of transport supporting labour, goods and services. These choices contribute in ways that are either favourable or extremely compromising to the well-being of individuals, households and businesses (National Household Travel Survey, 2013:1)

Emissions from the transport sector in South Africa account for 10.8% of the country's total Greenhouse Gas (GHG) emissions. In addition to these direct emissions arising from the combustion of fuels, there are indirect emissions from the production, refining and transportation of fuels.

Continued growth within the transport sector is likely to have an increasing impact on land resources, water quality, air quality and biodiversity. In urban centres, transport is a major contributor to air pollution and emissions include nitrous oxides and particulates, which contribute to the brown haze we see over many of South Africa's main cities. These pollutants have a significant impact on human health, increasing risks of respiratory diseases, heart diseases, lung cancer and low birth weight (among others) – with children and the elderly particularly vulnerable. This places an even greater burden on the healthcare system with substantial medical costs.

Planes, trains and automobiles, carriages, carts and coaches from history's earliest to modern man's sophisticated modes of transport have changed through the ages with little attention paid to man's first step in mobility; walking. In South Africa, walking is one of the most utilised forms of getting people from one place to another, but at an enormous cost financially, emotionally, morally and physically.

It is thus the responsibility of the DoT to contribute significantly to national economic development through a people-centred approach that creates opportunity and stimulate growth. Thus, it is the intention of the Department to drive the goals of the National Transport Master Plan (NATMAP) 2050 as South Africa confronts its crossroad to bring safe, efficient, reliable, affordable transport for all its people. That makes the need for real change within the transport sector urgent and imperative.

During the MTSF, as part of implementation of the Green Transport Strategy, the DoT will strengthen its carbon emission transition plan to ensure that it contributes to the country's target of reducing GHG emissions by 42%.

In the Maritime Transport space, new IMO energy efficiency regulations and cleaner fuels are coming into force in January 2020. These regulations will bring about a new marine fuel economy. The South African industry must take advantage of this reality not only by ensuring the enforcement, but also looking at opportunity brought about by the regulation.

Under the new global limit, ships will have to use fuel oil on board with a sulphur content of no more than 0.50%. That compares with the current limit of 3.50%, which has been in effect since January 2012. The interpretation of 'fuel oil used on board' includes fuel used in main and auxiliary engines and boilers. The transport sector welcomes the introduction of the sulphur cap, which comes into effect in January 2020, as an important step in reducing the impact of global supply chains on people's health and the environment.

To this effect, the DoT will ensure full implementation of the MARPOL Annex VI, to limit main air pollutants contained in ship exhaust gas, including sulphur and nitrous oxides. The implementation of the MARPOL Annex VI will also prohibit deliberate

emissions of ozone depleting substances and also regulate shipboard incinerations and emission of volatile organic compounds from tankers.

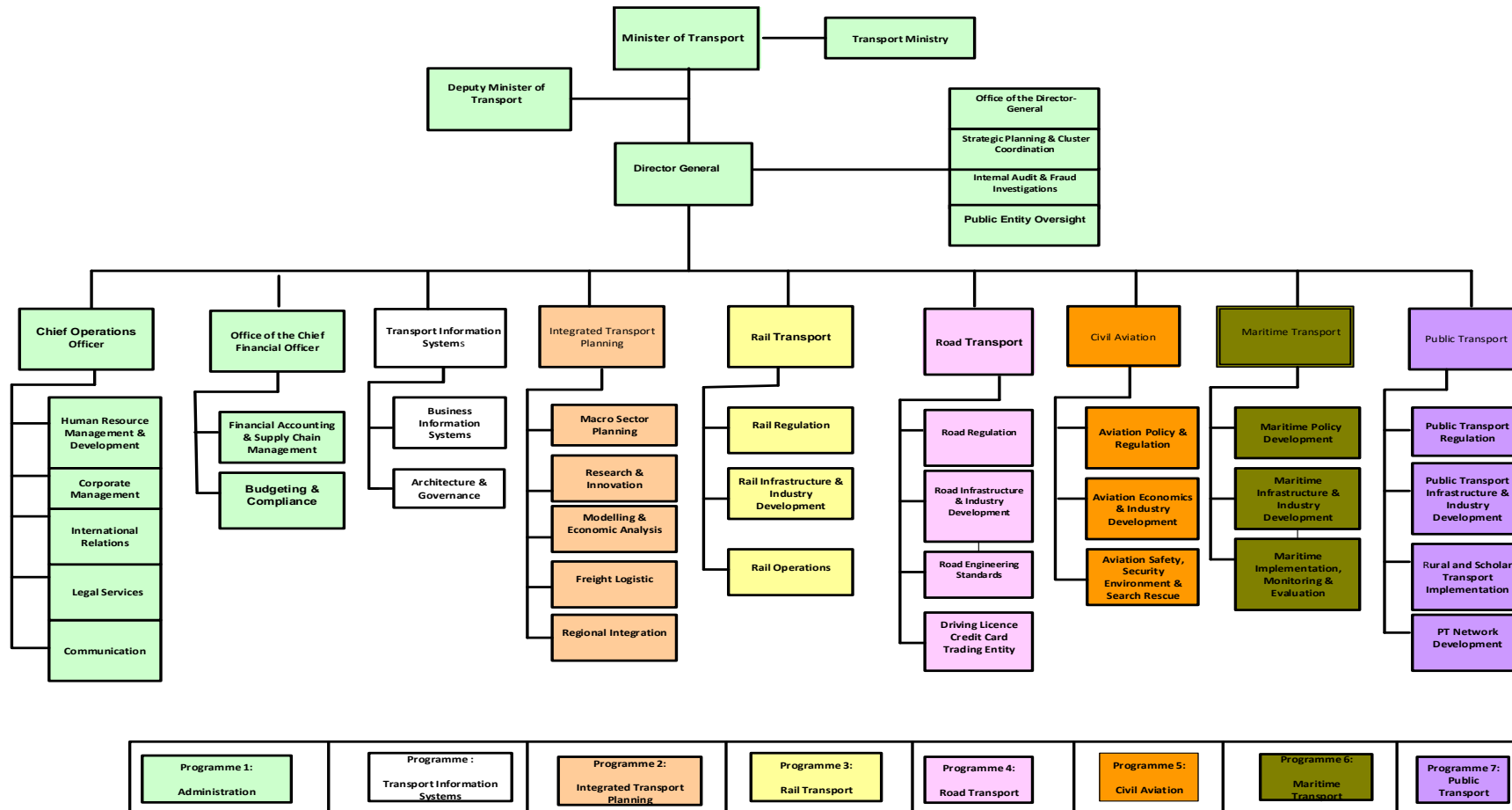
South Africa lies in one of the world's busiest shipping lanes. The peculiar waters of South Africa serve to explain the treacherous sailing conditions. The large traffic volume transiting around the Cape horn and the large number of ships sailing towards the country's ports make the coast vulnerable to oil pollution. It is with this view in mind that the country's marine pollution prevention measures be reviewed on a regular basis to ensure that oil pollution is minimised.

Over the medium term, the DoT will target to acquire a pollution prevention tug that will ensure that it timeously responds to emergency callouts and high risk maritime emergencies.

8.2 Internal Environment Analysis

8.2.1 Organisational Structure

Organisational Structure for the Department of Transport
April 2019



The DoT's organisational structure, shown above, was approved in September 2011 and implemented from November 2011. The structure consists of four transport modes (rail, road, civil aviation and maritime transport), public transport and integrated transport planning. Support functions, particularly in the Office of the Director-General, Office of the Chief Operations Officer and the Office of the Chief Financial Officer are all categorised under the administration programme.

Since the creation and approval of the structure, the following changes were made, thus impacting on the number of posts on the establishment.

- **2015:** Posts not filled during the period were deactivated, thus reducing number of posts on the establishment to 699.
- **2016:** Seventeen (17) positions were added to the establishment for the National Public Transport Regulator (NPTR) Support (which deals with public transport issues relating to the issuing of permits for the transport tourists). This increased the establishment to 716 funded posts.
- **2017:** Centralisation of the Public Entity Oversight (POE) approved by the then Minister

Over the period, some funded vacant positions were moved between units to address priority needs in areas with staff shortages.

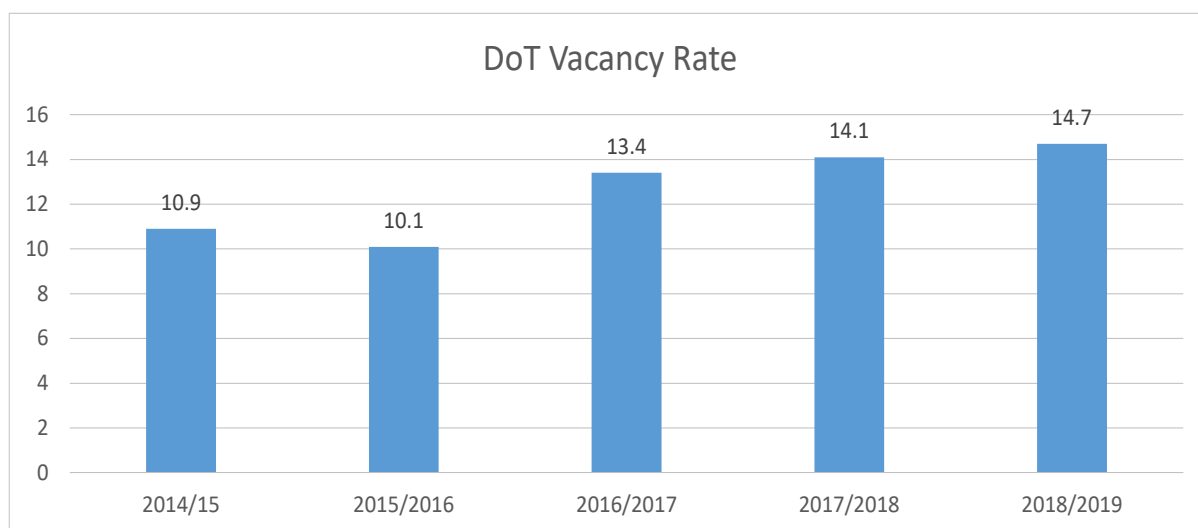
8.2.2 Departmental Vacancies

Vacancy rate in the Department of Transport remains a challenge. The main contributors to the high vacancy rate are unfunded positions in the organisational structure of the department and high termination rate.

DoT Vacancy Rate as at September 2019

| Programme | Positions Filled | Vacant Positions | Vacancy Rate | Employees Additional to the Establishment |
|-------------------------------|------------------|------------------|--------------|---|
| Administration | 316 | 58 | 15% | 55 |
| Integrated Transport Planning | 68 | 6 | 8% | 0 |
| Rail Transport | 37 | 4 | 10% | 0 |
| Road Transport | 83 | 11 | 12% | 1 |
| Civil Aviation | 51 | 11 | 18% | 0 |
| Maritime Transport | 29 | 9 | 24% | 0 |
| Public Transport | 77 | 9 | 10% | 19 |
| TOTAL | 661 | 108 | 14% | 75 |

DoT Vacancy Rate: MTSF 2014 - 2019



8.2.3 Human Resource Development

It is the DoT's priority to ensure that the right employees with the right set of competencies and skills are always available to discharge its mandate in the most economic, effective and efficient way. To achieve this, various skills development initiatives have implemented to address the departmental, sectorial and national imperatives in line with the government outcomes.

Since 2014, approximately 2 062 employees were exposed to technical and transversal courses to address the skills gaps identified through various methodologies (skills audit, questionnaires, incident reports, interviews). Currently, for the period April to September 2019, a total of 231 employees have been trained in line with the 2019/20 Workplace Skills Plan. During 2017/18 financial year, a skills audit project was successfully undertaken, where 95% of staff participated. Implementation of recommendations of the skills audit exercise is in progress.

To address the high youth unemployment rate, 273 interns were appointed for placement within the department and an additional 74 placed across various municipalities in April 2018. Currently, 52 interns are appointed on a 24-month contract for the period 2018-2020. Furthermore, three types of learnership programmes targeting serving employees were implemented. Namely,

- Project Management (NQF Level 4) – Ten (10) employees
- Internal Audit (NQF Level 5) – Two (2) employees
- Public Administration (NQF Level 5) – Fifteen (15) employees.

In line with the departmental bursary programme, approximately 688 employees were provided with financial assistance in the previous MTSF. Currently, 147 bursars are continuing with their studies during the 2019/20 financial year. The DoT has also entered into MOUs with 12 universities for the development of transport skills pipeline. To this effect, about 6 269 students were supported financially and 302 students are currently enrolled under this university programme for the 2019/20 financial year.

To respond to the seven (7) apex priorities of the 6th Administration in terms of Skills Revolution, the DoT intends to introduce the Work Integrated Learning Programme to complement the internship programme.

8.2.4 Expenditure Analysis for the MTSF (2014 – 2019)

Final Appropriations

| Programme | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 390 889 | 422 169 | 365 182 | 415 254 | 434 094 |
| Integrated Transport Planning | 74 974 | 88 764 | 77 054 | 83 075 | 89 982 |
| Rail Transport | 15 035 507 | 18 310 610 | 18 993 457 | 19 333 199 | 15 887 279 |
| Road Transport | 21 810 020 | 23 164 889 | 24 878 466 | 27 138 175 | 30 098 760 |
| Civil Aviation | 160 966 | 150 383 | 258 267 | 171 165 | 182 253 |
| Maritime Transport | 101 742 | 143 674 | 156 386 | 128 417 | 129 126 |
| Public Transport | 11 196 571 | 11 334 588 | 11 557 042 | 12 525 895 | 13 009 800 |
| Direct Charge | - | - | 3 821 | 10 000 | 10 200 |
| TOTAL | 48 770 669 | 53 615 077 | 56 289 675 | 59 805 180 | 59 841 494 |

Actual Expenditure

| Programme | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 377 489 | 420 824 | 365 136 | 407 466 | 379 809 |
| Integrated Transport Planning | 74 974 | 88 762 | 77 054 | 76 660 | 71 375 |
| Rail Transport | 15 035 507 | 18 305 274 | 18 992 005 | 14 515 158 | 15 873 693 |
| Road Transport | 22 202 862 | 22 889 198 | 25 055 434 | 27 118 369 | 30 067 108 |
| Civil Aviation | 160 966 | 145 284 | 210 427 | 166 149 | 167 718 |
| Maritime Transport | 99 623 | 142 874 | 153 561 | 109 327 | 123 993 |
| Public Transport | 11 195 677 | 11 328 571 | 11 550 042 | 12 277 572 | 12 509 758 |
| Direct Charge | - | - | 3 821 | 5 559 | 2 976 |
| TOTAL | 49 147 098 | 53 320 787 | 56 407 480 | 54 676 260 | 59 196 430 |
| VARIANCE | (376 429) | 294 290 | (117 805) | 5 128 920 | 645 064 |

Over And Under-Spending Per Economic Classification

| Economic Classification | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|------------------------------|------------------|----------------|------------------|------------------|----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Compensation of Employees | 797 | 45 | 39 348 | 29 588 | 56 574 |
| Goods and Services | (302 994) | 21 074 | (134 182) | 110 978 | 237 705 |
| Transfers and Subsidies | (73 972) | 276 343 | (808) | 4 988 646 | 350 910 |
| Payments for Capital Assets | - | 153 | 77 | 336 | 759 |
| Payment for Financial Assets | (260) | (3 325) | (22 240) | (628) | (884) |
| Total | (376 429) | 294 290 | (117 805) | 5 128 920 | 645 064 |

Reasons for under and over-expenditure for the period under review

- **Compensation of Employees:**

- Consistent under-spending due to slow filling of vacant posts

- **Goods and Services**

- Over-spending in 2014/15 and 2016/17 due to the costs of maintenance and operations of the Electronic National Traffic Information System (eNaTIS), which was not budgeted for.
- 2015/16, 2017/18 and 2018/19, the department under-spent on goods and services due to delays in the procurement processes, projects completed in-house, as well as non-spending in the number of projects.

- **Transfers and Subsidies**

- Over-spending in 2014/15 due to funds that were not paid to the Road Traffic Management Corporation (RTMC) in 2013/14, which were only paid in 2014/15;
- Under-spending in 2015/16 due to funds withheld from the Provincial Road Maintenance Grant (PRMG) for Kwa-Zulu Natal due to non-compliance with grant conditions;
- Over-spending in 2016/17 due to exchange rates when paying the foreign membership fees;
- Under-spending in 2017/18 due to the withholding of the last transfer payment to the Passenger Rail Agency of South Africa Limited (PRASA) as a result of consistent low expenditure on the capital programmes, stopping of the transfer payment to Msunduzi from the Public Transport Network Grant (PTNG) due to non-compliance with the Division of Revenue Act (DoRA), as well as slow rate of scrapping of taxi's due to the demand-driven nature of the Taxi Recapitalisation Programme;
- Under-spending in 2018/19 due to slow rate at which taxis were scrapped because the Taxi Scrapping project could not proceed from October 2018 to March 2019 as a result of delays in the adjudication of a new contract.

-

- **Payment of Capital Assets**

- Consistent under-spending due to less equipment and furniture procured as a result of less posts that were filled.

- **Payment of Financial Assets**

- Consistent over-spending due to debt written-off and the high over-spending in 2016/17 was due to debt written-off for the South African Maritime Safety Authority.

8.2.5 Description of the DoT's Strategic Planning Process

For the planning period 2020/21 – 2024/25, as per the requirement of the Public Finance Management Act (PFMA), Treasury Regulations and Revised Framework for Strategic Plans and Annual Performance Plans, the DoT conducted a comprehensive analysis of its performance and organisational environment to ensure that it responds to the key challenges faced by the sector.

The purpose of the exercise was to assess and ascertain critical areas of the DoT's contribution to the changed agenda of Government, aligned to the three (3) pillars of the National Development Plan (NDP) and the seven (7) Apex Priorities of the 6th Administration of Government, to re-prioritise interventions, and set out defined performance measures that ensure accelerated speed of service delivery. The DoT also identified critical success areas and notable challenges in the previous financial year, which assisted in developing appropriate remedial strategies going forward.

In July 2019, a Ministerial planning session, comprising the DoT and sector State-Owned Entities (SOEs), was conducted to infuse the new priorities of the 6th Administration into the Departmental Programme of Action. Inputs coming out the session were used to populate the DoT's contributions to the draft Medium Term Strategic Framework (MTSF).

During the months of August and September 2019, DoT programmes conducted planning sessions that culminated into drafts of the DoT's Strategic Plan (2020 – 2025) and the Annual Performance Plan 2020/21. The drafts of the Strategic Plan and the Annual Performance Plan were then submitted to the Department of Planning, Monitoring and Evaluation (DPME) at the end of October 2019 as per the Revised Framework for Strategic Plans and Annual Performance Plans.

In November 2019, a departmental strategic planning session was conducted to consolidate the drafts of the Strategic Plan and the Annual Performance Plan. Before finalisation, the drafts were interrogated by management, and also submitted to the Office of the Auditor-General (AGSA) for a value-add exercise to ensure that they meet

the AGSA's audit criteria. The DoT's Strategic Plan 2020-2025 and the Annual Performance Plan 2020/21 were approved by the Executive Authority and submitted for tabling in Parliament in March 2020.

Monitoring and Reporting of the Strategic Plan and Annual Performance Plan

The Annual Performance Plan 2020/21, which corresponds to year one (1) of the DoT Strategic Plan 2020-2025, will be monitored and reported on, on a quarterly basis. Progress made on the achievements of the APP quarterly milestones will be analysed. Where programmes are unsuccessful in achieving predetermined quarterly milestones, corrective measures and revised timeframes will be discussed and approved by relevant programme managers.

Milestones not achieved in one quarter will be prioritised for achievement in the subsequent quarter following the quarter under review. Failure to achieve a quarterly milestone in two consecutive quarters will require intensive analysis and possible re-prioritisation by the relevant programme manager.

The DoT's Internal Guidelines for Planning, Monitoring and Reporting have been revised to align to the Revised Framework for Strategic Plans and Annual Performance Plans and also to improve management of red flags identified through its monitoring process. A clear standard operating procedure (SOP) has been developed on how each process will be coordinated and also to assign responsibilities. The SOP will be piloted during the 2020/21 financial year.

8.2.6 DoT Risk Statement

In pursuit of its vision, the DoT faces risks to its business strategy, operations, protection of personnel, property and reputation. The department thus commits to a risk management process that ensures that all such risks are identified and assessed. Response plans are developed for each risk and implementation of these plans is monitored on a quarterly basis.

The effectiveness of risk management and control measures put in place will be reported to the Risk Management Committee, EXCO and the Audit Committee on a quarterly basis. Periodic independent assessments on the effectiveness of risk management will also be conducted by Internal Audit.

DoT Key Principles in Managing Risk

To achieve identified outcomes and outputs:

- Risks will be considered on a department-wide basis;
- Risk management will be integral to the strategic planning process, business decisions and daily operations;
- Risks will be identified, analysed, responded to, monitored and reported on, in accordance with the DoT policies and procedures;
- Risks will be identified per programme and response plans will be derived for each risks;
- Management will regularly assess the status of each risk and response plans;
- Compliance to the risk management process and control measures will be monitored and reported on.

Expenditure Estimates: Vote 40 Transport

| Vote expenditure estimates by programme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| Programmes | | | | | | | | |
| Administration | 365 136 | 407 466 | 379 809 | 443 038 | 491 808 | 521 558 | 542 723 | 7.0% |
| Integrated Transport Planning | 77 054 | 76 660 | 71 375 | 166 226 | 104 509 | 107 838 | 112 264 | -12.3% |
| Rail Transport | 18 992 005 | 14 515 158 | 15 873 693 | 16 573 782 | 13 195 199 | 19 148 877 | 21 702 167 | 9.4% |
| Road Transport | 25 055 434 | 27 118 369 | 30 067 108 | 33 073 881 | 33 816 703 | 34 035 838 | 34 309 591 | 1.2% |
| Civil Aviation | 210 427 | 166 149 | 167 718 | 243 345 | 240 699 | 255 420 | 263 864 | 2.7% |
| Maritime Transport | 153 561 | 109 327 | 123 993 | 136 771 | 149 357 | 152 621 | 158 990 | 5.1% |
| Public Transport | 11 550 042 | 12 277 572 | 12 509 758 | 13 568 088 | 14 037 977 | 14 812 408 | 15 138 367 | 3.7% |
| Total for Programmes | 56 403 659 | 54 670 701 | 59 193 454 | 64 205 131 | 62 036 252 | 69 034 560 | 72 227 966 | 4.0% |
| Direct charge against the National Revenue Fund | 3 821 | 5 559 | 2 976 | 10 424 | 10 997 | 11 602 | 12 034 | 4.9% |
| International Oil Pollution Compensation Fund | 3 821 | 5 559 | 2 976 | 10 424 | 10 997 | 11 602 | 12 034 | 4.9% |
| Total | 56 407 480 | 54 676 260 | 59 196 430 | 64 215 555 | 62 047 249 | 69 046 162 | 72 240 000 | 4.0% |
| <u>Economic classification</u> | | | | | | | | |
| Current payments | 1 235 721 | 1 013 740 | 933 815 | 1 414 421 | 1 450 386 | 1 534 264 | 1 593 834 | 4.1% |

| Vote expenditure estimates by programme and economic classification | | | | | | | | |
|---|-----------------|---------|---------|------------------------|-----------------------|---------|---------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| Compensation of employees | 392 791 | 427 233 | 440 137 | 504 930 | 571 399 | 608 539 | 635 003 | 7.9% |
| Salaries and wages | 348 868 | 380 838 | 390 533 | 457 646 | 522 470 | 555 371 | 579 740 | 8.2% |
| Social contributions | 43 923 | 46 395 | 49 604 | 47 284 | 48 929 | 53 168 | 55 263 | 5.3% |
| Goods and services | 842 930 | 586 507 | 493 678 | 909 491 | 878 987 | 925 725 | 958 831 | 1.8% |
| Administrative fees | 3 142 | 3 329 | 2 624 | 3 134 | 3 207 | 3 381 | 3 514 | 3.9% |
| Advertising | 17 621 | 19 413 | 20 387 | 21 442 | 25 618 | 27 055 | 28 045 | 9.4% |
| Minor assets | 5 395 | 844 | 691 | 2 825 | 2 089 | 2 191 | 2 229 | -7.6% |
| Audit costs: External | 5 787 | 7 130 | 6 297 | 11 412 | 12 147 | 12 813 | 13 289 | 5.2% |
| Bursaries: Employees | 1 354 | 2 249 | 2 495 | 2 763 | 2 931 | 3 093 | 3 208 | 5.1% |
| Catering: Departmental activities | 5 060 | 7 673 | 3 874 | 5 359 | 4 053 | 4 316 | 4 485 | -5.8% |
| Communication (G&S) | 69 297 | 68 525 | 63 026 | 113 866 | 104 403 | 111 634 | 114 360 | 0.1% |
| Computer services | 12 154 | 15 979 | 10 076 | 13 820 | 14 570 | 15 463 | 16 082 | 5.2% |
| Consultants: Business and advisory services | 472 384 | 209 281 | 147 550 | 461 286 | 451 285 | 472 972 | 490 687 | 2.1% |
| Infrastructure and planning services | 64 201 | 46 827 | 62 156 | 50 123 | 58 665 | 61 909 | 64 226 | 8.6% |
| Legal services (G&S) | - | 9 759 | 7 894 | 11 760 | 11 392 | 12 025 | 12 472 | 2.0% |

| Vote expenditure estimates by programme and economic classification | | | | | | | | |
|---|-----------------|---------|---------|------------------------|-----------------------|---------|---------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| Science and technological services | 19 911 | - | - | - | - | - | - | |
| Contractors | 4 090 | 5 497 | 3 966 | 2 608 | 3 575 | 3 762 | 3 906 | 14.4% |
| Agency and support/outsourced services | 958 | 536 | 145 | 612 | 682 | 719 | 745 | 6.8% |
| Entertainment | 299 | 273 | 249 | 852 | 904 | 954 | 989 | 5.1% |
| Fleet services (including government motor transport) | - | 137 | 573 | - | - | - | - | |
| Inventory: Clothing material and accessories | - | 24 | - | - | - | - | - | |
| Inventory: Materials and supplies | - | - | 35 | - | - | - | - | |
| Inventory: Other supplies | 1 | 10 399 | - | 21 421 | - | (16) | (22) | -110.1% |
| Consumable supplies | 2 583 | 1 163 | 2 143 | 1 189 | 791 | 962 | 1 002 | -5.5% |
| Consumables: Stationery, printing and office supplies | 4 319 | 4 282 | 4 241 | 7 039 | 6 192 | 6 719 | 6 960 | -0.4% |

| Vote expenditure estimates by programme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| Operating leases | 53 722 | 80 374 | 32 065 | 61 498 | 62 784 | 66 285 | 68 758 | 3.8% |
| Rental and hiring | 6 | - | - | - | - | - | - | |
| Property payments | 5 133 | 7 449 | 10 434 | 7 678 | 8 405 | 8 869 | 9 199 | 6.2% |
| Transport provided: | | | | | | | | |
| Departmental activity | 126 | 44 | 1 | - | - | - | - | |
| Travel and subsistence | 68 820 | 69 312 | 89 880 | 84 719 | 82 047 | 85 992 | 89 145 | 1.7% |
| Training and development | 6 108 | 4 225 | 3 077 | 8 318 | 8 200 | 8 762 | 9 085 | 3.0% |
| Operating payments | 3 825 | 3 585 | 3 972 | 3 773 | 4 288 | 4 526 | 4 693 | 7.5% |
| Venues and facilities | 16 634 | 8 198 | 15 827 | 11 994 | 10 759 | 11 339 | 11 774 | -0.6% |
| Transfers and subsidies | 55 139 971 | 53 646 877 | 58 252 396 | 62 792 124 | 60 591 586 | 67 506 331 | 70 640 375 | 4.0% |
| Provinces and municipalities | 21 572 691 | 22 690 900 | 23 420 169 | 24 350 292 | 24 897 039 | 25 969 292 | 26 837 404 | 3.3% |
| Provinces | 15 878 486 | 16 476 534 | 17 025 966 | 17 768 153 | 18 342 755 | 19 058 319 | 19 597 217 | 3.3% |
| Provincial Revenue Funds | 15 878 486 | 16 476 534 | 17 025 966 | 17 768 153 | 18 342 755 | 19 058 319 | 19 597 217 | 3.3% |
| Municipalities | 5 694 205 | 6 214 366 | 6 394 203 | 6 582 139 | 6 554 284 | 6 910 973 | 7 240 187 | 3.2% |
| Municipal bank accounts | 5 694 205 | 6 214 366 | 6 394 203 | 6 582 139 | 6 554 284 | 6 910 973 | 7 240 187 | 3.2% |
| Departmental | 14 267 302 | 16 254 562 | 18 925 983 | 21 496 815 | 22 086 973 | 21 953 424 | 21 650 987 | 0.2% |

| Vote expenditure estimates by programme and economic classification | | | | | | | | |
|---|-----------------|---------------|--------------|------------------------|-----------------------|--------------|--------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | 14 267 302 | 16 254 562 | 18 925 983 | 21 496 815 | 22 086 973 | 21 953 424 | 21 650 987 | 0.2% |
| Foreign governments and international organisations | 15 845 | 24 193 | 20 823 | 29 514 | 31 138 | 32 850 | 34 076 | 4.9% |
| Public corporations and private enterprises | 18 890 267 | 14 405 960 | 15 778 968 | 16 462 213 | 13 077 119 | 19 023 983 | 21 571 550 | 9.4% |
| Subsidies on products and production (pc) | 18 890 267 | 14 405 960 | 15 778 968 | 16 462 213 | 13 077 119 | 19 023 983 | 21 571 550 | 9.4% |
| Non-profit institutions | 22 816 | 23 957 | 25 347 | 26 766 | 28 236 | 29 791 | 30 893 | 4.9% |
| Households | 371 050 | 247 305 | 81 106 | 426 524 | 471 081 | 496 991 | 515 465 | 6.5% |
| Social benefits | 1 784 | 4 087 | 1 696 | 210 | 222 | 234 | 245 | 5.3% |
| Other transfers to households | 369 266 | 243 218 | 79 410 | 426 314 | 470 859 | 496 757 | 515 220 | 6.5% |
| Payments for capital assets | 9 548 | 14 601 | 9 335 | 9 010 | 5 277 | 5 567 | 5 791 | -13.7% |
| Machinery and | 9 548 | 14 601 | 9 335 | 9 010 | 5 277 | 5 567 | 5 791 | -13.7% |

| Vote expenditure estimates by programme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| equipment | | | | | | | | |
| Transport equipment | - | 3 267 | - | - | - | - | - | |
| Other machinery and equipment | 9 548 | 11 334 | 9 335 | 9 010 | 5 277 | 5 567 | 5 791 | -13.7% |
| Software and other intangible assets | - | 414 | - | - | - | - | - | |
| Payments for financial assets | 22 240 | 628 | 884 | - | - | - | - | |
| Total economic classification | 56 407 480 | 54 676 260 | 59 196 430 | 64 215 555 | 62 047 249 | 69 046 162 | 72 240 000 | 4.0% |

Expenditure Analysis

The Department of Transport contributes to the realisation of the vision of improved social and economic development articulated in the National Development Plan, and priority 1 (economic transformation and job creation) and priority 4 (spatial integration, human settlements and local government) of government's 2019-2024 medium-term strategic framework. Over the medium term, the department plans to give effect to these guiding policies by focusing on: building and maintaining national and provincial road networks, providing passenger rail infrastructure and services, and facilitating the provision of integrated public transport networks.

The department's total expenditure is expected to increase at an average annual rate of 4 per cent, from R64.2 billion in 2019/20 to R72.2 billion in 2022/23. The majority of the department's expenditure is directed towards: the Passenger Rail Agency of South Africa for investments in rail infrastructure, maintenance, operations and inventories; the South African National Roads Agency; and provinces and municipalities for the construction, operations and maintenance of transport infrastructure and services. Over the medium term, transfers account for an estimated 97.7 per cent, R199.2 billion, of the department's total budget.

Cabinet has approved a budget reduction on transfers amounting to R17.5 billion over the medium term as follows: R8.6 billion on capital transfers to the Passenger Rail Agency of South Africa, R1.4 billion from the South African National Roads Agency in 2022/23, R2.9 billion from the Provincial Roads Maintenance Grant and the Rural Roads Asset Management Systems Grant, R4.6 billion from the Public Transport Network grant and the Public Transport Operations grant.

Spending on compensation of employees is estimated at 0.9 per cent (R1.8 billion) of the department's total budget over the medium term, increasing from R504.9 million in 2019/20 to R635 million in 2022/23 at an average annual rate of 7.9 per cent. The increase is due to the implementation of job revaluation outcomes for upgrading salary levels 9 to 10 and 11 to 12, and the filling of critical posts, however cabinet approved a

technical inflation adjustment on compensation of employees amounting to R7.1 million over the medium term.

Spending on goods and services is estimated at 1.4 per cent (R2.8 billion) of the department's total budget over the medium term, increasing at an average annual rate of 1.8 per cent from R909.5 million to R958.8 million over the medium term. The relatively low increase is due to Cabinet approved budget reduction of R55 million over the medium term.

Building and preserving national and provincial roads

To carry out all departmental activities related to the maintenance, development and management of an integrated road infrastructure network and to ensure safer roads. R102.7 billion is allocated over the medium term in the Road Transport programme.

The South African National Roads Agency plays a crucial role in the upgrading, maintenance and strengthening programmes of the toll and non-toll portfolios of national roads. Total transfers to the agency account for an estimated 31.8 per cent (R64.6 billion) of the department's total budget over the medium term. Non-toll roads constitute an estimated 85 per cent of the national portfolio for which expenditure estimated will total R35.4 billion over the medium term. Of the planned projects for the non-toll road network, R3.4 billion over the medium term is set to be spent on the construction of the N2 Wild Coast highway and R2.5 billion on the upgrading of the R573 (Moloto Road). R1.9 million is planned to fund the reduced tariffs for the Gauteng freeway improvement project.

About 49 000 kilometres of South Africa's tar road network are under the jurisdiction of provincial departments of transport. The bulk of maintenance operations carried out on provincial roads is funded through the provincial roads maintenance grant in the Road Transport programme. The grant receives an estimated R36 billion in allocations over the MTEF period. Factors such as the condition of roads, weather patterns and traffic volumes determine allocations for the maintenance of provincial roads. Over the MTEF period, the department plans to maintain the provincial road network by resealing a

targeted 16 227 lane kilometres, rehabilitating 6 199 lane kilometres, and blacktop patching 3.7 million square kilometres.

Investing in passenger rail infrastructure and services

The department will continue its efforts to modernise South Africa's passenger rail services through the Passenger Rail Agency of South Africa, transfers to which account for an estimated 26.4 per cent (R53.7 billion) of the department's total budget over the medium term. The total transfers to the agency are set to increase from R16.5 billion in 2019/20 to R21.6 billion in 2022/23 at an average annual rate of 9.4 per cent. These transfers are expected to subsidise 410 million passenger trips on Metrorail and 630 000 passengers on long-distance mainline passenger services over the next three years.

The modernisation of the agency's services is intended to improve the reliability of services and increase passenger ridership, includes improved security provision, and expenditure on repairs, maintenance as part of the agency's rolling stock fleet renewal programme. Transfers to the agency for the fleet renewal programme are expected to increase from R5.8 billion in 2019/20 to R8.3 billion in 2022/23 at an average annual rate of 12.5 per cent as the agency intensifies implementation of its modernisation programme.

Towards an integrated public transport network

As hubs of economic activity and growth, South Africa's urban areas must maintain optimal functionality. It is important that integrated, sustainable, affordable and functional transport solutions within these hubs are tailored to suit the needs of present and future urban commuters. To this end, the department, through the Public Transport programme, makes allocations to the public transport network grant. These allocations are expected to increase from R6.5 billion in 2019/20 to R7.1 billion in 2022/23 at an average annual rate of 3.2 per cent.

This relatively modest growth rate is reflective of a narrowing of the grant's focus, from 2020/21, to fund the infrastructure and operations of integrated public transport

networks in 10 cities as opposed to 13. Included in this are the indirect costs of operating bus rapid transit services in Johannesburg, Tshwane, Cape Town, George and Nelson Mandela Bay. In these cities, the grant is expected to increase the number of weekday passenger trips from 193 411 in 2019/20 to 376 594 in 2022/23.

Special adjustment budget for 2020/21

| | Voted (Main appropriation) | Utilisation of unspend funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
|--|----------------------------------|---|---|------------------------|---|---------------------------|
| | | | Suspension of funds | Allocation of funds | | |
| R thousand | | | | | | |
| Programmes and direct charges | | | | | | |
| Administration | 491 808 | (9 614) | - | - | (9 614) | 482 194 |
| Integrated Transport Planning | 104 509 | (10 740) | - | - | (10 740) | 93 769 |
| Rail Transport | 13 195 199 | 9 423 | (1 021 348) | - | (1 011 925) | 12 183 274 |
| Road Transport | 33 816 703 | 301 292 | (2 851 801) | - | (2 550 509) | 31 266 194 |
| Civil Aviation | 240 699 | (44 018) | - | - | (44 018) | 196 681 |
| Maritime Transport | 149 357 | (6 000) | - | - | (6 000) | 143 357 |
| Public Transport | 14 037 977 | (240 343) | (2 998 069) | 2 230 794 | (1 007 618) | 13 030 359 |
| Total for Programmes | 62 036 252 | - | (6 871 218) | 2 230 794 | (4 640 424) | 57 395 828 |
| Direct charge against the National Revenue Fund | 10 997 | - | - | - | - | 10 997 |
| International Oil Pollution Compensation Funds | 10 997 | - | - | - | - | 10 997 |
| Total | 62 047 249 | - | (6 871 218) | 2 230 794 | (4 640 424) | 57 406 825 |

| | Voted (Main appropriation) | Utilisation of unspend funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
|------------------------------------|----------------------------------|---|---|------------------------|---|---------------------------|
| | | | Suspension of funds | Allocation of funds | | |
| R thousand | | | | | | |
| Economic classification | | | | | | |
| Current payments | 1 450 386 | (69 800) | - | - | (69 800) | 1 380 586 |
| Compensation of employees | 571 399 | - | - | - | - | 571 399 |
| Salaries and wages | 522 470 | - | - | - | - | 522 470 |
| Social contributions | 48 929 | - | - | - | - | 48 929 |

| | | | | | | |
|---|-------------------|---------------|--------------------|------------------|--------------------|-------------------|
| Goods and services | 878 987 | (69 800) | - | - | (69 800) | 809 187 |
| Administrative fees | 3 207 | - | - | - | - | 3 207 |
| Advertising | 25 618 | (702) | - | - | (702) | 24 916 |
| Minor Assets | 2 089 | - | - | - | - | 2 089 |
| Audit costs: External | 12 147 | - | - | - | - | 12 147 |
| Bursaries: Employees | 2 931 | - | - | - | - | 2 931 |
| Catering: Departmental activities | 4 053 | (94) | - | - | (94) | 3 959 |
| Communication (G&S) | 104 403 | (42 219) | - | - | (42 219) | 62 184 |
| Computer services | 14 570 | (3 154) | - | - | (3 154) | 11 416 |
| Consultants: Business and advisory services | 451 285 | (43 480) | - | - | (43 480) | 407 805 |
| Infrastructure and planning services | 58 665 | - | - | - | - | 58 665 |
| Legal services (G&S) | 11 392 | - | - | - | - | 11 392 |
| Contractors | 3 575 | - | - | - | - | 3 575 |
| Agency and support/outsourced services | 682 | (470) | - | - | (470) | 212 |
| Entertainment | 904 | - | - | - | - | 904 |
| Consumable supplies | 791 | 26 427 | - | - | 26 427 | 27 218 |
| Consumables: Stationery, printing and office supplies | 6 192 | - | - | - | - | 6 192 |
| Operating leases | 62 784 | - | - | - | - | 62 784 |
| Property payments | 8 405 | - | - | - | - | 8 405 |
| Travel and subsistence | 82 047 | (5 842) | - | - | (5 842) | 76 205 |
| Training and development | 8 200 | - | - | - | - | 8 200 |
| Operating payments | 4 288 | (60) | - | - | (60) | 4 228 |
| Venues and facilities | 10 759 | (206) | - | - | (206) | 10 553 |
| Transfers and subsidies | 60 591 586 | 69 800 | (6 871 218) | 2 230 794 | (4 570 624) | 56 020 962 |
| Provinces and municipalities | 24 897 039 | - | (4 753 909) | 1 095 794 | (3 658 115) | 21 238 924 |
| Provinces | 18 342 755 | - | (1 755 840) | - | (1 755 840) | 16 586 915 |
| Provincial Revenue Funds | 18 342 755 | - | (1 755 840) | - | (1 755 840) | 16 586 915 |
| Provincial agencies and funds | - | - | - | - | - | - |
| Municipalities | 6 554 284 | - | (2 998 069) | 1 095 794 | (1 902 275) | 4 652 009 |
| Municipal bank accounts | 6 554 284 | - | (2 998 069) | 1 095 794 | (1 902 275) | 4 652 009 |
| Municipal agencies and funds | - | - | - | - | - | - |
| Departmental agencies and accounts | 22 086 973 | 319 800 | (1 095 961) | - | (776 161) | 21 310 812 |
| Social security | - | - | - | - | - | - |

| | | | | | | |
|---|-------------------|-----------|--------------------|------------------|--------------------|-------------------|
| funds | | | | | | |
| Departmental agencies (non-business entities) | 22 086 973 | 319 800 | (1 095 961) | - | (776 161) | 21 310 812 |
| Foreign governments and international organisations | 31 138 | - | - | - | - | 31 138 |
| Public corporations and private enterprises | 13 077 119 | - | (1 021 348) | - | (1 021 348) | 12 055 771 |
| Public corporations | 13 077 119 | - | (1 021 348) | - | (1 021 348) | 12 055 771 |
| Subsidies on products and production (pc) | 13 077 119 | - | (1 021 348) | - | (1 021 348) | 12 055 771 |
| Other transfers to public corporations | - | - | - | - | - | - |
| Non-profit institutions | 28 236 | - | - | - | - | 28 236 |
| Households | 471 081 | (250 000) | - | 1 135 000 | 885 000 | 1 356 081 |
| Social benefits | 222 | - | - | - | - | 222 |
| Other transfers to households | 470 859 | (250 000) | - | 1 135 000 | 885 000 | 1 355 859 |
| Payments for capital assets | 5 277 | - | - | - | - | 5 277 |
| Machinery and equipment | 5 277 | - | - | - | - | 5 277 |
| Transport equipment | - | - | - | - | - | - |
| Other machinery and equipment | 5 277 | - | - | - | - | 5 277 |
| Payments for financial assets | - | - | - | - | - | - |
| | | | | | | |
| Total | 62 047 249 | - | (6 871 218) | 2 230 794 | (4 640 424) | 57 406 825 |

Explanatory Narrative

On 24 June 2020, a Special Adjusted Budget was tabled in Parliament as Government's response to address challenges related to the Covid-19 pandemic. The Special Adjusted Budget proposed the following amendments to the department's budget, amounting to a net decrease in budget allocations to the department of R4.6 billion in 2020/2021

The special adjustment budget seeks to modify the 2020/21 budget to utilise current baseline allocations to provide for the rapidly changing economic conditions and enable spending on the COVID-19 response. A revised fiscal framework also account for substantial revenue losses emanating from the economic shock of the pandemic and subsequent lockdown.

COVID-19 has delayed planned projects and expenditure in municipal Integrated Public Transport Network projects. Municipalities in their revised Budget Applications for 2020/21, will have to show delayed milestones and targets and the impact on their operational revenue and how they will recover from the delays due to COVID-19.

Reprioritisation

An amount of R349 million was shifted across programmes from goods and services and taxi recapitalisation programme to fund the shortfall in the Cross Border Road Transport Agency (CBRTA) for an amount R104 million, Road Traffic Infringements Agency (RTIA) with an amount of R200 million, Railway Safety Regulator (RSR) with an amount of R15.8 million and an amount of R25 million on goods and services for COVID-19 procurement of Personal Protective Equipment (PPE).

An amount of R1.260 billion was reprioritised from PRASA capital to operations to fund the revenue shortfall as well as Covid-19 related expenditure. In total an amount of R2.836 billion was reallocated from SANRAL non-toll capital as follows: R2.530 billion to fund the Gauteng Freeway Infringement Project and R309 million for the Covid-19 revenue shortfall.

Suspension of funds and reallocation

A net reduction of R4.640 billion was effected as follows: An amount of R1.021 billion from PRASA rolling stock renewal programmes, R1.756 billion from the Provincial Road Maintenance Grant, R1.096 billion from SANRAL non-toll capital and R1.902 billion from the Public Transport Network Grant however an amount of R1.135 billion was reallocated for once off Taxi relief fund.

Part C: Measuring Our Performance

9. Department of Transport Programme Performance Information

9.1. Programme 1: Administration (Office of the Director-General)

Purpose: The programme exists to provide leadership, strategic management and administrative support to the department. This is achieved through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practice.

9.1.1. Sub-Programme: Strategic Planning, Monitoring and Evaluation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|-----------------------------|---|--|--|--|--|--|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Leadership, Governance and Accountability | | | | | | | | | |
| Improved governance and strengthened control environment | DoT Annual Performance Plan | DoT Annual Performance Plan (2021/22) approved by Executive | Approved Annual Performance Plan (2017/18) | Approved Annual Performance Plan (2018/19) | Approved Annual Performance Plan (2019/20) | Approved Annual Performance Plan (2020/21) | Annual Performance Plan (2021/22) approved | Annual Performance Plan (2022/23) approved | Annual Performance Plan (2023/24) approved |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---------------------|-------------------|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | | Authority | | | | | | | |
| | DoT Annual Report | DoT Annual Report (2019/20) approved by Executive Authority | Approved Annual Report (2015/16) | Approved Annual Report (2016/17) | Approved Annual Report (2017/18) | Approved Annual Report (2018/19) | Annual Report (2019/20) approved | Annual Report (2020/21) approved | Annual Report (2021/22) approved |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|--|-----------|---|---|---|
| Leadership, Governance and Accountability | | | | | |
| DoT Annual Performance Plan (2021/22) approved by Executive Authority | DoT Annual Performance Plan (2021/22) approved | - | - | Draft APP 2021/22 submitted to the Department of Planning, Monitoring and Evaluation (DPME) | Final DoT APP 2021/22 approved by the Executive Authority |
| DoT Annual Report (2019/20) approved by Executive Authority | DoT Annual Report (2019/20) approved | - | Draft DoT Annual Report (2019/20) submitted to the Office of the Auditor-General of South Africa (AGSA) | Final DoT Annual Report (2019/20) approved by the Executive Authority | - |

9.2. Programme 1: Administration (Office of the Chief Operations Officer)

Purpose: The programme exists to provide leadership, strategic management and administrative support to the department. This is achieved through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practice.

9.2.1. Sub-Programme: Human Resource Management and Development

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|--|---|------------------------------|-----------------------|-----------------------|-----------------------|-------------|---------|---------|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Skills Development | | | | | | | | | |
| Improved sector skills and capacity | Filling of vacant positions | Number of vacant positions filled | 6 | 34 | 43 | 80 | 17 | 75 | 75 |
| | Implementation of the Transport Skills Programme | % of employees trained in line with the Workplace Skills Plan | 411 employees trained | 399 employees trained | 479 employees trained | 326 employees trained | 10% | 50% | 50% |
| | | Number of bursaries | 133 | 138 | 156 | 147 | 140 | 140 | 140 |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---------------------|--------|----------------------------|------------------------------|---------|---------|-----------------------|-------------|---------|---------|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | | managed | | | | | | | |
| | | Number of interns employed | 56 | 38 | 52 | - | 50 | - | 50 |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|-----------------------|-----------------------|-----------------------|--|--|
| Skills Development | | | | | |
| Number of vacant positions filled | 17 posts filled | 2 posts filled | 5 posts filled | 5 posts filled | 5 posts filled |
| % of employees trained in line with the Workplace Skills Plan | 10% | - | - | Training conducted for 5% of staff establishment | Training conducted for 5% of staff establishment |
| Number of bursaries managed | 140 bursaries managed | 140 bursaries managed | 140 bursaries managed | 140 bursaries managed | 140 bursaries managed |
| Number of interns employed | 50 interns appointed | - | - | - | New interns appointed and placed |

9.3. Programme 1: Administration (Office of the Chief Financial Officer)

Purpose: The programme exists to provide leadership, strategic management and administrative support to the department. This is achieved through continuous refinement of organisational strategy and structure in line with appropriate legislation and best practice.

9.3.1. Sub-Programme: Budgeting and Compliance

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | | |
|---|---|--|--|--|--|--|--|--|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | |
| Leadership, Governance and Accountability | | | | | | | | | | |
| Improved governance and strengthened control environment | Implementation of action plan to address audit findings | Annual Progress Report on the implementation of action plan to address audit findings developed | Annual Progress Report on the implementation of action plan to address audit findings | Annual Progress Report on the implementation of action plan to address audit findings | Annual Progress Report on the implementation of action plan to address audit findings | Annual Progress Report on the implementation of action plan to address audit findings | Annual Progress Report on the implementation of action plan to address audit findings | Annual Progress Report on the implementation of action plan to address audit findings | Annual Progress Report on the implementation of action plan to address audit findings | Annual Progress Report on the implementation of action plan to address audit findings |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|-----------|-----------|---|---|
| Leadership, Governance and Accountability | | | | | |
| Annual Progress Report on the implementation of action plan to address audit findings developed | Annual Progress Report on the implementation of action plan to address audit findings developed | - | - | Action plan to address audit findings raised by the AGSA for the 2019/20 financial year developed | Action plan to address audit findings raised by the AGSA for the 2019/20 financial year implemented |

Explanation of planned performance over the medium term period

- a) The contribution of outputs towards achieving the outcomes and impact in the Strategic Plan aligned to the mandate of the institution; as well as the achievement of priorities of women, children and people with disabilities

The outputs in Programme 1: Administration are aimed at ensuring support for technical units to achieve on the Department's core mandate. Key functions in this programme include managing and facilitating the provision of financial management services; managing and monitoring the provision of human resource management and development services; managing strategic executive support services to the Director-General and the Department; coordinating and facilitating international relations; managing the provision of communication, media liaison and events management services; and provision of legal services. These support services, performed optimally, provide for good governance and enhances the Department's integrity and credibility.

- b) Explanation of planned performance in relation to outputs must be discussed within budget programmes. The rationale for the choice of the outcome indicators relevant to the respective outcomes

Due to the learnings of the past Medium Term Expenditure Framework, where the Department (and other transport sector organisations) received qualifications in some areas of their audit portfolios, it was important that the focus be on those areas that posed challenges. Controls in such spaces need to be strengthened to ensure that repeat audit findings are avoided.

An Unqualified audit report with no findings (clean audit report) is the target of the Department within the medium term. To achieve this, the Department will aim to achieve the targets set for the programme over the medium term.

c) Explanation of the outputs contribution to the achievement of the outcomes

The outputs in the Annual Performance Plan and the outcomes in the Strategic Plan have a clear alignment to ensure achievement of the desired impact in the sector service delivery continuum. This clarity is also important in ensuring that as the Department engages on various day-to-day activities, long term objectives and priorities of the Medium Term Strategic Framework and the National Development Plan are achieved and that there is positive change in the lives of South Africans.

Programme Resources Consideration

| Administration expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|----------------|----------------|------------------------|-----------------------|----------------|----------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Subprogrammes | | | | | | | | |
| Ministry | 44 466 | 48 433 | 45 157 | 41 104 | 39 823 | 42 228 | 43 934 | 2.2% |
| Management | 44 695 | 46 562 | 61 530 | 70 454 | 90 048 | 95 633 | 99 607 | 12.2% |
| Corporate Services | 197 549 | 209 011 | 212 537 | 234 573 | 259 503 | 275 411 | 286 753 | 6.9% |
| Communications | 28 033 | 24 644 | 27 988 | 37 886 | 40 167 | 42 550 | 44 241 | 5.3% |
| Office Accommodation | 50 393 | 78 816 | 32 597 | 59 021 | 62 267 | 65 736 | 68 188 | 4.9% |
| Total | 365 136 | 407 466 | 379 809 | 443 038 | 491 808 | 521 558 | 542 723 | 7.0% |
| <u>Economic classification</u> | | | | | | | | |
| Current payments | 347 374 | 381 914 | 361 853 | 424 979 | 474 950 | 503 773 | 524 243 | 7.2% |
| Compensation of employees | 175 270 | 191 815 | 200 440 | 218 357 | 254 771 | 271 330 | 283 128 | 9.0% |
| Salaries and wages | 155 431 | 170 735 | 177 737 | 197 594 | 234 014 | 248 481 | 259 306 | 9.5% |
| Social contributions | 19 839 | 21 080 | 22 703 | 20 763 | 20 757 | 22 849 | 23 822 | 4.7% |
| Goods and services | 172 104 | 190 099 | 161 413 | 206 622 | 220 179 | 232 443 | 241 115 | 5.3% |
| Administrative fees | 3 141 | 3 256 | 2 604 | 2 837 | 2 887 | 3 045 | 3 169 | 3.8% |
| Advertising | 10 574 | 8 357 | 15 071 | 19 249 | 22 406 | 23 650 | 24 502 | 8.4% |
| Minor assets | 272 | 721 | 341 | 1 512 | 1 446 | 1 526 | 1 596 | 1.8% |
| Audit costs: External | 5 787 | 7 130 | 6 297 | 11 412 | 12 146 | 12 811 | 13 287 | 5.2% |
| Bursaries: Employees | 1 354 | 2 249 | 2 495 | 2 763 | 2 931 | 3 093 | 3 208 | 5.1% |
| Catering: Departmental activities | 2 683 | 2 830 | 1 187 | 2 874 | 902 | 950 | 985 | -30.0% |

| Administration expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|---------|---------|------------------------|-----------------------|---------|---------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Communication (G&S) | 6 210 | 4 271 | 4 806 | 5 444 | 6 329 | 6 687 | 6 923 | 8.3% |
| Computer services | 10 532 | 14 335 | 8 304 | 12 590 | 13 304 | 14 093 | 14 659 | 5.2% |
| Consultants: Business and advisory services | 1 922 | 2 469 | 4 622 | 11 412 | 12 824 | 13 556 | 14 057 | 7.2% |
| Legal services (G&S) | - | 9 759 | 7 894 | 10 733 | 11 392 | 12 025 | 12 472 | 5.1% |
| Science and technological services | 19 911 | - | - | - | - | - | - | |
| Contractors | 3 253 | 3 768 | 2 661 | 1 888 | 2 251 | 2 375 | 2 462 | 9.3% |
| Agency and support/outsourced services | 841 | 536 | 132 | 612 | 682 | 719 | 745 | 6.8% |
| Entertainment | 299 | 273 | 249 | 852 | 904 | 954 | 989 | 5.1% |
| Fleet services (including government motor transport) | - | 137 | 573 | - | - | - | - | |
| Inventory: Clothing material and accessories | - | 24 | - | - | - | - | - | |
| Inventory: Materials and supplies | - | - | 35 | - | - | - | - | |
| Inventory: Other supplies | 1 | - | - | - | - | - | - | |
| Consumable supplies | 1 490 | 981 | 418 | 706 | 381 | 402 | 418 | -16.0% |

| Administration expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|---------------|---------------|------------------------|-----------------------|---------------|---------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Consumables: Stationery, printing and office supplies | 1 598 | 1 871 | 1 616 | 3 738 | 4 122 | 4 350 | 4 516 | 6.5% |
| Operating leases | 50 400 | 78 805 | 30 240 | 59 021 | 62 267 | 65 736 | 68 188 | 4.9% |
| Property payments | 5 133 | 7 436 | 10 360 | 7 558 | 8 279 | 8 737 | 9 062 | 6.2% |
| Transport provided: Departmental activity | - | 9 | 1 | - | - | - | - | |
| Travel and subsistence | 33 757 | 33 291 | 51 224 | 38 331 | 40 535 | 42 752 | 44 338 | 5.0% |
| Training and development | 5 077 | 3 316 | 1 984 | 5 736 | 6 568 | 6 930 | 7 178 | 7.8% |
| Operating payments | 2 129 | 1 542 | 1 188 | 2 773 | 2 887 | 3 056 | 3 169 | 4.6% |
| Venues and facilities | 5 740 | 2 733 | 7 111 | 4 581 | 4 736 | 4 996 | 5 192 | 4.3% |
| Transfers and subsidies | 11 199 | 13 615 | 11 641 | 13 166 | 13 890 | 14 654 | 15 217 | 4.9% |
| Provinces and municipalities | - | - | 1 | - | - | - | - | |
| Municipalities | - | - | 1 | - | - | - | - | |
| Municipal bank accounts | - | - | 1 | - | - | - | - | |
| Departmental agencies and accounts | 1 054 | 1 161 | 1 228 | 1 297 | 1 368 | 1 443 | 1 515 | 5.3% |
| Departmental agencies (non-business entities) | 1 054 | 1 161 | 1 228 | 1 297 | 1 368 | 1 443 | 1 515 | 5.3% |

| Administration expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|----------------|----------------|------------------------|-----------------------|----------------|----------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Households | 10 145 | 12 454 | 10 412 | 11 869 | 12 522 | 13 211 | 13 702 | 4.9% |
| Social benefits | 231 | 2 778 | 795 | 210 | 222 | 234 | 245 | 5.3% |
| Other transfers to households | 9 914 | 9 676 | 9 617 | 11 659 | 12 300 | 12 977 | 13 457 | 4.9% |
| Payments for capital assets | 6 522 | 11 922 | 5 564 | 4 893 | 2 968 | 3 131 | 3 263 | -12.6% |
| Machinery and equipment | 6 522 | 11 508 | 5 564 | 4 893 | 2 968 | 3 131 | 3 263 | -12.6% |
| Transport equipment | - | 3 267 | - | - | - | - | - | |
| Other machinery and equipment | 6 522 | 8 241 | 5 564 | 4 893 | 2 968 | 3 131 | 3 263 | -12.6% |
| Software and other intangible assets | - | 414 | - | - | - | - | - | - |
| Payments for financial assets | 41 | 15 | 751 | - | - | - | - | - |
| Total | 365 136 | 407 466 | 379 809 | 443 038 | 491 808 | 521 558 | 542 723 | 7.0% |
| Details of transfers and subsidies | | | | | | | | |
| Households | | | | | | | | |
| Social benefits | | | | | | | | |
| Current | 231 | 2 778 | 795 | 210 | 222 | 234 | 245 | 5.3% |
| Employee social benefits | 231 | 2 778 | 795 | 210 | 222 | 234 | 245 | 5.3% |
| Municipal bank accounts | | | | | | | | |
| Current | - | - | 1 | - | - | - | - | 0.0% |

| Administration expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|--------------------|--------------|--------------|---------------------------|-----------------------|---------------|---------------|--------------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Municipal agencies and funds | – | – | 1 | – | – | – | – | 0.0% |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non- business entities) | | | | | | | | |
| Current | 1 054 | 1 161 | 1 228 | 1 297 | 1 368 | 1 443 | 1 515 | 5.3% |
| Transport Education and Training Authority | 1 054 | 1 161 | 1 228 | 1 297 | 1 368 | 1 443 | 1 515 | 5.3% |
| Households | | | | | | | | |
| Other transfers to households | | | | | | | | |
| Current | 9 914 | 9 676 | 9 617 | 11 659 | 12 300 | 12 977 | 13 457 | 4.9% |
| Bursaries for non- employees | 9 914 | 9 676 | 9 617 | 11 659 | 12 300 | 12 977 | 13 457 | 4.9% |

Explanation of the contribution of resources towards achievement of outputs.

Expenditure in the Administration programme increased at an average annual rate of 7 per cent, from R443 million in 2019/20 to R543 million in 2022/23. The spending focus over the medium term will be on the Corporate Services and Management sub-programmes, which provide operational and administrative support to the Department. A significant proportion of this programme's budget is allocated to spending on compensation of employees, which increased at an average rate of 9 per cent, from R218 million in 2019/20 to R283 million in 2022/23. The increase was mainly due to funds allocated for the filling of critical posts.

Spending on consultants has increased at an average of 7.2 per cent over the medium term. This is mainly due to the increases in spending for the consultants to assist the internal auditors with the audit for the provincial roads maintenance grants. Advertising, travel and subsistence, and operating leases are the large spending items in the programme over the medium term. Expenditure on advertising is expected to increase at an average annual growth of 8.4 per cent over the medium term in support of October Transport Month and Arrive Alive awareness campaigns in the Subprogramme: Communication. Office Accommodation is responsible for the municipal services as well as lease accommodation and grew at an average of 4.9 per cent from R5.9 million in 2019/20 to R68.1 million in 2022/23.

The programme had a total number of 446 funded posts as at September 2019.

Special adjustment budget for 2020/21

| Special Adjustments Appropriation | | | | | | |
|---|----------------------------------|---|--|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Subprogrammes | | | | | | |
| Ministry | 39 823 | - | - | - | - | 39 823 |
| Management | 90 048 | (4 283) | - | - | (4 283) | 85 765 |
| Corporate Services | 259 503 | (5 331) | - | - | (5 331) | 254 172 |
| Communications | 40 167 | - | - | - | - | 40 167 |
| Office Accommodation | 62 267 | - | - | - | - | 62 267 |
| Total | 491 808 | (9 614) | - | - | (9 614) | 482 194 |
| <u>Economic classification</u> | | | | | | |
| Current payments | 474 950 | (9 614) | - | - | (9 614) | 465 336 |
| Compensation of employees | 254 771 | - | - | - | - | 254 771 |
| Salaries and wages | 234 014 | - | - | - | - | 234 014 |
| Social contributions | 20 757 | - | - | - | - | 20 757 |
| Goods and services | 220 179 | (9 614) | - | - | (9 614) | 210 565 |
| Administrative fees | 2 887 | - | - | - | - | 2 887 |
| Advertising | 22 406 | (702) | - | - | (702) | 21 704 |
| Minor Assets | 1 446 | - | - | - | - | 1 446 |
| Audit costs: External | 12 146 | - | - | - | - | 12 146 |
| Bursaries: Employees | 2 931 | - | - | - | - | 2 931 |
| Catering: Departmental activities | 902 | (94) | - | - | (94) | 808 |
| Communication (G&S) | 6 329 | - | - | - | - | 6 329 |
| Computer services | 13 304 | (3 154) | - | - | (3 154) | 10 150 |
| Consultants: Business and advisory services | 12 824 | (3 532) | - | - | (3 532) | 9 292 |
| Legal services (G&S) | 11 392 | - | - | - | - | 11 392 |
| Contractors | 2 251 | - | - | - | - | 2 251 |
| Agency and support/outsourced services | 682 | (470) | - | - | (470) | 212 |
| Entertainment | 904 | - | - | - | - | 904 |
| Consumable supplies | 381 | 1 647 | - | - | 1 647 | 2 028 |
| Consumables: Stationery, printing and office supplies | 4 122 | - | - | - | - | 4 122 |
| Operating leases | 62 267 | - | - | - | - | 62 267 |

| Special Adjustments Appropriation | | | | | | |
|--|----------------------------------|---|--|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Property payments | 8 279 | - | - | - | - | 8 279 |
| Travel and subsistence | 40 535 | (3 043) | - | - | (3 043) | 37 492 |
| Training and development | 6 568 | - | - | - | - | 6 568 |
| Operating payments | 2 887 | (60) | - | - | (60) | 2 827 |
| Venues and facilities | 4 736 | (206) | - | - | (206) | 4 530 |
| Transfers and subsides | 13 890 | - | - | - | - | 13 890 |
| Departmental agencies and accounts | 1 368 | - | - | - | - | 1 368 |
| Social security funds | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | 1 368 | - | - | - | - | 1 368 |
| Households | 12 522 | - | - | - | - | 12 522 |
| Social benefits | 222 | - | - | - | - | 222 |
| Other transfers to households | 12 300 | - | - | - | - | 12 300 |
| Payments for capital assets | 2 968 | - | - | - | - | 2 968 |
| Machinery and equipment | 2 968 | - | - | - | - | 2 968 |
| Transport equipment | - | - | - | - | - | - |
| Other machinery and equipment | 2 968 | - | - | - | - | 2 968 |
| Payments for financial assets | - | - | - | - | - | - |
| Total | 491 808 | (9 614) | - | - | (9 614) | 482 194 |

Explanatory Narrative

An amount of R9.6 million was shifted from savings on goods and services to fund the shortfall in the Cross Border Road Transport Agency (CBRTA) Road Traffic Infringements Agency (RTIA) and to procure Personal Protective Equipment for COVID-19.

Updated Key Risks

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATION |
|--|--|---|---|
| Improved governance and strengthened control environment | Service Delivery and support Risk | Inadequate and inefficient support services provided to core functions to enable delivery on the mandate of DoT | <ul style="list-style-type: none"> • Enforce compliance to all applicable legislative frameworks such as PFMA, PSA, and NARS etc. • Strict adherence to Recruitment Policies and Procedures. • Full implementation of Skills Development plan. |
| Improved Sector skills and capacity | Human Resources (skills) Risk | Inability to attract (acquire), develop and retain critical specialized skills | <ul style="list-style-type: none"> • Prioritise capacity building (training and bursaries) for core programmes where there are scarce skills. • Liaise with the Department of Higher Education and Training. • Adopt norms and standards from Public Works guidelines and International Labour Organizations |
| Improved governance and strengthened control environment | Legislative and Regulatory Compliance Risk | Non-compliance with the legislative frameworks (both financial and non-financial frameworks) | <ul style="list-style-type: none"> • Enforce compliance to all applicable legislative frameworks such as PFMA, PPPFA, PSA, and NARS etc. • Implement Anti-corruption Strategies |

9.4. Programme 2: Integrated Transport Planning (ITP)

Purpose: The programme exists to integrate and harmonise key transport sector strategic interventions through continuous development and refining of macro-transport sector policies, strategies and legislation; coordination of development of sector-related policies, coordination of sector research activities; coordination of regional and inter-sphere relations; facilitation of sector transformation; and provision of sector economic modelling and analysis.

9.4.1. Sub-Programme: Research and Innovation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|---|--|------------------------------|-----------------|-----------|--|--|---|---|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Innovation | | | | | | | | | |
| Improved competitiveness through adoption of new technology | Regulations for Autonomous Vehicle Technology | Regulations for Autonomous Vehicle Technology approved | - | - | - | Literature review on Autonomous Vehicle Technology | Guidelines for testing, licencing and legislation of Autonomous vehicle technology developed | Recommendations for amendment of legislation finalised and approved | Draft Regulations for Autonomous Vehicle Technology developed |
| Reduction in Greenhouse Gas Emission and Pollution | | | | | | | | | |
| Natural | Implementation | Carbon | Green | Green Transport | Awareness | - | Draft | Draft | Approved |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|---------------------------------|--------------------------------------|---|------------------------------|---|-----------------------|--|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| resources managed and impact of climate change minimised | of the Green Transport Strategy | Emission Transition Plan implemented | Transport Strategy submitted to Cabinet | Strategy approved by Cabinet | campaigns conducted on the Green Transport Strategy | | Framework for the alignment of Electric Vehicles Regulations developed | Procurement Guidelines for Electric Vehicles developed | Procurement Guidelines for Electric Vehicles |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|--|---|---|--|--|
| Innovation | | | | | |
| Regulations for Autonomous Vehicle Technology approved | Guidelines for testing, licencing and legislation of autonomous vehicle technology developed | Situation analysis conducted on the status quo of implementation of autonomous vehicle technology | Assessment of legislative and policy environment on the autonomous vehicle technology conducted | Guidelines for testing autonomous vehicles developed | Guidelines for licencing and legislating autonomous vehicles developed |
| Reduction in Greenhouse Gas Emission and Pollution | | | | | |
| Carbon Emission Transition Plan implemented | Draft Framework for the alignment of Electric Vehicles Regulations developed | Literature Review exercise conducted on Electric Vehicle Regulations | Literature Review exercise conducted on Electric Vehicle Regulations | Final concept note for the alignment of Electric Vehicle Regulations developed | Draft Framework for the alignment of Electric Vehicles Regulations developed |

9.4.3. Modeling and Economic Analysis

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|---|--|---------------------------------------|--|--|--|--|---|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Competitive and Accessible Markets | | | | | | | | | |
| Increased access to affordable and reliable systems | Establishment of the Single Transport Economic Regulator (STER) | Economic Regulation of Transport (ERT) Bill approved by Parliament | - - | Economic Regulation of Transport (ERT) Bill gazetted for public consultation | Economic Regulation of Transport (ERT) Bill approved for submission to Cabinet | Economic Regulation of Transport (ERT) Bill approved by Cabinet (for introduction to Parliament) | Economic Regulation of Transport (ERT) Bill approved by Parliament | Regulations for the Economic Regulation of Transport (ERT) Act approved | A Single Transport Economic Regulator established |
| Public Transport | | | | | | | | | |
| Improved accessibility, quality and reliability of public transport | National Household Travel Survey (NHTS) Report | National Household Travel Survey (NHTS) conducted | Travel Analysis Zone for NHTS updated | Accessibility to public transport in South Africa (A further analysis of 2013 NHTS data) | NHTS questionnaire refined and finalised | NHTS Pilot Survey conducted and data collected | Statistical release of the NHTS Analytical Report | NHTS provincial reports | Thematic reports produced: <ul style="list-style-type: none"> • Household Expenditure on Public Transport, • Non-Motorized |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---------------------|--------|------------------|------------------------------|---------|---------|-----------------------|-------------|---------|-----------|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | | | | | | | | | Transport |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|--|---|----------------------------------|---------------------------------------|--|
| Competitive and Accessible Markets | | | | | |
| Economic Regulation of Transport (ERT) Bill approved by Parliament | Economic Regulation of Transport (ERT) Bill approved by Parliament | - <i>(Parliamentary process)</i> | - <i>(Parliamentary process)</i> | - <i>(Parliamentary process)</i> | Economic Regulation of Transport (ERT) Bill approved by Parliament |
| Public Transport | | | | | |
| National Household Travel Survey (NHTS) conducted | Statistical release of the NHTS Analytical Report | Scanning, processing and cleaning of data conducted | Data analysis conducted | Draft NHTS Analytical report compiled | NHTS Analytical Report finalised and disseminated to relevant stakeholders |

9.4.4. Sub-Programme: Regional Integration

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|-------------------------------------|---|------------------------------|---------|---------|---|--|---|---|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Competitive and Accessible Markets | | | | | | | | | |
| Increased regional integration and trade | Regional Integration Strategy (RIS) | Regional Integration Strategy approved by Cabinet | - | - | - | Regional Integration Strategy Framework developed | Benchmarking exercise conducted on the Regional Integration Strategy | Draft Regional Integration Strategy developed | Regional Integration Strategy approved by Cabinet |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|--|---|--|--|--|
| Competitive and Accessible Markets | | | | | |
| Regional Integration Strategy approved by Cabinet | Benchmarking exercise conducted on the Regional Integration Strategy | Environmental (SWOT) analysis conducted on the development of the Regional Integration Strategy | Literature review conducted on the Regional Integration Strategy | Benchmarking exercise conducted on the Regional Integration Strategy | Benchmarking exercise on the Regional Integration Strategy finalised and a benchmarking report developed |

Explanation of planned performance over the medium term period

- a) The contribution of outputs towards achieving the outcomes and impact in the Strategic Plan aligned to the mandate of the institution.

The rest of the world is confronted with the changing world towards the fourth industrial revolution. In this regard from a transport perspective, the world is migrating towards autonomous vehicle technology. As a country we are therefore faced with the inevitable thus we have to be prepared. In the current MTEF of 2021/2023 the Department is embarking on developing regulations that will guide and regulate the implementation and/or roll-out of autonomous vehicle technology.

As a country we cannot avoid the imminent changes in our road transportation system. These regulations therefore will ensure that the country remains competitive towards what the world will be offering. The country will be in a position where it can trade and operate the vehicles with autonomous technology.

The transport sector accounts for 10.8% of Greenhouse gas (GHG) emissions and is the second biggest emitter after the energy sector. As a mechanism to address the effects of the transport sector on the environment the Climate Change Policy of 2011 prescribed that the sector develops a sectoral response strategy, which culminated with the development of the Green Transport Strategy: 2018-2050. The main emphasis of the strategy is to lower the carbon footprint of the transport sector by implementing a basket of measures that will significantly alter the trajectory of the emission profile of the transport sector.

The establishment of the Single Transport Economic Regulator (STER) will play a vital role in improving technical, operational and pricing efficiency in sectors characterised by monopolies and have substantial and positive economy-wide impacts by helping to reduce the cost of trade and improve the overall competitiveness of the country.

The National Household Travel Survey (NHTS) is one of the critical sources of information for transport planning and policy formulation. This being the case, the

data collection instrument covers aspects that measure the accessibility of public transport to South African households with a view of using the collected information to craft policies to improve it.

For measuring accessibility, it has questions that seek to establish the length of time it takes for households to get to the nearest public transport facilities such as stations. The instrument does not only focus on accessibility but also on the quality of public transport which is measured through questions posed to households on how satisfied are they with the service offerings of the respective public transport services they use.

The Regional Transport Integration Strategy for South Africa (the Strategy) will help to clarify the goals of regional integration from the point of view of South Africa's transportation system. It will also help to identify instruments that must be mobilised in order to achieve the set goals. The Strategy will further pronounce on the institutional arrangements that should help various South African transport sector stakeholders to severally and jointly drive, support and implement the country's regional integration programme. To this end, the Strategy will help South Africa's transport sector to have a coherent and integrated approach towards regional engagements.

b) Prioritisation of women, children and people with disabilities

The regulations for the autonomous vehicle shall be developed with the consideration of, in particular the people with disabilities to ensure that they are accommodated in the changes of the new technology. Furthermore, this consideration will also extend to the specific needs for woman and children.

The implementation of the GTS, and its subsequent co-benefits will lead to a reduction of ambient air pollution, thus leading to better air quality, and ultimately a reduction in respiratory diseases which are predominant in the elderly and children. The implementation of the strategy will also lead to the empowerment of women and people with disabilities with the development of new industries that will support the GTS and ultimately producing a significant number of green sustainable jobs.

The STER will give all users of transport services, including individual passengers, the ability to direct complaints about prices, access and service delivery in the transport sector to an independent and well-capacitated institution. This institution will have full powers and authority to investigate and where appropriate address all valid complaints against transport entities.

The NHTS has a section that covers people with disabilities and the type of disabilities they have. The main aim is to collect information on how accessible are public transport services to this group of society. This will assist in pointing out areas of improvement the public transport system to make it accessible to persons with disabilities.

The process of developing the Regional Transport Integration Strategy for South Africa will unfold in three phases. The process will commence during the 2019/20 with the development of a framework. The second phase will kick-in during the 2020/21 during which period the Strategy will be developed proper. The draft will be submitted for final approval to Cabinet during 2021/22 financial year.

c) Explanation of planned performance in relation to outputs

It is anticipated that this particular project on regulations for the autonomous vehicles will be completed in 2022/23. The final output will be the approval by Cabinet. The target for the current 2019/20 fiscal year is on literature review on autonomous vehicles. It is intended to unpack the intricacies and implications of this new technology. As such the country will be clear about what to learn and expect, knowing what is needed to become ready through the regulations that will guide the dissemination of this technology in RSA.

Similarly, for electric vehicle technology, the planned performance for the 2020/21 financial year is developing "Draft Framework of Electric Vehicle regulations". It is not anticipated that the project will require fiscal support as yet, and will mostly be developed in-house through the assistance of industry players.

It is anticipated that Parliament will undertake consultation of the ERT Bill in 2020/21 financial year and thereafter the single transport economic regulator will be established.

The outcome of the NHTS 2020 will be an analytical report detailing the travel patterns of South African Households. This will be inclusive of travel patterns of scholars, workers and business people. Matters of accessibility and quality will be covered adequately in the report.

For the Regional Transport Integration Strategy, the choice of indicators in relation to the outcome is informed by the need to conduct extensive consultations with the industry players and other relevant role players. The aim is to ensure sufficient consensus on how government should conduct the regional integration programme to ensure mutually beneficial relations between South Africa and its neighbouring countries and trade partners in the region. The ultimate objective is to integrate the South African transportation system into the rest of the region and thereby create a regionally competitive transport and logistics system.

d) The rationale for the choice of the outcome indicators relevant to the respective outcomes.

The introduction of this new technology in the transportation system will revolutionise how transport is regulated. Thus, by developing the AVT (autonomous vehicle technology) regulations the state shall be in an ideal position to ensure as a country we are competitive to the fourth industrial revolution, in this case from a transport perspective. The government will be able to set parameters for the industry and other stakeholder in the value chain.

The indicator choice for “Greenhouse gas emission reduction” has been pre-determined and was based on the plan that the Department would have to implement in order to contribute towards the reduction of carbon emissions in the country as well as lowering the impacts of climate change caused by the high emission trajectory currently found within the transport sector.

A government institution is established through an Act of Parliament. During the past few years the Department spearheaded a process to develop a Bill to realise this goal. Subsequently, Cabinet approved the Bill to introduce it to Parliament in mid-November 2019. The Bill consolidates the economic regulations of transport into a single framework. It proposes the establishment of the Transport Economic Regulator and the Transport Economic Council.

The Bill will be applicable to the aviation, marine, rail and road transport sectors. Businesses will now be subjected to a controlled single tariff structure when engaging with the transportation industry in the country. A neutral structure to oversee this work is proposed to be under the Minister of Transport.

The data collected from the NHTS will not be useful unless it is turned into information. Therefore, it will be processed and compiled into a comprehensive analytical report to inform policy and decision making.

The Regional Integration Strategy for South Africa will help to position South Africa to play its role in creating a regionally competitive transport and logistics system. Ultimately, South Africa should derive benefits whilst contributing to the development of the regional transport market by way of fostering competitiveness of the sector.

e) Explanation of the outputs contribution to the achievement of the outcomes

RSA cannot afford not to be competitive towards being ready to adopt and implement new technologies. Participating in globalisation, South Africa will thus trade in the open market. Therefore, SA has to be ready to legalise and operate the products that the world will be selling to the country. Furthermore; jobs need to be protected, and even better created in the vehicle manufacturing industry by adopting technologies that will enable the production of AVT. To the effect, by developing and approving the AVT regulations the government shall be able to ensure order when the autonomous vehicles hit our shores.

Linked to the new AVT, the impacts of climate change around the world can no longer be denied, and immediate intervention is required in order to significantly

reduce the carbon footprint of the transport sector. The road sub-sector is the highest polluter in transport, and because of this it will require urgent intervention of which could be considered through the vigorous implementation of mechanisms to increase the uptake of electric vehicles, which will be achieved through the “Electric Vehicles Alignment Framework”.

The establishment of STER will improve the ease of doing business and reduce the cost of doing business while the NHTS analytical report will indicate areas where there are problems in respect of the public transport system. It will therefore be a guide in developing and amending policies that seek to improve accessibility, reliability and quality of the system.

Programme Resources Consideration

| Integrated Transport Planning expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|--|-----------------|---------------|---------------|------------------------|-----------------------|----------------|----------------|----------------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth rate |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Subprogrammes | | | | | | | | |
| Macro Sector Planning | 12 414 | 13 873 | 11 777 | 14 405 | 18 143 | 19 285 | 20 095 | 11.7% |
| Freight Logistics | 13 597 | 12 052 | 11 454 | 20 145 | 21 567 | 22 873 | 23 802 | 5.7% |
| Modelling and Economic Analysis | 23 994 | 19 967 | 15 620 | 93 368 | 24 205 | 22 622 | 23 556 | -36.8% |
| Regional Integration | 6 056 | 10 661 | 11 927 | 14 558 | 14 349 | 15 204 | 15 811 | 2.8% |
| Research and Innovation | 12 674 | 13 254 | 15 896 | 16 766 | 17 410 | 18 484 | 19 248 | 4.7% |
| Integrated Transport Planning Administration Support | 8 319 | 6 853 | 4 701 | 6 984 | 8 835 | 9 370 | 9 752 | 11.8% |
| Total | 77 054 | 76 660 | 71 375 | 166 226 | 104 509 | 107 838 | 112 264 | -12.3% |
| Economic classification | | | | | | | | |
| Current payments | 76 006 | 75 796 | 70 398 | 165 615 | 104 286 | 107 603 | 112 020 | |
| Compensation of employees | 44 692 | 48 256 | 49 716 | 54 355 | 61 126 | 65 100 | 67 931 | 7.7% |
| Salaries and wages | 39 876 | 43 192 | 44 144 | 51 171 | 56 878 | 60 567 | 63 227 | 7.3% |
| Social contributions | 4 816 | 5 064 | 5 572 | 3 184 | 4 248 | 4 533 | 4 704 | 13.9% |
| Goods and services | 31 314 | 27 540 | 20 682 | 111 260 | 43 160 | 42 503 | 44 089 | -26.5% |
| Administrative fees | - | 4 | 3 | - | 76 | 79 | 84 | |
| Advertising | 4 613 | 3 954 | 1 902 | 500 | 582 | 632 | 656 | 9.5% |
| Minor assets | 104 | 36 | 20 | - | 93 | 98 | 102 | |
| Catering: Departmental activities | 581 | 1 919 | 1 142 | 210 | 173 | 181 | 194 | -2.6% |
| Communication (G&S) | 605 | 564 | 581 | 813 | 717 | 774 | 803 | -0.4% |
| Computer services | 6 | - | 2 | - | - | - | - | |

| Integrated Transport Planning expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|--|-----------------|------------|------------|------------------------|-----------------------|------------|------------|----------------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth rate |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Consultants: Business and advisory services | 10 252 | 10 336 | 5 608 | 104 265 | 35 709 | 34 593 | 35 871 | -29.9% |
| Contractors | 66 | 499 | 556 | 10 | - | - | - | -100.0% |
| Agency and support/outsourced services | 94 | - | - | - | - | - | - | |
| Consumable supplies | 37 | 22 | 15 | 10 | 30 | 36 | 37 | 54.7% |
| Consumables: Stationery, printing and office supplies | 364 | 525 | 574 | 180 | 240 | 260 | 269 | 14.3% |
| Transport provided: Departmental activity | 126 | - | - | - | - | - | - | |
| Travel and subsistence | 6 923 | 6 310 | 5 789 | 3 435 | 4 050 | 4 284 | 4 445 | 9.0% |
| Training and development | 280 | 406 | 216 | 606 | 533 | 566 | 589 | -0.9% |
| Operating payments | 200 | 836 | 1 356 | 144 | 221 | 231 | 241 | 18.7% |
| Venues and facilities | 7 063 | 2 129 | 2 918 | 1 087 | 736 | 769 | 798 | -9.8% |
| Transfers and subsidies | 174 | 4 | 65 | - | - | - | - | |
| Households | 174 | 4 | 65 | - | - | - | - | |
| Social benefits | 174 | 4 | 65 | - | - | - | - | |
| Payments for capital assets | 870 | 712 | 800 | 611 | 223 | 235 | 244 | -26.4% |
| Machinery and equipment | 870 | 712 | 800 | 611 | 223 | 235 | 244 | -26.4% |
| Other machinery and equipment | 870 | 712 | 800 | 611 | 223 | 235 | 244 | -26.4% |
| Payments for financial assets | 4 | 148 | 112 | - | - | - | - | |

| Integrated Transport Planning expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|--------------------|---------------|---------------|---------------------------|-----------------------|----------------|----------------|-------------------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth rate |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Total | 77 054 | 76 660 | 71 375 | 166 226 | 104 509 | 107 838 | 112 264 | -12.3% |
| Details of transfers and subsidies | | | | | | | | |
| Households | | | | | | | | |
| Social benefits | | | | | | | | |
| Current | 174 | 4 | 65 | - | - | - | - | - |
| Employee social benefits | 174 | 4 | 65 | - | - | - | - | |

Explanation of the contribution of resources towards achievement of outputs.

The expenditure in this programme is expected to decrease at an average rate of 12.3 per cent from R166 million in 2019/20 to R112 million in 2022/23. The sharp decrease was mainly due the allocation of R73.5 million and R2.9 million in 2019//20 and 2020/21 for the National Household Travel Survey.

Over the MTEF period, the programme will continue with the following projects; develop and review macro systems and multimodal planning frameworks, developing and implementing the regional integration strategy, developing regulations for autonomous vehicle technologies, establishing the Single Transport Economic Regulator (STER) as well as facilitating the reduction in greenhouse gas emissions in the transport sector by developing a carbon emission transition plan.

The increases in expenditure on travel and subsistence, and venues and facilities from 2016/17 was due to workshops held in provinces on the Integrated Transport Sector Broad-Based Black Economic Empowerment Charter, the expenditure is expected to decrease over the medium term due to implementation of cost containment measures.

The programme had a total number of 75 funded posts as at September 2019.

Special Adjustment Budget 2020/21

| Special Adjustments Appropriation | | | | | | |
|-----------------------------------|----------------------------------|---|--|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Subprogrammes | | | | | | |
| Macro Sector | | | | | | |
| Planning | 18 143 | (1 124) | - | - | (1 124) | 17 019 |
| Freight Logistics | 21 567 | (3 008) | - | - | (3 008) | 18 559 |
| Modelling and | 24 205 | (2 512) | - | - | (2 512) | 21 693 |

| Special Adjustments Appropriation | | | | | | |
|--|---|--|--|--------------------------------|--|-----------------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Economic Analysis | | | | | | |
| Regional Integration | 14 349 | - | - | - | - | 14 349 |
| Research and Innovation | 17 410 | (4 096) | - | - | (4 096) | 13 314 |
| Integrated Transport Planning Administration Support | 8 835 | - | - | - | - | 8 835 |
| Total | 104 509 | (10 740) | - | - | (10 740) | 93 769 |
| <u>Economic classification</u> | | | | | | |
| Current payments | 104 286 | (10 740) | - | - | (10 740) | 93 546 |
| Compensation of employees | 61 126 | - | - | - | - | 61 126 |
| Salaries and wages | 56 878 | - | - | - | - | 56 878 |
| Social contributions | 4 248 | - | - | - | - | 4 248 |
| Goods and services | 43 160 | (10 740) | - | - | (10 740) | 32 420 |
| Administrative fees | 76 | - | - | - | - | 76 |
| Advertising | 582 | - | - | - | - | 582 |
| Minor Assets | 93 | - | - | - | - | 93 |
| Catering: Departmental activities | 173 | - | - | - | - | 173 |
| Communication (G&S) | 717 | - | - | - | - | 717 |
| Consultants: Business and advisory services | 35 709 | (10 740) | - | - | (10 740) | 24 969 |
| Consumable | 30 | - | - | - | - | 30 |

| Special Adjustments Appropriation | | | | | | |
|---|---|--|--|--------------------------------|--|-----------------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| supplies | | | | | | |
| Consumables: Stationery, printing and office supplies | 240 | - | - | - | - | 240 |
| Travel and subsistence | 4 050 | - | - | - | - | 4 050 |
| Training and development | 533 | - | - | - | - | 533 |
| Operating payments | 221 | - | - | - | - | 221 |
| Venues and facilities | 736 | - | - | - | - | 736 |
| Transfers and subsidies | - | - | - | - | - | - |
| Payments for capital assets | 223 | - | - | - | - | 223 |
| Machinery and equipment | 223 | - | - | - | - | 223 |
| Transport equipment | - | - | - | - | - | - |
| Other machinery and equipment | 223 | - | - | - | - | 223 |
| Payments for financial assets | - | - | - | - | - | - |
| | | | | | | |
| Total | 104 509 | (10 740) | - | - | (10 740) | 93 769 |

Explanatory Narrative

An amount of R10.7 million was shifted from savings on goods and services to fund the shortfall for the Cross Border Road Transport Agency (CBRTA), Road Traffic Infringements Agency (RTIA) and to procure Personal Protective Equipment for COVID-19.

Updated Key Risks

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATION |
|---|---------------------------------|---|---|
| Increased competitiveness and access to transport modal networks through effective regulation | Legislative and Regulatory Risk | Delays in promulgation of the Economic Regulation of Transport (ERT) Bill. | <ul style="list-style-type: none"> • Monitor the implementation of the STER Bill upon approval. |
| Improvement of B-BBEE and transformation in the Transport Sector through sector codes. | Economic Risk | Prolonged non-availability of the Charter Council will hinder the implementation, monitoring and evaluation of the Transport Charter Codes. | <ul style="list-style-type: none"> • Establish the B-BBEE Charter Council. |
| Transport Research and innovation | Socio-economic Risk | Inadequate skills and capacity resulting to dependency on external partners for research and data inputs causes lack/poor analysis of data by transport policy developers, implementers and users | <ul style="list-style-type: none"> • Develop a Research and Innovation strategy with a National Research Agenda for transport. • Strengthen MoUs with Research and Innovation Hubs/institutions |
| Improved competitiveness through adoption of new technology | Information and Knowledge Risk | Limited access to information and knowledge on transport sector caused by lack of access to academic electronic libraries. | <ul style="list-style-type: none"> • Undertake information and knowledge audit |

9.5. Programme 3: Rail Transport

Purpose: The programme exists to facilitate and coordinate the development of sustainable rail transport policies, rail economic and safety regulation, infrastructure development strategies; and systems that reduce system costs and improve customer service; and to monitor and oversee the Railway Safety Regulator and the Passenger Rail Agency of South Africa; and the implementation of integrated rail services planned through the lowest competent sphere of government.

9.5.1. Sub-Programme: Rail Regulation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|--------------------|--|------------------------------|---------|--|--|---|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Safer Transport Systems | | | | | | | | | |
| Improved transport safety and security | Railway Safety Act | Railway Safety Bill approved by Parliament | - | - | Railway Safety Bill approved for submission to Cabinet | Railway Safety Bill approved by Cabinet for introduction to Parliament | Railway Safety Bill submitted to Parliament | Railway Safety Bill approved by Parliament | Regulations for the Railway Safety Act developed |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|---|---|-----------|-----------|---|
| Safer Transport Systems | | | | | |
| Railway Safety Bill approved by Parliament | Railway Safety Bill submitted to Parliament | Notice of intention to introduce the Bill to Parliament published | - | - | Railway Safety Bill approved for submission to Parliament |

9.5.2. Sub-Programme: Rail Infrastructure and Industry Development

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|---|--|------------------------------|---------|---------|-----------------------|--|---|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Competitive and Accessible Markets | | | | | | | | | |
| Increased access to affordable and reliable transport systems | Private Sector Participation (PSP) Framework | Private Sector Participation (PSP) Framework approved by Cabinet | - | - | - | - | Draft Private Sector Participation (PSP) Framework developed | Private Sector Participation (PSP) Framework approved for submission to Cabinet | Private Sector Participation (PSP) Framework approved by Cabinet |
| | High-Speed Rail (HSR) Corridor Framework | High-Speed Rail (HSR) Corridor Framework approved by Cabinet | - | - | - | - | High-Speed Rail (HSR) Corridor Framework developed | High-Speed Rail (HSR) Corridor Framework approved for submission to Cabinet | High-Speed Rail (HSR) Corridor Framework approved by Cabinet |
| | Implementation of the Rolling Stock Fleet Renewal | Number of new train sets rolled-out on priority | - | - | - | - | Analysis Report on the Rolling Stock Fleet Renewal | Analysis Report on the Rolling Stock Fleet Renewal | Analysis Report on the Rolling Stock Fleet Renewal |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|--|-------------------------------|------------------------------|---------|---------|-----------------------|--|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | Programme | corridors | | | | | Programme | Programme | Programme |
| | Implementation of the PRASA Modernisation Programme | Number of stations modernised | - | - | - | - | Analysis Report on the PRASA Modernisation Programme | Analysis Report on the PRASA Modernisation Programme | Analysis Report on the PRASA Modernisation Programme |
| Decent jobs sustained and created | Implementation of the PRASA Infrastructure Programme | Number of jobs created | - | - | - | - | Analysis Report on jobs created through PRASA Infrastructure Programme | Analysis Report on jobs created through PRASA Infrastructure Programme | Analysis Report on jobs created through PRASA Infrastructure Programme |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|---|---|---|--|--|
| Competitive and Accessible Markets | | | | | |
| Private Sector Participation (PSP) Framework approved by Cabinet | Draft Private Sector Participation (PSP) Framework developed | Discussion document for Rail Private Sector Participation developed | Initial draft of the Private Sector Participation (PSP) Framework developed | Stakeholder consultations conducted on the draft Private Sector Participation (PSP) Framework | Stakeholder inputs considered and the Private Sector Participation (PSP) Framework finalised |
| High-Speed Rail (HSR) Corridor Framework approved by Cabinet | High-Speed Rail (HSR) Corridor Framework developed | Multi criteria assessment areas for High-Speed Rail defined | Initial draft of the High-Speed Rail (HSR) Corridor Framework developed | Internal stakeholder consultations conducted on the draft High-Speed Rail (HSR) Corridor Framework | Stakeholder inputs considered and the High-Speed Rail (HSR) Corridor Framework finalised |
| Number of train sets rolled-out in priority corridors | Annual Analysis Report on the Rolling Stock Fleet Renewal Programme | Annual Analysis Report on the Rolling Stock Fleet Renewal Programme | - | Bi-annual Analysis Report on the Rolling Stock Fleet Renewal Programme | - |
| Number of stations modernised | Annual Analysis Report on the PRASA Modernisation Programme | Annual Analysis Report on the PRASA Modernisation Programme | - | Bi-annual Analysis Report on the PRASA Modernisation Programme | - |
| Number of jobs created | Annual Analysis Report on jobs created through PRASA Infrastructure | Annual Analysis Report on jobs created through PRASA Infrastructure | - | Bi-analysis Report on jobs created through PRASA Infrastructure | |

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|------------------|---------------|-----------|-----------|-----------|-----------|
| | Programme | Programme | | Programme | |

Consolidated Indicators¹

| Institution | Output Indicator | Annual Target | Data Source |
|---|---|---|---|
| Competitive and Accessible Markets | | | |
| Passenger Rail Agency of South Africa (PRASA) | • Number of new train sets rolled-out in priority corridors | • 42 new train sets | Annual Progress Report signed off by PRASA Accounting Authority |
| | • Number of stations modernised | • 5 stations | |
| | • Number of jobs created | • 166 | |
| | • Number of full-time equivalents (FTEs) created | • 0 <i>(Gibela is in partnership with various institutions of higher learning)</i> | |
| | • Number of youths (18-35) employed | • 132 | |
| | • Number of women employed | • 76 | |
| | • Number of persons with disabilities employed | • 4 | |

¹ Annual Targets to be revised in line with the PRASA Corporate Plan.

9.5.3. Rail Operations²

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|--|--|------------------------------|---------|---------|-----------------------|--|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Public Transport | | | | | | | | | |
| Improved accessibility, quality and reliability of public transport | Rail passenger trips | Number of rail passenger trips | - | - | - | - | Analysis Report on PRASA Rail Operations | Analysis Report on PRASA Rail Operations | Analysis Report on PRASA Rail Operations |
| Safer Transport Systems | | | | | | | | | |
| Improved transport safety and security | Reduction in rail safety occurrences | Number of rail safety occurrences reported | 1 918 | 1 691 | 1 192 | 1 400 | 1 333 | 1 266 | 1 202 |
| | Reduction in rail security occurrences | Number of rail security occurrences reported | 4 708 | 4 667 | 5 515 | 4 676 | 4 521 | 4 431 | 4 299 |

² Medium term targets for the 2020/21 – 2022/23 financial years will be revised in line with the PRASA Corporate Plan

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|--|--|-----------|--|-----------|
| Public Transport | | | | | |
| Number of passenger rail trips | Annual Analysis Report on PRASA Rail Operations | Annual Analysis Report on PRASA Rail Operations | - | Bi-annual Analysis Report on PRASA Rail Operations | - |
| Safer Transport Systems | | | | | |
| Number of rail safety occurrences reported | Annual Analysis Report on the State of Rail Safety in South Africa | Annual Analysis Report on the State of Rail Safety in South Africa | - | - | - |
| Number of rail security occurrences reported | Annual analysis of rail security occurrences | Annual analysis of rail security occurrences | - | - | - |

Consolidated Indicators³

| Institution | Output Indicator | Annual Target | Data Source |
|---|--|------------------------------------|---|
| Public Transport | | | |
| Passenger Rail Agency of South Africa (PRASA) | Number of passenger rail trips | • 240 million passenger rail trips | Annual Progress Report signed off by PRASA Accounting Authority |
| Safer Transport Systems | | | |
| Passenger Rail Agency of South Africa (PRASA) | Number of rail safety occurrences reported | • 1 333 rail safety occurrences | Annual Progress Report signed off by PRASA Accounting Authority |
| | Number of rail security occurrences reported | • 4 521 rail security occurrences | |

³ Annual Targets will be revised in line with the PRASA Corporate Plan

Explanation of planned performance over the medium term period

- (a) The rationale for the choice of the outcome indicators relevant to the respective outcomes.

The principal outcome of capital investment in the modernisation programme is to improve and expand services, measured by its effects on paying passenger numbers. The fact that considerable spending on property, plant and equipment has been accompanied by a large decline in paying passenger numbers raises questions about the appropriateness of PRASA's project pipeline and alignment with current priorities, budget realities and the corridor approach. Priority should be given to programmes that will return paying passengers to rail high-density passenger corridors, and there should be less emphasis on low-density corridors, even if projects in low-density corridors are easier to implement.

- (b) Explanation of enablers to achieve the five-year targets.

The National Rail Policy will be a major enabler to guide performance improvement in all aspects of rail service delivery for passengers and freight customers, particularly quality, efficiency, volume, price and inter-modalism. The implementation of the Policy will drive reduction in the cost of freight services at national level through the encouragement of modal shift from road to rail. It will also drive passenger mobility through higher levels of service and quality of service with increased intermodal connectivity. The approval of the National Rail Policy by Cabinet will make a significantly positive impact on South Africa's socio-economic development.

- (c) Explanation of the outcomes contribution to the achievement of the impact.

Creating a conducive environment for private sector participation and investment in the rail network will expand access, increase rail network capacity increase railways modal share and reduce logistic costs, which by implication will reduce the cost of doing business.

Programme Resources Consideration

| Rail Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Subprogrammes | | | | | | | | |
| Rail Regulation | 15 389 | 12 996 | 11 856 | 20 069 | 21 409 | 22 692 | 23 604 | 5.6% |
| Rail Infrastructure and Industry Development | 9 577 | 6 185 | 6 995 | 7 405 | 7 580 | 8 065 | 8 409 | 4.3% |
| Rail Operations | 7 682 | 12 670 | 9 454 | 16 428 | 15 716 | 16 669 | 17 346 | 1.8% |
| Rail Oversight | 18 956 254 | 14 479 824 | 15 841 986 | 16 525 735 | 13 144 136 | 19 094 685 | 21 645 755 | 9.4% |
| Rail Administration Support | 3 103 | 3 483 | 3 402 | 4 145 | 6 358 | 6 766 | 7 053 | 19.4% |
| Total | 18 992 005 | 14 515 158 | 15 873 693 | 16 573 782 | 13 195 199 | 19 148 877 | 21 702 167 | 9.4% |
| <u>Economic classification</u> | | | | | | | | |
| Current payments | 35 489 | 35 111 | 31 262 | 47 840 | 50 940 | 54 062 | 56 277 | 5.6% |
| Compensation of employees | 21 634 | 24 401 | 25 978 | 28 541 | 30 428 | 32 409 | 33 816 | 5.8% |
| Salaries and wages | 19 073 | 21 554 | 22 904 | 26 023 | 27 955 | 29 781 | 31 090 | 6.1% |
| Social contributions | 2 561 | 2 847 | 3 074 | 2 518 | 2 473 | 2 628 | 2 726 | 2.7% |
| Goods and services | 13 855 | 10 710 | 5 284 | 19 299 | 20 512 | 21 653 | 22 461 | 5.2% |
| Administrative fees | - | 50 | 7 | 260 | 23 | 25 | 25 | -54.2% |
| Advertising | 31 | 156 | 108 | 50 | 50 | 54 | 56 | 3.8% |
| Minor assets | 53 | 3 | 5 | 10 | 6 | 5 | 7 | -11.2% |
| Catering: Departmental activities | 11 | 48 | 19 | 55 | 30 | 35 | 34 | -14.8% |
| Communication (G&S) | 355 | 353 | 329 | 361 | 431 | 459 | 478 | 9.8% |

| Rail Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Computer services | - | 1 | - | - | - | - | - | |
| Consultants: Business and advisory services | 11 628 | 7 956 | 2 642 | 16 931 | 18 264 | 19 322 | 20 046 | 5.8% |
| Infrastructure and planning services | - | - | - | - | - | (44) | (45) | |
| Contractors | 24 | - | - | - | - | - | - | |
| Consumable supplies | 32 | 3 | 4 | 5 | 7 | 7 | 7 | 11.9% |
| Consumables: Stationery, printing and office supplies | 85 | 137 | 179 | 212 | 200 | 210 | 218 | 0.9% |
| Travel and subsistence | 1 421 | 1 631 | 1 492 | 1 365 | 1 433 | 1 509 | 1 561 | 4.6% |
| Training and development | 32 | 16 | 159 | - | 20 | 21 | 22 | |
| Operating payments | 131 | 60 | 7 | - | - | - | - | |
| Venues and facilities | 52 | 296 | 333 | 50 | 48 | 50 | 52 | 1.3% |
| Transfers and subsidies | 18 956 254 | 14 479 824 | 15 841 986 | 16 525 735 | 13 144 136 | 19 094 685 | 21 645 755 | 9.4% |
| Departmental agencies and accounts | 65 987 | 73 864 | 63 018 | 63 522 | 67 017 | 70 702 | 74 205 | 5.3% |
| Departmental agencies (non-business entities) | 65 987 | 73 864 | 63 018 | 63 522 | 67 017 | 70 702 | 74 205 | 5.3% |
| Public corporations and private | 18 890 267 | 14 405 960 | 15 778 968 | 16 462 213 | 13 077 119 | 19 023 983 | 21 571 550 | 9.4% |

| Rail Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| enterprises | | | | | | | | |
| Public corporations | 18 890 267 | 14 405 960 | 15 778 968 | 16 462 213 | 13 077 119 | 19 023 983 | 21 571 550 | 9.4% |
| Subsidies on products and production (pc) | 18 890 267 | 14 405 960 | 15 778 968 | 16 462 213 | 13 077 119 | 19 023 983 | 21 571 550 | 9.4% |
| Payments for capital assets | 262 | 218 | 445 | 207 | 123 | 130 | 135 | -13.3% |
| Machinery and equipment | 262 | 218 | 445 | 207 | 123 | 130 | 135 | -13.3% |
| Other machinery and equipment | 262 | 218 | 445 | 207 | 123 | 130 | 135 | -13.3% |
| Payments for financial assets | - | 5 | - | - | - | - | - | - |
| Total | 18 992 005 | 14 515 158 | 15 873 693 | 16 573 782 | 13 195 199 | 19 148 877 | 21 702 167 | 9.4% |
| Details of transfers and subsidies | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | 65 987 | 73 864 | 63 018 | 63 522 | 67 017 | 70 702 | 74 205 | 5.3% |
| Railway Safety Regulator | 65 987 | 73 864 | 63 018 | 63 522 | 67 017 | 70 702 | 74 205 | 5.3% |
| Public corporations and private enterprises | | | | | | | | |

| Rail Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Public corporations (subsidies on products and production) | | | | | | | | |
| Current | 4 281 666 | 5 037 771 | 4 614 613 | 6 252 592 | 6 694 285 | 7 096 149 | 7 455 024 | 6.0% |
| Passenger Rail Agency of South Africa: Rail maintenance operations and inventories | – | – | 1 202 255 | 811 034 | 912 900 | 963 299 | 1 011 993 | 7.7% |
| Passenger Rail Agency of South Africa: Metrorail (operations) | 3 809 769 | 3 666 839 | 1 763 415 | 4 376 575 | 4 617 179 | 4 862 460 | 5 108 209 | 5.3% |
| Passenger Rail Agency of South Africa: Mainline passenger services (operations) | 471 897 | 1 370 932 | 1 648 943 | 1 064 983 | 1 164 206 | 1 270 390 | 1 334 822 | 7.8% |
| Capital | 14 608 601 | 9 368 189 | 11 164 355 | 10 209 621 | 6 382 834 | 11 927 834 | 14 116 526 | 11.4% |
| Passenger Rail Agency of South Africa: Capital | 7 206 878 | 3 446 545 | 91 941 | 600 022 | 395 172 | 1 439 864 | 1 707 516 | 41.7% |
| Passenger Rail Agency of South Africa: Rolling stock fleet renewal programme | 4 170 266 | 3 457 222 | 4 676 870 | 5 823 266 | 3 642 696 | 7 012 147 | 8 299 845 | 12.5% |

| Rail Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|--|-----------------|-----------|-----------|------------------------|-----------------------|-----------|-----------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Passenger Rail Agency of South Africa: Signalling | 1 844 184 | 1 437 530 | 2 023 779 | 2 137 111 | 1 326 153 | 1 965 689 | 2 323 865 | 2.8% |
| Passenger Rail Agency of South Africa: Metrorail (refurbishment of coaches) | 1 283 523 | 956 556 | 4 211 568 | 1 480 054 | 913 838 | 1 354 535 | 1 601 351 | 2.7% |
| Passenger Rail Agency of South Africa: Mainline passenger service (refurbishment of coaches) | 103 750 | 70 336 | 160 197 | 169 168 | 104 975 | 155 599 | 183 949 | 2.8% |

Explanation of the contribution of resources towards achievement of outputs.

The programme facilitates and coordinates the transferring of subsidy funds to Passenger Rail Agency of South Africa (PRASA) and Railway Safety Regulator (RSR) for operations, maintenance and upgrades of outdated infrastructure as well as overseeing and promoting safe railway operations respectively. The total spending in the Rail Transport programme is expected to increase at an average annual rate of 9.4 per cent from R16.5 billion in 2019/20 to R21.7 billion in 2022/23 over the medium term.

Even though Cabinet approved the baseline reduction amounting to R8.6 billion on capital transfers over the medium, expenditure on capital transfers is expected to increase at an average annual rate of 11.4 per cent from R10.2 billion in 2019/20 to R14.1 billion in 2022/23. This includes transfers for the rolling stock fleet renewal programme, which increases at an average annual rate of 12.5 per cent, from R5.8 billion in 2019/20 to R8.3 billion in 2022/23.

Through the Passenger Rail Agency of South Africa, the department will continue its efforts to modernise the South Africa's passenger rail services to improve the reliability of services, increase passenger ridership, improved security provision as well as repairs and maintenance.

The spending focus over the medium term in this programme will be on developing the National Rail bill for submission to cabinet, developing the national rail policy, developing the branch line framework model for private sector participation as well as regulate and enhance rail safety and security by submitting the draft Railway Safety Bill to Cabinet.

The programme had a total number of 38 funded posts as at September 2019.

Special Adjustment Budget for 2020/21

| Special Adjustments Appropriation | | | | | |
|---|----------------------------------|--|--|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | | |
| Subprogrammes | | | | | |
| Rail Regulation | 21 409 | - | - | - | 21 409 |
| Rail Infrastructure and Industry Development | 7 580 | - | - | - | 7 580 |
| Rail Operations | 15 716 | (6 377) | - | (6 377) | 9 339 |
| Rail Oversight | 13 144 136 | 15 800 | (1 021 348) | (1 005 548) | 12 138 588 |
| Rail Administration Support | 6 358 | - | - | - | 6 358 |
| Total | 13 195 199 | 9 423 | (1 021 348) | (1 011 925) | 12 183 274 |
| <u>Economic classification</u> | | | | | |
| Current payments | 50 940 | (6 377) | - | (6 377) | 44 563 |
| Compensation of employees | 30 428 | - | - | - | 30 428 |
| Salaries and wages | 27 955 | - | - | - | 27 955 |
| Social contributions | 2 473 | - | - | - | 2 473 |
| Goods and services | 20 512 | (6 377) | - | (6 377) | 14 135 |
| Administrative fees | 23 | - | - | - | 23 |
| Advertising | 50 | - | - | - | 50 |
| Minor Assets | 6 | - | - | - | 6 |
| Catering: Departmental activities | 30 | - | - | - | 30 |
| Communication (G&S) | 431 | - | - | - | 431 |
| Consultants: Business and advisory services | 18 264 | (6 377) | - | (6 377) | 11 887 |
| Consumable supplies | 7 | - | - | - | 7 |
| Consumables: Stationery, printing and office supplies | 200 | - | - | - | 200 |
| Travel and | 1 433 | - | - | - | 1 433 |

| Special Adjustments Appropriation | | | | | |
|--|----------------------------------|--|--|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | | |
| subsistence | | | | | |
| Training and development | 20 | - | - | - | 20 |
| Venues and facilities | 48 | - | - | - | 48 |
| Transfers and subsides | 13 144 136 | 15 800 | (1 021 348) | (1 005 548) | 12 138 588 |
| Departmental agencies and accounts | 67 017 | 15 800 | - | 15 800 | 82 817 |
| Social security funds | - | - | - | - | - |
| Departmental agencies (non- business entities) | 67 017 | 15 800 | - | 15 800 | 82 817 |
| Public corporations and private enterprises | 13 077 119 | - | (1 021 348) | (1 021 348) | 12 055 771 |
| Public corporations | 13 077 119 | - | (1 021 348) | (1 021 348) | 12 055 771 |
| Subsidies on products and production (pc) | 13 077 119 | - | (1 021 348) | (1 021 348) | 12 055 771 |
| Other transfers to public corporations | - | - | - | - | - |
| Payments for capital assets | 123 | - | - | - | 123 |
| Machinery and equipment | 123 | - | - | - | 123 |
| Transport equipment | - | - | - | - | - |
| Other machinery and equipment | 123 | - | - | - | 123 |
| Payments for financial assets | - | - | - | - | - |
| | | | | | |
| Total | 13 195 199 | 9 423 | (1 021 348) | (1 011 925) | 12 183 274 |

Explanatory Narrative

In total, the programme was reduced by an amount of R1.012 billion, of which an amount of R1.021 billion was reduced from PRASA rolling stock renewal programmes, R15.8 million was shifted from savings on taxi recapitalisation programme to fund revenue shortfall due to the Covid-19 for the Railway Safety Regulator (RSR) and an amount of R6.3 million was shifted from savings on goods and services.

An amount of R1.260 billion was reprioritised from PRASA capital to operations to fund the revenue shortfall as well as Covid-19 related expenditure within the programme.

Updated Key Risks

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATION |
|---|---|---|--|
| Effective rail policies, strategies and plans guiding rail developments in the country | Legislative and Regulatory Compliance Risk | Lack of buy-in from critical stakeholders hinders the full implementation of the regulatory frameworks | <ul style="list-style-type: none"> Comprehensive consultation with critical stakeholders |
| | | Non-Approval of the National Rail Policy creates uncertainty in the rail sector | <ul style="list-style-type: none"> Advocacy and lobbying for the rail policy |
| Fair and transparent legislative frameworks to ensure a safe and an effective railway environment | Legislative and Regulatory Compliance Risk | Resistance by operators to provide information needed for introducing economic regulation in the rail sector | <ul style="list-style-type: none"> Strengthen working relationship with Department of Public Enterprises to source information from operators |
| | | Resistance of the key stakeholders to the introduction of regulatory framework | <ul style="list-style-type: none"> In-depth stakeholder management and Consultations |
| Improve and expand integrated passenger rail services through modernisation programme | Service Delivery Regulatory and Compliance Risk | PRASA - decline in service levels, reliability and availability of Rolling Stock Compliance with Safety Permit conditions | <ul style="list-style-type: none"> Implementation of a PRASA War Room to recover service levels, safety compliance and the re-sequencing of the modernisation programme |
| Create a conducive environment for Private Sector Participation (PSP) and Investment in rail infrastructure | Legislative and Regulatory | Absence of rail sector economic regulation to guide pricing, access and service levels. Limits private sector investment and | <ul style="list-style-type: none"> IRERC to develop guidelines for pricing, access, service levels and investment in the rail industry |

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATION |
|--|---------------------|---|--|
| | | participation | |
| Integrated Public Transport with rail commuter transport as backbone | Service delivery | Failure to develop the priority corridor modal integration operational plans will result in the lack of integration by 2030 | <ul style="list-style-type: none"> • Strong dedicated team to focus on the liaison and consultations with the Cities in the Intermodal Planning Committees (IPCs) • Signed MoUs with Cities key to delivery of the priority corridor integration plans |

9.6. Programme 4: Road Transport

Purpose: The programme exists to develop and manage an integrated road infrastructure network, regulate road transport, ensure safer roads, and oversee road agencies.

9.6.1. Sub-Programme: Road Transport Regulation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|--|--|---|--|---|--|--|--|---|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Safer Transport Systems | | | | | | | | | |
| Improved transport safety and security | Reduction of road crashes and fatalities | Implementation of the National Road Safety Strategy monitored | National Road Safety Strategy approved by Cabinet | Monitoring of the National Road Safety Strategy | Monitoring of the National Road Safety Strategy | Monitoring of the National Road Safety Strategy | Analysis Report on the National Road Safety Strategy | Analysis Report on the National Road Safety Strategy | Analysis Report on the National Road Safety Strategy |
| Leadership, Governance and Accountability | | | | | | | | | |
| Improved governance and strengthened control environment | National Anti-Fraud and Corruption Strategy for the Road Traffic | National Anti-Fraud and Corruption Strategy for the Road Traffic Environment | - | National Anti-Fraud and Corruption Strategy for the Road Traffic | Comprehensive stakeholder consultations conducted on the draft National Anti- | Draft National Anti-Fraud and Corruption Strategy for the Road Traffic | Draft National Anti-Fraud and Corruption Strategy for the Road Traffic Environment | Draft National Anti-Fraud and Corruption Strategy for the Road Traffic Environment | Approved National Anti-Fraud and Corruption Strategy for the Road |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---------------------|-------------|---------------------|------------------------------|-----------------------|--|-----------------------|------------------------------------|---------------------|---------------------------------|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | Environment | approved by Cabinet | | Environment developed | Fraud and Corruption Strategy for the Road Traffic Environment | Environment | approved for submission to Cabinet | approved by Cabinet | Traffic Environment implemented |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|--|---|--|---|--|
| Safer Transport Systems | | | | | |
| Implementation of the National Road Safety Strategy monitored | Annual Analysis Report on the implementation of the National Road Safety Strategy | Quarterly Analysis Report on the implementation of the National Road Safety Strategy | Quarterly Analysis Report on the implementation of the National Road Safety Strategy | Quarterly Analysis Report on the implementation of the National Road Safety Strategy | Annual Analysis Report on the implementation of the National Road Safety Strategy |
| Leadership, Governance and Accountability | | | | | |
| National Anti-Fraud and Corruption Strategy for the Road Traffic Environment approved by Cabinet | National Anti-Fraud and Corruption Strategy for the Road Traffic Environment Strategy approved for | National Anti-Fraud and Corruption Strategy for the Road Traffic Environment gazetted for public comments | Inputs considered and updated Strategy submitted to NEDLAC | National Anti-Fraud and Corruption Strategy for the Road Traffic Environment Strategy submitted to the DPME | Ministerial approval obtained for submission of the National Anti-Fraud and Corruption Strategy for the Road Traffic Environment Strategy to |

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|------------------|-----------------------|-----------|-----------|--------------------------------------|-----------|
| | submission to Cabinet | | | for socio-economic impact assessment | Cabinet |

Consolidated Indicators

| Institution | Output Indicator | Annual Target | Data Source |
|--|---|---|--|
| Safer Transport Systems | | | |
| Road Traffic Management Corporation (RTMC) | % reduction in road fatalities | <ul style="list-style-type: none"> 20% reduction | Annual Progress Report signed-off by RTMC Accounting Authority |
| Provincial Departments of Transport | Transport Safety and Compliance | | Quarterly and Annual Monitoring Reports signed off by Accounting Officers of Provincial Departments of Transport |
| | <ul style="list-style-type: none"> Number of road safety awareness programmes | <ul style="list-style-type: none"> 4 608 | |
| | <ul style="list-style-type: none"> Number of schools involved in road safety education programme | <ul style="list-style-type: none"> 2 564 | |
| | Transport Administration and Licensing | | |
| | <ul style="list-style-type: none"> Number of compliance inspections conducted | <ul style="list-style-type: none"> 66 Dangerous Goods operators 140 Driving Licence Testing Centres 160 Vehicle Testing Stations | |
| | Law Enforcement | | |
| | <ul style="list-style-type: none"> Number of speed operations conducted | <ul style="list-style-type: none"> 80 580 | |
| <ul style="list-style-type: none"> Number of vehicles weighed | <ul style="list-style-type: none"> 3 276 160 | | |
| <ul style="list-style-type: none"> Number of drunken driving operations conducted | <ul style="list-style-type: none"> 62 416 | | |
| <ul style="list-style-type: none"> Number of vehicle stopped and checked | <ul style="list-style-type: none"> 10 288 900 | | |

9.6.2. Sub-Programme: Road Infrastructure and Industry Development

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|--|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|---|---|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Competitive and Accessible Markets | | | | | | | | | |
| Increased access to affordable and reliable transport systems | Expansion and maintenance of national roads | Surfaced roads maintained | - | - | - | - | Analysis Report on the SANRAL Road Maintenance Programme | Analysis Report on the SANRAL Road Maintenance Programme | Analysis Report on the SANRAL Road Maintenance Programme |
| | Maintenance of provincial roads | Surfaced roads maintained | Provincial Road Maintenance Programme | Provincial Road Maintenance Programme | Provincial Road Maintenance Programme | Provincial Road Maintenance Programme | Analysis Report on the Provincial Road Maintenance Programme | Analysis Report on the Provincial Road Maintenance Programme | Analysis Report on the Provincial Road Maintenance Programme |
| | | Gravel roads maintained | monitored | monitored | monitored | monitored | | | |
| Decent jobs sustained and created | Jobs created through the SANRAL Road Maintenance Programme | Number of jobs created | - | - | - | - | Analysis Report on jobs created through the SANRAL Road | Analysis Report on jobs created through the SANRAL Road Maintenance Programme | Analysis Report on jobs created through the SANRAL Road Maintenance Programme |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | | |
|---------------------|--|------------------------|------------------------------|---------|---------|-----------------------|-------------|--|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | |
| | | | | | | | | Maintenance Programme | | |
| | Jobs created through the Provincial Roads Maintenance Programme | | - | - | - | - | - | Analysis Report on jobs created through the Provincial Road Maintenance Programme | Analysis Report on jobs created through the Provincial Road Maintenance Programme | Analysis Report on jobs created through the Provincial Road Maintenance Programme |
| | Jobs created through the Deep Rural Roads Maintenance Programme (Special Allocation) | Number of jobs created | - | - | - | - | - | Analysis Report on jobs created through the Deep Rural Roads Maintenance Programme | Analysis Report on jobs created through the Deep Rural Roads Maintenance Programme | Analysis Report on jobs created through the Deep Rural Roads Maintenance Programme |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|--|---|---|---|--|
| Competitive and Accessible Markets | | | | | |
| Surfaced roads maintained (National) | Annual Analysis Report on the SANRAL Road Maintenance Programme | - | Bi-annual Analysis Report on the SANRAL Road Maintenance Programme | - | Annual Analysis Report on the SANRAL Road Maintenance Programme |
| Surfaced roads maintained (Provincial) | Annual Analysis Report on the Provincial Road Maintenance Programme | Quarterly Analysis Report on the Provincial Road Maintenance Programme | Quarterly Analysis Report on the Provincial Road Maintenance Programme | Quarterly Analysis Report on the Provincial Road Maintenance Programme | Annual Analysis Report on the Provincial Road Maintenance Programme |
| Gravel roads maintained (Provincial) | | | | | |
| Number of jobs created through the SANRAL Road Maintenance Programme | Annual Analysis Report on jobs created through the SANRAL Road Maintenance Programme | - | Bi-annual Analysis Report on jobs created through the SANRAL Road Maintenance Programme | - | Annual Analysis Report on jobs created through the SANRAL Road Maintenance Programme |
| Number of jobs created through the Provincial Roads Maintenance Programme | Annual Analysis Report on jobs created through the Provincial Road Maintenance Programme | Quarterly Analysis Report on jobs created through the Provincial Road Maintenance Programme | Quarterly Analysis Report on jobs created through the Provincial Road Maintenance Programme | Quarterly Analysis Report on jobs created through the Provincial Road Maintenance Programme | Annual Analysis Report on jobs created through the Provincial Road Maintenance Programme |

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|--|--|--|--|
| Number of jobs created through the Deep Rural Roads Maintenance Programme | Annual Analysis Report on jobs created through the Deep Rural Roads Maintenance Programme | Quarterly Analysis Report on jobs created through the Deep Rural Roads Maintenance Programme | Quarterly Analysis Report on jobs created through the Deep Rural Roads Maintenance Programme | Quarterly Analysis Report on jobs created through the Deep Rural Roads Maintenance Programme | Quarterly Analysis Report on jobs created through the Deep Rural Roads Maintenance Programme |

Consolidated Indicators

| Institution | Output Indicator | Annual Target | Data Source |
|--|---|---------------|--|
| Competitive and Accessible Markets | | | |
| South African National Roads Agency Limited (SANRAL) | Kilometres of surfaced roads maintained (National) | • 22 214 km | Annual Monitoring Report signed off by SANRAL Accounting Authority |
| | Kilometres of road network resurfaced | • 800 km | |
| | Kilometres of road network strengthened (new or improved) | • 400 km | |
| Provincial Departments of Transport (PDTs) | Planning | | Quarterly and Annual Monitoring Reports signed off by Accounting Officers of Provincial Departments of Transport |
| | <ul style="list-style-type: none"> Number of kilometres of surfaced roads visually assessed as per the applicable TMH manual | • 10 000 km | |
| | <ul style="list-style-type: none"> Number of kilometres of gravel roads visually assessed as per the applicable TMH Manual | • 15 000 km | |

| Institution | Output Indicator | Annual Target | Data Source |
|--|--|--|--|
| | Construction <ul style="list-style-type: none"> • Number of kilometres of gravel roads upgraded to surfaced roads | <ul style="list-style-type: none"> • 200 km | |
| | Maintenance <ul style="list-style-type: none"> • Number of kilometres of surfaced roads rehabilitated | <ul style="list-style-type: none"> • 2 500 000 m2 (714 effective km) | |
| | <ul style="list-style-type: none"> • Number of square metres of surfaced roads resealed | <ul style="list-style-type: none"> • 5 000 000 m2 (1 428 effective km) | |
| | <ul style="list-style-type: none"> • Number of kilometres of gravel roads re-gravelled | <ul style="list-style-type: none"> • 26 005 km | |
| | <ul style="list-style-type: none"> • Number of square metres of blacktop patching | <ul style="list-style-type: none"> • 1 500 000 m2 (428 effective km) | |
| | <ul style="list-style-type: none"> • Number of kilometres of gravel roads bladed | <ul style="list-style-type: none"> • 2 324 138 km | |
| South African National Roads Agency Limited (SANRAL) | SANRAL Road Projects <ul style="list-style-type: none"> • Number of job opportunities created • Number of full-time equivalents (FTEs) created • Number of youths (18-35) employed • Number of women employed • Number of persons with disabilities employed | <ul style="list-style-type: none"> • 50 000 • 10 000 • 6 000 • 2 000 • 50 | Annual Monitoring Report signed off by SANRAL Accounting Authority |
| Provincial Departments of Transport (PDTs) | Provincial Roads Maintenance Programme <ul style="list-style-type: none"> • Number of job opportunities created | <ul style="list-style-type: none"> • 130 000 | Quarterly and Annual Monitoring Reports signed off by Accounting Officers of Provincial Departments of |

| Institution | Output Indicator | Annual Target | Data Source |
|-------------|--|--|-------------|
| | <ul style="list-style-type: none"> • Number of full-time equivalents (FTEs) created | <ul style="list-style-type: none"> • 40 000 | Transport |
| | <ul style="list-style-type: none"> • Number of youths (18-35) employed | <ul style="list-style-type: none"> • 30 000 | |
| | <ul style="list-style-type: none"> • Number of women employed | <ul style="list-style-type: none"> • 50 000 | |
| | <ul style="list-style-type: none"> • Number of persons with disabilities employed | <ul style="list-style-type: none"> • 50 | |
| | <p>Deep Rural Roads Maintenance Programme</p> <ul style="list-style-type: none"> • Number of job opportunities created | <ul style="list-style-type: none"> • 50 000 | |

9.6.3. Sub-Programme: Road Engineering Standards

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|--|---|------------------------------|---|---|---|---|---|---|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Leadership, Governance and Accountability | | | | | | | | | |
| Increased access to affordable and reliable transport systems | Road inventory data Optimally maintained Road Network | Spatial, road condition, traffic and bridge condition data Proclaimed and classified roads | - | Updated road condition data Traffic and bridge condition data on municipal rural roads | Updated road condition data Traffic and bridge condition data on municipal rural roads | Updated road condition data Traffic and bridge condition data on municipal rural roads | Updated monitoring and analysis report on road inventory data | Updated monitoring and analysis report on road inventory data | Updated monitoring and analysis report on road inventory data and classification of roads |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|---|---|---|---|
| Leadership, Governance and Accountability | | | | | |
| Spatial, road condition, traffic and bridge condition data Proclaimed and classified roads | Updated monitoring and analysis report on road inventory data | Implementation of Road Asset Management Programme monitored | Implementation of Road Asset Management Programme monitored | Implementation of Road Asset Management Programme monitored | Implementation of Road Asset Management Programme monitored |

Consolidated Indicators

| Institution | Output Indicator | Annual Target | Data Source |
|---|---|---|--|
| Competitive and Accessible Markets | | | |
| Provincial Road Authorities | Planning <ul style="list-style-type: none"> • Road Inventory Data • Spatial Data • Road condition data • Traffic data • Bridge condition data | Updated monitoring and analysis report on Road Inventory Data (<i>spatial data, road condition data, traffic data and bridge condition data</i>) on provincial roads | Annual Monitoring Reports signed off by Accounting Officers of Provincial Road Authorities |
| District Municipalities | Planning <ul style="list-style-type: none"> • Road Inventory Data • Spatial Data • Road condition data • Traffic data • Bridge condition data | Updated monitoring and analysis report on Road Inventory Data (<i>spatial data, road condition data, traffic data and bridge condition data</i>) on municipal rural roads | Annual Monitoring Reports signed off by Accounting Officers of District Municipalities |

Explanation of planned performance over the medium term period

- a) The contribution of outputs towards achieving the outcomes and impact in the Strategic Plan aligned to the mandate of the institution; as well as the achievement of priorities of women, children and people with disabilities.

The Department shall continue to ensure efficient and effective investment in the road network to implement the Road Infrastructure Strategic Framework for South Africa in line with the S'hamba Sonke road programme and other related road infrastructure asset management programmes.

Besides the funded allocated to SANRAL for the maintenance of the National Road Network (non-toll portfolio), the department is providing implementation support to provinces (maintenance and upgrading projects) and municipalities (planning support). The plans going forward are to introduce more / increase "labour intensive methodologies" for road projects through appropriate design and construction methods to increase job creation.

Plans include involve the partnership with poor communities who can be employed for "routine road maintenance and construction activities" through the "contractor householder programme. The road is divided up into various (small) work packages and the allocated to "household contractors". In this way each community can take responsibility its work package and persons received a stipend for their services and the roads are kept at a good condition.

Loss of life due to a crash, same will impact negatively on the survivors who would include dependants such as women and children because the motor vehicle involved might have obtained its roadworthy certificate in a fraudulent manner. The same would apply to the driver who might have obtained his or her driving license illegally. To that end, it is envisaged that the National Anti-Fraud and Corruption Strategy will address issues of this nature.

The Department of Transport developed the National Road Safety Strategy 2016-2030 (NRSS) in line with the United Nations Decade of Action (UNDoA) for Road

Safety aimed at reducing road fatalities. According to the UNDoA framework, the Safer Road Users pillar is largely geared towards developing comprehensive programmes to improve road user behaviour and attitudes. Sustained or increased enforcement of laws and standards combined with public awareness/education campaigns are developed to promote safer road users. The Department will through roadshows conduct road safety education targeting amongst others women and children in the far flung areas of our country.

b) Explanation of planned performance in relation to outputs must be discussed within budget programmes The rationale for the choice of the outcome indicators relevant to the respective outcomes

The outcome will be an analytical report on the following actual delivery related measures against targets of the Road Authorities defined in their final Road Asset Management Plans shall be monitored:

- number of m² of surfaced roads rehabilitated (quarterly)
- number of m² of surfaced roads resurfaced (overlay or reseal)
- number of m² of blacktop patching (including pothole repairs)
- number of kilometres of gravel roads re-gravelled
- number of kilometres of gravel roads bladed
- number of kilometres of gravel roads upgraded (mainly funded from provincial equitable share budgets)

The following performance based on national job creation indicators shall be monitored:

- number of job opportunities created
- number of full-time equivalent jobs created
- number of youths employed (18 – 35)
- number of women employed
- number of people living with disabilities employed

The following shall be monitored, with regards, expenditure:

- number of small medium micro enterprises contracted
- value of expenditure on small medium micro enterprises contracted
- number of black owned enterprises contracted
- value of expenditure on black owned enterprises contracted
- number of women owned enterprises contracted
- value of expenditure on women owned enterprises contracted

Under the National Road Safety strategy, it is envisaged that the Department will amongst other things be seeking to improve coordination and management of road safety, improve road safety data systems and ensuring that there is adequate funding and capacity for road safety.

c) Explanation of the outputs contribution to the achievement of the outcomes.

Investing in road sub-sector will assist to make a significant contribution in reducing maintenance backlogs, creating jobs and to address transformation in the industry through the development of suppliers.

The Department will for the first time within the 2020/2021 financial year be tabling to Cabinet the National Anti-Fraud and Corruption Strategy (NAFCS) which will serve as a blue print and a standard for the road traffic environment in the fight against fraud and corruption.

In our efforts to reduce road crashes on our roads the Department will amongst others things be introducing the National Road Traffic Amendment Bill which seeks to reduce the blood alcohol limit to zero with the result that no one on the road should be operating a motor vehicle whilst under the influence of alcohol and drugs.

Programme Resources Consideration

| Road Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| Subprogrammes | | | | | | | | |
| Road Regulation | 309 630 | 59 899 | 46 002 | 46 527 | 47 764 | 50 729 | 52 838 | 4.3% |
| Road Infrastructure and Industry Development | 24 924 | 18 437 | 16 582 | 32 603 | 38 446 | 40 782 | 42 442 | 9.2% |
| Road Oversight | 24 699 696 | 27 018 377 | 29 979 767 | 32 955 244 | 33 691 545 | 33 903 043 | 34 171 370 | 1.2% |
| Road Administration Support | 7 111 | 7 547 | 7 949 | 11 788 | 9 556 | 10 141 | 10 556 | -3.6% |
| Road Engineering Standards | 14 073 | 14 109 | 16 808 | 27 719 | 29 392 | 31 143 | 32 385 | 5.3% |
| Total | 25 055 434 | 27 118 369 | 30 067 108 | 33 073 881 | 33 816 703 | 34 035 838 | 34 309 591 | 1.2% |
| Economic classification | | | | | | | | |
| Current payments | 355 446 | 98 926 | 86 561 | 121 608 | 134 522 | 142 765 | 148 620 | 6.9% |
| Compensation of employees | 50 124 | 55 886 | 55 187 | 70 563 | 80 558 | 85 792 | 89 524 | 8.3% |
| Salaries and wages | 44 270 | 49 612 | 48 727 | 61 505 | 70 280 | 74 614 | 77 968 | 8.2% |
| Social contributions | 5 854 | 6 274 | 6 460 | 9 058 | 10 278 | 11 178 | 11 556 | 8.5% |
| Goods and services | 305 322 | 43 040 | 31 374 | 51 045 | 53 964 | 56 973 | 59 096 | 5.0% |
| Administrative fees | - | 9 | 2 | 37 | 221 | 232 | 232 | 84.4% |
| Advertising | 1 853 | 5 395 | 2 095 | 1 543 | 2 160 | 2 275 | 2 362 | 15.2% |
| Minor assets | 134 | 11 | 68 | 53 | 144 | 122 | 125 | 33.1% |
| Catering: Departmental activities | 936 | 1 948 | 786 | 1 686 | 2 291 | 2 454 | 2 549 | 14.8% |
| Communication (G&S) | 802 | 4 796 | 734 | 990 | 1 352 | 1 401 | 1 455 | 13.7% |
| Computer services | 1 615 | 1 634 | 1 700 | 1 230 | 1 266 | 1 370 | 1 423 | 5.0% |
| Consultants: Business and advisory services | 284 361 | 13 958 | 9 561 | 26 570 | 28 804 | 30 412 | 31 551 | 5.9% |

| Road Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| Contractors | 41 | 861 | 163 | 430 | 244 | 259 | 268 | -14.6% |
| Consumable supplies | 214 | 20 | 20 | 305 | 164 | 296 | 309 | 0.4% |
| Consumables: Stationery, printing and office supplies | 912 | 524 | 970 | 1 218 | 659 | 909 | 939 | -8.3% |
| Operating leases | - | - | 28 | - | - | - | - | |
| Rental and hiring | 6 | - | - | - | - | - | - | |
| Property payments | - | 13 | - | 120 | 126 | 132 | 137 | 4.5% |
| Transport provided: Departmental activity | - | 35 | - | - | - | - | - | |
| Travel and subsistence | 11 913 | 12 360 | 12 404 | 14 884 | 15 211 | 15 560 | 16 137 | 2.7% |
| Training and development | 159 | 108 | 175 | 450 | 400 | 502 | 521 | 5.0% |
| Operating payments | 734 | 228 | 344 | 454 | 413 | 430 | 445 | -0.7% |
| Venues and facilities | 1 642 | 1 140 | 2 324 | 1 075 | 509 | 619 | 643 | -15.7% |
| Transfers and subsidies | 24 699 372 | 27 018 141 | 29 979 944 | 32 951 511 | 33 681 376 | 33 892 225 | 34 160 090 | 1.2% |
| Provinces and municipalities | 10 579 708 | 10 860 972 | 11 143 201 | 11 556 289 | 11 701 610 | 12 051 912 | 12 627 818 | 3.0% |
| Provinces | 10 478 194 | 10 753 663 | 11 035 668 | 11 442 398 | 11 593 174 | 11 937 511 | 12 506 785 | 3.0% |
| Provincial Revenue Funds | 10 478 194 | 10 753 663 | 11 035 668 | 11 442 398 | 11 593 174 | 11 937 511 | 12 506 785 | 3.0% |
| Municipalities | 101 514 | 107 309 | 107 533 | 113 891 | 108 436 | 114 401 | 121 033 | 2.0% |
| Municipal bank accounts | 101 514 | 107 309 | 107 533 | 113 891 | 108 436 | 114 401 | 121 033 | 2.0% |
| Departmental agencies and accounts | 14 119 540 | 16 157 048 | 18 836 118 | 21 395 222 | 21 979 766 | 21 840 313 | 21 532 272 | 0.2% |
| Departmental agencies (non-business entities) | 14 119 540 | 16 157 048 | 18 836 118 | 21 395 222 | 21 979 766 | 21 840 313 | 21 532 272 | 0.2% |
| Households | 124 | 121 | 625 | - | - | - | - | |

| Road Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| Social benefits | 124 | 121 | 625 | - | - | - | - | |
| Payments for capital assets | 615 | 855 | 595 | 762 | 805 | 848 | 881 | 5.0% |
| Machinery and equipment | 615 | 855 | 595 | 762 | 805 | 848 | 881 | 5.0% |
| Other machinery and equipment | 615 | 855 | 595 | 762 | 805 | 848 | 881 | 5.0% |
| Payments for financial assets | 1 | 447 | 8 | - | - | - | - | 0.0% |
| Total | 25 055 434 | 27 118 369 | 30 067 108 | 33 073 881 | 33 816 703 | 34 035 838 | 34 309 591 | 1.2% |
| Details of transfers and subsidies | | | | | | | | |
| Households | | | | | | | | |
| Social benefits | | | | | | | | |
| Current | 124 | 121 | 625 | - | - | - | - | |
| Employee social benefits | 124 | 121 | 625 | - | - | - | - | 0.0% |
| Provinces and municipalities | | | | | | | | |
| Municipalities | | | | | | | | |
| Municipal bank accounts | | | | | | | | |
| Current | 101 514 | 107 309 | 107 533 | 113 891 | 108 436 | 114 401 | 121 033 | 2.0% |
| Rural roads asset management systems grant | 101 514 | 107 309 | 107 533 | 113 891 | 108 436 | 114 401 | 121 033 | 2.0% |
| Provincial revenue | | | | | | | | |

| Road Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| funds | | | | | | | | |
| Capital | 10 478 194 | 10 753 663 | 11 035 668 | 11 442 398 | 11 593 174 | 11 937 511 | 12 506 785 | 3.0% |
| Provincial roads maintenance grant: Roads maintenance component | 9 379 071 | 10 001 663 | 10 324 576 | 10 649 325 | 11 593 174 | 11 937 511 | 12 506 785 | 5.5% |
| Provincial roads maintenance grant: Disaster relief component | 298 123 | 270 000 | 210 000 | 266 921 | - | - | - | -100.0% |
| Provincial roads maintenance grant: Mpumalanga coal haulage roads maintenance | 801 000 | 482 000 | 501 092 | 526 152 | - | - | - | -100.0% |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | 4 790 114 | 5 044 696 | 11 903 836 | 6 364 336 | 7 732 681 | 8 137 196 | 8 161 508 | 8.6% |
| Road Traffic Management Corporation | 193 862 | 194 529 | 200 238 | 210 228 | 220 535 | 232 664 | 244 192 | 5.1% |
| South African National Roads Agency: Gauteng freeway improvement project | 425 100 | 463 359 | 6 255 061 | 550 516 | 600 062 | 633 066 | 664 436 | 6.5% |
| South African National Roads Agency | 4 161 060 | 4 369 112 | 5 436 815 | 5 595 822 | 6 903 887 | 7 262 818 | 7 243 804 | 9.0% |
| Road Traffic Infringement Agency | 10 092 | 17 696 | 11 722 | 7 770 | 8 197 | 8 648 | 9 076 | 5.3% |

| Road Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|--|----------------------------|-------------------|------------------|-----------------------------------|------------------------------|-------------------|-------------------|----------------------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | |
| Capital | 9 329 426 | 11 112 352 | 6 932 282 | 15 030 886 | 14 247 085 | 13 703 117 | 13 370 764 | -3.8% |
| South African National Roads Agency: Non-toll network | 7 935 587 | 9 063 668 | 5 125 469 | 12 338 896 | 12 407 036 | 11 725 064 | 11 294 506 | -2.9% |
| South African National Roads Agency: Coal haulage road network | 733 005 | 769 655 | - | - | - | - | - | |
| South African National Roads Agency: Moloto Road upgrade | 660 834 | 1 279 029 | 1 806 813 | 1 691 990 | 785 049 | 843 928 | 885 826 | -19.4% |
| South African National Roads Agency: N2 wild coast project | - | - | - | 1 000 000 | 1 055 000 | 1 134 125 | 1 190 432 | 6.0% |

Explanation of the contribution of resources towards achievement of outputs.

To carry out all departmental activities related to the maintenance, development and management of an integrated road infrastructure network and to ensure safer roads an amount of R102.7 billion is allocated over the medium term in this programme.

This programme facilitates and coordinates the transferring of subsidy funds to the South African National Roads Agency Limited (SANRAL), conditional grants to the Provincial Roads Maintenance Grant (PRMG) and the Rural Roads Asset Management Systems Grant (RRAMS).

The total spending in the Roads transport programme is expected to increase at an average annual rate of 1.2 per cent from R33.1 billion in 2019/20 to R34.3 billion in 2022/23. This low increase was mainly due to the Cabinet approved budget reduction for an amount of R1.4 billion from the South African National Roads Agency in 2022/23, R2.8 billion from the Provincial Roads Maintenance Grant and R38.1 million from the Rural Roads Asset Management Systems Grant, totalling to an amount of R4.3 billion over the medium term.

The total transfers to the South African National Roads Agency Limited (SANRAL) account for an estimated 31.8 per cent (R64.6 billion) of the department's total budget over the medium term. Non-toll roads constitute an estimated 85 per cent of the national portfolio for which expenditure is estimated to total R35.4 billion over the MTEF. Of the planned projects, R3.4 billion over the medium term is set to be spent on the construction of the N2 Wild Coast highway, R2.5 billion on the upgrading of the R573 (Moloto Road) and R1.9 billion to fund the reduced tariffs for the Gauteng freeway improvement project over the medium term.

About 49 000 kilometres of South Africa's tar road network are under the jurisdiction of provincial departments of transport. The bulk of maintenance operations carried out on provincial roads is funded through the provincial roads maintenance grant in this programme. The grant receives an estimated R36 billion in allocations over the MTEF period. Factors such as the condition of roads, weather patterns and traffic volumes determine allocations for the maintenance of provincial roads. Over the MTEF period, the department plans to maintain the provincial road network by

resealing a targeted 16 227 lane kilometres, rehabilitating 6 199 lane kilometres, and blacktop patching 3.7 million square kilometres.

Spending on goods and services in this programme will focus on ensuring a sustainable road infrastructure network by: implementing the access road development plan, continue to monitor the overall implementation of the S'hamba Sonke programme as well as the road safety strategy The programme will also enhance transport regulations safety and security by submitting the draft National Road Traffic Amendment Bill to Cabinet.

The programme had a total number of 93 funded posts as at September 2019.

Special Adjustment Budget for 2020/21

| Special Adjustments Appropriation | | | | | |
|--|---|--|--|--|-----------------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | | |
| Subprogrammes | | | | | |
| Road Regulation | 47 764 | (1 000) | - | (1 000) | 46 764 |
| Road Infrastructure and Industry Development | 38 446 | (1 708) | - | (1 708) | 36 738 |
| Road Oversight | 33 691 545 | 304 000 | (2 851 801) | (2 547 801) | 31 143 744 |
| Road Administration Support | 9 556 | - | - | - | 9 556 |
| Road Engineering Standards | 29 392 | - | - | - | 29 392 |
| Total | 33 816 703 | 301 292 | (2 851 801) | (2 550 509) | 31 266 194 |
| <u>Economic classification</u> | | | | | |
| Current payments | 134 522 | (2 708) | - | (2 708) | 131 814 |
| Compensation of employees | 80 558 | - | - | - | 80 558 |
| Salaries and wages | 70 280 | - | - | - | 70 280 |
| Social contributions | 10 278 | - | - | - | 10 278 |
| Goods and services | 53 964 | (2 708) | - | (2 708) | 51 256 |
| Administrative fees | 221 | - | - | - | 221 |

| Special Adjustments Appropriation | | | | | |
|---|----------------------------------|--|--|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | | |
| Advertising | 2 160 | - | - | - | 2 160 |
| Minor Assets | 144 | - | - | - | 144 |
| Catering: Departmental activities | 2 291 | - | - | - | 2 291 |
| Communication (G&S) | 1 352 | - | - | - | 1 352 |
| Computer services | 1 266 | - | - | - | 1 266 |
| Consultants: Business and advisory services | 28 804 | (1 708) | - | (1 708) | 27 096 |
| Contractors | 244 | - | - | - | 244 |
| Consumable supplies | 164 | - | - | - | 164 |
| Consumables: Stationery, printing and office supplies | 659 | - | - | - | 659 |
| Property payments | 126 | - | - | - | 126 |
| Travel and subsistence | 15 211 | (1 000) | - | (1 000) | 14 211 |
| Training and development | 400 | - | - | - | 400 |
| Operating payments | 413 | - | - | - | 413 |
| Venues and facilities | 509 | - | - | - | 509 |
| Transfers and subsidies | 33 681 376 | 304 000 | (2 851 801) | (2 547 801) | 31 133 575 |
| Provinces and municipalities | 11 701 610 | - | (1 755 840) | (1 755 840) | 9 945 770 |
| Provinces | 11 593 174 | - | (1 755 840) | (1 755 840) | 9 837 334 |
| Provincial Revenue Funds | 11 593 174 | - | (1 755 840) | (1 755 840) | 9 837 334 |
| Provincial agencies and funds | - | - | - | - | - |
| Municipalities | 108 436 | - | - | - | 108 436 |
| Municipal bank accounts | 108 436 | - | - | - | 108 436 |
| Municipal agencies and funds | - | - | - | - | - |
| Departmental agencies and accounts | 21 979 766 | 304 000 | (1 095 961) | (791 961) | 21 187 805 |
| Social security funds | - | - | - | - | - |
| Departmental agencies (non- | 21 979 766 | 304 000 | (1 095 961) | (791 961) | 21 187 805 |

| Special Adjustments Appropriation | | | | | |
|-----------------------------------|----------------------------------|--|--|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | | |
| business entities) | | | | | |
| Payments for capital assets | 805 | - | - | - | 805 |
| Machinery and equipment | 805 | - | - | - | 805 |
| Transport equipment | - | - | - | - | - |
| Other machinery and equipment | 805 | - | - | - | 805 |
| Payments for financial assets | - | - | - | - | - |
| | | | | | |
| Total | 33 816 703 | 301 292 | (2 851 801) | (2 550 509) | 31 266 194 |

Explanatory Narrative

In total, the programme was reduced by an amount of R2.551 billion, of which R1.096 billion was reduced from the SANRAL non-toll capital and R2.530 billion was shifted to fund the Gauteng Freeway Infringement Project and R309 million for the Covid-19 revenue shortfall, R1.756 billion was reduced from the allocations to the Provincial Road Maintenance Grant (PRMG).

An amount of R2.7 million was shifted from within goods and services while funds were also shifted from savings on taxi recapitalisation programme and savings on goods and services across programmes to fund the Cross Border Road Transport Agency by an amount of R104 million and Road Traffic Infringements Agency (RTIA) by an amount of R200 million.

Updated Key Risks

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATIONS |
|--|---|--|--|
| Improved transport safety and security | Social Security risk | Increased road crashes and deaths | <ul style="list-style-type: none"> • Implement National Road Safety Strategy 2016-2030 • Sustained law enforcement and high visibility 24/7 • Public Awareness and Education • Research behavioural studies • Driver training incl. regulatory frameworks |
| Improved governance and strengthened control environment | Fraud, Corruption and Ethics risk | Fraud and corruption in vehicle Testing Centers and driver license testing centers as well as in road traffic law enforcement operations | <ul style="list-style-type: none"> • Approval of Anti-Fraud and Corruption Strategy for the Road Traffic Environment • Monitor implementation of the National Anti-Fraud and Corruption Strategy for the Road Traffic Environment |
| Legislative and Regulatory compliance risk | Legislative and regulatory enforcement risk | Inadequate/Poor Law enforcement by Road Traffic law Enforcement Agencies. | <ul style="list-style-type: none"> • Implementation and enforcement of the Road Safety Act and Regulations • Sustained law enforcement and high visibility 24/7. |

9.7. Programme 5: Civil Aviation

Purpose: The programme exists to facilitate the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards through regulations and investigations; and to oversee aviation public entities.

9.7.1. Sub-Programme: Aviation Policy and Regulation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|--|------------------------------------|------------------------------|---------|---------|-----------------------|---|---|---|
| | | | Audited / Actual performance | | | Estimated performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Decent jobs sustained and created | Implementation of Aviation Infrastructure Programmes (ACSA and ATNS) | Number of jobs created | - | - | - | - | Annual Analysis Report on jobs created through Aviation Infrastructure Programmes | Annual Analysis Report on jobs created through Aviation Infrastructure Programmes | Annual Analysis Report on jobs created through Aviation Infrastructure Programmes |
| Innovation | | | | | | | | | |
| Improved competitiveness through adoption | Reviewed Regulations for Remotely- | Reviewed regulations for Remotely- | - | - | - | - | Regulations for Remotely-Piloted Aircraft | Reviewed Regulations for Remotely- | Reviewed Regulations for Remotely- |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---------------------|--------------------------------|---|------------------------------|---------|---------|-----------------------|------------------------|---|--|
| | | | Audited / Actual performance | | | Estimated performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| of new technology | Piloted Aircraft System (RPAS) | Piloted Aircraft System (RPAS) approved | | | | | System (RPAS) reviewed | Piloted Aircraft System (RPAS) approved | Piloted Aircraft System (RPAS) monitored |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|-----------|--|-----------|--|
| Competitive and Accessible Markets | | | | | |
| Number of jobs created through Aviation Infrastructure Programmes (ACSA and ATNS) | Annual Analysis Report on jobs created through Aviation Infrastructure Programmes | - | - | - | Annual Analysis Report on jobs created through Aviation Infrastructure Programmes |
| Innovation | | | | | |
| Reviewed regulations for Remotely-Piloted Aircraft System (RPAS) approved | Review of Regulations for Remotely-Piloted Aircraft System (RPAS) monitored | - | Progress Report on the Review of Regulations for Remotely-Piloted Aircraft System (RPAS) developed | - | Progress Report on the Review of Regulations for Remotely-Piloted Aircraft System (RPAS) developed |

Consolidated Indicators⁴

| Institution | Output Indicator | Annual Target | Data Source |
|--|--|--|---|
| Competitive and Accessible Markets | | | |
| Airports Company South Africa (ACSA) | • Number of jobs created | • 1 269 | Annual Monitoring Report signed off by ACSA Accounting Authority |
| | • Number of full-time equivalents (FTEs) created | • 3 407 | |
| | • Number of youths (18-35) employed | • 1 021 | |
| | • Number of women employed | • 1 578 | |
| | • Number of persons with disabilities employed | • 85 | |
| Air Traffic Navigation Services (ATNS) | • Number of jobs created | • 44 | Annual Monitoring Report signed off by ATNS Accounting Authority |
| | • Number of full-time equivalents (FTEs) created | • 38 | |
| | • Number of youths (18-35) employed | • 16 | |
| | • Number of women employed | • 9 | |
| | • Number of persons with disabilities employed | • 0 | |
| Innovation | | | |
| South African Civil Aviation Authority (SACAA) | • Review Regulations for Remotely-Piloted Aircraft System (RPAS) | • Reviewed Regulations for Remotely-Piloted Aircraft System (RPAS) | Draft Reviewed Regulations for Remotely-Piloted Aircraft System (RPAS) signed off by the Director of Civil Aviation |

⁴ Annual Targets will be revised in line with Corporate Plans of the Airports Company South Africa (ACSA) and the Air Traffic Navigation Services (ATNS)

9.7.2. Sub-Programme: Aviation Economics and Industry Development

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|--|---|------------------------------|---------|---------|-----------------------|--|------------------------------------|------------------------------------|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Competitive and Accessible Markets | | | | | | | | | |
| Increased access to affordable and reliable transport systems | Skills Training Programme in Technical Aviation Qualifications | Memoranda of Agreement between the DoT and relevant academic institutions implemented | - | - | - | - | Memoranda of Agreement (MoAs) reviewed with relevant academic institutions for accretion of technical qualifications | Memoranda of Agreement implemented | Memoranda of Agreement implemented |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|---|---|---|---|
| Competitive and Accessible Markets | | | | | |
| Memoranda of Agreement between the DoT and relevant academic institutions implemented | Six (6) MoAs reviewed with relevant academic institutions | Information analysis conducted on existing Memoranda of Agreement (MoAs) and related sponsorships | Two (2) MoAs reviewed with relevant academic institutions | Two (2) MoAs reviewed with relevant academic institutions | Two (2) MoAs reviewed with relevant academic institutions |

9.7.3. Aviation Safety, Security, Environment and Search & Rescue

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|---|---|------------------------------|---------|---------|--|---|---|---|
| | | | Audited / Actual performance | | | Estimated performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Safer Transport Systems | | | | | | | | | |
| Improved transport safety and security | Reduction in fatal accidents in Aviation | Number of fatal accidents recorded in Aviation | - | - | - | - | Analysis Report on the State of Aviation Safety in South Africa | Analysis Report on the State of Aviation Safety in South Africa | Analysis Report on the State of Aviation Safety in South Africa |
| | South African Maritime and Aeronautical Search and Rescue Amendment Act | South African Maritime and Aeronautical Search and Rescue Amendment Bill approved by Parliament | - | - | - | Draft South African Maritime and Aeronautical Search and Rescue Amendment Bill endorsed by SASAR Executive Committee | - | Draft South African Maritime and Aeronautical Search and Rescue Amendment Bill submitted to Cabinet | South African Maritime and Aeronautical Search and Rescue Amendment Bill approved by Cabinet for introduction |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---------------------|--|--|------------------------------|---------|---------|-----------------------|-------------|--|---|
| | | | Audited / Actual performance | | | Estimated performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | | | | | | | | | to Parliament |
| | A functional Aviation Safety Investigation Board | A functional Aviation Safety Investigation Board established | - | - | - | - | - | Implementation Framework for the establishment of the Aviation Safety Investigation Board approved | Aviation Safety Investigation Board established |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|--|----------------------------------|---|-----------|--|
| Safer Transport Systems | | | | | |
| Number of fatal accidents recorded in Aviation | Annual Analysis Report on the State of Aviation Safety in South Africa | - | Bi-Annual Analysis Report on the State of Aviation Safety in South Africa | - | Annual Analysis Report on the State of Aviation Safety in South Africa |
| South African Maritime and Aeronautical Search and | Socio-economic impact assessment conducted | Draft South African Maritime and | - | - | - |

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|---|---|-----------|-----------|-----------|
| Rescue Amendment Bill approved by Parliament | on the South African Maritime and Aeronautical Search and Rescue Amendment Bill | Aeronautical Search and Rescue Amendment Bill submitted to the Department of Planning, Monitoring and Evaluation (DPME) | | | |
| A functional Aviation Safety Investigation Board established | - | - | - | - | - |

Consolidated Indicators

| Institution | Output Indicator | Annual Target | Data Source |
|--|---|-----------------|--|
| Safer Transport Systems | | | |
| South African Civil Aviation Authority | • Number of fatal accidents recorded in scheduled commercial aviation | • 0 | Annual Progress Report (State of Safety Report) signed off by the Director of Civil Aviation |
| | • % reduction in fatal accidents recorded in general aviation | • 10% reduction | |

Explanation of planned performance over the medium term period

- a) The contribution of outputs towards achieving the outcomes and impact in the Strategic Plan aligned to the mandate of the institution; as well as the achievement of priorities of women, children and people with disabilities.

It is crucial to establish the Aviation Safety Investigation Board (ASIB) in order to ensure the independence of aviation accidents and incidents investigation in South Africa. South Africa, as an ICAO Member State, is required to comply with Part 5.4 of Annex 13 to the Convention on International Civil Aviation, which states that the *“Accident Investigation Authority shall have independence in the conduct of the investigation and have unrestricted authority over its conduct”*.

Safety and security are an intrinsic and guaranteed societal rights enshrined by the Constitution. The Constitution places the obligation and responsibility to ensure the safety and security of the inhabitants of the country primarily on the government of the day. Aviation and maritime incidents/accidents, just like any other forms of disasters inflicts a heavy loss in human lives and properties. They represent a potentially significant obstacle to economic growth and development particularly if measures are not in place to deal with them effectively and efficiently.

The South African Aeronautical and Maritime Search and Rescue Act, 2002 (Act No. 44 of 2002) therefore formally established the SASAR organisation to establish measures and develop procedures to deal with aeronautical and maritime accidents/incidents. The Act is outdated and needs to be aligned with global developments and practices. In overall, the Amendment Bill seeks to make the SAR regulatory regime more robust thus enhancing the SAR system’s effectiveness, efficiency and healthiness.

The establishment of an Aviation Safety Investigation Board and the promulgation of the amended South African Maritime and Aeronautical Search and Rescue Bill will contribute towards improving transport safety and security. Key infrastructure programmes implemented by entities, ACSA and ATNS will assist in creating decent jobs and increasing access to an affordable and reliable transport system.

The Sixth Administration remains resolute in its quest to drive investment in the transport sector aimed at ensuring that it serves as the key driver in empowering South Africa and her people. In seeking to ensure that the DOT make meaningful sectoral contributions towards the National Development Plan (NDP) Five-Year Implementation Plan, one of the transformation targets that features in the Annual Performance Plan 2019/2020 of the DoT is the development of the Business Case for a government owned national Aviation Academy.

The rationale for desiring a government owned national Aviation Academy is to address an expressed need of continuously developing a sustainable and coherent aviation skills pipeline. This entails dealing with major binding constraints including lack of aviation awareness at school level, affordability, employment not guaranteed after completion of aviation training, and inadequate aviation qualifications at tertiary levels. Often these throttle career pathways of a majority of South Africans who desire to advance their trade in the aviation industry. The concept of a government owned national Aviation Academy is one of the vehicles through which to transform the aviation industry and alleviate the plight that PDIs face particularly the most vulnerable groups (women, youth and people living with disabilities).

The Amendment of the Air Services Bill will lead to the process aimed at the rationalization of the Acts, which govern air service operations in South Africa. The rationale for the review is to create an enabling environment for investment in the Aviation Sector and to address challenges faced by the industry.

The process of rationalization of the Acts and their regulations will ensure alignment with the White Paper on National Civil Aviation Policy, 2017, and support the purpose and the intentions to consolidate both the Air Service Licence and International Air Service Licence Acts into a single Act to enable focused application of resources within the Department as well as the appointment of members to one Council and improve efficiency.

South Africa introduced new regulations that will help regulate remotely piloted aircraft systems (RPAS) in 01 July 2015. The new regulations are known as Part 101. Traditionally, remotely piloted aircraft systems were used primarily in military

operations and referred to as drones. However, they can also be used for many other purposes outside of the military. Other uses include conservation efforts, aerial surveillance, scientific research, journalism, and many other commercial and non-commercial activities. The latter will assist in job creation but there should be a balance of the interest of aviation safety and security in managing RPAS within our country.

- b) Explanation of planned performance in relation to outputs must be discussed within budget programmes. The rationale for the choice of the outcome indicators relevant to the respective outcomes.

The establishment of ASIB will ensure that aircraft accident and incident investigations are free from external influence and ensure South Africa's compliance with ICAO Standards.

An empowered and robust SAR regulatory regime will contribute immensely to the improvement of aviation and maritime transport safety. Provision of an effective management structure and appropriate legal framework is crucial to the continued ability of the SAR Programme to perform its mission while maintaining the flexibility to take advantage of emerging opportunities. The Amendment Bill seeks inter alia to define the powers and functions of the SAR regulatory and oversight body so as to remove any misconceptions that may arise in the future as to the role of this body.

To transform the aviation industry is an imperative that the DoT, as a policy and regulatory authority, can only achieve with the assistance of other development partners. These include public entities in the aviation space whose strategic role is to serve as extended implementing arms of Government; the aviation industry; academia and other sister departments.

The innovativeness of the national Aviation Academy is the investigation of possible scenarios on how best to deploy, in particular aviation academies currently under the stewardship of State-Owned Enterprises (SOEs), to be on the frontline. This is aimed at ensuring that these strategic assets are aligned to deliver national imperatives /

priorities (youth and skills development; women empowerment, mainstreaming of people living with disabilities) and that capacity is delivered ahead of demand.

It is envisaged that the outcome of the Amendment of the Air Services Bill will address stability, predictability, ensure transparency, sustainability and efficiency in the regulation of the aviation industry. The review of the Acts will also address the possible duplication and the rationalization of functions of the (then) Commissioner for Civil Aviation and the Chairpersons of the respective Council/s.

c) Explanation of the outputs contribution to the achievement of the outcomes.

The establishment of a functional ASIB will increase transparency and eliminate the potential for conflict of interest of SACAA in the investigation of aircraft accidents and incidents and ensure compliance with the provisions of Annex 13. This will also give credibility to aircraft accident and incident investigations and to the accident reports produced by the ASIB, thus improving safety and security.

The establishment of the government owned national Aviation Academy is premised on the need to (a) deploy SOEs for their strategic advantage of having economies of scale; (b) bridging inadequacies evidenced in the current skills pipeline, for an example absence of aviation in the curriculum at secondary school levels and limited aviation qualifications at tertiary levels; (c) serve as an alternative to private academies with a view to both accelerate throughputs and ease the bottlenecks in the aviation skills pipeline. All of these will ultimately contribute to a strong and inclusive economy, which the country needs in order to remain competitive in the global arena.

In order to achieve the objectives stipulated in the Departmental process, the Department of Transport would establish a Steering Committee and its Working Groups to oversee the rationalization and review of both Acts and the outputs of the planned performance aligned to the budget.

Programme Resources Consideration

| Civil Aviation expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|----------------|----------------|------------------------|-----------------------|----------------|----------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Subprogrammes | | | | | | | | |
| Aviation Policy and Regulations | 27 457 | 29 885 | 28 021 | 25 461 | 29 685 | 31 547 | 32 868 | 8.9% |
| Aviation Economic Analysis and Industry Development | 7 351 | 8 203 | 10 349 | 14 542 | 15 881 | 16 858 | 17 560 | 6.5% |
| Aviation Safety, Security, Environment and Search and Rescue | 73 218 | 66 807 | 66 391 | 121 454 | 112 456 | 120 254 | 123 387 | 0.5% |
| Aviation Oversight | 96 277 | 57 166 | 58 456 | 72 876 | 76 480 | 80 171 | 83 178 | 4.5% |
| Aviation Administration Support | 6 124 | 4 088 | 4 501 | 9 012 | 6 197 | 6 590 | 6 871 | -8.6% |
| Mthatha Airport | - | - | - | - | - | - | - | |
| Total | 210 427 | 166 149 | 167 718 | 243 345 | 240 699 | 255 420 | 263 864 | 2.7% |
| Economic classification | | | | | | | | |
| Current payments | 142 955 | 144 274 | 147 002 | 222 451 | 219 121 | 232 653 | 240 255 | 2.6% |
| Compensation of employees | 37 150 | 37 344 | 35 587 | 48 000 | 53 101 | 56 550 | 59 012 | 7.1% |
| Salaries and wages | 33 130 | 33 229 | 31 490 | 43 617 | 49 391 | 52 607 | 54 926 | 8.0% |
| Social contributions | 4 020 | 4 115 | 4 097 | 4 383 | 3 710 | 3 943 | 4 086 | -2.3% |
| Goods and services | 105 805 | 106 930 | 111 415 | 174 451 | 166 020 | 176 103 | 181 243 | 1.3% |
| Administrative fees | 1 | 4 | 4 | - | - | - | 2 | |
| Advertising | 276 | 230 | 384 | - | - | 1 | 1 | |
| Minor assets | 5 | 4 | 53 | 40 | 40 | 45 | 45 | 4.0% |

| Civil Aviation expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|---------------|---------------|------------------------|-----------------------|---------------|---------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Audit costs: External | - | - | - | - | 1 | 2 | 2 | |
| Catering: Departmental activities | 592 | 245 | 210 | 349 | 330 | 351 | 364 | 1.4% |
| Communication (G&S) | 60 478 | 57 749 | 55 742 | 104 508 | 94 201 | 100 817 | 103 150 | -0.4% |
| Computer services | - | 2 | 3 | - | - | - | - | |
| Consultants: Business and advisory services | 34 377 | 40 758 | 45 711 | 57 072 | 57 996 | 60 621 | 62 882 | 3.3% |
| Contractors | 589 | 173 | 282 | 280 | 280 | 295 | 306 | 3.0% |
| Consumable supplies | 83 | 77 | 1 555 | 148 | 189 | 200 | 209 | 12.2% |
| Consumables: Stationery, printing and office supplies | 785 | 819 | 288 | 775 | 874 | 921 | 953 | 7.1% |
| Operating leases | 2 010 | 724 | 568 | 730 | 517 | 550 | 569 | -8.0% |
| Travel and subsistence | 5 969 | 5 337 | 5 501 | 8 416 | 9 219 | 9 793 | 10 159 | 6.5% |
| Training and development | 140 | 89 | 121 | 495 | 370 | 389 | 405 | -6.5% |
| Operating payments | 303 | 134 | 755 | 207 | 487 | 515 | 534 | 37.1% |
| Venues and facilities | 197 | 585 | 238 | 1 431 | 1 516 | 1 603 | 1 662 | 5.1% |
| Transfers and subsidies | 66 843 | 21 273 | 19 791 | 19 983 | 21 080 | 22 241 | 23 064 | 4.9% |
| Departmental agencies and accounts | 52 160 | - | - | - | - | - | - | |
| Departmental agencies (non-business entities) | 52 160 | - | - | - | - | - | - | |
| Foreign governments and international organisations | 11 082 | 17 688 | 16 860 | 17 002 | 17 937 | 18 923 | 19 629 | 4.9% |
| Non-profit institutions | 2 541 | 2 668 | 2 823 | 2 981 | 3 143 | 3 318 | 3 435 | 4.8% |

| Civil Aviation expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|----------------|----------------|------------------------|-----------------------|----------------|----------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Households | 1 060 | 917 | 108 | - | - | - | - | 0.0% |
| Social benefits | 1 060 | 917 | 108 | - | - | - | - | 0.0% |
| Payments for capital assets | 626 | 596 | 921 | 911 | 498 | 526 | 545 | -15.7% |
| Machinery and equipment | 626 | 596 | 921 | 911 | 498 | 526 | 545 | -15.7% |
| Other machinery and equipment | 626 | 596 | 921 | 911 | 498 | 526 | 545 | -15.7% |
| Payments for financial assets | 3 | 6 | 4 | - | - | - | - | 0.0% |
| Total | 210 427 | 166 149 | 167 718 | 243 345 | 240 699 | 255 420 | 263 864 | 2.7% |
| Details of transfers and subsidies | | | | | | | | |
| Households | | | | | | | | |
| Social benefits | | | | | | | | |
| Current | 1 060 | 917 | 108 | - | - | - | - | 0.0% |
| Employee social benefits | 1 060 | 917 | 108 | - | - | - | - | 0.0% |
| Departmental agencies and accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | 52 160 | - | - | - | - | - | - | 0.0% |
| Air Traffic and Navigation Services Company | 52 160 | - | - | - | - | - | - | 0.0% |
| Foreign governments and international organisations | | | | | | | | |

| Civil Aviation expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|---------------|---------------|------------------------|-----------------------|-----------------|-----------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Current | 11 082 | 17 688 | 16 860 | 17 002 | 17 937.0 | 18 923.0 | 19 629.0 | 4.9% |
| African Civil Aviation Commission | 5 842 | 5 189 | 5 342 | 5 564 | 5 870 | 6 193 | 6 424 | 4.9% |
| International Civil Aviation Organisation | 4 686 | 3 830 | 4 081 | 4 808 | 5 072 | 5 351 | 5 550 | 4.9% |
| Southern African Development Community: International Civil Aviation Organisation mission | 78 | 133 | 63 | 64 | 68 | 72 | 75 | 5.4% |
| Southern African Development Community Aviation Safety Organisation | – | 8 133 | 6 948 | 6 000 | 6 330 | 6 678 | 6 927 | 4.9% |
| COSPAS-SARSAT search and rescue satellite programme | 476 | 403 | 426 | 566 | 597 | 629 | 653 | 4.9% |
| Non-profit institutions | | | | | | | | |
| Current | 2 541 | 2 668 | 2 823 | 2 981 | 3 143 | 3 318 | 3 435 | 4.8% |
| National Sea Rescue Institute | 2 205 | 2 316 | 2 451 | 2 589 | 2 731 | 2 882 | 2 987 | 4.9% |
| Mountain Club of South Africa | 84 | 88 | 93 | 98 | 103 | 109 | 112 | 4.6% |
| Off Road Rescue Unit | 84 | 88 | 93 | 98 | 103 | 109 | 112 | 4.6% |
| K9 Search and Rescue Association of South Africa | 84 | 88 | 93 | 98 | 103 | 109 | 112 | 4.6% |
| South African Radio League: National emergency communications division | 84 | 88 | 93 | 98 | 103 | 109 | 112 | 4.6% |

Explanation of the contribution of resources towards achievement of outputs.

Over the medium term, the expenditure for the programme increases at an average annual rate of 2.7 per cent from R243.3 million in 2019/20 to R263.8 million in 2022/23. The increase was mainly due to cost related to watch keeping services and investigations into aviation accidents and incidents. Spending in the Aviation Safety, Security, Environment, and Search and Rescue and Aviation Oversight sub-programmes accounts for the majority of the programme's budget over the medium term as the programme is responsible for transfers to the international aviation organisations, non-profit organisation as well as management of investigations with regards to aviation accidents.

Spending focus in this programme will be on enhancing the performance, efficiency and reliability of the aviation sector by developing the civil aviation amendment bill and its related regulations, submitting the Air Services Licencing Amendment Bill to Parliament for approval as well as developing the Maritime and Aeronautical Search and Rescue Amendment Act.

The programme had a total number of 66 funded posts as at September 2019.

Special Adjustment Budget 2020/21

| Special Adjustments Appropriation | | | | | | |
|---|----------------------------------|--|---|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Subprogrammes | | | | | | |
| Aviation Policy and Regulations | 29 685 | (500) | - | - | (500) | 29 185 |
| Aviation Economic Analysis and Industry Development | 15 881 | - | - | - | - | 15 881 |
| Aviation Safety, Security, Environment, and Search and Rescue | 112 456 | (43 518) | - | - | (43 518) | 68 938 |

| Special Adjustments Appropriation | | | | | | |
|---|----------------------------------|--|---|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Aviation Oversight | 76 480 | - | - | - | - | 76 480 |
| Aviation Administration Support | 6 197 | - | - | - | - | 6 197 |
| Mthatha Airport | - | - | - | - | - | - |
| Total | 240 699 | (44 018) | - | - | (44 018) | 196 681 |
| <u>Economic classification</u> | | | | | | |
| Current payments | 219 121 | (44 018) | - | - | (44 018) | 175 103 |
| Compensation of employees | 53 101 | - | - | - | - | 53 101 |
| Salaries and wages | 49 391 | - | - | - | - | 49 391 |
| Social contributions | 3 710 | - | - | - | - | 3 710 |
| Goods and services | 166 020 | (44 018) | - | - | (44 018) | 122 002 |
| Administrative fees | - | - | - | - | - | - |
| Minor Assets | 40 | - | - | - | - | 40 |
| Audit costs: External | 1 | - | - | - | - | 1 |
| Catering: Departmental activities | 330 | - | - | - | - | 330 |
| Communication (G&S) | 94 201 | (42 219) | - | - | (42 219) | 51 982 |
| Consultants: Business and advisory services | 57 996 | - | - | - | - | 57 996 |
| Contractors | 280 | - | - | - | - | 280 |
| Consumable supplies | 189 | - | - | - | - | 189 |
| Consumables: Stationery, printing and office supplies | 874 | - | - | - | - | 874 |
| Operating leases | 517 | - | - | - | - | 517 |
| Travel and subsistence | 9 219 | (1 799) | - | - | (1 799) | 7 420 |
| Training and development | 370 | - | - | - | - | 370 |
| Operating payments | 487 | - | - | - | - | 487 |
| Venues and facilities | 1 516 | - | - | - | - | 1 516 |
| Transfers and subsidies | 21 080 | - | - | - | - | 21 080 |
| Foreign governments and international organisations | 17 937 | - | - | - | - | 17 937 |
| Non-profit institutions | 3 143 | - | - | - | - | 3 143 |
| Payments for capital assets | 498 | - | - | - | - | 498 |
| Machinery and equipment | 498 | - | - | - | - | 498 |
| Transport equipment | - | - | - | - | - | - |
| Other machinery and equipment | 498 | - | - | - | - | 498 |

| Special Adjustments Appropriation | | | | | | |
|-----------------------------------|----------------------------------|--|---|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Payments for financial assets | - | - | - | - | - | - |
| Total | 240 699 | (44 018) | - | - | (44 018) | 196 681 |

Explanatory Narrative

An amount of R44 million was shifted from savings on watchkeeping services and travelling expenditure on goods and services to fund the revenue shortfall for the Cross Border Road Transport Agency (CBRTA), the Road Traffic Infringements Agency (RTIA) and to procure Personal Protective Equipment for COVID-19.

Updated Key Risks

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATIONS |
|--|---------------------------------------|---|--|
| <p>Air Service Bill approved by Parliament;</p> <p>South African Maritime and Aeronautical Search and Rescue Amendment Bill approved by Cabinet;</p> | Legislative and Regulatory Compliance | External dependencies that hinders the timeous finalization and the approval of Bills | <ul style="list-style-type: none"> • Proper project plans formulated and fully adhered to. |
| Accelerate aviation transformation | Inter-governmental Relations Risk | Resistance and Lack of buy-in from the relevant stakeholders. | <ul style="list-style-type: none"> • Proper project plan formulated; Inter-governmental relations forged at DG levels |
| <p>Independent Aircraft Accident and Incidents (AAID) Investigation Body established</p> | Legislative and Regulatory Compliance | Non-compliance with ICAO reporting obligations due to Other Civil Aviation Administration's such as Repeated finding by ICAO for none compliance to USOAP-CMA audit of 2019 | <ul style="list-style-type: none"> • Consultation with key government stakeholders to facilitate its establishment. |
| Improved competitiveness through adoption of new technology RPAS | Technological Risk | Failure to review RPAS regulations will compromise air space safety and security | <ul style="list-style-type: none"> • Fast-tracking the process of amending the regulation |

9.8. Programme 6: Maritime Transport

Purpose: The programme exists to implement the Comprehensive Maritime Transport Policy (CMTTP) to ensure promotion and coordination; as well as Infrastructure and Industry development and achieve compliance through monitoring, evaluation and oversight and collaboration with maritime related public entities namely The Ports Regulator (PRSA), National Ports Authority; South African Maritime Safety Authority (SAMSA) industry and international bodies.

9.8.1. Sub-Programme: Maritime Policy and Legislation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|---|---|------------------------------|---------|---------|-----------------------|---|--|---|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Competitive and Accessible Markets | | | | | | | | | |
| Increased access to affordable and reliable transport systems | Corporatisation of Transnet National Ports Authority (TNPA) | Transnet National Ports Authority (TNPA) corporatised | - | - | - | - | Transnet National Ports Authority (TNPA) corporatised | - | - |
| | Maritime Development Fund (MDF) Bill | Maritime Development Fund (MDF) Bill approved | - | - | - | - | Draft Maritime Development Fund Bill developed | Stakeholder consultations conducted on the draft | Maritime Development Fund Bill submitted to |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|--------------------------------------|---|------------------------------|---------|--|---|---|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| | | by Parliament | | | | | | Maritime Development Fund Bill | Cabinet |
| Improved regulatory environment | Merchant Shipping Act | Merchant Shipping Bill approved by Parliament | - | - | Draft Merchant Shipping Bill approved for submission to Cabinet (gazetting for public consultations) | Draft Merchant Shipping Bill approved for submission to Cabinet | Draft Merchant Shipping Bill approved by Cabinet for introduction to Parliament | Merchant Shipping Bill approved by Parliament | Regulations for the Merchant Shipping Act |
| Reduction in Greenhouse Gas (GHG) Emission and Pollution | | | | | | | | | |
| Natural resources managed and impact of climate change minimised | Domestication of the MARPOL Annex VI | MARPOL Annex VI implemented | - | - | - | - | Marine Pollution Prevention Amendment Bill (incorporating Annexes IV and VI) | Marine Pollution Prevention Amendment Bill (incorporating Annexes IV and VI) | Marine Pollution Prevention Amendment Bill (incorporating Annexes IV and VI) approved by |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | | |
|---------------------|--------|------------------|------------------------------|---------|---------|-----------------------|-------------|----------------------|--|------------|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | |
| | | | | | | | | submitted to Cabinet | approved by Cabinet for submission to Parliament | Parliament |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|---|---|---|--|
| Competitive and Accessible Markets | | | | | |
| Transnet National Ports Authority (TNPA) corporatised | Status Report produced on the corporatisation of the Transnet National Ports Authority (TNPA) | Consultations on the corporatisation of TNPA conducted with the Department of Public Enterprises | Consultations on the corporatisation of TNPA conducted with the Department of Public Enterprises | Consultation inputs considered and the impact of corporatisation of TNPA assessed | Status Report on the corporatisation of TNPA produced |
| Maritime Development Fund Bill approved by Parliament | Draft Maritime Development Fund Bill developed | Maritime Development Fund Bill developed | Socio-economic impact assessment conducted on the Maritime Development Fund Bill | Stakeholder consultation conducted on the Maritime Development Fund Bill | Stakeholder inputs considered and the draft Maritime Development Fund Bill updated |
| Merchant Shipping Bill approved by Parliament | Merchant Shipping Bill approved by Cabinet | - <i>(Cabinet process)</i> | - <i>(Cabinet process)</i> | - <i>(Cabinet process)</i> | Merchant Shipping Bill approved by Cabinet |
| Reduction in Greenhouse Gas (GHG) Emission and Pollution | | | | | |
| Marine Pollution Prevention Amendment Bill approved by Parliament | Marine Pollution Prevention Amendment Bill (incorporating Annexes IV and VI) approved for submission to Cabinet | Public consultations consolidated and draft Marine Pollution Prevention Amendment Bill submitted to the ESEID Cluster | Ministerial approval obtained for the submission of the Marine Pollution Prevention Amendment Bill to Cabinet | - <i>(Cabinet process)</i> | - <i>(Cabinet process)</i> |

9.8.2. Sub-Programme: Maritime Infrastructure and Industry Development

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|--|--|---|--|---|-----------------------|--|---|---|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Competitive and Accessible Markets | | | | | | | | | |
| Increased access to affordable and reliable transport systems | Implementation of the Operation Phakisa Oceans Economy Three-Foot Plan | Operation Phakisa Oceans Economy Three-Foot Plan monitored | Infrastructure support for Operation Phakisa Ocean Economy (MTM DU) | Progress assessment on Operation Phakisa Infrastructure projects at seven (7) commercial ports | Progress assessments on Operation Phakisa infrastructure projects at seven (7) commercial ports | - | Annual Audit Report on Operation Phakisa developed | Annual Audit Report on Operation Phakisa developed | Annual Audit Report on Operation Phakisa developed |
| | Operating Model for a National Shipping Company approved by Cabinet | Operating Model for a National Shipping Company approved | - | - | - | - | Model for a National Shipping Company developed | Model for a National Shipping Company approved for Cabinet submission | Model for a National Shipping Company approved by Cabinet |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|--|---|--|---|---|
| Competitive and Accessible Markets | | | | | |
| Operation Phakisa Oceans Economy Three-Foot Plan monitored | Consolidated Report on Operation Phakisa 3-Foot Plan developed | Audit plan for Operation Phakisa developed | Audit of 4 commercial ports (Cape Town, East London, Ngqura and Port Elizabeth) conducted | Audit of 3 commercial ports (Durban, Richards Bay and Saldanha Bay) conducted | Status Report on Operation Phakisa 3-Foot Plan (including all 18 Initiatives) developed |
| Operating Model for a National Shipping Company approved by Cabinet | Operating Model for a National Shipping Company developed | Options for the appropriate operating model for the establishment of a National Shipping Company assessed | Option assessment on the appropriate operating model for the establishment of a National Shipping Company finalised and a recommendation report produced | Stakeholder consultations conducted on the recommendation report for the operating model for the establishment of a National Shipping Company | Draft Operating Model for the establishment of a National Shipping Company developed |

9.8.3. Sub-Programme: Maritime Implementation, Monitoring and Evaluation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|---|---|---|------------------------------|---------|---------|-----------------------|--|--|--|
| | | | Audited / Actual performance | | | Estimated performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Safer Transport Systems | | | | | | | | | |
| Improved transport safety and security | Reduction in Maritime Safety Incident Rate | Analysis Report on reportable maritime safety incident rate | - | - | - | - | Analysis report on maritime safety incident rate | Analysis report on maritime safety incident rate | Analysis report on maritime safety incident rate |
| | Reduction in Maritime Fatality Rate | Analysis Report on reportable maritime fatality rate | - | - | - | - | Analysis report on maritime fatality rate | Analysis report on maritime fatality rate | Analysis report on maritime fatality rate |
| Reduction in Greenhouse Gas (GHG) Emission and Pollution | | | | | | | | | |
| Pollution incidents reduced | Reduction in Maritime Pollution Incident Rate | Analysis Report on maritime pollution rate | - | - | - | - | Analysis Report on maritime pollution rate | Analysis Report on maritime pollution rate | Analysis Report on maritime pollution rate |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|-----------|--|-----------|---|
| Safer Transport Systems | | | | | |
| Analysis Report on reportable maritime safety incident rate | Annual Analysis Report on maritime safety incident rate | - | Bi-Annual Analysis Report on maritime safety incident rate | - | Annual Analysis Report on maritime safety incident rate |
| Analysis Report on reportable maritime fatality rate | Annual Analysis Report on maritime fatality rate | - | Bi-Annual Analysis Report on maritime fatality rate | - | Annual Analysis Report on maritime fatality rate |
| Reduction in Greenhouse Gas (GHG) Emission and Pollution | | | | | |
| Pollution incidents reduced | Annual Analysis Report on maritime pollution incidents | - | Bi-Annual Analysis Report on maritime pollution incidents | - | Annual Analysis Report on maritime pollution incidents |

Consolidated Indicators

| Institution | Output Indicator | Annual Target | Data Source |
|---|--|---|--|
| Safer Transport Systems | | | |
| South African Maritime Safety Authority (SAMSA) | Reportable maritime safety incident rate recorded for all types of vessels | Below ten (10) reportable maritime safety incident rate | Annual Progress Report (State of Safety Report) signed off by the SAMSA Accounting Authority |
| | Reportable maritime fatality rate recorded for all types of vessels | Below two (2) reportable maritime fatality rate | |
| Reduction in Greenhouse Gas Emission and Pollution | | | |
| South African Maritime Safety Authority | Maritime pollution incident rate for all types of vessels | Below two (2) maritime pollution | Annual Progress Report (State |

| Institution | Output Indicator | Annual Target | Data Source |
|-------------|------------------|---------------|--|
| (SAMSA) | | rate | of Safety Report) signed off by the SAMSA Accounting Authority |

Explanation of planned performance over the medium term period

- a) The contribution of outputs towards achieving the outcomes and impact in the Strategic Plan aligned to the mandate of the institution; as well as the achievement of priorities of women, children and people with disabilities.

The accelerated implementation of the Comprehensive Maritime Transport Policy will continue in the MTSF and the identified outputs i.e.; corporatisation of National Ports Authority (TNPA); Introduction of Cost Insurance and Freight (CIF); Merchant Shipping Act; shipping greenhouse gas emission reduction; and the domestication of the MARPOL Annex VI in the Annual Performance Plan will each contribute in a particular way in achieving the outcomes and impact envisaged in the Strategic Plan. The CMTP guides the maritime industry and its businesses to produce what the department wishes to achieve. The programme allocated an amount of R3,5 for possible implementation and attainment of the priorities of women, children and people with disabilities. These resources are guaranteed for the MTEF period and increasing in years as per the projected inflation.

- b) Explanation of planned performance in relation to outputs must be discussed within budget programmes The rationale for the choice of the outcome indicators relevant to the respective outcomes.

The programme prioritized the outputs relatively with the available fiscus to ensure that the performance and the achievement of the desired outcome is not compromised. The apex priorities as well as the economic standing of the country were considered and therefore the achievement of what the Department intends to produce would improve the economic development, particularly the blue economy.

- c) Explanation of the outputs contribution to the achievement of the outcomes.

The success of the programme in attaining the output indicators contributes immensely to the achievement of the outcomes that aim to change the lives of millions of South Africans. Good environment like clean South African territorial waters would make maritime business conducive to the international community. The

essence of the achievement is the proper alignment of the Annual Performance Plan with SMART (quarterly and annual) targets and the Strategic Plan.

Programme Resources Consideration

| Maritime Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|----------------|----------------|------------------------|-----------------------|----------------|----------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Subprogrammes | | | | | | | | |
| Maritime Policy Development | 9 467 | 10 331 | 11 613 | 16 231 | 13 004 | 13 782 | 14 335 | -4.1% |
| Maritime Infrastructure and Industry Development | 8 662 | 11 359 | 7 579 | 12 892 | 19 470 | 15 337 | 15 957 | 7.4% |
| Implementation, Monitoring and Evaluations | 77 069 | 53 759 | 71 783 | 59 058 | 68 274 | 72 151 | 74 892 | 8.2% |
| Maritime Oversight | 54 051 | 29 355 | 28 556 | 41 461 | 43 769 | 46 213 | 48 457 | 5.3% |
| Maritime Administration Support | 4 312 | 4 523 | 4 462 | 7 129 | 4 840 | 5 138 | 5 349 | -9.1% |
| Total | 153 561 | 109 327 | 123 993 | 136 771 | 149 357 | 152 621 | 158 990 | 5.1% |
| <u>Economic classification</u> | | | | | | | | |
| Current payments | 101 439 | 85 573 | 97 027 | 97 543 | 107 945 | 108 922 | 113 160 | 5.1% |
| Compensation of employees | 19 904 | 21 278 | 21 385 | 24 893 | 26 242 | 27 948 | 29 163 | 5.4% |
| Salaries and wages | 17 835 | 19 190 | 19 294 | 23 105 | 24 811 | 26 371 | 27 534 | 6.0% |
| Social contributions | 2 069 | 2 088 | 2 091 | 1 788 | 1 431 | 1 577 | 1 629 | -3.1% |
| Goods and services | 81 535 | 64 295 | 75 642 | 72 650 | 81 703 | 80 974 | 83 997 | 5.0% |
| Administrative fees | - | 6 | 1 | - | - | - | - | |
| Advertising | 270 | 1 170 | 824 | 100 | 70 | 73 | 75 | -9.1% |
| Minor assets | 106 | 33 | - | 50 | 60 | 65 | 66 | 9.7% |
| Catering: Departmental | 143 | 541 | 254 | 120 | 77 | 81 | 84 | -11.2% |

| Maritime Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|---------------|---------------|------------------------|-----------------------|---------------|---------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| activities | | | | | | | | |
| Communication (G&S) | 251 | 235 | 269 | 410 | 423 | 467 | 484 | 5.7% |
| Computer services | 1 | - | 2 | - | - | - | - | |
| Consultants: Business and advisory services | 7 441 | 7 136 | 2 824 | 11 900 | 16 179 | 11 801 | 12 238 | 0.9% |
| Infrastructure and planning services | 64 201 | 46 827 | 62 156 | 50 123 | 58 665 | 61 953 | 64 271 | 8.6% |
| Legal services (G&S) | - | - | - | 1 027 | - | - | - | -100.0% |
| Contractors | 103 | 173 | 139 | - | - | - | - | |
| Agency and support/outsourced services | 23 | - | - | - | - | - | - | |
| Consumable supplies | 707 | 12 | 115 | 15 | 20 | 21 | 22 | 13.6% |
| Consumables: Stationery, printing and office supplies | 206 | 114 | 177 | 66 | 50 | 52 | 54 | -6.5% |
| Operating leases | 1 312 | 845 | 1 229 | 1 747 | - | (1) | 1 | -91.7% |
| Travel and subsistence | 5 315 | 5 811 | 5 790 | 4 011 | 5 629 | 5 903 | 6 122 | 15.1% |
| Training and development | 40 | 91 | 33 | - | - | - | - | |
| Operating payments | 213 | 603 | 280 | 140 | 280 | 295 | 306 | 29.8% |
| Venues and facilities | 1 203 | 698 | 1 549 | 2 941 | 250 | 264 | 274 | -54.7% |
| Transfers and subsidies | 29 600 | 23 489 | 26 663 | 38 862 | 41 026 | 43 291 | 45 408 | 5.3% |
| Departmental agencies and accounts | 28 561 | 22 489 | 25 619 | 36 774 | 38 822 | 40 966 | 42 995 | 5.3% |
| Departmental agencies | 28 561 | 22 489 | 25 619 | 36 774 | 38 822 | 40 966 | 42 995 | 5.3% |

| Maritime Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-----------------|----------------|----------------|------------------------|-----------------------|----------------|----------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| (non-business entities) | | | | | | | | |
| Foreign governments and international organisations | 942 | 946 | 987 | 2 088 | 2 204 | 2 325 | 2 413 | 4.9% |
| Households | 97 | 54 | 57 | - | - | - | - | - |
| Social benefits | 97 | 54 | 47 | - | - | - | - | - |
| Other transfers to households | - | - | 10 | - | - | - | - | - |
| Payments for capital assets | 348 | 265 | 303 | 366 | 386 | 408 | 422 | 4.9% |
| Machinery and equipment | 348 | 265 | 303 | 366 | 386 | 408 | 422 | 4.9% |
| Other machinery and equipment | 348 | 265 | 303 | 366 | 386 | 408 | 422 | 4.9% |
| Payments for financial assets | 22 174 | - | - | - | - | - | - | - |
| Total | 153 561 | 109 327 | 123 993 | 136 771 | 149 357 | 152 621 | 158 990 | 5.1% |
| Details of transfers and subsidies | | | | | | | | |
| Households | | | | | | | | |
| Social benefits | | | | | | | | |
| Current | 97 | 54 | 57 | - | - | - | - | 0.0% |
| Employee social benefits | 97 | 54 | 47 | - | - | - | - | 0.0% |
| Donations and gifts | - | - | 10 | - | - | - | - | 0.0% |
| Departmental agencies and | | | | | | | | |

| Maritime Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|--------------------|---------------|---------------|---------------------------|-----------------------|---------------|---------------|--------------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| accounts | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | |
| Current | 28 561 | 22 489 | 25 619 | 36 774 | 38 822 | 40 966 | 42 995 | 5.3% |
| Ports Regulator of South Africa | 28 561 | 22 489 | 25 619 | 36 774 | 38 822 | 40 966 | 42 995 | 5.3% |
| Foreign governments and international organisations | | | | | | | | |
| Current | 4 763 | 6 505 | 3 963 | 12 512 | 13 201 | 13 927 | 14 447 | 4.9% |
| International Maritime Organisation | 549 | 600 | 659 | 1 711 | 1 805 | 1 904 | 1 976 | 4.9% |
| Indian Ocean memorandum of understanding | 393 | 346 | 328 | 377 | 399 | 421 | 437 | 5.0% |
| International Oil Pollution Compensation Funds | 3 821 | 5 559 | 2 976 | 10 424 | 10 997 | 11 602 | 12 034 | 4.9% |

Explanation of the contribution of resources towards achievement of outputs.

Expenditure in the Maritime programme is expected to increase at an average annual rate of 5.1 per cent over the MTEF period, from R136.8 million 2019/20 to R159 million in 2022/23. The majority of the spending will be in the Implementation, Monitoring and Evaluations as well as the Maritime oversight sub-programme which is responsible for the oil pollution prevention services and transferring of funds to departmental agencies such as the Ports Regulator of South Africa and the international maritime organisations respectively.

Over the medium term, allocations to the Ports Regulator increased at an average annual rate of 5.3 per from R36.2 million in 2019/20 to R42.9 million in 2022/23 in order for the agency to continue its function of regulating the pricing and other aspects of economic regulation, promotion of equal access to ports facilities and services and monitoring of the industry's compliance with the regulatory framework.

The spending focus on goods and services over the medium term will be on enhancing performance, efficiency and reliability of the maritime transport sector by finalising the South African Development Community coastal shipping agreement, submitting the Merchant shipping bill and the framework for a national shipping carrier for Parliament's approval.

The programme had a total number of 40 funded posts as at September 2019.

Special Adjustment Budget for 2020/21

| Special Adjustments Appropriation | | | | | | |
|---|----------------------------------|--|---|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Subprogrammes | | | | | | |
| Maritime Policy Development | 13 004 | - | - | - | - | 13 004 |
| Maritime Infrastructure and Industry Development | 19 470 | (6 000) | - | - | (6 000) | 13 470 |
| Implementation, Monitoring and Evaluation | 68 274 | - | - | - | - | 68 274 |
| Maritime Oversight | 43 769 | - | - | - | - | 43 769 |
| Maritime Administration Support | 4 840 | - | - | - | - | 4 840 |
| Total | 149 357 | (6 000) | - | - | (6 000) | 143 357 |
| <u>Economic classification</u> | | | | | | |
| Current payments | 107 945 | (6 000) | - | - | (6 000) | 101 945 |
| Compensation of employees | 26 242 | - | - | - | - | 26 242 |
| Salaries and wages | 24 811 | - | - | - | - | 24 811 |
| Social contributions | 1 431 | - | - | - | - | 1 431 |
| Goods and services | 81 703 | (6 000) | - | - | (6 000) | 75 703 |
| Administrative fees | - | - | - | - | - | - |
| Advertising | 70 | - | - | - | - | 70 |
| Minor Assets | 60 | - | - | - | - | 60 |
| Catering: Departmental activities | 77 | - | - | - | - | 77 |
| Communication (G&S) | 423 | - | - | - | - | 423 |
| Consultants: Business and advisory services | 16 179 | (6 000) | - | - | (6 000) | 10 179 |
| Infrastructure and planning services | 58 665 | - | - | - | - | 58 665 |
| Consumable supplies | 20 | - | - | - | - | 20 |
| Consumables: Stationery, printing and office supplies | 50 | - | - | - | - | 50 |
| Travel and subsistence | 5 629 | - | - | - | - | 5 629 |
| Operating payments | 280 | - | - | - | - | 280 |
| Venues and facilities | 250 | - | - | - | - | 250 |

| Special Adjustments Appropriation | | | | | | |
|---|----------------------------------|--|---|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Transfers and subsidies | 41 026 | - | - | - | - | 41 026 |
| Departmental agencies and accounts | 38 822 | - | - | - | - | 38 822 |
| Social security funds | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | 38 822 | - | - | - | - | 38 822 |
| Foreign governments and international organisations | 2 204 | - | - | - | - | 2 204 |
| Payments for capital assets | 386 | - | - | - | - | 386 |
| Machinery and equipment | 386 | - | - | - | - | 386 |
| Transport equipment | - | - | - | - | - | - |
| Other machinery and equipment | 386 | - | - | - | - | 386 |
| Payments for financial assets | - | - | - | - | - | - |
| | | | | | | |
| Total | 149 357 | (6 000) | - | - | (6 000) | 143 357 |

Explanatory Narrative

An amount of R6 million was shifted from savings on goods and services to fund the revenue shortfall for the Cross Border Road Transport Agency (CBRTA), the Road Traffic Infringements Agency (RTIA) and to procure Personal Protective Equipment for COVID-19.

Updated Key Risks

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATIONS |
|---|--|---|--|
| Merchant Shipping Act | Legislative and Regulatory Compliance Risk | Non-compliance with IMO reporting obligations due to Other Maritime Administrations and the Maritime Industry not recognizing the Certificates issued for SA Seafarers. | <ul style="list-style-type: none"> • Collaborate with the Maritime Law Association of South Africa • Approved Merchant Shipping Bill |
| | Legislative and Regulatory Compliance Risk | Inadequate Maritime Regulatory and Legislative environment, due to slow ratification, domestication and review of the Maritime Legislative Framework | <ul style="list-style-type: none"> • Full implementation of the National Ports Act |
| Enabling economic growth and industry development | Socio-economic Risk | Lack of /slow transformation and constraint access to opportunities in the maritime sector. | <ul style="list-style-type: none"> • Corporatization of the National Ports Authority. |
| | Regulatory Oversight Risk | Inability of the Authority to exercises its oversight role in the port system | <ul style="list-style-type: none"> • Full implementation of the National Port Act |
| Energy Efficient Maritime Industry | Legislative and regulatory compliance Risk | Non-availability of compliant marine fuels. | <ul style="list-style-type: none"> • Full implementation of MARPOL VI • Approved Maritime Energy Efficiency Programme (MEEP) |
| | Regulatory Oversight Risk | Inadequate marine pollution prevention capability caused by Inadequate / Lack of oversight of air emissions at the ports | <ul style="list-style-type: none"> • Monitor and evaluate the implementation of the MEEP |

9.9. Programme 7: Public Transport

Purpose: The programme exists to ensure the provision and regulation of safe, secure, reliable, cost-effective and sustainable public transport services in South Africa through legislation, policies and strategies.

9.9.1. Sub-Programme: Public Transport Network Development

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|--|--|------------------------------|-----------------------------|-----------------------------|-----------------------------|--|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Innovation | | | | | | | | | |
| Improved competitiveness through adoption of new technology | Single Ticketing System for all government-subsidized public transport operators | Integrated Single Ticketing System implemented | - | - | - | - | Reviewed Regulations for Integrated Single Ticketing System approved | Pilot phase of the Integrated Single Ticketing System rolled out on subsidised public transport operations | Full implementation of the Integrated Single Ticketing System rolled out for all subsidized public transport operators |
| Public Transport | | | | | | | | | |
| Improved accessibility, quality and | Implementation of the Integrated | • Number of cities operating | Integrated Public Transport | Integrated Public Transport | Integrated Public Transport | Integrated Public Transport | Integrated Public Transport Network (IPTN) | Integrated Public Transport Network (IPTN) | Integrated Public Transport Network (IPTN) |

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|---|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|---|---|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| reliability of public transport | Public Transport Network (IPTN) Programme | integrated public transport networks | Network (IPTN) Programme monitored | Network (IPTN) Programme monitored | Network (IPTN) Programme monitored | Network (IPTN) Programme monitored • 6 cities operating IPTNs | Programme monitored • 7 cities operating IPTNs | Programme monitored • 9 cities operating IPTNs | Programme monitored • 10 cities operating IPTNs |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|--|---|---|--|---|
| Innovation | | | | | |
| Integrated Single Ticketing System approved and implemented | Reviewed Regulations for Integrated Single Ticketing System approved | Gap analysis conducted on the 2011 Regulations for the Single Ticketing System | Draft Amended Regulations for Single Ticketing System developed | Stakeholder consultations conducted on the Draft Amended Regulations for Single Ticketing System | Ministerial approval obtained on the Amended Regulations for Single Ticketing System |
| Public Transport | | | | | |
| Number of cities operating integrated public transport networks | Integrated Public Transport Network (IPTN) Programme monitored • 7 cities operating IPTNs | Site visits and bilateral progress engagements conducted with selected municipalities | Site visits and bilateral progress engagements conducted with selected municipalities | Site visits and bilateral progress engagements conducted with selected municipalities | Site visits and bilateral progress engagements conducted with selected municipalities |

9.9.2. Sub-Programme: Public Transport Regulation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|---|---|------------------------------|--|---|--|--|---|---|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Public Transport | | | | | | | | | |
| Improved accessibility, quality and reliability of public transport | Transport Appeal Tribunal (TAT) Amendment Act | Transport Appeal Tribunal (TAT) Amendment Bill approved by Parliament | - | Draft Transport Appeal Tribunal (TAT) Amendment Bill | Transport Appeal Tribunal (TAT) Amendment Bill approved for submission to Cabinet | Draft Transport Appeal Tribunal (TAT) Amendment Bill tabled in Cabinet | Transport Appeal Tribunal (TAT) Amendment Bill submitted to and processed through Parliament | Transport Appeal Tribunal (TAT) Amendment Bill approved by Parliament | Draft Regulations for the Transport Appeal Tribunal (TAT) Amendment Act |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|---|------------------------------------|------------------------------------|------------------------------------|
| Public Transport | | | | | |
| Transport Appeal Tribunal Amendment Bill approved by Parliament | Transport Appeal Tribunal Amendment Bill processed through Parliament | Transport Appeal Tribunal Amendment Bill introduced to Parliament | - (<i>Parliamentary process</i>) | - (<i>Parliamentary process</i>) | - (<i>Parliamentary process</i>) |

9.9.3. Sub-Programme: Public Transport Industry Development

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|---|---|--|--|--|--|--|--|--|
| | | | Audited / Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Public Transport | | | | | | | | | |
| Improved accessibility, quality and reliability of public transport | Public Transport Funding Model | Approved Public Transport Funding Model implemented | - | - | - | - | - | Public Transport Funding Model reviewed | Revised Public Transport Funding Model developed |
| | Public Transport Operations Grant Monitoring | Public Transport Operations monitored in provinces | Public Transport operations monitored in provinces | Public Transport operations monitored in provinces | Public Transport operations monitored in provinces | Public Transport operations monitored in provinces | Annual Monitoring Report on public transport operations in provinces | Annual Monitoring Report on public transport operations in provinces | Annual Monitoring Report on public transport operations in provinces |
| Safer Transport Systems | | | | | | | | | |
| Improved transport safety and security | Implementation of the Revised Taxi Recapitalisation Programme | Number of old taxi vehicles scrapped | 4 362 | 2 666 | 766 | 1 860 | 1 400 | 2 376 | 2 600 |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|--|---|---|---|---|
| Public Transport | | | | | |
| Approved Public Transport Funding Model implemented | - | - | - | - | - |
| Public Transport Operations monitored in provinces | Annual Monitoring Report on public transport operations in provinces | Quarterly Monitoring Report on public transport operations in provinces | Quarterly Monitoring Report on public transport operations in provinces | Quarterly Monitoring Report on public transport operations in provinces | Annual Monitoring Report on public transport operations in provinces |
| Safer Transport Systems | | | | | |
| Number of old taxi vehicles scrapped ⁵ | Annual progress Report on projected taxis scrapped (Projected scrapping of 1 400 old taxi vehicles) | Quarterly Progress Report on taxis scrapped (Projected scrapping of 350 old taxi vehicles) | Quarterly Progress Report on taxis scrapped (Projected scrapping of 350 old taxi vehicles) | Quarterly Progress Report on taxis scrapped (Projected scrapping of 350 old taxi vehicles) | Quarterly Progress Report on taxis scrapped (Projected scrapping of 350 old taxi vehicles) |

⁵ The target for number of old taxi scrapped (quarterly and annually) is projected based on previous trends. Targets are demand-driven.

Consolidated Indicators

| Institution | Output Indicator | Annual Target | Data Source |
|--|-----------------------------------|---------------|--|
| Public Transport | | | |
| Provincial Departments of Transport (PDTs) | Transport Operations | | Quarterly and Annual Monitoring Reports signed off by Accounting Officers of Provincial Departments of Transport |
| | • Number of routes subsidised | • 184 616 | |
| | • Number of kilometres subsidised | • 183 740 442 | |
| | • Number of trips subsidised | • 4 632 739 | |

9.9.4. Sub-Programme: Rural and Scholar Transport Implementation

| Performance Outcome | Output | Output Indicator | Annual Targets | | | | | | |
|--|---|--|---|---|---|--|-------------|---|---------|
| | | | Audited / Actual performance | | | Estimated performance | MTEF Period | | |
| | | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| Public Transport | | | | | | | | | |
| Improved accessibility, quality and reliability of public transport | Integrated Public Transport Network (IPTN) plans in District municipalities | Number of District Municipalities assisted with IPTN plans | One (1) • Thabo Mofutsanyana District Municipality | Two (2) • Bojanala District Municipality • OR Tambo District Municipality | Two (2) • Vhembe District Municipality • Nkangala District Municipality | Two (2) • Amathole District Municipality • Capricorn District Municipality | - | Two (2) • Mopani District Municipality • Chris Hani District Municipality | Two (2) |
| | Shova Kalula Bicycle Distribution Programme | Number of bicycles distributed in rural municipalities | - | 6 000 | 300 | 8 000 | 6 000 | 8 000 | 8 000 |

Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|----------------------------|-----------|---|---|---|
| Public Transport | | | | | |
| Number of District Municipalities assisted with IPTN plans | - | - | - | - | - |
| Number of bicycles distributed in rural municipalities | 6 000 bicycles distributed | - | 1 000 bicycles distributed (projected figure) | 1 000 bicycles distributed (projected figure) | 4 000 bicycles distributed (projected figure) |

Explanation of planned performance over the medium term period

a) The contribution of outcomes towards the achievement of the NDP Five-Year Implementation Plan, the Monitoring Framework for the NDP Five Year Implementation Plan, the mandate of the institution and priorities of women, children and people with disabilities

- Measures 1: Igniting economic activity in the township and rural towns by implementing the Rural Transport Strategy's high-impact projects and promotions of the IPTNs in the district municipalities;
- Measure 2: Restore investor confidence through the revitalisation of the mining town through improved public transport services, i.e. the implementation of the high impact rural transport strategy's projects;
- Measure 3: Create new jobs through the IPTN projects, [public transport facilities, upgrading of inter-modal facilities, bus shelters, provision of lay-buys] scheduled public transport services [direct and feeder operations], Shova Kalula Bicycle programme as well as the Non-Motorised Transport. This intervention also responds to boosting the township and rural economy and enterprise development. It further contributes to skills development.
- The current Shova Kalula project of 24 000 bicycles can generate 90 trained mechanics. A threshold of 300 bicycles per month is required to sustain 1 mechanic who can manage the maintenance in the local area, i.e. create a small entrepreneur.

b) Explanation of planned performance in relation to outputs must be discussed within budget programmes The rationale for the choice of the outcome indicators relevant to the respective outcomes

- The District Municipalities Integrated Public Transport Network (IPTNs) seek to address the misalignments and shortcomings of the existing public transport

system in rural district municipalities by taking a holistic and integrated network development approach to achieve amongst others;

- Integrated land-use and public transport planning to improve integrated planning and access to essential social and economic services. This intervention will enhance coordination of human settlements and land use activities;
- Public transport network design and service provision to facilitate movement and offering of public transport operations in the targeted rural municipalities by scheduling public transport operations;
- Coordinated subsidy provision to maximise benefit to all public transport users in the network;

The National Learner Transport Programme (LTP) was developed by Government with an aim of addressing the challenge of learners who live relatively far from the nearest school and/or experience risks to personal safety to-and-from schools. The programme is implemented in line with the National Learner Transport Policy that was approved by Cabinet in 2015. The policy provides for a framework through which learner transport services are implemented in effective, safe and reliable manner.

The programme is being implemented by both Departments of Transport and Education in provinces. In the recent years, the function has migrated from the Education to the Department of Transport in some provinces. The average coverage for the learner transport in the province is 71.6 % of the total learner population. There has been slight improvement in the learner transport coverage moving from 70% in 2017 to 72, 63% in 2018. A total of 80911 learners from 742 schools are currently benefitting from the service at a total cost of R3,2 billion nationally.

NMT integration to public transport system is also critical. It is important for the transport authorities to ensure that when constructing roads, they should include sidewalks bicycles lanes and pedestrian bridges to enable passengers to access public transport facilities. The infrastructure should be universally accessible. To date 100 000 bicycles have been distributed through the Shova Kalula project with an additional 24 000 planned over the next three years.

Large scale public transport investment is required to upgrade and modernise existing infrastructure and operations. In this regard, the introduction of innovative public transport funding models is necessary, not only to maintain current service levels and quality but also to invest for the future. Innovative funding models can contribute to funding the capital and operations cost of new public transport infrastructure and this will provide vital economic and social sustainability benefits.

c) Explanation of the outputs contribution to the achievement of the outcomes

The aim of developing and implementing Integrated Public Transport Networks (IPTN) is to initiate and accelerate improvement of public and non-motorised transport services in communities with high level of transport needs. IPTN assists the municipalities in redesigning the land use patterns and re-organise transport routes with the purpose of connecting isolated communities to service centres and economic hubs. The Public transport networks in the district municipalities need to be designed to integrate rural public transport services.

Integrated Public Transport Network system promotes infrastructure and modal integration. The Department developed Integrated Public Transport Network Plans in Bojanala Platinum, O R Tambo, John Taolo Gaetsewe, Thabo Mofutsanyana, Vhembe and, Nkangala. The Department has also kick started the process of developing Integrated Public Transport Network Plans in and Capricorn and Amathole District Municipalities.

The roll-out of Shova Kalula is in line with the Rural Transport Strategy and its primary objective is to improve access to education resource centres. An additional focus will be on how to make the programme sustainable in terms of maintenance of bicycles, monitoring and training of mechanics.

The key barriers towards improving public transport infrastructure is the high upfront costs of construction with fare box revenue which does not cover operating cost. This result in enormous budgetary pressure on government when investment in public transport infrastructure is considered. This situation prompts a reflection on

the modernisation of the funding model for public transport, which should include, in addition to its reliance on public budgets the development of a revenue strategy.

Programme Resources Consideration

| Public Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Subprogrammes | | | | | | | | |
| Public Transport Regulation | 15 387 | 19 508 | 25 111 | 53 324 | 62 133 | 65 811 | 68 419 | 8.7% |
| Rural and Scholar Transport | 14 585 | 21 071 | 11 518 | 40 495 | 45 387 | 48 017 | 49 880 | 7.2% |
| Public Transport Industry Development | 129 863 | 135 814 | 84 805 | 203 175 | 217 462 | 235 006 | 243 880 | 6.3% |
| Public Transport Oversight | 11 372 616 | 12 084 790 | 12 369 277 | 13 232 443 | 13 679 081 | 14 427 633 | 14 738 807 | 3.7% |
| Public Transport Administration Support | 9 629 | 7 719 | 8 728 | 17 677 | 12 621 | 13 376 | 13 913 | -7.7% |
| Public Transport Network Development | 7 962 | 8 670 | 10 319 | 20 974 | 21 293 | 22 565 | 23 468 | 3.8% |
| Total | 11 550 042 | 12 277 572 | 12 509 758 | 13 568 088 | 14 037 977 | 14 812 408 | 15 138 367 | 3.7% |
| Economic classification | | | | | | | | |
| Current payments | 177 012 | 192 146 | 139 712 | 334 385 | 358 622 | 384 486 | 399 259 | 6.1% |
| Compensation of employees | 44 017 | 48 253 | 51 844 | 60 221 | 65 173 | 69 410 | 72 429 | 6.3% |
| Salaries and wages | 39 253 | 43 326 | 46 237 | 54 631 | 59 141 | 62 950 | 65 689 | 6.3% |
| Social contributions | 4 764 | 4 927 | 5 607 | 5 590 | 6 032 | 6 460 | 6 740 | 6.4% |
| Goods and services | 132 995 | 143 893 | 87 868 | 274 164 | 293 449 | 315 076 | 326 830 | 6.0% |
| Administrative fees | - | - | 3 | - | - | - | 2 | |
| Advertising | 4 | 151 | 3 | - | 350 | 370 | 393 | |
| Minor assets | 4 721 | 36 | 204 | 1 160 | 300 | 330 | 288 | -37.1% |
| Catering: Departmental | 114 | 142 | 276 | 65 | 250 | 264 | 275 | 61.7% |

| Public Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| activities | | | | | | | | |
| Communication (G&S) | 596 | 557 | 565 | 1 340 | 950 | 1 029 | 1 067 | -7.3% |
| Computer services | - | 7 | 65 | - | - | - | - | |
| Consultants: Business and advisory services | 122 403 | 126 668 | 76 582 | 233 136 | 281 509 | 302 667 | 314 042 | 10.4% |
| Contractors | 14 | 23 | 165 | - | 800 | 833 | 870 | |
| Agency and support/outsourced services | - | - | 13 | - | - | - | - | |
| Inventory: Other supplies | - | 10 399 | - | 21 421 | - | (16) | (22) | -110.1% |
| Consumable supplies | 20 | 48 | 16 | - | - | - | - | |
| Consumables: Stationery, printing and office supplies | 369 | 292 | 437 | 850 | 47 | 17 | 11 | -76.5% |
| Property payments | - | - | 74 | - | - | - | - | |
| Travel and subsistence | 3 522 | 4 572 | 7 680 | 14 277 | 5 970 | 6 191 | 6 383 | -23.5% |
| Training and development | 380 | 199 | 389 | 1 031 | 309 | 354 | 370 | -28.9% |
| Operating payments | 115 | 182 | 42 | 55 | - | (1) | (2) | -133.1% |
| Venues and facilities | 737 | 617 | 1 354 | 829 | 2 964 | 3 038 | 3 153 | 56.1% |
| Transfers and subsidies | 11 372 708 | 12 084 972 | 12 369 330 | 13 232 443 | 13 679 081 | 14 427 633 | 14 738 807 | 3.7% |
| Provinces and municipalities | 10 992 983 | 11 829 928 | 12 276 967 | 12 794 003 | 13 195 429 | 13 917 380 | 14 209 586 | 3.6% |
| Provinces | 5 400 292 | 5 722 871 | 5 990 298 | 6 325 755 | 6 749 581 | 7 120 808 | 7 090 432 | 3.9% |
| Provincial Revenue | 5 400 292 | 5 722 871 | 5 990 298 | 6 325 755 | 6 749 581 | 7 120 808 | 7 090 432 | 3.9% |

| Public Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|-------------------|-------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Funds | | | | | | | | |
| Municipalities | 5 592 691 | 6 107 057 | 6 286 669 | 6 468 248 | 6 445 848 | 6 796 572 | 7 119 154 | 3.2% |
| Municipal bank accounts | 5 592 691 | 6 107 057 | 6 286 669 | 6 468 248 | 6 445 848 | 6 796 572 | 7 119 154 | 3.2% |
| Non-profit institutions | 20 275 | 21 289 | 22 524 | 23 785 | 25 093 | 26 473 | 27 458 | 4.9% |
| Households | 359 450 | 233 755 | 69 839 | 414 655 | 458 559 | 483 780 | 501 763 | 6.6% |
| Social benefits | 98 | 213 | 56 | - | - | - | - | 0.0% |
| Other transfers to households | 359 352 | 233 542 | 69 783 | 414 655 | 458 559 | 483 780 | 501 763 | 6.6% |
| Payments for capital assets | 305 | 447 | 707 | 1 260 | 274 | 289 | 301 | -38.0% |
| Machinery and equipment | 305 | 447 | 707 | 1 260 | 274 | 289 | 301 | -38.0% |
| Other machinery and equipment | 305 | 447 | 707 | 1 260 | 274 | 289 | 301 | -38.0% |
| Payments for financial assets | 17 | 7 | 9 | - | - | - | - | 0.0% |
| | | | | | | | | |
| Total | 11 550 042 | 12 277 572 | 12 509 758 | 13 568 088 | 14 037 977 | 14 812 408 | 15 138 367 | 3.7% |
| Details of transfers and subsidies | | | | | | | | |
| Households | | | | | | | | |
| Social benefits | | | | | | | | |
| Current | 98 | 213 | 56 | - | - | - | - | 0.0% |
| Employee social benefits | 98 | 213 | 56 | - | - | - | - | 0.0% |
| Households | | | | | | | | |
| Other transfers to households | | | | | | | | |
| Current | 359 352 | 233 542 | 69 783 | 414 655 | 458 559 | 483 780 | 501 763 | 6.6% |

| Public Transport expenditure trends and estimates by subprogramme and economic classification | | | | | | | | |
|---|------------------|------------------|------------------|------------------------|-----------------------|------------------|------------------|-----------------------|
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2019/20 - 2022/23 |
| | Audited outcome | | | Adjusted Appropriation | Medium-term estimates | | | Average Annual Growth |
| Rand thousand | '000 | '000 | '000 | '000 | '000 | '000 | '000 | '000 |
| Taxi recapitalisation | 359 352 | 233 542 | 69 783 | 414 655 | 458 559 | 483 780 | 501 763 | 6.6% |
| Non-profit institutions | | | | | | | | |
| Current | 20 275 | 21 289 | 22 524 | 23 785 | 25 093 | 26 473 | 27 458 | 4.9% |
| South African National Taxi Council | 20 275 | 21 289 | 22 524 | 23 785 | 25 093 | 26 473 | 27 458 | 4.9% |
| Provinces and municipalities | | | | | | | | |
| Municipalities | | | | | | | | |
| Municipal bank accounts | | | | | | | | |
| Current | 5 400 292 | 5 722 871 | 5 990 298 | 6 325 755 | 6 749 581 | 7 120 808 | 7 090 432 | 3.9% |
| Public transport operations grant | 5 400 292 | 5 722 871 | 5 990 298 | 6 325 755 | 6 749 581 | 7 120 808 | 7 090 432 | 3.9% |
| Capital | 5 592 691 | 6 107 057 | 6 286 669 | 6 468 248 | 6 445 848 | 6 796 572 | 7 119 154 | 3.2% |
| Public transport network grant | 5 592 691 | 6 107 057 | 6 286 669 | 6 468 248 | 6 445 848 | 6 796 572 | 7 119 154 | 3.2% |

Explanation of the contribution of resources towards achievement of outputs

The total spending in the Public Transport programme is expected to increase at an average annual rate of 3.7 per cent from R13.6 billion in 2019/20 to R15.1 billion in 2022/23 over the medium term, this low growth was mainly due to the cabinet approved budget reduction for an amount of R4.3 billion on Public Transport Network Grant over the medium term and R295 million in 2022/23 from the Public Transport Operations Grant.

As the hub of economic activity and growth, South Africa's urban areas must maintain optimal functionality. It is important that integrated, sustainable, affordable and functional transport solutions within these hubs are tailored to suit the needs of present and future urban commuters. Public Transport programme makes allocations to the Public Transport Network grant (PTNG).

The allocation to the Public Transport Network grant is expected to increase at an average annual rate of 3.2 per cent from R6.5 billion in 2019/20 to R7.1 billion in 2022/23. This relatively modest growth rate is reflective of a narrowing of the grant's focus, from 2020/21, to fund the infrastructure and operations of integrated public transport networks in 10 cities as opposed to 13 cities as well as the.

Included in this grant are the indirect costs of operating bus rapid transit services in Johannesburg, Tshwane, Cape Town, George and Nelson Mandela Bay. In these cities, the grant is expected to increase in the number of weekday passenger trips from 193 411 in 2019/20 to 376 594 in 2022/23.

The programme also makes transfer to the bus operators through the Public Transport Operations Grant (PTOG) which is expected to increase at an annual average rate of 3.9% from R6.3 billion in 2019/20 to R7.1 billion in 2022/23.

The spending focus in this programme on goods and services will be on enhancing the provision of integrated rural transport infrastructure and services by monitoring the integrated public transport networks in 10 cities, reviewing and drafting the revised regulations on integrated fare system. Consultants in the programme are

used for policy development and the verification of subsidies and payments made to bus operators funded through the PTOG. Over the medium term R152.5 million has been allocated for capacity monitoring of public transport grants in this programme.

The programme had a total number of 98 funded posts as at September 2019.

Special Adjustment Budget for 2020/21

| Special Adjustments Appropriation | | | | | | |
|---|----------------------------------|--|---|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Subprogrammes | | | | | | |
| Public Transport Regulation | 62 133 | (8 355) | - | - | (8 355) | 53 778 |
| Rural and Scholar Transport | 45 387 | - | - | - | - | 45 387 |
| Public Transport Industry Development | 217 462 | (564) | - | 1 135 000 | 1 134 436 | 1 351 898 |
| Public Transport Oversight | 13 679 081 | (250 000) | (2 998 069) | 1 095 794 | (2 152 275) | 11 526 806 |
| Public Transport Administration Support | 12 621 | 24 780 | - | - | 24 780 | 37 401 |
| Public Transport Network Development | 21 293 | (6 204) | - | - | (6 204) | 15 089 |
| Total | 14 037 977 | (240 343) | (2 998 069) | 2 230 794 | (1 007 618) | 13 030 359 |
| <u>Economic classification</u> | | | | | | |
| Current payments | 358 622 | 9 657 | - | - | 9 657 | 368 279 |
| Compensation of employees | 65 173 | - | - | - | - | 65 173 |
| Salaries and wages | 59 141 | - | - | - | - | 59 141 |
| Social contributions | 6 032 | - | - | - | - | 6 032 |
| Goods and services | 293 449 | 9 657 | - | - | 9 657 | 303 106 |
| Administrative fees | - | - | - | - | - | - |
| Advertising | 350 | - | - | - | - | 350 |
| Minor Assets | 300 | - | - | - | - | 300 |
| Catering: Departmental | 250 | - | - | - | - | 250 |

| Special Adjustments Appropriation | | | | | | |
|---|----------------------------------|--|---|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspend funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| activities | | | | | | |
| Communication (G&S) | 950 | - | - | - | - | 950 |
| Consultants: Business and advisory services | 281 509 | (15 123) | - | - | (15 123) | 266 386 |
| Contractors | 800 | - | - | - | - | 800 |
| Consumable supplies | - | 24 780 | - | - | 24 780 | 24 780 |
| Consumables: Stationery, printing and office supplies | 47 | - | - | - | - | 47 |
| Travel and subsistence | 5 970 | - | - | - | - | 5 970 |
| Training and development | 309 | - | - | - | - | 309 |
| Venues and facilities | 2 964 | - | - | - | - | 2 964 |
| Transfers and subsidies | 13 679 081 | (250 000) | (2 998 069) | 2 230 794 | (1 017 275) | 12 661 806 |
| Provinces and municipalities | 13 195 429 | - | (2 998 069) | 1 095 794 | (1 902 275) | 11 293 154 |
| Provinces | 6 749 581 | - | - | - | - | 6 749 581 |
| Provincial Revenue Funds | 6 749 581 | - | - | - | - | 6 749 581 |
| Provincial agencies and funds | - | - | - | - | - | - |
| Municipalities | 6 445 848 | - | (2 998 069) | 1 095 794 | (1 902 275) | 4 543 573 |
| Municipal bank accounts | 6 445 848 | - | (2 998 069) | 1 095 794 | (1 902 275) | 4 543 573 |
| Municipal agencies and funds | - | - | - | - | - | - |
| Non-profit institutions | 25 093 | - | - | - | - | 25 093 |
| Households | 458 559 | (250 000) | - | 1 135 000 | 885 000 | 1 343 559 |
| Social benefits | - | - | - | - | - | - |
| Other transfers to households | 458 559 | (250 000) | - | 1 135 000 | 885 000 | 1 343 559 |
| Payments for capital assets | 274 | - | - | - | - | 274 |
| Machinery and equipment | 274 | - | - | - | - | 274 |
| Transport equipment | - | - | - | - | - | - |

| Special Adjustments Appropriation | | | | | | |
|-----------------------------------|----------------------------------|--|---|------------------------|---|---------------------------|
| | Voted (Main appropriation) | Utilisation of unspent funds Virements & Shifts | Significant and unforeseeable economic and financial events | | Total special adjustments appropriation | Adjusted appropriation |
| R thousand | | | Suspension of funds | Allocation of funds | | |
| Other machinery and equipment | 274 | - | - | - | - | 274 |
| Payments for financial assets | - | - | - | - | - | - |
| | | | | | | |
| Total | 14 037 977 | (240 343) | (2 998 069) | 2 230 794 | (1 007 618) | 13 030 359 |

Explanatory Narrative

In total, the programme was reduced by an amount of R1.008 billion, of which an amount of R1.902 billion was reduced from the PTNG, R250 million from the taxi recapitalisation programme and 9.7 million from goods and services, however an amount of R1.135 million was reallocated for the taxi relief fund and R25 million the procurement of personal protective equipment for the taxi industry.

Updated Key Risks

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATIONS |
|---|--|---|---|
| Timeous Implementation of Transport Appeal Tribunal (TAT) decisions | Regulatory and compliance Risk | Delays in the Implementation of TAT decision by Regulatory Entities. | <ul style="list-style-type: none"> • TAT to issue issues directive to the Regulatory Entity. |
| The provision of safe public transport vehicles | Regulatory and Compliance Risk | Non-compliance in meeting the qualifying requirements of the safe public transport vehicles program | <ul style="list-style-type: none"> • Determine extent of non-compliance and reasons for such. • Consider options for inclusion into the program. |
| Improved accessibility, quality and reliability of public transport | Infrastructure Service Delivery Risk | Limited investment in rural transport infrastructure and services | <ul style="list-style-type: none"> • Gradual rollout of IPTN plans and mobilisation funds for full rollout of IPTN plans. • Commence full rollout of Integrated Ticketing System for all subsidized public transport operators • Pilot Integrated Fare System on subsidised operators. |
| Improved Public transport safety and security | Legislative and Regulatory compliance risk | Inadequate/Poor Law enforcement by Road Traffic law Enforcement Agencies | <ul style="list-style-type: none"> • Implementation and enforcement of the Road Safety Act and Regulations |
| Increased number of passengers using IPTN services | Financial Risk | Utilization of transferred grants for non-grant purposes by receiving authorities | <ul style="list-style-type: none"> • Continue monitoring through DORA Framework (invoke section 18 and 19) by |

| OUTCOME | RISK CLASSIFICATION | RISK DESCRIPTION | RISK MITIGATIONS |
|---|---------------------|---|--|
| | | | conducting quarterly bilateral meetings, obtain quarterly reports and portfolio of evidence. <ul style="list-style-type: none"> • Monitoring of grant and technical support on the delivery of IPTN Programme |
| Increase number of passengers using IPTN services | Infrastructure | Poor quality of IPTN services (Infrastructure and operations) | <ul style="list-style-type: none"> • Conduct annual technical site inspections |

10. Public Entities

| Name of Public Entity | Mandate | Outcomes | Current Annual Budget (R) |
|--|--|---|--|
| Passenger Rail Agency of South Africa (PRASA) | The primary focus of the Passenger Rail Agency of South Africa (PRASA), as an arm of the National Department of Transport (the shareholder) 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, and listed as Schedule 3B of the PFMA | <ul style="list-style-type: none"> • Deliver on the requirements of Government Transport Policy and the Legal Succession Act (operational effectiveness) • Implement a financial turnaround plan to ensure the building of a commercially viable and sustainable entity • Invest in new capacity through the acquisition of new capacity through the acquisition of new, modern trains, signalling and operating systems to address service imbalances inherited from the past | R13 077 119 000 Special Adjusted budget - R12 055 771 000 |
| Rail Safety Regulator (RSR) | <p>Established in terms of the National Railway Safety Regulator Act, 2002 (Act No. 16 of 2002) (as amended), and listed as Schedule 3B of the PFMA</p> <p>The mandate 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</p> | <ul style="list-style-type: none"> • A conducive regulatory environment • Improved levels of safety and security in the railway industry • Sustainable institutional effectiveness • Improved levels of safety and security in the railway industry | R67 017.000 Special Adjusted budget - R82 817 000 |

| Name of Public Entity | Mandate | Outcomes | Current Annual Budget (R) |
|---|--|--|--|
| Road Traffic Management Corporation (RTMC) | The Road Traffic Management Corporation Act, 1999 (Act No. 20 of 1999) was approved by Parliament in 1999. The Act is aimed at establishing the corporation to pool powers and resources and to eliminate the fragmentation of responsibilities for all aspects of road traffic management across the various levels of government. More so to oversee coordination of traffic law enforcement and the implementation of road safety interventions | <ul style="list-style-type: none"> • Harmonised law enforcement strategies and systematic law enforcement across the three tiers of government | R220 535 000 |
| Road Traffic Infringement Agency (RTIA) | To promote road traffic quality by providing for a scheme to discourage road traffic contraventions, to facilitate the adjudication of traffic infringements, to support the prosecution of offences in terms of the national and provincial laws relating to road traffic, and implement a point demerit system | <ul style="list-style-type: none"> • Amended AARTO Act and Regulations • Increased Agency revenue share of outstanding infringement penalties • Five communication programmes for various road users implemented • Reduced backlogs within 60 days of adjudication | R8 197 000 Special Adjusted budget - R208 197 000 |
| Road Accident Fund (RAF) | The Road Accident Fund Act, 1996 (Act No. 56 of 1996) (the RAF Act) provides for the establishment of the RAF whose legal mandate is to compensate users of South African roads for loss or damage caused by the negligent | <ul style="list-style-type: none"> • Legislative enablement Change fundamentals business model through changes in legislation • Operational efficiency and effectiveness Change operational model in line with | No transfer from the DoT RAF funded through the fuel levy |

| Name of Public Entity | Mandate | Outcomes | Current Annual Budget (R) |
|---|--|--|---|
| | driving of motor vehicles within the borders of the Republic | changes in the business model of the RAF <ul style="list-style-type: none"> • Financial sustainability Credible plan to eradicate deficit | |
| South African National Roads Agency Limited (SANRAL) | To perform all strategic planning with regard to the national road system as well as the planning, design, construction, operation, management, control and maintenance of national roads in accordance with its business and financial plan | <ul style="list-style-type: none"> • Maintain roads on a routine basis • Carry out periodic and special maintenance of road infrastructure • Develop new facilities and strengthen road networks | R21 751 034 000 Special adjusted budget - R20 655 073 000 |
| Cross-Border Road Transport Agency (C-BRTA) | <p>The strategic intent of the C-BRTA 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</p> <p>The mandate of the C-BRTA is to regulate access to the market by the road transport freight and passenger industry in respect of cross-border road transport by issuing of permits, and to facilitate the unimpeded flow of passenger and freight movements by road across the borders of South Africa to contribute to the social and economic development</p> | <ul style="list-style-type: none"> • Market access regulated, i.e. permits issued • SMMEs in the cross-border market • Operator compliance improved as reflected by the decrease in prosecutions and increased visibility • Strategic reports released (advisory) • SADC standards and procedures harmonised as a result of consultations • Participation in collaborative border management operations increased resulting in regional integration, economic integration and increased trade. | Special adjusted budget - R104 000 000 C-BRTA collect permit fees from operators |

| Name of Public Entity | Mandate | Outcomes | Current Annual Budget (R) |
|--|---|--|--|
| | <p>initiatives as announced by Government</p> <p>The C-BRTA promotes regional integration through progressive market freight liberalisation; the establishment of cooperative and consultative relationships and structures; improving safety, security, reliability, quality of cross-border road transport; ensuring informed decision-making and policy development and enhancing the capacity of the public sector in its strategic planning and monitoring functions</p> | | |
| <p>South African Civil Aviation Authority (SACAA)</p> | <p>The SACAA was established in 1998 following the enactment of the South African Civil Aviation Authority Act, 1998 (Act No. 40 of 1998), and listed as Schedule 3B of the PFMA. The said Act has since been repealed by the Civil Aviation Act, 2009 (Act 13 of 2009)</p> <p>The Civil Aviation Act provided for the establishment of a civil aviation authority charged with promoting, regulating and enforcing civil aviation safety and security standards throughout the aviation industry</p> | <ul style="list-style-type: none"> • Contribute to the development of an Airfreight Strategy • Contribute to the development of a National Airports Development Plan • Contribute to continental and regional aviation development • Regulate, promote and oversee civil aviation safety and security • Equitably and successfully implement BBBEE plan • Implement employment equity targets • Minimise aviation emissions | <p>Funds to be paid to SACCA for services rendered - R36 227 000</p> |

| Name of Public Entity | Mandate | Outcomes | Current Annual Budget (R) |
|---|--|---|----------------------------|
| | | <ul style="list-style-type: none"> • Optimise revenue streams and management systems • Embed principles of corporate governance in the work of every SACAA team member and service • Build a resilient organisation with adequate capacity, capabilities and a high performance culture | |
| Air Traffic and Navigation Services (ATNS) | <p>ATNS was established by the Air Traffic and Navigation Services Company Act, 1993 (Act No. 45 of 1993), and listed in Schedule 2 of the PFMA</p> <p>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 (ICAO) standards and recommended practices, as well as the South African Civil Aviation Regulations and Technical Standards</p> | <ul style="list-style-type: none"> • Deliver continuous improvement of our safety performance • Become a transformative organisation that invests in its people • Provide efficient air traffic management solutions and associated services which meet the needs and expectations of the ATM community • Maintain long-term financial sustainability • Play a leading role in the development of air traffic management in Africa and selected international markets • Deploy and use leading technologies to the benefit of the ATM community | No Transfer from the DoT |
| Airports Company South | ACSA was established by the Airports Company | <ul style="list-style-type: none"> • Develop a platform to enable the further | No Transfer from the |

| Name of Public Entity | Mandate | Outcomes | Current Annual Budget (R) |
|--|---|---|---|
| Africa (ACSA) | Act of 1993 as a public company under the Companies Act of 1973, as amended, and listed as a major public entity in terms of Schedule 2 of the PFMA | <p>creation of value for ACSA and its stakeholders</p> <ul style="list-style-type: none"> • Develop and implement detailed project plans for identified affirmative action measures • Incorporate the overall needs and benefits of stakeholders • Improve operational efficiencies to meet best practice for both users and ACSA • Consider the impact of the regulated base • Manage the financial position and credit metrics | DoT |
| South African Maritime Safety Authority (SAMSA) | <p>The South Africa Maritime Safety Authority (SAMSA) is established in terms of the SAMSA Act, 1998 (Act No. 5 of 1998), a Schedule 3A public entity in terms of the PFMA. Its mandate is derived from the SAMSA Act, 1998, as well as international maritime conventions to which South Africa is a signatory</p> <p>The objectives of the Authority are:</p> <p>a) To ensure safety of life and property at sea</p> <p>b) To prevent and combat pollution of the</p> | <ul style="list-style-type: none"> • Improve service delivery, strengthen corporate performance and governance and combat corruption • Ensure service excellence in maritime safety, security, health and environmental sustainability • Promote the development of South Africa's maritime economy, maritime skills and social transformation • Advance and protect South Africa's regional and international maritime interests • Facilitate maritime stakeholder engagement | <p>No transfer from the DoT for MTEF period.</p> <p>Funds to be paid to SAMSA: MRCC for services rendered - R15 271 000</p> |

| Name of Public Entity | Mandate | Outcomes | Current Annual Budget (R) |
|---|--|--|-----------------------------|
| | marine environment by ships c) To promote the Republic's maritime interests | and leverage strategic partnerships | |
| Ports Regulator (PR) of South Africa | <p>The Ports Regulator is a public entity established in terms of section 29 of the National Ports Act, 2005 (Act No. 12 of 2005)</p> <p>The role of the PR is to regulate the activities of the ports industry in accordance with the policy and legislative mandate of the state</p> | <ul style="list-style-type: none"> • Consideration of user and other stakeholder needs and views • Participants in the market should be treated equally and fairly • Regulation should be kept to a minimum, without compromising national aspirations, health, security, efficiency and environmental sustainability • The principle of user pays or cost recovery, benchmarked against international best practice to ensure that the costs are globally competitive | R38 822 000 |

11. Infrastructure Projects

Comprehensive details of transport infrastructure projects are available in Strategic Plans, Annual Performance Plans and/or Corporate Plans of the following institutions:

1. Passenger Rail Agency of South Africa (PRASA)

- Rolling Stock Renewal Programme
- Rail Modernisation Programme

2. South African National Roads Agency Limited (SANRAL)

- National Roads Maintenance Programme

3. Airports Company South Africa (ACSA)

- Infrastructure Capital Expenditure Programme

4. Air Traffic Navigation Services (ATNS)

- Infrastructure Capital Expenditure Programme

5. Provincial Departments of Transport

- S'hamba Sonke Provincial Roads Maintenance Programme

12. Public-Private Partnerships

| PPP | Purpose | Outputs | Current Value of Agreement | End date Agreement |
|-----------------------------|--|---|---|--------------------|
| Moloto Development Corridor | To provide a transport solution to the problems being experienced by commuters along the Moloto Corridor | <ul style="list-style-type: none"> • Reduced travel times; reduced peak period (from 4 hours to 2 hours); • Improved safety; • Reduction in road accidents, fatalities, injuries and damage to property; and • Reduction of traffic congestion in the Tshwane urban area. | Registered PPP – currently in TA1 phase | N/A |

Annexures to the Annual Performance Plan

Annexure A: Conditional Grants

| | |
|------------------------------|---|
| 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 benefiting from the subsidised services provided through the PTOG |
| Continuation | The PTOG continues over the MTSF |
| Motivation | Continuation of the PTOG is necessary as it subsidises public transport services in poor communities thus making these services accessible and affordable |
| Transfer amount | R6 325 755 000 |

| | |
|------------------------------|--|
| Name of grant | Public Transport Network Grant (PTNG) |
| Purpose | To provide funding for accelerated construction, improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of financially sustainable municipal public transport network services |
| Performance indicator | Number of average weekday passenger trips carried on PTN Grant funded networks |
| | Number and percentage of municipal households within a 500m walk to an Integrated Public Transport Network (IPTN) station or stop that has a minimum peak period frequency of 15 minutes or better |
| | Percentage uptime for network operating systems |
| | Passengers per network vehicle per average weekday |
| | Public transport network infrastructure including dedicated lanes, routes and stops/shelters, stations, depots, signage and information displays, control centres and related information technology, fare systems and vehicles (if DoT approves use of grant funds to purchase vehicles) Non-motorised transport (NMT) infrastructure that supports network integration (e.g. sidewalks, cycleways, cycle storage at stations, etc. |
| | Plans and detailed design related to Integrated Public Transport Network(IPTN) infrastructure and operations |

| | |
|------------------------|---|
| Name of grant | Public Transport Network Grant (PTNG) |
| Continuation | The PTN Grant continues over the MTSF |
| Motivation | Continuation of the PTN Grant is necessary support IPTNs as envisaged in the NLTA and Public Transport Strategy of 2007, this promotes the provision of accessible, reliable and affordable integrated municipal public transport network service |
| Transfer amount | R6 468 248 000 |

| | |
|------------------------------|---|
| Name of grant | Provincial Road Maintenance Grant (PRMG) |
| Purpose | To supplement provincial roads investments, maintain road asset management systems and ensure labour-intensive methods on all projects for the creation of work opportunities |
| Performance indicator | Number of kilometres/square metres of roads maintained |
| Continuation | The PRMG continues over the MTSF |
| Motivation | The PRMG serves as a mechanism to improve conditions of secondary road network and to address maintenance of road infrastructure in provinces |
| Transfer amount | R11 381 665 000 |

| | |
|------------------------------|--|
| Name of grant | Rural Road Asset Management System (RRAMS) |
| Purpose | To assist rural district municipalities to set up rural RAMS and collect road and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA) |
| Performance indicator | Road inventory data collected |
| | Road traffic data collected |
| Continuation | The RRAMS continues over the MTSF |
| Motivation | The grant will ensure improved data on municipal rural roads to guide infrastructure maintenance and investments |
| Transfer amount | R113 891 000 |