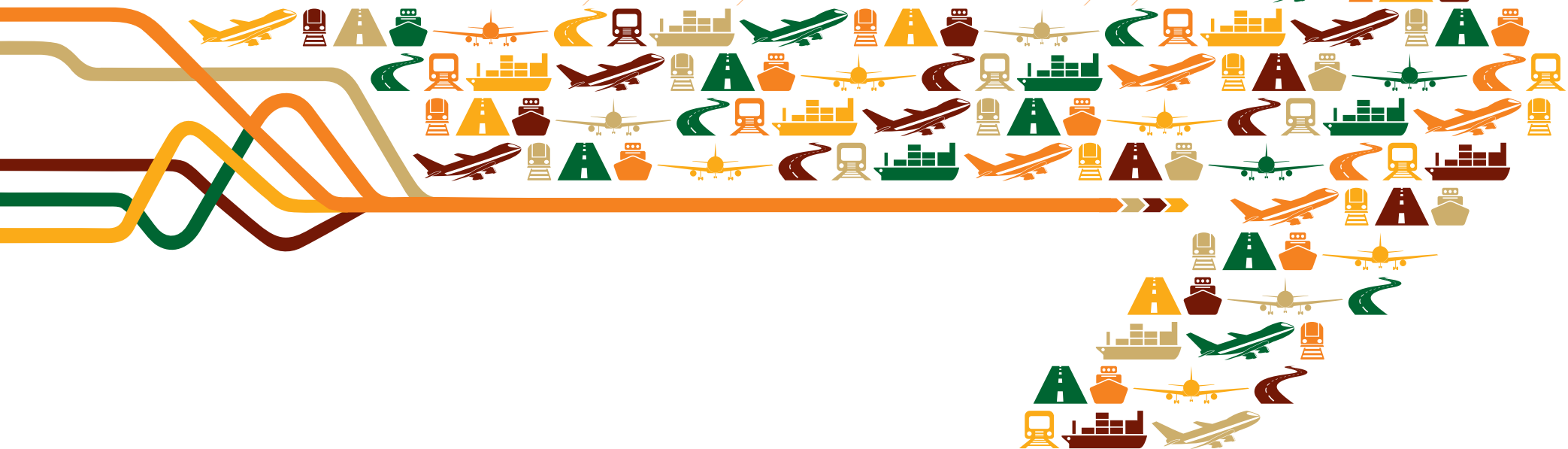


# 2017/18 ANNUAL REPORT

Vote 35



**transport**

Department:  
Transport  
REPUBLIC OF SOUTH AFRICA



# 2017/18

## ANNUAL REPORT

Vote 35



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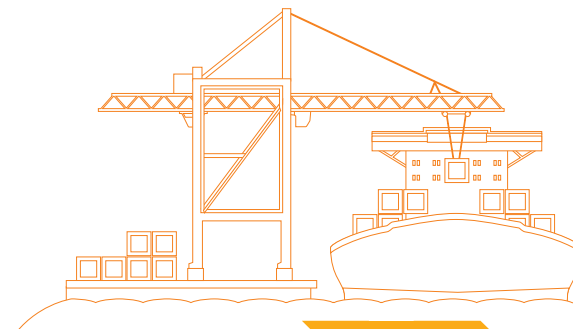
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## GENERAL INFORMATION



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## 2. LIST OF ABBREVIATIONS/ACRONYMS

A	
AARTO	Administrative Adjudication of Road Traffic Offences Act
ABS	Anti-lock Braking System
ACSA	Airports Company of South Africa
AFCAC	African Civil Aviation Commission
AGSA	Auditor-General of South Africa
AGM	Annual General Meeting
AO	Accounting Officer
APP	Annual Performance Plan
ARDP	Draft Access Road Development Plan
ATM	Air Traffic Management
ATNS	Air Traffic and Navigation Services
AU	African Union
AVSEC	Aviation Security

B	
BAC	Bid Adjudication Committee
BARSA	Board of Airline Representatives of South Africa
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BRT	Bus Rapid Transit System

C	
CARCOM	Civil Aviation Regulation Committee
C-BRTA	Cross-Border Road Transport Agency
CDP	Contractor Development Programme

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CI	Corporate Identity
CIDB	Construction Industry Development Board
CIO	Chief Information Officer
CLC	Civil Liability Convention
CNG	Compressed Natural Gas
CoGTA	Department of Cooperative Governance and Traditional Affairs
COLTO	Committee of Land Transport Officials
COO	Chief Operations Officer
COP17	17 <sup>th</sup> Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC)
COTO	Committee of Transport Officials
CSIR	Council for Scientific and Industrial Research
CSSS	Comprehensive Social Security System

D	
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
DEA	Department of Environmental Affairs
DG	Director-General
DLCA	Driver's Licence Card Account
DLCPP	Driver's Licence Card Production Facility
DLTC	Drivers Licensing and Testing Centre
DM	District Municipality
DORA	Division of Revenue Act
DoT	Department of Transport



<b>DPE</b>	Department of Public Enterprises
<b>DPME</b>	Department of Planning Monitoring and Evaluation
<b>DPW</b>	Department of Public Works
<b>DRDLR</b>	Department of Rural Development and Land Reform

<b>E</b>	
<b>EC</b>	Eastern Cape
<b>EHW</b>	Employee Health and Wellness
<b>ENAC</b>	École nationale de l'aviation civile
<b>eNaTIS</b>	Electronic National Administration Traffic Information System
<b>EPM</b>	Enterprise Portfolio Management
<b>EPMS</b>	Electronic Performance Management System
<b>EPWP</b>	Expanded Public Works Programme
<b>ESB</b>	Enterprise Service Bus
<b>ESEID</b>	Economic Sectors, Employment and Infrastructure Development
<b>EU</b>	European Union (wrong order in original list)
<b>EXCO</b>	Executive Committee

<b>F</b>	
<b>FERSATA</b>	Federation of East and Southern Road Transport Associations
<b>FIFA</b>	Federation Internationale de Football Association
<b>FMPPI</b>	Framework for Managing Programme Performance Indicators
<b>FOCAC</b>	Forum on China-Africa Cooperation
<b>FOSAD</b>	Forum of South African Director-Generals
<b>FS</b>	Free State
<b>FTE</b>	Full-time Equivalent

<b>G</b>	
<b>GCAC</b>	Global and Continental Affairs Committee
<b>GDP</b>	Gross Domestic Product
<b>GDYC</b>	Gender, Disability, Youth and Children (GDYC)
<b>GFIP</b>	Gauteng Freeway Improvement Project
<b>GHG</b>	Greenhouse Gases
<b>GP</b>	Gauteng Province
<b>GTS</b>	Green Transport Strategy

<b>H</b>	
<b>HDI</b>	Historically Disadvantaged Individual
<b>HOD</b>	Head of Department
<b>HRD</b>	Human-Resources Development
<b>HR</b>	Human Resources

<b>I</b>	
<b>IAAIIB</b>	Independent Aircraft Accident and Incident Investigation Body
<b>ICAD</b>	International Civil Aviation Day
<b>ICAO</b>	International Civil Aviation Organization
<b>ICT</b>	Information and Communications Technology
<b>ICTS</b>	International Cooperation, Trade and Security
<b>IDP</b>	Integrated Development Plan
<b>IFMS</b>	Integrated Financial Management System
<b>ILO</b>	International Labour Organisation
<b>IMO</b>	International Maritime Organisation
<b>IOPC</b>	International Oil Pollution Compensation

<b>IPAP II</b>	Industrial Policy Action Plan
<b>IPTN</b>	Integrated Public Transport Network
<b>IPTTP</b>	Integrated Public Transport Turnaround Plan
<b>IR</b>	International Relations
<b>IRERC</b>	Interim Rail Economic Regulatory Capacity
<b>IRPTNs</b>	Integrated Rapid Public Transport Networks
<b>ISPS</b>	International Ship and Port Security
<b>IT HUB</b>	Information Technology HUB
<b>IT</b>	Information Technology
<b>ITP</b>	Integrated Transport Planning

<b>K</b>	
<b>KPI</b>	Key Performance Indicator
<b>KSD IRTP</b>	King Sabatha Dalindyebo Integrated Rural Transport Plan
<b>KZN</b>	KwaZulu-Natal

<b>L</b>	
<b>LCU</b>	Live Capture Unit
<b>LDV</b>	Light Delivery Vehicle
<b>LP</b>	Limpopo Province
<b>LPG</b>	Liquefied Petroleum Gas
<b>LRIT</b>	Long Range Identification and Tracking

<b>M</b>	
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MARPOL</b>	International Convention for the Prevention of Pollution from Ships
<b>MBMs</b>	Market Based Measures

<b>MEC</b>	Member of the Executive Council
<b>MEOSAR</b>	Medium Orbit Search and Rescue
<b>MEPC</b>	Marine Environment Protection Committee
<b>MINMEC</b>	Ministers and Members of Executive Council
<b>MMTI</b>	Mini and Midibus Taxi Industry
<b>MoU</b>	Memorandum of Understanding
<b>MP</b>	Member of Parliament
<b>MRCC</b>	Maritime Rescue Coordination Centre
<b>MRDC</b>	Moloto Rail Development Corridor
<b>MSAC</b>	Marine Safety Advisory Council
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MTP</b>	Maritime Transport Policy
<b>MTSF</b>	Medium Term Strategic Framework
<b>MTT</b>	Ministerial Task Team

<b>N</b>	
<b>NACH</b>	National Anti-Corruption Hotline
<b>NADP</b>	National Airports Development Plan
<b>NAMAs</b>	Nationally Appropriate Mitigation Actions
<b>NASP</b>	National Security Programme
<b>NATFC</b>	National Air Transport Facilitation Committee
<b>NATMAP</b>	National Transport Master Plan
<b>NC</b>	Northern Cape
<b>NCCRS</b>	National Climate Change Response Strategy
<b>NCOP</b>	National Council of Provinces
<b>NDP</b>	National Development Plan
<b>NDoT</b>	National Department of Transport



<b>NEDLAC</b>	National Economic Development and Labour Council
<b>NEPAD</b>	New Partnership for African Development
<b>NGP</b>	New Growth Path Framework
<b>NHTS</b>	National Household Travel Survey
<b>NLTA</b>	National Land Transport Act
<b>NLTIS</b>	National Land Transport Information System
<b>NMT</b>	Non-motorised Transport
<b>NPTR</b>	National Public Transport Regulatory Entity
<b>NREP</b>	National Rolling Enforcement Plan
<b>NRSS</b>	National Road Safety Strategy
<b>NRTA</b>	National Road Traffic Act
<b>NTIP</b>	National Traffic Intervention Police Unit
<b>NTVs</b>	New Taxi Vehicles

<b>O</b>	
<b>OCPO</b>	Office of the Chief Procurement Officer
<b>ODG</b>	Office of the Director-General
<b>OHS</b>	Occupational Health and Safety
<b>OL</b>	Operating Licence
<b>OTV</b>	Old Taxi Vehicle

<b>P</b>	
<b>PCCs</b>	Ports Coordinating Committee
<b>PCoT</b>	Portfolio Committee on Transport
<b>PEPFRA</b>	Ports Economic Participation Framework
<b>PFMA</b>	Public Finance Management Act (Act No. 01 of 1999)
<b>PFU</b>	Project Finance Unit
<b>PIDA</b>	Programme for Infrastructure Development in Africa
<b>PLTF</b>	Programme for Infrastructure Development

<b>PMDS</b>	Performance Management and Development System
<b>PMU</b>	Project Management Unit
<b>POA</b>	Programme of Action
<b>PPP</b>	Public-Private Partnership
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PR</b>	Ports Regulator
<b>PRASA</b>	Passenger Rail Agency of South Africa
<b>PRE</b>	Provincial Regulatory Entity
<b>PRMG</b>	Provincial Road Maintenance Grant
<b>PRSA</b>	Ports Regulator of South Africa
<b>PSP</b>	Private Sector Participation
<b>PTIS</b>	Public Transport Infrastructure and Systems
<b>PTNG</b>	Public Transport Network Grant
<b>PTOG</b>	Public Transport Operations Grant
<b>PTS</b>	Public Transport Strategy

<b>R</b>	
<b>RABS</b>	Road Accident Benefit Scheme
<b>RAF</b>	Road Accident Fund
<b>RAMP</b>	Road Asset Management Plan
<b>RCAM</b>	Road Classification and Access Management
<b>RER</b>	Rail Economic Regulator
<b>RFP</b>	Request for Proposals
<b>RFQ</b>	Request for Quotation
<b>RISFSA</b>	Road Infrastructure Strategic Framework for South Africa
<b>RMC</b>	Risk Management Committee
<b>ROI</b>	Return on Investment
<b>RRAMS</b>	Rural Road Asset Management Systems
<b>RSR</b>	Railway Safety Regulator

<b>RTIA</b>	Road Traffic Infringement Agency
<b>RTMC</b>	Road Traffic Management Corporation
<b>RTSSA</b>	Rural Transport Strategy for South Africa
<b>RTRP</b>	Revised Taxi Recapitalisation Programme

<b>S</b>	
<b>SA</b>	South Africa
<b>SAAF</b>	South African Air Force
<b>SAATM</b>	Single African Air Transport Market
<b>SABOA</b>	Southern African Bus Operators Association
<b>SABS</b>	South African Bureau of Standards
<b>SACAA</b>	South African Civil Aviation Authority
<b>SACU</b>	South African Customs Union
<b>SADC</b>	Southern African Development Community
<b>SAMSA</b>	South African Maritime Safety Authority
<b>SANRAL</b>	South African National Roads Agency Limited
<b>SANTACO</b>	South African National Taxi Council
<b>SANWIT</b>	South African Network for Women in Transport
<b>SAR</b>	Search and Rescue
<b>SARPs</b>	Standards and Recommended Practices
<b>SATS</b>	South African Transport Services
<b>SBO</b>	Small Bus Operators
<b>SCM</b>	Supply Chain Management
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SEIAS</b>	Socio Economic Impact Assessment System
<b>SITA</b>	State Information Technology Agency
<b>SLA</b>	Service Level Agreement
<b>SMART</b>	Specific, Measurable, Achievable, Realistic and Timely
<b>SMME</b>	Small Medium and Micro-Enterprises

<b>SOEs</b>	State-Owned Entities
<b>SOPs</b>	Standard Operating Procedures
<b>SSP</b>	S'hamba Sonke Programme
<b>STER</b>	Single Transport Economic Regulator
<b>STWC</b>	Standards of Training Certification and Watch Keeping

<b>T</b>	
<b>TAT</b>	Transport Appeal Tribunal
<b>TETA</b>	Transport Education and Training Authority
<b>TFR</b>	Transnet Freight Rail
<b>TIS</b>	Transport Information Systems
<b>TKC</b>	Trans Kalahari Corridor
<b>TMH</b>	Technical Methods for Highways
<b>ToR</b>	Terms of Reference
<b>TR</b>	Treasury Regulations
<b>TRH</b>	Technical Recommendations for Highways
<b>TRP</b>	Taxi Recapitalisation Programme
<b>TVET</b>	Technical Vocational Educational and Training

<b>U</b>	
<b>UN</b>	United Nations
<b>UNFCC</b>	United Nations Framework Convention on Climate Change

<b>V</b>	
<b>VTC</b>	Vehicle Testing Centre

<b>W</b>	
<b>WC</b>	Western Cape
<b>WHO</b>	World Health Organisation



### 3. FOREWORD BY THE MINISTER



*“During the performance year under review, the Department is elated to report a clean audit on predetermined objectives...useful and reliable.”*

**Dr BE Nzimande (MP)**  
Minister of Transport

I hereby present, to Parliament, the Annual Report for the Department of Transport (DoT) for the 2017/18 performance year. The purpose of the report is to provide Parliament and the public with an overview of the resources that were allocated to the Department for the period under review; and to account in broad terms how allocated resources were utilised in fulfilling the statutory functions of the Department towards achieving its mandate.

The report is divided into a number of sections, each with a specific purpose reflecting statutory duties and what has been achieved. We have sought to include the right amount of detail, striking a balance between transparency and readability, ensuring that the report meets technical requirements and is of use to all readers.

During the performance year under review, the Department is elated to report a clean audit on predetermined objectives. This means that the performance information reported has been found to be useful and reliable as per the audit criteria used by the office of the Auditor-General. To this end, the Department achieved on 32 (92%) of its targeted 35 targets with regard to the interventions stated in the Annual Performance Plan 2017/18 as tabled and presented to Parliament in March 2017. This serves to indicate our commitment to ensure that the sector continues to position itself as the ‘Heartbeat of economic growth and social development’ in the

country, region and continent. The three areas that we failed to achieve on will be extensively monitored to ensure that comprehensive performance is reported in the next cycle.

The much-anticipated implementation of the National Transport Master Plan (NATMAP), which was finally approved by Cabinet in 2016/17, commenced during this cycle. The NATMAP has brought about clarity as to what kind of transport sector we want to see in South Africa in the medium to long term; as well as the role of the sector in local, national and regional economic development. To this effect, a number of key strategic projects were monitored during the performance year; and this will assist the sector to assess whether medium term interventions are successful in addressing key problem statements highlighted in the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) and also that they provide a positive trajectory towards what the sector desires for the longer term.

To demonstrate our commitment to innovation and research, I will be announcing a team of prominent professionals, who will form part of the Panel of Transport Experts, to advise us on strengthening the role of all the modes of transport in the social and economic development of our country. This includes our continuous engagements with institutions of higher learning and research to share their body of knowledge on transport matters with us. This will also ensure that our desire and commitment to create transport innovation hubs, which will serve as our source of reference and knowledge, is realised.

In conjunction with the Road Traffic Management Corporation (RTMC), the Department also commenced with the implementation of the reviewed National Road Safety Strategy (2016-2030), which was approved by Cabinet. The Strategy remains our anchor instrument that will spearhead how we intervene to reduce road carnages and improve the safety of our roads. Besides our continued agenda of harmonising road traffic law enforcement and establishing a Single Traffic Police Unit in the short to medium term, the Department has, in the period under review, intensified Anti-Fraud and Corruption operations at public and private Drivers Licensing and Testing Centres (DLTCs) and driving schools; and to date, a total of 172 law enforcement officers, examiners and members of the public have been arrested.



During the period under review, the Administrative Adjudication of Road Traffic Offences (AARTO) Amendment Bill was introduced to Parliament and further Parliamentary consultative processes have been conducted. This Bill, which includes the demerit point system, will bring tougher consequences for traffic offenders; and an envisaged reclassification of traffic violations to Schedule 5 offences to ensure that minimum sentences are introduced for extremely serious traffic violations such as excessive speeding, reckless and negligent driving and driving under the influence of alcohol.

On the issue of the upgrade of Moloto Road, the Department is committed to ensure that the project gains momentum in its bid to alleviate challenges in that corridor. As part of Phase 1, work on the Mpumalanga and Limpopo sections has commenced and that includes closing-off of the dangerous illegal access, reducing conflict movement of service roads, installing and replacing street lights and relocating informal traders to safer areas. Regarding infrastructure development, there have been some challenges regarding informal businesses located on the road reserves and an intensive consultative process was needed with the affected communities for proper relocation and this has taken sometime.

Despite all the challenges, the South African National Roads Agency Limited (SANRAL) has commenced with upgrading of the various intersections as follows:-

### Mpumalanga Section

- ▶ Upgrading of two intersections at Vlaklaagte into traffic circles to reduce conflict movement and improve pedestrian safety;
- ▶ Upgrading of intersections at Tweefontein into traffic circles to reduce conflict movement and improve pedestrian safety;
- ▶ Upgrading of intersections at Mateysloop into a butterfly.

### Limpopo Section

- ▶ Upgrading of surface shoulder to the existing cross section between Siyabuswa and Marble Hall on Road R573 Section 3;
- ▶ Upgrading of an intersection to a traffic circle at the junction of R573 and N11 at Marble Hall.

### Gauteng Section

- ▶ Gauteng section of the road has not been transferred to SANRAL (not proclaimed National Road);
- ▶ A Memorandum of Understanding (MoU) signed between SANRAL and Gauteng Province for maintenance of the road by SANRAL; and Gauteng to transfer funds however, there is very little progress in the transfer of these funds to SANRAL;
- ▶ Currently, work on the Gauteng section is limited to only routine road maintenance by the Gauteng Province.

Designs for the entire Gauteng section is 60% complete, however funding from the Gauteng province still remains a challenge and the matter will be addressed to unblock barriers and ensure successful completion of the project. An estimated 12 500 jobs will be created over the 5-year period of the programme and in addition, SANRAL also offers training and skills transfer programmes to small enterprises.

In Rail Transport, we have intensified our effort of stabilising the Passenger Rail Agency of South Africa (PRASA), by dealing with capacity challenges, appointing a new board that will lead the turnaround strategy and to attend to senior management vacancies in the organisation. To ensure provision of safe rail travel for our people, the Department has also started tackling safety and reliability of Metrorail, especially in the Western Cape, where PRASA faced more challenges. The process of implementing a signalling programme to replace the old system is nearing completion and PRASA is also at an advanced stage of constructing a Central Operations Centre for the control of rail operations in the entire Western Cape. This process is also nearing completion.

During the performance year under review, the construction of our train manufacturing factory at Dunnotar, Ekurhuleni was completed. To this effect, it is anticipated that two new locally produced trains will be delivered in the 2018/19 performance year. As at December 2017, this project had created a total of 1 396 jobs and also contracted to up skill 19 527 individuals during implementation.

In the public transport sub-sector, a critical intervention achieved during the performance year was the approval, by Parliament, of the National Land Transport Act Amendment Bill.

The Bill will ensure that the Department enhances its regulation of electronic hailing services and also bring our public transport in congruence with the 4th Industrial Revolution.

In conjunction with the Departments of Planning, Monitoring and Evaluation (DPME) and Basic Education (DBE), the Department has, during the performance year under review, commissioned an implementation evaluation of the Scholar Transport Programme. The main aim of the evaluation is to ensure that implementation barriers are unplugged and also to ascertain if there is a need for a dedicated funding model for the programme. During the 2017/18 performance year, a task team comprising of officials from the DoT and DBE was established to finalise norms and standards for implementation of Scholar Transport in the country.

Through the Shova Kalula Bicycle Programme, 6 000 bicycles were procured and distributed to needy learners in rural district municipalities and schools during the 2017/18 performance year.

With regard to the Integrated Public Transport Network (IPTN) programme, the network system across Rea Vaya (Johannesburg), A Re Yeng (Pretoria), MyCiti (Cape Town) and Go George (George) carry a combined 125 000 passenger trips on an average weekday. With other cities (Ekurhuleni, eThekweni, Rustenburg, Polokwane, Mbombela and Nelson Mandela Bay) expected to commence with operations in the 2018/19 performance year, this figure will increase thus positioning public transport at the centre of transport operation

in the country. Going forward, the Department will monitor this programme to ensure that unnecessary infrastructure is cut and that more focus is put on operations.

Public transport subsidy regime remains a challenge in this sphere and will be reviewed to determine whether resources are allocated equitably, especially with regard to amounts for the bus industry, commuter rail, Gautrain and the BRT system.

I would like to thank the Deputy Minister, Ms. Sindisiwe Chikunga, the Chairpersons and members of the Portfolio Committee on Transport (PCoT) and the National Council of Provinces (NCOP) Select Committee on Economic and Business Development for their continued support and oversight role. I would also like to express my gratitude to the entire transport industry and our business partners for their commitment.

Finally, I would also like to express a word of thanks to Team DoT, provincial departments of transport and state-owned entities for their support and spirit of cooperation.



**Dr BE Nzimande (MP)**

*Minister of Transport*



## 4. DEPUTY MINISTER STATEMENT



*“The Department continued to deliver on its mandate to ensure that transport services are rendered efficiently, reliably, equitably and affordably.”*

**Ms Lydia Sindisiwe Chikunga**  
Deputy Minister of Transport

It is an important period where the Department of Transport reflects on commitments made at the start of the 2017/18 financial year. In March 2017, the DoT tabled its Annual Performance Plan to highlight key interventions and targets; and how it planned to allocate resources to address key problem statements linked to its Strategic Outcome-Oriented Goals. As we reflect on what we have achieved and how we expended on resources, we also emphasise that operations and services rendered during the period under review were aligned and in response to the NDP, the MTSF 2014-2019 and the DoT Strategic Plan 2015-2020 as revised.

The Department continued to deliver on its mandate to ensure that transport services are rendered efficiently, reliably, equitably and affordably. We are proud, as a Department, to report on the achievements we have made in this regard.

As part of efforts to develop a skilled and capable workforce in support of the NDP and the MTSF 2014-2019, a multi-stakeholder structure, which is tasked to align all our skills development initiatives for the sector, was established. This structure comprises the DoT, Provincial Departments of Transport, the Transport Education and Training Authority (TETA) and sector State-Owned Entities (SOEs). The structure will, among others, aim to ensure

streamlining of the sector training and development value chain and use of resources; reduction of duplications, and also enhance the employment of masses of our unemployed youth in the sector.

Transformation of the Civil Aviation sector remains at the fore our efforts for the medium term. The miniscule transformation progress registered in this sector is a deliberate structural and systematically embedded resistance by gatekeepers who are non-developmental and anti-transformation in their outlook. To this effect, the DoT has developed the National Aviation Transformation Strategy which will aim to redress some of the structural and systematic challenges already identified. During the period under review, the Strategy underwent a Socio-Economic Impact Assessment with the DPME and has been approved for submission to Cabinet.

Still on the transformation topic, another critical initiative is the partnership between the South African Civil Aviation Authority (SACAA) and École nationale de l'aviation civile (ENAC), a French National Aviation Academy. Through this partnership, there is a scheme that currently funds 32 bursars, 15 of which are females. The Air Traffic and Navigation Services (ATNS) Academy continues to train Air Traffic Controllers.

Transport Entities have also continued to lead the conversation and trail blaze in civil aviation matters. Airports Company South Africa (ACSA) has clinched several Memoranda of Understanding for collaboration on and providing airport services with airport authorities in Sub-Saharan Africa. These include; the Liberia Airports Authority, Cameroon Civil Aviation Authority and the Namibian Airports Company. These Memoranda will ensure cooperation at the highest level of aviation in our countries as well as set the tone for the rest of Africa on aviation standards.

The Department has continued to implement the objectives of the Operation Phakisa Oceans Economy strategy, which aims to unlock the economic potential of South Africa's three oceans. To date, this strategy has culminated in the creation of 4 507 jobs as well as a R6.9 billion investment in the Transport and Manufacturing category.

South Africa has also recognised that there is an impending global shortage of ship's officers. In this regard, the South African Maritime and Safety Authority (SAMSA) has taken an effective step by introducing the National Cadetship Programme, which aims at attracting youth to the shipping industry as well as addressing the shortage of both sea and shore based human resources required to support the industry. The government fully sponsors the cadet training programme, and has engaged the South African Maritime Youth Academy, in managing the participating cadets.

I wish to thank the Minister, the Department, the Portfolio Committee on Transport, SOEs and the industry for their continued support and hard work. By prioritising and with sound decision-making, we shall succeed in ensuring a transport sector that drives economic growth and social development.



**Ms Lydia Sindisiwe Chikunga**  
*Deputy Minister of Transport*



## 5. REPORT OF THE ACCOUNTING OFFICER



*“During the 2017/18 financial year, a Memorandum of Understanding (MoU) between the Department and the Department of Public Enterprises (DPE) was developed.”*

**Mr C. Hlabisa**  
Acting Accounting Officer

### 5.1 Overview of the operations of the Department

#### 5.1.1 Results for the year

Major achievements for the year were as follows:

##### Administration

- ▶ A total of 38 interns received training during 2017/18.
- ▶ Total of nine Gender, Disability, Youth and Children community outreach campaigns were conducted.
- ▶ The Human-Resource Development (HRD) Strategic Framework monitoring report 2017/18; and the draft Annual HRD Implementation Plan 2018/19 were finalised and submitted to the Department of Public Service and Administration.
- ▶ Action plans to address audit findings raised by the Auditor-General of South Africa (AGSA) were developed and implemented.
- ▶ The annual monitoring report on Risk Management was developed and tabled at the Departmental Risk Management Committee.

##### Integrated Transport Planning

- ▶ Monitoring of implementation of 10 NATMAP priority pilot projects process was conducted and a consolidated report was compiled.
- ▶ White Paper on the National Transport Policy has been approved for submission to Cabinet
- ▶ Draft Regional Transport Integration Market Access Strategy was developed.
- ▶ Single Transport Economic Regulator Bill has been approved for submission to Cabinet.
- ▶ Green Transport Strategy has been finalised and approved for submission to Cabinet.
- ▶ Road Tariff Determination Framework was approved by the Committee on Economic Sectors, Employment and Infrastructure Development for submission to Cabinet.

##### Rail Transport

During the 2017/18 financial year, a Memorandum of Understanding (MoU) between the Department and the Department of Public Enterprises (DPE) was developed. The objective of which is to create a framework for the two departments to work together to ensure smooth implementation of Private Sector Participation (PSP) on a Pilot Branchline. The Kroonstad Cluster has been nominated as the pilot Branchline, which emanates from the feasibility undertaken as part of the Branch line Strategy. This Strategy seeks to create a framework for the revitalisation of strategic railway branch lines in the country, in line with the policy objectives in the Draft White Paper on Rail Policy. It is anticipated that the MoU will assist to expedite the process of implementing the PSP on the Kroonstad Cluster, which, if optimally revitalised, could impact rural economic development (job creation).

The Department produced a Draft White Paper on the National Rail Policy. The Policy went through comprehensive stakeholder engagements inclusive of Provinces and Rail Operators in the country. The Draft White Paper Policy thrusts are on two critical interventions namely: Rail Sector Investment and Institutional Repositioning. Rail Sector Investment set out to revitalise the country's rail sector by investing substantially to establish

a high performance rail sector and reduce transport sector harmful emissions. Institutional alignment will support the investment within the State-Owned Enterprises to improve the rail sector investment and performance. Bilateral meetings with key stakeholders are currently being undertaken.

The building blocks towards the adoption of a Single Transport Economic Regulator (STER) by the State have been preceded by the establishment of an Interim Rail Economic Regulatory Capacity (IRERC) for the rail sector. The functions of the IRERC have been formalised in terms of a MoU between the DoT and the DPE. A Ministerial Task Team (MTT) was appointed to guide the strategic direction of the IRERC and make recommendations to the Ministers regarding guidelines and framework and capacity requirements relating to rail economic regulation. The MTT is implementing the Work plan approved by the Ministers. Any capacity established by the IRERC will be migrated to the STER, once the STER legislation had been finalised.

The Railway Safety Bill was approved by Cabinet for public consultation in the financial year 2017/18. The Bill seeks to improve the regulatory framework by placing emphasis on railway safety, recognising operators' role in managing and implementing safety measures, with the Railway Safety Regulator (RSR) promoting safety and ensuring compliance with such measures. The Department undertook comprehensive consultation with the railway safety arena. As part of the consultation process workshops were held in nine provinces with critical stakeholders to solicit the inputs. The Department is in the process of incorporating the inputs received from the stakeholders.

## Road Transport

The implementation of the National Road Safety Strategy embedded on the pillars of the UN Decade of Action for Road Safety departs from the notion that Road Safety is a social ill and calls for a collective action. Therefore, Road Safety is everyone's responsibility and it is in the interest of every role player to decisively implement.

In order to ensure that priority interventions identified in the Strategy were implemented nationally, a process of developing a detailed 365 Days Road Safety National Programme was embarked upon during the 2017/18 financial year.

This was to ensure that the implementation and monitoring of the Strategy was effectively conducted.

The implementation and monitoring technique identified interventions aligned to the Strategy for all the nine provinces to implement as outlined below:

- ▶ Speed operations conducted;
- ▶ Vehicles Safety operations conducted and intensified overload management;
- ▶ Drunken driving operations conducted.

The various community awareness programmes categorised and prioritised according to road user group conducted in all Provinces and continue to be implemented and monitored are as follows:

- ▶ Community-based education and awareness programmes conducted aiming at non-motorised road user group;
- ▶ Learner Safety education and awareness programmes heightened at schools;
- ▶ Youth-related programmes intensified;
- ▶ Workplace-related awareness programmes established which comprise key aspects that promote adoption of best practice for organisations and highlighting costs of doing nothing (from reputational, financial, employee injury point of view), and provide Road Safety tool kits guide or Manuals guide for action;
- ▶ Public transport driver education heightened;
- ▶ Elevated events and interventions for high traffic seasons such as Easter and the festive season.

### AARTO Bill:

- ▶ The AARTO Bill was presented to the Portfolio and Select Committees.
- ▶ Conducted presentation to the KwaZulu-Natal, Free State, Gauteng, North West, Mpumalanga, Western Cape, Limpopo, Eastern Cape provincial Legislatures in preparation for the Provincial Negotiating Mandates.
- ▶ Undertaken provincial legislature public participation in eight of the nine Provinces, in preparation for the Provincial Negotiating Mandates; thereafter submit to the NCOP.

**Road Accident Benefit Scheme (RABS) Bill:**

- ▶ Presented the RABS to Cabinet for approval.
- ▶ Presented the RABS to the NCOP.

**National Road Traffic Act:**

- ▶ Developed amendment to the National Road Traffic Bill and conducted consultation on the proposal of the proposed amendments of the National Road Traffic Act, 1996 (Act 93 of 1996).
- ▶ Undertaken consultative process with the DPME and Socio Economic Impact Assessment System (SEIAS) Certificate.
- ▶ Conducted consultation at the National Economic Development and Labour Council (NEDLAC) and obtained a NEDLAC report.

**Road Policy:**

- ▶ During the period under review, the draft Roads Policy was presented to seven Provinces including Executive Committees (EXCOs) and Members of the Executive Council (MECs) as well as Mpumalanga Economic Cluster Technical Committees.
- ▶ The White Paper on the Roads Policy was subsequently submitted to and approved by Cabinet for public consultations.
- ▶ A 30-day public consultation period was undertaken and stakeholder inputs were incorporated into the White Paper.
- ▶ The White Paper was then submitted and presented to the Economic Sectors, Employment and Infrastructure Development (ESEID) Cluster in March 2018 and subsequently approved for submission to Cabinet for approval.

**Access Road Development Plan (ARDP):**

- ▶ Draft ARDP completed.

**Civil Aviation**

The National Civil Aviation Policy has been approved by Cabinet in February 2017 and policy gaps that emerged since the last policy review process, amongst others, addresses civil aviation safety and security; air transport; airport and air space infrastructure, and aviation-related environment matters.

The National Aviation Transformation Strategy has been approved for submission to Cabinet.

The draft Air Services Bill was submitted to DPME for initial Socio-Economic Impact Assessment and a certificate of approval was issued to permit the Bill to proceed for further authorisations within the Department. During the period under review, industry consultative meetings were held and stakeholder consultations were conducted on the draft Bill.

The ACSA and ATNS Amendment Bills were approved by Cabinet. During the period under review, an inception report for the development of draft regulations for the ATNS Amendment Act was developed and stakeholder consultations were conducted with ATNS, ACSA, SACAA and the Board of Airline Representatives of South Africa (BARSA). Draft regulations were then developed as targeted.

On 29 January 2018, the African Union (AU) leaders launched the Single African Air Transport Market (SAATM). The SAATM, of which South Africa is a signatory, provides for the full liberalisation of market access between African states, free exercise of traffic rights, elimination of restrictions on ownership and full liberalisation of frequencies, fares and capacities.

The Department of Transport, together with the Western Cape Provincial Government, the SACAA and the South African Air Force (SAAF) commemorates the 2017 International Civil Aviation Day (ICAD) and a Career Expo, which took place at the Air Force Base Langebaanweg in Langebaan, Western Cape.

ICAD is an annual event initiated by the United Nations (UN) and it is aimed at raising awareness about the importance of civil aviation as well as the role that the International Civil Aviation Organization (ICAO) plays in international air transport. ICAO is a UN specialist agency responsible for administering and standardising the world's civil aviation activities. The commemoration comprised three main events including an air show and a career exhibition. The career exhibition was attended by learners from the neighbouring communities.

### Maritime Transport

- ▶ The 2020 World Maritime Day Project Implementation Plan has been approved for submission to Cabinet.
- ▶ SAMSA Funding Model was successfully completed.
- ▶ The development of the Marina at Port St Johns was successfully completed.
- ▶ Training on UN dangerous goods transport was successfully completed and certificates issued.
- ▶ Marine Court of Enquiries – Both Witbank (Baham Bay) and King Fischer have been successfully completed.

### Public Transport

- ▶ Detailed Integrated Public Transport Network Plans were developed in two district municipalities, Bojanala and OR Tambo as targeted during the year under review.
- ▶ Taxi Recapitalisation Programme Review Report was approved by Cabinet and the Implementation Plan for the Revised Taxi Recapitalisation Programme (TRP) was developed.
- ▶ Framework for the Implementation of the Integrated Public Transport Turnaround Plan (IPTTP) was developed as targeted.
- ▶ Draft Transport Appeal Tribunal Amendment Bill was developed.
- ▶ Rural Transport Strategy was approved by Cabinet.
- ▶ Draft Integrated Public Transport Network plans were developed in Thabo Mofutsanyane and John Taolo Gaetsewe District Municipalities.

## 5.1.2 Challenges experienced in the year

### Rail Transport

- ▶ Delays in submission of the White Paper on the National Rail Policy to Cabinet impacted negatively on the consultative process of the Rail Bill. The Rail Bill process will be fast tracked in the new financial year in line with progress made towards the finalisation of the White Paper on the National Rail Policy.
- ▶ For the year under review, the Passenger Rail Agency of South Africa (PRASA) received R19.2 billion in transfers from the Department of which R13.7 billion is capital related. The capital portion of transfer payment to PRASA to the amount of R3.971 billion was not transferred to PRASA on recommendation from National Treasury in an effort to comply with Treasury Regulations and good public financial management practices because the objectives of the transfers to PRASA were not achieved by the entity.

### Civil Aviation

- ▶ Lengthy consultative processes with industry and role players in terms of the National Airports Development Plan, National Civil Aviation Policy, the Airport Company and ATNS Amendment Bills and the Civil Aviation Amendment Bill.

### Maritime Transport

- ▶ Sustainability of the management of the S.A. Agulhas 1.
- ▶ The long-term framework of the fleet management of the Department of Agriculture Forestry and Fisheries vessels.
- ▶ Maritime Security Coordinating Centre capacity for the vessel pre-clearance automation system.
- ▶ Depleted telecommunications equipment for the Telkom Satellite contract for the Maritime Information System.
- ▶ The Tugboat Feasibility Study (Public-Private Partnership, or PPP) and the need for a Government-owned Tugboat – funding constraints.
- ▶ Funding for the 2020 World Maritime Day Parallel Event.

### 5.1.3 Significant events and projects for the year

#### Integrated Transport Planning

- ▶ The Trans Kalahari Corridor Joint Law Enforcement took place over the period 19 to 26 November 2017.
- ▶ The implementation of South African Women in Transport Provincial Chapters in Limpopo and North West as part of October Transport Month for 2018.

#### Rail Transport

During the 2017/18 financial year, the major spending on the capital budget transferred to the Passenger Rail Agency of South Africa (PRASA), was directed on the modernisation process to replace the signalling systems, ageing rolling stock and upgrade of rail infrastructure. A major achievement was on the rolling stock fleet renewal programme, a catalyst for the transformation of Metrorail as a whole, as part of the Government's Comprehensive Rail Programme over the next two decades. The three main deliverables of the Rolling Stock Renewal Programme whose delivery cuts across the medium term were achieved as follows:

- ▶ The construction of testing facilities, depots and test track were handed over to Gibela in June 2016.
- ▶ The manufacturing process of the 20 train sets in Brazil was completed in August 2017, with the arrival of the last sets delivered to Wolmerton Depot.
- ▶ The construction of the local manufacturing plant (Local Factory), to manufacture 580 train sets in Dunnottar, Nigel has been completed. Manufacturing activities have commenced and it is anticipated that two new, locally produced trains will be delivered in December 2018.

PRASA launched the new rolling stock on the Pienaarspoort to Pretoria railway corridor in May 2017.

#### Civil Aviation

- ▶ The Civil Aviation Gender Summit will be held in August 2018 in Cape Town.

#### Maritime Transport



**PORT ST JOHNS**  
**28 SEPTEMBER 2017**

## 5.2. Overview of the financial results of the Department

### 5.2.1 Departmental receipts

	2017/18			2016/17		
	Estimate	Actual Amount Collected	Over/(Under) Collection	Estimate	Actual Amount Collected	Over/(Under) Collection
Departmental receipts	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	1 260	1 401	141	651	1 139	488
Fines, penalties and forfeits	-	-		70	-	(70)
Interest, dividends and rent on land	268 808	266 954	(1 854)	150	256 745	256 595
Financial transactions in assets and liabilities	372	100 133	99 761	80 010	32 376	(47 634)
<b>TOTAL</b>	<b>270 440</b>	<b>368 488</b>	<b>98 048</b>	<b>80 881</b>	<b>290 260</b>	<b>209 379</b>

The Department does not charge tariffs for goods sold and/or services rendered and does not render free services.

Dividends received were less than expected by R1.9 million, and expected revenue from unspent conditional grants exceeded expectations by R99.8 million for the year.

### 5.2.2 Programme expenditure

	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	Over/(Under) Expenditure	Final Appropriation	Actual Expenditure	Over/(Under) Expenditure
Programme	R'000	R'000	R'000	R'000	R'000	R'000
Administration	415 254	407 466	7 788	365 182	365 136	46
Integrated Transport Planning	83 075	76 360	6 715	77 054	77 054	-
Rail Transport	19 333 199	14 515 158	4 818 041	18 993 457	18 992 005	1 452
Road Transport	27 138 175	27 118 369	19 806	24 878 466	25 055 434	(176 968)
Civil Aviation	171 165	166 149	5 016	258 267	210 427	47 840
Maritime Transport	128 417	109 327	19 090	156 386	153 561	2 825
Public Transport	12 525 895	12 277 572	248 323	11 557 042	11 550 042	7 000
Direct charge against Revenue Fund	10 000	5 559	4 441	3 821	3 821	-
<b>TOTAL</b>	<b>59 805 180</b>	<b>54 675 960</b>	<b>5 129 220</b>	<b>56 289 675</b>	<b>56 407 480</b>	<b>(117 805)</b>



**Compensation of employees** was underspent in most programmes because a moratorium was placed on filling certain posts for most of the year due to budgetary restrictions.

**Administration** underspent R7.8 million on Compensation of Employees due to posts that could not be filled, after shifting R434 000 to Integrated Transport Planning. Because of invoices received late, the programme overspent R7.2 million on Office Accommodation, which was covered by shifting funds from Public Transport.

**Integrated Transport Planning** slightly overspent its budget for Compensation of Employees, for which R434 000 was shifted from Administration to cover the shortfall. The programme saved R5.7 million and underspent R1.1 million on Goods and Services due to projects completed in-house (Roll out of National Transport Master Plan Interventions, White Paper on National Transport Policy, Regional Transport Market Access Strategy, and Single Transport Economic Regulator Bill) and the Road Freight Strategy that could not be completed due to delays in processes. Debts written off amounted to R148 000.

**Rail Transport** underspent its budget by R4.8 billion because the last transfer payment to the Passenger Rail Agency of South Africa Ltd. (PRASA) was withheld due to consistent low expenditure on the capital programmes of PRASA.

The programme also underspent R1.8 million on Compensation of Employees due to posts that could not be filled. The programme saved R3.8 million and underspent R2 million on Goods and Services due to projects completed in-house or below budget (White Paper on National Rail Policy, Interim Rail Economic Regulatory Capacity, National Rail Safety Amendment Bill, Implementation of the Branchline Model for Private Sector Participation) and the National Rail Bill consultative processes that was negatively impacted by delays in the submission of the White Paper on the National Rail Policy to Cabinet.

**Road Transport** underspent R4 million on Compensation of Employees due to posts that could not be filled. Savings on Goods and Services amounted to a net R16 million due to projects completed in-house or below budget. Savings were recorded against the Development of the White Paper on Roads Policy, Construction and Maintenance of Provincial Roads Monitored, Access Road Development Plan, Review of Founding Legislations of Road Entities, Monitoring implementation of the Road Safety Strategy and

Development of an Anti-Fraud and Corruption Strategy for Driving Licence Testing Centres, Vehicle Testing Centres and Registration Authorities. Road Safety Projects were however overspent. Debts written off amounted to R447 000.

**Civil Aviation** underspent R3.4 million on Compensation of Employees due to posts that could not be filled and saved R1.6 million on Goods and Services on projects completed in-house (National Airports Development Plan, Aviation Development Plan implementation, the Review of the Airlift Strategy and National Air Transport Strategy).

**Maritime Transport** underspent R7.6 million on Compensation of Employees due to posts that could not be filled. The programme underspent R1.4 million on Goods and Services on finalising the Merchant Shipping Bill because stakeholder consultations could not be completed. A net amount of R10.1 million was saved on Goods and Services because a number of projects could be collectively completed below budget, such as the development of the Maritime Transport Policy, Assessments of Operation Phakisa Infrastructure Projects, preparations for the 2020 World Maritime Day, Marine Courts of Enquiry, Funding Model for the South African Maritime Safety Authority and Training on United Nations Dangerous Goods.

**Public Transport** underspent R5 million on Compensation of Employees due to posts that could not be filled because a moratorium was placed on certain filling posts for most of the year. Goods and Services was underspent by R52 million and R18 million was saved. The under expenditure was due to a number of projects that could not be completed and the delays in the bidding processes, such as the R15 million Upgrade of the National Transport Land Transport Information System (delays caused by re- advertisement), the Rollout of the National Transport Land Transport Act, the Shova Kalula Bicycle programme, the finalisation of the Transport Appeal Tribunal Amendment Bill and the Funding and Monitoring of the implementation of seven Integrated Public Transport Network plans. The programme saved on administrative expenditure, the finalisation of Integrated Public Transport Network plans in two District Municipalities and the Review of the Taxi Recapitalisation Programme Design and Implementation Plan.

Transfer to Provinces and Municipalities was underspent by R52.5 million because a payment to a Municipality from the Public Transport Network Grant was stopped due to non-compliance with the Division of Revenue Act.



Transfers to Households was underspent by R121.3 million after R24.3 million was shifted to augment the transfer payment to the Railway Safety Regulator and R9.9 million was shifted to Administration and Road Transport to cover unbudgeted costs relating to the Electronic National Traffic Information system. The under expenditure was due to the slow rate at which taxis were scrapped and because the scrapping of taxis is demand driven.

### 5.2.3 Virements

	Compensation of employees	Goods and services	Department Agencies and Accounts	Foreign Governments	Households	Total
Programme	R'000	R'000	R'000	R'000	R'000	R'000
Administration	(434)	8 617	-	-	-	8 183
Integrated Transport Planning	434	-	-	-	-	434
Rail Transport	-	-	24 300	-	-	24 300
Road Transport	-	8 536	-	-	-	8 536
Civil Aviation	-	-	-	930	-	930
Maritime Transport	-	-	-	(930)	-	(930)
Public Transport	-	(7 235)	-	-	(34 218)	(41 453)
<b>TOTAL</b>	<b>-</b>	<b>9 918</b>	<b>24 300</b>	<b>-</b>	<b>(34 218)</b>	<b>-</b>

**Compensation of employees:** Integrated Transport Planning overspent its budget and R43 000 was shifted from Administration to cover the shortfall.

**Goods and services:** Administration spent R1.382 million on correcting the asset register for the Electronic National Traffic Information system (eNaTIS), which was not budgeted for and overspent R7.235 million on Office Accommodation due to invoices that were received late. Road Transport spent R8.536 million on investigations that were not budgeted for. Funds were shifted from Public Transport (Goods and Services and Households) to cover the cost.

**Departmental Agencies and Accounts:** An amount of R24.3 million was shifted from Public Transport (Households) to increase the Transfer Payment to the Railway Safety Regulator to fund its unfunded commitments.

**Foreign governments:** Savings in membership fees for the International Maritime Organisation was shifted to cover the over expenditure on membership fees of the Southern African Development Community Aviation Safety Organisation.

**Households:** R24.3 million was shifted to the Transfer Payment to the Railway Safety Regulator and R9.918 million was shifted to Administration and Road Transport to cover unbudgeted expenditure related to the eNaTIS.



### 5.2.4 Roll overs requested

Roll overs were requested as detailed in the table below:

Programme	R'000
<b>Programme 3: Rail Transport:</b>	
Transfer Payment to the Passenger Rail Agency of South Africa Ltd.	838 825
<b>Programme 4: Road Transport</b>	
Transfer Payment to the Road Traffic Management Corporation	103 750
<b>TOTAL</b>	<b>942 575</b>

## 5.3. Unauthorised and fruitless and wasteful expenditure

### Unauthorised expenditure

The cost of eNaTIS maintenance and operations resulted in unauthorised expenditure of R1 338 165 000, which was incurred in 2013/14, 2014/15 and 2016/17. No further unauthorised expenditure was incurred in 2017/18.

### Fruitless and wasteful expenditure

A total of 64 cases of “no shows” relating to the previous and current year were declared as fruitless and wasteful expenditure in the year amounting to R69 938.59. Of these cases, 59 cases amounting to R66 678.59 are to be recovered, three cases amounting to R2 287.00 were transferred to debts, 1 case of R472.00 must be written off and one case of R501.00 is under investigation.

The total amount of R1 055 636.08 outstanding includes two cases related to intangible assets that were procured in prior years and that are not used amounting to R845 196.00. The balance is made up of fruitless and wasteful expenditure under investigation of R50 551.00, to be written off R78 334.25 and to be recovered R81 554.83.

### Irregular expenditure

Three cases amounting to R1,029,131.04 were declared as irregular expenditure in the financial year, of which two are under investigation. No competitive quotations were obtained in two cases and there was no approval for obtaining less than three quotes in one case.

Four cases amounting to R1 312 481 455.60 were written off during the year. The National Treasury was requested to condone two cases, and the outcome is awaited.

Of the remaining nine cases, disciplinary steps were taken in four cases. Disciplinary steps could not be initiated in one case because the irregular expenditure was identified after the responsible employee left the employ of the Department and in two cases disciplinary steps were not yet taken. Two cases are still under investigation.

## 5.4. Future plans of the Department

### 5.4.1 Rail Transport

During the 2018/19 financial year, the DoT will intensify efforts to stabilise the Passenger Rail Agency of South Africa (PRASA) by dealing with capacity challenges, appointing a new board that will lead the turnaround strategy, and attend to senior management vacancies in the organisation. Among areas to be given attention are challenges facing PRASA in the Western Cape. To this effect, the Department and PRASA have begun tackling safety and reliability of Metrorail in this corridor to ensure provision of safe rail travel, especially for the working class. PRASA is in the process of implementing a signalling programme to replace the old one and this project is nearing completion. Also at an advanced stage is the construction of the Central Operation Centre for the control of rail operation in the entire Western Cape.

The Department is also working to roll out rolling stock, including putting in place enabling infrastructure such as depot programme, perway and electrical works to support deployment

of new rolling stock fleet. To this effect, the construction of the train-manufacturing factory at Dunnotar, Ekurhuleni is now complete and it is anticipated that two new locally produced trains will be delivered in December 2018.

As part of improving rail safety, the Railway Safety Regulator Amendment Act and the Rail Safety Strategy, which have been approved for introduction to Cabinet, will assist the Department in mitigating risks associated with level crossing occurrences, people struck by trains, mainline derailments and platform-train interchange occurrence.

### 5.4.2 Road Transport

Through the South African National Roads Agency Limited (SANRAL) Horizon 2030 Strategy, an obligatory 30% sub-contracting to Small Medium and Micro-Enterprises (SMMEs) and cooperatives has been set aside for all projects, in line with the Preferential Procurement Policy Framework (PPPFA) Act. SANRAL will also offer training and skills transfer programmes to small enterprises.

R3 billion has been set aside to upgrade the Limpopo and Mpumalanga sections of the Moloto Road, with an estimated 12 500 jobs to be created over the five-year period of the project. In the 2018/19 financial year, the Department will continue to develop the road network to unlock the Northern Mineral Belt in the Waterberg District (Limpopo), the Durban-Free State-Gauteng Logistics and Industrial Corridor; the South Eastern node and corridor development, including Mthatha airport and the N2 Wild Coast; and also to unlock economic opportunities in the North West.

As part of reviewing the Gauteng Freeway Improvement Scheme, the Department will heighten consultations with all involved government spheres and non-governmental stakeholders. These consultations will form a critical path towards the discussion of the SANRAL Operating model, which includes the New Toll Roads Policy.

The National Road Safety Strategy remains the anchor strategy to further improve safety of or people on the road. The roll out of the Administration Adjudication of Road Traffic Offences (AARTO) Amendment Bill, which includes the demerit point system, will bring

tougher consequences for traffic offenders. The envisaged reclassification of traffic violations to Schedule 5 offences will also ensure that minimum sentences for extremely serious traffic violations (excessive speeding, reckless and negligent driving and driving under the influence of alcohol) are introduced.

The Department also intends to harmonise road traffic law enforcement and establish a Single Traffic Police Unit. As part of efforts to alleviate the scourge of road accidents and incidents, the Department continues to work tirelessly to ensure that law enforcement is declared an essential service to guarantee availability of traffic officers on a 24/7 on our roads. Anti-Fraud and Corruption operation will continue to be intensified at all public and private Driver Learning Testing Centres and driving schools around the country.

### 5.4.3 Civil Aviation

To address negative allegations of corruption and other malfeasance regarding the Airline Licencing Councils, the Department plans to review the process of appointments of the two airline licencing councils as well as attending to all other allegations. To this effect, a report on these irregularities has already compiled.

### 5.4.4 Maritime Transport

As part of broader departmental plans, implementation of the Maritime Transport Policy will be enhanced to create a policy environment that facilitates growth and development of the maritime sector. Implementation of Ocean Economy initiatives will also be intensified through Operation Phakisa.

### 5.4.5 Public Transport

In the public transport sphere, the Department has finalised the Integrated Public Transport Turnaround Plan, which aims to ensure the development of a comprehensive public transport development strategy and investment plan across all modes. To reduce input costs and enhance sustainability of the Mini and Midibus Taxi Industry (MMTI), the Department will implement a commercially viable Revised Taxi Recapitalisation Programme. The revised

programme will enable the taxi industry to leverage and exploit downstream opportunities in the entire taxi value chain.

The Department will also continue to monitor the integrated public transport network system to ensure that unnecessary infrastructure is cut, and focus more on operation.

### 5.5. Public-Private Partnerships (PPPs)

A Transport Fleet Services Public-Private Partnership was entered into during November 2006 to render vehicle fleet services to six Government departments. Over time, 13 Government departments are now participating in the contract. Services that are provided for in the contract include long-term vehicle rentals, short-term day-to-day vehicle rentals, short medium term vehicle rentals, a 24-hour Call Centre, chauffeur and point-to-point driven services, an internet based fleet management system with an electronic log book, and a fuel management system. The National Treasury approved the extension of the contract up to 28 February 2019.

The Department is in the process of finalising the Public Private Partnership (PPP) arrangements for the Feasibility Study on a Tugboat with the National Treasury. That PPP has awarded the Department a partial endorsement following the application for Treasury Approval 1. National Treasury has advised the Department to issue a Request for Quotation (RFQ) and contact the market for possible solutions to the shortfall of just over R300 million. The Department will issue the (PPP- tug building project) RFQ.

### 5.6 Discontinued activities / activities to be discontinued

None.

## 5.7 New or proposed activities

### Road Transport

Activity	Effect on the operations of the Department	Financial implications of each new activity
<b>Consultation on the RABS scheme at the Portfolio Committee</b>	<p>Improve on the dependence on Social grants and improve the benefit.</p> <p>Removing the requirement of fault in motor vehicle accidents thereby Increasing the number of persons that obtain the benefit.</p>	
<b>Submission of the proposed amendments to the National Traffic Act, 1996</b>	<p>Improve on the management of Road Traffic related process.</p> <p>Improve the standards and skill of drivers by the regulation of driving schools.</p> <p>Reduction of accidents by implementing the requirement that drivers not operate motor vehicles whilst under the influence of alcohol.</p>	

## 5.8. Supply chain management

- ▶ No unsolicited bid proposals were concluded for the year under review.
- ▶ Supply Chain Management processes and systems are in place to prevent irregular expenditure. Irregular actions by individuals can however not be controlled.
- ▶ Measures that were put in place detected the incidents of irregular expenditure, and are aimed at preventing irregular expenditure.

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

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

### 5.9 Sponsorships / Gifts and Donations received in kind from non-related parties

The following in kind goods and services were received from parties other than related parties during the year:

Name of organisation	Nature of Gift, Donation or Sponsorship	R'000
<b>Received in cash</b>		
<b>Transport Education and Training Authority</b>	Discretionary Grant Funding for Workplace Experience for Learners and Interns	1 008
<b>Subtotal</b>		<b>1 008</b>
<b>Received in kind</b>		
<b>Civil Aviation Authority United Arab Emirates</b>	Sponsored air fare, accommodation, attendance costs and per diem for an official to attend a Civil Aviation Internship Programme	100
<b>International Maritime Organisation</b>	Sponsored air fare, attendance costs and per diem for an official to attend a meeting and Search and Rescue Coordination course	10
<b>French Government</b>	Sponsored air fare and accommodation for two officials to attend a study tour on a cooperative transport agreement	127
<b>Government of Singapore</b>	Sponsored training fees, accommodation and subsistence for an official to attend an Aerodrome Certification course.	39
<b>Benguela Current Convention</b>	Sponsored air fare, accommodation and per diem for an official to attend a Marine Spatial Planning Working Group and an Annual Science Forum	28
<b>International Maritime Organisation</b>	Sponsored air fare, accommodation and per diem for an official to attend a Global Initiative for West, Central and Southern Africa Conference	34
<b>United Nations</b>	Sponsored air fare, accommodation and per diem for an official to attend a Regional Workshop on Managing Emergencies in the Oil and Gas Industry	33
<b>Transport Education and Training Authority</b>	Transportation of 2 000 learners that attended the career expo hosted to commemorate the International Civil Aviation Day 2017	333
<b>SUBTOTAL</b>		<b>704</b>
<b>TOTAL</b>		<b>1 712</b>



## 5.10. Exemptions and deviations received from the National Treasury

### Deviations

Project	Value of Contract	Reason for Deviation
Maintenance Plan for PABX	R693 057.93	No responsive tender process
Procurement of vehicle for the Minister	R984 990.00	Vehicle is not available in the RT57 contract
Investigation on irregular operation on issuing of air licences and testifying in the hearing	R147 972.00	The supplier did the investigation so they are key witnesses for the hearing
Development of an integrated public transport network plan in		
OR Tambo District Municipality	R1 963 650.00	Delays due to insufficient information on project plans
Study on Global Competitiveness by Reducing Transport Costs in Aviation and Maritime	R2 500 000.00	Continuation of previous work done

### Expansions

Project	Value of Contract	Reason for Deviation
Valuation of eNaTIS Assets	R1 381 650.60	A new process cannot be initiated until litigation is over
Additional scope of work	R912 106.00	Specialist technical knowledge
Increase of scope on the development of the Money Bill and Transport Appeal Tribunal	R700 000.00	Additional scope of work
Developing an integrated public transport network plan in OR Tambo District Municipality	R813 287.40	Processing of final payment
Taxi scrapping services	R66 420 000.00	Extension of the initial scope of the Taxi Scrapping Administrator
Study on Global Competitiveness by Reducing Transport Costs in Aviation and Maritime	R2 500 000.00	Continuation of previous work done

## 5.11. Events after the reporting date

After the reporting date, new contacts for the long term renting of vehicles were entered into, committing the Department to a total amount of R10.94 million over the next five years.

## 5.12 Compliance with Broad-Based Black Economic Empowerment (B-BBEE)

At this stage, the Department is unable to report on its compliance with B-BBEE as required by section 13G(1) of the B-BBEE Act. The verification process is however under way and as soon as this process is completed, the Department will be able to report on its compliance.

## 5.13 Conclusion

I would like to express my sincere gratitude to the Minister of Transport, Dr B. E. Nzimande, and the Deputy Minister, Ms S. Chikunga, for their political leadership and guidance. I also extend my appreciation to the Chairperson and members of the Parliamentary Committee on Transport for their expertise and oversight. Finally, I wish to thank Public Entities, Sector partners, the DoT management team and staff members for their hard work and dedication in ensuring that the Transport Sector delivers on its mandate.

## 5.14. Approval

The Annual Financial Statements set out on pages 215 to 378 have been approved by the Accounting Officer.



**Mr Christopher Hlabisa**

*Acting Accounting Officer*

Date: 28 July 2018



## 6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- ▶ All information and amounts disclosed throughout the annual report are consistent.
- ▶ The annual report is complete, accurate and is free from any omissions.
- ▶ The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- ▶ The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- ▶ The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- ▶ The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- ▶ The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2018.

Yours faithfully



**Mr Christopher Hlabisa**  
Accounting Officer



## 7. STRATEGIC OVERVIEW

7.1



### Vision

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



### Mission

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

7.2

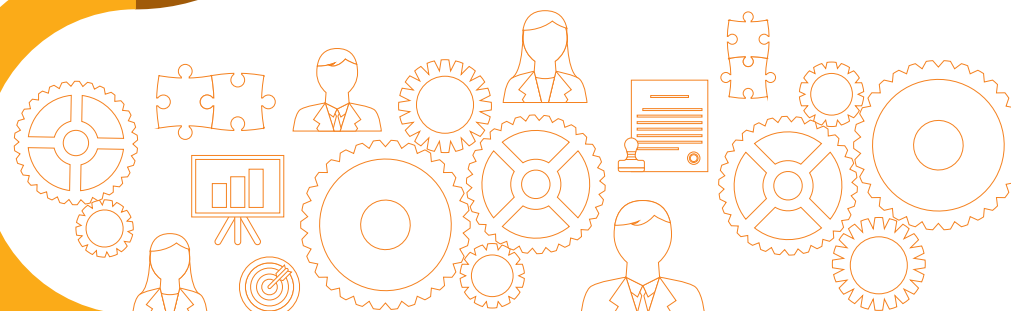
7.3



### Values

The core values of the department are:

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



## 8. LEGISLATIVE AND OTHER MANDATES

Legislation administered by the National Department of Transport

### Railways and Harbours

- ▶ South African Transport Services Conditions and Service Act, 1988 (Act 41 of 1998)
- ▶ 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)

### 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)

### 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)

### 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)

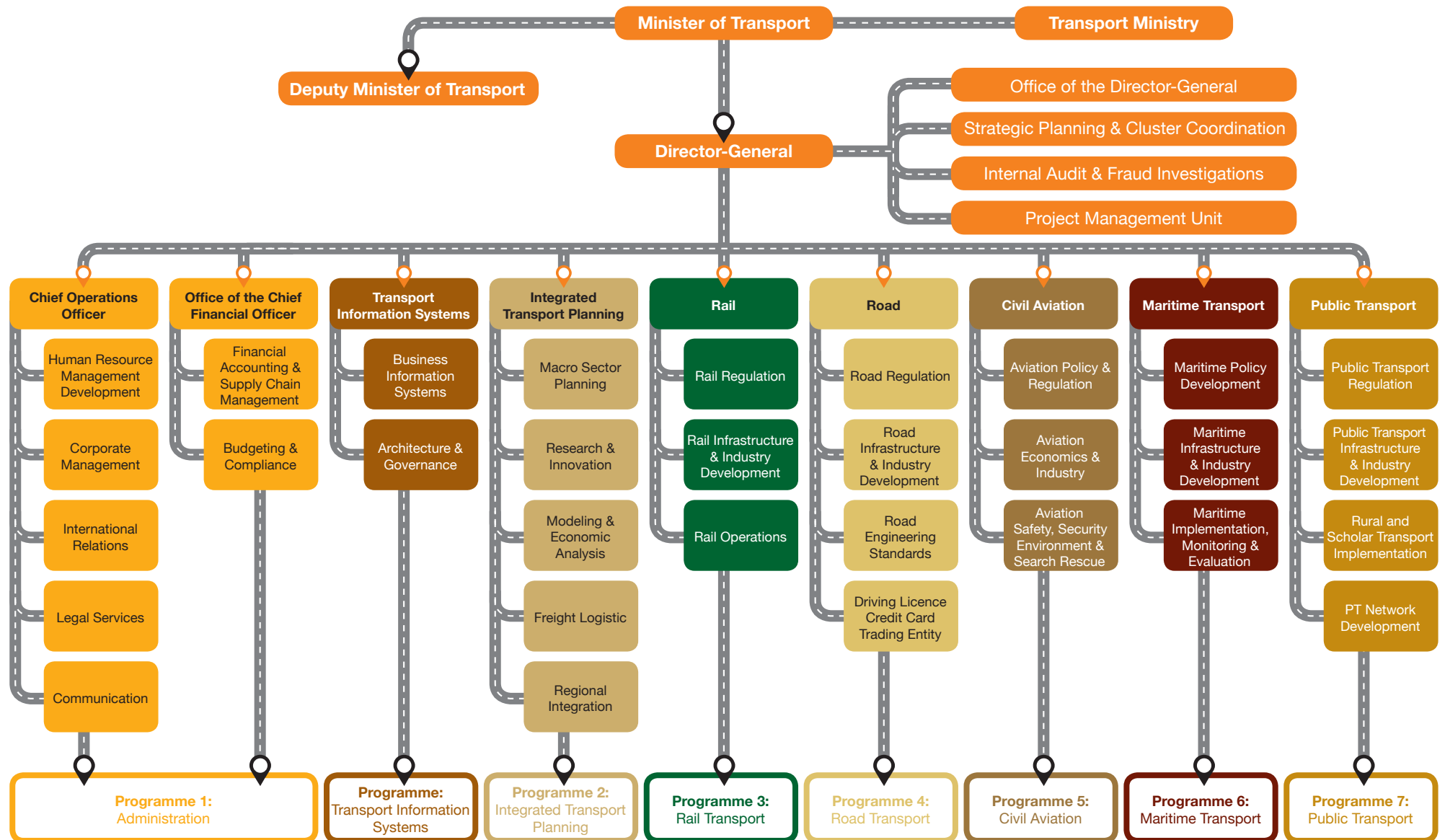
### Shipping

- ▶ 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)

















## 9. ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MINISTER

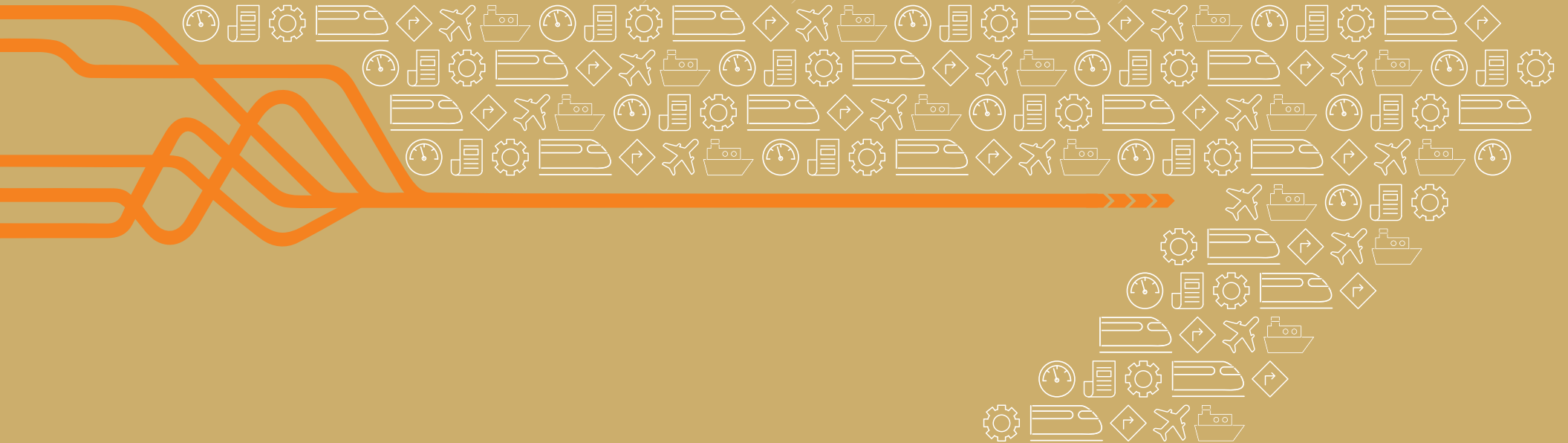
Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
	Airports Company Act, 1993	No Transfer from the Department of Transport	To own and operate the republic's nine principal airports and provide airlines with world-class safe and secure airports infrastructure
	Air Traffic and Navigation Services Company Act, 1993	No Transfer from the Department of Transport	To provide for the establishment, development, provision, maintenance management and operation of air navigation infrastructure and air navigation services
	Cross-Border Road Transport Agency Act, 1998	No transfer from the Department of Transport	To provide for cooperative and coordinated provision of advice, regulation, facilitation and law enforcement in respect of cross-border road transport by the public and private sectors
	Legal Succession to the South African Transport ("SATS") Act, 1989	Transfer Payments	To ensure that rail commuter services are provided in the public interest and to provide for long-haul passenger rail and bus services within, to and from the Republic in terms of the principles set out in section 4 of the National Land Transport Act, 2000
	It's a schedule 3A public entity established in terms of the National Ports Act, 2005 which mandates the entity to function as an economic regulator of the ports system of South Africa	R22 489 000.00 allocated for operational transfers from Maritime Transport Branch to the same entity for the 2017/18 financial year.	The entity performs functions that relate mainly to regulating pricing and other aspects of economic regulation, promoting equal access to ports facilities and services, monitoring the industry's compliance with the regulatory framework, and hearing any complaints and appeals lodged with it
	National Railway Safety Regulator Act, 2002	Transfer Payments	To oversee and promote safe railway operations through appropriate support, monitoring and enforcement, guided by enabling regulatory framework and regulations
	Road Traffic Management Corporation Act, 1999	Transfer payments	To enhance the overall quality of road traffic services provision, and in particular ensure safety, security, order, discipline and mobility on the roads

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
	Administrative Adjudication of Road Traffic Offences (AARTO) Act, 1998	Transfer payments	To promote road traffic quality by providing for a scheme to discourage road traffic contraventions; facilitate adjudication of road infringements; and support the prosecution of the road traffic offences in terms of national and provincial laws relating to road traffic
	Road Accident Fund Act, 1996 (Act 56 of 1996)	No transfer from the Department of Transport	To provide for the payment of compensation for loss or damages wrongfully caused by negligent driving of motor vehicles within the borders of the Republic
	South African Civil Aviation Authority Act, 1988 (Act 4 of 1988)	Transfer Payments	To control and regulate civil aviation safety and security with the Republic
	It's responsible for executing the following legislative objectives as set out in the SAMSA Act, 1998: <ul style="list-style-type: none"> <li>▶ To ensure safety of life and property at sea</li> <li>▶ To prevent and combat pollution of the marine environment by ships; and</li> <li>▶ To promote the Republic's maritime interests.</li> </ul>	The entity generates most of its revenue from levies, which constitute more than 80.3% of total revenue, charged to foreign ships calling on South African ports	<p><b>Develop maritime</b> - undertake activities to cause the maritime transport system to grow, transform and support sustainable development</p> <p><b>Promote maritime</b> - undertake activities to support and actively encourage the registration of ships onto SA ship registry</p> <p><b>Authorise maritime</b> - undertake activities to register and authorise people, vessels equipment, courses, agencies, recognised organisations, training institutions and shipping organisations</p> <p><b>Monitor compliance</b> - monitor the compliance of all the authorised maritime actors through audits surveillance, support survey and inspection activities</p> <p><b>Enforce compliance</b> - compel observance of compliance through fines, detentions, warnings, administering of conventions and any other disincentives for non-compliance</p> <p><b>Manage compliance</b> - undertake activities to manage maritime transport outcomes such as incident management, accident management and maritime interventions through among others the Emerging Towing Vessel</p>
	South African national Roads Agency Limited and National Road Act, 1998	Transfer payments	To manage and control the Republic's national roads system and take charge amongst others of the development, maintenance and rehabilitation of national roads within the framework of government policy



# PART B:

## PERFORMANCE INFORMATION



# 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 211 of the Report of the Auditor-General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

Whilst striving for excellence and integration of sustained transport services, the DoT and broader transport sector are crucial role players in the achievement of the NDP. In July 2014, Cabinet adopted the 2014-2019 Medium Term Strategic Framework (MTSF), which continues to be used as the comprehensive five-year implementation plan for the NDP 2030 vision. The MTSF also serves as a mechanism through which all plans of Government institutions across the three spheres of Government are aligned to the NDP.

This has been entrenched in the Ministers' Delivery Agreement with the President of the Republic of South Africa. The Strategic Plan is thus aligned with this agreement in order to ensure that all deliverables are budgeted for and fully implemented. Of significance to the Minister and the Department are the following key outcomes:

#### Outcome 4: Decent employment through inclusive economic growth

*Sub-Outcome 1: Productive investment is effectively crowded in through the infrastructure build programme*

- ▶ Ensure monitoring of off-takes by end users on the infrastructure programme

#### Outcome 6 – An efficient, competitive and responsive economic infrastructure

*Sub-Outcome 1: Regulation, funding and investment improved*

- ▶ Establish a Single Transport Economic Regulator (STER)
- ▶ Develop a Private Sector Participation (PSP) Framework for ports and freight rail, removing barriers to entry for private investment and operations within the context of Cabinet-approved policy and with an analysis of the implication of tariffs

*Sub-Outcome 3: Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of our logistics and transport infrastructure ensured.*

- ▶ Improve national transport planning to develop long-term plans for transport that synchronise with spatial planning and align infrastructure investment activities of provincial and local government and clearly communicate the State's transport vision to the private sector
- ▶ Ensure development and approval of the Integrated Transport Plan
- ▶ Develop and implement approved plan and improve market share of containers on rail vs road, to ensure that we move road freight to rail
- ▶ Improve and preserve national, provincial and local road infrastructure
- ▶ Strengthen road traffic management
- ▶ Improve public transport
- ▶ Strengthen institutional arrangements for public transport

### *Sub-Outcome 6: Coordination, planning, integration and monitoring implementation of strategic integrated projects in the National Infrastructure Plan.*

- ▶ SIP 1: Unlocking the Northern Mineral Belt
- ▶ SIP 3: South Eastern Node and Corridor Development
- ▶ SIP 4: Unlocking economic opportunities in the North West Province
- ▶ SIP 7: Integrated Urban Space and Public Transport Programme

### **Outcome 7 – Comprehensive Rural Development and Land Reform**

#### *Sub-Outcome 5: Increased access to quality infrastructure and functional services, particularly in education, healthcare and public transport in rural areas*

- ▶ Improve transport infrastructure and public transport in rural areas
- ▶ Access Road Development Plan for improving rural road infrastructure implemented
- ▶ District municipalities implementing the Integrated Public Transport Network Strategy

### **Outcome 10 – Protect and enhance our environmental assets and natural resources**

#### *Sub-Outcome 2: An effective climate change mitigation and adaptation response*

- ▶ Develop strategic policy and regulatory frameworks and programmes to promote a low carbon economy
- ▶ Green Transport Strategy and Implementation Plan formulated and completed

## **SUMMARY OF KEY AREAS OF SERVICE DELIVERY OVER THE MEDIUM TERM**

Over the Medium Term Strategic Framework (MTSF), the DoT has identified key areas of service delivery to respond to the sustained and changed agenda of Government. These include:

### **Efficient and integrated infrastructure network and operations**

The AU envisions that by 2063 the necessary infrastructure will be in place to support Africa's accelerated integration and growth, technological transformation, trade and development. This will include high speed rail networks, roads, shipping lines, sea and air transport, as well as Information and Communications Technology (ICT) and digital economy. A Pan-African high speed rail network will connect all the major cities of the continent with adjacent high ways and pipelines for gas, oil, water, ICT broadband cables and other infrastructure. This will then serve as a catalyst for manufacturing, skills development, technology, research and development, integration and intra-African trade, investment and tourism.

Investment in infrastructure over the medium term will be vital in addressing the challenges experienced in infrastructure maintenance and expansion, which is crucial for the stabilisation of our economy and creation of new opportunities for growth, equity and employment. The current socio-economic challenges and the ever-changing environment facing the country and in particular the transport sector, cannot be overcome by the scope and resources of Government or any single role player. Enduring economic partnerships between Government and the private sector are needed to develop trusting relationships for integrated operations, investments and management of transportation infrastructure.

### **National Transport Master Plan (NATMAP) 2050**

The need to develop a transport master plan was identified by government in an effort to seek to improve the efficiency and effectiveness of a multimodal transport system that is well regulated and well managed within a multisectoral sphere of effective coordination. As a result, the National Transport Master Plan (NATMAP) derives its main goal from the need for a multi-modal transport planning framework which is dynamic, long-term and in line with future transport infrastructure supply facilities.

During the MTSF, the NATMAP has undergone a lengthy process of consultations with various stakeholders and the Cabinet approval process. In the 2017/18 financial year, 10

priority pilot projects were implemented and monitored as part of the NATMAP roll out. These included, among others, the National Road Safety Strategy, Upgrading of Moloto Road, Upgrading of Philippi Station, Green Transport Strategy, etc.

### Single Transport Economic Regulator (STER)

The Single Transport Economic Regulator (STER) is meant to provide, enhance and guarantee private sector investments in areas that were exclusively State sectors. STER is meant to manage the relationship between infrastructure owners and operators in a transparent manner in how tariffs are set, open up for competition in a regulated way and provide opportunities for access and competition for both the market and in the market.

During the 2017/18 financial year, the STER Bill was gazetted for public consultations and also taken through the ESEID Cluster. The Bill has been approved for submission to Cabinet.

### Transport Infrastructure Build Interventions

In general, the South African Government invested in the development of new infrastructure projects over the past and current MTSF. In the current MTSF, the DoT and its agencies will continue investing in the following areas:

#### Maintaining the National and Provincial Road Networks

The Department of Transport, has continued to support SANRAL to allay investor concerns around regulatory uncertainty and the future of project implementation. Initiatives against tolling of national roads continue to be a challenge. The Department has mandated SANRAL to implement the 'user-pay' principle, which is in line with the NDP 2030. National road network is responsive to the needs of the nation and its people; and will remain sustainable with the use of a mixture of financing instruments – private sector funding (application of the 'user-pay' principle) for toll roads and public sector funding (government grants) for non-toll roads.

The road users will always be regarded as key stakeholders of SANRAL, and the affordability criterion is of great importance towards the successful implementation of some of SANRAL's projects. Unaffordable transport can constrain people's access to services and opportunities, and impose financial burdens on household budgets.

To deal with affordability challenges, the DoT fully supports SANRAL's application of a tariff discount regime for the regular or local user; and that the applicable tariff must always be less than the sum of the benefits to the user. Also, the Department continues to support SANRAL's efforts of minimising toll tariffs through the introduction of measures such as discounts, reduction of monthly maximum tolls and discounts to the violation accounts in the Gauteng Freeway Improvement Programme (GFIP).

In the Provincial sphere, the S'hamba Sonke Programme (SSP) has resulted in various projects being implemented relating to preventative maintenance of provincial roads, fixing roads being damaged by floods, and maintaining roads that provide access to electricity generating infrastructure.

### Rail Network Initiatives

The South African rail network is the eleventh largest in the world at 22 298 route kilometres, and total track distance of 30 400 km. 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. They fulfil distinctly different roles and responsibilities and have different objectives and service delivery requirements.

However, the absence of National Rail Policy has not allowed for coherent direction to guide development of the rail sector in alignment with rail's global development trajectory. The fundamental purpose of the National Rail Policy is to give much needed direction to the rail sector and will consider the South African setting and its priorities, such as promoting the developmental state, socio-economic development, job creation, eradicating poverty, unemployment and under-development and positioning railways in market spaces that could serve as backbone of the countries logistics and mobility systems.

South Africa's railway network is a national asset and its operational effectiveness impacts the whole economy and society. The National Rail Policy will guide performance improvement in all aspects of rail service delivery for passengers and freight customers, including quality, efficiency, volume, price and inter-modalism. It will drive reduction in the cost of freight services at national level through encouragement of modal shift from road to rail. It will also drive passenger mobility, through higher quality services with increased intermodal connectivity. The implementation of the National Rail Policy is given high priority as its significant contribution will not be limited to the rail sector, but will go beyond that to make significant positive impact on South Africa's socio-economic development.

### Integrated Public Transport Networks

In the 2015/16, municipalities have continued to implement Integrated Public Transport Networks and initial services have started in Tshwane, Johannesburg, Cape Town, and George. In the 2016/17 financial year, services started in a few other municipalities and the 2017/18 financial year will see services resume in Rustenburg, Polokwane, and eThekweni.

To date, the cities implementing Integrated Public Transport Networks are carrying a combined total of over 100 000 passengers per weekday, have facilitated the procurement of nearly 1 000 vehicles worth over R3 billion, that are universally accessible for all users, especially the elderly and people with disabilities. These cities have constructed over 110 km of dedicated lanes and have committed over R2 billion to supporting affected minibus operators.

Over the MTSF, the DoT will invest R19 billion in total in these municipalities. The target is to have services running in all 13 cities before the end of the Medium Term Expenditure Framework (MTEF) period in 2018/19, translating into an increased number of total weekday passengers carried to over 200 000 a day. In this regard, the cities of Mangaung, Msunduzi and Buffalo City will fast track planning and augment their implementation capacity.

### Comprehensive Maritime Transport Policy (MTP)

South African's length of the coastline is estimated to be approximately 3 000 km. In South Africa, the greatest challenge was the absence of maritime transport policy that

needed to provide guidance to the industry. This Comprehensive Maritime Transport Policy (MTP), approved by Cabinet in the 2017/18 financial year, aims to enhance certainty in the transport sector and the logistics market.

There are over 89 464 merchant ships trading internationally, transporting different types of cargoes and registered in 150 nations, thus growing marine international trade by 4% per annum. South Africa currently has four ships on its Ship Register and there is commitment to grow the SA Ship Register through the creation of a conducive environment and providing incentives to ship-owners as an encouragement to set up offices and possibly register under the South African flag. Merchant Shipping Act is being reviewed to update it taking into account developing trends and challenges.

## A Transport Sector that is Safe and Secure

### Harmonisation of the traffic law enforcement

The Department is currently involved in projects that are intended to improve Road Safety and ensure that road users are safe and secure. The following interventions are geared at improving road safety:

- ▶ Requirement for the fitment of child restraints in all vehicles when transporting children;
- ▶ Restriction for the transportation of persons for rewards in goods vehicles to ensure protection of persons being transported at the rear of a goods vehicle by requiring that the portion of the vehicle in which persons are being conveyed is enclosed to a height of 350 mm above the surface upon which such person is seated or at least 900 mm; and
- ▶ Fitment of speed governors.

Other National Road Traffic Act (NRTA) initiatives that are currently underway include:

- ▶ Finalisation of the legislation dealing with the regulation of driving schools;
- ▶ The reviewing of the current prescribed alcohol contents in the blood specimen of a person driving a motor vehicle whilst under the influence of alcohol;
- ▶ The review of the speed limit in areas where there is high pedestrian visibility;
- ▶ The reduction of the number of persons to be transported at the rear of the goods compartment of a goods vehicle.

## National Road Safety Strategy

In the effort to improve Road Safety, the Department is reviewed the Road Safety Strategy. The reviewed National Road Safety Strategy (NRSS) arises from lessons learned and premised on the UN Decade of Action for Road Safety. It seeks to provide an overall direction on the implementation of all road safety programmes, by ensuring alignment and integration across the wide range of specific interventions that are undertaken in the reduction of road crashes and fatalities.

## Road Safety Educational Programmes

Educational Road Safety programmes are implemented to inculcate a culture of road safety by improving knowledge, skills and behaviour of road users. Within the current MTSF, four road safety educational programmes were conducted namely: Learner Licences, Scholar Patrol, Road Safety School Debates and Participatory Technique.

## Road Safety Community Programmes

In an effort to increase community participation in road safety issues, two massive community programmes were embarked upon namely; the workers' and stray animals programme. These were programmes that sought to reduce work-related road safety incidents and combat road deaths that occur as a result of stray animals in Provinces where stray animals are prevalent.

## Road Crashes and Fatalities

Currently, South Africa is faced with a number of road crashes, and the subsequent fatalities arising from these vehicle crashes. The crashes occur as result of drivers not obeying or abiding to the laws in relation to driving of a motor vehicle on a public road. Although road traffic injuries have been a leading cause of mortality for many years, most traffic crashes are both predictable and preventable. There is considerable evidence on interventions that are effective at making roads safer and countries that have been successfully in implementing such programmes saw reductions in road traffic crashes, injuries and fatalities.

Road crashes, injuries and fatalities are a public health problem development issue. Low- and middle-income countries lose approximately 3% of the Gross Domestic Product (GDP) as a result of road traffic crashes. In recognition of the scale of this health and development problem the United Nations General Assembly adopted a resolution in 2010 that led to the establishment of the Decade of Action for Road Safety (2011–2020). The resolution called on Member States to take the necessary steps to make their roads safer. The target of the decade is to reduce road fatalities by 50% by 2020. The World Health Organisation (WHO) was tasked with monitoring the situation by compiling a Global status report on progress made by the different member states towards the achievement of the decade target.

The importance of road safety to the economy and society at large provides a coherent business case for decisive policies and strategies to address the pandemic in order to reach the targets as set out in the Decade of Action and the NDP. The graph below shows that the number of fatal crashes and fatalities is increasing at an average rate of 3% since 2013. Whilst these figures have significantly dropped since 2007, they however remain very high in comparison to other middle-income countries.

Changing road user behaviour is a critical component of the holistic "Safe Systems" approach advocated in the report. Adopting and enforcing good laws is effective in changing road user behaviour on key risk factors for road traffic injuries speed, drink-driving, and the failure to use helmets, seat-belts and child restraints properly or at all.

The role of safe infrastructure and safe vehicles in reducing road traffic injuries cannot be ignored. Road infrastructure is mainly constructed with the needs of motorists in mind, although the report indicates that 49% of all road traffic deaths occur among pedestrians, cyclists and motorcyclists. Real, sustained successes at reducing global road traffic deaths will only happen when road design takes into consideration the needs of all road users.

While vehicles in high-income countries are increasingly safe, the report provides worrying data showing that less than half of countries implement minimum standards on vehicle safety, and that these standards are notably absent in many of the large middle-income countries that are major car manufacturers.

The crashes are as a result of, amongst others, unroadworthy motor vehicles, speed in excess of the prescribed limit, or not appropriate for that particular set of circumstances, driving a motor vehicle under the influence of alcohol, disobeying road traffic signs and rules, lack of visible road traffic signs, the road infrastructure not developed, no account on the road safety implementation, and lack of adequate road safety awareness.

Furthermore, there is also an issue on fraud and corruption in the issuing of roadworthy certificates, drivers' licenses and general law enforcement by traffic officers. In an effort to address and deal with this carnage, the Department has implemented a number of road safety interventions; such as developing and implementing legislation that requires certain vehicles to be governed by a particular speed. Children and passengers may not be transported at the rear of a Light Delivery Vehicle (LDV) for reward and at all times wear seat belts or the former be put in child restraints.

In terms of awareness, the Department has developed and implemented a 365-day road safety awareness campaign as well as a road safety strategy. We encourage partnership with all sectors and other departments in driving Education and Awareness programmes.

### Roll out of the Administrative Adjudication of Road Traffic Offences (AARTO) Amendments

In terms of the AARTO Act, the Road Traffic Infringement Agency (RTIA) is expected to play a critical role in forging a closer, more effective and efficient link between the enforcement and adjudication processes. It is intended to play the role of an independent adjudicator overseeing and enforcing the provisions of the AARTO Act. The RTIA is also expected to increase compliance with road traffic laws as well as inculcate a new habit of voluntary compliance with traffic laws through educational programmes and mechanisms. Overall, the Agency is mandated to ensure the implementation of objective, transparent and fair administrative processes.

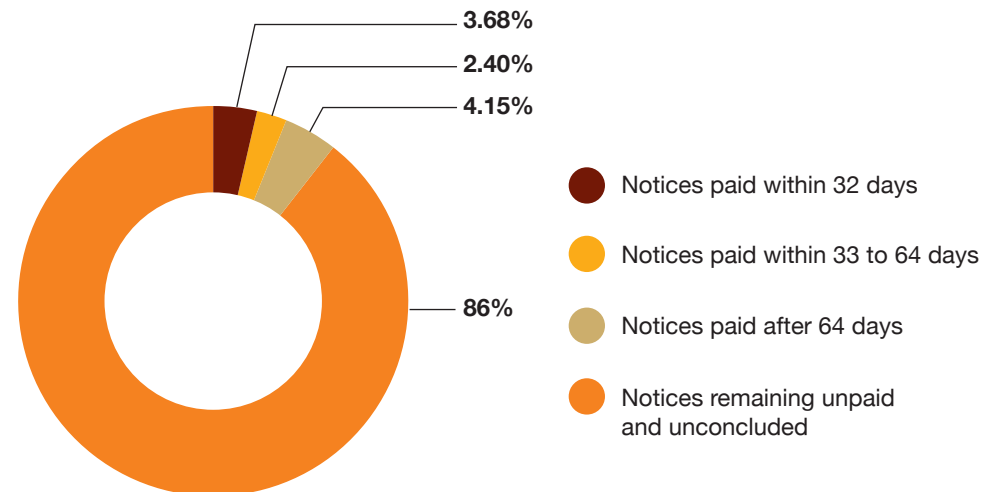
The AARTO process starts with the detection by a traffic officer of an infringement committed by an alleged infringer. Upon allegedly committing an infringement, an authorised officer

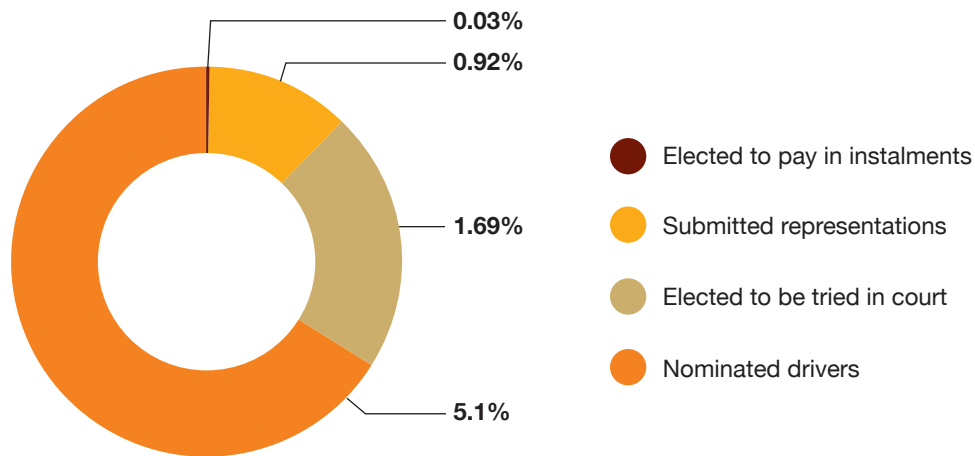
or a person duly authorised by an issuing authority, must serve or cause to be served on the allegedly identified infringer an infringement notice. During the 2012/13 financial year, a total of 3.84 million infringement notices were captured in the AARTO jurisdictional areas and this figure increased to 6.975 million during the 2013/14 period.

An Infringement Notice is served either in person or through registered mail to the alleged infringer. The AARTO process allows the alleged infringer to select any one of the following five options to be exercised within a period of 32 days after having received such notice:

- ▶ to pay the penalty, reduced by the discount amount contemplated, if paid within the set timeframe of 32 days; or
- ▶ elect to pay in instalments; or
- ▶ submit a representation; or
- ▶ elect to be tried in court; or
- ▶ nominate the driver or person in control of the vehicle at the time the alleged infringement was committed, if it was not the owner.

The elective rates by infringers over the past two financial years can be summarised as follows:





The statistics above indicate that there is an extremely low compliance rate with the provisions of the AARTO Act. Thus the RTIA continues with the overwhelming task of changing road user attitudes and perceptions.

In order to address the challenges mentioned above, the following measures may amongst others, be pursued:

- ▶ Introduction of the electronic serving of AARTO documents;
- ▶ Improving the process for the delivery and collection of Enforcement Orders;
- ▶ The blocking of certain eNaTIS transactions for unresponsive infringers which will prevent them from registering new vehicles or renewing their driving and vehicle licences; and
- ▶ Increasing the penalty amount.

### National Railway Safety Amendment Bill

The medium term targets for the 2017/18 and 2018/19 financial years were to submit the draft National Railway Safety Regulator Amendment Bill to Parliament. During the drafting process of the Bill, it was also recognised that provision has not been made for individually focused provincial consultations. Section 76 of the Bill encroaches on the concurrent jurisdiction of the province in relation to public transport. The project plan provided for a national workshop, however, individual stakeholder consultations sessions must be held with provinces to consult on the draft Bill.

### National Railway Safety Strategy

The medium term targets on the finalisation of the National Railway Safety Strategy will be deferred to subsequent financial years following the approval of the National Railway Safety Act. The Act will inform the strategic direction of the strategy and therefore needs to be finalised prior the formation of the Strategy.

### Improved Rural Access, Infrastructure and Mobility

#### Access Road Development Plan (ARDP)

People in South Africa often face great inconvenience and travel long distances to obtain the services and information they need from government. They also frequently have to visit more than one service point to access related government services. Improving service delivery, especially services that improve the lives of poor and marginalised people, remains a government priority. The National Development Plan (NDP) 2030 Chapter 6, which focus on inclusive rural economy, puts extra emphasis on the rural areas to ensure that they 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.

The purpose of the ARDP and especially the first phase of the project is to highlight the gaps in terms of accessibility to the selected amenities within this report and to inform provincial, district and local municipalities of the needs to provide additional access roads to relevant amenities. The following amenities were selected to form part of the assessment process:

- ▶ Education facilities: Primary and Secondary Schools
- ▶ Health Facilities
- ▶ Libraries
- ▶ Community Centres
- ▶ Places of Worship
- ▶ Municipal Offices
- ▶ Post Offices

- ▶ South African Police Services (SAPS)
- ▶ Cemeteries

The ARDP arrays the overarching goals, vision, and objectives which would be reflected in the Integrated Development Plans and also in the Transport Master Plans of District and Local Municipalities.

## Improved public transport services

Public transport confronts many challenges in South Africa. The majority of workers and the poor still live in displaced, dormitory townships distant from places of work and other amenities. As a result, the cost of mobility and time spent commuting between homes and work place is draining and difficult to sustain. To alleviate this challenge, the DoT will strive to maximise its contribution to socio-economic goals by providing a safe, reliable, effective, efficient and fully integrated public transport services that best meets the needs of passenger users.

In the medium term, the DoT will continue with the planning and construction of universally accessible Bus Rapid Transit (BRT) Systems in identified local and metropolitan municipalities.

The Public Transport Strategy, as well as the Taxi Recapitalisation Programme, have been reviewed to enhance provision of integrated public transport solutions. The DoT has also developed the Integrated Public Transport Turnaround Plan, which aims to optimise public transport service offerings in both rural and urban spaces.

Regulation of the Public transport has been enhanced through the amendment of the National Land Transport Act and development of new regulations.

## Increased contribution to job creation

It is still the DoT's priority over the MTSF to ensure a balance between creating a stable and supportive environment for growth and investment while at the same time addressing

the many structural challenges the economy and society faces. In addition to long standing regulatory, infrastructure and skills weaknesses, inequality in itself has become a core obstacle to investment and growth. By extension, efforts to support growth must simultaneously ensure more equitable distribution and ownership of income. Employment intensive programmes and initiatives will receive top priority, especially those that target youth and women.

In the medium term, the DoT will continue to monitor off-takes by end-users of the infrastructure build programme. In the implementation of the Provincial Road Maintenance Programme, the DoT works closely with other spheres of government to ensure adequate road maintenance.

Through the new Rail Rolling Stock Fleet Renewal Programme, which is aimed at revamping the ailing rail infrastructure programme, the manufacture and supply of new rolling stock is expected to create direct and indirect jobs over the 10-year duration of the contract.

In the 2017/18 financial year, 58 interns were employed in the transport sector. Some interns were placed within the DoT, some within sector SOEs and the rest in various municipalities. The interns continue to receive undergoing generic, technical as well as life skills trainings in order to prepare them for the labour market. On an annual basis, the DoT exceeds the DPSA target of 5% of staff establishment. For this, the DoT received a Recognition Award for Internship for 2011 to 2013 from the National Skills Authority (Department of Higher Education and Training).

## Increased contribution of transport to environmental protection

The NDP 2030 vision is that by 2030 South Africa's transition to an environmentally sustainable, climate change resilient and, low carbon economy will be well under way. The current MTSF (2014-2019), will focus on the creation of a framework for implementing the transition to an environmentally sustainable low carbon economy. This phase will include unblocking regulatory constraints, data collection and establishment of baseline information and indicators testing some of the concepts and ideas to determine if this can be scaled up.





In the medium term, the DoT has undertaken the development of the Green Transport Strategy (GTS), which seeks to address the adverse effects and impacts of transport on the environment and concurrently address the current and future transport demands based on the principles of sustainable development.

The GTS will provide a clear and distinctive route of the environmental policy for the sector, by providing appropriate sector specific climate policy tools and corresponding mitigation and adaptations measures for the transport sector as well as a framework to implement the Transport Flagships within the National Climate Change Response Strategy (NCCRS).

The GTS will also utilise a basket of measures, which will address imperative issues such as fuel switching for the freight industry to assist with the high emission factor of this sector. The introduction and promotion of the uptake of cleaner fuels such as Liquefied Petroleum Gas (LPG) and Compressed Natural Gas (CNG) for freight vehicles will assist and support with the emission reductions efforts of the sector. The use of cleaner fuels should be supported by Intelligent Transportation Systems that can provide support for this initiative of introducing cleaner transportation and alternative fuel technology for the freight sector, whilst also collecting imperative mitigation data.

The Implementation Plan of the GTS will promote the uptake of “Smart Trucks” and then benchmark against the appropriate international standards to specify the performance required from the operation of a given vehicle on a network, rather than prescribing how the specified level of performance is to be achieved. This approach will allow more flexibility for vehicle designers to utilise innovative solutions and the latest available technology to meet the required performance standards and improve fuel efficiency.

## 2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the plan and achievements to date.

## Main Services and Standards

Main services	Beneficiaries	Current / Actual standard of service		Desired standard of service	Actual achievement
<p>Enhance all services related to Registered Driving Licence Testing Centres in the country by providing:</p> <ul style="list-style-type: none"> <li>▶ Effective Regulations and legislation for safety and standards</li> <li>▶ Develop and review Operational Standards</li> <li>▶ Conduct Inspections</li> <li>▶ Provide standard service level agreements</li> </ul>	<ul style="list-style-type: none"> <li>▶ RSA Citizens &gt; 18 years of age</li> <li>▶ Learners &gt; 16 years of age</li> <li>▶ Foreigners &gt; 18 years of age</li> </ul>	<b>Quantity:</b> <ul style="list-style-type: none"> <li>▶ Daily: 5 days a week</li> <li>▶ Render driver's licence services at 415 DLTCs</li> <li>▶ An average of 1 397 driving licences issued per day at 415 DLTCs (transactions excludes all other services provided at DLTCs)</li> </ul>	<p>Regulate driver's licence services at 415 DLTCs by:</p> <ul style="list-style-type: none"> <li>▶ Ensure effective training of staff</li> <li>▶ Computerise processes e.g. computerised learner's licence test</li> <li>▶ Take services to the people, including people with disabilities (EK53)</li> </ul>	<p>Reduce queuing and waiting times i.e. client waits for an average of 30 minutes</p> <p>Empowered staff</p> <p>Computerise processes by an average of 100% across all DLTCs</p> <p>Online applications for learner and driver tests,</p> <p>Internet banking for pre-bookings and Learner Licence</p> <p>Trained examiners to assist people with special needs</p> <p>Services of Driver and Learner licence tests available on Saturday for Secondary School learners</p>	<p>Reduce queuing and waiting times with one hour i.e. client waits for an average of 2 hours</p> <p>Refresher courses for staff</p> <p>Information sessions</p> <p>Development of system in progress in terms of testing people with disabilities</p>
		<b>Quality:</b> <ul style="list-style-type: none"> <li>▶ Legal standards if applicable (including Standard Operating Procedures or SOPs)</li> </ul>	<p>National Road Traffic Act, 1996 (Act 93 of 1996)</p> <p>Minimum Service Delivery Standards</p> <p>Service level agreements</p>	<p>Assessment on baseline of service standards</p> <p>Review Minimum Service Delivery Standards to suit the needs of the public</p> <p>Implement the Minimum Service Delivery Standards across the 415 DLTCs</p>	<p>Fair to Good</p> <p>Publish Draft no 13 of the Minimum Service Delivery Standards in Government Gazette</p>



Main services	Beneficiaries	Current / Actual standard of service		Desired standard of service	Actual achievement
		<b>Openness &amp; transparency</b>	Annual Reports Information on request available Website	Website Brochures Call Centre Reports Survey Statistics Feedback to clients Outcome of complaints	Annual Reports Information on request available Development of Driving Licence Website
		<b>Redress</b>	Presidential Hotline Inspections / unannounced visits Complaints addressed through: Complaint book / suggestion box Station Manager Municipality Province National Department	Inspections Help Desk with Feedback system to customer Call Centre Reports Service Level Agreements with all DLTCs Complaints addressed through: ► Complaint addressed / suggestion box ► Station Manager ► Municipality, Province and National Department receives calls and deals with them ► Complaints addressed immediately by Station Manager	Emails to info@dot.gov.za Inspections by the Directorate Compliance Complaints addressed through: ► Complaints book / suggestion box ► Station Manager ► Municipality ► Province ► National Department ► Questionnaires ► National Department receives 10% of calls and deals with them immediately

Main services	Beneficiaries	Current / Actual standard of service		Desired standard of service	Actual achievement
		<b>Consultation</b>	1 Help Desk No relief system for officers (understaffed) No visible overseeing of processes Provinces Municipalities Station Managers National Helpdesk and 9 Provincial Helpdesks	National Help Desk Improved work processes Frontline Trained staff Provinces Municipalities Station Managers Create centralised call centre at the DoT / Road Traffic Management Corporation	1 Help Desk No relief system for officers (understaffed) No visible overseeing of processes Provinces, Municipalities Station Managers
		<b>Courtesy</b>	Security services directs clients	Customer satisfaction surveys Address complaints and provide feedback Queue marshals to assist the elderly and physically challenged Implementation of the Service Level Agreement	Customer satisfaction surveys Queue marshals assist the elderly and physically challenged
		<b>Access</b>	Services only available at 415 DLTCs Insufficient signage in CBDs Unclear Signage / not visible/ None No Service Charters on Display Built in ramps at some DLTCs, not all DLTCs Draft 13 of Minimum Service Delivery Standards Extended business hours at some DLTCs	Services available at 415 DLTCs Services at participating Schools for new learner drivers Signage for all municipal and provincial DLTCs Erect clear and visible signage Display standard Service Charters across 415 DLTCs Built in ramps in some DLTCs Publish 13 Minimum Service Delivery Standards for comments (Government Gazette) Extended business hours at some DLTCs	Services only available at 415 DLTCs Signage in some municipal and provincial DLTCs Unclear Signage /not visible/None Some Non-standard Service Charters on Display Built in ramps at some DLTCs Draft 13 Minimum Service Delivery Standards Extended business hours at some DLTCs



Main services	Beneficiaries	Current / Actual standard of service		Desired standard of service	Actual achievement
		<b>Information</b>	Website No sign language visible eNaTIS National Help Desk/ Call Centre	Website updated Improved access to information National Help Desk implemented Service Charters on display at all DLTCs Translation of services (Information boards or posters) in African Languages available at all DLTCs	Website No sign language visible National Department number available on website- public uses number to seek assistance or send e-mails
		<b>Value for money</b>	Improved Process (money and time for customers) Computerised System - (time and efficiency)	Reduced time spent in DLTCs Reduce corruption in DLTCs through improved processes	Improved Process (money and time for customers) Computerised System - (time and efficiency)
		<b>Time:</b>	Target Achieved by: 50%	Target Achieved by: 100%	Target Achieved by: 50%
		<b>*Cost:</b>	Fees for services vary according to the provinces	Fees to be standardised through all provinces	Fees for services vary according to each provinces
		<b>Human Resources:</b>	Training to: ► DLTC Inspectorate ► Road Safety Officers ► Customer Service Officials ► Cashiers ► Develop draft training plan	National Help Desk Assistants Information Sessions to all 9 Provinces Training Centre for eNaTIS in KZN and Western Cape DLTC Inspectorate Road Safety Officers Customer Service Officials Cashiers Implement training plan	Information Sessions to all 9 Provinces Training Centre for eNaTIS in KZN and Western Cape Finalise training plan Refresher courses given to staff at DLTCs

**Batho Pele arrangements with beneficiaries (Consultation access etc.)**

Current/actual arrangements	Desired arrangements	Actual achievements
Suggestion Boxes	Call centre (provincial and national)  Electronic customer survey and complaint / compliment management system at all DLTCs	Suggestion Boxes
Complaints Register		Complaints Register
Manual surveys		Department receives calls directly from clients and deal with them individually and where necessary refers them to provinces.  Manual customer surveys

**Service delivery information tool**

Current/actual arrangements	Desired arrangements	Actual achievements
Provincial Websites	Information Signage / Posters	Provincial Websites
SA Learners Website	SA Learners Website	SA Learners Website
South African Government Services Website (www.services.gov.za)	Websites Recognised by all citizens	South African Government Services website
Some Service Charters	Websites	Approval received from the IPPP to launch one Service Charter in all DLTCs
Departmental Website	National Call Centre	Departmental Website

**Complaints mechanism**

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints Register	Call centre (provincial and national)	Call centre (provincial and national)

## 2.3 Organisational environment

Following a sustained period of performance that saw major strides being made by the transport sector, the DoT aims to intensify its strategic interventions to address some of the major challenges facing the sector.

The internal challenge of alignment and optimal use of resources (human, financial, facilities and equipment) remains a prickly issue that the Department continues to deal with. The main intervention of modifying and purifying the organisational structure is on course and will be prioritised to ensure efficient and effective performance of the Department and improve service delivery. The Department remains focused on addressing the vacancy rate through the filling critical positions; and also ensuring that its oversight role on sector public entities is strengthened and stabilised.

The simplified structure of the DoT puts extensive emphasis on modes of transport. Complementing this modal emphasis are two programmes that seek to provide strategic support to key programmes of the DoT, namely Administration and Integrated Transport Planning.



**Programme 1:** Administration – This programme comprises the Ministry, Office of the Director-General (ODG), Chief Operations Officer (COO), Chief Financial Officer (CFO) and Transport Information Systems (TIS)



**Programme 2:** Integrated Transport Planning



**Programme 3:** Rail Transport



**Programme 4:** Road Transport



**Programme 5:** Civil Aviation



**Programme 6:** Maritime Transport



**Programme 7:** Public Transport

It is still the belief of the DoT that these internal programmes not only set the agenda for the DoT but for a collective, integrated and harmonised approach to addressing sector challenges. Key players in this collective include the DoT, transport entities, provincial departments, municipalities and key private sector stakeholders. A convergence of all these stakeholders will assist in fast-tracking the responsiveness of the sector to the realities on the ground.

## 2.4 Key policy developments and legislative changes

The following policy initiatives were planned for the medium term. The table below provides the status of policy issues as at the end of March 2018.

MTSF Target	Status	Comment / Revised Target
White Paper on the National Transport Policy submitted to Cabinet by March 2018	Achieved	White Paper on the National Transport Policy approved for submission to Cabinet
Single Transport Economic Regulator (STER) Bill submitted to Cabinet by March 2018	Achieved	Single Transport Economic Regulator (STER) Bill approved for submission to Cabinet
White Paper on the National Rail Policy submitted to Cabinet by March 2018	Achieved	White Paper on the National Rail Policy approved for submission to Cabinet
National Rail Bill submitted to Cabinet by March 2018	Not Achieved	National Rail Bill not finalised due to delays in the approval of the White Paper on the National Rail Policy. National Rail Bill will be prioritised for completion and submission to Cabinet in the 2018/19 financial year
Railway Safety Bill submitted to Parliament by March 2019	On Track	Railway Safety Bill approved for submission to Cabinet in the 2017/18 financial year and on track for submission to Parliament as targeted for March 2019.
White Paper on the Roads Policy submitted to Cabinet by March 2019	Exceeded	White Paper on the Roads policy already approved for submission to Cabinet in the 2017/18 financial year.
Draft Bill for Founding Legislations of Road Entities submitted to Cabinet by March 2020	On Track	Review of Founding Legislations for the 5 road entities conducted as targeted in the 2017/18 financial year. The target of developing the draft Bill and submission to Cabinet on track.
Air Services Bill submitted to Cabinet by March 2019	On Track	Initial Socio-Economic Impact Assessment conducted on the draft Air Services Bill as targeted for 2017/18 and the Bill is on track for submission to Cabinet in the 2018/19 financial year.
Civil Aviation Amendment Bill submitted to Cabinet by March 2018	Exceeded	Civil Aviation Amendment Bill submitted to Cabinet in March 2017 already.
Maritime Transport Policy submitted to Cabinet by March 2018	Exceeded	Maritime Transport Policy submitted to Cabinet in March 2017 and was subsequently approved for implementation.
Merchant Shipping Bill submitted to Cabinet by March 2018	Not Achieved	There were delays in finalising the draft Bill due to uncertainty on the scope of work for the overhaul of the Merchant Shipping Act. The development and submission of the Bill to Cabinet will be prioritised in the 2018/19 financial year.
Transport Appeal Tribunal (TAT) Amendment Bill submitted to Cabinet by March 2019	On Track	The draft of the Transport Appeal Tribunal Amendment Bill was developed and gazetted for public comments as targeted during the 2017/18 financial year. Finalisation and submission of the Bill to Cabinet is on track for the 2018/19 financial year.



### 3. STRATEGIC OUTCOME-ORIENTED **GOALS**

The work of the Department for the 2017/18 financial year was implemented under the following strategic outcome-oriented goals:

#### **An efficient and integrated infrastructure network that serves as a catalyst for social and economic development**

To achieve this goal, the DoT developed policies and promulgated legislation that are set to drive investments for the maintenance and strategic expansion of the transport infrastructure network; and support the development of transport asset management systems in rural and provincial authorities. The drive of these interventions was to improve the efficiency, capacity and competitiveness of all modes of transport.

#### **A transport sector that is safe and secure**

The DoT continued to promote and ensure implementation of policy interventions and strategies that sought to reduce accidents and incidents in the road, rail, aviation and maritime environments.

#### **Improved rural access, infrastructure and mobility**

Through the scholar transport and non-motorised transport interventions, the DoT aimed to increase mobility and rural access in rural district municipalities.

#### **Improved public transport systems**

The DoT ensured an effective, efficient, affordable and accessible public transport system in urban and rural areas through the development and implementation of integrated public transport networks, establishment and strengthening of regulatory entities, refurbishment and acquisition of new rail rolling stock and upgrading priority passenger rail corridors.

#### **Increased contribution to job creation**

Implementation of B-BBEE and commissioning of labour-intensive projects by the DoT increased the creation of jobs in the sector.

#### **Increased contribution of transport to environmental protection**

Reduction of green-house gas emissions through the use of more energy efficient modes of freight and passenger transport and promoting the use of cleaner fuels ensured that the impact of the sector on climate change was minimised.



## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: ADMINISTRATION



**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.

#### Branches

1. Office of the Director-General (ODG)
2. Office of the Chief Operations Officer (COO)
3. Office of the Chief Financial Officer (CFO)
4. Transport Information System (TIS)

#### Programme Strategic Objectives

1. Strategic Objective 1.3: Enhance socio-economic transformation of the transport sector
2. Strategic Objective 7.1: Provide strategic support and corporate services
3. Strategic Objective 7.2: Ensure good governance and a sound control environment



## Administration: Performance against predetermined indicators and targets

### Strategic Objective 1.3: Enhance socio-economic transformation of the transport sector

**Objective Statement:** To promote equality and equity within the sector through the coordination of empowerment initiatives for disadvantaged population groups (Women, Disabled, Youth and Children)

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.3.1.1 Status report on the transport sector socio-economic empowerment programmes for Gender, Disability, Youth and Children (GDYC) developed</b>	Status report on the transport sector socio-economic empowerment programmes developed	During the period under review, stakeholder consultations on the development of the draft status report on the transport sector socio-economic empowerment programmes were conducted with DoT programmes, RTMC, ACSA, C-BRTA, Ports Regulator, RAF and Provincial Departments of Transport (WC, EC, Limpopo).  The report was subsequently developed, presented to the DoT EXCO and finalised accordingly.	-	-	None	None	Achieved



**Strategic Objective 1.3: Enhance socio-economic transformation of the transport sector**

**Objective Statement:** To promote equality and equity within the sector through the coordination of empowerment initiatives for disadvantaged population groups (Women, Disabled, Youth and Children)

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.3.1.2 Number of Community Outreach Campaigns conducted on Gender, Disability, Youth and Children (GDYC)</b>	9 Community Outreach Campaigns conducted	<p>A total of 9 GDYC community outreach campaigns were conducted as targeted during the period under review.</p> <ul style="list-style-type: none"> <li>▶ On 7 April 2017, a women empowerment session was conducted with the South African Network for Women in Transport (SANWIT), RAF, CBRTA and SACAA at the Ladysmith-Klip High School.</li> <li>▶ In September 2017, delivery and donation of sanitary towels and toiletries were conducted to Fatlhogang, Retlilepele and Sun Valley Primary Schools.</li> <li>▶ In December 2017, donation of groceries, toiletries and cleaning material was conducted at the Tshepang Victim Support Centre (Madidi, North West) in support of the 16 Days of Activism of No Violence against Women and Children; and at Fatlhogang Primary School (toiletries).</li> </ul>	-	-	None	None	Achieved

## Strategic Objective 1.3: Enhance socio-economic transformation of the transport sector

**Objective Statement:** To promote equality and equity within the sector through the coordination of empowerment initiatives for disadvantaged population groups (Women, Disabled, Youth and Children)

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
		<p>In March 2018, the following outreach programmes were conducted:</p> <ul style="list-style-type: none"> <li>► Career exhibition session was conducted with learners with visual and hearing impairment at Setotolwane Secondary School in Limpopo.</li> <li>► Career exhibition session, targeting Grade 09 learners was conducted at Sidungeni High School, Luphisi Village, Mpumalanga.</li> <li>► Distribution of sanitary towels, toiletries for boys and second-hand clothing were done at Fatlhogang Primary School in Gauteng.</li> </ul>					



**Strategic Objective 7.1: Provide strategic support and corporate services**

**Objective Statement:** To coordinate functions of human resource management and development, communications, information technology, legal and strategic planning in support of DoT programmes

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>7.1.1.1 DoT Human Resource Development Strategy Framework implemented annually</b>	Human Resource Development Framework implemented	<p>During the period under review, the HRD Framework was implemented though, among others, training of staff members and issuing of bursaries.</p> <p>The HRD Strategic Framework monitoring report (2017/18) and the draft Annual HRD Implementation Plan (2018/19) were finalised and submitted to the Department of Public Service and Administration (DPSA) as targeted.</p>			None	None	Achieved

**Strategic Objective 7.2: Ensure good governance and a sound internal control environment****Objective Statement:** To render financial administration, supply chain management, risk management, internal audit, budgeting and management accounting services to the DoT

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>7.2.1.1 Financial governance compliance and control improved</b>	Action plans to address audit findings developed and monitored	During the period under review, action plans to address audit findings raised by the Auditor-General of South Africa, for the 2016/17 financial year, were developed and monitored as targeted. An annual monitoring report on the implementation of action plans to address audit findings has been developed.			None	None	Achieved
<b>7.2.1.2 Implementation of the DoT Risk Management Strategy monitored</b>	Annual Monitoring Report on the implementation of the Risk Management Strategy developed	During the period under review, monitoring reports on the implementation of the Risk Management Strategy were developed on a quarterly basis.  An annual monitoring report was developed and tabled at the Departmental Risk Management Committee in Quarter 4.			None	None	Achieved



## Strategy to overcome under-performance

Red flags were identified during the period under review. Deliverables that were lagging behind were identified and given stringent attention to ensure that they meet their targets as set out in the Annual Performance Plan. The only deliverable in Programme 1 (Administration) that needed attention was:

- Development of a status report on the transport sector socio-economic empowerment programmes.

A dedicated recovery plan was developed in the Third and Fourth Quarters and progress was monitored extensively to ensure that the deliverable is back on track to meet the annual target.

## Changes to planned targets

No changes were made to planned targets during the period under review.

## Programme expenditure

	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Ministry	48 433	48 433	-	44 466	44 466	-
1.2 Management	54 350	46 562	7 788	44 695	44 695	-
1.3 Corporate Services	209 011	209 011	-	197 595	197 549	46
1.4 Communications	24 644	24 644	-	28 033	28 033	-
1.5 Office Accommodation	78 816	78 816	-	50 393	50 393	-
<b>TOTAL</b>	<b>415 254</b>	<b>407 466</b>	<b>7 788</b>	<b>365 182</b>	<b>365 136</b>	<b>46</b>



## 4.2 Programme 2: INTEGRATED TRANSPORT PLANNING

**Purpose:** The programme exists to manage and facilitate national transport planning, related policies and strategies and coordinate regional as well as inter-sphere relations including providing economic modelling and analysis of the sector.

### Sub-Programmes

1. Macro Sector Planning
2. Freight Logistics
3. Modelling and Economic Analysis
4. Regional Integration
5. Research and Innovation

### Programme Strategic Objectives

1. Strategic Objective 1.1: Facilitate integrated macro-transport systems planning to guide investments in the sector
2. Strategic Objective 1.2: Promote national, regional and continental integration of transport infrastructure and operations
3. Strategic Objective 1.3: Enhance socio-economic transformation of the transport sector
4. Strategic Objective 6.1: Reduce Greenhouse Gases (GHG) emissions



## Integrated transport planning: performance against predetermined indicators and targets

## Strategic Objective 1.1: Facilitate integrated macro-transport systems planning to guide investments in the sector

**Objective Statement:** To formulate and implement national transport macro-planning legislation, policies and strategies. The main priority over the MTSF is to complete the revision of the White Paper on the National Transport Policy and the final approval and implementation of the NATMAP 2050 by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.1.2.1 Roll-out of 10 NATMAP 2050 Interventions by 2019</b>	Implementation of 10 NATMAP 2050 Priority Pilot Projects monitored	<p>During the period under review, a performance monitoring framework was developed and performance monitoring exercise was conducted on a total of 10 NATMAP priority pilot projects.</p> <ul style="list-style-type: none"> <li>▶ Parys Intermodal Transport Facility</li> <li>▶ R31 (Northern Cape)</li> <li>▶ Upgrading of Philippi Station</li> <li>▶ MR177 (Western Cape)</li> <li>▶ Green Transport Strategy</li> <li>▶ Integrated Transport Planning Bill</li> <li>▶ Moloto Road Upgrade</li> <li>▶ National Road Safety Strategy</li> <li>▶ OR Tambo International Airport Midfield Passenger Terminal</li> <li>▶ Development of Integrated Public Transport Networks (IPTNs)</li> </ul> <p>A consolidated report on the monitoring of 10 priority pilot projects was also compiled.</p>			None	None	Achieved



**Strategic Objective 1.1: Facilitate integrated macro-transport systems planning to guide investments in the sector**

**Objective Statement:** To formulate and implement national transport macro-planning legislation, policies and strategies. The main priority over the MTSF is to complete the revision of the White Paper on the National Transport Policy and the final approval and implementation of the NATMAP 2050 by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.1.2.2 White Paper on the National Transport Policy submitted to Cabinet by March 2018</b>	Final Revised White Paper on National Transport Policy submitted to Cabinet	<p>During the period under review, the White Paper on the National Transport Policy was submitted to and approved by Cabinet for public consultations;</p> <p>The White Paper was submitted to the Department of Planning, Monitoring and Evaluations (DPME) for Socio-Economic Impact Assessment.</p> <p>A 30-day public consultation period of 30-days was undertaken and stakeholder inputs were incorporated into the White Paper.</p> <p>The White Paper was submitted and presented to the ESEID Cluster on the 15<sup>th</sup> March 2018 and subsequently approved for submission to Cabinet.</p>			None	None	Achieved

**Strategic Objective 1.2: Promote national, regional and continental integration of transport infrastructure and operations**

**Objective Statement:** To develop and implement strategies to enhance seamless movement of freight and passengers across all modes of transport. Critical during the MTSF is to ensure that the Road Freight Strategy is completed to inform the movement of rail-friendly goods from roads to rail by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.2.2.1 Implementation of the Road Freight Strategy monitored</b>	Road Freight Strategy Implementation Plan developed	<p>During the period under review, gap analysis and business case for the development of the RFS Integrated Implementation Plan were developed</p> <p>Stakeholders consultations on the approved Road Freight Strategy were then conducted with the following:</p> <ul style="list-style-type: none"> <li>► KwaZulu-Natal, North West, Eastern Cape, Limpopo, Gauteng, Northern Cape and the Transport Forum</li> <li>► Eastern Cape Transport Technical Committee and Mpumalanga Freight Forum Meeting</li> <li>► Johannesburg Freight Forum Meeting</li> <li>► National Transport Forum</li> </ul>			Delays due to internal processes	Development of the Road Freight Strategy (RFS) Implementation Plan will be prioritised in the new financial year	Not Achieved



**Strategic Objective 1.2: Promote national, regional and continental integration of transport infrastructure and operations**

**Objective Statement:** To develop and implement strategies to enhance seamless movement of freight and passengers across all modes of transport. Critical during the MTSF is to ensure that the Road Freight Strategy is completed to inform the movement of rail-friendly goods from roads to rail by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.2.2.2 Regional Transport Market Access Strategy developed for by March 2018</b>	Regional Transport Market Access Strategy developed	<p>During the period under review, stakeholder consultation sessions were conducted with CBRTA, Cross-Border Transport Operators Association.</p> <p>and representatives of the Federation of East and Southern Road Transport Associations (FERSATA).</p> <p>A desktop study was also conducted as part of the benchmarking exercise to identify best practices within the Southern African Development Community (SADC) region.</p> <p>A Draft Regional Transport Market Access Strategy subsequently developed.</p>			None	None	Achieved

## Strategic Objective 1.3: Enhance socio-economic transformation of the transport sector

**Objective Statement:** To standardise economic regulations and enhance participation and inclusion of key stakeholders in mainstream sector interventions. Establishment of the STER, by 2019, will assist in ensuring attraction of more private sector investment into the Transport sector through creation of more predictable tariffs.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.3.2.1 Single Transport Economic Regulator (STER) Bill submitted to Cabinet by March 2018</b>	Single Transport Economic Regulator (STER) Bill submitted to Cabinet	<p>During the period under review, the STER Bill was submitted to and approved by Cabinet Committee on ESEID for public consultations;</p> <p>A 30-day public consultation period of 30 days was undertaken and stakeholder inputs were incorporated into the STER Bill.</p> <p>The STER Bill was submitted and presented to the ESEID Cluster on 15 March 2018 and subsequently approved for submission to Cabinet.</p>			None	None	Achieved
<b>1.3.2.2 Road Tariff Determination Framework submitted to Cabinet by March 2018</b>	Road Tariff Determination Framework submitted to Cabinet	<p>During the period under review, a SEIAS certificate of approval was issued on the Road Tariff Determination Framework; and the Framework was submitted and presented to the ESEID Cluster.</p> <p>The framework was subsequently approved for submission to Cabinet</p>			None	None	Achieved

**Strategic Objective 6.1: Reduce GHG emissions**

**Objective Statement:** To develop and implement strategies aimed at reducing GHG emissions in the Transport Sector. The Green Transport Strategy, which is to be implemented within the MTSF, will aim to emphasise green transportation policy statements, whilst minimising the adverse impact of transport activities on the environment; and addressing current and future transport demands based on sustainable development principles

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>6.1.2.1 Green Transport Strategy submitted to Cabinet by March 2018</b>	Green Transport Strategy submitted to Cabinet	<p>During the period under review, the Green Transport Strategy was presented to Cabinet Committees and Cabinet in May 2017. Concerns raised on financial implications were addressed and the Strategy was re-submitted to Cabinet</p> <p>A SEIAS certificate of approval was issued on the Green Transport Strategy; and the Strategy was submitted and presented to the ESEID Cluster.</p> <p>The Strategy was subsequently approved for submission to Cabinet for final approval.</p>			None	None	Achieved

## Strategy to overcome under-performance

Red flags were identified during the period under review. Deliverables that were lagging behind were identified and given stringent attention to ensure that they meet their targets as set out in the Annual Performance Plan. The deliverables in Programme 2 (Integrated Transport Planning) that needed attention were:

- ▶ Submission of the White Paper on the National Transport Policy to Cabinet
- ▶ Submission of the Single Transport Economic Regulator Bill to Cabinet
- ▶ Development of the Regional Transport Integration Market Access Strategy
- ▶ Development of the Road Freight Strategy Implementation Plan

A dedicated recovery plan was developed in the Third and Fourth Quarters and progress was monitored extensively to ensure that the deliverables are back on track to meet annual targets.

## Changes to planned targets

No changes were made to planned targets during the period under review.

## Programme expenditure

	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Macro Sector Planning	14 707	13 873	834	12 414	12 414	-
2.2 Freight Logistics	15 102	12 052	3 050	13 597	13 597	-
2.3 Modelling and Economic Analysis	21 312	19 667	1 645	23 994	23 994	-
2.4 Regional Integration	10 661	10 661	-	6 056	6 056	-
2.5 Research and Innovation	14 412	13 254	1 158	12 674	12 674	-
2.6 Integrated Transport Planning Administration Support	6 881	6 853	28	8 319	8 319	-
<b>TOTAL</b>	<b>83 075</b>	<b>76 360</b>	<b>6 715</b>	<b>77 054</b>	<b>77 054</b>	<b>-</b>



### 4.3 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. The programme also monitors and oversees the Railway Safety Regulator and the Passenger Rail Agency of South Africa as well as the implementation of integrated rail services planned through the lowest competent sphere of government.

#### Sub-Programmes

1. Rail Regulation
2. Rail Infrastructure and Industry Development
3. Rail Operations

#### Programme Strategic Objectives

1. Strategic Objective 1.5: Enhance performance, efficiency and reliability of the rail transport sector
2. Strategic Objective 2.1: Regulate and enhance transport safety and security



## Rail transport: performance against predetermined indicators and targets

### Strategic Objective 1.5: Enhance performance, efficiency and reliability of the rail transport sector

**Objective Statement:** To develop and implement interventions aimed at improving transport operations. Key during the MTSF is to finalise and implement the National Rail Policy and National Rail Act by 2019. The Policy will aim to guide development of the rail sector; and to align and revitalise the industry in line with rail's global development trajectory.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.5.3.1 White Paper on the National Rail Policy submitted to Cabinet by March 2018</b>	White Paper on the National Rail Policy submitted to Cabinet	During the period under review, a SEIAS certificate of approval was issued on the White Paper on the National Rail Policy; and the Policy was submitted and presented to the ESEID Cluster.  The Policy was subsequently approved for submission to Cabinet.			None	None	Achieved
<b>1.5.3.2 National Rail Bill submitted to Parliament by March 2019</b>	National Rail Bill submitted to the ESEID Cluster	During the period under review, a draft National Rail Bill was developed but was not submitted to the ESEID Cluster as targeted.			Delays in submission of the White Paper on the National Rail Policy to Cabinet impacted negatively on the consultative processes of the Rail Bill.	The Rail Bill process will be fast tracked in the new financial year in line with progress made towards the finalisation of the White Paper on the National Rail Policy.	Not Achieved



**Strategic Objective 1.5: Enhance performance, efficiency and reliability of the rail transport sector**

**Objective Statement:** To develop and implement interventions aimed at improving transport operations. Key during the MTSF is to finalise and implement the National Rail Policy and National Rail Act by 2019. The Policy will aim to guide development of the rail sector; and to align and revitalise the industry in line with rail's global development trajectory.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.5.3.3 Migration Plan (Interim Rail Economic Regulatory Capacity to the STER) developed by March 2018</b>	Migration Plan to migrate Interim Rail Economic Regulatory Capacity to STER developed	During the period under review, skills requirements for priority areas of rail regulations that needed to be capacitated were determined and operational requirements for rail functions within the STER were also ascertained.  Subsequently, a Migration Plan for the transfer of the Interim Rail Economic Regulatory Capacity to the Single Transport Economic Regulator (STER) was developed as targeted.			None	None	Achieved
<b>1.5.3.4 Implementation of the Branchline Model for Private Sector Participation (PSP) monitored</b>	Draft Memorandum of Understanding (MoU) between DoT and DPE developed for the implementation of PSP Framework on the Branchlines	A draft Memorandum of Understanding (MoU) between DoT and DPE for the implementation of PSP Framework on the Branchlines was developed and the two Departments had bilateral discussions on the draft MoU.  The MoU was finalised and submitted for Ministerial approval.			None	None	Achieved

**Strategic Objective 2.1: Regulate and enhance transport safety and security**

**Objective Statement:** To develop and implement interventions aimed at enhancing transport safety and security. Critical over the MTSF is to have the National Railway Safety Regulator Act completed, approved and implemented by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>2.1.3.1 Railway Safety Bill submitted to Parliament by March 2019</b>	Draft Railway Safety Bill submitted to the ESEID Cluster	<p>During the period under review, stakeholder consultations on the draft National Railway Safety Bill were conducted with Transnet, PRASA, RSR, DPE, BOC, Rail Operators and the National Treasury.</p> <p>A SEIAS certificate of approval was issued on the draft Railway Safety Bill; and the Bill was submitted and presented to the ESEID Cluster.</p> <p>The Bill was subsequently approved for submission to Cabinet.</p>			None	None	Achieved

## Strategy to overcome under-performance

Red flags were identified during the period under review. Deliverables that were lagging behind were identified and given stringent attention to ensure that they meet their targets as set out in the Annual Performance Plan. The deliverables in Programme 3 (Rail Transport) that needed attention were:

- ▶ Submission of the National Rail Policy to Cabinet
- ▶ Submission of the National Rail Bill to Cabinet

A dedicated recovery plan was developed in the Third and Fourth Quarters and progress was monitored extensively to ensure that the deliverables are back on track to meet annual targets.

## Changes to planned targets

No changes were made to planned targets during the period under review.

## Programme expenditure

	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Rail Regulation	19 197	12 996	6 201	16 841	15 389	1 452
3.2 Rail Infrastructure and Industry Development	6 456	6 185	271	9 577	9 577	-
3.3 Rail Operations	12 670	12 670	-	7 682	7 682	-
3.4 Rail Oversight	19 290 282	14 479 824	4 810 458	18 956 254	18 956 254	-
3.5 Rail Administration Support	4 594	3 483	1 111	3 103	3 103	-
<b>TOTAL</b>	<b>19 333 199</b>	<b>14 515 158</b>	<b>4 818 041</b>	<b>18 993 457</b>	<b>18 992 005</b>	<b>1 452</b>



## 4.4 Programme 4: ROAD TRANSPORT



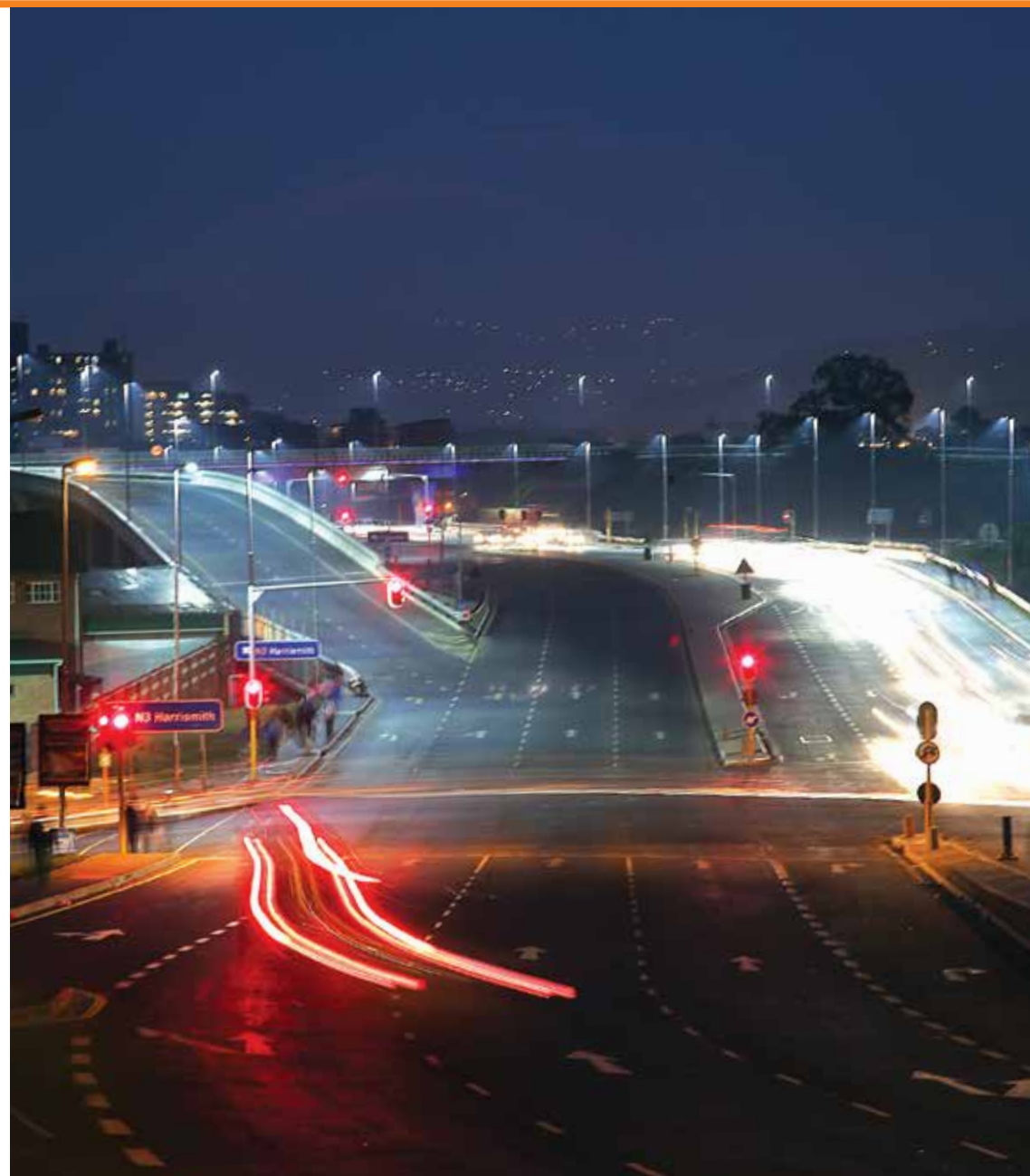
**Purpose:** The programme exists to develop and manage an integrated road infrastructure network, regulate road transport, ensure safer roads and oversee road agencies.

### Sub-Programmes

1. Road Engineering Standards
2. Road Infrastructure and Industry Development
3. Road Regulation

### Programme Strategic Objectives

1. Strategic Objective 1.4: Ensure a sustainable transport infrastructure network
2. Strategic Objective 2.1: Regulate and enhance transport safety and security



## Road transport: performance against predetermined indicators and targets

### Strategic Objective 1.4: Ensure a sustainable transport infrastructure network

**Objective Statement:** To develop and monitor implementation of policies aimed at ensuring construction and maintenance of transport infrastructure. Critical in the MTSF is to have the Roads Policy approved and implemented by 2019. The Policy will aim to provide a common purpose with respect to the management of roads in South Africa and also address fragmentation of the historical road management approach at various spheres of government; while aligning roads delivery with socio-economic priorities of the country.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.4.4.1 White Paper on the Roads Policy submitted to Cabinet by March 2019</b>	White Paper on Roads Policy submitted to ESEID FOSAD Cluster	<p>During the period under review, the draft Roads Policy was presented to 7 Provinces (EXCOs and MECs) as well as Mpumalanga Economic Cluster Technical Committees.</p> <p>The White Paper on the Roads Policy was subsequently submitted to and approved by Cabinet for public consultations.</p> <p>A 30-day public consultation period of 30 days was undertaken and stakeholder inputs were incorporated into the White Paper.</p> <p>The White Paper was then submitted and presented to the ESEID Cluster in March 2018 and subsequently approved for submission to Cabinet for approval.</p>			The ESEID Cluster approved the draft White Paper for submission to Cabinet	None	Exceeded
<b>1.4.4.2 Construction and maintenance of provincial roads monitored in line with the Provincial Road Maintenance Grant (PRMG) budget</b>	Monitor the overall implementation of the SSP in line with the PRMG budget	<p>Implementation of the SSP was monitored through inspections and bilateral meetings.</p> <p>Progress report was also developed as targeted.</p>			None	None	Achieved



**Strategic Objective 1.4: Ensure a sustainable transport infrastructure network**

**Objective Statement:** To develop and monitor implementation of policies aimed at ensuring construction and maintenance of transport infrastructure. Critical in the MTSF is to have the Roads Policy approved and implemented by 2019. The Policy will aim to provide a common purpose with respect to the management of roads in South Africa and also address fragmentation of the historical road management approach at various spheres of government; while aligning roads delivery with socio-economic priorities of the country.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.4.4.3 Access Road Development Plan submitted to Cabinet by March 2019</b>	Conduct stakeholder consultations on the draft Access Road Development Plan (ARDP)	During the period under review, stakeholder consultations on the draft ARDP were conducted with Provinces, DHA, DHS and the PICC.  Stakeholder inputs were incorporated into the draft Access Road Development Plan as targeted.			None	Department of Cooperative Governance and Traditional Affairs (CoGTA), Department of Rural Development and Land Reform (DRDLR), Department of Public Works (DPW) and the Department of Health were invited to participate in the consultation process but were not available.  Request for inputs will be forwarded to the stated Departments to ensure they participate accordingly.	Achieved

**Strategic Objective 2.1 Regulate and enhance transport safety and security**

**Objective Statement:** To develop and implement interventions aimed at enhancing transport safety and security. Critical within the MTSF is to have the National Road Safety Strategy approved and implemented by 2019. The Strategy will serve as a blue print for all road safety interventions that need to be implemented to create safer roads.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>2.1.4.1 Draft Bill for Founding Legislations of Road Entities submitted to Cabinet by March 2020</b>	Review of Founding Legislations of Road Entities conducted	During the period under review, a status quo analysis on the founding legislations of Road Entities was conducted and recommendations were reviewed with RTMC and C-BRTA.  A review of all founding legislations was conducted based on the recommendations of the status quo analysis.			None	None	Achieved
<b>2.1.4.2 The 2016-2030 National Road Safety Strategy submitted to Cabinet by December 2017</b>	2016-2030 National Road Safety Strategy submitted to Cabinet	During the period under review, the Road Safety Strategy was approved by Cabinet and the Department subsequently commenced with the monitoring of implementation of the Strategy.	-	-	Process of approval of the Strategy was fast tracked in March 2017	Strategy was approved by Cabinet in March 2017	Exceeded
<b>2.1.4.3 Anti-Fraud and Corruption Strategy for DLTCs, Vehicle Testing Centres (VTCs) and Registration Authorities submitted to Cabinet by March 2020</b>	Anti-Fraud and Corruption Strategy for DLTCs, VTCs and Registration Authorities developed	During the period under review, gap analysis consultations were conducted with all nine provinces to ascertain the status of provincial policies, strategies and challenges with regard to fraud and corruption at DLTCs, VTCs and Registration Authorities.  Stakeholder inputs were consolidated and a draft Anti-Fraud and Corruption Strategy was developed as targeted.			None	None	Achieved



## Strategy to overcome under-performance

Red flags were identified during the period under review. Deliverables that were lagging behind were identified and given stringent attention to ensure that they meet their targets as set out in the Annual Performance Plan. The only deliverable in Programme 4 (Road Transport) that needed attention was:

- Submission of the White Paper on the Roads Policy to Forum of South African Director-Generals (FOSAD) Cluster (ESEID).

A dedicated recovery plan was developed in the Third and Fourth Quarters and progress was monitored extensively to ensure that the deliverable is back on track to meet the annual target.

## Changes to planned targets

No changes were made to planned targets during the period under review.

## Programme expenditure

	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Road Regulation	59 899	59 899	-	116 607	309 630	(193 023)
4.2 Road Infrastructure and Industry Development	21 658	18 437	3 221	33 257	24 924	8 333
4.3 Road Oversight	27 021 237	27 018 377	2 860	24 704 282	24 699 696	4 586
4.4 Road Administration Support	8 491	7 547	944	7 673	7 111	562
4.5 Road Engineering Standards	26 890	14 109	12 781	16 647	14 073	2 574
<b>TOTAL</b>	<b>27 138 175</b>	<b>27 118 369</b>	<b>19 806</b>	<b>24 878 466</b>	<b>25 055 434</b>	<b>(176 968)</b>



## 4.5 Programme 5: CIVIL AVIATION



**Purpose:** The primary purpose of the programme is 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.

### Sub-Programmes

1. Aviation Policy and Legislation
2. Aviation Economic Analysis and Industry Development
3. Aviation Safety, Security Environment and Search Rescue

### Programme Strategic Objectives

1. Strategic Objective 1.5: Enhance performance, efficiency and reliability of the transport sector
2. Strategic Objective 2.1: Regulate and enhance transport safety and security
3. Strategic Objective 6.2: Minimise aviation noise



## Civil aviation: performance against pre-determined indicators and targets

## Strategic Objective 1.5: Enhance performance, efficiency and reliability of the transport sector

**Objective Statement:** To develop and implement interventions aimed at improving transport operations. Critical during the current MTSF is to ensure approval and implementation of the Airports Company and ATNS Amendment Acts by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.5.5.1 Regulations for the Airports Company Amendment Act developed by March 2018</b>	Draft regulations for the Airports Company Amendment Act developed	During the period under review, an inception report for the development of draft regulations for the Airports Company Amendment Act was developed and stakeholder consultations were conducted with ATNS, ACSA, SACAA and BARSA.  Draft regulations were then developed as targeted.			None	None	Achieved
<b>1.5.5.2 Regulations for the ATNS Amendment Act developed by March 2018</b>	Draft regulations for the ATNS Amendment Act developed	During the period under review, an inception report for the development of draft regulations for the ATNS Amendment Act was developed and stakeholder consultations were conducted with ATNS, ACSA, SACAA and BARSA.  Draft regulations were then developed as targeted.			None	None	Achieved

**Strategic Objective 1.5: Enhance performance, efficiency and reliability of the transport sector**

**Objective Statement:** To develop and implement interventions aimed at improving transport operations. Critical during the current MTSF is to ensure approval and implementation of the Airports Company and ATNS Amendment Acts by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.5.5.3 Air Services Licencing and the International Air Services Amendment Bill submitted to Cabinet by March 2019</b>	Draft Air Services and International Air Services Amendment Bill submitted to DPME for SEIAS assessment	During the period under review, industry consultative meetings were held and stakeholder consultations were conducted on the draft Bill.  The draft Air Services Bill was submitted to DPME for initial Socio-Economic Impact Assessment and a certificate of approval was issued to permit the Bill to proceed for further authorisations within the Department.			None	None	Achieved

**Strategic Objective 2.1: Regulate and enhance transport safety and security**

**Objective Statement:** To develop and implement interventions aimed at enhancing transport safety and security in line with international standards. Critical within the MTSF is to have the Civil Aviation Amendment Act proclaimed and implemented by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>2.1.5.1 Civil Aviation Amendment Bill submitted to Cabinet by March 2018</b>	Civil Aviation Amendment Bill submitted to Cabinet	Civil Aviation Amendment Bill was submitted to the DPME and ESEID Cluster; and subsequently approved by Cabinet in March 2017			Over-achievement: Internal fast-tracking processes in the 2016/17 financial year had an impact on the targets set for the 2017/18 financial year	Reported over-achievement will be noted in the Annual Report as per the Framework for Managing Programme Performance Information.	Exceeded



**Strategic Objective 5.3: Contribute to job creation in the transport sector**

**Objective Statement:** To develop and implement interventions that are aimed at creating job creation and also a conducive environment for employment opportunities within the sector. Critical during the current MTSF is to ensure the review and implementation of the National Aviation Transformation Strategy.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>5.3.5.1 National Aviation Transformation Strategy (NATS) submitted to Cabinet by March 2018</b>	National Aviation Transformation Strategy submitted to Cabinet	<p>During the period under review, a Letsema Steering Committee was convened and inputs were incorporated into the draft Strategy.</p> <p>The draft Strategy was submitted to the DPME for SEIAS approval and a SEIAS certificate was issued accordingly.</p> <p>The Strategy has been approved for submission to Cabinet</p>			None	None	Achieved

## Strategy to overcome under-performance

Red flags were identified during the period under review. Deliverables that were lagging behind were identified and given stringent attention to ensure that they meet their targets as set out in the Annual Performance Plan. The deliverables in Programme 5 (Civil Aviation) that needed attention were:

- Submission of the Draft Air Services Amendment Bill to DPME for SEIAS assessment.
- Submission of the National Aviation Transformation Strategy to Cabinet.

A dedicated recovery plan was developed in the Third and Fourth Quarters and progress was monitored extensively to ensure that the deliverables are back on track to meet annual targets.

## Changes to planned targets

No changes were made to planned targets during the period under review

## Programme expenditure

	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
5.1 Aviation Policy and Regulations	29 921	29 885	36	27 457	27 457	-
5.2 Aviation Economic Analysis and Industry Development	9 937	8 203	1 734	7 351	7 351	-
5.3 Aviation Safety, Security Environment and Search and Rescue	69 165	66 807	2 358	121 058	73 218	47 840
5.4 Aviation Oversight	57 566	57 166	400	96 277	96 277	-
5.5 Aviation Administration Support	4 576	4 088	488	6 124	6 124	-
<b>TOTAL</b>	<b>171 165</b>	<b>166 149</b>	<b>5 016</b>	<b>258 267</b>	<b>210 427</b>	<b>47 840</b>



## 4.6 Programme 6: MARITIME TRANSPORT



**Purpose:** The programme exists to coordinate the development of a safe, reliable and economically viable maritime transport sector through the development of policies, strategies, monitoring of the implementation plan and oversight of maritime related public entities, namely The Ports Regulator (PR) and South African Maritime Safety Authority (SAMSA).

### Sub-Programmes

1. Maritime Policy Development
2. Maritime Infrastructure and Industry Development
3. Maritime Safety, Security and Environment.

### Programme Strategic Objectives

1. Strategic Objective 1.5: Enhance performance, efficiency and reliability of the transport sector
2. Strategic Objective 2.1: Regulate and enhance transport safety and security



## Maritime transport: performance against predetermined indicators and targets

### Strategic Objective 1.5: Enhance performance, efficiency and reliability of the transport sector

**Objective Statement:** To develop and implement interventions aimed at improving transport operations. Critical within the current MTSF is to ensure approval and implementation of the Maritime Transport Policy by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>1.5.6.1 Maritime Transport Policy (MTP) submitted to Cabinet by March 2018</b>	Maritime Transport Policy submitted to Cabinet	Comprehensive Maritime Transport Policy was submitted to the DPME and ESEID Cluster; and subsequently approved by Cabinet in March 2017.  During the period under review, the draft Maritime Transport Strategy was developed and presented to the DoT Executive Committee as part of consultations towards finalisation.	R 476	R'000	Over-achievement: Internal fast-tracking processes in the 2016/17 financial year had an impact on the targets set for the 2017/18 financial year.	Reported over-achievement will be noted in the Annual Report as per the Framework for Managing Programme Performance Information.	Exceeded
<b>1.5.6.2 Operation Phakisa Marine Transport and Manufacturing Delivery Unit monitored</b>	Progress assessment conducted on Operation Phakisa infrastructure projects at 7 commercial ports	During the period under review, progress assessments were conducted on Operation Phakisa infrastructure projects at 7 commercial ports (Cape Town, Saldanha, Durban, Richards Bay, Mossel Bay, Port Elizabeth and East London).  An annual progress assessment report was developed as targeted .	R'000	R'000	None	None	Achieved

**Strategic Objective 2.1: Regulate and enhance transport safety and security**

**Objective Statement:** To develop and implement interventions aimed at enhancing transport safety and security in line with international standards. Critical within the MTSF is to ensure the approval and implementation of the Merchant Shipping Bill.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>2.1.6.1 Merchant Shipping Bill submitted to Cabinet by March 2018</b>	Merchant Shipping Bill submitted to Cabinet	During the period under review, a draft of the Merchant Shipping Bill was developed and the process of stakeholder consultations has commenced	R 2 171		Delays in finalising the draft Bill due to uncertainty on the scope of work for the overhaul of the Merchant Shipping Act	Processes of Socio-Economic Impact Assessment, consultations with the ESEID Cluster and submission to Cabinet will be prioritised in the new financial year	Not Achieved
<b>2.1.6.2 IMO World Maritime Day Parallel Event hosted by March 2020</b>	2020 World Maritime Day Project Implementation Plan submitted to Cabinet	<p>During the period under review, technical specifications for the 2020 World Maritime Day Project Implementation Plan were finalised.</p> <p>Technical specifications for Working Groups/Streams, Cabinet Memorandum and draft Implementation Plan were developed and presented to the Global Continental Affairs Committee (GCAC), and International Cooperation, Trade and Security (ICTS) Sub-Committee in February and March 2018.</p> <p>Implementation Plan was approved for submission to Cabinet.</p>	R 234	R'000	None	None	Achieved

## Strategy to overcome under-performance

Red flags were identified during the period under review. Deliverables that were lagging behind were identified and given stringent attention to ensure that they meet their targets as set out in the Annual Performance Plan. The deliverables in Programme 6 (Maritime Transport) that needed attention were:

- Submission of the Draft Merchant Bill to Cabinet
- Submission of the 2020 World Maritime Day Project Implementation Plan to Cabinet

A dedicated recovery plan was developed in the Third and Fourth Quarters and progress was monitored extensively to ensure that the deliverables are back on track to meet annual target.

## Changes to planned targets

No changes were made to planned targets during the period under review.

## Programme expenditure

	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
6.1 Maritime Policy Development	11 325	10 331	994	9 467	9 467	-
6.2 Maritime Infrastructure and Industry Development	13 245	11 359	1 886	8 662	8 662	-
6.3 Implementation, Monitoring and Evaluations	66 048	53 759	12 289	79 894	77 069	2 825
6.4 Maritime Oversight	29 973	29 355	618	54 051	54 051	-
6.5 Maritime Administration Support	7 826	4 523	3 303	4 312	4 312	-
<b>TOTAL</b>	<b>128 417</b>	<b>109 327</b>	<b>19 090</b>	<b>156 386</b>	<b>153 561</b>	<b>2 825</b>



## 4.7 Programme 7: PUBLIC TRANSPORT



**Purpose:** 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.

### Sub-Programmes

1. Public Transport Network Development
2. Public Transport Regulation
3. Public Transport Industry Development
4. Rural and Scholar Transport

### Programme Strategic Objectives

1. Strategic Objective 3.1: Provide integrated rural transport infrastructure and services
2. Strategic Objective 4.2: Improve public transport access and reliability
3. Strategic Objective 4.3: Regulate Public Transport



## Public transport: performance against predetermined indicators and targets

## Strategic Objective 3.1: Provide integrated rural transport infrastructure and services

**Objective Statement:** To develop and implement policies and strategies geared at improving provision of quality public transport infrastructure and services in rural areas. Critical within the MTSF is approval and implementation of the Rural Transport Strategy and the Learner Transport Policy by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>3.1.7.1 Integrated Public Transport Network (IPTN) plans developed in district municipalities annually</b>	Detailed Network (IPTN) plans developed in 2 district municipalities: <b>Bojanala and O.R. Tambo District Municipalities</b>	During the period under review, stakeholder consultations were conducted with the Bojanala and O.R. Tambo District Municipalities and draft concept documents for the detailed IPTN plans were developed accordingly.  Detailed IPTN plans were subsequently finalised for the 2 District Municipalities as targeted.			None	None	Achieved

**Strategic Objective 4.1: Promote sustainable public transport**

**Objective Statement:** To facilitate and promote the provision of sustainable public transport, through the use of safe and compliant vehicles and developing empowerment systems for the sector. Critical within the current MTSF is approval and implementation of the Integrated Public Transport Turnaround Plan and the Taxi Recapitalisation Programme

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>4.1.7.1 Implementation of the new Taxi Recapitalisation Programme monitored</b>	Implementation Plan of the new Taxi Recapitalisation Programme developed	During the period under review, technical specifications for the new TRP were developed and a new proposal for the programme was submitted to and approved by Cabinet.  Subsequently, drafts of the Reviewed Taxi Recapitalisation Programme Design and Implementation Plan were developed.			None	None	Achieved
<b>4.1.7.2 Implementation of the Integrated Public Transport Turnaround Plan monitored</b>	Framework for the implementation of the Integrated Public Transport Turnaround Plan developed	The Integrated Public Transport Turnaround Plan was presented to the Southern African Bus Operators Association (SABOA), Mpumalanga, Eastern Cape and North West provinces to source inputs into the programme of action.  A progress report was also developed on the analysis of implementation of the Plan.  A concept framework document for the Implementation of the Integrated Public Transport Turnaround Plan was then developed as targeted			None	None	Achieved

**Strategic Objective 4.2: Improve public transport access and reliability****Objective Statement:** Objective Statement: To facilitate the development and implementation of Integrated Public Transport Networks (IPTNs) in identified municipalities by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>4.2.7.1 Integrated Public Transport Networks (IPTNs) funded and monitored in selected cities</b>	IPTNs monitored in selected cities (Ekurhuleni, Mbombela, Nelson Mandela Bay, Johannesburg, Cape Town, George and Tshwane)	Construction and operations of IPTNs in different cities were monitored through bilateral project meetings; and mid-year budget and performance assessment visits.  A workshop was also conducted as part of the monitoring exercise.			None	None	Achieved



**Strategic Objective 4.3: Regulate Public Transport**

**Objective Statement:** To transform land transport systems through development and implementation of legislation, institutional building and planning. Critical over the current MTSF is the approval and implementation of the National Land Transport Amendment Act by 2019.

PERFORMANCE INDICATOR	2017/18 ANNUAL TARGET	ANNUAL PROGRESS	EXPENDITURE		REASON FOR DEVIATION	CORRECTIVE MEASURE & ADDITIONAL COMMENTS	MODERATED ASSESSMENT PERFORMANCE RATING
			ALLOCATED BUDGET R'000	ACTUAL R'000			
<b>4.3.7.1 Transport Appeal Tribunal (TAT) Amendment Bill submitted to Cabinet by March 2019</b>	Draft Transport Appeal Tribunal Amendment Bill developed	During the period under review, the draft TAT Amendment Bill was developed and gazetted for public comments.  Public consultations were duly conducted and stakeholder inputs were incorporated into the draft Bill.			None	None	Achieved

## Strategy to overcome under-performance

Red flags were identified during the period under review. Deliverables that were lagging behind were identified and given stringent attention to ensure that they meet their targets as set out in the Annual Performance Plan. The deliverables in Programme 7 (Public Transport) that needed attention were:

- Development of Detailed Network (IPTN) plans in two district municipalities (Bojanala and OR Tambo District Municipalities)
- Implementation of the new Taxi Recapitalisation Programme

A dedicated recovery plan was developed in the Third and Fourth Quarters and progress was monitored extensively to ensure that the deliverables are back on track to meet annual targets.

## Changes to planned targets

No changes were made to planned targets during the period under review.

## Programme expenditure





	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Sub-Programme Name	R'000	R'000	R'000	R'000	R'000	R'000
7.1 Public Transport Regulation	51 953	19 508	32 445	22 387	15 387	7 000
7.2 Rural and Scholar Transport	39 184	21 071	18 113	14 585	14 585	-
7.3 Public Transport Industry Development	145 220	135 814	9 406	129 863	129 863	-
7.4 Public Transport Oversight	12 258 542	12 084 790	173 752	11 372 616	11 372 616	-
7.5 Public Transport Administration Support	12 874	7 719	5 155	9 629	9 629	-
7.6 Public Transport Network Development	18 122	8 670	9 452	7 962	7 962	-
<b>TOTAL</b>	<b>12 525 895</b>	<b>12 277 572</b>	<b>248 323</b>	<b>11 557 042</b>	<b>11 550 042</b>	<b>7 000</b>



## 5. TRANSFER PAYMENTS

### 5.1. Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
	Maintenance and upgrading of airports infrastructure and enhancing of related operations	No transfer from the Department of Transport	No transfer from the Department of Transport	<p>2018 Skytrax – Ranking out of 550 Airports in the world</p> <ul style="list-style-type: none"> <li>▶ 21 Cape Town International Airport (2017 ranking – 19)</li> <li>▶ 26 King Shaka International Airport (2017 ranking – 35)</li> <li>▶ 32 O.R. Tambo International Airport (2017 ranking – 37)</li> </ul> <p>2018 Airport Service Quality – (Airports Council International - ACI)</p> <ul style="list-style-type: none"> <li>▶ Best Airport by Region</li> <li>▶ 2<sup>nd</sup> - King Shaka International Airport;</li> <li>▶ 3<sup>rd</sup> - Cape Town International Airport;               <ul style="list-style-type: none"> <li>» Best Airport in Africa (over 20 000 air traffic movements)</li> </ul> </li> </ul> <p>Cape Town International Airport</p> <ul style="list-style-type: none"> <li>▶ Best Airport by Region in the under 2 million passengers' category and Most Improved Airport</li> </ul> <p>Bram Fischer International Airport</p> <ul style="list-style-type: none"> <li>▶ Director's Roll of Excellence</li> <li>▶ Upington International Airport joined the Director's Roll of Excellence for being ranked in the top five airports for its category, size and region from 2006 to 2015.</li> </ul>

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
				<p>2017 OAG – On time performance</p> <ul style="list-style-type: none"> <li>King Shaka International Airport was ranked 5<sup>th</sup> with an OTP of 86.65% (2016 - 86.03%) (best was Tenerife North (Spain – 90.05%) in the small category 2.5 – 5 m seats.</li> <li>The Cape Town to Johannesburg Route was ranked as the 9<sup>th</sup> busiest domestic route with 31 914 frequencies and an average on time performance of 86.83%.</li> </ul> <p>2018 World Travel Awards</p> <ul style="list-style-type: none"> <li>Cape Town International Airport won the World Travel Award for Africa's Leading Airport.</li> </ul> <p>2018 Top employer</p> <ul style="list-style-type: none"> <li>Awarded TOP Employers™ 2018 Certification through the Top Employers Institute.</li> </ul>
	Provision of air traffic management solutions and associated services	No transfer from the Department of Transport	No transfer from the Department of Transport	Refer to Annual Report
	Regulation of cross border road transport freight and passenger industry	No transfer from the Department of Transport	-	Refer to Annual Report of C-BRTA
	Compensation of users of SA roads for loss of damage caused by negligent driving of motor vehicles within the borders of SA	No transfer from the Department of Transport	-	Refer to Annual Report of RAF

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
 <b>RTIA</b> <small>Road Traffic Infringement Agency Justice in Adjudication</small>	Facilitation of adjudication of traffic infringements	R17 696	R17 696	<p>South African Rehabilitation Model for road traffic offenders was developed</p> <p>12 compliance inspections with the AARTO prescripts were conducted at provincial level</p> <p>382 Implementing Agencies were verified for AARTO roll-out readiness</p> <p>State of readiness on AARTO report was released</p>
 <b>SOUTH AFRICAN CIVIL AVIATION AUTHORITY</b>	Regulator mandated with controlling, promoting regulating, supporting, developing, enforcing and continuously improving levels of safety and security throughout the civil aviation industry	R22 251 000	R22 251 000	<p>The funds were utilised for the administration of the Accident and Incident Investigation department as well as the International Civil Aviation Day.</p> <p>The SACAA achieved 100% of its Annual Performance targets for the 2017/2018 financial year.</p>
 <b>SANRAL</b> <small>South African National Roadway</small>	Maintenance, upgrading and expansion of national road network	R15 944 823	R13 944 823	Refer to Annual Report of SANRAL
 <b>Road Traffic Management Corporation</b>	Road traffic management through coordination of traffic law enforcement and road safety interventions	R194 529	R194 529	<p>Implementation of road safety programmes targeting youth</p> <p>Implementation of road safety educational programmes targeting motor vehicle users, pedestrians, cyclists and learners</p> <p>Establishment of 9 community-based structures to increase participation of civil society in both rural and urban areas</p> <p>Transfer of the Road Transport Inspectorate from C-BRTA to RTMC</p> <p>Implementation of 33 Anti-Fraud and Corruption awareness campaigns targeting the public and DLTCs</p> <p>Publication of seven state of road safety reports (Q1-Q4, Calendar, Festive and Easter)</p> <p>Conducted 872 road traffic law enforcement interventions against a target of 648 interventions</p>

## 5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Alfred Nzo	Municipality	Rural Road Asset Management Grant	Yes	2 157	1 776	The Municipalities spent an average of 51% of the funds that were transferred
Amajuba	Municipality		Yes	3 451	1 276	
Amatole	Municipality		Yes	2 806	2 498	
Bojanala Platinum	Municipality		Yes	2 175	1 027	
Cape Winelands	Municipality		Yes	2 683	1 525	
Capricorn	Municipality		Yes	3 634	1 653	
Central Karoo	Municipality		Yes	1 866	643	
Chris Hani	Municipality		Yes	3 097	946	
Dr Kenneth Kaunda	Municipality		Yes	2 242	534	
Dr Ruth Segomotsi Mompati	Municipality		Yes	2 290	937	
Eden	Municipality		Yes	2 364	1 380	
Ehlanzeni	Municipality		Yes	1 958	0	
Fezile Dabi	Municipality		Yes	2 119	885	
Frances Baard	Municipality		Yes	2 427	2 578	
Gert Sibande	Municipality		Yes	2 200	1 084	
Sekhukhune	Municipality		Yes	2 120	1 636	
Sisonke/Harry Gwala	Municipality		Yes	2 095	539	
iLembe	Municipality		Yes	2 174	1 449	
Ukhahlamba / Joe Gqabi	Municipality		Yes	2 136	348	
John Taolo Gaetwewe	Municipality		Yes	1 823	777	

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Lejweleputswa	Municipality		Yes	2 185	1 801	
Mopani	Municipality		Yes	2 049	482	
Namakwa	Municipality		Yes	3 925	1 412	
Ngaka Modiri Molema	Municipality		Yes	2 381	0	
Nkangala	Municipality		Yes	2 076	670	
Overberg	Municipality		Yes	2 427	964	
Pixley Ka Seme	Municipality		Yes	2 973	1 648	
Sarah Baartman	Municipality		Yes	2 261	1 221	
Sedibeng	Municipality		Yes	2 350	1 417	
Thabo Mofutsanyana	Municipality		Yes	2 307	2 130	
Ugu	Municipality		Yes	2 510	1 536	
uMgungundlovu	Municipality		Yes	2 384	1 278	
Umzinyathi	Municipality		Yes	2 183	838	
Uthukela	Municipality		Yes	2 378	1 166	
uThungulu	Municipality		Yes	2 379	0	
Vhembe	Municipality		Yes	1 993	928	
Waterberg	Municipality		Yes	1 897	1 710	
West Coast	Municipality		Yes	2 424	1 707	
West Rand	Municipality		Yes	2 484	2 011	
Xhariep	Municipality		Yes	3 218	474	
ZF Mqcowu	Municipality		Yes	2 684	3 313	
Zululand	Municipality		Yes	2 229	1 629	
Mpumalanga	Province	Coal Haulage Grant	Yes	801 362	801 362	The Provinces spent an average of 100% of the funds that were transferred



Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Eastern Cape	Province	Disaster Management Grant	Yes	90 000	59 000	The Provinces spent an average of over 56% of the funds that were transferred
Limpopo	Province		Yes	100 000	0	
Mpumalanga	Province		Yes	50 000	49 000	
Western Cape	Province		Yes	58 123	58 123	
Eastern Cape	Province	Provincial Road Maintenance Grant	Yes	1 189 725	1 285 661	The Provinces spent an average of over 100% of the funds that were transferred.
Free State	Province		Yes	1 258 030	1 258 030	
Gauteng	Province		Yes	501 784	501 196	
KwaZulu-Natal	Province		Yes	2 201 069	1 925 378	
Limpopo	Province		Yes	895 109	992 377	
Mpumalanga	Province		Yes	787 865	1 638 825	
Northern Cape	Province		Yes	905 359	755 629	
North West	Province		Yes	867 524	905 360	
Western Cape	Province		Yes	772 606	830 729	
Eastern Cape	Province	Public Transport Operations Grant	Yes	218 217	218 217	The Provinces spent an average of 99.9% of the funds that were transferred.
Free State	Province		Yes	241 257	241 217	
Gauteng	Province		Yes	2 033 590	2 033 590	
KwaZulu-Natal	Province		Yes	1 011 046	1 011 046	
Limpopo	Province		Yes	326 129	326 129	
Mpumalanga	Province		Yes	549 132	548 885	
Northern Cape	Province		Yes	49 096	98 781	
North West	Province		Yes	100 925	49 096	
Western Cape	Province		Yes	870 900	870 900	

There were no transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.



## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the Department.

#### Conditional Grant 1: Provincial Road Maintenance Grant (PRMG), Coal Haulage Grant and Disaster Management Grant

Department/ Municipality to whom the grant has been transferred	<ul style="list-style-type: none"> <li>▶ Eastern Cape Department of Transport</li> <li>▶ Free State Department of Police, Roads and Transport</li> <li>▶ Gauteng Department of Roads and Public Works</li> <li>▶ KZN Department of Transport</li> <li>▶ Limpopo Department of Public Works and Roads Infrastructure</li> <li>▶ Mpumalanga Department of Public Works, Roads And Transport</li> <li>▶ Northern Cape Department of Roads and Public Works</li> <li>▶ North West Department of Public Works, Roads And Transport</li> <li>▶ Western Cape Department of Transport and Public Works</li> </ul>
Purpose of the grant	<ul style="list-style-type: none"> <li>▶ To supplement provincial investments for routine, periodic and special maintenance</li> <li>▶ To ensure all roads are classified as per RISFSA and the Technical Recommendation for Highways (TRH) 26 Road Classification and Access Management (RCAM) guidelines</li> <li>▶ To implement and maintain Road Asset Management Systems (RAMS) as per Technical Methods for Highways (TMH) 22</li> <li>▶ To supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters</li> </ul>
	<ul style="list-style-type: none"> <li>▶ To improve the state of the road network serving electricity generation infrastructure</li> <li>▶ To improve road safety with a special focus on pedestrian safety in rural areas</li> </ul>

<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>▶ Road classification processes are 100% complete and continuously maintained, including all newly proclaimed constructed and upgraded roads</li> <li>▶ Fully functional RAMS in line with minimum TMH 22 requirements for a provincial road authority</li> <li>▶ Network condition assessment and determination of project priority list from the RAMS</li> <li>▶ The following actual delivery related measures against 2017/18 targets defined in the final Road Asset Management Plan (RAMP) for each province:             <ul style="list-style-type: none"> <li>» number of m<sup>2</sup> of surfaced roads rehabilitated</li> <li>» number of m<sup>2</sup> of surfaced roads resurfaced (overlay or reseal)</li> <li>» number of m<sup>2</sup> of blacktop patching (including pothole repairs)</li> <li>» number of kilometres of gravel roads re-gravelled</li> <li>» number of kilometres of gravel roads bladed</li> </ul> </li> <li>▶ The following performance based on national job creation indicators:             <ul style="list-style-type: none"> <li>» number of jobs created</li> <li>» number of full-time equivalents (FTEs) created</li> <li>» number of youths employed (18 - 35)</li> <li>» number of women employed</li> <li>» number of people living with disabilities employed</li> </ul> </li> <li>▶ Updated road condition data as per TMH 22 (paved and unpaved), traffic data, and bridge condition report by 31st August 2017</li> </ul>
<b>Actual outputs achieved</b>	<p><b>Physical Outputs</b></p> <ul style="list-style-type: none"> <li>▶ of lane km of surfaced roads rehabilitated has been achieved against a target of 1 329 lane km which is equivalent to 99% achievement</li> <li>▶ lane km of surfaced roads resurfaced (overlay or reseal) against a target of 2 796 lane km which is equivalent to 108% achievement</li> <li>▶ m<sup>2</sup> of blacktop patching (including pothole repairs) against a target of 1 092 000 m<sup>2</sup> which is equivalent to greater than 175% achievement</li> <li>▶ km of gravel roads re-gravelled against a target of 3 323 km which is equivalent to greater than 86% achievement</li> <li>▶ km of gravel roads bladed against a target of 414 004 km which is equivalent to 88% achievement</li> </ul> <p><b>Social Outputs</b></p> <ul style="list-style-type: none"> <li>▶ Number of jobs created – 130 178 against a target of 198 921</li> <li>▶ Number of full time equivalents (FTEs) created – 22 642 against a target of 75 206</li> <li>▶ Number of youths employed (18 – 35) – 33 572 against a target of 89 817</li> <li>▶ Number of women employed – 91 531 against a target of 111 117</li> <li>▶ Number of people living with disabilities – 550 against a target of 2 556</li> </ul> <p><b>NB: Outputs only until Q3</b></p>

<b>Amount per amended DORA</b>	<ul style="list-style-type: none"> <li>▶ Eastern Cape - R 1 435 134 000</li> <li>▶ Free State - R 1 274 731 000</li> <li>▶ Gauteng - R 656 183 000</li> <li>▶ KwaZulu-Natal - R 1 828 970 000</li> <li>▶ Limpopo - R 1 140 387 000</li> <li>▶ Mpumalanga - R 1 461 269 000</li> <li>▶ Northern Cape - R 1 084 016 000</li> <li>▶ North West - R 932 884 000</li> <li>▶ Western Cape - R 940 089 000</li> </ul>
<b>Amount transferred (R'000)</b>	<ul style="list-style-type: none"> <li>▶ Eastern Cape - R 1 435 134 000</li> <li>▶ Free State - R 1 274 731 000</li> <li>▶ Gauteng - R 656 183 000</li> <li>▶ KwaZulu-Natal - R 1 828 970 000</li> <li>▶ Limpopo - R 1 140 387 000</li> <li>▶ Mpumalanga - R 1 461 269 000</li> <li>▶ Northern Cape - R 1 084 016 000</li> <li>▶ North West - R 932 884 000</li> <li>▶ Western Cape - R 940 089 000</li> </ul>
<b>Reasons if amount as per DORA not transferred</b>	N/A – All amounts transferred as per DoRA
<b>Amount spent by the department/ municipality (R'000)</b>	<ul style="list-style-type: none"> <li>▶ Eastern Cape - R 1 435 134 000</li> <li>▶ Free State - R 1 273 116 000</li> <li>▶ Gauteng - R 551 526 116</li> <li>▶ KwaZulu-Natal - R 1 828 970 000</li> <li>▶ Limpopo - R 1 039 443 810</li> <li>▶ Mpumalanga - R 1 461 269 000</li> <li>▶ Northern Cape - R 1 084 016 000</li> <li>▶ North West - R 908 168 000</li> <li>▶ Western Cape - R 901 088 000</li> </ul>
<b>Reasons for the funds unspent by the entity</b>	N/A – All amounts transferred as per DoRA
<b>Monitoring mechanism by the transferring department</b>	<ul style="list-style-type: none"> <li>▶ Bilateral Meetings</li> <li>▶ Quarterly meetings</li> <li>▶ Site visits</li> <li>▶ Checklist developed to track compliance issues</li> </ul>

### Conditional Grant 2: Rural Road Asset Management Systems (RRAMS)

The table below reflects the transfer payments made during 2017/18 municipal financial year. These payments were transferred and/or processed by National Department of Transport to District Municipalities in two tranches, first one in August 2017 and the second one end of January 2018.

The funds were used in accordance with RRAMS grant conditions, a detailed analysis of activities carried out with the funds and reasons for funds unspent by the entity, if any, can be found in Section 6.1 The expenditure reported herein is obtained from the latest monthly (March 2018) reports where available since the municipal year end is only end of June.

Receiving Officers		Amount Transferred (R'000)	Amount Spent by the entity (R'000)
North West	Bojanala	2 359	1 294
North West	Dr Ruth Segomotsi Mompati	2 439	1 218
North West	Ngaka Modiri Molema	2 535	1 233
North West	Dr Kenneth Kaunda	2 455	1 786
Northern Cape	John Taolo	1 979	884
Northern Cape	Namakwa	2 898	1 349
Northern Cape	Frances Baard	2 516	2 291
Northern Cape	Pixley Ka Seme	3 003	2 667
Northern Cape	ZF Mqcawu	2 860	1 055
Mpumalanga	Ehlanzeni	2 347	1 095
Mpumalanga	Gert Sibande	2 309	1 058
Mpumalanga	Nkangala	2 175	1 647
Limpopo	Vhembe	2 244	1 133
Limpopo	Mopani	2 202	919
Limpopo	Waterberg	2 129	-
Limpopo	Sekhukhune	2 286	1 425
Limpopo	Capricorn	2 417	1 289
KwaZulu-Natal	Uthukela	2 483	824
KwaZulu-Natal	uMgungundlovu	2 526	2 367

Receiving Officers		Amount Transferred (R'000)	Amount Spent by the entity (R'000)
KwaZulu-Natal	Zululand	2 359	1 753
KwaZulu-Natal	Amajuba	2 200	2 198
KwaZulu-Natal	Ilembe	2 266	578
KwaZulu-Natal	Harry Gwala	2 221	2 130
KwaZulu-Natal	Ugu	2 658	1 125
KwaZulu-Natal	Uthungulu	2 523	1 782
KwaZulu-Natal	Umkhanyakude	2 619	1 583
KwaZulu-Natal	Umzinyathi	2 275	1 397
Freestate	Xhariep	2 145	1 416
Freestate	Fezile Dabi	2 183	1 283
Freestate	Letshweleputswa	2 276	1 357
Freestate	Thabo Mofutsanyana	2 400	1 627
Eastern Cape	Alfred Nzo	2 285	1 123
Eastern Cape	Joe Gqabi	2 180	1 548
Eastern Cape	OR Tambo	2 931	-
Eastern Cape	Amathole	2 933	388
Eastern Cape	Chris Hani	3 222	541
Eastern Cape	Sara Baartman	2 235	2 145
Western Cape	Central Karoo	1 917	691
Western Cape	Cape Winelands	2 683	709
Western Cape	Eden	2 420	571
Western Cape	Overberg	2 643	692
Western Cape	West Coast	2 553	1 699
Gauteng	Sedibeng	2 431	1 722
Gauteng	West Rand	2 589	1 824

The table below details Rural RAMS conditional grant beneficiaries' purpose and expected outcome of the grant as stipulated within the Division of Revenue Act (DORA). National Department of Transport grant monitoring mechanisms is detailed.

<b>Department/Municipality to whom the grant has been transferred</b>	44 District Municipalities have benefited from the grant in 2017/18 Medium Term Expenditure Framework (MTEF).
<b>Purpose of the grant</b>	To assist rural district municipalities set up rural RAMS, and collect road, bridges and traffic data on municipal road network in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).
<b>Expected outputs of the Grant</b>	Improved road condition data, traffic data and bridge condition data on municipal rural roads to guide infrastructure maintenance and investments, resulting in reduced vehicle costs.
<b>Monitoring mechanism by the transferring officer</b>	<p>National Department of Transport monitors the implementation of RAMS through the following processes or measures:</p> <ul style="list-style-type: none"> <li>▶ Various types of meeting are scheduled between NDoT, Provincial Road Authorities and DMs. For example, Progress Meetings, National RRAMS Meetings, and TMH 18 Workshops</li> <li>▶ Ensuring District Municipalities (DMs) comply with the conditions of the grant in terms of data submission and other reporting requirements.</li> <li>▶ Analysing data integrity, quality and checking compliance to standards.</li> <li>▶ Providing guidance on sustainable RAMS operations and standards</li> <li>▶ Facilitating training to LMs and assist them to acquire RAMS data from DMs or DOT.</li> </ul>

The table below details the ear marked funds to each District Municipality during 2017/18 municipal financial year i.e. from July 2017 to June 2018.

## EASTERN CAPE MUNICIPALITIES

RRAMS (ALFRED NZO DISTRICT)	
Actual outputs of the grant achieved	Updated road condition and traffic data is available. RISFSA classification has been completed.
Amount per Amended DORA (R'000)	2 285
Amount Transferred (R'000)	2 285
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 162
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
RRAMS (JOE GQABI DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 180
Amount Transferred (R'000)	2 180
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	632
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
RRAMS (OR TAMBO DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 931
Amount Transferred (R'000)	2 931
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	2 931
Reasons for funds unspent by the entity	Non-performance by the municipality. It is not likely that the municipality will spend the allocation.

<b>RRAMS (AMATHOLE DISTRICT)</b>	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 933
Amount Transferred (R'000)	2 933
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	2 545
Reasons for funds unspent by the entity	Very low expenditure by the municipality and the remaining amount is not likely to be spent. The DM is not performing
<b>RRAMS (CHRIS HANI DISTRICT)</b>	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	3 222
Amount Transferred (R'000)	3 222
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	2 681
Reasons for funds unspent by the entity	Very low expenditure by the municipality due to contractual issues, and the remaining amount is not likely to be spent. Poor performance by the DM.
<b>RRAMS (SARAH BAARTMAN DISTRICT)</b>	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 235
Amount Transferred (R'000)	2 235
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	90
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018 report, the unspent funds are planned to be spent before the end of the financial year.
<b>RRAMS (XHARIEP DISTRICT)</b>	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 145
Amount Transferred (R'000)	2 145
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	729
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year



## FREE STATE MUNICIPALITIES

RRAMS (KHARIEP DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 145
Amount Transferred (R'000)	2 145
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	729
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year
RRAMS (FEZILE DABI DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 183
Amount Transferred (R'000)	2 183
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 242
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year
RRAMS (LEJWELEPUTSWA DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 276
Amount Transferred (R'000)	2 276
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	919
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year
RRAMS (THABO MOFUTSANYANA DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 400
Amount Transferred (R'000)	2 400
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	773
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year

## GAUTENG MUNICIPALITIES

RRAMS (SEDIBENG DISTRICT)	
Actual outputs of the grant achieved	New entrant but condition was submitted end of 2016/17 financial year.
Amount per Amended DORA (R'000)	2 431
Amount Transferred (R'000)	2 431
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	709
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds can still be spent before the end of the Quarter 4 or financial year
RRAMS (WEST RAND DISTRICT)	
Actual outputs of the grant achieved	New entrant but condition was submitted end of 2016/17 financial year.
Amount per Amended DORA (R'000)	1 917
Amount Transferred (R'000)	1 917
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 226
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year



## KWA-ZULU NATAL MUNICIPALITIES

RRAMS (UTHUKELA DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 378
Amount Transferred (R'000)	2 378
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 554
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, however there is a challenge of the DMs under-reporting which the Department is trying to address and the reported figure might change after sorting out the reporting challenges.
RRAMS (uMGUNGUNDLOVU DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 526
Amount Transferred (R'000)	2 526
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	150
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
RRAMS (ZULULAND DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 359
Amount Transferred (R'000)	2 359
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	606
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.

<b>RRAMS (AMAJUBA DISTRICT)</b>	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 200
Amount Transferred (R'000)	2 200
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 459
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
<b>RRAMS (ILEMBE DISTRICT)</b>	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 266
Amount Transferred (R'000)	2 266
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 688
Reasons for funds unspent by the entity	There have been contractual challenges in the DM which have now been sorted out hence the low expenditure, hopefully the DM will be able to spend the remaining amount before the end of Quarter 4 or financial year.
<b>RRAMS (HARRY GWALA DISTRICT)</b>	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 221
Amount Transferred (R'000)	2 221
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	85
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
<b>RRAMS (UGU DISTRICT)</b>	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 658
Amount Transferred (R'000)	2 658
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	291
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.



<b>RRAMS (UTHUNGULU DISTRICT)</b>	
<b>Actual outputs of the grant achieved</b>	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
<b>Amount per Amended DORA (R'000)</b>	2 523
<b>Amount Transferred (R'000)</b>	2 523
<b>Reasons if amount as per DORA not transferred</b>	All funds were transferred as per DORA
<b>Amount unspent by the department/municipality (R'000)</b>	741
<b>Reasons for funds unspent by the entity</b>	The expenditure of the DM has improved as compared to this period in the last financial year. The DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
<b>RRAMS (UMKHANAYAKUDE DISTRICT)</b>	
<b>Actual outputs of the grant achieved</b>	Previous Year's Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated.
<b>Amount per Amended DORA (R'000)</b>	2 619
<b>Amount Transferred (R'000)</b>	2 619
<b>Reasons if amount as per DORA not transferred</b>	All funds were transferred as per DORA
<b>Amount unspent by the department/municipality (R'000)</b>	1 036
<b>Reasons for funds unspent by the entity</b>	The expenditure of the DM has improved as compared to this period in the last financial year. The DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
<b>RRAMS (UMZINYATHI DISTRICT)</b>	
<b>Actual outputs of the grant achieved</b>	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
<b>Amount per Amended DORA</b>	2 275
<b>Amount Transferred (R'000)</b>	2 275
<b>Reasons if amount as per DORA not transferred</b>	All funds were transferred as per DORA
<b>Amount unspent by the department/municipality (R'000)</b>	878
<b>Reasons for funds unspent by the entity</b>	The expenditure reported is as of March 2018 3, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.

## LIMPOPO MUNICIPALITIES

RRAMS (VHEMBE DISTRICT)	
Actual outputs of the grant achieved	Updated road condition and traffic data is available. RISFSA classification has been completed.
Amount per Amended DORA (R'000)	2 244
Amount Transferred (R'000)	2 244
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 111
Reasons for funds unspent by the entity	The expenditure has been slow due to late appointment of service provider but expecting the DM to spend the full remaining amount by the end of the Quarter 4 or financial year.
RRAMS (MOPANI DISTRICT)	
Actual outputs of the grant achieved	Continuous update of road condition data and traffic data is. RISFSA classification has been completed.
Amount per Amended DORA (R'000)	2 202
Amount Transferred (R'000)	2 202
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 283
Reasons for funds unspent by the entity	The expenditure has been slow due to late appointment of service provider but the DM is confident that the remaining amount will be fully spent by the end of the Quarter 4 or financial year.
RRAMS (WATERBERG DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available, although updates on the information is required. RISFSA classification has been completed. The RAMS data is being updated.
Amount per Amended DORA (R'000)	2 129
Amount Transferred (R'000)	2 129
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	2 129
Reasons for funds unspent by the entity	The DM had no service provider hence the 0% expenditure of the 2017/18 allocation. A new service provider got appointed this month after the intervention made by DoT due to poor performance of the DM since the beginning of the financial year.

RRAMS (SEKHUKHUNE DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA	2 286
Amount Transferred (R'000)	2 286
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	861
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
RRAMS (CAPRICORN DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 417
Amount Transferred (R'000)	2 417
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 128
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.

## MPUMALANGA MUNICIPALITIES

RRAMS (GERT SIBANDE DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The DM has a functional RAMS system and the RAMS data is being updated.
Amount per Amended DORA (R'000)	2 309
Amount Transferred (R'000)	2 309
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 251
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
RRAMS (NKANGALA DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is still within the acceptable range and is available. RISFSA classification has been completed. The RAMS data is being updated.
Amount per Amended DORA (R'000)	2 175
Amount Transferred (R'000)	2 175
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	528
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.
RRAMS (EHLANZENI DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The DM has a functional RAMS system and the RAMS data is being updated.
Amount per Amended DORA (R'000)	2 347
Amount Transferred (R'000)	2 347
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 252
Reasons for funds unspent by the entity	Late appointment of a new service provider however the remaining expenditure will be spent before the end of the Quarter 4 or financial year.

## NORTHERN CAPE MUNICIPALITIES

RRAMS (JOHN TAOLO GAETSEWE DISTRICT)	
Actual outputs of the grant achieved	Updated road condition data and traffic data is available. RISFSA classification has been completed.
Amount per Amended DORA (R'000)	1 979
Amount Transferred (R'000)	1 979
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 095
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year.
RRAMS (NAMAKWA DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 898
Amount Transferred (R'000)	2 898
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 549
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year
RRAMS (FRANCES BAARD DISTRICT)	
Actual outputs of the grant achieved	Road network extent is being updated, Road condition. RCAM classification has been completed
Amount per Amended DORA (R'000)	2 516
Amount Transferred (R'000)	2 516
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	600
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year

RRAMS (PIXLEY KA SEME DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	3 003
Amount Transferred (R'000)	3 003
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	336
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year.
RRAMS (ZF MGCAWU DISTRICT)	
Actual outputs of the grant achieved	Condition assessment done and structures identified. RISFSA and RCAM classification completed.
Amount per Amended DORA (R'000)	2 860
Amount Transferred (R'000)	2 860
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 805
Reasons for funds unspent by the entity	The DM remaining expenditure will be spent before the end of the Quarter 4 or financial year.

## NORTH WEST MUNICIPALITIES

RRAMS (BOJANALA PLATINUM DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 359
Amount Transferred (R'000)	2 359
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 065
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 of financial year.
RRAMS (NGAKA MODIRI MOLEMA DISTRICT)	
Actual outputs of the grant achieved	Previous Year Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 535
Amount Transferred (R'000)	2 535
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 302
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 of financial year.
RRAMS (DR. RUTH SEGOMOTSI MOMPATI DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 290
Amount Transferred (R'000)	2 290
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	865
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 of financial year.
RRAMS (DR KENNETH KAUNDA DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 455
Amount Transferred (R'000)	2 455
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	669
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the DM remaining expenditure will be spent before the end of the Quarter 4 of financial year.

## WESTERN CAPE MUNICIPALITIES

RRAMS (CENTRAL KAROO DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	1 866
Amount Transferred (R'000)	1 866
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	930
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 or financial year.
RRAMS (CAPE WINELANDS DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 683
Amount Transferred (R'000)	2 683
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 974
Reasons for funds unspent by the entity	Slow expenditure by the municipality, however this is a report up to March 2018, the DM might be able to make some expenditure before the end of the financial year.
RRAMS (EDEN DISTRICT)	
Actual outputs of the grant achieved	RRAMS implementation has not begun, hence no outputs achieved.
Amount per Amended DORA (R'000)	2 420
Amount Transferred (R'000)	2 420
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	571
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds can still be spent before the end of the Quarter 4 or financial year.

RRAMS (OVERBERG DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 643
Amount Transferred (R'000)	2 643
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	1 951
Reasons for funds unspent by the entity	Slow expenditure by the municipality, however this is a report up to March 2018, the DM might be able to make some expenditure before the end of the financial year.
RRAMS (WEST COAST DISTRICT)	
Actual outputs of the grant achieved	Road condition data and traffic data is available. RISFSA classification has been completed. The RAMS data is being updated
Amount per Amended DORA (R'000)	2 553
Amount Transferred (R'000)	2 553
Reasons if amount as per DORA not transferred	All funds were transferred as per DORA
Amount unspent by the department/municipality (R'000)	884
Reasons for funds unspent by the entity	The expenditure reported is as of March 2018, the unspent funds are planned to be spent before the end of the Quarter 4 of financial year.

## Conditional Grant 3: South African National Road Agency: Non-toll network: Capital, Operations and Moloto Road Upgrade

Department/ Municipality to whom the grant has been transferred	South African National Road Agency
Purpose of the grant	<ul style="list-style-type: none"> <li>▶ Manage the national road network effectively and efficiently</li> <li>▶ Provide safe roads</li> <li>▶ Carry out Government's targeted programmes</li> <li>▶ Sustain cooperative working relationships with all spheres of government and the SADC member countries</li> <li>▶ Maintain good governance practice</li> <li>▶ Maintain financial sustainability</li> <li>▶ Pursue research, innovation and best practice</li> <li>▶ Safeguard SANRAL's reputation</li> <li>▶ Pursue environmental sustainability and maintain sound environmental practices</li> </ul>
Expected outputs of the grant	Awaiting inputs from SANRAL
Actual outputs achieved	Awaiting inputs from SANRAL
Amount per amended DORA (R'000)	14 711 809
Amount transferred (R'000)	14 711 809
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	Awaiting inputs from SANRAL
Reasons for the funds unspent by the entity	Awaiting inputs
Monitoring mechanism by the transferring department	Quarterly reports, Stakeholder meeting, Annual General Meetings and site visits

## Conditional Grant 4: Public Transport Network Grant (PTNG)

Department/ Municipality to whom the grant has been transferred	Buffalo City, Nelson Mandela, Mangaung, Tshwane, Ekurhuleni, Johannesburg, eThekweni, Msunduzi, Polokwane, Mbombela, Rustenburg, Cape Town, George
Purpose of the grant	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.
Expected outputs of the grant	<p><b>Network Operations Component</b></p> <ul style="list-style-type: none"> <li>▶ Number of average weekday passenger trips carried on PTN Grant funded networks</li> <li>▶ Number and percentage of municipal households within a 500 m walk to an Integrated Public Transport Network (IPTN) station or stop that has a minimum peak period frequency of 15 minutes or better</li> <li>▶ Percentage uptime for network operating systems</li> <li>▶ Passengers per network vehicle per average weekday</li> </ul> <p><b>Network Infrastructure Component</b></p> <ul style="list-style-type: none"> <li>▶ 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, cycle ways, cycle storage at stations, etc.)</li> <li>▶ Plans and detailed design related to Integrated Public Transport Network (IPTN) infrastructure and operations</li> </ul>
Actual outputs achieved	<p>Overall: Cape Town, Ekurhuleni, Johannesburg, Tshwane and George are operating IPTN services for initial phases and expanding network infrastructure for subsequent phases. Buffalo City, Nelson Mandela, eThekweni, Mangaung, Rustenburg, Mbombela and Polokwane and Msunduzi are constructing IPTN infrastructure for initial phases.</p> <p>Currently, Cape Town's MyCiti network carries an average of 64 226 passenger trips per month; Ekurhuleni's Harambee (starter service) carries an average 3 830 passengers per month; Johannesburg's Rea Vaya carries an average 39 690 passengers per month; Tshwane's A Re Yeng IPTN system recorded an average 8 774 boardings per month; The Go George's IPTN system carries 14 476 passengers</p>
Amount per amended DORA (R'000)	Buffalo City 55 869; Nelson Mandela 273 297; Mangaung 231 637; Tshwane 900 239; Ekurhuleni 700 718; Johannesburg 918 187; eThekweni 917 150; Msunduzi 210 014; Polokwane 216 734; Mbombela 216 734; Rustenburg 314 156; Cape Town 999 524; George 210 362.
Amount transferred (R'000)	Buffalo City 55 869; Nelson Mandela 273 297; Mangaung 231 637; Tshwane 900 239; Ekurhuleni 700 718; Johannesburg 918 187; eThekweni 917 150; Msunduzi 157 512; Polokwane 216 734; Mbombela 216 734; Rustenburg 314 156; Cape Town 999 524; George 210 362.

<b>Reasons if amount as per DORA not transferred (R'000)</b>	Msunduzi 210 014 – 157 512 = 52 502 (52 502 voluntarily returned to the fiscus due to unreadiness to spend whole allocation)
<b>Amount spent by the department/ municipality (R'000)</b>	Buffalo City 21 973; Nelson Mandela 97 301; Mangaung 72 376; Tshwane 347 011; Ekurhuleni 238 987; Johannesburg 520 967; eThekweni 454 372; Msunduzi 62 718; Polokwane 42 662; Mbombela 93 128; Rustenburg 253 105; Cape Town 506 587; George 44 071.
<b>Reasons for the funds unspent by the entity</b>	The expenditure figures reflected are as at the end of March 2018 of which an additional 3 months till end of June 2018 was yet to transpire for the municipal financial year.
<b>Monitoring mechanism by the transferring department</b>	<ul style="list-style-type: none"> <li>▶ Through monthly or bimonthly progress meetings with IPTN implementing municipalities,</li> <li>▶ Funded municipalities submit to the transferring officer, monthly expenditure, quarterly performance and annual programme evaluation reports.</li> <li>▶ Dedicated portfolio managers that oversee IPTN implementing municipalities.</li> <li>▶ Monitor IRPTN/IPTN implementation progress in line with the National Land Transport Act (NLTA) and the Public Transport Strategy (PTS).</li> <li>▶ Verify financial and performance reports from municipalities by conducting at least one site visit per annum.</li> <li>▶ Allocate the grant funds based on stated priorities through an allocation mechanism (criteria) agreed to by the NDoT and National Treasury.</li> <li>▶ By transferring funds in quarterly tranches based on an approved payments schedule to fund programme implementation milestones.</li> <li>▶ Evaluate the performance of the grant annually.</li> </ul>

**Conditional Grant 5: Public Transport Operations Grant (PTOG)**

<b>Department/ Municipality to whom the grant has been transferred</b>	Provincial Department of Transport Eastern Cape Free State Gauteng Limpopo KwaZulu-Natal Mpumalanga Northern Cape North West Western Cape
<b>Purpose of the grant</b>	To provide supplementary funding towards public transport services provided by provincial departments of transport
<b>Expected outputs of the grant</b>	Number of vehicles subsidised Number of cumulative annual vehicles subsidised Number of scheduled trips Number of trips operated Number of passengers Number of kilometres Number of employees
<b>Actual outputs achieved</b>	Provincial Performance Evaluation report due 31 May 2018 will outline the actual outputs achieved
<b>Amount per amended DORA</b>	N/A
<b>Amount transferred (R'000)</b>	EC- 231 252 FS- 255 669 GP- 2 155 063 KZN- 1 071 439 LP- 345 610 MP- 581 934 NC- 52 029 NW – 106 954 WC- 922 921

Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality	R 5 434 451 993.17(Expenditure by end of February 2018, as March 2018 expenditure report from other provinces are still outstanding) Final reconciliation to be done by 31 May 2018.
Reasons for the funds unspent by the entity	GP- savings made due to penalties issued to operators and other reasons will be updated as soon as we receive the Performance Evaluation reports.
Monitoring mechanism by the transferring department	Bus Committee(Grant Managers) PTOG Monthly reports PTOG Quarterly reports PTOG Annual report PTOG Annual performance evaluation report

## 6.2. Conditional grants and earmarked funds received

None.

## 7. DONOR FUNDS

### 7.1. Donor Funds Received

The Department received donor funds and a number of sponsorships in kind, which are detailed in the table below:

Name of sponsor	Amount (R'000)	Purpose
<b>Received in cash</b>		
<b>Transport Education and Training Authority</b>	1 008	Discretionary Grant Funding for Workplace Experience for Learners and Interns
<b>SUBTOTAL</b>	<b>1 008</b>	
<b>Received in kind</b>		
<b>Civil Aviation Authority United Arab Emirates</b>	100	Sponsored air fare, accommodation, attendance costs and per diem for an official to attend a Civil Aviation Internship Programme
<b>International Maritime Organisation</b>	10	Sponsored air fare, attendance costs and per diem for an official to attend a meeting and Search and Rescue Coordination course.
<b>French Government</b>	127	Sponsored air fare and accommodation for two officials to attend a study tour on a cooperative transport agreement
<b>Government of Singapore</b>	39	Sponsored training fees, accommodation and subsistence for an official to attend an Aerodrome Certification course.
<b>Benguela Current Convention</b>	28	Sponsored air fare, accommodation and per diem for an official to attend a Marine Spatial Planning Working Group and an Annual Science Forum
<b>International Maritime Organisation</b>	34	Sponsored air fare, accommodation and per diem for an official to attend a Global Initiative for West, Central and Southern Africa Conference
<b>United Nations</b>	33	Sponsored air fare, accommodation and per diem for an official to attend a Regional Workshop on Managing Emergencies in the Oil and Gas Industry
<b>Transport Education and Training Authority</b>	333	Transportation of 2 000 learners that attended the career expo hosted to commemorate the International Civil Aviation Day 2017
<b>SUBTOTAL</b>	<b>704</b>	
<b>TOTAL</b>	<b>1 712</b>	



## 8. CAPITAL INVESTMENT

### 8.1 Capital investment, maintenance and asset management plan

Assets of the Department comprises furniture and fittings, office equipment and computer equipment. Assets are replaced when they are no longer useful or when they become technologically obsolescent.

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

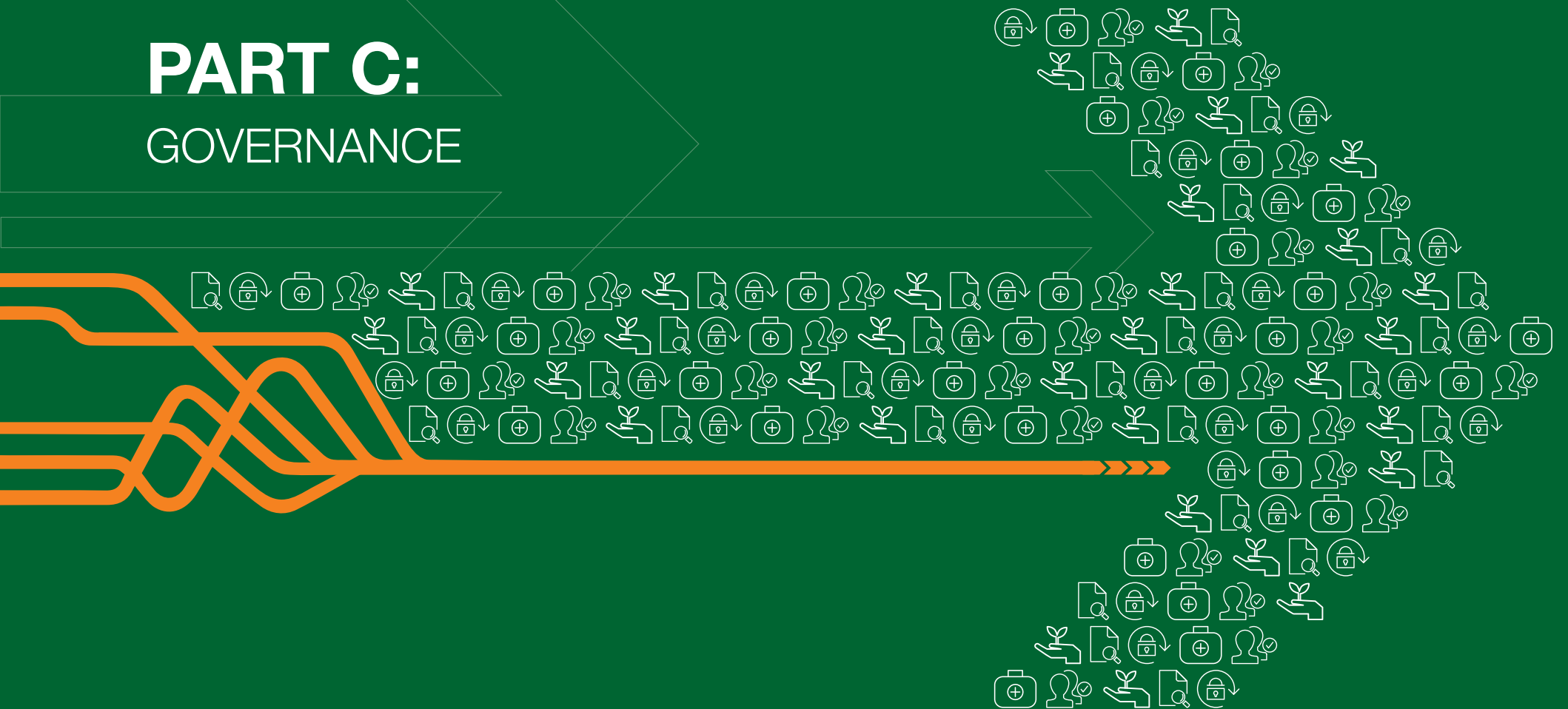
Assets are physically verified at least once per year. Of all major assets, 52% are in a good condition and 48% are in a fair condition.





# PART C:

## GOVERNANCE



# 1. INTRODUCTION

Commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the Department has good governance structures in place to effectively, efficiently and economically utilise the state resources, which is funded by the tax payer.

## 2. RISK MANAGEMENT

The Department has an approved Risk Management Policy, Strategy and Implementation Plan. The Department has conducted an Annual Risk Assessment to identify new risks in order to ensure upto date risk profile of the Department and manage all the risks that have the potential to impact (positively or negatively) on the achievement of the Strategic Goals-Oriented Outcomes and Objectives of the Department.

The Department has a Risk Management Committee that is formally appointed by the Accounting Officer, this Committee has formal Terms of Reference that regulate its affairs. The Committee is chaired by a non-executive person (external chairperson)

The Committee has assisted the Accounting Officer with his risk oversight responsibility by reviewing the system of risk management comprising the Risk Management Policy, Implementation Plans and the development of a Strategic Risk Register and monitoring the risk management process at strategic, management and operational levels and reporting to various oversight structures during the financial year.

The Committee held its meetings as follows during the financial year 2017/18;

- ▶ 8 September 2017
- ▶ 27 October 2017, and
- ▶ 6 March 2018

As required by the Public Finance Management Act No 1 of 1999, as amended, the Department has established the Audit Committee which advises the Accounting Officer in fulfilling his mandate as required by the Public Finance Management Act. The Committee discharges its responsibilities and consists of five independent members including the chairperson. This Committee exercised its oversight by ensuring that the Department appropriately addresses the key risk areas including;

- ▶ Financial reporting including fraud and corruption
- ▶ IT risks as they relate to financial reporting

In the 2017/18 financial year Risk Management has been part of EXCO's Agenda item. The Department developed a risk profile and risk mitigation plans were put in place, this has yielded some positive results in the achievement of some key targets as verified. The Department is committed to ensuring that risk management is continuously embedded in all activities of the Department where risk management is going to be a standing agenda item in all branch and Chief Directorates meetings and will be included in all operational procedures of the Department, by the end of the current year.

## 3. FRAUD AND CORRUPTION

The Department's fraud mitigation plans are used to ensure continuous review of processes, system and policies within the organisation. Enterprise Risk Management (ERM) and Forensic Investigation provide strategic direction in conducting proactive fraud risk assessments to identify emerging fraud and corruption risks. As a strategic partner, Forensic Investigation provide advisory services to senior management in respect of fraud and corruption risk and provide the following consulting services and partnership;

- ▶ **Advisory Note:** Provide advice to management on fraud and corruption, risks identified and possible mitigation plans
- ▶ **Detect red flags:** Detect fraud and corruption red flags and advise management on mitigation measures

- **Fraud Prevention Check:** Assess the health status of the Fraud and Corruption risks within the organisation and measure the impact of fraud and corruption within the organisation.

## Fraud Perception Survey

The Department has conducted Fraud Perception survey as part of Fraud Risk assessment to measure employees' (level 1 to 12) level of understanding relating to fraud and corruption, and to measure senior management's (level 13 to 16) commitment to combatting fraud and corruption. The outcome of the survey was used to update the Fraud Risk Register and Fraud Prevention Plan of the Department and it was used by EXCO as an input to assess the level of fraud risks within the top Management of the Department and to embed anti-fraud culture across the whole organisation and its stakeholders.

## Fraud Reduction Strategy

The Acting Director-General has approved Fraud Reduction strategy aimed at putting in place measures to mitigate fraud, and corruption within the Department.

## Fraud response

In respect of fraud response, all allegations reported to the Department are subjected to assessment processes to ensure that they have merits and are investigated within the prescribed timeframes. Cases of fraud and corruption were investigated and below is the summary;

- **Completed Forensic Investigation cases**
  - » Five reports were issued in respect of cases investigated by the unit
- **Disciplinary hearings**
  - » Two cases were referred to disciplinary hearing and one employee was found guilty of fraud

### ► Criminal cases

- » Several cases relating to fraudulent order scams were referred to SAPS for criminal investigations

### Mechanism in place to report fraud and corruption and how they operate.

- In addition to reporting directly to the Public Service Commission via the National Anti-Corruption Hotline (NACH), employees are also encouraged to report allegations directly to Chief Audit Executive, Director Forensic Investigations and the Director-General. They are also permitted to report the fraud cases/allegations/matters anonymously.

### How these cases are reported and what action is taken

- Employees and other stakeholders have a choice to either report allegations anonymously or in person if they are comfortable. Matters reported are investigated and complainants are given feedback in respect of the matters reported. The Department also provides feedback to the Public Service Commission on a regular basis in respect of the matters emanating from the Hotline.

## 4. MINIMISING CONFLICT OF INTEREST

Brief description on the processes implemented to minimise conflict of interest. Discuss the process followed where conflict of interest has been identified.

## 5. CODE OF CONDUCT

Brief description and nature of code of conduct /ethics and the effect it has on the Department and if the Department is adhering to the Public Service Code of Conduct. Discuss the process followed for the breach of code of conduct.



## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

- ▶ The workplace should be maintained and protected as far as is reasonably practicable against health hazards attached to the activities.
- ▶ The quality of the work environment should be such that, employees and those who may be affected by their activities be free from health hazards
- ▶ There should be provision of first aid personnel to render first aid services to any injured person whilst at work
- ▶ An Occupational Health and Safety (OHS) policy should be developed and enforced to ensure compliance
- ▶ Legal appointments (Health and safety representatives; first aiders; evacuation wardens; fire fighters) should be done to ensure compliance
- ▶ Health hazards should be identified (unsafe acts/ condition) and control measures be applied to mitigate hazards and risks in the workplace
- ▶ A Health and safety committee should be formalise to discharge its duties (making recommendations to management on health and safety related matters)
- ▶ Ensure the provision and maintenance of fire-fighting equipment (required to fight fire in case of fire eruption)
- ▶ Emergency plan and procedure should be developed to address any emergency situations (provision of emergency equipment such as evacuation-chair for people who are physically challenged)

### Effects it may have on the Department

- ▶ Unsafe acts might result in injuries if not addressed
- ▶ Lack of training or information on health hazards that might be attached to the work activities might results in unnecessary injuries
- ▶ Poor participation on emergency evacuation exercises/drills might cause chaos during an emergency situation
- ▶ Contravention of the OHS Act if legal appointments not done; policy not enforced; committees not discharging its duties (non-compliance risk)

- ▶ Non-compliance risk if no first aid personnel appointed to render or administer prompt first aid treatment.

## 7. PORTFOLIO COMMITTEES

The prime mandate of the Portfolio Committee on Transport (PCoT) is governed by the Constitution of the Republic of South Africa in respect of its legislative and oversight responsibilities as public representatives. It is required to consider legislation and all matters referred to it in terms of the Constitution, the Rules of the National Assembly or resolutions of the House. It is also required to respond to matters referred to it by Government within its mandate. In addition, the Committee is entrusted with considering the budgets, Strategic and Annual Performance Plans of the Department and entities that fall within the transport portfolio.

The Portfolio Committee on Transport, having considered performance of the Department of Transport (DoT) and its Entities for the 2016/17 financial year, as reported in the respective Annual Reports for the period under review, produced the Budgetary Review Recommendations Report, dated 08 November 2017. The review sought to establish whether the Department of Transport and its Entities were achieving their aims and objectives; and also whether they were fulfilling their constitutional mandates.

### 7.1 Observations and recommendations from the Budget Vote Report 2017

#### 7.1.1 The Committee made the following observations:

##### 7.1.1.1 Budget allocation for Shosholozza Meyl

The Committee noted the budget allocation of R151.4 million towards Shosholozza Meyl given that for a long time it had an unfunded mandate. The Committee further noted the concerns raised by PRASA regarding the effect of the asset split between PRASA and Transnet on the running of the Mainline Passenger Service.

### 7.1.1.2 Skewed allocation of subsidies

The Committee noted the skewed subsidisation of the various modes of public transport, the perceived skewed subsidisation between rail transport modes, as well as the glaring differences in allocations for public transport to various municipalities. The Committee further noted that the minibus taxi industry remains unsubsidised despite the volumes of passengers which it transports on a daily basis. The Committee was of the view that the subsidisation model should allow for the inclusion of all of the public transport modes and that there should be a move towards ensuring that the model leans towards the subsidisation of the user or passenger instead of the operator.

### 7.1.1.3 PRMG

The Committee noted the R10 billion budget allocation for PRMG. The Committee further noted that poor road conditions are a significant contributor to the costs of moving people and goods within South Africa, and that there therefore is an imperative to improve national, provincial and municipal road networks.

### 7.1.1.4 PTNG

The Committee noted that R6.2 billion was allocated for the PTNG implementation in 13 cities for 2017/18. The Committee further noted with concern that there is a perception that the Bus Rapid Transport (BRT) systems are being implemented in cities to replace existing public transport services which is leading to conflict in these municipalities that, in turn, negatively affect public transport users. There also appears to be differences in implementation of these networks, as well as difference in the allocation of grant funds to the various municipalities.

### 7.1.1.5 Use of Consultants

The Committee noted the marked decrease in the budget allocation for consultants in the Public Transport programme from R236 million in 2016/17 to R211.7 million in 2017/18, translating into a decrease of 10.3%. However, it is noted that this programme has the

highest budget allocation for the use of consultants. The Committee further noted that despite a welcomed decrease in the spend on consultants as indicated above, the budget for the use of consultants in the Department and its entities still remains too high.

### 7.1.1.6 National Road Safety Strategy

The Committee noted the review of the National Road Safety Strategy by the Department which is aimed at providing overall direction on the implementation of all road safety programmes, by ensuring alignment and integration across the wide range of specific interventions that are undertaken in the reduction of road crashes and fatalities.

### 7.1.1.7 Financial Health of Entities

During discussions, the following observations were made regarding the going concern of the following entities:

**7.1.1.7.1** The C-BRTA's and SAMSA's total liabilities exceeded their total assets. These conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt on the entities' ability to operate as a going concern.

**7.1.1.7.2** The RAF has claims liability of R170 billion which keeps increasing. The RAF continued to be unable to pay all settled claims when payment falls due. A large creditors book in excess of R8 billion is maintained over and above all monies paid daily. Cash management strategies enabled continued operation at the fund, but the fund is unable to process all claim payments. During February 2017, the Fund faced operational disruption due to the attachment of the RAF's bank account and the attachment, removal and sale of the RAF's assets is a continued daily reality.

**7.1.1.7.3** Low collection on the Gauteng Freeway Improvement Project (GFIP) e-toll has resulted in postponement of capital projects on the toll portfolio at SANRAL. The negative outlook on credit rating has resulted in bond auctions being cancelled, placing further strain on funding ability. The delays in implementation of critical projects was regarded as a loss of opportunity.



The following entity raised concerns regarding budget shortfalls:

**7.1.1.7.4** The PRSA, faced budgetary constraints which impacted negatively on its ability to expand its mandate. A new funding model was required to capacitate the Regulator and implement programmes successfully and sustainably. The PRSA furthermore indicated that there is a need to amend the National Ports Act (No 12 of 2005), however, the Department does not indicate in the APP or the revised Strategic Plan that there are any such plans to amend the legislation. The Department does indicate that they will work towards developing the Ports Economic Participation Framework (PEPFRA), which would lay a firm legal basis for the effective implementation of the relevant provisions of the Ports Act.

#### 7.1.1.8 Legislation Challenges

The Committee noted that delays in the review of old legislation, the processing of new legislation and the full implementation of amended legislation, negatively affects the Department and its entities in the achievement of targets, in the financial wellbeing of entities, as well as the increased budget spent on projects linked to pending legislation.

The Committee noted the following listed legislative work in the Department's presentation:

- ▶ National Rail Bill
- ▶ National Railway Safety Regulator Amendment Bill
- ▶ RABS Bill
- ▶ Airports Company and ATNS Amendment Bills
- ▶ Air services licensing framework and Amendment Bill
- ▶ Civil Aviation Amendment Bill
- ▶ Overhaul of the Merchant Shipping Act (1957)
- ▶ Land Transport Amendment Act

## 7.1.2 The Committee recommended that the Minister ensure:

### 7.1.2.1 Budget allocation for Shosholoza Meyl

The Department ensures that the budget allocation for Shosholoza Meyl is commensurate with its mandate. The Department should further facilitate engagements between PRASA and Transnet in order to find a solution to the concerns raised regarding the rentals and services charged by Transnet for the use of infrastructure required by PRASA for the smooth running of the Shosholoza Meyl services.

### 7.1.2.2 Skewed allocation of subsidies

The Department should make a presentation to the Committee which indicates what methodology is used to determine the allocation of public transport subsidies, what rationale is followed in the differentiation between subsidisation of the different public transport modes and the different allocations to municipalities, as well as why some modes of public transport are excluded from being subsidised.

### 7.1.2.3 PRMG

The Department regularly monitors and evaluate the implementation of the PRMG with a view to ascertaining whether the Grant is used for its intended purpose and whether the Department receives value for money. The Department should further do quarterly presentations to the Committee on the manner in which it monitors the implementation of this grant and whether the projects budgeted for under this grant, since 2014 to date, have been successfully finalised and whether these can be regarded as having delivered value for the money spent.

### 7.1.2.4 National Road Safety Strategy

Given the persistent carnage on the country's roads, the Department should continuously monitor whether the road safety programmes or strategies implemented by the RTMC and RTIA

are yielding positive results. The Department provides the Committee with a comprehensive briefing on the National Road Safety Strategy, once approved by Cabinet. The Department should urgently finalise the strategy so that the carnage on the country's roads is arrested.

### 7.1.2.5 Use of Consultants

The Department should indicate what these consultants are used for, whether the services rendered by them provide good value for money and whether the consultants transferred skills to the employees of the Department. The Department should further indicate what steps are being taken by it and its entities to further reduce the use of and spending of budget on consultants.

### 7.1.2.6 PTNG

The Department should brief Parliament on the progress made on the implementation of BRT systems in the 13 cities, specifically to ascertain whether there is alignment between the budget spent, the progress made, as well as the quality of the work done and services rendered once implemented. The Department should further include a presentation on the proposed use of a single or integrated ticketing system for the public transport network, as well as the integration of public transport modes through suitable facilities as part of a public transport network.

### 7.1.2.7 Legislation Challenges

In line with the target to develop an inception report for the review of Founding Legislations of Transport Public Entities, the Department should prioritise the processing of urgent legislation, as well as brief Parliament on the progress made on the review of old and outdated pieces of legislation which affect its entities (for example PRASA, SAMSA and the PRSA) and the plans to introduce new legislation which will recall these old Acts or affect amendments thereto. The Department should further report on its oversight over the entities to ensure that budget is not prematurely being spent on proposed legislative provisions which have not yet been accepted and processed by Parliament.

## 7.2 Observations and recommendations from the Strategic Plan and APP Report 2017

### 7.2.1 The Committee made the following observations:

The Committee commended the Department on the improvement in targets and indicators set by it through consultations with the AGSA. It further noted the following observations regarding the revised Strategic Plans and the 2017/18 APPs of the Department and its public entities:

#### 7.2.1.1 Consultations with stakeholders

The Department did not indicate the stakeholders that it plans to consult during the First Quarter with a view to developing the status report on the transport sector socio-economic empowerment programmes for Gender, Disability, Youth and Children (GDYC).

#### 7.2.1.2 NATMAP 2050

The Department plans the roll-out of 10 prioritised NATMAP 2050 pilot projects.

#### 7.2.1.3 S'hamba Sonke

The Committee noted the targets set by the Department for the overall implementation of the S'hamba Sonke Programme, monitored in line with the PRMG budget. The Committee noted the perception that some provincial departments no longer allocate funds towards the maintenance of their roads but would rather merely rely on the funds coming from the allocated PRMG.

#### 7.2.1.4 Skewed allocation of subsidies

The Committee noted the skewed subsidisation of the various modes of public transport, the perceived skewed subsidisation between rail transport modes, as well as the glaring differences in allocations for public transport to various municipalities. The Committee further noted that the minibuss taxi industry remains unsubsidised despite the volumes of passengers that it transports on a daily basis. The Committee was of the view that the

subsidisation model should allow for the inclusion of all of the public transport modes and that there should be a move towards ensuring that the model leans towards the subsidisation of the user or passenger instead of the operator.

#### 7.2.1.5 Matters raised by the AGSA

The Committee noted with concern that the AGSA found that, in a review of the past 3 years in audit outcomes, there has been a regression in the area of reliable performance reporting in the Department. Annual performance plans of PRASA, RSR, SAMSA and SANRAL also contained targets that were not specific, time bound and verifiable. Achievements reported by PRASA, RSR, RTIA and SAMSA were either incorrect or not supported by appropriate sufficient evidence to confirm the accuracy and reliability thereof. The Committee was of the view that these issues must be addressed by the Department through oversight over its entities.

#### 7.2.1.6 Consequence Management

The Committee noted with concern the apparent lack of consequence management by the Department and its entities. The Committee was of the view that the Department should improve its consequence management, as well as its oversight over its entities.

### 7.2.2 The Committee recommended that the Minister ensure:

#### 7.2.2.1 Consultations with stakeholders

The Department provides the Committee, prior to the presentation on the First Quarter performance, with information on the stakeholders that it plans to consult in each of the targets where they have indicated that stakeholder consultation is to take place. It should further indicate the criteria that will be used to select these stakeholders and indicate whether the criteria took cognisance of the rural/urban divide.

The Department should, for all targets regarding the consultation with stakeholders, wherever it intends to or is required to consult with stakeholders, either identify the applicable grouping or category of stakeholders or state the specific stakeholders where the target allows for this.

### 7.2.2.2 NATMAP 2050

The Department gives a comprehensive briefing to the Committee on the NATMAP 2050 including the pilot projects.

### 7.2.2.3 S'hamba Sonke

The Department regularly monitors and evaluates the implementation of the PRMG with a view to ascertaining whether the Grant is used for its intended purpose and whether the Department receives value for money. The Department should further do quarterly presentations to the Committee on the manner in which it monitors the implementation of this grant, as well as the programme targets set for the 2017/18 financial year.

The Department should provide the Committee with a comprehensive progress report on the implementation of the S'hamba Sonke Programme stretching from 2014 to date, indicating whether the projects budgeted for under this programme have been successfully finalised, with a view to enabling the Committee to conduct oversight over these areas so that it can ascertain, inter alia, whether there is value for money.

### 7.2.2.4 The National Road Safety Strategy

Given the persistent carnage on the country's roads, the Department should continuously monitor whether the road safety programmes or strategies implemented by the RTMC and RTIA are yielding positive results. The Department provides the Committee with a comprehensive briefing on the National Road Safety Strategy, once approved by Cabinet.

### 7.2.2.5 Human Resources

The Department should continue engagements with National Treasury in order to ensure that all critical vacant posts are filled with suitably skilled employees.

### 7.2.2.6 Skewed Public Transport Subsidies

The Department should make a presentation to the Committee which indicates what methodology is used to determine the allocation of public transport subsidies, what rationale is followed in the differentiation between subsidisation of the different public transport modes and the different allocations to municipalities, as well as why some modes of public transport are excluded from being subsidised. The Department should also ensure that a presentation is done to the Committee on the BRT Report from Municipalities currently implementing such systems or in the process of planning to implement such a system.

### 7.2.2.7 Moloto Corridor

The Department, along with SANRAL and PRASA, should provide the Committee with a comprehensive progress report on the 2017/18 implementation of the Moloto Corridor Project (both Road and Rail), followed by regular quarterly reports on the projects going forward, with a view to enabling the Committee to conduct oversight over this project so that it can ascertain, inter alia, whether there is value for money.

The Department should provide the Committee with a progress report specifically on the Moloto Rail Project, indicating the status of the Memorandum of Understanding with China, including the viability study report findings, as well as progress reports on the Environmental Impact Assessment Reports required for the project.

### 7.2.2.8 Remedial action based on matters raised by the AGSA

The Department should determine the cause of the regression in the area of reliable performance reporting of itself, as well as the identified entities. The Committee, in light of the AGSA's remarks, recommends that the Department should ensure closer cooperation with the Department, its entities and the AGSA in order to address these concerns prior to the final audit of the Annual Report, and make a presentation to the Committee on the strategy proposed to implement remedial action that will address these issues.

### 7.2.2.9 Prioritisation of Consequence Management

The Department should present an oversight plan to the Committee that it will implement over the entities to ensure that consequence management is implemented. It should further present on consequence management which it will be implementing internally on a quarterly basis.

## 7.3 Recommendations made by the AGSA for the budgetary review and recommendation report for the 2016/17 financial year

In its follow-up on commitments and proposed recommendations by honouring the commitments made by the executive authority, the status of the following key commitments made by the Minister was evaluated and identified as being in progress:

- ▶ To monitor and evaluate all deliverables on the key programmes;
- ▶ Request regular feedback from Transport on key issues impacting entities in the portfolio;
- ▶ Enhance performance and consequence management;
- ▶ Contract management over all entities in the portfolio;
- ▶ Management of vacancies; and
- ▶ Implementation of the action plan to address the prior year audit findings.

The following key focus areas were identified by the AGSA for the Committee to probe in review of the Annual Reports and in finalising the approval of the budget of the transport portfolio:

#### ▶ **Performance reporting:**

- » The Department and its entities should provide reasons for non-achievement of targets;
- » The Department and its entities should indicate what was the programme's budget used for if targets were not achieved; and
- » The Department and its entities should indicate what plans they have to improve performance against predetermined targets going forward.

#### ▶ **Compliance:**

- » The Department and its entities should indicate what plans they have to reduce the extent of irregular and fruitless and wasteful expenditure; and
- » The Department and its entities should indicate whether consequence management is in place for staff who permit the occurrence of irregular and fruitless and wasteful expenditure and recovery mechanisms.

#### ▶ **General:**

- » The Department and its entities should monitor vacancies for key positions in the portfolio; and
- » With regard to procurement, the Department and its entities should ensure full compliance with applicable legislation and testing the market prior to contract extensions.

As has been indicated in previous budget reports, the following recommendations remain applicable to the current year under review:

1. Regular monitoring of the action plans to ensure that the identified deficiencies are addressed to avoid repeat findings and continued non-compliance. The Committee should request management to provide feedback on the implementation and progress and of the action plan during quarterly reporting.
2. Regular assessments of the status of internal controls, especially regarding financial statement and performance reporting preparation and filling of key vacant posts to ensure stability of management, must be undertaken by management to address deficiencies as and when they arise. The Committee should ask management to provide quarterly feedback on status of key controls.
3. The accounting officers/authorities should intensify their focus on ensuring that transgressors are held accountable and that action is taken, as required by the PFMA. Action taken against repeat transgressors should be done so in a timely manner, in order to eliminate repeat findings. List of action taken must be provided quarterly to the Committee for follow-up.

4. Processes should be established to ensure that invitation for competitive bids are advertised in at least the Government tender bulletin, as this is a cheaper medium and is accessible to a majority of potential bidders.
5. Management should put systems and processes in place to monitor compliance with Supply Chain Management (SCM) regulations to ensure that interest is disclosed by all staff members.
6. Management should formulate compliance checklists that detail the compliance requirements for each requirement, and these checklists should be reviewed throughout the procurement process.
7. The Department, RSR, ACSA and SANRAL should explain why repeat findings have not been addressed fully/effectively.
8. Management should ensure that the Treasury Regulations are complied with. Requests for quotations should be done timeously to ensure a fair, equitable procurement process.
9. Management should exercise oversight responsibility over financial and performance reporting, as well as compliance and related internal controls.
10. Latest developments regarding all investigations listed above need to be reported on by the Department and the relevant identified entities.
11. The following measures should be put in place to create an environment that is conducive to compliance with legislation:
  1. Key commitments made to implement the AGSA's recommendations to address the root causes should be promptly implemented;
  2. Control processes should be adhered to at all times when procuring goods and services;
  3. Proper record keeping should be implemented for information supporting compliance and procurement process; and
  4. Consequence management for staff members who fail to comply with applicable legislation should be implemented.
12. Management should address the document management system. In addition, it should attend to financial and performance reporting discipline, as well as compliance management.
13. Management should exercise oversight responsibility pertaining to financial and performance reporting, as well as compliance and related internal controls.
14. Management should implement effective Human Relations management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.
15. Management should establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.

#### 7.4 The Committee recommendations for the 2016/17 financial year budgetary review and recommendation report

The Committee recommends that the Minister, through the Department, should ensure the following:

**7.4.1** The advertising and filling of critical vacant posts should be prioritised in the Department and the affected entities. This has been a repeated recommendation over numerous years and the Department, with its entities, must present a workable plan/strategy that will allow for the filling of vacancies, whether this be through urgent consultation with National Treasury or through skills assessments or both.

**7.4.2** The Department should strengthen its oversight over the entities and report on progress made to remedy all matters raised by the AGSA in its audit reports of the Department and the entities. This will in turn allow for an improvement in the performance of the transport portfolio as highlighted under areas of concern as contained in the AGSA 2016/17 Consolidated General Report on National and Provincial Audit Outcomes.



**7.4.3** Effective steps should be implemented to prevent irregular expenditure. Officials who caused the Department or its entities to incur irregular, fruitless and wasteful expenditure should be subjected to the appropriate measures provided for in terms of sections 81 to 86 of the PFMA. These sections define financial misconduct and lay down the procedures for disciplining public officials guilty of financial misconduct. It also includes provisions for criminal prosecution in cases of gross financial misconduct. The Department should also ensure that proper record-keeping be implemented for information supporting compliance and procurement process and implement consequence management for staff members who fail to comply with applicable legislation.

**7.4.4** The Department and entities should capacitate their Finance and SCM departments with appropriately skilled and competent personnel to prepare credible financial statements. Furthermore, management should ensure that information used to prepare financial statements are accurate and reliable. Staff should be retrained and reskilled to ensure that they comply with legislation.

**7.4.5** Control processes should be adhered to in the SCM processes. The Department should establish a task team to identify and address the inefficiencies in the SCM process in the Department, as well as its entities. There should be consequences for poor performance and failure to comply with applicable legislation.

**7.4.6** The AGSA's recommendations which address identified root causes should be implemented.

**7.4.7** The Department should develop funding plans to ensure the financial sustainability of the entities and should provide the Committee with quarterly updates on strategies to improve the financial health status and reduction of instances where the liabilities exceed total assets of the C-BRTA, RAF, PRSA and SANRAL (possible inclusion of PRASA, SAMSA and ATNS will be determined once their Annual Reports have been audited) as there was uncertainty as to whether the entities would be able to fund their future obligations.

**7.4.8** The Department should report back to the Committee on a quarterly basis on its monitoring, tracking and engagement with its provincial and municipal counterparts on the implementation of the PRMG and other grants to ensure that money is used for its intended purpose, to ensure that there is value for money spent and to prevent a future need for roll-overs as an extension of the two-way Key Performance Indicator (KPI).

**7.4.9** The Department and its entities should ensure that the targets set in their Strategic Plans and APPs going forward adhere to the AGSA's Specific, Measurable, Achievable, Realistic and Timely (SMART) principles.

**7.4.10** The Department should ensure that the budget allocation for projects is strengthened and realistic in order to reduce the high amounts of funds being transferred under Virements.

**7.4.11** The Department should develop an alternative investment attraction plan in order to make better use of Public-Private Partnerships and promotion of Private Sector Participation in the funding options for various infrastructure projects, such as the Moloto Corridor Project and other major infrastructure projects planned by the Department, as well as their provincial and municipal counterparts.

**7.4.12** The Department should ensure that all Board vacancies of entities are filled as a matter of urgency in order to allow the entities to operate and report effectively, as well as within the parameters of the applicable legislation.

**7.4.13** The Committee takes a dim view of the non-compliance and the lack of tabling of Annual Reports in terms of the sections 8 and 65 of the PFMA. The outstanding Annual Reports that are yet to be tabled before this committee are of a serious concern, especially as the entities of PRASA, SAMSA and ATNS have in the past had numerous repeat findings issued by the AGSA. The Department should ensure, and assist well in time where it is able to, that all Annual Reports are submitted within the legislated timeframes for the

AGSA as well as tabling in time before Parliament. The outstanding reports should be presented to the Committee as soon as they are tabled and referred to the Committee. It is recommended that the Committee be given an opportunity to submit a supplementary report on these late received Annual Reports.

**7.4.14** The C-BRTA should report to the Committee regarding the draft joint agreement towards resolving the impasse regarding the cross-border movements on the Republic of South Africa/Kingdom of Lesotho route.

**7.4.15** The C-BRTA should report to the Committee regarding the continued engagements on the implementation of the 1996 SADC Protocol on Transport, Communications and Meteorology.

**7.4.16** ACSA should report to the Committee regarding the progress and implementation of the jointly executed security action plan.



## 8. SUMMARY OF REPORTING REQUESTS

The Committee requested additional matters for the Department to report on:

	BRRR RECOMMENDATIONS	PROGRESS
1	<p>The advertising and filling of critical vacant posts should be prioritised in the Department and the affected entities. This has been a repeated recommendation over numerous years.</p> <p>The Department, with its entities, must present a workable plan/strategy that will allow for the filling of vacancies, whether this be through urgent consultation with National Treasury or through skills assessments or both.</p>	<p>During the 2017/18 financial year, the Department of Transport (DoT) made 3 appointments and 8 internal promotions.</p> <p>Currently, advertisements to fill the positions of the Director-General and 5 Deputy Directors-General have been posted in the media.</p> <p>The process of filling critical Chief Director and Director positions are at various stages (short-listing, interviewing, recommendations and appointment).</p>
2	<p>The Department should strengthen its oversight over the entities and report on progress made to remedy all matters raised by the AGSA in its audit reports of the Department and the entities. This will in turn allow for an improvement in the performance of the transport portfolio as highlighted under areas of concern as contained in the AGSA 2016/17 Consolidated General Report on National and Provincial Audit Outcomes.</p>	<p>The Minister approved SAMSA amendments on their 2017/18 Annual Performance Plan as the Auditor-General had highlighted huge deficiencies in the internal controls, compliance with Treasury regulations and poor record keeping and further performed tests to determine whether targets and indicators were well defined.</p> <p>The DoT has submitted its action plan to address AG findings and progress on all actions.</p>
3	<p>Effective steps should be implemented to prevent irregular expenditure. Officials who caused the Department or its entities to incur irregular, fruitless and wasteful expenditure should be subjected to the appropriate measures provided for in terms of sections 81 to 86 of the PFMA. These sections define financial misconduct and lays down the procedures for disciplining public officials guilty of financial misconduct. It also includes provisions for criminal prosecution in cases of gross financial misconduct.</p> <p>The Department should also ensure that proper record-keeping be implemented for information supporting compliance and procurement process and implement consequence management for staff members who fail to comply with applicable legislation</p>	<p>Effective steps are taken to prevent and address irregular and fruitless and wasteful expenditure. Of the 12 remaining cases of irregular expenditure, disciplinary steps were taken in 6 cases.</p> <ul style="list-style-type: none"> <li>► In 2 cases, disciplinary steps could not be taken because the responsible employees resigned.</li> <li>► In 3 cases, disciplinary steps are awaited and in 1 case disciplinary steps were requested. 3 Investigations were completed, 5 cases are under investigation and in 2 cases criminal cases were opened.</li> <li>► 1 case is being investigated to determine whether the expenditure constitute irregular expenditure.</li> </ul> <p>Of the 48 remaining cases of fruitless and wasteful expenditure, 40 cases will be recovered, and in 4 cases, applications will be made for write-off and 4 cases must be investigated.</p>

	BRRR RECOMMENDATIONS	PROGRESS
4	The Department and entities should capacitate their Finance and SCM departments with appropriately skilled and competent personnel to prepare credible financial statements. Furthermore, management should ensure that information used to prepare financial statements is accurate and reliable. Staff should be retrained and reskilled to ensure that they comply with legislation.	The Department's Interim Financial Statements up to Quarter 3 of 2017/18 were subjected to Internal Audit. The findings were limited to household matters.
5	Control processes should be adhered to in the SCM processes. The Department should establish a task team to identify and address the inefficiencies in the SCM process in the Department, as well as its entities. There should be consequences for poor performance and failure to comply with applicable legislation.	A task team was not established as recommended because of capacity constraints. However, a Departmental Circular was issued to require that Requests for Quotations be provided timeously to ensure that proper quotations can be obtained.  Irregular expenditure that was incurred was not as a result of inefficiencies in SCM processes, but rather SCM processes that were not followed by non-SCM officials.
6	The AGSA's recommendations which address identified root causes should be implemented.	Action plans to address AG findings have been developed and are monitored on a quarterly basis to ensure that AGSA recommendations are implemented accordingly.
7	The Department should develop funding plans to ensure the financial sustainability of the entities and should provide the Committee with quarterly updates on strategies to improve the financial health status and reduction of instances where the liabilities exceed total assets of the C-BRTA, RAF, PRSA and SANRAL (possible inclusion of PRASA, SAMSA and ATNS will be determined once their Annual Reports have been audited) as there was uncertainty as to whether the entities would be able to fund their future obligations.	Specific sub-sectors in the Transport Sector require specialised funding for each of their entities. Some entities are operators and some are regulators.  The Department has decided to prioritise South African Maritime Safety Authority (SAMSA), whose funding model has been finalised. The next funding model on the priority list is the Rail Safety Regulator (RSR), whose model will be finalised by end of the financial year 2018/19.  The Department, however, continues to monitor, on a quarterly basis, the financial performance of all entities. Included in the analysis are the solvency, liquidity and gearing ratios.
8	The Department should report back to the Committee on a quarterly basis on its monitoring, tracking and engagement with its provincial and municipal counterparts on the implementation of the PRMG and other grants to ensure that money is used for its intended purpose, to ensure that there is value for money spent and to prevent a future need for roll-overs as an extension of the two-way Key Performance Indicator (KPI).	<b>Provincial Road Maintenance Grant (PRMG)</b>  Review monthly financial and performance data.  Quarterly performance meeting for PRMG  Bilateral meetings with provinces for Monitoring & Evaluation (M&E).  Bilateral meetings were held with provinces and municipal counterparts on a quarterly basis. Furthermore provinces submit their quarterly performance progress report on implementation of PRMG and any discrepancies are followed up.

BRRR RECOMMENDATIONS	PROGRESS
	<p><b>Public Transport Network Grant (PTNG)</b></p> <p><b>Overall:</b> 11 cities are undertaking network construction work and 4 cities (Cape Town, Johannesburg (phase 1A &amp; B), Tshwane and George) are mainly operating phase 1 PT networks. Of the 7 cities launching or expanding in 17/18 only NMB and Tshwane (in earnest) and Ekurhuleni will likely implement their initial network operations in Q4 17/18.</p> <p>Mainly, <b>eThekwin, Polokwane, Rustenburg and Nelson Mandela Bay</b> seem likely to operate in early 2019, as they are mainly completing the rollout of the network infrastructure and concluding negotiations with affected existing public transport operators.</p> <p>Although <b>Buffalo City, Msunduzi, Mbombela, and Mangaung</b> are reportedly rolling out network infrastructure construction with varying degrees of progress, their programme monitoring reveals that they are battling with the completion of their IPTN operations and financial/business plans to inform their network operations.</p> <p>Operating Cities specifics:</p> <ul style="list-style-type: none"> <li>► <b>Johannesburg:</b> (Rea Vaya) continues to operate Phase 1A and 1B of its PT network and the current reporting (Q2) reflects: 39 690 average weekday passenger trips undertaken, 133 passengers per network vehicle per average weekday undertaken, an uptime of 98% for network operating systems as a proportion of the network's operating hours, 26% direct operating cost recovery from the fare box and the PTNG funding covers 100% of the indirect PT network operating costs.</li> <li>► <b>Cape Town:</b> My City network's current reporting (Q2) reflects: 64 224 average weekday passenger trips undertaken, 253 passengers per network vehicle per average weekday undertaken, an uptime of 99.7% for network operating systems as a proportion of the network's operating hours, 53% direct operating cost recovery from the fare box and the PTNG funding covers 34% of the indirect PT network operating costs.</li> <li>► <b>George:</b> the GO George network's current reporting (Q2) reflects: 14 476 average weekday passenger trips undertaken, 284 passengers per network vehicle per average weekday undertaken, an uptime of 100% for network operating systems as a proportion of the network's operating hours, 35% direct operating cost recovery from the fare box and the PTNG funding covers 85% of the indirect PT network operating costs.</li> <li>► <b>Tshwane:</b> the A Re Yeng network's current reporting (Q2) reflects: 8 774 average weekday passenger trips undertaken, 586 passengers per network vehicle per average weekday undertaken, an uptime of 98% for network operating systems as a proportion of the network's operating hours, 3% direct operating cost recovery from the fare box and the PTNG funding covers 64% of the indirect PT network operating costs.</li> </ul>

	BRRR RECOMMENDATIONS	PROGRESS
9	The Department and its entities should ensure that the targets set in their Strategic Plans and APPs going forward adhere to the AGSA's Specific, Measurable, Achievable, Realistic and Timely (SMART) principles.	During the 2016-17 financial year the Auditor-General raised some audit issues that SAMSA needed to urgently address. Amongst others, were objectives set by the entity which were not in line with the SMART criterion as per National Treasury's Framework for Managing Programme Performance Indicators (FMPPi). As a result of this critical finding, the entity embarked on a process to implement corrective actions and as a result, an update on the 2017-18 Annual Performance Plan was eminent.
10	The Department should ensure that the budget allocation for projects is strengthened and realistic in order to reduce the high amounts of funds being transferred under Virements.	The budget for Goods and Services was allocated to projects and operational expenditure to inform the Procurement Plan. The report of actual bids awarded against the Procurement Plan will be tabled at the Executive Committee to ensure that planned projects are embarked upon.  Virements took place over the past years to reduce unauthorised expenditure to a minimum. The unauthorised expenditure was incurred because the eNaTIS was unfunded. The eNaTIS was transferred to the Road Traffic Management Corporation in April 2017.
11	The Department should develop an alternative investment attraction plan in order to make better use of Public-Private Partnerships and promotion of Private Sector Participation in the funding options for various infrastructure projects, such as the Moloto Corridor Project and other major infrastructure projects planned by the Department, as well as their provincial and municipal counterparts.	The Department has contributed a transport chapter in the National Treasury's Private Sector Participation (PSP) Framework, and will continue to seek and attract investments in line with the stated Framework.
12	The Department should ensure that all Board vacancies of entities are filled as a matter of urgency in order to allow the entities to operate and report effectively, as well as within the parameters of the applicable legislation.	Vacancies of all Boards were advertised accordingly and the process of filling these vacancies is currently underway.
13	<p>The Committee takes a dim view of the non-compliance and the lack of tabling of Annual Reports in terms of the sections 8 and 65 of the PFMA. The outstanding Annual Reports that are yet to be tabled before this committee, are of a serious concern, especially as the entities of PRASA, SAMSA and ATNS have in the past had numerous repeat findings issued by the AGSA.</p> <p>The Department should ensure, and assist well in time where it is able to, that all Annual Reports are submitted within the legislated timeframes for the AGSA as well as tabling in time before Parliament. The outstanding reports should be presented to the Committee as soon as they are tabled and referred to the Committee. It is recommended that the Committee be given an opportunity to submit a supplementary report on these late received Annual Reports.</p>	<p>PRASA is yet to submit its 2016/17 Annual Report due to delays in finalizing its audit process.</p> <p>The Ports Regulator's Annual Report was tabled on 22 September 2017</p> <p>SANRAL, ATNS AND SAMSA's Annual Reports were tabled after October 2017 due to delays in finalisation of the Annual Audits and it was communicated to the Minister. Parliament was duly notified.</p>

	BRRR RECOMMENDATIONS	PROGRESS
14	The C-BRTA should report to the Committee regarding the draft joint agreement towards resolving the impasse regarding the cross-border movements on the Republic of South Africa/Kingdom of Lesotho route.	<p>The C-BRTA held a meeting with the Lesotho counterparts on 05 and 06 April 2018, where the text of draft agreements developed by both countries were reviewed. A draft consolidated agreement has been developed, however there are substantial areas of misalignment, which require intervention from the SADC Secretariat.</p> <p>Furthermore, there is a need to convene a National Ministerial Task Team on the RSA/ Lesotho impasse to discuss areas of Lesotho's disagreement with the provisions advocated for by South Africa in preparation for the SADC meeting.</p>
15	The C-BRTA should report to the Committee regarding the continued engagements on the implementation of the 1996 SADC Protocol on Transport, Communications and Meteorology.	<p>The C-BRTA, in collaboration with the SADC Secretariat, hosted a workshop in October 2017 to review implementation of Chapters 5 and 6 of the SADC Protocol on Transport, Communications and Meteorology. The workshop was attended by 10 SADC mainland member states. Member states resolved to establish the Cross-Border Road Transport Regulators Forum (C-BRTRF), a structure that would drive the implementation of relevant Chapters of the Protocol. The Committee of SADC Ministers of Transport, in their meeting held in Malawi in November 2017, subsequently endorsed this decision. Following this ground-breaking development, the SADC Secretariat, together with the C-BRTA, hosted the inaugural meeting of the C-BRTRF in March 2018 to develop the Terms of Reference (ToR) and the Action Plan for the Forum. As part of the ToR, the Forum established the Executive Committee to lead the activities of the Forum, and the C-BRTA was nominated as the Chairperson and Secretariat of the C-BRTRF Executive Committee for the next 2 years.</p> <p>In a parallel process, the Agency continues to have annual engagements with counterparts through Joint Committees as prescribed in the bilateral Road Transport Agreements that South Africa has concluded with SADC member states with a view to implement the SADC Protocol and address challenges faced by cross-border operators. In the last financial year, these engagements were conducted with Botswana, Democratic Republic of Congo, Mozambique, Zambia and Zimbabwe.</p>

REPORTING MATTER	ACTION REQUIRED	TIME FRAME	PROGRESS
The Department should submit an Action Plan to address the findings of the AGSA	Written Plan from the Department of Transport.	15 December 2017	Action Plan submitted and presented to PCoT on the 17th April 2018.
The Department should submit a comprehensive briefing on progress made on the Taxi Recapitalisation Programme and the Review thereof.	Written briefing from the Department of Transport.	15 December 2017	Cabinet considered the review report in December 2017. Cabinet approved for implementation of the Revised Taxi Recapitalisation Programme (RTRP) through the procurement process. National Treasury has approved for the contract to be extended for a period not exceeding six months. The Department has already started with the procurement process to appoint a new service provider to implement the (RTRP).
The Department should submit quarterly reports on investigations underway in the Department and all the entities.	Written Plan from the Department of Transport	Quarterly reports within 60 days of the adoption of this report by the National Assembly.	Cases under investigation for the period 2017/18 to date: Cases under investigation by the Internal Audit and investigation: <b>16</b> Cases closed due to lack of evidence: <b>10</b> Cases referred to Labour Relation: <b>3</b> Categories of allegations under investigations are: Fraud, corruption, procurement irregularities, and others.
The Department should submit quarterly reports on the achievement of job creation targets in the Department and all the entities.	Written Plan from the Department of Transport.	Quarterly reports within 60 days of the adoption of this report by the National Assembly.	Progress report on the achievements of job creation targets submitted to the PCoT on 17 April 2018.
The Department should submit quarterly reports on pending litigation as well as settlements reached and judgements for and against the Department and all the entities.	Written Plan from the Department of Transport.	Quarterly reports within 60 days of the adoption of this report by the National Assembly.	Progress report on pending litigation, settlements reached and judgments for and against the DoT submitted to the PCoT on the 17th April 2018
The Department should submit quarterly reports on human resource management (retentions, secondments, transfers, retirements, training and skills transfers, resignations and dismissals), as well as report on progress in disciplinary matters (including suspensions) in the Department and all the entities.	Written Plan from the Department of Transport.	Quarterly reports within 60 days of the adoption of this report by the National Assembly.	<b>Human Resource Management:</b> <ul style="list-style-type: none"> <li>▶ Retentions – None</li> <li>▶ Secondments – None</li> <li>▶ Transfers out – 6</li> <li>▶ Transfers in – 6</li> <li>▶ Appointments – 3</li> <li>▶ Internal Promotions – 8</li> <li>▶ Retirements – 4</li> <li>▶ Resignations – 17</li> <li>▶ Dismissals – 1</li> <li>▶ Deceased – 4</li> </ul>

REPORTING MATTER	ACTION REQUIRED	TIME FRAME	PROGRESS
			<b>Labour Relations:</b> <ul style="list-style-type: none"> <li>▶ Suspensions – 1</li> <li>▶ Misconduct cases – 6</li> <li>▶ Grievances – 24</li> </ul> <b>Human Resource Development:</b> <ul style="list-style-type: none"> <li>• Skills development – 335</li> <li>• Internship – 38</li> <li>• Internal bursaries – 180</li> <li>• External bursaries – 944</li> <li>• Learnerships – 15</li> <li>• Scholarships for serving employees – 5</li> <li>• Educational outreach programmes – 13 reaching 11 472 learners</li> </ul>
The Department should submit quarterly reports on the Shova Kalula project.	Written Plan from the Department of Transport.	Quarterly reports within 60 days of the adoption of this report by the National Assembly.	<p>The Department has procured and distributed 6 000 bicycles in the financial year 2017/18 nationally in all provinces.</p> <p>In the financial year 2018/19, the Department will be procuring and distributing 7 000 bicycles and undertaking maintenance pilot programme of bicycles in selected provinces.</p>
The Department should submit quarterly reports on progress regarding the Moloto Corridor Project and how this affects both the Road and Rail Programmes.	Written Plan from the Department of Transport.	Quarterly reports within 60 days of the adoption of this report by the National Assembly.	<p>As part of phase one, work on Mpumalanga and Limpopo sections is underway, that includes closing off dangerous illegal access, reducing conflict movement of service roads, installing and replacing street lights and relocating informal traders to safer areas.</p> <p>Regarding infrastructure development, SANRAL has commenced with upgrading of intersections as follows: -</p> <p><b>In Mpumalanga section:</b></p> <ul style="list-style-type: none"> <li>▶ Upgrading of 2 intersections at Vlaklaagte into traffic circles to reduce conflict movement and improve pedestrian safety.</li> <li>▶ Upgrading of intersections at Tweefontein into traffic circles to reduce conflict movement and improve pedestrian safety.</li> <li>▶ Upgrading of an intersection at Mateysloop into a butterfly.</li> </ul>

REPORTING MATTER	ACTION REQUIRED	TIME FRAME	PROGRESS
			<p><b>Limpopo section:</b></p> <ul style="list-style-type: none"> <li>► Upgrading of surface shoulder to the existing cross section between Siyabuswa and Marble Hall on Road R573 Section 3.</li> <li>► Upgrading of intersections to traffic circle at the junction of R573 and N11 at Marble Hall.</li> </ul> <p><b>Gauteng Section:</b></p> <ul style="list-style-type: none"> <li>► Gauteng section of the road is not transferred to SANRAL (not proclaimed National road).</li> <li>► MoU signed between SANRAL and Gauteng province for maintenance of the road by SANRAL and Gauteng to transfer funds however, there is very little progress in the transfer of funds to SANRAL.</li> <li>► Currently work on the Gauteng section is limited to only routine road maintenance by Gauteng.</li> </ul> <p>Designs for the entire Gauteng section is at 60% complete, however funding from Gauteng still remains a challenge.</p>
The Department should submit quarterly reports on strategies to address the financial health of CBRTA, RAF, SANRAL and PRSA.	Written Plans from the Department of Transport and CBRTA, RAF, SANRAL and PRSA.	Quarterly reports within 60 days of the adoption of this report by the National Assembly.	<p>The Department monitors, on a quarterly basis, the financial performance of all entities, including those stated in this regard. Included in the analysis are the solvency, liquidity and gearing ratios.</p> <p>The Department will continue engaging with the stated entities with the aim of improving their financial health statuses.</p>
<p>The Department with the C-BRTA should submit quarterly progress reports on progress regarding:</p> <ul style="list-style-type: none"> <li>► The implementation of the 1996 SADC Protocol on Transport, Communications and Meteorology.</li> <li>► The resolution of the impasse regarding the cross-border movements on the Republic of South Africa/Kingdom of Lesotho route.</li> </ul>	Written Plan from CBRTA.	Quarterly reports within 60 days of the adoption of this report by the National Assembly.	<p><b>Implementation of the 1996 SADC Protocol on Transport, Communication and Meteorology</b></p> <p><i>Refer to Item 14 on the table above</i></p> <p><b>Resolution of the impasse regarding cross-border movements on the RSA/Lesotho route</b></p> <p><i>Refer to item 15 on the table above</i></p>



## 9. SCOPA RESOLUTIONS

None.

## 10. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Competitive bidding process not followed.	2016/ 2017	<p>Management contacted the Office of the Chief Procurement Officer (OCPO) to advise whether the Bid Adjudication Committee (BAC) erred in approving the invitation of a closed bid, as recommended by the Audit Committee.</p> <p>The OCPO advised that there was no approval to reject the only bid that was evaluated and met the threshold for functionality because the price was higher than the budgeted amount of R500 000.</p> <p>The BAC therefore made an error to approve the invitation of a closed bid and to reject the bid that was received.</p> <p>The amount was declared as irregular expenditure.</p>
Supplier payments not made within 30 days.	2016/ 2017	Management has implemented a Payment Tracking System in the Financial Administration directorate. On a monthly basis, any late payments are reported to relevant Programme Managers and the National Treasury.
At least 3 quotations were not obtained and the deviation was not approved	2016/ 2017	<p>This matter was resolved and it was agreed the finding will be removed.</p> <p>Furthermore, the Department has appointed the Director: Supply Chain Management to oversee the activities of the directorate.</p>
The Department did not keep proof that the names of bidders that submitted bids were published on its website within 10 days after closing date for at least 30 days and that the details of winning bidder were published on the Department's website.	2016/ 2017	Information Technology (IT) was consulted and agreed to always comply with SCM requests, and keep a proof that the names of bidders were published on the website. SCM will also obtain proof for verification in future.
2015/16 performance assessments not completed by SMS members.	2016/ 2017	SMS members with outstanding 2015/16 performance assessments managed to submit the required documents. Moderations were conducted and all cases were finalised.
Lower level employees with no performance agreement completed.	2016/ 2017	Letters were drafted and given to all the DDGs with name list of respective staff members within their Branches whose performance agreements are outstanding for intervention and to institute disciplinary measures/action.
Performance agreements of SMS members not signed within required timeframes.	2016/ 2017	Notifications were sent to all relevant officials requesting reasons for non-compliance. A name list of all the non-compliant SMS members, with their reasons for non-compliance was submitted to the sub-directorate Labour Relations for further investigations and to ensure disciplinary actions are taken against these members.

## 11. INTERNAL CONTROL UNIT



The Directorate: Internal Control and Compliance is responsible mainly for assisting management to ensure that adequate and effective financial control systems are in place and that the Department complies with the financial management prescripts in its pursuit to achieve the strategic goals.

The Directorate played a pivotal role in facilitation of audits conducted by both the Office of the Auditor-General and Internal Audit Unit. It managed the administration of audit queries raised by the Auditor-General and Internal Audit, and developed action plans to address internal control weaknesses identified by these assurance providers in their previous financial year's reports. The Directorate monitored the implementation of action plans to address internal control weaknesses and reported progress to the Executive Committee and Audit Committee.

Internal Control and Compliance Directorate facilitated and coordinated the Audit Steering Committee meetings during the audit period as per the Audit Strategy of the Auditor-General to ensure constant communication and smooth running of the audit process.

The Directorate further facilitated the activities of the Loss Control Committee of the Department and performed follow-up on resolutions taken by the Committee to ensure that they are implemented.

In relation to compliance management in the Department, the Directorate reviewed the level of compliance with the Public Finance Management Act, Treasury Regulations, Division of Revenue Act (DORA), Financial Policies and Supply Chain Management prescripts through post-checking of payment batches and compliance checklists. The consolidated internal control manual which includes all departmental circulars, policies and procedures, business flow charts and forms, was updated on the intranet for easy access by all officials of the Department.

All the payment batches of the Department were safeguarded and effectively managed by Internal Control Directorate.

## 12. INTERNAL AUDIT AND AUDIT COMMITTEES

### Strategic objective

To provide an independent and objective assurance and consulting services designed to add value and improve DoT's operations through evaluation of risk management, internal control and governance processes.

The following core Internal Audit Functions activities were undertaken in order to achieve the above strategic objective:

- ▶ The review of compliance with laws, regulations, institutional instructions and standard operational procedures;
- ▶ The review of effectiveness of operations,
- ▶ The review of reliability and integrity of financial and operational information;
- ▶ The review of safeguarding of assets;
- ▶ Risk review and assessments;
- ▶ Performance reviews (economical, efficient and effective use of resources);
- ▶ Review of Information systems environment;
- ▶ Special assignments (management requests); and
- ▶ Forensic Investigations.

### Summary of audit work done

The internal audit function has undertaken reviews in the following areas, which fall under Assurance, Performance or IT Audits:

- ▶ DORA Review
- ▶ Public Entity Oversight Review
- ▶ Recruitment Review
- ▶ Stakeholder Management Review
- ▶ Strategic & APP Development Review
- ▶ User Account Management Review

- ▶ Registry Services Review
- ▶ Security Services Review
- ▶ Civil Aviation Safety & Security Review
- ▶ IT General Controls Review
- ▶ Vehicle Roadworthiness Review
- ▶ Leave Management Review
- ▶ IT Helpdesk Management Review
- ▶ DoT Readiness to implement POPI Review
- ▶ Performance Information Review (Four Quarters)
- ▶ Overtime Review
- ▶ Interim Financial Statements Review (Three Quarters)
- ▶ ICT Governance Review (Quarterly)
- ▶ Analytics Detection Reviews (Quarterly)
- ▶ Search & Rescue System – Follow-up
- ▶ Asset Management – Follow-up
- ▶ Employee Debts – Follow-up
- ▶ Asset Management ACR – Follow-up
- ▶ Sponsorships – Follow-up
- ▶ Procurement – Follow-up
- ▶ AGSA 2016/17 Audit Report – Follow-up
- ▶ Long-term Lease – Departmental Fleet – Follow-up
- ▶ Annual Transport Awards – Special Request

### Key activities and objectives of the Audit Committee

The Audit Committee operates in terms of its approved written terms of reference and reviews the following:

- ▶ The effectiveness of the internal control systems;
- ▶ The effectiveness of the internal audit function;
- ▶ The risk areas of the Department to be covered in the scope of internal and external audits;



- ▶ The adequacy, reliability and accuracy of the financial information provided by management;
- ▶ Any accounting and auditing concerns identified as a result of internal and external audits;
- ▶ The Department's compliance with laws, regulations, institutional instructions and standard operational procedures; and
- ▶ The activities of the internal audit function, including its annual work programme, coordination with external auditors, the reports of significant investigations and the responses of management to specific recommendations.

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date Resigned	No. of Meetings attended
<b>Ms Pumla Mzizi</b>	CA (SA) BCom (Hons) Transport Economics BCompt (Hons) BBus Sci Finance (Hons)	External	N/A	01 August 2016	Active	5
<b>Ms Maemili Ramataboe</b>	CA (Lesotho) MBA	External	N/A	01 August 2016	Active	6
<b>Adv. Mamodupi Mohlala-Mulaudzi</b>	LLM LLB BA Law	External	N/A	01 August 2016	Active	4
<b>Mr Nades Kandan</b>	Masters (Ins Dire) Higher Diploma IT Audit MDP Management CRISC IEDP (Finance)	External	N/A	01 August 2016	Active	6
<b>Mr Victor Nondabula</b>	MBA Finance & International Business MA Political Science BA (Hons) Political Science Diploma Financial Management	External	N/A	01 August 2016	Active	5

## 13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- ▶ DORA Review
- ▶ Public Entity Oversight Review
- ▶ Recruitment Review
- ▶ Stakeholder Management Review
- ▶ Strategic & APP Development Review
- ▶ User Account Management Review
- ▶ Registry Services Review
- ▶ Security Services Review
- ▶ Civil Aviation Safety & Security Review
- ▶ IT General Controls Review
- ▶ Vehicle Roadworthiness Review
- ▶ Leave Management Review

- ▶ IT Helpdesk Management Review
- ▶ DOT Readiness to implement POPI Review
- ▶ Performance Information Review (Four Quarters)
- ▶ Overtime Review
- ▶ Interim Financial Statements Review (Three Quarters)
- ▶ ICT Governance Review (Quarterly)
- ▶ Analytics Detection Reviews (Quarterly)
- ▶ Follow-up audits on: Search & Rescue Systems, Asset Management, Employee Debts, Asset Management ACR, Sponsorships, Procurement, AGSA 2016/17 Audit Report, Long-term Leased Vehicles
- ▶ Annual Transport Awards – Special Request

The following were areas of concern:

- ▶ Employees not vetted upon appointment
- ▶ Some of the performance targets in the in-year performance reports were not achieved
- ▶ Some members with negative/default security screening records are serving on the entities' boards
- ▶ There were identified gaps on the change management procedures
- ▶ The Department has not established a formal business continuity plan
- ▶ The ICT steering committee meetings not held in line with departmental charter requirements
- ▶ There was a prolonged delivery on communication upgrade systems by Telkom
- ▶ Insufficient performance review on TELKOM IT-related service

Through our analysis of audit reports from internal audit, Auditor-General South Africa and engagements with the Department we can report that the system of internal control for the period under review was adequate and effective.

The Department is continuously implementing the internal and external audit action plans agreed upon.



## In-Year Management and Monthly/Quarterly Report

The department has reporting monthly and quarterly to the Treasury as is required by the PFMA.

The Department has prepared the interim financial statements that materially comply with the financial reporting framework (Modified Cash Standard (MCS) which has assisted the Department in identifying the challenges timeously.

## Evaluation of Financial Statements

The Committee has:

- ▶ reviewed and discussed the audited financial statements to be included in the annual report, with Management and the Accounting Officer;
- ▶ reviewed the Auditor-General's management report and management's response thereto;
- ▶ reviewed changes in accounting policies and practices;
- ▶ reviewed the Department's compliance with legal and regulatory provisions;
- ▶ reviewed the information on predetermined objectives to be included in the annual report; and
- ▶ reviewed the audited financial statements for any significant adjustments resulting from the audit report.

It is important to note that the Audit Committee is of the understanding that the guarantees of the entities will be made good by the National Treasury so there is no direct financial exposure to the Department.

## Auditor-General's Report

The Audit Committee have reviewed the entity's implementation plan for audit issues raised in the previous year and satisfied that the matters have been adequately resolved. The Audit Committee is not aware of any unresolved issues with respect to the current audit.

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

*Pumla Mzizi CA(SA)*

**Ms. Pumla Mzizi CA(SA)**

*Chairperson of the Audit Committee*

Department of Transport

Date: 7 August 2018

# HUMAN RESOURCE MANAGEMENT

# 1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

## 2. OVERVIEW OF HUMAN RESOURCES

- ▶ The Department managed to provide 677 training interventions for a total of 399 employees during 2017/18 financial year. More emphasis was placed on accelerating leadership development to address the skills gaps identified through a skills audit project conducted during 2016/17.
- ▶ Ten employees participated in the sponsored (donor funded) International skills development programmes of which eight were women and one was a person with disability.
- ▶ In terms of the youth development initiatives, the Department exceeded the DPSA target of 5% of staff establishment by appointing 58 interns which is 8.6%. A total of 20 were placed within various Municipalities as Transport Planning interns. The Department secured an additional funding to the amount of R739 200.00 from Transport Education and Training Authority Discretionary Grant to fund 16 interns.
- ▶ In an effort to ensure a skilled and capable workforce, the Department awarded 60 new bursaries for the serving employees to further their studies. A total of 138 pipeline bursaries were managed. This was also a measure to address skills audit findings.
- ▶ Fifteen serving employees without qualifications at junior level, mostly Office Administrators were enrolled for Public Administration Learnership at NQF level 5. The project will be closed during 2018/19.
- ▶ The Department exceeded the target of 10 sessions by conducting 17 Career Outreach sessions across various provinces reaching a total of 16 627 learners. Furthermore, 30 57 girls participated in Take a Girl Child to Work Programme in partnership with South African Civil Aviation Authority of which 30 were children of DoT employees.
- ▶ Management of MoUs with 11 universities continued in which 944 learners were enrolled and 234 graduated for the 2017 academic year.
- ▶ Provision of support to the 13 Technical Vocational Educational and Training (TVET) colleges offering transport qualifications resulted in 2 807 learners enrolled in Transport Logistics and Transport Operations.
- ▶ The Department renewed its MoU for the Technology Research Activity Centre operating under the University of Stellenbosch for the provision of mobile laboratories to the disadvantaged schools in the rural areas of KwaZulu-Natal and Western Cape.
- ▶ The Department managed to address all the Performance Management and Development System (PMDS) backlogs for assessment of senior managers and employees at salary level 12 and below and performance incentives were paid accordingly.
- ▶ Mechanisms to improve compliance in the submission of Performance Agreements for 2017/18 yielded a positive result where 99% of employees complied, of which employees at level 12 and below obtaining 100% compliance rate.
- ▶ 94% of the Annual Assessment for the 2016/17 performance cycle were submitted and moderated successfully. Performance incentives were paid in September 2017 way before the DPSA prescribed deadline of December 2017.

### Employee wellness programmes

- ▶ Rendering a comprehensive Employee Health and Wellness Service to all DoT staff and their immediate families where they receive assistance and support on problems that affect work performance.
- ▶ Around 68 sessions of face-to-face counselling were provided to Department of Transport through ICAS 2017/2018.
- ▶ Life Management services averaged at about 40.2% during the 2017/2018 financial year Life Management addresses issues of life and work balance, relationship and communication enhancement, life transitions, financial and business stability.
- ▶ In an effort to reduce absenteeism due to illness a Flu Vaccination drive is conducted annually during the month of April/May in the Department in partnership with nurses from Medirite Pharmacy, 54 staff members were vaccinated in the 2017/2018 campaign. And they are also given information on how to protect themselves from the flu virus.
- ▶ Nutritional supplements such as E-pap and Life Boost pills are being distributed to all staff as per need to boost their immune system.
- ▶ Blood donation drive is held every quarter to enable staff to donate blood on site.
- ▶ The Wellness Expo Week was held in September 2017 where various psychosocial

issues were tackled, and the employees participated in Health Risk Assessment and HIV Counselling and Testing.

- ▶ A wellness exhibition was held during the departmental strategic planning which was held at Velmore Hotel in November 2017, executives participated in different wellness activities and they visited the exhibition stands.
- ▶ The Transport Sector World AIDS Day was successfully commemorated and the Condom week campaign held at Bosman station.
- ▶ The National Department of Transport in partnership with National Department of Health and SANTACO successfully launched the PHILA TAXI INDUSTRY Campaign on 27 November 2017 at Bosman Taxi Rank (Launch of the campaign was led by Ministers of Health and Transport) This campaign seeks to intervene in a joint effort to minimise the negative impact caused by risky behaviours, in an effort to combat the spread of HIV/AIDS and create awareness of the importance of early identification and management of diseases such as TB, hypertension, and diabetes.
- ▶ New developments and trends on the implementation of a comprehensive Employee Health and Wellness Programme have been adapted to ensure improved service delivery in the Department.
- ▶ The external service provider ICAS contracted and rendering Wellness services to DoT employees and their immediate family members.
- ▶ Departmental events have been hosted in line with the National Health Calendar events such as Condom Week, and Pregnancy Week etc.
- ▶ Access to HIV Counselling and Testing has been created for all departmental employees through HCT Campaign in the workplace and through referrals.
- ▶ Served as a focal person on HIV and AIDS and Wellness issues in the Interdepartmental Departmental Committees and other relevant structures (Immigration and Migrant Task Team, etc.)
- ▶ Marketing and promotion of Employee Health and Wellness issues in the department done, through information (E-mails, Posters, etc. circulated) and Orientation/Induction sessions conducted regularly.

- ▶ DoT Branded Bereavement and Get Well Soon Cards have been sent to all bereaved family members and hospitalised staff.
- ▶ Condom distribution of both male and female condoms done through the use of condom cans.
- ▶ The Employee Health and Wellness Team serves as the Chair and Secretariat to the Transport Sector HIV and AIDS Coordinating Committee.
- ▶ Promoted and coordinated access of confidential client-focused HIV and AIDS Testing and counselling (HCT Campaign) in the workplace.
- ▶ Employee Health and Wellness (EHW) programme is one of the well-coordinated programmes in DoT with a number of EHW days arranged and attended by all levels in the Department.
- ▶ Employees and their supervisors frequently consult the Sub-Directorate: EHW for assistance with different psychosocial issues but not limited to : Absenteeism, HIV and AIDS, substance abuse, family and financial problems, mental illness, stress, domestic violence; and child care. Consultations and counselling with both line managers and staff; with regards to psychosocial problems etc., is handled professionally and confidentially. Although there are challenges with regards to human and financial resources, the employees concerned are making good progress and job performance is enhanced.

### Achievements and Future Human Resource Goals / Plans

- ▶ Achieved 100% compliance on the Financial Disclosure Framework for employees on SMS, MMS, Finance and Supply Chain Management.
- ▶ New Delegations of authority that are in line with the new Public Service Regulations were finalised and awaiting approval.
- ▶ The Department's new Recruitment and Selection Policy was approved and is being implemented.
- ▶ Employment equity targets will be prioritised especially females at Senior Management Service and People with Disabilities.
- ▶ The Retention Strategy is being finalised.



## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1. Personnel related expenditure

The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- ▶ amount spent on personnel
- ▶ amount spent on salaries, overtime, homeowner's allowances and medical aid.

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018**

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee
	R'000	R'000	R'000	R'000	%	R'000
Assets & Liabilities	77	0	0	0	0.00	0
Administration	405 158	191 826	0	0	47.30	245
Civil Aviation	166 314	37 344	0	0	22.50	48
Direct charge against NRF	5 559	0	0	0	0.00	0
Integrated Transport Planning	76 058	48 256	0	0	63.40	62
Maritime Transport	109 220	21 278	0	0	19.50	27
Public Transport	12 237 507	48 253	0	0	0.40	62
Rail Transport	14 515 069	24 402	0	0	0.20	31
Road Transport	27 117 706	55 886	0	0	0.20	70
<b>Total</b>	<b>54 632 668</b>	<b>427 245</b>	<b>0</b>	<b>0</b>	<b>0.80</b>	<b>545</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018**

Salary band	Personnel expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
	R'000	%		R'000
Lower skilled (levels 1-2)	118	0.00	0	0
Skilled (levels 3-5)	14 912	3.40	55	271 127
Highly skilled production (levels 6-8)	88 463	20.10	236	374 843
Highly skilled supervision (levels 9-12)	180 225	41.00	248	726 714
Senior and Top management (levels 13-16)	119 764	27.30	102	1 174 157
Contract (levels 3-5)	293	0.10	3	97 667
Contract (levels 6-8)	2 044	0.50	9	227 111
Contract (levels 9-12)	3 503	0.80	4	875 750
Contract (levels 13-16)	9 756	2.20	11	886 909
Periodical Remuneration	10 881	2.50	116	93 802
<b>Total</b>	<b>429 959</b>	<b>97.90</b>	<b>784</b>	<b>548 417</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 and 31 March 2018**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	R'000	%	R'000	%	R'000	%	R'000	%
Administration	164 877	84.70	1 988	1.00	4 333	2.20	5 352	2.80
Civil Aviation	30 606	77.60	0	0.00	721	1.80	1 255	3.20
Integrated Transport Planning	42 291	86.20	40	0.10	854	1.70	1 102	2.20
Maritime Transport	15 293	84	2	0.00	450	2.50	559	3.10
Public Transport	42 339	83	30	0.10	891	1.70	1 104	2.20
Rail Transport	21 162	85.30	0	0.00	436	1.80	723	2.90
Road Transport	49 844	80.50	17	0.00	1 067	1.70	1 548	2.50
<b>Total</b>	<b>366 412</b>	<b>83.50</b>	<b>2 077</b>	<b>0.50</b>	<b>8 752</b>	<b>2.00</b>	<b>11 643</b>	<b>2.70</b>



Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	R'000	%	R'000	%	R'000	%	R'000	%
Skilled (levels 1-2)	84	71.20	2	1.70	7	5.90	15	12.70
Skilled (levels 3-5)	10 941	73.30	642	4.30	819	5.50	1 287	8.60
Highly skilled production (levels 6-8)	71 470	80.20	793	0.90	2 988	3.40	5 363	6.00
Highly skilled supervision (levels 9-12)	157 112	84.80	620	0.30	2 554	1.40	3 872	2.10
Senior management (levels 13-16)	106 557	87.10	0	0.00	2 367	1.90	1 082	0.90
Contract (levels 3-5)	268	88.20	0	0.00	0	0.00	0	0.00
Contract (levels 6-8)	1 928	93.90	20	1.00	0	0.00	21	1.00
Contract (levels 9-12)	3 161	89.00	0	0.00	4	0.10	3	0.10
Contract (levels 13-16)	9 237	92.20	0	0.00	13	0.10	0	0.00
Periodical Remuneration	5 654	50.10	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>366 412</b>	<b>83.50</b>	<b>2077</b>	<b>0.50</b>	<b>8 752</b>	<b>2.00</b>	<b>11 643</b>	<b>2.70</b>

### 3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- ▶ programme
- ▶ salary band
- ▶ critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2018**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
<b>Programme 1</b> (Transport Ministry, Office of the Deputy Minister, Office of the Director-General, Office of the Chief Operations Officer, Office of the Chief Financial Officer & Transport Information Systems)	416	311	25.24%	9
<b>Programme 2</b> (Integrated Transport Planning)	79	70	11.39%	0
<b>Programme 3</b> (Rail Transport)	41	37	9.76%	0
<b>Programme 4</b> (Road Transport)	125	85	32%	1
<b>Programme 5</b> (Civil Aviation)	75	52	30.67%	1
<b>Programme 6</b> (Maritime Transport)	48	31	83.88%	0
<b>Programme 7</b> (Public Transport)	95	65	31.58%	1
<b>Total</b>	<b>879</b>	<b>651</b>	<b>25.94%</b>	<b>12</b>



**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (levels 1-2)	0	0	0%	0
Skilled (levels 3-5)	68	57	16.18%	0
Highly skilled production (levels 6-8)	314	240	23.57%	4
Highly skilled supervision (levels 9-12)	346	253	26.88%	1
Senior management (levels 13-16)	151	101	33.11%	7
<b>Total</b>	<b>879</b>	<b>651</b>	<b>25.94%</b>	<b>12</b>

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES**

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - a. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - b. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - c. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - d. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

### 3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

**Table 3.3.1 SMS post information as on 31 March 2017**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	100%	1	100%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	10	3	30%	7	70%
Salary Level 14	36	25	69.44%	11	30.55%
Salary Level 13	104	73	70.19%	31	29.81%
<b>Total</b>	<b>151</b>	<b>101</b>	<b>66.89%</b>	<b>50</b>	<b>33.11%</b>

**Table 3.3.2 SMS post information as on 30 September 2017**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	100%	1	100%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	10	3	30%	7	70%
Salary Level 14	36	25	69.44%	11	30.55%
Salary Level 13	104	74	71.15%	30	28.85%
<b>Total</b>	<b>151</b>	<b>102</b>	<b>67.55%</b>	<b>49</b>	<b>32.45%</b>



**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018**

Reasons for vacancies not advertised within six months
Funds were not available to fill posts
Reasons for vacancies not filled within twelve months
Funds were not available to fill posts

**NOTES**

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018**

Reasons for vacancies not advertised within six months
Funds were not available to fill posts

## Reasons for vacancies not filled within six months

Funds were not available to fill posts

## NOTES

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

## 3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018**

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (levels 1-2)	0	0	0%	0	0%	0	0%
Skilled (levels 3-5)	68	1	0.015%	0	0%	0	0%
Highly skilled production (levels 6-8)	314	2	0.006%	0	0%	0	0%
Highly skilled supervision (levels 9-12)	346	316	91.33%	188	57.51%	0	0%
Senior Management Service Band A	104	6	0.058%	0	0%	0	0%
Senior Management Service Band B	36	1	0.027%	0	0%	0	0%
Senior Management Service Band C	10	0	0%	0	0%	0	0%
Senior Management Service Band D	1	0	0%	0	0%	0	0%
<b>Total</b>	<b>879</b>	<b>326</b>	<b>37.0%</b>	<b>188</b>	<b>57.51%</b>	<b>0</b>	<b>0%</b>



The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018**

Gender	African	Asian	Coloured	White	Total
Female	67	2	1	3	73
Male	62	0	2	4	68
<b>Total</b>	<b>129</b>	<b>2</b>	<b>3</b>	<b>7</b>	<b>141</b>
Employees with a disability					

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 and 31 March 2018**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Deputy Director-General (Level 15)	1	15	16	Lateral transfer to DoT from KZN
Director (Level 13)	3	13	14	Retention purposes
Deputy Director (Level 11)	3	11	13	Retention purposes
Deputy Director (Level 11)	21	11	12	Job Parity
Assistant Director (Level 9)	18	9	10	Job Parity
Assistant Director (Level 9)	1	9	11	Retention purposes
Administrative Officer (Level 7)	3	7	8	Grade Progression
Administrative Assistant (Level 6)	1	6	7	Grade Progression
Administrative Assistant (Level 6)	2	6	7	Retention purposes
Receptionist/Secretary (Level 6)	1	6	9	Retention purposes
Driver/Messenger (Level 4)	1	4	5	Retention purposes
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>55</b>
<b>Percentage of total employed</b>				<b>8.45%</b>

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 and 31 March 2018**

Gender	African	Asian	Coloured	White	Total
Female	25	2	0	3	30
Male	24	0	1	0	24
<b>Total</b>	<b>49</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>55</b>
Employees with a disability	0	0	0	0	0

#### NOTES

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

### 3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 and 31 March 2018**

Salary band	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (levels 1-2)	0	0	0	0%
Skilled (levels 3-5)	57	1	3	5.26%
Highly skilled production (levels 6-8)	241	3	8	3.32%
Highly skilled supervision (levels 9-12)	262	5	19	7.25%
Senior Management Service Bands A	72	0	3	4.17%
Senior Management Service Bands B	23	0	2	8.69%
Senior Management Service Bands C	4	0	1	25%
Senior Management Service Bands D	0	0	0	0%
Contracts	19	25	16	84.21%
<b>Total</b>	<b>678</b>	<b>34</b>	<b>52</b>	<b>7.67%</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018**

Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES**

- ▶ The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- ▶ Critical occupations are defined as occupations or sub-categories within an occupation –
  - a. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - b. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - c. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - d. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the Department.

**Table 3.5.3 Reasons why staff left the Department for the period 1 April 2017 and 31 March 2018**

Termination Type	Number	% of Total Resignations
Death	4	7.69%
Resignation	19	36.54%
Expiry of contract	16	30.77%
Dismissal – operational changes	1	1.92%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	4	7.69%
Transfer to other Public Service Departments	8	15.39%
Other	0	0%
<b>Total</b>	<b>52</b>	<b>7.99%</b>
<b>Total number of employees who left as a % of total employment</b>	<b>7.99%</b>	<b>7.99%</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018**

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Total</b>	-	-	-	-	-



**Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 31 March 2018**

Salary Band	Employees 1 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	0	0	0%	0	0%
Skilled (levels 3-5)	57	0	0%	57	100%
Highly skilled production (levels 6-8)	241	2	0.83%	231	95.85%
Highly skilled supervision (levels 9-12)	262	2	0.76%	239	91.22%
Senior Management (levels 13-16)	99	6	6.06%	60	60.61%
<b>Total</b>	<b>659</b>	<b>10</b>	<b>1.52%</b>	<b>587</b>	<b>89.07%</b>

### 3.6 Employment Equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	53	0	4	5	31	0	3	4	100
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	112	2	0	4	130	2	5	8	263
Clerks	64	4	0	1	161	1	1	10	242
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	36	0	0	0	20	0	0	1	57
<b>Total</b>	<b>265</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>342</b>	<b>3</b>	<b>9</b>	<b>23</b>	<b>662</b>
Employees with disabilities	3	0	0	1	5	0	0	5	14

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	0	0	0	0	0	4
Senior Management	49	0	4	5	31	0	3	4	96
Professionally qualified and experienced specialists and mid-management	66	0	0	2	59	2	4	6	139
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	46	2	0	2	71	0	1	2	124
Semi-skilled and discretionary decision making	64	4	0	1	161	1	1	10	242
Unskilled and defined decision making	36	0	0	0	20	0	0	1	57
<b>Total</b>	<b>265</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>342</b>	<b>3</b>	<b>9</b>	<b>23</b>	<b>662</b>

**Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	2	0	0	0	5
Senior Management	6	0	0	0	0	0	0	0	6
Professionally qualified and experienced specialists and mid-management	3	0	0	0	1	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	0	0	0	0	0	0	0	4
Semi-skilled and discretionary decision making	4	0	0	0	6	0	0	0	10
Unskilled and defined decision making	4	0	0	0	1	0	0	0	5
<b>Total</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0



**Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	4	0	0	0	1	0	0	1	6
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	2	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>10</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	5	0	0	0	1	0	0	0	6
Senior Management	5	0	0	1	2	0	0	0	8
Professionally qualified and experienced specialists and mid-management	9	0	0	0	6	0	0	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	0	0	0	4	0	0	0	9
Semi-skilled and discretionary decision making	4	0	0	0	6	0	0	0	10
Unskilled and defined decision making	4	0	0	0	0	0	0	0	4
<b>Total</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52</b>
Employees with Disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.6 Disciplinary action for the period 1 April 2017 to 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final Written Warning	0	0	0	0	2	0	0	0	2
Suspension	0	0	0	0	1	0	0	0	1

**Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	17	0	2	1	11	0	0	0	31
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	46	0	0	3	63	0	3	4	119
Clerks	71	0	0	0	170	0	0	0	241
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	6	0	0	0	2	0	0	0	8
<b>Total</b>	<b>140</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>246</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>399</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0



### 3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2017**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				
Salary Level 16	2	2	2	100%
Salary Level 15	4	4	3	75%
Salary Level 14	25	25	23	92%
Salary Level 13	73	73	70	96%
<b>Total</b>	<b>104</b>	<b>104</b>	<b>98</b>	<b>94%</b>

#### NOTES

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to **31 July 2017**.

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018**

Reasons
Some SMS member(s) alleged that Performance Agreements were concluded timeously and submitted to the respective Supervisors for engagement and to finalise prior to submitting to HR, however the Supervisors delayed the PAs beyond the due date.
Some SMS member(s) indicated that they did not have Supervisors as the posts were either vacant and/or no acting Supervisors were appointed during the contracting phase.
Some, reasons for non-submission of Performance Agreements were not provided to the Directorate: HRD & PMDS, in the event no reason is provided it is then regarded as non-compliance in terms of the DPSA prescripts.

**NOTES**

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2018**

Reasons
None

**NOTES**

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

### 3.8 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

**Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	213	277	76.90%	9 730	45 681
Female	304	332	91.90%	12 667	41 532
Asian					
Male	1	4	25%	95	95 282
Female	6	8	75%	386	64 411
Coloured					
Male	7	7	100%	222	31 687
Female	3	3	100%	177	59 111
White					
Male	9	9	100%	672	74 666
Female	18	22	81.80%	949	52 716
Employees with a disability	6	6	100%	235	39 104
<b>Total</b>	<b>567</b>	<b>668</b>	<b>85.00%</b>	<b>25 133</b>	<b>44 249</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled	51	55	92.70%	781	15 322	Lower Skilled
03 Highly Skilled Production (levels 6-8)	225	236	95.30%	6 286	27 939	03 Highly Skilled Production (levels 6-8)
04 Highly Skilled Supervision (levels 9-12)	239	248	96.40%	13 060	54 643	04 Highly Skilled Supervision (levels 9-12)
11 Contract (levels 3-5)	0	3	0.00%	0	0	11 Contract (levels 3-5)
12 Contract (levels 6-8)	4	9	44.40%	97	24 290	12 Contract (levels 6-8)

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 to 31 March 2018**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	27	27	100%	1 111	41 156
Human Resources Clerks	15	14	107.10%	413	27 535
Messengers Porters and Deliverers	12	13	92.30%	197	16 418
Human Resources & Organisation Development & Related Professionals	2	2	100%	153	76 713
Risk Management and Security Services	1	2	50% %	44	44 894
Aviation Related	7	7	100%	513	73 235
Logistical Support Personnel	3	4	75%	51	17 135
Finance and Economics Related	1	3	33.30%	61	61 282
Natural Sciences Related	1	2	50%	81	80 606
Other Administration & Related Clerks and Organisers	57	59	96.60%	2 237	39 251
Appraisers-Valuers and Related Professionals	1	1	100%	91	91 120
Other Occupations	1	3	33.30	81	80 606
Legal Related	4	4	100%	211	52 643



Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial and Related Professionals	2	3	66.70	114	57 051
Diplomats	1	1	100%	26	25 696
Administrative Related	45	50	90.00%	2 748	61 070
Biologists Botanists Zoologists & Related Professionals	1	2	50%	82	82 101
Communication and Information Related	6	6	100%	314	52 393
Secretaries & Other Keyboard Operating Clerks	92	97	94.80%	2 283	24 814
Library Mail and Related Clerks	4	6	66.70%	80	20 017
Human Resources Related	6	7	85.70%	449	74 798
Trade/Industry Advisers & Other Related Professions	1	1	100.00%	85	85 852
Head of Department/Chief Executive Officer	0	5	0.00%	0	0
Computer Programmers	2	2	100%	108	53 974
Trade Labourers	1	1	100%	16	16 349
Language Practitioners Interpreters & Other Commun	1	1	100%	63	63 134
Regulatory Inspectors	1	1	100%	63	63 134
Material-Recording and Transport Clerks	2	1	200%	46	23 118
Other Administrative Policy and Related Officers	193	214	90.20%	8 911	46 170
Senior Managers	31	77	41.50%	3 304	103 297
Client Inform Clerks (Switchb Receipt Inform Clerks)	5	5	100%	82	16 324
Computer System Designers and Analysts	2	2	100%	113	56 039
Engineers And Related Professionals	1	1	100%	113	112 849
Other Information Technology Personnel	11	11	100%	419	38 108
Light Vehicle Drivers	3	3	100%	48	16 101
Security Guards	10	15	66.70%	131	12 990
Food Services Aids and Waiters	12	13	92.30%	171	14 136
Librarians and Related Professionals	1	1	100%	37	37 073
Agriculture Related	1	1	100%	83	83 332
<b>Total</b>	<b>567</b>	<b>668</b>	<b>84.8%</b>	<b>25 133</b>	<b>44 249</b>

## NOTES

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - a. in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - b. for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - c. where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - d. in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	40	74	54.10%	3 689	92 222	4.50%
Band B	7.99	29	27.60%	1 183	148 080	3.30%
Band C	0	7	0.00%	0	0	0%
Band D	0	3	0.00%	0	0	0%%
<b>Total</b>	<b>47.99</b>	<b>113</b>	<b>42.50%</b>	<b>4 872</b>	<b>101 522</b>	<b>3.70</b>



### 3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2017 and 31 March 2018**

Salary band	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled (levels 1-2)	0	0%	0	0%	0	0%
Highly skilled production (levels 6-8)	0	0%	0	0%	0	0%
Highly skilled supervision (levels 9-12)	1	50%	1	50%	0	0%
Senior Management (levels 13-16)	1	50%	1	50%	0	0%
<b>Total</b>	<b>2</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 and 31 March 2018**

Major occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative Office Workers	1	50%	1	50%	0	0%
Senior Management	1	50%	1	50%	0	0%
<b>Total</b>	<b>2</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

### 3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

**Table 3.10.1 Sick leave for the period 1 January 2017 to 31 December 2017**

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost
		%		%		R'000
Lower Skills (levels 1-2)	4	100	1	0.20	4	2
Skilled (levels 3-5)	407	77.10	60	10.20	7	307
Highly skilled production (levels 6-8)	1 666	74.90	224	38	7	2 128
Highly skilled supervision (levels 9-12)	1 675	72.60	231	39.20	7	4 202
Top and Senior management (levels 13-16)	437	79.40	70	11.90	6	1 712
Contract (levels 13-16)	3	33.30	1	0.20	3	11
Contract (levels 6-8)	21	42.90	3	0.50	7	29
<b>Total</b>	<b>4 213</b>	<b>74.50</b>	<b>590</b>	<b>100</b>	<b>7</b>	<b>8 391</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017**

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost
		%		%		R'000
Lower skilled (levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	77	100	2	9.10	39	59
Highly skilled production (levels 6-8)	130	100	8	36.40	16	173
Highly skilled supervision (levels 9-12)	232	100	8	36.40	29	500
Senior management (levels 13-16)	214	100	4	18.20	54	816
<b>Total</b>	<b>653</b>	<b>100</b>	<b>22</b>	<b>100</b>	<b>30</b>	<b>1 548</b>



The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 3.10.3 Annual Leave for the period 1 January 2017 to 31 December 2017**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	8	4	2
Skilled (levels 3-5)	1 383	105	13
Highly skilled production (levels 6-8)	5 659	293	19
Highly skilled supervision (levels 9-12)	6 509	280	23
Senior management (levels 13-16)	2 453	107	23
Contract (levels 13-16)	59	10	6
Contract (levels 6-8)	90	5	18
Contract (levels 3-5)	6	2	3
Contract (levels 9-12)	23	6	4
<b>Total</b>	<b>16 190</b>	<b>812</b>	<b>20</b>

**Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2017**

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2018
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	39
Highly skilled production (levels 6-8)	4	2	2	38
Highly skilled supervision (levels 9-12)	84	7	12	45
Senior management (levels 13-16)	68	2	34	48
Contract (levels 13-16)	0	0	0	0
Contract (levels 6-8)	0	0	0	0
Contract (levels 3-5)	0	0	0	0
Contract (levels 9-12)	0	0	0	0
<b>Total</b>	<b>156</b>	<b>11</b>	<b>14</b>	<b>44</b>

The following table summarises payments made to employees as a result of leave that was not taken.

**Table 3.10.5 Leave pay-outs for the period 1 April 2017 and 31 March 2018**

Reason	Total amount	Number of employees	Average per employee
	R'000		R'000
Leave pay-outs for 2017/18 due to non-utilisation of leave for the previous cycle	279	4	69 750
Capped leave pay-outs on termination of service for 2017/2018	1 137	22	51 682
Current leave pay-outs on termination of service for 2017/18	253	4	63 250
<b>Total</b>	<b>1 669</b>	<b>30</b>	<b>55 633</b>

### 3.11 HIV/AIDS & Health Promotion Programmes



**Table 3.11.1 Steps taken to reduce the risk of occupational exposure**




Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
All employees are classified as being at high risk of contracting HIV and related diseases, that is why all irrespective of their employment levels are provided with Employee Health and Wellness cards to access counselling services.	The HIV/AIDS Policy and operational plan is being implemented in the Transport sector. Employees and Peer Counsellors have been trained on HIV/AIDS.
Workshops and Seminars are arranged for all categories of employees indiscriminately. Strategic Planning sessions for SMS members are used to provide HCT and other Health Risk Assessments. They are then advised on their health and referred for further intervention as per need.	Confidentiality underpins the HIV/AIDS programme through policy and its implementation. Information is circulated through e-mail; lift news, e-care website and posters and education sessions to dispel myths and misconceptions about HIV/AIDS.



Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Yes, Mr Moses Maswanganye Chief Director: Human Resource Management and Development
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		Yes, there is a Sub-directorate (Employee Health and Wellness) which is designated for health and wellbeing of employees. There are three employees dedicated to this task <ul style="list-style-type: none"> <li>▶ Deputy Director: Employee Health and Wellness</li> <li>▶ Wellness Officer and Wellness Assistant</li> <li>▶ The Budget is Grossly insufficient</li> </ul>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		<ul style="list-style-type: none"> <li>▶ Yes, the Department has introduced a Wellness Programme with the following elements</li> <li>▶ Provide an effective framework for health promotion and preventative mechanism amongst employees</li> <li>▶ Provide a confidential and professional counselling service to all employees and members of their immediate families through a 24/7 telephone call centre and face-to-face psycho-social counselling external service provider (ICAS)</li> <li>▶ Promote improvements in the workplace that increase the opportunity for enhanced performance and service delivery</li> <li>▶ Enhance the general wellbeing of employees through the implementation of a range of health and wellness interventions such as, Health Risk Assessments, Disease Management, Stress Management, Financial Management, family care matters such as Bereavement support etc.</li> <li>▶ HIV/AIDS &amp; TB Management Programme</li> <li>▶ Prevent unnecessary absenteeism and lowered productivity caused by social, physical and psychological factors and provide orientation with regard to the functioning of the EHW</li> <li>▶ Trauma Debriefing Sessions arranged for traumatised employees as per need</li> <li>▶ Bereavement support offered to employees and their families</li> </ul>

Question	Yes	No	Details, if yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.			<ul style="list-style-type: none"> <li>▶ Transport Sector HIV/AIDS Committee has been established</li> <li>▶ Mr M Maswanganye, Ms V. Mofokeng, Ms D. Bohlole, and Ms P. Ramakhale - Department of Transport</li> <li>▶ Mr J. Phiri- SAMSA</li> <li>▶ Ms Sibanyoni- WrHI</li> <li>▶ Mr L. Malaka- SANAC</li> <li>▶ Mr T. Mthombeni- Trucking Wellness /Corridor Empower</li> <li>▶ Ms S. Ngqase - IOM</li> <li>▶ Mr A. Shrivastav- FHI 360</li> <li>▶ Ms O. Nkosi - ILO</li> <li>▶ Ms L. Kwini - PRASA</li> <li>▶ Ms L. Pillay- North Star Alliance</li> <li>▶ Mr B. Sibiya- RSR</li> <li>▶ Ms E. Marumo- DOH</li> <li>▶ Ms S. Moekatsane - RAF</li> <li>▶ Ms T Odame-Takyi - Gauteng Provincial Department of Transport</li> </ul>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.			<ul style="list-style-type: none"> <li>▶ HIV/AIDS and TB Management Policy</li> <li>▶ Health and Productivity Management Policy</li> <li>▶ Bereavement Policy</li> <li>▶ Sports and Recreation Policy</li> </ul>

Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.			<ul style="list-style-type: none"> <li>▶ HIV and AIDS &amp; TB Management Policy which describes the Department's commitment to addressing the epidemic are reviewed in light of latest developments, to ensure compliance with relevant Laws</li> <li>▶ HIV and AIDS &amp; TB Management Programme is popularised and promoted to staff and they are being taught about their rights through the Peer Education / Wellness Promotion Programme</li> <li>▶ Peer Educators/ Wellness Promoters are appointed from across the spectrum of employees, they receive ongoing training.</li> <li>▶ Disclosure Management and Confidentiality Training promote non-discrimination, openness and trust for safe HIV disclosure</li> <li>▶ No cases of discrimination on the basis of being HIV positive have been reported</li> <li>▶ All employment policies do not discriminate against people with HIV/Status</li> </ul>
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.			DoT Employees are encouraged to undergo HIV Counselling and Testing (HCT) at all levels and 94 employees were tested for HIV during the 2015/16 financial year. 386 employees were screened for Health Risk Assessment.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.			<p>Conducting of regular health risk screenings and HCT and reporting on these</p> <ul style="list-style-type: none"> <li>▶ Ongoing psychosocial counselling offered and self as well as managerial referral to the contracted EHW external Service provider as well as Executive Wellness and Wellness Expo held annually as part of the EHW Programme for employees</li> <li>▶ Monitoring of the programme through feedback from beneficiaries</li> <li>▶ An internal audit for the HIV and AIDS &amp; TB Management Programme and Employee Health &amp; Wellness has been conducted</li> <li>▶ ICAS, the DoT service provider gives the Department quarterly reports in terms of the services provided</li> <li>▶ The monitoring and evaluation tool developed by DPSA is used</li> <li>▶ The review is done with stakeholders in the transport sector in terms of progress made before the new operational plan is developed</li> </ul>

### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018**

Subject matter	Date
None	None
<b>NOTES</b>  ► If there were no agreements, keep the heading and replace the table with the following:	
Total number of Collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 and 31 March 2018**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	3	
Suspended without pay	1	
Fine	0	
Demotion	0	
Dismissal	0	
Not guilty	1	
Case withdrawn	0	
<b>Total</b>	<b>5</b>	<b>0</b>



**NOTES**

► If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	None
---	------

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018**

Type of misconduct	Number	% of total
Negligence, Insubordination, Bringing The Department Into Disrepute	2	
Gross Dishonesty	2	
Gross Negligence	1	
Unauthorised, Irregular, Fruitless And Wasteful Expenditure	1	
<b>Total</b>	<b>6</b>	

**Table 3.12.4 Grievances logged for the period 1 April 2017 and 31 March 2018**

Grievances	Number	% of Total
Number of grievances resolved	22	
Number of grievances not resolved	2	
<b>Total number of grievances lodged</b>	<b>24</b>	

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 and 31 March 2018**

Disputes	Number	% of Total
Number of disputes upheld	10	
Number of disputes dismissed	1	
<b>Total number of disputes lodged</b>	<b>10</b>	

**Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018**

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

**Table 3.12.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018**

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	30 Days
Cost of suspension(R'000)	0 (Salary was suspended as well)

### 3.13 Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2017	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	38	0	60	10	108
	Male	61	0	40	15	116
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	145	0	90	50	285
	Male	117	0	50	35	202
Clerks	Female	170	10	120	60	360
	Male	71	5	80	20	176
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	21	5	15	1	42
	Male	36	10	10	5	61
<b>Subtotal</b>	<b>Female</b>	<b>374</b>	<b>9</b>	<b>285</b>	<b>121</b>	<b>789</b>
	<b>Male</b>	<b>285</b>	<b>6</b>	<b>180</b>	<b>75</b>	<b>546</b>
<b>Total</b>		<b>659</b>	<b>15</b>	<b>465</b>	<b>196</b>	<b>1335</b>

Table 3.13.2 Training provided for the period 1 April 2017 and 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	38	0	11	6	55
	Male	61	0	20	11	92
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	145	0	70	48	263
	Male	117	0	49	30	196
Clerks	Female	170	7	67	60	304
	Male	71	0	25	23	119
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	21	2	11	3	37
	Male	36	6	8	5	55
<b>Subtotal</b>	<b>Female</b>	<b>374</b>	<b>9</b>	<b>159</b>	<b>117</b>	<b>659</b>
	<b>Male</b>	<b>285</b>	<b>6</b>	<b>102</b>	<b>69</b>	<b>462</b>
<b>Total</b>		<b>659</b>	<b>15</b>	<b>261</b>	<b>186</b>	<b>1121</b>



### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

**Table 3.14.1 Injury on duty for the period 1 April 2017 and 31 March 2018**

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
<b>Total</b>	<b>1</b>	<b>100%</b>

### 3.15 Utilisation of Consultants

The following tables relate information on the utilisation of consultants in the Department. In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
BEE Charter Council	3	225	799 655.00
Develop Maritime Transport Policy & Legislation	3	198	579 695.00
Forensic Investigations Consultants	1	90	288 000.00
Internal Audit: Consultants	1	60	14 880.08
Internal Audit: Roll Out Plan	1	110	180 890.12
Multi Modal Transport Plan & Coordination Act	1	240	406 500.00
National Rail Safety Amendment Bill	1	525	1 344 334.93
National Transport Master Plan 2050 Review	1	48	75 000.00
Maritime Transport Policy & Legislation	1	40	63 500.00
Support to Regulating Committee on Fees and Charges by ACSA And ATNS	1	198	138 500.00
National Transport Planning Forum	1	30	10 945.22
Implementation of the IPTN's In 2 District Municipalities (Bojanala)	1	308	1 414 045.86
Standardisation, Integration & Uniformity of Road Sector Asset Management	1	73	319 770.00
Projections, Computations & Recovery of Overloading On South African Roads	1	322	489 835.20
Public Transport Safety Plan	1	335	1 024 564.56
Regional Transport Integrated Marketing Strategy	1	42	68 447.00
Review of the Merchant Shipping Bill	1	298	754 748.40
Study on Global Competitiveness	1	408	1 928 000.00
Training of Interns	1	308	240 825.00
Training on United Nations Dangerous Goods	1	335	830 956.70
Formulation and Implementation of SA Road Infrastructure Policy	1	462	4 908 125.48
Internal Audit: Consultants for Roll Out Plan (IT Security Vulnerability)	1	350	866 608.00
Development of Rail Economic Regulation: International Benchmarking & Development of Rail Access & Pricing	1	459	1 071 883.00
Implementation of the IPTNs In 2 District Municipalities (OR Tambo)	1	308	2 993 919.98
<b>Total</b>			<b>20 813 629.53</b>



**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018**

Project title	Contract value in Rand	BEE Status
Bee Charter Council	799 655.00	Level 1
Dev Maritime Transport Policy & Legislation	579 695.00	Level 1
Forensic Investigations Consult	288 000.00	Level 1
Internal Audit: Consultants	14 880.08	Level 2
Internal Audit: Roll Out Plan	180 890.12	Level 2
Multi Modal Transport Plan & Cood Act	406 500.00	Level 3
Nat Rail Safety Amendment Bill	1 344 334.93	Level 1
Natmap 2050 Review	75 000.00	Level 1
Maritime Transport Policy & Legislation	63 500.00	Level 1
Re-Appointment :Support To Regulating Committee On Fees And Charges By ACSA And ATNS - Cost Extension	138 500.00	Level 2
National Transport Planning Forum	10 945.22	Level 1
Implementation Of The IPTNs In 2 District Municipalities (Bojanala)	1 414 045.86	Level 1
Standardization. Integration & Uniformity (SIU) Of Road Sector Asset Management	319 770.00	Level 2
Pro.Comp&Rec Of Overl On Sa Road	489 835.20	Level 4
Public Transport Safety Plan	1 024 564.56	Level 2
Regional Transport Integrated Marketing Strategy	68 447.00	Level 2
Review Of The Merchant Shipping	754 748.40	Level 1
Study On Global Competiveness	1 928 000.00	Level 3
Training Of Interns	240 825.00	Level 1
Training On Un Dangerous Goods	830 956.70	Level 1
Formulation And Implementation Of SA Road Infrastructure Policy	4 908 125.48	N/A
Internal Audit: Consultants For Roll Out Plan(IT Security Vulnerability)	866 608.00	Level 1
Development Of Rail Economic Regulation: International Benchmarking & Development Of Rail Access & Pricing	1 071 883.00	Level 1
Implementation Of The IPTNs In 2 District Municipalities (OR Tambo)	2 993 919.98	Level 2
<b>Total</b>	<b>20 813 629.53</b>	

**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2017 and 31 March 2018**

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
---------------	--	----------------------	----------------------------------

None.

Total number of projects	Total individual consultants	Total duration (Work days)	Total contract value in Rand
--------------------------	------------------------------	----------------------------	------------------------------

None.

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
---------------	------------------------------------	-------------------------------------	--

None.

### 3.16 Severance Packages

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2017 and 31 March 2018**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (levels 1-2)	0	0	0	0
Skilled (levels 3-5)	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0
Senior management (levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





# PART E:

## FINANCIAL INFORMATION



## Department of Transport - Vote 35

## REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2018

## Report of the Auditor-General to Parliament on vote no. 35: Department of Transport

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Department of Transport set out on pages 216 to 359, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Transport as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2013 (Act no.2 of 2017) (DoRA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA

code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matters

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

#### Restatement of corresponding figures

7. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2017 were restated as a result of an error in the financial statements of the department, and for the year ended, 31 March 2018.

#### Irregular expenditure

8. As disclosed in note 26 to the financial statements, the department incurred irregular expenditure as a result of officials not always following the prescribed procurement processes.

#### Other matter

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

#### Unaudited supplementary schedules

10. The supplementary information set out on pages 360 to 378 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

## Department of Transport - Vote 35

## REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2018

**Responsibilities of accounting officer for the financial statements**

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa (Act no. 1 of 199) and the Division of Revenue Act of South Africa (Act no. 2 of 2013), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Transport's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the [type of auditee/ group] or to cease operations, or has no realistic alternative but to do so.

**Auditor-general's responsibilities for the audit of the financial statements**

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

**Report on the audit of the annual performance report****Introduction and scope**

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
<b>Programme 2</b> – Integrated Transport Planning	66 – 73
<b>Programme 3</b> – Rail Transport	74 – 78
<b>Programme 4</b> – Road Transport	80 – 84
<b>Programme 7</b> – Public Transport	96 – 101



## Department of Transport - Vote 35

## REPORT OF THE AUDITOR-GENERAL

*for the year ended 31 March 2018*

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes:

***Report on the audit of compliance with legislation*****Introduction and scope**

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material findings on compliance with specific matters in key legislations are as follows:

***Annual financial statements and annual performance report***

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(b) of the Public Finance Management Act. Material amendments relating to impairment of investments and prior period error adjustment thereof were made to the financial statements submitted for audit due to incorrect calculation of the impairment. The amendments were assessed and confirmed to be reasonable.

***Procurement and contract management***

23. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1 and where less than three quotations were obtained, deviations were not approved as required by treasury regulation 16A6.4.

***Expenditure management***

24. Steps taken were not effective to prevent irregular expenditure as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1

***Other information***

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

## Department of Transport - Vote 35

## REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2018

28. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

**Internal control deficiencies**

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

**Financial and performance management**

30. Management did not adequately review and monitor compliance with the PFMA and Treasury Regulations to ensure that deviations from normal procurement processes are approved by delegated officials.
31. Material amendments made to the annual financial statements related to impairment of the investment and the prior period error adjustment thereof and were as a result of incorrect calculation. The formula and inputs used for calculations were not thoroughly reviewed for accuracy.

**Other reports**

32. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the Department's financial statements,

reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

**Investigations**

33. Four internal investigations are still in progress on matters related to procurement and contract management. The outcomes are expected in 2018/19 financial year.

*Auditor-General***Pretoria****31 July 2018**AUDITOR-GENERAL  
SOUTH AFRICA*Auditing to build public confidence*

## Department of Transport - Vote 35

## ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

*for the year ended 31 March 2018*

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

**Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Transport ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease continuing as a going concern

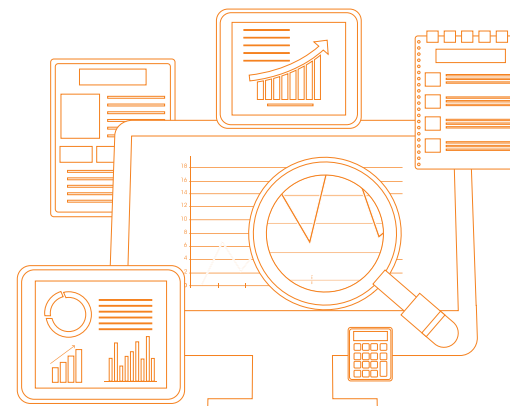
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

**Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## ANNUAL FINANCIAL STATEMENTS

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## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Appropriation per programme

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	407 071	-	8 183	415 254	407 466	7 788	98.1	365 182	365 136
2. Integrated Transport Planning	82 641	-	434	83 075	76 660	6 415	92.3	77 054	77 054
3. Rail Transport	19 308 899	-	24 300	19 333 199	14 515 158	4 818 041	75.1	18 993 457	18 992 005
4. Road Transport	27 129 639	-	8 536	27 138 175	27 118 369	19 806	99.9	24 878 466	25 055 434
5. Civil Aviation	170 235	-	930	171 165	166 149	5 016	97.1	258 267	210 427
6. Maritime Transport	129 347	-	(930)	128 417	109 327	19 090	85.1	156 386	153 561
7. Public Transport	12 567 348	-	(41 453)	12 525 895	12 277 572	248 323	98.0	11 557 042	11 550 042
8. Direct Charge	10 000	-	-	10 000	5 559	4 441	55.6	3 821	3 821
<b>TOTAL</b>	<b>59 805 180</b>	<b>-</b>	<b>-</b>	<b>59 805 180</b>	<b>54 676 260</b>	<b>5 128 920</b>	<b>91.4</b>	<b>56 289 675</b>	<b>56 407 480</b>

## Reconciliation with Statement of Financial Performance

## Add:

Departmental receipts	368 488	292 308
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>	<b>60 173 668</b>	<b>56 581 983</b>

<b>Actual amounts per Statement of Financial Performance Expenditure</b>	<b>54 676 260</b>	<b>56 407 480</b>
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## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Appropriation per economic classification

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 120 612</b>	<b>(11 440)</b>	<b>9 918</b>	<b>1 119 090</b>	<b>978 524</b>	<b>140 566</b>	<b>87.4</b>	<b>1 112 110</b>	<b>1 206 944</b>
Compensation of employees	456 821	-	-	456 821	427 233	29 588	93.5	432 139	392 791
Salaries and wages	415 948	(6 138)	(434)	409 376	380 838	28 538	93.0	387 736	348 868
Social contributions	40 873	6 138	434	47 445	46 395	1 050	97.8	44 403	43 923
Goods and services	663 791	(11 440)	9 918	662 269	551 291	110 978	83.2	679 971	814 153
Administrative fees	2 815	521	-	3 336	3 329	7	99.8	4 028	3 143
Advertising	23 916	(4 171)	-	19 745	19 413	332	98.3	17 646	17 621
Minor assets	2 573	(466)	-	2 107	844	1 263	40.1	750	717
Audit costs: External	10 659	(3 529)	-	7 130	7 130	-	100.0	5 787	5 787
Bursaries: Employees	2 662	(413)	-	2 249	2 249	-	100.0	1 354	1 354
Catering: Departmental activities	5 071	2 901	-	7 972	7 581	391	95.1	5 121	5 060
Communication (G&S)	71 766	(2 263)	-	69 503	68 525	978	98.6	117 314	69 297
Computer services	12 189	3 810	-	15 999	15 979	20	99.9	12 186	12 154
Consultants: Business and advisory services	297 010	(38 528)	2 683	261 165	173 765	87 400	66.5	256 125	443 607
Infrastructure and planning services	61 754	(4 768)	-	56 986	46 827	10 159	82.2	65 653	64 201
Legal services	8 916	843	-	9 759	9 759	-	100.0	19 911	19 911
Contractors	2 748	2 921	-	5 669	5 589	80	98.6	4 736	4 723
Agency and support / outsourced services	560	(24)	-	536	536	-	100.0	958	958
Entertainment	769	(496)	-	273	273	-	100.0	299	299



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	-	137	-	137	137	-	100.0	-	-
Inventory: Clothing material and accessories	-	24	-	24	24	-	100.0	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	0.0	31	31
Inventory: Other supplies	-	10 399	-	10 399	10 399	-	100.0	4 679	4 679
Consumable supplies	1 245	(17)	-	1 228	1 163	65	94.7	2 558	2 552
Consumable: Stationery, printing and office supplies	6 376	(1 387)	-	4 989	4 282	707	85.8	4 378	4 319
Operating leases	54 262	19 460	7 235	80 957	80 374	583	99.3	54 137	53 728
Property payments	6 397	1 052	-	7 449	7 449	-	100.0	5 133	5 133
Transport provided:									
Departmental activity	-	44	-	44	44	-	100.0	126	126
Travel and subsistence	69 094	4 886	-	73 980	69 312	4 668	93.7	69 877	68 187
Training and development	8 791	(2 382)	-	6 409	4 225	2 184	65.9	6 323	6 108
Operating payments	4 076	(162)	-	3 914	3 585	329	91.6	3 897	3 824
Venues and facilities	10 142	168	-	10 310	8 198	2 112	79.5	16 964	16 634
<b>Transfers and subsidies</b>	<b>58 676 637</b>	<b>4 020</b>	<b>(9 918)</b>	<b>58 670 739</b>	<b>53 682 093</b>	<b>4 988 646</b>	<b>91.5</b>	<b>55 167 940</b>	<b>55 168 748</b>
Provinces and municipalities	22 743 403	-	-	22 743 403	22 690 900	52 503	99.8	21 572 691	21 572 691
Provinces	16 476 535	-	-	16 476 535	16 476 534	1	100.0	15 878 486	15 878 486
Provincial Revenue Funds	16 476 535	-	-	16 476 535	16 476 534	1	100.0	15 878 486	15 878 486
Municipalities	6 266 868	-	-	6 266 868	6 214 366	52 502	99.2	5 694 205	5 694 205
Municipal bank accounts	6 266 868	-	-	6 266 868	6 214 366	52 502	99.2	5 694 205	5 694 205
Departmental agencies and accounts	16 265 478	-	24 300	16 289 778	16 289 778	-	100.0	14 296 131	14 296 079

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies (non-business entities)	16 265 478	-	24 300	16 289 778	16 289 778	-	100.0	14 296 131	14 296 079
Foreign governments and international organisations	27 719	909	-	28 628	24 193	4 435	84.5	14 985	15 845
Public corporations and private enterprises	19 216 418	-	-	19 216 418	14 405 960	4 810 458	75.0	18 890 267	18 890 267
Public corporations	19 216 418	-	-	19 216 418	14 405 960	4 810 458	75.0	18 890 267	18 890 267
Subsidies on products and production (pc)	5 495 749	-	-	5 495 749	5 037 771	457 978	91.7	4 281 666	4 281 666
Other transfers to public corporations	13 720 669	-	-	13 720 669	9 368 189	4 352 480	68.3	14 608 601	14 608 601
Non-profit institutions	23 957	-	-	23 957	23 957	-	100.0	22 816	22 816
Households	399 662	3 111	(34 218)	368 555	247 305	121 250	67.1	371 050	371 050
Social benefits	187	3 890	-	4 077	4 077	-	100.0	1 779	1 779
Other transfers to households	399 475	(779)	(34 218)	364 478	243 228	121 250	66.7	369 271	369 271
<b>Payments for capital assets</b>	<b>7 931</b>	<b>7 420</b>	<b>-</b>	<b>15 351</b>	<b>15 015</b>	<b>336</b>	<b>97.8</b>	<b>9 625</b>	<b>9 548</b>
Machinery and equipment	7 931	7 006	-	14 937	14 601	336	97.8	9 625	9 548
Transport equipment	2 000	1 267	-	3 267	3 267	-	100.0	-	-
Other machinery and equipment	5 931	5 739	-	11 670	11 334	336	97.1	9 625	9 548
Software and other intangible assets	-	414	-	414	414	-	100.0	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>628</b>	<b>(628)</b>	<b>-</b>	<b>-</b>	<b>22 240</b>
<b>TOTAL</b>	<b>59 805 180</b>	<b>-</b>	<b>-</b>	<b>59 805 180</b>	<b>54 676 260</b>	<b>5 128 920</b>	<b>91.4</b>	<b>56 289 675</b>	<b>56 407 480</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Programme 1: Administration

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Subprogramme</b>									
<b>1. Ministry</b>	34 365	14 068	-	48 433	48 433	-	100.0	44 466	44 466
<b>2. Management</b>	77 307	(22 523)	(434)	54 350	46 562	7 788	85.7	44 695	44 695
<b>3. Corporate Services</b>	206 721	908	1 382	209 011	209 011	-	100.0	197 595	197 549
<b>4. Communications</b>	35 851	(11 207)	-	24 644	24 644	-	100.0	28 033	28 033
<b>5. Office Accommodation</b>	52 827	18 754	7 235	78 816	78 816	-	100.0	50 393	50 393
<b>TOTAL</b>	<b>407 071</b>	<b>-</b>	<b>8 183</b>	<b>415 254</b>	<b>407 466</b>	<b>7 788</b>	<b>98.1</b>	<b>365 182</b>	<b>365 136</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>389 768</b>	<b>(8 234)</b>	<b>8 183</b>	<b>389 717</b>	<b>381 914</b>	<b>7 803</b>	<b>98.0</b>	<b>347 374</b>	<b>347 374</b>
Compensation of employees	200 052	-	(434)	199 618	191 815	7 803	96.1	175 270	175 270
Salaries and wages	180 104	(1 132)	(434)	178 538	170 735	7 803	95.6	155 431	155 431
Social contributions	19 948	1 132	-	21 080	21 080	-	100.0	19 839	19 839
Goods and services	189 716	(8 234)	8 617	190 099	190 099	-	100.0	172 104	172 104
Administrative fees	2 779	477	-	3 256	3 256	-	100.0	3 142	3 142
Advertising	20 540	(12 183)	-	8 357	8 357	-	100.0	10 574	10 574
Minor assets	1 195	(474)	-	721	721	-	100.0	272	272
Audit costs: External	10 659	(3 529)	-	7 130	7 130	-	100.0	5 787	5 787
Bursaries: Employees	2 662	(413)	-	2 249	2 249	-	100.0	1 354	1 354
Catering: Departmental activities	2 393	345	-	2 738	2 738	-	100.0	2 683	2 683
Communication (G&S)	6 079	(1 808)	-	4 271	4 271	-	100.0	6 210	6 210

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	11 209	3 126	-	14 335	14 335	-	100.0	10 532	10 532
Consultants: Business and advisory services	10 285	(9 198)	1 382	2 469	2 469	-	100.0	1 922	1 922
Legal services	8 916	843	-	9 759	9 759	-	100.0	19 911	19 911
Contractors	2 436	1 424	-	3 860	3 860	-	100.0	3 886	3 886
Agency and support / outsourced services	560	(24)	-	536	536	-	100.0	841	841
Entertainment	769	(496)	-	273	273	-	100.0	299	299
Fleet services (including government motor transport)	-	137	-	137	137	-	100.0	-	-
Inventory: Clothing material and accessories	-	24	-	24	24	-	100.0	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	0.0	31	31
Inventory: Other supplies	-	-	-	-	-	-	0.0	1	1
Consumable supplies	792	189	-	981	981	-	100.0	1 459	1 459
Consumable: Stationery, printing and office supplies	3 052	(1 181)	-	1 871	1 871	-	100.0	1 598	1 598
Operating leases	52 827	18 743	7 235	78 805	78 805	-	100.0	50 400	50 400
Property payments	6 277	1 159	-	7 436	7 436	-	100.0	5 133	5 133
Transport provided: Departmental activity	-	9	-	9	9	-	100.0	-	-
Travel and subsistence	33 634	(343)	-	33 291	33 291	-	100.0	33 124	33 124
Training and development	5 765	(2 449)	-	3 316	3 316	-	100.0	5 077	5 077
Operating payments	2 805	(1 263)	-	1 542	1 542	-	100.0	2 128	2 128



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	4 082	(1 349)	-	2 733	2 733	-	100.0	5 740	5 740
<b>Transfers and subsidies</b>	<b>11 782</b>	<b>1 833</b>	<b>-</b>	<b>13 615</b>	<b>13 615</b>	<b>-</b>	<b>100.0</b>	<b>11 250</b>	<b>11 199</b>
Departmental agencies and accounts	1 161	-	-	1 161	1 161	-	100.0	1 105	1 054
Departmental agencies (non-business entities)	1 161	-	-	1 161	1 161	-	100.0	1 105	1 054
Households	10 621	1 833	-	12 454	12 454	-	100.0	10 145	10 145
Social benefits	187	2 583	-	2 770	2 770	-	100.0	226	226
Other transfers to households	10 434	(750)	-	9 684	9 684	-	100.0	9 919	9 919
<b>Payments for capital assets</b>	<b>5 521</b>	<b>6 401</b>	<b>-</b>	<b>11 922</b>	<b>11 922</b>	<b>-</b>	<b>100.0</b>	<b>6 558</b>	<b>6 522</b>
Machinery and equipment	5 521	5 987	-	11 508	11 508	-	100.0	6 558	6 522
Transport equipment	2 000	1 267	-	3 267	3 267	-	100.0	-	-
Other machinery and equipment	3 521	4 720	-	8 241	8 241	-	100.0	6 558	6 522
Software and other intangible assets	-	414	-	414	414	-	100.0	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>(15)</b>	<b>0.0</b>	<b>-</b>	<b>41</b>
<b>TOTAL</b>	<b>407 071</b>	<b>-</b>	<b>8 183</b>	<b>415 254</b>	<b>407 466</b>	<b>7 788</b>	<b>98.1</b>	<b>365 182</b>	<b>365 136</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 1.1: Ministry

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>31 930</b>	<b>9 389</b>	<b>-</b>	<b>41 319</b>	<b>41 319</b>	<b>-</b>	<b>100.0</b>	<b>43 992</b>	<b>43 992</b>
Compensation of employees	16 510	2 803	-	19 313	19 313	-	100.0	20 164	20 164
Salaries and wages	15 064	2 695		17 759	17 759	-	100.0	18 400	18 400
Social contributions	1 446	108		1 554	1 554	-	100.0	1 764	1 764
Goods and services	15 420	6 586	-	22 006	22 006	-	100.0	23 828	23 828
Administrative fees	-	55		55	55	-	100.0	5	5
Advertising	50	(12)		38	38	-	100.0	181	181
Minor assets	172	(157)		15	15	-	100.0	10	10
Catering: Departmental activities	365	(69)		296	296	-	100.0	261	261
Communication (G&S)	1 580	(199)		1 381	1 381	-	100.0	1 737	1 737
Computer services	70	(70)		-	-	-	0.0	-	-
Consultants: Business and advisory services	-	75		75	75	-	100.0	-	-
Contractors	35	284		319	319	-	100.0	649	649
Agency and support / outsourced services	10	(10)		-	-	-	0.0	516	516
Fleet services (including government motor transport)	-	137		137	137	-	100.0	-	-
Consumable supplies	120	330		450	450	-	100.0	311	311
Consumable: Stationery, printing and office supplies	300	431		731	731	-	100.0	212	212
Property payments	250	(250)		-	-	-	0.0	-	-



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided:									
Departmental activity	-	9		9	9	-	100.0	-	-
Travel and subsistence	11 463	6 272		17 735	17 735	-	100.0	18 367	18 367
Training and development	30	(30)		-	-	-	0.0	-	-
Operating payments	210	348		558	558	-	100.0	310	310
Venues and facilities	765	(558)		207	207	-	100.0	1 269	1 269
<b>Transfers and subsidies</b>	-	<b>2 520</b>	-	<b>2 520</b>	<b>2 520</b>	-	<b>100.0</b>	<b>23</b>	<b>23</b>
Households	-	2 520	-	2 520	2 520	-	100.0	23	23
Social benefits	-	2 520		2 520	2 520	-	100.0	20	20
Other transfers to households	-			-	-	-	0.0	3	3
<b>Payments for capital assets</b>	<b>2 435</b>	<b>2 159</b>	-	<b>4 594</b>	<b>4 594</b>	-	<b>100.0</b>	<b>451</b>	<b>416</b>
Machinery and equipment	2 435	2 159	-	4 594	4 594	-	100.0	451	416
Transport equipment	2 000	1 267		3 267	3 267	-	100.0	-	-
Other machinery and equipment	435	892		1 327	1 327	-	100.0	451	416
<b>Payment for financial assets</b>	-			-	-	-	<b>0.0</b>	-	<b>35</b>
<b>TOTAL</b>	<b>34 365</b>	<b>14 068</b>	-	<b>48 433</b>	<b>48 433</b>	-	<b>100.0</b>	<b>44 466</b>	<b>44 466</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 1.2: Management

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>76 656</b>	<b>(22 935)</b>	<b>(434)</b>	<b>53 287</b>	<b>45 487</b>	<b>7 800</b>	<b>85.4</b>	<b>43 749</b>	<b>43 749</b>
Compensation of employees	52 795	(7 834)	(434)	44 527	36 727	7 800	82.5	34 941	34 941
Salaries and wages	48 871	(8 067)	(434)	40 370	32 570	7 800	80.7	30 944	30 944
Social contributions	3 924	233		4 157	4 157	-	100.0	3 997	3 997
Goods and services	23 861	(15 101)	-	8 760	8 760	-	100.0	8 808	8 808
Administrative fees	472	(464)		8	8	-	100.0	1	1
Advertising	560	(531)		29	29	-	100.0	81	81
Minor assets	358	(267)		91	91	-	100.0	10	10
Audit costs: External	200	(189)		11	11	-	100.0	199	199
Bursaries: Employees	-			-	-	-	0.0	-	-
Catering: Departmental activities	225	48		273	273	-	100.0	108	108
Communication (G&S)	827	(176)		651	651	-	100.0	812	812
Computer services	467	(137)		330	330	-	100.0	318	318
Consultants: Business and advisory services	6 674	(5 816)		858	858	-	100.0	1 539	1 539
Contractors	30	107		137	137	-	100.0	42	42
Entertainment	-	10		10	10	-	100.0	-	-
Consumable supplies	312	(304)		8	8	-	100.0	82	82
Consumable: Stationery, printing and office supplies	692	(517)		175	175	-	100.0	88	88
Travel and subsistence	10 039	(4 932)		5 107	5 107	-	100.0	3 943	3 943



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	305	(148)		157	157	-	100.0	413	413
Operating payments	1 037	(856)		181	181	-	100.0	319	319
Venues and facilities	1 663	(929)		734	734	-	100.0	853	853
<b>Transfers and subsidies</b>	-	<b>139</b>	-	<b>139</b>	<b>139</b>	-	<b>100.0</b>	<b>70</b>	<b>70</b>
Households	-	139	-	139	139	-	100.0	70	70
Social benefits	-	131		131	131	-	100.0	70	70
Other transfers to households	-	8		8	8	-	100.0	-	-
<b>Payments for capital assets</b>	<b>651</b>	<b>273</b>	-	<b>924</b>	<b>924</b>	-	<b>100.0</b>	<b>876</b>	<b>875</b>
Machinery and equipment	651	273	-	924	924	-	100.0	876	875
Other machinery and equipment	651	273		924	924	-	100.0	876	875
<b>Payment for financial assets</b>	-			-	<b>12</b>	<b>(12)</b>	<b>0.0</b>	-	<b>1</b>
<b>TOTAL</b>	<b>77 307</b>	<b>(22 523)</b>	<b>(434)</b>	<b>54 350</b>	<b>46 562</b>	<b>7 788</b>	<b>85.7</b>	<b>44 695</b>	<b>44 695</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 1.3: Corporate services

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>192 834</b>	<b>(2 431)</b>	<b>1 382</b>	<b>191 785</b>	<b>191 782</b>	<b>3</b>	<b>100.0</b>	<b>181 406</b>	<b>181 406</b>
Compensation of employees	117 870	4 634	-	122 504	122 501	3	100.0	109 883	109 883
Salaries and wages	104 371	4 051		108 422	108 419	3	100.0	96 851	96 851
Social contributions	13 499	583		14 082	14 082	-	100.0	13 032	13 032
Goods and services	74 964	(7 065)	1 382	69 281	69 281	-	100.0	71 523	71 523
Administrative fees	2 307	876		3 183	3 183	-	100.0	3 136	3 136
Advertising	3 750	2 352		6 102	6 102	-	100.0	3 431	3 431
Minor assets	635	(20)		615	615	-	100.0	235	235
Audit costs: External	10 459	(3 340)		7 119	7 119	-	100.0	5 588	5 588
Bursaries: Employees	2 662	(413)		2 249	2 249	-	100.0	1 354	1 354
Catering: Departmental activities	1 138	(279)		859	859	-	100.0	879	879
Communication (G&S)	3 497	(1 425)		2 072	2 072	-	100.0	3 505	3 505
Computer services	10 637	3 353		13 990	13 990	-	100.0	10 214	10 214
Consultants: Business and advisory services	3 611	(3 457)	1 382	1 536	1 536	-	100.0	383	383
Legal services	8 916	843		9 759	9 759	-	100.0	19 911	19 911
Contractors	2 360	(281)		2 079	2 079	-	100.0	1 656	1 656
Agency and support / outsourced services	550	(14)		536	536	-	100.0	325	325
Entertainment	769	(514)		255	255	-	100.0	299	299



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories	-	24		24	24	-	100.0	-	-
Inventory: Materials and supplies	-			-	-	-	0.0	31	31
Inventory: Other supplies	-			-	-	-	0.0	1	1
Consumable supplies	317	204		521	521	-	100.0	1 064	1 064
Consumable: Stationery, printing and office supplies	1 683	(821)		862	862	-	100.0	1 218	1 218
Operating leases	-	16		16	16	-	100.0	7	7
Property payments	6 027	1 409		7 436	7 436	-	100.0	5 133	5 133
Transport provided:									
Departmental activity	-			-	-	-	0.0	-	-
Travel and subsistence	8 924	(3 100)		5 824	5 824	-	100.0	6 502	6 502
Training and development	5 410	(2 251)		3 159	3 159	-	100.0	4 638	4 638
Operating payments	1 058	(392)		666	666	-	100.0	887	887
Venues and facilities	254	165		419	419	-	100.0	1 126	1 126
<b>Transfers and subsidies</b>	<b>11 782</b>	<b>(858)</b>	<b>-</b>	<b>10 924</b>	<b>10 924</b>	<b>-</b>	<b>100.0</b>	<b>11 081</b>	<b>11 030</b>
Departmental agencies and accounts	1 161	-	-	1 161	1 161	-	100.0	1 105	1 054
Departmental agencies (non-business entities)	1 161			1 161	1 161	-	100.0	1 105	1 054
Households	10 621	(858)	-	9 763	9 763	-	100.0	9 976	9 976
Social benefits	187	(100)		87	87	-	100.0	62	62

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to households	10 434	(758)		9 676	9 676	-	100.0	9 914	9 914
<b>Payments for capital assets</b>	<b>2 105</b>	<b>4 197</b>	-	<b>6 302</b>	<b>6 302</b>	-	<b>100.0</b>	<b>5 108</b>	<b>5 108</b>
Machinery and equipment	2 105	3 783	-	5 888	5 888	-	100.0	5 108	5 108
Other machinery and equipment	2 105	3 783		5 888	5 888	-	100.0	5 108	5 108
Software and other intangible assets	-	414		414	414	-	100.0	-	-
<b>Payment for financial assets</b>	<b>-</b>			<b>-</b>	<b>3</b>	<b>(3)</b>	<b>0.0</b>	<b>-</b>	<b>5</b>
<b>TOTAL</b>	<b>206 721</b>	<b>908</b>	<b>1 382</b>	<b>209 011</b>	<b>209 011</b>	<b>-</b>	<b>100.0</b>	<b>197 595</b>	<b>197 549</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 1.4: Communications

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>35 521</b>	<b>(10 984)</b>	<b>-</b>	<b>24 537</b>	<b>24 537</b>	<b>-</b>	<b>100.0</b>	<b>27 834</b>	<b>27 834</b>
Compensation of employees	12 877	397	-	13 274	13 274	-	100.0	10 282	10 282
Salaries and wages	11 798	189		11 987	11 987	-	100.0	9 236	9 236
Social contributions	1 079	208		1 287	1 287	-	100.0	1 046	1 046
Goods and services	22 644	(11 381)	-	11 263	11 263	-	100.0	17 552	17 552
Administrative fees	-	10		10	10	-	100.0	-	-
Advertising	16 180	(13 992)		2 188	2 188	-	100.0	6 881	6 881
Minor assets	30	(30)		-	-	-	0.0	17	17
Catering: Departmental activities	665	645		1 310	1 310	-	100.0	1 435	1 435
Communication (G&S)	175	(8)		167	167	-	100.0	156	156
Computer services	35	(20)		15	15	-	100.0	-	-
Contractors	11	1 314		1 325	1 325	-	100.0	1 539	1 539
Entertainment	-	8		8	8	-	100.0	-	-
Consumable supplies	43	(41)		2	2	-	100.0	2	2
Consumable: Stationery, printing and office supplies	377	(274)		103	103	-	100.0	80	80
Travel and subsistence	3 208	1 417		4 625	4 625	-	100.0	4 312	4 312
Training and development	20	(20)		-	-	-	0.0	26	26
Operating payments	500	(363)		137	137	-	100.0	612	612
Venues and facilities	1 400	(27)		1 373	1 373	-	100.0	2 492	2 492

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	32	-	32	32	-	100.0	76	76
Households	-	32	-	32	32	-	100.0	76	76
Social benefits	-	32		32	32	-	100.0	74	74
Other transfers to households	-			-	-	-	0.0	2	2
<b>Payments for capital assets</b>	330	(255)	-	75	75	-	100.0	123	123
Machinery and equipment	330	(255)	-	75	75	-	100.0	123	123
Transport equipment	-			-	-	-	0.0	-	-
Other machinery and equipment	330	(255)		75	75	-	100.0	123	123
<b>TOTAL</b>	<b>35 851</b>	<b>(11 207)</b>	<b>-</b>	<b>24 644</b>	<b>24 644</b>	<b>-</b>	<b>100.0</b>	<b>28 033</b>	<b>28 033</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 1.5: Office accommodation

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>52 827</b>	<b>18 727</b>	<b>7 235</b>	<b>78 789</b>	<b>78 789</b>	-	<b>100.0</b>	<b>50 393</b>	<b>50 393</b>
Goods and services	52 827	18 727	7 235	78 789	78 789	-	100.0	50 393	50 393
Operating leases	52 827	18 727	7 235	78 789	78 789	-	100.0	50 393	50 393
<b>Payments for capital assets</b>	-	<b>27</b>	-	<b>27</b>	<b>27</b>	-	<b>100.0</b>	-	-
Machinery and equipment	-	27	-	27	27	-	100.0	-	-
Other machinery and equipment	-	27		27	27	-	100.0	-	-
<b>TOTAL</b>	<b>52 827</b>	<b>18 754</b>	<b>7 235</b>	<b>78 816</b>	<b>78 816</b>	-	<b>100.0</b>	<b>50 393</b>	<b>50 393</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Programme 2: Integrated transport planning

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Subprogramme</b>									
1. Macro Sector Planning	17 172	(2 465)	-	14 707	13 873	834	94.3	12 414	12 414
2. Freight Logistics	15 997	(1 329)	434	15 102	12 052	3 050	79.8	13 597	13 597
3. Modelling and Economic Analysis	19 473	1 839	-	21 312	19 967	1 345	93.7	23 994	23 994
4. Regional Integration	9 695	966	-	10 661	10 661	-	100.0	6 056	6 056
5. Research and Innovation	13 153	1 259	-	14 412	13 254	1 158	92.0	12 674	12 674
6. Integrated Transport Planning Administration Support	7 151	(270)	-	6 881	6 853	28	99.6	8 319	8 319
<b>TOTAL</b>	<b>82 641</b>	<b>-</b>	<b>434</b>	<b>83 075</b>	<b>76 660</b>	<b>6 415</b>	<b>92.3</b>	<b>77 054</b>	<b>77 054</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>82 001</b>	<b>(104)</b>	<b>434</b>	<b>82 331</b>	<b>75 796</b>	<b>6 535</b>	<b>92.1</b>	<b>76 010</b>	<b>76 006</b>
Compensation of employees	47 822	-	434	48 256	48 256	-	100.0	44 692	44 692
Salaries and wages	44 893	(1 701)	-	43 192	43 192	-	100.0	39 876	39 876
Social contributions	2 929	1 701	434	5 064	5 064	-	100.0	4 816	4 816
Goods and services	34 179	(104)	-	34 075	27 540	6 535	80.8	31 318	31 314
Administrative fees	-	4	-	4	4	-	100.0	-	-
Advertising	1 236	2 718	-	3 954	3 954	-	100.0	4 613	4 613
Minor assets	-	36	-	36	36	-	100.0	104	104
Catering: Departmental activities	1 158	897	-	2 055	1 919	136	93.4	581	581



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication (G&S)	676	(39)	-	637	564	73	88.5	605	605
Computer services	-	-	-	-	-	-	0.0	6	6
Consultants: Business and advisory services	23 563	(8 137)	-	15 426	10 336	5 090	67.0	10 256	10 252
Contractors	-	499	-	499	499	-	100.0	66	66
Agency and support / outsourced services	-	-	-	-	-	-	0.0	94	94
Consumable supplies	20	2	-	22	22	-	100.0	37	37
Consumable: Stationery, printing and office supplies	122	403	-	525	525	-	100.0	364	364
Transport provided:									
Departmental activity	-	-	-	-	-	-	0.0	126	126
Travel and subsistence	4 722	1 739	-	6 461	6 310	151	97.7	6 923	6 923
Training and development	457	123	-	580	406	174	70.0	280	280
Operating payments	-	836	-	836	836	-	100.0	200	200
Venues and facilities	2 225	815	-	3 040	2 129	911	70.0	7 063	7 063
<b>Transfers and subsidies</b>	-	4	-	4	4	-	100.0	174	174
Households	-	4	-	4	4	-	100.0	174	174
Social benefits	-	4	-	4	4	-	100.0	174	174
<b>Payments for capital assets</b>	640	100	-	740	712	28	96.2	870	870
Machinery and equipment	640	100	-	740	712	28	96.2	870	870
Other machinery and equipment	640	100	-	740	712	28	96.2	870	870
<b>Payment for financial assets</b>	-	-	-	-	148	(148)	-	-	4
<b>TOTAL</b>	<b>82 641</b>	<b>-</b>	<b>434</b>	<b>83 075</b>	<b>76 660</b>	<b>6 415</b>	<b>92.3</b>	<b>77 054</b>	<b>77 054</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 2.1: Macro sector planning

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>17 172</b>	<b>(2 466)</b>	<b>-</b>	<b>14 706</b>	<b>13 872</b>	<b>834</b>	<b>94.3</b>	<b>12 293</b>	<b>12 293</b>
Compensation of employees	11 310	(2 466)	-	8 844	8 844	-	100.0	7 158	7 158
Salaries and wages	10 765	(2 818)		7 947	7 947	-	100.0	6 407	6 407
Social contributions	545	352		897	897	-	100.0	751	751
Goods and services	5 862	-	-	5 862	5 028	834	85.8	5 135	5 135
Advertising	436	1 002		1 438	1 438	-	100.0	1 402	1 402
Minor assets	-			-	-	-	0.0	(4)	(4)
Catering: Departmental activities	550	(527)		23	23	-	100.0	22	22
Communication (G&S)	101	29		130	130	-	100.0	125	125
Consultants: Business and advisory services	3 381	(681)		2 700	2 508	192	92.9	2 387	2 387
Contractors	-	4		4	4	-	100.0	1	1
Consumable: Stationery, printing and office supplies	-	165		165	165	-	100.0	114	114
Travel and subsistence	687			687	649	38	94.5	578	578
Training and development	77			77	49	28	63.6	97	97
Operating payments	-	8		8	8	-	100.0	25	25
Venues and facilities	630			630	54	576	8.6	388	388
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>1</b>	<b>1</b>
Households	-	-	-	-	-	-	0.0	1	1
Social benefits	-			-	-	-	0.0	1	1
<b>Payments for capital assets</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>100.0</b>	<b>120</b>	<b>120</b>
Machinery and equipment	-	1	-	1	1	-	100.0	120	120
Other machinery and equipment	-	1		1	1	-	100.0	120	120
<b>TOTAL</b>	<b>17 172</b>	<b>(2 465)</b>	<b>-</b>	<b>14 707</b>	<b>13 873</b>	<b>834</b>	<b>94.3</b>	<b>12 414</b>	<b>12 414</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 2.2: Freight logistics

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>15 997</b>	<b>(1 248)</b>	<b>434</b>	<b>15 183</b>	<b>11 985</b>	<b>3 198</b>	<b>78.9</b>	<b>13 467</b>	<b>13 467</b>
Compensation of employees	9 092	(166)	434	9 360	9 360	-	100.0	9 653	9 653
Salaries and wages	8 612	(278)		8 334	8 334	-	100.0	8 597	8 597
Social contributions	480	112	434	1 026	1 026	-	100.0	1 056	1 056
Goods and services	6 905	(1 082)	-	5 823	2 625	3 198	45.1	3 814	3 814
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	-			-	-	-	0.0	500	500
Minor assets	-	25		25	25	-	100.0	74	74
Catering: Departmental activities	50			50	4	46	8.0	2	2
Communication (G&S)	105	10		115	115	-	100.0	139	139
Consultants: Business and advisory services	6 083	(1 749)		4 334	1 330	3 004	30.7	2 321	2 321
Consumable supplies	-	3		3	3	-	100.0	-	-
Consumable: Stationery, printing and office supplies	17	4		21	21	-	100.0	29	29
Travel and subsistence	635	439		1 074	1 074	-	100.0	680	680
Training and development	15	25		40	40	-	100.0	15	15
Operating payments	-			-	-	-	0.0	6	6
Venues and facilities	-	12		12	12	-	100.0	48	48
<b>Payments for capital assets</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>67</b>	<b>67</b>	<b>-</b>	<b>100.0</b>	<b>130</b>	<b>130</b>
Machinery and equipment	-	67	-	67	67	-	100.0	130	130
Other machinery and equipment	-	67		67	67	-	100.0	130	130
<b>Total</b>	<b>15 997</b>	<b>(1 329)</b>	<b>434</b>	<b>15 102</b>	<b>12 052</b>	<b>3 050</b>	<b>79.8</b>	<b>13 597</b>	<b>13 597</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 2.3: Modelling and economic analysis

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>19 473</b>	<b>1 808</b>	<b>-</b>	<b>21 281</b>	<b>19 936</b>	<b>1 345</b>	<b>93.7</b>	<b>23 869</b>	<b>23 868</b>
Compensation of employees	10 258	1 808	-	12 066	12 066	-	100.0	10 953	10 953
Salaries and wages	9 425	1 368		10 793	10 793	-	100.0	9 721	9 721
Social contributions	833	440		1 273	1 273	-	100.0	1 232	1 232
Goods and services	9 215	-	-	9 215	7 870	1 345	85.4	12 916	12 915
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	800	25		825	825	-	100.0	2 434	2 434
Minor assets	-			-	-	-	0.0	21	21
Catering: Departmental activities	470			470	390	80	83.0	27	27
Communication (G&S)	215			215	143	72	66.5	127	127
Consultants: Business and advisory services	5 147	(218)		4 929	4 301	628	87.3	2 607	2 606
Contractors	-	134		134	134	-	100.0	61	61
Agency and support / outsourced services	-			-	-	-	0.0	80	80
Consumable supplies	-			-	-	-	0.0	5	5
Consumable: Stationery, printing and office supplies	-	58		58	58	-	100.0	52	52
Transport provided: Departmental activity	-			-	-	-	0.0	126	126
Travel and subsistence	1 678			1 678	1 565	113	93.3	2 792	2 792
Training and development	185			185	68	117	36.8	32	32



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	-			-	-	-	0.0	37	37
Venues and facilities	720			720	385	335	53.5	4 515	4 515
<b>Transfers and subsidies</b>	-	<b>4</b>	-	<b>4</b>	<b>4</b>	-	<b>100.0</b>	-	-
Households	-	4	-	4	4	-	100.0	-	-
Social benefits	-	4		4	4	-	100.0	-	-
<b>Payments for capital assets</b>	-	<b>27</b>	-	<b>27</b>	<b>27</b>	-	<b>100.0</b>	<b>125</b>	<b>125</b>
Machinery and equipment	-	27	-	27	27	-	100.0	125	125
Other machinery and equipment	-	27		27	27	-	100.0	125	125
<b>Payment for financial assets</b>	-			-	-	-	<b>0.0</b>	-	<b>1</b>
<b>TOTAL</b>	<b>19 473</b>	<b>1 839</b>	-	<b>21 312</b>	<b>19 967</b>	<b>1 345</b>	<b>93.7</b>	<b>23 994</b>	<b>23 994</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 2.4: Regional integration

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>9 695</b>	<b>966</b>	<b>-</b>	<b>10 661</b>	<b>10 661</b>	<b>-</b>	<b>100.0</b>	<b>5 829</b>	<b>5 829</b>
Compensation of employees	5 033	959	-	5 992	5 992	-	100.0	5 179	5 179
Salaries and wages	4 746	704		5 450	5 450	-	100.0	4 703	4 703
Social contributions	287	255		542	542	-	100.0	476	476
Goods and services	4 662	7	-	4 669	4 669	-	100.0	650	650
Advertising	-	1 341		1 341	1 341	-	100.0	-	-
Minor assets	-			-	-	-	0.0	11	11
Catering: Departmental activities	20	1 432		1 452	1 452	-	100.0	-	-
Communication (G&S)	100	(16)		84	84	-	100.0	87	87
Consultants: Business and advisory services	4 063	(4 063)		-	-	-	0.0	-	-
Contractors	-	350		350	350	-	100.0	4	4
Consumable supplies	-			-	-	-	0.0	2	2
Consumable: Stationery, printing and office supplies	-	16		16	16	-	100.0	20	20
Travel and subsistence	362	183		545	545	-	100.0	439	439
Training and development	40	(40)		-	-	-	0.0	43	43
Operating payments	-	296		296	296	-	100.0	44	44
Venues and facilities	77	508		585	585	-	100.0	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>227</b>	<b>227</b>
Machinery and equipment	-	-	-	-	-	-	0.0	227	227
Other machinery and equipment	-			-	-	-	0.0	227	227
<b>TOTAL</b>	<b>9 695</b>	<b>966</b>	<b>-</b>	<b>10 661</b>	<b>10 661</b>	<b>-</b>	<b>100.0</b>	<b>6 056</b>	<b>6 056</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 2.5: Research and innovation

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>13 153</b>	<b>1 254</b>	-	<b>14 407</b>	<b>13 249</b>	<b>1 158</b>	<b>92.0</b>	<b>12 482</b>	<b>12 479</b>
Compensation of employees	8 861	1 254	-	10 115	10 115	-	100.0	8 873	8 873
Salaries and wages	8 347	690		9 037	9 037	-	100.0	7 886	7 886
Social contributions	514	564		1 078	1 078	-	100.0	987	987
Goods and services	4 292	-	-	4 292	3 134	1 158	73.0	3 609	3 606
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	-	172		172	172	-	100.0	1	1
Minor assets	-	1		1	1	-	100.0	-	-
Catering: Departmental activities	60			60	50	10	83.3	16	16
Communication (G&S)	65			65	64	1	98.5	68	68
Consultants: Business and advisory services	3 018	(1 410)		1 608	490	1 118	30.5	1 341	1 338
Consumable supplies	-	16		16	16	-	100.0	-	-
Consumable: Stationery, printing and office supplies	-	103		103	103	-	100.0	55	55
Travel and subsistence	889	758		1 647	1 647	-	100.0	1 830	1 830
Training and development	40			40	11	29	27.5	58	58
Operating payments	-	6		6	6	-	100.0	35	35
Venues and facilities	220	353		573	573	-	100.0	205	205
<b>Payments for capital assets</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>100.0</b>	<b>192</b>	<b>192</b>
Machinery and equipment	-	5	-	5	5	-	100.0	192	192
Other machinery and equipment	-	5		5	5	-	100.0	192	192
<b>Payment for financial assets</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>3</b>
<b>TOTAL</b>	<b>13 153</b>	<b>1 259</b>	<b>-</b>	<b>14 412</b>	<b>13 254</b>	<b>1 158</b>	<b>92.0</b>	<b>12 674</b>	<b>12 674</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 2.6: integrated transport planning administration support

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 511</b>	<b>(418)</b>	<b>-</b>	<b>6 093</b>	<b>6 093</b>	<b>-</b>	<b>100.0</b>	<b>8 070</b>	<b>8 070</b>
Compensation of employees	3 268	(1 389)	-	1 879	1 879	-	100.0	2 876	2 876
Salaries and wages	2 998	(1 367)		1 631	1 631	-	100.0	2 562	2 562
Social contributions	270	(22)		248	248	-	100.0	314	314
Goods and services	3 243	971	-	4 214	4 214	-	100.0	5 194	5 194
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	-	178		178	178	-	100.0	276	276
Minor assets	-	10		10	10	-	100.0	2	2
Catering: Departmental activities	8	(8)		-	-	-	0.0	514	514
Communication (G&S)	90	(62)		28	28	-	100.0	59	59
Computer services	-			-	-	-	0.0	6	6
Consultants: Business and advisory services	1 871	(16)		1 855	1 707	148	92.0	1 600	1 600
Contractors	-	11		11	11	-	100.0	-	-
Agency and support / outsourced services	-			-	-	-	0.0	14	14
Consumable supplies	20	(17)		3	3	-	100.0	30	30
Consumable: Stationery, printing and office supplies	105	57		162	162	-	100.0	94	94
Travel and subsistence	471	359		830	830	-	100.0	604	604
Training and development	100	138		238	238	-	100.0	35	35



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payments	-	526		526	526	-	100.0	53	53
Venues and facilities	578	(58)		520	520	-	100.0	1 907	1 907
<b>Transfers and subsidies</b>	-	-	-	-	-	-	<b>0.0</b>	<b>173</b>	<b>173</b>
Households	-	-	-	-	-	-	0.0	173	173
Social benefits	-			-	-	-	0.0	173	173
<b>Payments for capital assets</b>	<b>640</b>	-	-	<b>640</b>	<b>612</b>	<b>28</b>	<b>95.6</b>	<b>76</b>	<b>76</b>
Machinery and equipment	640	-	-	640	612	28	95.6	76	76
Other machinery and equipment	640			640	612	28	95.6	76	76
<b>TOTAL</b>	<b>7 151</b>			<b>-</b>	<b>148</b>	<b>(148)</b>	<b>0.0</b>	<b>8 319</b>	<b>8 319</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Programme 3: Rail transport

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Subprogramme</b>									
1. Rail Regulation	19 225	(28)	-	19 197	12 996	6 201	67.7	16 841	15 389
2. Rail Infrastructure and Industry Development	10 523	(4 067)	-	6 456	6 185	271	95.8	9 577	9 577
3. Rail Operations	8 102	4 568	-	12 670	12 670	-	100.0	7 682	7 682
4. Rail Oversight	19 265 982	-	24 300	19 290 282	14 479 824	4 810 458	75.1	18 956 254	18 956 254
5. Rail Administration Support	5 067	(473)	-	4 594	3 483	1 111	75.8	3 103	3 103
<b>TOTAL</b>	<b>19 308 899</b>	<b>-</b>	<b>24 300</b>	<b>19 333 199</b>	<b>14 515 158</b>	<b>4 818 041</b>	<b>75.1</b>	<b>18 993 457</b>	<b>18 992 005</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>42 812</b>	<b>(113)</b>	<b>-</b>	<b>42 699</b>	<b>35 111</b>	<b>7 588</b>	<b>82.2</b>	<b>36 941</b>	<b>35 489</b>
Compensation of employees	26 177	-	-	26 177	24 401	1 776	93.2	21 634	21 634
Salaries and wages	24 852	(1 522)	-	23 330	21 554	1 776	92.4	19 073	19 073
Social contributions	1 325	1 522	-	2 847	2 847	-	100.0	2 561	2 561
Goods and services	16 635	(113)	-	16 522	10 710	5 812	64.8	15 307	13 855
Administrative fees	-	50	-	50	50	-	100.0	-	-
Advertising	-	156	-	156	156	-	100.0	31	31
Minor assets	10	(7)	-	3	3	-	100.0	53	53
Catering: Departmental activities	121	(4)	-	117	48	69	41.0	11	11
Communication (G&S)	291	62	-	353	353	-	100.0	355	355
Computer services	-	1	-	1	1	-	100.0	-	-
Consultants: Business and advisory services	4 115	3 841	-	7 956	7 956	-	100.0	11 628	11 628



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Infrastructure and planning services	10 511	(4 768)	-	5 743	-	5 743	0.0	1 452	-
Contractors	-	-	-	-	-	-	0.0	24	24
Consumable supplies	24	(21)	-	3	3	-	100.0	32	32
Consumable: Stationery, printing and office supplies	156	(19)	-	137	137	-	100.0	85	85
Travel and subsistence	1 327	304	-	1 631	1 631	-	100.0	1 421	1 421
Training and development	50	(34)	-	16	16	-	100.0	32	32
Operating payments	-	60	-	60	60	-	100.0	131	131
Venues and facilities	30	266	-	296	296	-	100.0	52	52
<b>Transfers and subsidies</b>	<b>19 265 982</b>	<b>-</b>	<b>24 300</b>	<b>19 290 282</b>	<b>14 479 824</b>	<b>4 810 458</b>	<b>75.1</b>	<b>18 956 254</b>	<b>18 956 254</b>
Departmental agencies and accounts	49 564	-	24 300	73 864	73 864	-	100.0	65 987	65 987
Departmental agencies (non-business entities)	49 564	-	24 300	73 864	73 864	-	100.0	65 987	65 987
Public corporations and private enterprises	19 216 418	-	-	19 216 418	14 405 960	4 810 458	75.0	18 890 267	18 890 267
Public corporations	19 216 418	-	-	19 216 418	14 405 960	4 810 458	75.0	18 890 267	18 890 267
Subsidies on products and production (pc)	5 495 749	-	-	5 495 749	5 037 771	457 978	91.7	4 281 666	4 281 666
Other transfers to public corporations	13 720 669	-	-	13 720 669	9 368 189	4 352 480	68.3	14 608 601	14 608 601
<b>Payments for capital assets</b>	<b>105</b>	<b>113</b>	<b>-</b>	<b>218</b>	<b>218</b>	<b>-</b>	<b>100.0</b>	<b>262</b>	<b>262</b>
Machinery and equipment	105	113	-	218	218	-	100.0	262	262
Other machinery and equipment	105	113	-	218	218	-	100.0	262	262
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(5)</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>19 308 899</b>	<b>-</b>	<b>24 300</b>	<b>19 333 199</b>	<b>14 515 158</b>	<b>4 818 041</b>	<b>75.1</b>	<b>18 993 457</b>	<b>18 992 005</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 3.1: Rail regulation

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>19 225</b>	<b>(28)</b>	<b>-</b>	<b>19 197</b>	<b>12 996</b>	<b>6 201</b>	<b>67.7</b>	<b>16 841</b>	<b>15 389</b>
Compensation of employees	8 374	-	-	8 374	7 985	389	95.4	6 880	6 880
Salaries and wages	7 920	(421)		7 499	7 110	389	94.8	6 123	6 123
Social contributions	454	421		875	875	-	100.0	757	757
Goods and services	10 851	(28)	-	10 823	5 011	5 812	46.3	9 961	8 509
Advertising	-	125		125	125	-	100.0	1	1
Minor assets	-			-	-	-	0.0	2	2
Catering: Departmental activities	110			110	41	69	37.3	11	11
Communication (G&S)	-	122		122	122	-	100.0	97	97
Computer services	-	1		1	1	-	100.0	-	-
Consultants: Business and advisory services	-	3 956		3 956	3 956	-	100.0	7 874	7 874
Infrastructure and planning services	10 511	(4 768)		5 743	-	5 743	0.0	1 452	-
Contractors	-			-	-	-	0.0	1	1
Consumable: Stationery, printing and office supplies	-	24		24	24	-	100.0	1	1
Travel and subsistence	230	216		446	446	-	100.0	513	513
Venues and facilities	-	296		296	296	-	100.0	9	9
<b>TOTAL</b>	<b>19 225</b>	<b>(28)</b>	<b>-</b>	<b>19 197</b>	<b>12 996</b>	<b>6 201</b>	<b>67.7</b>	<b>16 841</b>	<b>15 389</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 3.2: Rail infrastructure and industry development

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>10 523</b>	<b>(4 067)</b>	<b>-</b>	<b>6 456</b>	<b>6 180</b>	<b>276</b>	<b>95.7</b>	<b>9 577</b>	<b>9 577</b>
Compensation of employees	6 178	-	-	6 178	5 902	276	95.5	5 433	5 433
Salaries and wages	5 875	(375)		5 500	5 224	276	95.0	4 812	4 812
Social contributions	303	375		678	678	-	100.0	621	621
Goods and services	4 345	(4 067)	-	278	278	-	100.0	4 144	4 144
Advertising	-	31		31	31	-	100.0	30	30
Catering: Departmental activities	6	(2)		4	4	-	100.0	-	-
Communication (G&S)	51	30		81	81	-	100.0	89	89
Consultants: Business and advisory services	4 115	(4 115)		-	-	-	0.0	3 754	3 754
Contractors	-			-	-	-	0.0	1	1
Travel and subsistence	173	(11)		162	162	-	100.0	245	245
Venues and facilities	-			-	-	-	0.0	25	25
<b>Payment for financial assets</b>	<b>-</b>			<b>-</b>	<b>5</b>	<b>(5)</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>10 523</b>	<b>(4 067)</b>	<b>-</b>	<b>6 456</b>	<b>6 185</b>	<b>271</b>	<b>95.8</b>	<b>9 577</b>	<b>9 577</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 3.3: Rail operations

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>8 102</b>	<b>4 568</b>	<b>-</b>	<b>12 670</b>	<b>12 670</b>	<b>-</b>	<b>100.0</b>	<b>7 682</b>	<b>7 682</b>
Compensation of employees	7 354	944	-	8 298	8 298	-	100.0	7 340	7 340
Salaries and wages	6 987	373		7 360	7 360	-	100.0	6 492	6 492
Social contributions	367	571		938	938	-	100.0	848	848
Goods and services	748	3 624	-	4 372	4 372	-	100.0	342	342
Communication (G&S)	180	(49)		131	131	-	100.0	145	145
Consultants: Business and advisory services	-	4 000		4 000	4 000	-	100.0	-	-
Contractors	-			-	-	-	0.0	1	1
Consumable: Stationery, printing and office supplies	-	24		24	24	-	100.0	7	7
Travel and subsistence	568	(351)		217	217	-	100.0	189	189
<b>TOTAL</b>	<b>8 102</b>	<b>4 568</b>	<b>-</b>	<b>12 670</b>	<b>12 670</b>	<b>-</b>	<b>100.0</b>	<b>7 682</b>	<b>7 682</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 3.4: Rail oversight

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>19 265 982</b>	<b>-</b>	<b>24 300</b>	<b>19 290 282</b>	<b>14 479 824</b>	<b>4 810 458</b>	<b>75.1</b>	<b>18 956 254</b>	<b>18 956 254</b>
Departmental agencies and accounts	49 564	-	24 300	73 864	73 864	-	100.0	65 987	65 987
Departmental agencies (non-business entities)	49 564		24 300	73 864	73 864	-	100.0	65 987	65 987
Public corporations and private enterprises	19 216 418	-	-	19 216 418	14 405 960	4 810 458	75.0	18 890 267	18 890 267
Public corporations	19 216 418	-	-	19 216 418	14 405 960	4 810 458	75.0	18 890 267	18 890 267
Subsidies on products and production (pc)	5 495 749			5 495 749	5 037 771	457 978	91.7	4 281 666	4 281 666
Other transfers to public corporations	13 720 669			13 720 669	9 368 189	4 352 480	68.3	14 608 601	14 608 601
<b>TOTAL</b>	<b>19 265 982</b>	<b>-</b>	<b>24 300</b>	<b>19 290 282</b>	<b>14 479 824</b>	<b>4 810 458</b>	<b>75.1</b>	<b>18 956 254</b>	<b>18 956 254</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 3.5: Rail administration support

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 962</b>	<b>(586)</b>	<b>-</b>	<b>4 376</b>	<b>3 265</b>	<b>1 111</b>	<b>74.6</b>	<b>2 841</b>	<b>2 841</b>
Compensation of employees	4 271	(944)	-	3 327	2 216	1 111	66.6	1 981	1 981
Salaries and wages	4 070	(1 099)		2 971	1 860	1 111	62.6	1 646	1 646
Social contributions	201	155		356	356	-	100.0	335	335
Goods and services	691	358	-	1 049	1 049	-	100.0	860	860
Administrative fees	-	50		50	50	-	100.0	-	-
Minor assets	10	(7)		3	3	-	100.0	51	51
Catering: Departmental activities	5	(2)		3	3	-	100.0	-	-
Communication (G&S)	60	(41)		19	19	-	100.0	24	24
Contractors	-			-	-	-	0.0	21	21
Consumable supplies	24	(21)		3	3	-	100.0	32	32
Consumable: Stationery, printing and office supplies	156	(67)		89	89	-	100.0	77	77
Travel and subsistence	356	450		806	806	-	100.0	474	474
Training and development	50	(34)		16	16	-	100.0	32	32
Operating payments	-	60		60	60	-	100.0	131	131
Venues and facilities	30	(30)		-	-	-	0.0	18	18
<b>Payments for capital assets</b>	<b>105</b>	<b>113</b>	<b>-</b>	<b>218</b>	<b>218</b>	<b>-</b>	<b>100.0</b>	<b>262</b>	<b>262</b>
Machinery and equipment	105	113	-	218	218	-	100.0	262	262
Other machinery and equipment	105	113		218	218	-	100.0	262	262
<b>TOTAL</b>	<b>5 067</b>	<b>(473)</b>	<b>-</b>	<b>4 594</b>	<b>3 483</b>	<b>1 111</b>	<b>75.8</b>	<b>3 103</b>	<b>3 103</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Programme 4: Road transport

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Subprogramme</b>									
1. Road Regulation	41 401	9 962	8 536	59 899	59 899	-	100.0	116 607	309 630
2. Road Infrastructure and Industry Development	29 037	(7 379)	-	21 658	18 437	3 221	85.1	33 257	24 924
3. Road Oversight	27 024 594	(3 357)	-	27 021 237	27 018 377	2 860	100.0	24 704 282	24 699 696
4. Road Administration Support	7 855	636	-	8 491	7 547	944	88.9	7 673	7 111
5. Road Engineering Standards	26 752	138	-	26 890	14 109	12 781	52.5	16 647	14 073
<b>TOTAL</b>	<b>27 129 639</b>	<b>-</b>	<b>8 536</b>	<b>27 138 175</b>	<b>27 118 369</b>	<b>19 806</b>	<b>99.9</b>	<b>24 878 466</b>	<b>25 055 434</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>110 936</b>	<b>(475)</b>	<b>8 536</b>	<b>118 997</b>	<b>98 926</b>	<b>20 071</b>	<b>83.1</b>	<b>178 443</b>	<b>355 446</b>
Compensation of employees	59 931	-	-	59 931	55 886	4 045	93.3	89 472	50 124
Salaries and wages	53 390	-	-	53 390	49 612	3 778	92.9	83 138	44 270
Social contributions	6 541	-	-	6 541	6 274	267	95.9	6 334	5 854
Goods and services	51 005	(475)	8 536	59 066	43 040	16 026	72.9	88 971	305 322
Administrative fees	36	(20)	-	16	9	7	56.3	25	-
Advertising	1 510	3 887	-	5 397	5 395	2	100.0	1 878	1 853
Minor assets	90	-	-	90	11	79	12.2	165	134
Catering: Departmental activities	1 120	975	-	2 095	1 948	147	93.0	997	936
Communication (G&S)	5 073	(36)	-	5 037	4 796	241	95.2	979	802

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	980	674	-	1 654	1 634	20	98.8	1 647	1 615
Consultants: Business and advisory services	24 603	(7 229)	8 536	25 910	13 958	11 952	53.9	64 864	284 361
Contractors	25	836	-	861	861	-	100.0	54	41
Consumable supplies	316	(249)	-	67	20	47	29.9	220	214
Consumable: Stationery, printing and office supplies	1 462	(648)	-	814	524	290	64.4	971	912
Operating leases	-	-	-	-	-	-	0.0	415	6
Property payments	120	(107)	-	13	13	-	100.0	-	-
Transport provided: Departmental activity	-	35	-	35	35	-	100.0	-	-
Travel and subsistence	12 684	2 208	-	14 892	12 360	2 532	83.0	13 603	11 913
Training and development	515	-	-	515	108	407	21.0	374	159
Operating payments	621	(91)	-	530	228	302	43.0	807	734
Venues and facilities	1 850	(710)	-	1 140	1 140	-	100.0	1 972	1 642
<b>Transfers and subsidies</b>	<b>27 018 021</b>	<b>121</b>	<b>-</b>	<b>27 018 142</b>	<b>27 018 141</b>	<b>1</b>	<b>100.0</b>	<b>24 699 373</b>	<b>24 699 372</b>
Provinces and municipalities	10 860 973	-	-	10 860 973	10 860 972	1	100.0	10 579 708	10 579 708
Provinces	10 753 664	-	-	10 753 664	10 753 663	1	100.0	10 478 194	10 478 194
Provincial Revenue Funds	10 753 664	-	-	10 753 664	10 753 663	1	100.0	10 478 194	10 478 194
Municipalities	107 309	-	-	107 309	107 309	-	100.0	101 514	101 514
Municipal bank accounts	107 309	-	-	107 309	107 309	-	100.0	101 514	101 514
Departmental agencies and accounts	16 157 048	-	-	16 157 048	16 157 048	-	100.0	14 119 541	14 119 540
Departmental agencies (non- business entities)	16 157 048	-	-	16 157 048	16 157 048	-	100.0	14 119 541	14 119 540



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	-	121	-	121	121	-	100.0	124	124
Social benefits	-	121	-	121	121	-	100.0	124	124
<b>Payments for capital assets</b>	<b>682</b>	<b>354</b>	<b>-</b>	<b>1 036</b>	<b>855</b>	<b>181</b>	<b>82.5</b>	<b>650</b>	<b>615</b>
Machinery and equipment	682	354	-	1 036	855	181	82.5	650	615
Other machinery and equipment	682	354	-	1 036	855	181	82.5	650	615
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447</b>	<b>(447)</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>TOTAL</b>	<b>27 129 639</b>	<b>-</b>	<b>8 536</b>	<b>27 138 175</b>	<b>27 118 369</b>	<b>19 806</b>	<b>99.9</b>	<b>24 878 466</b>	<b>25 055 434</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 4.1: Road regulation

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>41 401</b>	<b>9 276</b>	<b>8 536</b>	<b>59 213</b>	<b>59 213</b>	-	<b>100.0</b>	<b>116 528</b>	<b>309 550</b>
Compensation of employees	24 923	2 775	-	27 698	27 698	-	100.0	60 860	25 639
Salaries and wages	22 108	2 318		24 426	24 426	-	100.0	57 715	22 494
Social contributions	2 815	457		3 272	3 272	-	100.0	3 145	3 145
Goods and services	16 478	6 501	8 536	31 515	31 515	-	100.0	55 668	283 911
Administrative fees	23	(20)		3	3	-	100.0	-	-
Advertising	1 503	3 817		5 320	5 320	-	100.0	1 852	1 852
Minor assets	-			-	-	-	0.0	(4)	(4)
Catering: Departmental activities	930	975		1 905	1 905	-	100.0	812	812
Communication (G&S)	4 463	(36)		4 427	4 427	-	100.0	419	419
Computer services	960	674		1 634	1 634	-	100.0	1 610	1 610
Consultants: Business and advisory services	-	447	8 536	8 983	8 536	447	95.0	40 864	269 107
Contractors	-	808		808	808	-	100.0	34	34
Consumable supplies	249	(249)		-	-	-	0.0	175	175
Consumable: Stationery, printing and office supplies	598	(528)		70	70	-	100.0	145	145
Property payments	120	(120)		-	-	-	0.0	-	-
Transport provided: Departmental activity	-	35		35	35	-	100.0	-	-
Travel and subsistence	5 912	2 208		8 120	8 120	-	100.0	8 278	8 278



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	-			-	-	-	0.0	17	17
Operating payments	170	(91)		79	79	-	100.0	230	230
Venues and facilities	1 550	(972)		578	578	-	100.0	1 236	1 236
<b>Transfers and subsidies</b>	-	<b>69</b>	-	<b>69</b>	<b>69</b>	-	<b>100.0</b>	-	-
Households	-	69	-	69	69	-	100.0	-	-
Social benefits	-	69		69	69	-	100.0	-	-
<b>Payments for capital assets</b>	-	<b>170</b>	-	<b>170</b>	<b>170</b>	-	<b>100.0</b>	<b>79</b>	<b>79</b>
Machinery and equipment	-	170	-	170	170	-	100.0	79	79
Other machinery and equipment	-	170		170	170	-	100.0	79	79
<b>Payment for financial assets</b>	-			-	<b>447</b>	<b>(447)</b>	<b>0.0</b>	-	<b>1</b>
<b>TOTAL</b>	<b>41 401</b>	<b>9 962</b>	<b>8 536</b>	<b>59 899</b>	<b>59 899</b>	<b>-</b>	<b>100.0</b>	<b>116 607</b>	<b>309 630</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 4.2: Road infrastructure and industry development

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>29 037</b>	<b>(7 030)</b>	<b>-</b>	<b>22 007</b>	<b>18 339</b>	<b>3 668</b>	<b>83.3</b>	<b>33 200</b>	<b>24 867</b>
Compensation of employees	14 822	(54)	-	14 768	14 219	549	96.3	11 438	10 926
Salaries and wages	13 292			13 292	12 799	493	96.3	10 226	9 789
Social contributions	1 530	(54)		1 476	1 420	56	96.2	1 212	1 137
Goods and services	14 215	(6 976)	-	7 239	4 120	3 119	56.9	21 762	13 941
Administrative fees	7			7	3	4	42.9	-	-
Minor assets	5			5	-	5	0.0	20	(6)
Catering: Departmental activities	96			96	24	72	25.0	110	93
Communication (G&S)	245			245	184	61	75.1	200	184
Consultants: Business and advisory services	10 925	(7 423)		3 502	1 405	2 097	40.1	18 678	11 464
Consumable: Stationery, printing and office supplies	34			34	-	34	0.0	195	137
Operating leases	-			-	-	-	0.0	140	-
Travel and subsistence	2 622			2 622	2 372	250	90.5	1 994	1 756
Training and development	35			35	27	8	77.1	-	-
Operating payments	246			246	105	141	42.7	294	294
Venues and facilities	-			-	-	-	0.0	131	19



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	45	-	45	45	-	100.0	29	29
Households	-	45	-	45	45	-	100.0	29	29
Social benefits	-	45	-	45	45	-	100.0	29	29
<b>Payments for capital assets</b>	-	53	-	53	53	-	100.0	28	28
Machinery and equipment	-	53	-	53	53	-	100.0	28	28
Other machinery and equipment	-	53	-	53	53	-	100.0	28	28
<b>TOTAL</b>	29 037	(7 379)	-	21 658	18 437	3 221	85.1	33 257	24 924

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 4.3: Road oversight

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 573</b>	<b>(3 357)</b>	<b>-</b>	<b>3 216</b>	<b>357</b>	<b>2 859</b>	<b>11.1</b>	<b>4 956</b>	<b>371</b>
Compensation of employees	5 485	(3 357)	-	2 128	304	1 824	14.3	3 936	321
Salaries and wages	5 000	(2 924)		2 076	252	1 824	12.1	3 481	271
Social contributions	485	(433)		52	52	-	100.0	455	50
Goods and services	1 088	-	-	1 088	53	1 035	4.9	1 020	50
Advertising	-			-	-	-	0.0	25	-
Minor assets	20			20	-	20	0.0	5	-
Catering: Departmental activities	20			20	-	20	0.0	-	-
Communication (G&S)	45			45	5	40	11.1	90	9
Operating leases	-			-	-	-	0.0	40	-
Travel and subsistence	953			953	48	905	5.0	650	33
Training and development	-			-	-	-	0.0	50	8
Operating payments	50			50	-	50	0.0	10	-
Venues and facilities	-			-	-	-	0.0	150	-
<b>Transfers and subsidies</b>	<b>27 018 021</b>	<b>-</b>	<b>-</b>	<b>27 018 021</b>	<b>27 018 020</b>	<b>1</b>	<b>100.0</b>	<b>24 699 326</b>	<b>24 699 325</b>
Provinces and municipalities	10 860 973	-	-	10 860 973	10 860 972	1	100.0	10 579 708	10 579 708
Provinces	10 753 664	-	-	10 753 664	10 753 663	1	100.0	10 478 194	10 478 194
Provincial Revenue Funds	10 753 664			10 753 664	10 753 663	1	100.0	10 478 194	10 478 194



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipalities	107 309	-	-	107 309	107 309	-	100.0	101 514	101 514
Municipal bank accounts	107 309			107 309	107 309	-	100.0	101 514	101 514
Departmental agencies and accounts	16 157 048	-	-	16 157 048	16 157 048	-	100.0	14 119 541	14 119 540
Departmental agencies (non-business entities)	16 157 048			16 157 048	16 157 048	-	100.0	14 119 541	14 119 540
Households	-	-	-	-	-	-	0.0	77	77
Social benefits	-			-	-	-	0.0	77	77
<b>TOTAL</b>	<b>27 024 594</b>	<b>(3 357)</b>	<b>-</b>	<b>27 021 237</b>	<b>27 018 377</b>	<b>2 860</b>	<b>100.0</b>	<b>24 704 282</b>	<b>24 699 696</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 4.4: Road administration support

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 173</b>	<b>636</b>	<b>-</b>	<b>7 809</b>	<b>7 046</b>	<b>763</b>	<b>90.2</b>	<b>7 224</b>	<b>6 697</b>
Compensation of employees	4 679	636	-	5 315	5 315	-	100.0	4 886	4 886
Salaries and wages	4 070	606		4 676	4 676	-	100.0	4 276	4 276
Social contributions	609	30		639	639	-	100.0	610	610
Goods and services	2 494	-	-	2 494	1 731	763	69.4	2 338	1 811
Administrative fees	4			4	2	2	50.0	25	-
Advertising	2			2	-	2	0.0	1	1
Minor assets	65			65	11	54	16.9	144	144
Catering: Departmental activities	46			46	19	27	41.3	75	31
Communication (G&S)	110			110	70	40	63.6	80	61
Computer services	20			20	-	20	0.0	37	5
Contractors	25	28		53	53	-	100.0	20	7
Consumable supplies	67			67	20	47	29.9	45	39
Consumable: Stationery, printing and office supplies	830	(120)		710	454	256	63.9	630	630
Operating leases	-			-	-	-	0.0	75	6
Property payments	-	13		13	13	-	100.0	-	-
Travel and subsistence	635			635	601	34	94.6	481	403



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	350			350	74	276	21.1	298	125
Operating payments	40			40	35	5	87.5	88	88
Venues and facilities	300	79		379	379	-	100.0	339	271
<b>Transfers and subsidies</b>	-	-	-	-	-	-	<b>0.0</b>	<b>18</b>	<b>18</b>
Households	-	-	-	-	-	-	0.0	18	18
Social benefits	-			-	-	-	0.0	18	18
<b>Payments for capital assets</b>	<b>682</b>	-	-	<b>682</b>	<b>501</b>	<b>181</b>	<b>73.5</b>	<b>431</b>	<b>396</b>
Machinery and equipment	682	-	-	682	501	181	73.5	431	396
Other machinery and equipment	682			682	501	181	73.5	431	396
<b>TOTAL</b>	<b>7 855</b>	<b>636</b>	<b>-</b>	<b>8 491</b>	<b>7 547</b>	<b>944</b>	<b>88.9</b>	<b>7 673</b>	<b>7 111</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 4.5: Road engineering standards

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>26 752</b>	-	-	<b>26 752</b>	<b>13 971</b>	<b>12 781</b>	<b>52.2</b>	<b>16 535</b>	<b>13 961</b>
Compensation of employees	10 022	-	-	10 022	8 350	1 672	83.3	8 352	8 352
Salaries and wages	8 920			8 920	7 459	1 461	83.6	7 440	7 440
Social contributions	1 102			1 102	891	211	80.9	912	912
Goods and services	16 730	-	-	16 730	5 621	11 109	33.6	8 183	5 609
Administrative fees	2			2	1	1	50.0	-	-
Advertising	5	70		75	75	-	100.0	-	-
Catering: Departmental activities	28			28	-	28	0.0	-	-
Communication (G&S)	210			210	110	100	52.4	190	129
Consultants: Business and advisory services	13 678	(253)		13 425	4 017	9 408	29.9	5 322	3 790
Consumable: Stationery, printing and office supplies	-			-	-	-	0.0	1	-
Operating leases	-			-	-	-	0.0	160	-
Travel and subsistence	2 562			2 562	1 219	1 343	47.6	2 200	1 443
Training and development	130			130	7	123	5.4	9	9
Operating payments	115			115	9	106	7.8	185	122
Venues and facilities	-	183		183	183	-	100.0	116	116



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	7	-	7	7	-	100.0	-	-
Households	-	7	-	7	7	-	100.0	-	-
Social benefits	-	7	-	7	7	-	100.0	-	-
<b>Payments for capital assets</b>	-	131	-	131	131	-	100.0	112	112
Machinery and equipment	-	131	-	131	131	-	100.0	112	112
Other machinery and equipment	-	131	-	131	131	-	100.0	112	112
<b>TOTAL</b>	<b>26 752</b>	<b>138</b>	<b>-</b>	<b>26 890</b>	<b>14 109</b>	<b>12 781</b>	<b>52.5</b>	<b>16 647</b>	<b>14 073</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Programme 5: Civil aviation

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Subprogramme</b>									
1. Aviation Policy and Regulations	25 352	4 569	-	29 921	29 885	36	99.9	27 457	27 457
2. Aviation Economic Analysis and Industry Development	11 401	(1 464)	-	9 937	8 203	1 734	82.6	7 351	7 351
3. Aviation Safety Security Environment and Search and Rescue	71 528	(2 363)	-	69 165	66 807	2 358	96.6	121 058	73 218
4. Aviation Oversight	56 895	(259)	930	57 566	57 166	400	99.3	96 277	96 277
5. Aviation Administration Support	5 059	(483)	-	4 576	4 088	488	89.3	6 124	6 124
<b>TOTAL</b>	<b>170 235</b>	<b>-</b>	<b>930</b>	<b>171 165</b>	<b>166 149</b>	<b>5 016</b>	<b>97.1</b>	<b>258 267</b>	<b>210 427</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>116 080</b>	<b>(2 052)</b>	<b>-</b>	<b>114 028</b>	<b>109 058</b>	<b>4 970</b>	<b>95.6</b>	<b>162 880</b>	<b>114 178</b>
Compensation of employees	40 731	-	-	40 731	37 344	3 387	91.7	37 150	37 150
Salaries and wages	37 016	(611)	-	36 405	33 229	3 176	91.3	33 130	33 130
Social contributions	3 715	611	-	4 326	4 115	211	95.1	4 020	4 020
Goods and services	75 349	(2 052)	-	73 297	71 714	1 583	97.8	125 730	77 028
Administrative fees	-	4	-	4	4	-	100.0	861	1
Advertising	100	130	-	230	230	-	100.0	276	276



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Minor assets	108	(36)	-	72	4	68	5.6	7	5
Catering: Departmental activities	204	72	-	276	245	31	88.8	592	592
Communication (G&S)	58 080	(331)	-	57 749	57 749	-	100.0	108 318	60 478
Computer services	-	2	-	2	2	-	100.0	-	-
Consultants: Business and advisory services	7 332	(999)	-	6 333	5 542	791	87.5	5 600	5 600
Contractors	287	(34)	-	253	173	80	68.4	589	589
Consumable supplies	74	20	-	94	77	17	81.9	83	83
Consumable: Stationery, printing and office supplies	954	62	-	1 016	819	197	80.6	785	785
Operating leases	100	717	-	817	724	93	88.6	2 010	2 010
Travel and subsistence	7 217	(1 685)	-	5 532	5 337	195	96.5	5 969	5 969
Training and development	368	(212)	-	156	89	67	57.1	140	140
Operating payments	355	(220)	-	135	134	1	99.3	303	303
Venues and facilities	170	458	-	628	585	43	93.2	197	197
<b>Transfers and subsidies</b>	<b>53 734</b>	<b>1 826</b>	<b>930</b>	<b>56 490</b>	<b>56 489</b>	<b>1</b>	<b>100.0</b>	<b>94 760</b>	<b>95 620</b>
Departmental agencies and accounts	35 216	-	-	35 216	35 216	-	100.0	80 937	80 937
Departmental agencies (non- business entities)	35 216	-	-	35 216	35 216	-	100.0	80 937	80 937
Foreign governments and international organisations	15 850	909	930	17 689	17 688	1	100.0	10 222	11 082

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	2 668	-	-	2 668	2 668	-	100.0	2 541	2 541
Households	-	917	-	917	917	-	100.0	1 060	1 060
Social benefits	-	915	-	915	915	-	100.0	1 060	1 060
Other transfers to households	-	2	-	2	2	-	100.0	-	-
<b>Payments for capital assets</b>	<b>421</b>	<b>226</b>	<b>-</b>	<b>647</b>	<b>596</b>	<b>51</b>	<b>92.1</b>	<b>627</b>	<b>626</b>
Machinery and equipment	421	226	-	647	596	51	92.1	627	626
Other machinery and equipment	421	226	-	647	596	51	92.1	627	626
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>(6)</b>	<b>0.0</b>	<b>-</b>	<b>3</b>
<b>TOTAL</b>	<b>170 235</b>	<b>-</b>	<b>930</b>	<b>171 165</b>	<b>166 149</b>	<b>5 016</b>	<b>97.1</b>	<b>258 267</b>	<b>210 427</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 5.1: Aviation policy and regulations

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>25 093</b>	<b>3 654</b>	<b>-</b>	<b>28 747</b>	<b>28 747</b>	<b>-</b>	<b>100.0</b>	<b>27 240</b>	<b>27 238</b>
Compensation of employees	16 936	2 686	-	19 622	19 622	-	100.0	17 647	17 647
Salaries and wages	15 537	2 179		17 716	17 716	-	100.0	15 949	15 949
Social contributions	1 399	507		1 906	1 906	-	100.0	1 698	1 698
Goods and services	8 157	968	-	9 125	9 125	-	100.0	9 593	9 591
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	-	94		94	94	-	100.0	-	-
Minor assets	15	(11)		4	4	-	100.0	3	1
Catering: Departmental activities	74	58		132	132	-	100.0	320	320
Communication (G&S)	260	(5)		255	255	-	100.0	207	207
Consultants: Business and advisory services	3 456	999		4 455	4 455	-	100.0	5 035	5 035
Contractors	205	(32)		173	173	-	100.0	346	346
Consumable supplies	-	50		50	50	-	100.0	8	8
Consumable: Stationery, printing and office supplies	215	320		535	535	-	100.0	123	123
Operating leases	-	724		724	724	-	100.0	1 089	1 089
Travel and subsistence	3 418	(1 108)		2 310	2 310	-	100.0	2 286	2 286

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Training and development	201	(165)		36	36	-	100.0	-	-
Operating payments	283	(249)		34	34	-	100.0	87	87
Venues and facilities	30	292		322	322	-	100.0	89	89
<b>Transfers and subsidies</b>	-	<b>915</b>	-	<b>915</b>	<b>915</b>	-	<b>100.0</b>	-	-
Households	-	915	-	915	915	-	100.0	-	-
Social benefits	-	915		915	915	-	100.0	-	-
<b>Payments for capital assets</b>	<b>259</b>	-	-	<b>259</b>	<b>217</b>	<b>42</b>	<b>83.8</b>	<b>217</b>	<b>217</b>
Machinery and equipment	259	-	-	259	217	42	83.8	217	217
Other machinery and equipment	259			259	217	42	83.8	217	217
<b>Payment for financial assets</b>	-			-	<b>6</b>	<b>(6)</b>	<b>0.0</b>	-	<b>2</b>
<b>TOTAL</b>	<b>25 352</b>	<b>4 569</b>	-	<b>29 921</b>	<b>29 885</b>	<b>36</b>	<b>99.9</b>	<b>27 457</b>	<b>27 457</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 5.2: Aviation economic analysis and industry development

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>11 324</b>	<b>(1 484)</b>	<b>-</b>	<b>9 840</b>	<b>8 106</b>	<b>1 734</b>	<b>82.4</b>	<b>7 247</b>	<b>7 247</b>
Compensation of employees	7 854	(964)	-	6 890	5 947	943	86.3	5 433	5 433
Salaries and wages	7 086	(964)		6 122	5 283	839	86.3	4 782	4 782
Social contributions	768			768	664	104	86.5	651	651
Goods and services	3 470	(520)	-	2 950	2 159	791	73.2	1 814	1 814
Advertising	90	(54)		36	36	-	100.0	276	276
Minor assets	15	(15)		-	-	-	0.0	-	-
Catering: Departmental activities	55	21		76	76	-	100.0	162	162
Communication (G&S)	37	27		64	64	-	100.0	66	66
Consultants: Business and advisory services	2 692	(909)		1 783	992	791	55.6	343	343
Contractors	-			-	-	-	0.0	12	12
Consumable supplies	-	4		4	4	-	100.0	2	2
Consumable: Stationery, printing and office supplies	17	80		97	97	-	100.0	4	4
Travel and subsistence	496	305		801	801	-	100.0	790	790
Training and development	22	(22)		-	-	-	0.0	108	108
Operating payments	6	18		24	24	-	100.0	7	7

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	40	25		65	65	-	100.0	44	44
<b>Transfers and subsidies</b>	-	-	-	-	-	-	<b>0.0</b>	<b>61</b>	<b>61</b>
Households	-	-	-	-	-	-	0.0	61	61
Social benefits	-			-	-	-	0.0	61	61
<b>Payments for capital assets</b>	<b>77</b>	<b>20</b>	-	<b>97</b>	<b>97</b>	-	<b>100.0</b>	<b>43</b>	<b>42</b>
Machinery and equipment	77	20	-	97	97	-	100.0	43	42
Other machinery and equipment	77	20		97	97	-	100.0	43	42
<b>Payment for financial assets</b>	-			-	-	-	<b>0.0</b>	-	<b>1</b>
<b>TOTAL</b>	<b>11 401</b>	<b>(1 464)</b>	-	<b>9 937</b>	<b>8 203</b>	<b>1 734</b>	<b>82.6</b>	<b>7 351</b>	<b>7 351</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 5.3: Aviation safety security environment and search and rescue

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>71 528</b>	<b>(2 522)</b>	<b>-</b>	<b>69 006</b>	<b>66 648</b>	<b>2 358</b>	<b>96.6</b>	<b>120 816</b>	<b>72 976</b>
Compensation of employees	8 935	88	-	9 023	7 166	1 857	79.4	8 441	8 441
Salaries and wages	8 149			8 149	6 292	1 857	77.2	7 536	7 536
Social contributions	786	88		874	874	-	100.0	905	905
Goods and services	62 593	(2 610)	-	59 983	59 482	501	99.2	112 375	64 535
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	10	90		100	100	-	100.0	-	-
Minor assets	28			28	-	28	0.0	4	4
Catering: Departmental activities	55			55	34	21	61.8	49	49
Communication (G&S)	57 740	(360)		57 380	57 380	-	100.0	107 992	60 152
Computer services	-	2		2	2	-	100.0	-	-
Consultants: Business and advisory services	1 129	(1 034)		95	95	-	100.0	71	71
Contractors	80			80	-	80	0.0	218	218
Consumable supplies	20			20	3	17	15.0	11	11
Consumable: Stationery, printing and office supplies	594	(392)		202	5	197	2.5	507	507
Operating leases	-			-	-	-	0.0	921	921

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	2 736	(931)		1 805	1 717	88	95.1	2 416	2 416
Training and development	100			100	53	47	53.0	-	-
Operating payments	41	14		55	55	-	100.0	153	153
Venues and facilities	60			60	37	23	61.7	33	33
<b>Transfers and subsidies</b>	-	-	-	-	-	-	<b>0.0</b>	<b>64</b>	<b>64</b>
Households	-	-	-	-	-	-	0.0	64	64
Social benefits	-			-	-	-	0.0	64	64
<b>Payments for capital assets</b>	-	<b>159</b>	-	<b>159</b>	<b>159</b>	-	<b>100.0</b>	<b>178</b>	<b>178</b>
Machinery and equipment	-	159	-	159	159	-	100.0	178	178
Other machinery and equipment	-	159		159	159	-	100.0	178	178
<b>TOTAL</b>	<b>71 528</b>	<b>(2 363)</b>	<b>-</b>	<b>69 165</b>	<b>66 807</b>	<b>2 358</b>	<b>96.6</b>	<b>121 058</b>	<b>73 218</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 5.4: Aviation oversight

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3 161</b>	<b>(1 215)</b>	<b>-</b>	<b>1 946</b>	<b>1 547</b>	<b>399</b>	<b>79.5</b>	<b>2 452</b>	<b>1 592</b>
Compensation of employees	2 744	(1 215)	-	1 529	1 421	108	92.9	1 385	1 385
Salaries and wages	2 490	(1 215)		1 275	1 274	1	99.9	1 256	1 256
Social contributions	254			254	147	107	57.9	129	129
Goods and services	417	-	-	417	126	291	30.2	1 067	207
Administrative fees	-	2		2	2	-	100.0	861	1
Minor assets	40			40	-	40	0.0	-	-
Catering: Departmental activities	10			10	-	10	0.0	24	24
Communication (G&S)	15	1		16	16	-	100.0	15	15
Consumable supplies	-	3		3	3	-	100.0	-	-
Consumable: Stationery, printing and office supplies	-	1		1	1	-	100.0	72	72
Operating leases	100	(7)		93	-	93	0.0	-	-
Travel and subsistence	202			202	95	107	47.0	70	70
Training and development	20			20	-	20	0.0	8	8
Operating payments	10			10	9	1	90.0	17	17
Venues and facilities	20			20	-	20	0.0	-	-

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>53 734</b>	<b>909</b>	<b>930</b>	<b>55 573</b>	<b>55 572</b>	<b>1</b>	<b>100.0</b>	<b>93 802</b>	<b>94 662</b>
Departmental agencies and accounts	35 216	-	-	35 216	35 216	-	100.0	80 937	80 937
Departmental agencies (non-business entities)	35 216			35 216	35 216	-	100.0	80 937	80 937
Foreign governments and international organisations	15 850	909	930	17 689	17 688	1	100.0	10 222	11 082
Non-profit institutions	2 668			2 668	2 668	-	100.0	2 541	2 541
Households	-	-	-	-	-	-	0.0	102	102
Social benefits	-			-	-	-	0.0	102	102
<b>Payments for capital assets</b>	<b>-</b>	<b>47</b>	<b>-</b>	<b>47</b>	<b>47</b>	<b>-</b>	<b>100.0</b>	<b>23</b>	<b>23</b>
Machinery and equipment	-	47	-	47	47	-	100.0	23	23
Other machinery and equipment	-	47		47	47	-	100.0	23	23
<b>TOTAL</b>	<b>56 895</b>	<b>(259)</b>	<b>930</b>	<b>57 566</b>	<b>57 166</b>	<b>400</b>	<b>99.3</b>	<b>96 277</b>	<b>96 277</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 5.5: Aviation administration support

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 974</b>	<b>(485)</b>	<b>-</b>	<b>4 489</b>	<b>4 010</b>	<b>479</b>	<b>89.3</b>	<b>5 125</b>	<b>5 125</b>
Compensation of employees	4 262	(595)	-	3 667	3 188	479	86.9	4 244	4 244
Salaries and wages	3 754	(611)		3 143	2 664	479	84.8	3 607	3 607
Social contributions	508	16		524	524	-	100.0	637	637
Goods and services	712	110	-	822	822	-	100.0	881	881
Minor assets	10	(10)		-	-	-	0.0	-	-
Catering: Departmental activities	10	(7)		3	3	-	100.0	37	37
Communication (G&S)	28	6		34	34	-	100.0	38	38
Consultants: Business and advisory services	55	(55)		-	-	-	0.0	151	151
Contractors	2	(2)		-	-	-	0.0	13	13
Consumable supplies	54	(37)		17	17	-	100.0	62	62
Consumable: Stationery, printing and office supplies	128	53		181	181	-	100.0	79	79
Travel and subsistence	365	49		414	414	-	100.0	407	407
Training and development	25	(25)		-	-	-	0.0	24	24
Operating payments	15	(3)		12	12	-	100.0	39	39
Venues and facilities	20	141		161	161	-	100.0	31	31

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	2	-	2	2	-	100.0	833	833
Households	-	2	-	2	2	-	100.0	833	833
Social benefits	-			-	-	-	0.0	833	833
Other transfers to households	-	2		2	2	-	100.0	-	-
<b>Payments for capital assets</b>	85	-	-	85	76	9	89.4	166	166
Machinery and equipment	85	-	-	85	76	9	89.4	166	166
Other machinery and equipment	85			85	76	9	89.4	166	166
<b>TOTAL</b>	<b>5 059</b>	<b>(483)</b>	<b>-</b>	<b>4 576</b>	<b>4 088</b>	<b>488</b>	<b>89.3</b>	<b>6 124</b>	<b>6 124</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Programme 6: Maritime transport

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Maritime Policy Development	11 051	274	-	11 325	10 331	994	91.2	9 467	9 467
2. Maritime Infrastructure and Industry Development	12 550	695	-	13 245	11 359	1 886	85.8	8 662	8 662
3. Implementation Monitoring and Evaluations	69 162	(3 114)	-	66 048	53 759	12 289	81.4	79 894	77 069
4. Maritime Oversight	29 468	1 435	(930)	29 973	29 355	618	97.9	54 051	54 051
5. Maritime Administration Support	7 116	710	-	7 826	4 523	3 303	57.8	4 312	4 312
<b>TOTAL</b>	<b>129 347</b>	<b>-</b>	<b>(930)</b>	<b>128 417</b>	<b>109 327</b>	<b>19 090</b>	<b>85.1</b>	<b>156 386</b>	<b>153 561</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>104 660</b>	<b>(56)</b>	<b>-</b>	<b>104 604</b>	<b>85 573</b>	<b>19 031</b>	<b>81.8</b>	<b>126 433</b>	<b>101 439</b>
Compensation of employees	28 839	-	-	28 839	21 278	7 561	73.8	19 904	19 904
Salaries and wages	27 779	(1 190)	-	26 589	19 190	7 399	72.2	17 835	17 835
Social contributions	1 060	1 190	-	2 250	2 088	162	92.8	2 069	2 069
Goods and services	75 821	(56)	-	75 765	64 295	11 470	84.9	106 529	81 535
Administrative fees	-	6	-	6	6	-	100.0	-	-
Advertising	50	1 120	-	1 170	1 170	-	100.0	270	270
Minor assets	20	13	-	33	33	-	100.0	106	106

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	50	491	-	541	541	-	100.0	143	143
Communication (G&S)	387	(35)	-	352	235	117	66.8	251	251
Computer services	-	-	-	-	-	-	0.0	1	1
Consultants: Business and advisory services	18 455	(5 364)	-	13 091	7 136	5 955	54.5	32 435	7 441
Infrastructure and planning services	51 243	-	-	51 243	46 827	4 416	91.4	64 201	64 201
Contractors	-	173	-	173	173	-	100.0	103	103
Agency and support / outsourced services	-	-	-	-	-	-	0.0	23	23
Consumable supplies	10	2	-	12	12	-	100.0	707	707
Consumable: Stationery, printing and office supplies	120	(6)	-	114	114	-	100.0	206	206
Operating leases	1 335	-	-	1 335	845	490	63.3	1 312	1 312
Travel and subsistence	3 641	2 662	-	6 303	5 811	492	92.2	5 315	5 315
Training and development	100	(9)	-	91	91	-	100.0	40	40
Operating payments	160	443	-	603	603	-	100.0	213	213
Venues and facilities	250	448	-	698	698	-	100.0	1 203	1 203
<b>Transfers and subsidies</b>	<b>24 358</b>	<b>54</b>	<b>(930)</b>	<b>23 482</b>	<b>23 489</b>	<b>(7)</b>	<b>100.0</b>	<b>29 600</b>	<b>29 600</b>
Departmental agencies and accounts	22 489	-	-	22 489	22 489	-	100.0	28 561	28 561
Departmental agencies (non-business entities)	22 489	-	-	22 489	22 489	-	100.0	28 561	28 561



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Foreign governments and international organisations	1 869	-	(930)	939	946	(7)	100.7	942	942
Households	-	54	-	54	54	-	100.0	97	97
Social benefits	-	54	-	54	54	-	100.0	97	97
<b>Payments for capital assets</b>	<b>329</b>	<b>2</b>	<b>-</b>	<b>331</b>	<b>265</b>	<b>66</b>	<b>80.1</b>	<b>353</b>	<b>348</b>
Machinery and equipment	329	2	-	331	265	66	80.1	353	348
Other machinery and equipment	329	2	-	331	265	66	80.1	353	348
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>22 174</b>
<b>TOTAL</b>	<b>129 347</b>	<b>-</b>	<b>(930)</b>	<b>128 417</b>	<b>109 327</b>	<b>19 090</b>	<b>85.1</b>	<b>156 386</b>	<b>153 561</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 6.1: Maritime policy development

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>11 051</b>	<b>264</b>	<b>-</b>	<b>11 315</b>	<b>10 321</b>	<b>994</b>	<b>91.2</b>	<b>9 466</b>	<b>9 466</b>
Compensation of employees	5 964	274	-	6 238	6 238	-	100.0	6 356	6 356
Salaries and wages	5 834	106		5 940	5 940	-	100.0	5 990	5 990
Social contributions	130	168		298	298	-	100.0	366	366
Goods and services	5 087	(10)	-	5 077	4 083	994	80.4	3 110	3 110
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	-	1		1	1	-	100.0	-	-
Catering: Departmental activities	-	152		152	152	-	100.0	8	8
Communication (G&S)	147			147	30	117	20.4	25	25
Consultants: Business and advisory services	2 647	(1 089)		1 558	1 335	223	85.7	490	490
Contractors	-	167		167	167	-	100.0	99	99
Consumable supplies	-	11		11	11	-	100.0	-	-
Consumable: Stationery, printing and office supplies	-	58		58	58	-	100.0	12	12
Operating leases	1 335			1 335	845	490	63.3	1 312	1 312
Travel and subsistence	958			958	794	164	82.9	1 091	1 091
Operating payments	-	286		286	286	-	100.0	12	12
Venues and facilities	-	403		403	403	-	100.0	61	61



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	10	-	10	10	-	100.0	-	-
Households	-	10	-	10	10	-	100.0	-	-
Social benefits	-	10	-	10	10	-	100.0	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	0.0	1	1
Machinery and equipment	-	-	-	-	-	-	0.0	1	1
Other machinery and equipment	-	-	-	-	-	-	0.0	1	1
<b>TOTAL</b>	<b>11 051</b>	<b>274</b>	<b>-</b>	<b>11 325</b>	<b>10 331</b>	<b>994</b>	<b>91.2</b>	<b>9 467</b>	<b>9 467</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 6.2: Maritime infrastructure and industry development

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>12 550</b>	<b>649</b>	<b>-</b>	<b>13 199</b>	<b>11 313</b>	<b>1 886</b>	<b>85.7</b>	<b>8 662</b>	<b>8 662</b>
Compensation of employees	7 562	-	-	7 562	5 676	1 886	75.1	4 506	4 506
Salaries and wages	7 237	(291)		6 946	5 060	1 886	72.8	4 001	4 001
Social contributions	325	291		616	616	-	100.0	505	505
Goods and services	4 988	649	-	5 637	5 637	-	100.0	4 156	4 156
Administrative fees	-	2		2	2	-	100.0	-	-
Advertising	-	794		794	794	-	100.0	72	72
Minor assets	-			-	-	-	0.0	7	7
Catering: Departmental activities	-	286		286	286	-	100.0	35	35
Communication (G&S)	60	8		68	68	-	100.0	67	67
Consultants: Business and advisory services	4 225	(2 628)		1 597	1 597	-	100.0	903	903
Consumable supplies	-			-	-	-	0.0	667	667
Consumable: Stationery, printing and office supplies	-			-	-	-	0.0	4	4
Travel and subsistence	703	2 045		2 748	2 748	-	100.0	1 975	1 975
Training and development	-	6		6	6	-	100.0	10	10
Operating payments	-	43		43	43	-	100.0	26	26
Venues and facilities	-	93		93	93	-	100.0	390	390



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	44	-	44	44	-	100.0	-	-
Households	-	44	-	44	44	-	100.0	-	-
Social benefits	-	44	-	44	44	-	100.0	-	-
<b>Payments for capital assets</b>	-	2	-	2	2	-	100.0	-	-
Machinery and equipment	-	2	-	2	2	-	100.0	-	-
Other machinery and equipment	-	2	-	2	2	-	100.0	-	-
<b>TOTAL</b>	<b>12 550</b>	<b>695</b>	<b>-</b>	<b>13 245</b>	<b>11 359</b>	<b>1 886</b>	<b>85.8</b>	<b>8 662</b>	<b>8 662</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 6.3: Implementation monitoring and evaluations

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>69 162</b>	<b>(3 114)</b>	<b>-</b>	<b>66 048</b>	<b>53 759</b>	<b>12 289</b>	<b>81.4</b>	<b>79 797</b>	<b>76 971</b>
Compensation of employees	6 753	-	-	6 753	4 940	1 813	73.2	5 163	5 163
Salaries and wages	6 653	(518)		6 135	4 322	1 813	70.4	4 493	4 493
Social contributions	100	518		618	618	-	100.0	670	670
Goods and services	62 409	(3 114)	-	59 295	48 819	10 476	82.3	74 634	71 808
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	-	1		1	1	-	100.0	198	198
Catering: Departmental activities	-	6		6	6	-	100.0	76	76
Communication (G&S)	60	4		64	64	-	100.0	73	73
Consultants: Business and advisory services	9 416	(3 130)		6 286	554	5 732	8.8	8 557	5 731
Infrastructure and planning services	51 243			51 243	46 827	4 416	91.4	64 201	64 201
Agency and support / outsourced services	-			-	-	-	0.0	23	23
Consumable supplies	-			-	-	-	0.0	1	1
Consumable: Stationery, printing and office supplies	-			-	-	-	0.0	1	1
Travel and subsistence	1 690			1 690	1 362	328	80.6	1 416	1 416
Operating payments	-	4		4	4	-	100.0	9	9
Venues and facilities	-			-	-	-	0.0	79	79
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>97</b>	<b>97</b>
Households	-	-	-	-	-	-	0.0	97	97
Social benefits	-			-	-	-	0.0	97	97
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>1</b>
<b>TOTAL</b>	<b>69 162</b>	<b>(3 114)</b>	<b>-</b>	<b>66 048</b>	<b>53 759</b>	<b>12 289</b>	<b>81.4</b>	<b>79 894</b>	<b>77 069</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 6.4: Maritime oversight

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5 110</b>	<b>1 435</b>	-	<b>6 545</b>	<b>5 920</b>	<b>625</b>	<b>90.5</b>	<b>24 548</b>	<b>2 380</b>
Compensation of employees	2 883	(274)	-	2 609	1 984	625	76.0	1 815	1 815
Salaries and wages	2 883	(487)		2 396	1 771	625	73.9	1 598	1 598
Social contributions	-	213		213	213	-	100.0	217	217
Goods and services	2 227	1 709	-	3 936	3 936	-	100.0	22 733	565
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	-	78		78	78	-	100.0	-	-
Communication (G&S)	60	(54)		6	6	-	100.0	7	7
Consultants: Business and advisory services	2 167	1 483		3 650	3 650	-	100.0	22 485	317
Consumable: Stationery, printing and office supplies	-			-	-	-	0.0	1	1
Travel and subsistence	-	201		201	201	-	100.0	240	240
<b>Transfers and subsidies</b>	<b>24 358</b>	-	<b>(930)</b>	<b>23 428</b>	<b>23 435</b>	<b>(7)</b>	<b>100.0</b>	<b>29 503</b>	<b>29 503</b>
Departmental agencies and accounts	22 489	-	-	22 489	22 489	-	100.0	28 561	28 561
Departmental agencies (non-business entities)	22 489			22 489	22 489	-	100.0	28 561	28 561
Foreign governments and international organisations	1 869		(930)	939	946	(7)	100.7	942	942
<b>Payment for financial assets</b>	-			-	-	-	<b>0.0</b>	-	<b>22 168</b>
<b>TOTAL</b>	<b>29 468</b>	<b>1 435</b>	<b>(930)</b>	<b>29 973</b>	<b>29 355</b>	<b>618</b>	<b>97.9</b>	<b>54 051</b>	<b>54 051</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 6.5: Maritime administration support

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 787</b>	<b>710</b>	<b>-</b>	<b>7 497</b>	<b>4 260</b>	<b>3 237</b>	<b>56.8</b>	<b>3 960</b>	<b>3 960</b>
Compensation of employees	5 677			5 677	2 440	3 237	43.0	2 064	2 064
Salaries and wages	5 172			5 172	2 097	3 075	40.5	1 753	1 753
Social contributions	505			505	343	162	67.9	311	311
Goods and services	1 110	710	-	1 820	1 820	-	100.0	1 896	1 896
Administrative fees	-	1		1	1	-	100.0	-	-
Advertising	50	246		296	296	-	100.0	-	-
Minor assets	20	13		33	33	-	100.0	99	99
Catering: Departmental activities	50	47		97	97	-	100.0	24	24
Communication (G&S)	60	7		67	67	-	100.0	79	79
Computer services	-			-	-	-	0.0	1	1
Contractors	-	6		6	6	-	100.0	4	4
Consumable supplies	10	(9)		1	1	-	100.0	39	39
Consumable: Stationery, printing and office supplies	120	(64)		56	56	-	100.0	188	188
Travel and subsistence	290	416		706	706	-	100.0	593	593
Training and development	100	(15)		85	85	-	100.0	30	30
Operating payments	160	110		270	270	-	100.0	166	166
Venues and facilities	250	(48)		202	202	-	100.0	673	673
<b>Payments for capital assets</b>	<b>329</b>	<b>-</b>	<b>-</b>	<b>329</b>	<b>263</b>	<b>66</b>	<b>79.9</b>	<b>352</b>	<b>347</b>
Machinery and equipment	329	-	-	329	263	66	79.9	352	347
Other machinery and equipment	329			329	263	66	79.9	352	347
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>5</b>
<b>TOTAL</b>	<b>7 116</b>	<b>710</b>	<b>-</b>	<b>7 826</b>	<b>4 523</b>	<b>3 303</b>	<b>57.8</b>	<b>4 312</b>	<b>4 312</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Programme 7: Public transport

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Subprogramme</b>									
1. Public Transport Regulation	54 263	(2 310)	-	51 953	19 508	32 445	37.5	22 387	15 387
2. Rural and Scholar Transport	39 184	-	-	39 184	21 071	18 113	53.8	14 585	14 585
3. Public Transport Industry Development	152 455	-	(7 235)	145 220	135 814	9 406	93.5	129 863	129 863
4. Public Transport Oversight	12 292 760	-	(34 218)	12 258 542	12 084 790	173 752	98.6	11 372 616	11 372 616
5. Public Transport Administration Support	10 753	2 121	-	12 874	7 719	5 155	60.0	9 629	9 629
6. Public Transport Network Development	17 933	189	-	18 122	8 670	9 452	47.8	7 962	7 962
<b>TOTAL</b>	<b>12 567 348</b>	<b>-</b>	<b>(41 453)</b>	<b>12 525 895</b>	<b>12 277 572</b>	<b>248 323</b>	<b>98.0</b>	<b>11 557 042</b>	<b>11 550 042</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>274 355</b>	<b>(406)</b>	<b>(7 235)</b>	<b>266 714</b>	<b>192 146</b>	<b>74 568</b>	<b>72.0</b>	<b>184 029</b>	<b>177 012</b>
Compensation of employees	53 269	-	-	53 269	48 253	5 016	90.6	44 017	44 017
Salaries and wages	47 914	18	-	47 932	43 326	4 606	90.4	39 253	39 253
Social contributions	5 355	(18)	-	5 337	4 927	410	92.3	4 764	4 764
Goods and services	221 086	(406)	(7 235)	213 445	143 893	69 552	67.4	140 012	132 995
Advertising	480	1	-	481	151	330	31.4	4	4
Minor assets	1 150	2	-	1 152	36	1 116	3.1	43	43
Catering: Departmental activities	25	125	-	150	142	8	94.7	114	114
Communication (G&S)	1 180	(76)	-	1 104	557	547	50.5	596	596
Computer services	-	7	-	7	7	-	100.0	-	-

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	208 657	(11 442)	(7 235)	189 980	126 668	63 312	66.7	129 420	122 403
Contractors	-	23	-	23	23	-	100.0	14	14
Inventory: Other supplies	-	10 399	-	10 399	10 399	-	100.0	4 678	4 678
Consumable supplies	9	40	-	49	48	1	98.0	20	20
Consumable: Stationery, printing and office supplies	510	2	-	512	292	220	57.0	369	369
Travel and subsistence	5 869	1	-	5 870	4 572	1 298	77.9	3 522	3 522
Training and development	1 536	199	-	1 735	199	1 536	11.5	380	380
Operating payments	135	73	-	208	182	26	87.5	115	115
Venues and facilities	1 535	240	-	1 775	617	1 158	34.8	737	737
<b>Transfers and subsidies</b>	<b>12 292 760</b>	<b>182</b>	<b>(34 218)</b>	<b>12 258 724</b>	<b>12 084 972</b>	<b>173 752</b>	<b>98.6</b>	<b>11 372 708</b>	<b>11 372 708</b>
Provinces and municipalities	11 882 430	-	-	11 882 430	11 829 928	52 502	99.6	10 992 983	10 992 983
Provinces	5 722 871	-	-	5 722 871	5 722 871	-	100.0	5 400 292	5 400 292
Provincial Revenue Funds	5 722 871	-	-	5 722 871	5 722 871	-	100.0	5 400 292	5 400 292
Municipalities	6 159 559	-	-	6 159 559	6 107 057	52 502	99.1	5 592 691	5 592 691
Municipal bank accounts	6 159 559	-	-	6 159 559	6 107 057	52 502	99.1	5 592 691	5 592 691
Non-profit institutions	21 289	-	-	21 289	21 289	-	100.0	20 275	20 275
Households	389 041	182	(34 218)	355 005	233 755	121 250	65.8	359 450	359 450
Social benefits	-	213	-	213	213	-	100.0	98	98
Other transfers to households	389 041	(31)	(34 218)	354 792	233 542	121 250	65.8	359 352	359 352
<b>Payments for capital assets</b>	<b>233</b>	<b>224</b>	<b>-</b>	<b>457</b>	<b>447</b>	<b>10</b>	<b>97.8</b>	<b>305</b>	<b>305</b>
Machinery and equipment	233	224	-	457	447	10	97.8	305	305
Other machinery and equipment	233	224	-	457	447	10	97.8	305	305
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>(7)</b>	<b>0.0</b>	<b>-</b>	<b>17</b>
<b>TOTAL</b>	<b>12 567 348</b>	<b>-</b>	<b>(41 453)</b>	<b>12 525 895</b>	<b>12 277 572</b>	<b>248 323</b>	<b>98.0</b>	<b>11 557 042</b>	<b>11 550 042</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 7.1: Public transport regulation

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>54 163</b>	<b>(2 452)</b>	<b>-</b>	<b>51 711</b>	<b>19 262</b>	<b>32 449</b>	<b>37.2</b>	<b>22 339</b>	<b>15 339</b>
Compensation of employees	19 380	(2 310)	-	17 070	14 048	3 022	82.3	10 935	10 935
Salaries and wages	17 460	(2 310)		15 150	12 536	2 614	82.7	9 762	9 762
Social contributions	1 920			1 920	1 512	408	78.8	1 173	1 173
Goods and services	34 783	(142)	-	34 641	5 214	29 427	15.1	11 404	4 404
Advertising	480			480	150	330	31.3	-	-
Minor assets	575			575	3	572	0.5	6	6
Catering: Departmental activities	10	87		97	97	-	100.0	47	47
Communication (G&S)	215			215	118	97	54.9	123	123
Computer services	-	7		7	7	-	100.0	-	-
Consultants: Business and advisory services	30 278	(502)		29 776	2 341	27 435	7.9	9 214	2 214
Contractors	-	15		15	15	-	100.0	3	3
Consumable supplies	3	33		36	36	-	100.0	-	-
Consumable: Stationery, printing and office supplies	255			255	179	76	70.2	77	77
Travel and subsistence	2 592			2 592	1 675	917	64.6	1 256	1 256
Training and development	-	80		80	80	-	100.0	347	347
Operating payments	90	49		139	139	-	100.0	55	55
Venues and facilities	285	89		374	374	-	100.0	276	276
<b>Payments for capital assets</b>	<b>100</b>	<b>142</b>	<b>-</b>	<b>242</b>	<b>239</b>	<b>3</b>	<b>98.8</b>	<b>48</b>	<b>48</b>
Machinery and equipment	100	142	-	242	239	3	98.8	48	48
Other machinery and equipment	100	142		242	239	3	98.8	48	48
<b>Payment for financial assets</b>	<b>-</b>			<b>-</b>	<b>7</b>	<b>(7)</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>54 263</b>	<b>(2 310)</b>	<b>-</b>	<b>51 953</b>	<b>19 508</b>	<b>32 445</b>	<b>37.5</b>	<b>22 387</b>	<b>15 387</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 7.2: Rural and scholar transport

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>39 184</b>	<b>(173)</b>	<b>-</b>	<b>39 011</b>	<b>20 898</b>	<b>18 113</b>	<b>53.6</b>	<b>14 585</b>	<b>14 583</b>
Compensation of employees	8 346	-	-	8 346	7 372	974	88.3	7 737	7 737
Salaries and wages	7 466			7 466	6 494	972	87.0	6 785	6 785
Social contributions	880			880	878	2	99.8	952	952
Goods and services	30 838	(173)	-	30 665	13 526	17 139	44.1	6 848	6 846
Advertising	-			-	-	-	0.0	2	2
Catering: Departmental activities	-	13		13	13	-	100.0	13	13
Communication (G&S)	190			190	95	95	50.0	93	93
Consultants: Business and advisory services	29 838	(10 589)		19 249	2 489	16 760	12.9	1 645	1 643
Inventory: Other supplies	-	10 399		10 399	10 399	-	100.0	4 678	4 678
Consumable supplies	-	1		1	1	-	100.0	1	1
Consumable: Stationery, printing and office supplies	-	2		2	2	-	100.0	46	46
Travel and subsistence	810			810	526	284	64.9	344	344
Training and development	-	1		1	1	-	100.0	26	26
<b>Transfers and subsidies</b>	<b>-</b>	<b>173</b>	<b>-</b>	<b>173</b>	<b>173</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>-</b>
Households	-	173	-	173	173	-	100.0	-	-
Social benefits	-	173		173	173	-	100.0	-	-
<b>Payment for financial assets</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>2</b>
<b>TOTAL</b>	<b>39 184</b>	<b>-</b>	<b>-</b>	<b>39 184</b>	<b>21 071</b>	<b>18 113</b>	<b>53.8</b>	<b>14 585</b>	<b>14 585</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 7.3: Public transport industry development

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>152 455</b>	<b>(60)</b>	<b>(7 235)</b>	<b>145 160</b>	<b>135 754</b>	<b>9 406</b>	<b>93.5</b>	<b>129 699</b>	<b>129 686</b>
Compensation of employees	13 281	-	-	13 281	12 261	1 020	92.3	12 972	12 972
Salaries and wages	12 081	(49)		12 032	11 012	1 020	91.5	11 603	11 603
Social contributions	1 200	49		1 249	1 249	-	100.0	1 369	1 369
Goods and services	139 174	(60)	(7 235)	131 879	123 493	8 386	93.6	116 727	116 714
Advertising	-	1		1	1	-	100.0	-	-
Catering: Departmental activities	-	15		15	15	-	100.0	12	12
Communication (G&S)	425	(77)		348	172	176	49.4	173	173
Consultants: Business and advisory services	136 213		(7 235)	128 978	121 838	7 140	94.5	115 846	115 833
Consumable supplies	-			-	-	-	0.0	1	1
Consumable: Stationery, printing and office supplies	-			-	-	-	0.0	3	3
Travel and subsistence	-			-	1 392	(1 392)	0.0	627	627
Training and development	1 536			1 536	-	1 536	0.0	-	-
Operating payments	-	1		1	1	-	100.0	5	5
Venues and facilities	1 000			1 000	74	926	7.4	60	60
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>98</b>	<b>98</b>
Households	-	-	-	-	-	-	0.0	98	98
Social benefits	-			-	-	-	0.0	98	98
<b>Payments for capital assets</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>60</b>	<b>60</b>	<b>-</b>	<b>100.0</b>	<b>66</b>	<b>66</b>
Machinery and equipment	-	60	-	60	60	-	100.0	66	66
Other machinery and equipment	-	60		60	60	-	100.0	66	66
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>13</b>
<b>TOTAL</b>	<b>152 455</b>	<b>-</b>	<b>(7 235)</b>	<b>145 220</b>	<b>135 814</b>	<b>9 406</b>	<b>93.5</b>	<b>129 863</b>	<b>129 863</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 7.4: Public transport oversight

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	25	-	25	25	-	100.0	6	6
Goods and services	-	25	-	25	25	-	100.0	6	6
Communication (G&S)	-	1		1	1	-	100.0	-	-
Travel and subsistence	-	1		1	1	-	100.0	-	-
Operating payments	-	23		23	23	-	100.0	6	6
<b>Transfers and subsidies</b>	12 292 760	(31)	(34 218)	12 258 511	12 084 759	173 752	98.6	11 372 610	11 372 610
Provinces and municipalities	11 882 430	-	-	11 882 430	11 829 928	52 502	99.6	10 992 983	10 992 983
Provinces	5 722 871	-	-	5 722 871	5 722 871	-	100.0	5 400 292	5 400 292
Provincial Revenue Funds	5 722 871			5 722 871	5 722 871	-	100.0	5 400 292	5 400 292
Municipalities	6 159 559	-	-	6 159 559	6 107 057	52 502	99.1	5 592 691	5 592 691
Municipal bank accounts	6 159 559			6 159 559	6 107 057	52 502	99.1	5 592 691	5 592 691
Non-profit institutions	21 289			21 289	21 289	-	100.0	20 275	20 275
Households	389 041	(31)	(34 218)	354 792	233 542	121 250	65.8	359 352	359 352
Other transfers to households	389 041	(31)	(34 218)	354 792	233 542	121 250	65.8	359 352	359 352
<b>Payments for capital assets</b>	-	6	-	6	6	-	100.0	-	-
Machinery and equipment	-	6	-	6	6	-	100.0	-	-
Other machinery and equipment	-	6		6	6	-	100.0	-	-
<b>TOTAL</b>	<b>12 292 760</b>	<b>-</b>	<b>(34 218)</b>	<b>12 258 542</b>	<b>12 084 790</b>	<b>173 752</b>	<b>98.6</b>	<b>11 372 616</b>	<b>11 372 616</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 7.5: Public transport administration support

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>10 620</b>	<b>2 081</b>	<b>-</b>	<b>12 701</b>	<b>7 553</b>	<b>5 148</b>	<b>59.5</b>	<b>9 447</b>	<b>9 445</b>
Compensation of employees	4 601	2 121	-	6 722	6 722	-	100.0	5 455	5 455
Salaries and wages	4 071	2 002		6 073	6 073	-	100.0	4 789	4 789
Social contributions	530	119		649	649	-	100.0	666	666
Goods and services	6 019	(40)	-	5 979	831	5 148	13.9	3 992	3 990
Advertising	-			-	-	-	0.0	2	2
Minor assets	575			575	31	544	5.4	37	37
Catering: Departmental activities	15			15	7	8	46.7	12	12
Communication (G&S)	110			110	101	9	91.8	133	133
Consultants: Business and advisory services	3 646	(166)		3 480	-	3 480	0.0	2 189	2 187
Contractors	-	8		8	8	-	100.0	11	11
Consumable supplies	6			6	5	1	83.3	18	18
Consumable: Stationery, printing and office supplies	255			255	111	144	43.5	243	243
Travel and subsistence	1 117			1 117	413	704	37.0	969	969
Training and development	-	118		118	118	-	100.0	3	3
Operating payments	45			45	19	26	42.2	48	48
Venues and facilities	250			250	18	232	7.2	327	327

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	-	40	-	40	40	-	100.0	-	-
Households	-	40	-	40	40	-	100.0	-	-
Social benefits	-	40	-	40	40	-	100.0	-	-
<b>Payments for capital assets</b>	133	-	-	133	126	7	94.7	182	182
Machinery and equipment	133	-	-	133	126	7	94.7	182	182
Other machinery and equipment	133	-	-	133	126	7	94.7	182	182
<b>Payment for financial assets</b>	-	-	-	-	-	-	0.0	-	2
<b>TOTAL</b>	10 753	2 121	-	12 874	7 719	5 155	60.0	9 629	9 629



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 7.6: Public transport network development

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>17 933</b>	<b>173</b>	<b>-</b>	<b>18 106</b>	<b>8 654</b>	<b>9 452</b>	<b>47.8</b>	<b>7 953</b>	<b>7 953</b>
Compensation of employees	7 661	189	-	7 850	7 850	-	100.0	6 918	6 918
Salaries and wages	6 836	375		7 211	7 211	-	100.0	6 314	6 314
Social contributions	825	(186)		639	639	-	100.0	604	604
Goods and services	10 272	(16)	-	10 256	804	9 452	7.8	1 035	1 035
Minor assets	-	2		2	2	-	100.0	-	-
Catering: Departmental activities	-	10		10	10	-	100.0	30	30
Communication (G&S)	240			240	70	170	29.2	74	74
Consultants: Business and advisory services	8 682	(185)		8 497	-	8 497	0.0	526	526
Consumable supplies	-	6		6	6	-	100.0	-	-
Travel and subsistence	1 350			1 350	565	785	41.9	326	326
Training and development	-			-	-	-	0.0	4	4
Operating payments	-			-	-	-	0.0	1	1
Venues and facilities	-	151		151	151	-	100.0	74	74
<b>Payments for capital assets</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>100.0</b>	<b>9</b>	<b>9</b>
Machinery and equipment	-	16	-	16	16	-	100.0	9	9
Other machinery and equipment	-	16		16	16	-	100.0	9	9
<b>TOTAL</b>	<b>17 933</b>	<b>189</b>	<b>-</b>	<b>18 122</b>	<b>8 670</b>	<b>9 452</b>	<b>47.8</b>	<b>7 962</b>	<b>7 962</b>

## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Programme 8: Direct charge against the national revenue fund

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Subprogramme</b>									
1. International Oil Pollution Compensation Fund	10 000			10 000	5 559	4 441	55.6	3 821	3 821
<b>TOTAL</b>	<b>10 000</b>	<b>-</b>	<b>-</b>	<b>10 000</b>	<b>5 559</b>	<b>4 441</b>	<b>55.6</b>	<b>3 821</b>	<b>3 821</b>
<b>Economic classification</b>									
<b>Transfers and subsidies</b>	<b>10 000</b>			<b>10 000</b>	<b>5 559</b>	<b>4 441</b>	<b>55.6</b>	<b>3 821</b>	<b>3 821</b>
Foreign governments and international organisations	10 000			10 000	5 559	4 441	55.6	3 821	3 821
<b>TOTAL</b>	<b>10 000</b>	<b>-</b>	<b>-</b>	<b>10 000</b>	<b>5 559</b>	<b>4 441</b>	<b>55.6</b>	<b>3 821</b>	<b>3 821</b>



## Department of Transport - Vote 35

## APPROPRIATION STATEMENT

for the year ended 31 March 2018

## Subprogramme: 8.1: International oil pollution compensation fund

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	10 000	-	-	10 000	5 559	4 441	55.6	3 821	3 821
Foreign governments and international organisations	10 000			10 000	5 559	4 441	55.6	3 821	3 821
<b>TOTAL</b>	<b>10 000</b>	<b>-</b>	<b>-</b>	<b>10 000</b>	<b>5 559</b>	<b>4 441</b>	<b>55.6</b>	<b>3 821</b>	<b>3 821</b>

## Department of Transport - Vote 35

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

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

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

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

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

**3. Detail on payments for financial assets**

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

**4. Explanations of material variances from Amounts Voted (after virement):****4.1 Per programme:**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme name	R'000	R'000	R'000	%
Administration	415 254	407 466	7 788	98.12

Administration underspent R7.8 million on Compensation of Employees due to posts that could not be filled, after shifting R434 000 to Integrated Transport Planning.

Because of invoices received late, the programme overspent R7.2 million on Office Accommodation, which was covered by shifting funds from Public Transport.

Funds of R8.2 million were shifted within the programme from Goods and Services to Transfers to Households (net R1.8 million) to cover leave gratuities and to Payments for Capital Assets (R6.4 million) to cover the cost of transport equipment (R1.3 million), other machinery and equipment (R4.7 million) and software (R0.4 million).



## Department of Transport - Vote 35

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme name	R'000	R'000	R'000	%
Integrated Transport Planning	83 075	76 660	6 415	92.28

Integrated Transport Planning slightly overspent its budget for Compensation of Employees, for which R434 000 was shifted from Administration to cover the shortfall.

The programme saved R5.7 million and underspent R1.1 million on Goods and Services due to projects completed in-house (Roll out of National Transport Master Plan Interventions, White Paper on National Transport Policy, Regional Transport Market Access Strategy, and Single Transport Economic Regulator Bill) and the Road Freight Strategy that could not be competed due to delays in processes. Debts written off amounted to R148 000.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme name	R'000	R'000	R'000	%
Rail Transport	19 333 199	14 515 158	4 818 041	75.08

Rail Transport underspent its budget by R4.8 billion because the last transfer payment to the Passenger Rail Agency of South Africa Ltd. (PRASA) was withheld due to consistent low expenditure on the capital programmes of PRASA.

The programme also underspent R1.8 million on Compensation of Employees due to posts that could not be filled.

The programme saved R3.8 million and underspent R2 million on Goods and Services due to projects completed in-house or below budget (White Paper on National Rail Policy, Interim Rail Economic Regulatory Capacity, National Rail Safety Amendment Bill, Implementation of the Branchline Model for Private Sector Participation) and the National Rail Bill consultative processes that was negatively impacted by delays in the submission of the White Paper on the National Rail Policy to Cabinet.

## Department of Transport - Vote 35

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme name	R'000	R'000	R'000	%
Road Transport	27 138 175	27 118 369	19 806	99.93

Road Transport underspent R4 million on Compensation of Employees due to posts that could not be filled.

Savings on goods and Services amounted to a net R16 million due to projects completed in-house or below budget. Savings were recorded against the Development of the White Paper on Roads Policy, Construction and Maintenance of Provincial Roads Monitored, Access Road Development Plan, Review of Founding Legislations of Road Entities, Monitoring implementation of the Road Safety Strategy and Development of an Anti-Fraud and Corruption Strategy for Driving Licence Testing Centres, Vehicle Testing Centres and Registration Authorities. Road Safety Projects were however overspent. Debts written off amounted to R447 000.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme name	R'000	R'000	R'000	%
Civil Aviation	171 165	166 149	5 016	97.07

Civil Aviation underspent R3.4 million on Compensation of Employees due to posts that could not be filled and saved R1.6 million on Goods and Services on projects completed in-house (National Airports Development Plan, Aviation Development Plan implementation, the Review of the Airlift Strategy and National Air Transport Strategy).

An amount of R930 000 was shifted from Maritime Transport to Transfers to Foreign Governments and International Organisations to cover the cost of late invoices for international membership fees.

The programme shifted R2.1 million within the programme from Goods and Services to Transfers to Foreign Governments and International Organisations (R909 000), Transfers to Households (R917 00) to cover leave gratuities and to Payments for Capital Assets (R226 000) to cover the increase in machine rentals due to new contracts entered into for photocopiers.

## Department of Transport - Vote 35

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme name	R'000	R'000	R'000	%
Maritime Transport	128 417	109 327	19 090	85.13

Maritime Transport underspent R7.6 million on Compensation of Employees due to posts that could not be filled.

The programme underspent R1.4 million on Goods and Services on finalising the Merchant Shipping Bill because stakeholder consultations could not be completed. A net amount of R10.1 million was saved on Goods and Services because a number of projects could be collectively completed below budget, such as the development of the Maritime Transport Policy, Assessments of Operation Phakisa Infrastructure Projects, preparations for the 2020 World Maritime Day Marine Courts of Enquiry, Funding Model for the South African Maritime Safety Authority and Training on United Nations Dangerous Goods.

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Programme name	R'000	R'000	R'000	%
Public Transport	12 525 895	12 277 572	248 323	98.02

Public Transport underspent R5 million on Compensation of Employees due to posts that could not be filled because a moratorium was placed on filling certain posts for most of the year.

Goods and Services was underspent by R52 million and R18 million was saved. The under expenditure was due to a number of projects that could not be completed and the delays in the bidding processes, such as the R15 million Upgrade of the National Transport Land Transport Information System (delays caused by re- advertisement), the Rollout of the National Transport Land Transport Act, the Shova Kalula Bicycle programme, the finalisation of the Transport Appeal Tribunal Amendment Bill and the Funding and Monitoring of the implementation of seven Integrated Public Transport Network plans. The programme saved on administrative expenditure, the finalisation of Integrated Public Transport Network plans in two District Municipalities and the Review of the Taxi Recapitalisation Programme Design and Implementation Plan.

Transfer to Provinces and Municipalities was underspent by R52.5 million because a payment to Msunduzi from the Public Transport Network Grant was stopped due to non-compliance with the division of Revenue Act.

Transfers to Households was underspent by R121.3 million after R24.3 million was shifted to augment the transfer payment to the Railway Safety Regulator and R9.9 million was shifted to Administration and Road Transport to cover unbudgeted costs relating to the Electronic National Traffic Information system. The under expenditure was due to the slow rate at which taxis were scrapped and because the scrapping of taxis is demand driven.

## Department of Transport - Vote 35

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

## 4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	456 821	427 233	29 588	93.5
Goods and services	662 269	551 291	110 978	83.2
<b>Transfers and subsidies</b>				
Provinces and municipalities	22 743 403	22 690 900	52 503	99.8
Departmental agencies and accounts	16 289 778	16 289 778	-	100.0
Public corporations and private enterprises	19 216 418	14 405 960	4 810 458	75.0
Foreign governments and international organisations	28 628	24 193	4 435	84.5
Non-profit institutions	23 957	23 957	-	100.0
Households	368 555	247 305	121 250	67.1
<b>Payments for capital assets</b>				
Machinery and equipment	14 937	14 601	336	97.8
Software and other intangible assets	414	414	-	100.0
<b>Payments for financial assets</b>	-	628	(628)	N/a

**Compensation of Employees** was underspent across Programmes due to posts that could not be filled because a moratorium was placed on filling certain posts for most of the year due to budgetary restrictions.

**Goods and Services** was underspent by a net R56 million and savings amounted to R55 million as detailed in the explanations per Programme above.

**Provinces and Municipalities** was underspent because a payment to Msunduzi from the Public Transport Network Grant was stopped due to non-compliance with the division of Revenue Act.

## Department of Transport - Vote 35

## NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

**Public Corporations and Private Enterprises** was underspent because the last transfer payment to the Passenger Rail Agency of South Africa Ltd. (PRASA) was withheld due to consistent low expenditure on the capital programmes of PRASA.

**Foreign Governments and International Organisations** was underspent because the transfer to the International Oil Pollution Compensation Fund was over budgeted for.

Transfers to **Households** was underspent due to the slow rate at which taxis were scrapped and because the scrapping of taxis is not demand driven.

**Machinery and Equipment** was underspent in certain areas due to less expenditure on computers, office equipment and furniture as a result of less posts that were filled after a total of R5.7 million was shifted from Goods and Services to cover over expenditure in most areas due to under budgeting.

**Payments for Financial Assets** were incurred due to debts written off.

## 4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Provincial Road Maintenance - Coal Haulage Grant	482 000	482 000	0	0.0
Provincial Road Maintenance - Disaster Management Grant	270 000	270 000	0	0.00%
Provincial Road Maintenance Grant	10 001 664	10 001 663	1	0.00
Public Transport Operations Grant	5 722 871	5 722 871	0	0.00
Public Transport Network Operations Grant	6 159 559	6 107 057	52 502	0.85
Rural Road Asset Management Grant	107 309	107 309	0	0.00

Conditional Grants was underspent by R52.5 million because a payment to Msunduzi from the Public Transport Network Grant was stopped due to non-compliance with the division of Revenue Act. An amount of R1 000 was inadvertently short paid from the Provincial Road Maintenance Grant to the Western Cape.

## Department of Transport - Vote 35

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2018

		2017/18	2016/17
	Note	R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	59 805 180	56 289 675
Departmental revenue	2	368 488	292 308
<b>TOTAL REVENUE</b>		<b>60 173 668</b>	<b>56 581 983</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	427 233	392 791
Goods and services	4	551 291	814 153
<b>Total current expenditure</b>		<b>978 524</b>	<b>1 206 944</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	53 682 093	55 168 748
<b>Total transfers and subsidies</b>		<b>53 682 093</b>	<b>55 168 748</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	14 601	9 548
Intangible assets		414	-
<b>Total expenditure for capital assets</b>		<b>15 015</b>	<b>9 548</b>
<b>Payments for financial assets</b>	5	<b>628</b>	<b>22 240</b>
<b>TOTAL EXPENDITURE</b>		<b>54 676 260</b>	<b>56 407 480</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>5 497 408</b>	<b>174 503</b>
<b>Reconciliation of net surplus/(deficit) for the year</b>			
Voted funds		5 128 920	(117 805)
Annual appropriation		5 128 920	(117 805)
Departmental revenue and NRF Receipts	14	368 488	292 308
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>5 497 408</b>	<b>174 503</b>



## Department of Transport - Vote 35

## STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2018

		2017/18	2016/17
	Note	R'000	R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>5 132 414</b>	<b>1 383 054</b>
Unauthorised expenditure	8	1 338 165	1 338 165
Cash and cash equivalents	9	3 728 020	400
Prepayments and advances	10	62 820	34 932
Receivables	11	3 409	9 557
<b>Non-Current Assets</b>		<b>6 089 441</b>	<b>6 089 441</b>
Investments	12	6 089 441	6 089 441
<b>TOTAL ASSETS</b>		<b>11 221 855</b>	<b>7 472 495</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>5 131 790</b>	<b>1 382 440</b>
Voted funds to be surrendered to the Revenue Fund	13	5 128 920	59 163
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	2 752	2 182
Bank overdraft	15	-	1 320 821
Payables	16	118	274
<b>Non-Current Liabilities</b>			
Payables	17	238	184
<b>TOTAL LIABILITIES</b>		<b>5 132 028</b>	<b>1 382 624</b>
<b>NET ASSETS</b>		<b>6 089 827</b>	<b>6 089 871</b>
<b>Represented by:</b>			
Capitalisation reserve		6 089 441	6 089 441
Recoverable revenue		386	430
<b>TOTAL</b>		<b>6 089 827</b>	<b>6 089 871</b>

## Department of Transport - Vote 35

## STATEMENT OF CHANGES IN NET ASSETS

*for the year ended 31 March 2018*

	<b>2017/18</b>	<b>2016/17</b>
<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>NET ASSETS</b>		
<b>Capitalisation Reserves</b>		
Opening balance	6 089 441	6 089 441
Closing balance	6 089 441	6 089 441
Opening balance	430	491
Transfers	(44)	(61)
Debts revised	(4)	(10)
Debts recovered (included in departmental receipts)	(344)	(539)
Debts raised	304	488
Closing balance	386	430
<b>TOTAL</b>	<b>6 089 827</b>	<b>6 089 871</b>

**Department of Transport - Vote 35**

# CASH FLOW STATEMENT

*for the year ended 31 March 2018*

		2017/18	2016/17
	Note	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		59 906 814	56 326 312
Annual appropriated funds received	1.1	59 805 180	56 289 675
Departmental revenue received	2.1; 2.3	101 534	35 563
Interest received	2.2	100	1 074
Net (increase)/ decrease in working capital		(21 896)	1 061 119
Surrendered to Revenue Fund	13 14	(427 081)	(584 552)
Current payments		(978 524)	(1 029 976)
Payments for financial assets	5.1	(628)	(22 240)
Transfers and subsidies paid	6	(53 682 093)	(55 168 748)
<b>Net cash flow available from operating activities</b>	<b>18</b>	<b>4 796 592</b>	<b>581 915</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(15 015)	(9 548)
<b>Net cash flows from investing activities</b>		<b>(15 015)</b>	<b>(9 548)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received	2.2	266 854	255 671
Increase/ (decrease) in net assets	25	(44)	(61)
Increase/ (decrease) in non-current payables	17	54	135
<b>Net cash flows from financing activities</b>		<b>266 864</b>	<b>255 745</b>
Net increase/ (decrease) in cash and cash equivalents		5 048 441	5 048 441
Cash and cash equivalents at beginning of period		(1 320 421)	(2 148 533)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>19</b>	<b>3 728 020</b>	<b>(1 320 421)</b>

## Department of Transport - Vote 35

## ACCOUNTING POLICIES

*for the year ended 31 March 2018***Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the Department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

**1. Basis of preparation**

The financial statements have been prepared in accordance with the Modified Cash Standard.

**2. Going concern**

The financial statements have been prepared on a going concern basis.

**3. Presentation currency**

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

**4. Rounding**

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

**5. Foreign currency translation**

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

**6. Comparative information****6.1. Prior period comparative information**

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

**6.2. Current year comparison with budget**

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

**7. Revenue****7.1. Appropriated funds**

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

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

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.



## Department of Transport - Vote 35

## ACCOUNTING POLICIES

*for the year ended 31 March 2018***7.2. Departmental revenue**

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

**7.3. Accrued departmental revenue**

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the Department's debt write-off policy.

**8. Expenditure****8.1. Compensation of employees****8.1.1. Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

**8.1.2. Social contributions**

Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

**8.2. Other expenditure**

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

**8.3. Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

**8.4. Leases****8.4.1. Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

**8.4.2. Finance leases**

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

## Department of Transport - Vote 35

## ACCOUNTING POLICIES

for the year ended 31 March 2018

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

## 9. Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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

## 10. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

## 11. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.

## 12. Investments

Investments are recognised in the statement of financial position at cost.

## 13. Financial assets

### 13.1. Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

### 13.2. Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

## 14. Payables

Loans and payables are recognised in the statement of financial position at cost.

## 15. Capital Assets

### 15.1. Immovable capital assets

Immovable assets reflected in the asset register of the Department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

## Department of Transport - Vote 35

## ACCOUNTING POLICIES

*for the year ended 31 March 2018*

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

**15.2. Movable capital assets**

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

**15.3. Intangible assets**

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

**16. Provisions and Contingents****16.1. Provisions**

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

**16.2. Contingent liabilities**

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

**16.3. Contingent assets**

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.

## Department of Transport - Vote 35

## ACCOUNTING POLICIES

*for the year ended 31 March 2018***16.4. Commitments**

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

**17. Unauthorised expenditure**

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament with funding and the related funds are received; or
- approved by Parliament without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

**18. Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

**19. Irregular expenditure**

Irregular expenditure is recorded in the notes to the financial statements when confirmed.

The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

**20. Changes in accounting policies accounting estimates and errors**

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

**21. Events after the reporting date**

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.



## Department of Transport - Vote 35

## ACCOUNTING POLICIES

*for the year ended 31 March 2018***22. Capitalisation reserve**

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

**23. Recoverable revenue**

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

**24. Related party transactions**

A related party transaction is a transfer of resources services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning directing and controlling the activities of the Department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

**25. Inventories (Effective from date determined in a Treasury Instruction)**

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

**26. Public-Private Partnerships**

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received the unitary fees paid, rights and obligations of the Department are recorded in the notes to the financial statements.

**27. Employee benefits**

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 1. Annual Appropriation

Programmes	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation Received
	R'000	R'000	R'000	R'000	R'000
Administration	407 071	407 071	-	365 182	77 054
Integrated Transport Planning	82 641	82 641	-	77 054	18 993 457
Rail Transport	19 308 899	19 308 899	-	18 993 457	24 878 466
Road Transport	27 129 639	27 129 639	-	24 878 466	258 267
Civil Aviation	170 235	170 235	-	258 267	156 386
Maritime Transport	129 347	129 347	-	156 386	11 557 042
Public Transport	12 567 348	12 567 348	-	11 557 042	3 821
Direct Charge	10 000	10 000	-	3 821	56 289 675
<b>TOTAL</b>	<b>59 805 180</b>	<b>59 805 180</b>	<b>-</b>	<b>56 289 675</b>	<b>6 089 871</b>

Funds are requested each month according to expected cash outflows.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 2. Departmental Revenue

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets	2.1	1 401	1 139
Interest dividends and rent on land	2.2	266 954	256 745
Transactions in financial assets and liabilities	2.3	100 133	34 424
<b>DEPARTMENTAL REVENUE COLLECTED</b>		<b>368 488</b>	<b>292 308</b>

## 2.1 Sales of goods and services other than capital assets

	2		
Sales of goods and services produced by the department		1 400	1 138
Sales by market establishment		92	91
Administrative fees		1 160	907
Other sales		148	140
Sales of scrap waste and other used current goods		1	1
<b>TOTAL</b>		<b>1 401</b>	<b>1 139</b>

## 2.2 Interest dividends and rent on land

	2		
Interest		100	1 074
Dividends		266 854	255 671
<b>TOTAL</b>		<b>266 954</b>	<b>256 745</b>

## 2.3 Transactions in financial assets and liabilities

	2		
Other Receipts including Recoverable Revenue		100 133	34 424
<b>TOTAL</b>		<b>100 133</b>	<b>34 424</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 3. Compensation of Employees

	Note	2017/18	2016/17
		R'000	R'000
<b>3.1 Salaries and wages</b>			
Basic salary		272 833	257 491
Performance award		25 436	8 904
Service Based		530	278
Compensative/circumstantial		8 551	9 170
Periodic payments		2 518	2 620
Other non-pensionable allowances		70 970	70 405
<b>TOTAL</b>		<b>380 838</b>	<b>348 868</b>
<b>3.2 Social Contributions</b>			
<b>Employer contributions</b>			
Pension		34 727	32 857
Medical		11 614	11 000
Bargaining council		54	66
<b>TOTAL</b>		<b>46 395</b>	<b>43 923</b>
<b>TOTAL COMPENSATION OF EMPLOYEES</b>		<b>427 233</b>	<b>392 791</b>
Average number of employees		656	681



## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 4. Goods and services

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		3 329	3 143
Advertising		19 413	17 621
Minor assets	4.1	844	717
Bursaries (employees)		2 249	1 354
Catering		7 581	5 060
Communication		68 525	69 297
Computer services	4.2	15 979	12 154
Consultants: Business and advisory services		174 065	443 607
Infrastructure and planning services		46 827	64 201
Legal services		9 759	19 911
Contractors		5 589	4 723
Agency and support / outsourced services		536	958
Entertainment		273	299
Audit cost – external	4.3	7 130	5 787
Fleet services		137	-
Inventory	4.4	10 423	4 710
Consumables	4.5	5 445	6 871
Operating leases		80 374	53 728
Property payments	4.6	7 449	5 133
Transport provided as part of the departmental activities		44	126
Travel and subsistence	4.7	69 312	68 187
Venues and facilities		8 198	16 634
Training and development		4 225	6 108
Other operating expenditure	4.8	3 585	3 824
<b>TOTAL</b>		<b>551 291</b>	<b>814 153</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
<b>4.1 Minor assets</b>	4		
<b>Tangible assets</b>		844	717
Machinery and equipment		844	717
<b>TOTAL</b>		<b>844</b>	<b>717</b>
<b>4.2 Social Contributions</b>	4		
SITA computer services		3 429	3 748
External computer service providers		12 550	8 406
<b>TOTAL</b>		<b>15 979</b>	<b>12 154</b>
<b>4.3 Social Contributions</b>	4		
Regularity audits		7 130	5 787
<b>TOTAL</b>		<b>7 130</b>	<b>5 787</b>
<b>4.4 Social Contributions</b>	4		
Materials and supplies		24	32
Other supplies	4.4.1	10 399	4 678
<b>TOTAL</b>		<b>10 423</b>	<b>4 710</b>
<b>4.4.1 Social Contributions</b>	4		
Assets for distribution		10 399	4 678
Other assets for distribution		10 399	4 678
<b>TOTAL</b>		<b>10 399</b>	<b>4 678</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	Note	2017/18	2016/17
	4	R'000	R'000
<b>4.5 Social Contributions</b>			
Consumable supplies		1 163	2 552
Uniform and clothing		49	456
Household supplies		220	17
Building material and supplies		-	8
Communication accessories		74	1
IT consumables		134	150
Other consumables		686	1 920
Stationery, printing and office supplies		4 282	4 319
<b>TOTAL</b>		<b>5 445</b>	<b>6 871</b>
<b>4.6 Social Contributions</b>	4		
Other		7 449	5 133
<b>TOTAL</b>		<b>7 449</b>	<b>5 133</b>
<b>4.7 Social Contributions</b>	4		
Local		55 737	54 977
Foreign		13 575	13 210
<b>TOTAL</b>		<b>69 312</b>	<b>68 187</b>
<b>4.8 Social Contributions</b>	4		
Professional bodies membership and subscription fees		723	190
Resettlement costs		66	18
Other		2 796	3 616
<b>TOTAL</b>		<b>3 585</b>	<b>3 824</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 5. Payments for financial assets

	Note	2017/18 R'000	2016/17 R'000
Debts written off	5.1	33	22 240
<b>TOTAL</b>		<b>33</b>	<b>22 240</b>
<b>5.1 Debts written off</b>	<b>5</b>		
Other debt written off			
Travel and subsistence		149	47
Overpayments and State guarantees		16	1
Stolen equipment		16	17
Unsuccessful litigation		447	
Other			2
Interest on late payment			5
South African Maritime Safety Authority			22 168
<b>TOTAL</b>		<b>628</b>	<b>22 240</b>
<b>TOTAL DEBT WRITTEN OFF</b>		<b>628</b>	<b>22 240</b>



## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 6. Transfers and Subsidies

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Provinces and municipalities	37; 38	22 690 900	21 572 691
Departmental agencies and accounts	ANNEXURE 1B	16 289 778	14 296 079
Foreign governments and international organisations	ANNEXURE 1D	24 193	15 845
Public corporations and private enterprises	ANNEXURE 1C	14 405 960	18 890 267
Non-profit institutions	ANNEXURE 1E	23 957	22 816
Households	ANNEXURE 1F	247 305	371 050
<b>TOTAL</b>		<b>53 682 093</b>	<b>55 168 748</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 7. Expenditure for capital assets

	Note	2017/18 R'000	2016/17 R'000
<b>Tangible assets</b>		<b>14 601</b>	<b>9 548</b>
Machinery and equipment	32.1	14 601	9 548
<b>Intangible assets</b>	33.2	<b>414</b>	<b>-</b>
Software		414	-
<b>TOTAL</b>		<b>15 015</b>	<b>9 548</b>

## 7.1 Analysis of funds utilised to acquire capital assets - 2017/18

		Voted Funds	TOTAL
<b>Tangible assets</b>		<b>14 601</b>	<b>14 601</b>
Machinery and equipment	32.1	14 601	14 601
<b>Intangible assets</b>	33.2	<b>414</b>	<b>414</b>
Software		414	414
<b>TOTAL</b>		<b>15 015</b>	<b>15 015</b>

## 7.2 Analysis of funds utilised to acquire capital assets - 2016/178

		Voted Funds	TOTAL
<b>Tangible assets</b>		<b>9 548</b>	<b>9 548</b>
Machinery and equipment		9 548	9 548
<b>TOTAL</b>		<b>9 548</b>	<b>9 548</b>

## 7.3 Finance lease expenditure included in Expenditure for capital assets

<b>Tangible assets</b>			
Machinery and equipment		3 906	3 258
<b>TOTAL</b>		<b>3 906</b>	<b>3 258</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 8. Unauthorised Expenditure

	Note	2017/18	2016/17
		R'000	R'000
8.1 Reconciliation of unauthorised expenditure			
Opening balance		1 338 165	2 368 571
Unauthorised expenditure - discovered in the current year (as restated)			176 968
Less: Amounts approved by Parliament/Legislature with funding			(1 207 374)
<b>CLOSING BALANCE</b>		<b>1 338 165</b>	<b>1 338 165</b>

## Analysis of closing balance

Unauthorised expenditure awaiting authorisation	1 338 165	1 338 165
<b>TOTAL</b>	<b>1 338 165</b>	<b>1 338 165</b>

## 8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

Current	1 338 165	1 338 165
<b>TOTAL</b>	<b>1 338 165</b>	<b>1 338 165</b>

## 8.3 Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure relating to overspending of the vote or a main division within the vote	1 338 165	1 338 165
<b>TOTAL</b>	<b>1 338 165</b>	<b>1 338 165</b>

	2017/18		2016/17	
	Current	Total	Current	Total
	R'000	R'000	R'000	R'000
8.4 Unauthorised expenditure split into current and non-current asset				
Details				
Over expenditure of Road Transport because eNaTIS was unfunded	1 338 165	1 338 165	1 338 165	1 338 165
<b>TOTAL</b>	<b>1 338 165</b>	<b>1 338 165</b>	<b>1 338 165</b>	<b>1 338 165</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

*for the year ended 31 March 2018*

## 9. Cash and Cash Equivalents

	Note	2017/18	2016/17
		R'000	R'000
Consolidated Paymaster General Account		3 727 986	-
Cash receipts		-	372
Cash on hand		28	28
Investments (Domestic)		6	-
<b>TOTAL</b>		<b>3 728 020</b>	<b>400</b>

The amount of cash on hand held by the Department is available for use.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 10. Prepayments and Advances

	Note	2017/18 R'000	2016/17 R'000
Travel and subsistence		-	75
Prepayments (Not expensed)	10.2	45 435	28 977
Advances paid (Not expensed)	10.1	17 385	5 880
<b>TOTAL</b>		<b>62 820</b>	<b>34 932</b>

	Note	Balance as at 1 April 2017 R'000	Less: Amount expensed in current year R'000	Add: Current Year advances R'000	Balance as at 31 March 2018 R'000
<b>10.1 Advances paid (Not expensed)</b>	10				
National departments		4 889	(12 372)	15 000	7 517
Provincial departments		631			631
Other institutions		360	(1 418)	10 295	9 237
<b>TOTAL</b>		<b>5 880</b>	<b>(13 790)</b>	<b>25 295</b>	<b>17 385</b>

The Department of International Relations and Cooperation and Government Communications and Information Services require advance payments before services are rendered to the Department.

	Note	Balance as at 1 April 2017 R'000	Less: Amount expensed in current year R'000	Add: Current Year advances R'000	Balance as at 31 March 2018 R'000
<b>10.2 Prepayments (Not expensed)</b>	10				
Listed by economic classification					
Goods and services		28 977	(233 542)	250 000	45 435
<b>TOTAL</b>		<b>28 977</b>	<b>(233 542)</b>	<b>250 000</b>	<b>45 435</b>

The Taxi Scrapping Administrator requires advance payments for the scrapping allowance payable for the scrapping of taxis.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 11. Receivables

	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1; Annex 4	2 071		2 071	8 173	-	8 173
Recoverable expenditure	11.2	181		181	144	-	144
Staff debt	11.3	779		779	836	-	836
Other debtors	11.4	378		378	404	-	404
<b>TOTAL</b>		<b>3 409</b>	<b>-</b>	<b>3 409</b>	<b>9 557</b>	<b>-</b>	<b>9 557</b>

	Note	2017/18	2016/17
	11	R'000	R'000
<b>11.1 Claims recoverable</b>			
National departments		1 871	1 285
Provincial departments		39	39
Public entities		161	6 849
<b>TOTAL</b>		<b>2 071</b>	<b>8 173</b>

	Note	2017/18	2016/17
	11	R'000	R'000
<b>11.2 Recoverable expenditure (disallowance accounts)</b>			
Salary overpayments		181	144
<b>TOTAL</b>		<b>181</b>	<b>144</b>

	Note	2017/18	2016/17
	11	R'000	R'000
<b>11.3 Staff debt</b>			
Overpayments and State guarantees		168	201
Subsistence and travel		57	74
Other		554	561
<b>TOTAL</b>		<b>779</b>	<b>836</b>

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	Note	2017/18	2016/17
	11	R'000	R'000
<b>11.4 Other debtors</b>			
Ex personnel - overpayments and State guarantees		173	171
Subsistence and travel		7	1
Overpayments		-	91
Claim for interest paid		73	73
Other		125	42
Pension recoverable		-	26
<b>TOTAL</b>		<b>378</b>	<b>404</b>
<b>11.5 Fruitless and wasteful expenditure</b>	11		
Opening balance		-	-
Less amounts recovered		(607)	(19)
Transfers from note 32 Fruitless and Wasteful expenditure		607	19
<b>TOTAL</b>		<b>-</b>	<b>-</b>
<b>11.6 Impairment of receivables</b>	11		
Estimate of impairment of receivables		554	485
<b>TOTAL</b>		<b>554</b>	<b>485</b>

The impairment of receivables is determined by all debts that had to be handed over for legal action and debts identified for write-off.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 12. Investments

	Note	2017/18 R'000	2016/17 R'000
<b>Non-Current</b>			
<b>Shares and other equity</b>			
Passenger Rail Agency of South Africa Ltd.		4 248 259	4 248 259
Airports Company Ltd.		559 492	559 492
Air Traffic and Navigational Services Company Ltd.		190 646	190 646
S.A. National Roads Agency (SOC) Ltd.		1 091 044	1 091 044
<b>TOTAL</b>		<b>6 089 441</b>	<b>6 089 441</b>
<b>Analysis of non-current investments</b>			
Opening balance		6 089 441	6 089 441
<b>CLOSING BALANCE</b>		<b>6 089 441</b>	<b>6 089 441</b>
<b>12.1 Impairment of investments</b>			
Estimate of impairment of investments		4 248 259	4 163 994
<b>TOTAL</b>		<b>4 248 259</b>	<b>4 163 994</b>

Impairment of investments represents the shortfall of net asset value compared to the cost of the investment. The estimate of impairment of investments is subject to amendment because the audit of the Passenger Rail Agency of South Africa Ltd. for 2016/2017 was not yet finalised.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 13. Voted Funds to be Surrendered to the Revenue Fund

	Note	2017/18 R'000	2016/17 R'000
Opening balance		59 163	294 290
Transfer from Statement of Financial Performance (as restated)		5 128 920	117 805
Add: Unauthorised expenditure for current year	8	-	176 968
Voted funds not requested/not received	1.1	-	-
Paid during the year		(59 163)	(294 290)
<b>CLOSING BALANCE</b>		<b>5 128 920</b>	<b>59 163</b>

## 14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

Opening balance		2 182	136
Less amounts recovered		368 488	292 308
Transfers from note 32 Fruitless and Wasteful expenditure		(367 918)	(290 262)
<b>CLOSING BALANCE</b>		<b>2 752</b>	<b>2 182</b>

## 14.1 Prior period error

Opening balance	14	-	2 048
Transfers from note 32 Fruitless and Wasteful expenditure		-	2 048
<b>TOTAL</b>			<b>2 048</b>

## 15. Bank Overdraft

Consolidated Paymaster General Account		-	1 320 821
<b>TOTAL</b>		<b>-</b>	<b>1 320 821</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 16. Payables - current

	Note	2017/18 R'000	2016/17 R'000
Clearing accounts	16.1	112	186
Other payables	16.2	6	88
<b>TOTAL</b>		<b>118</b>	<b>274</b>
<b>16.1 Clearing accounts</b>	<b>16</b>		
Income tax		95	186
Pension fund		4	-
Telephone		13	-
<b>TOTAL</b>		<b>112</b>	<b>186</b>
<b>16.2 Other payables</b>	<b>16</b>		
Salary payments		6	88
<b>TOTAL</b>		<b>6</b>	<b>88</b>



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 17. Payables – non-current

	Note	2017/18				2016/17
		One to two years	Two to three years	More than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Other payables	17.1	238			238	184
<b>TOTAL</b>		<b>238</b>	<b>-</b>	<b>-</b>	<b>238</b>	<b>184</b>

	Note	2017/18	2016/17
		R'000	R'000
<b>17.1 Other payables</b>	<b>17</b>		
Appeal deposits		238	184
<b>TOTAL</b>		<b>238</b>	<b>184</b>

## 18. Net cash flow available from operating activities

	Note	2017/18	2016/17
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		5 497 408	174 503
Add back non cash/cash movements not deemed operating activities		(700 816)	407 412
(Increase)/decrease in receivables		6 148	21 583
(Increase)/decrease in prepayments and advances		(27 888)	11 354
(Increase)/decrease in other current assets		-	1 207 374
Increase/(decrease) in payables – current		(156)	(2 224)
Expenditure on capital assets		15 015	9 548
Surrenders to Revenue Fund		(427 081)	(584 552)
Voted funds not requested/not received		-	-
Other non-cash items		(266 854)	(255 671)
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES</b>		<b>4 796 592</b>	<b>581 915</b>

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

**19. Reconciliation of cash and cash equivalents for cash flow purposes**

Consolidated Paymaster General account	3 727 986	(1 320 821)
Cash receipts	-	372
Cash on hand	28	28
Cash with commercial banks (Local)	6	-
<b>TOTAL</b>	<b>3 728 020</b>	<b>(1 320 421)</b>

**20. Contingent liabilities and contingent assets**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
<b>20.1 Contingent liabilities</b>			
<b>Liable to</b>			
Other guarantees	<i>Annex 3A</i>	30 367 604	29 457 772
Claims against the Department	<i>Annex 3B</i>	80 632	66 144
<b>TOTAL</b>		<b>30 448 236</b>	<b>29 523 916</b>

**A brief description on the uncertainties relating to the amount or timing of any outflow:**

Guarantees: The potential financial effect amounts to the amount of guarantees issued. The amount and timing of any outflow is uncertain and will depend on whether the South African National Roads Agency (SOC) Ltd. honours the obligations that are guaranteed.

Claims against the Department represent the amounts of litigation against the Department and claims for expenditure that was not substantiated. The amount and timing of any outflow is uncertain and will depend whether legal action against the Department succeeds or whether amounts claimed can be substantiated.

**A brief discussion on the possibility of any reimbursement:**

For guarantees issued there is no possibility of any reimbursement. For claims against the Department, there is a possibility of the reimbursement of legal costs, depending on a court order.

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 21. Commitments

	Note	2017/18 R'000	2016/17 R'000
<b>Current expenditure</b>			
Approved and contracted		291 126	277 909
		<b>291 126</b>	<b>277 909</b>
<b>Capital Expenditure</b>			
Approved and contracted		1 297	2 973
		<b>1 297</b>	<b>2 973</b>
<b>TOTAL COMMITMENTS</b>		<b>292 423</b>	<b>280 882</b>

Committed for longer than a year: Current expenditure approved and contracted R284 304 741.68.

## 22. Accruals and payables not recognised

	2017/18			2016/17
	30 days	30+ days	Total	Total
	R'000	R'000	R'000	R'000
<b>22.1 Accruals</b>				
<b>Listed by economic classification</b>				
Goods and services	32 395	3 395	35 790	198 896
Transfers and subsidies			-	5 478
Capital assets	253		253	1 627
Other	32		32	1 372
<b>TOTAL</b>	<b>32 680</b>	<b>3 395</b>	<b>36 075</b>	<b>207 373</b>

Material accruals include communication services housing SADC Council Ministers payments for infrastructure and planning services and travel and accommodation expenditure that were not yet paid for at the end of the period.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 23. Employee benefits

	Note	2017/18	2016/17
		R'000	R'000
Leave entitlement		48 329	48 789
Service bonus (Thirteenth cheque)		9 761	8 976
Capped leave commitments		11 343	11 289
<b>TOTAL</b>		<b>69 433</b>	<b>69 054</b>

At this stage the Department is not able to reliably measure the long-term portion of the long service awards.

## 24. Lease commitments

2017/18	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
<b>24.1 Operating leases expenditure</b>			
Not later than 1 year	85 736	-	85 736
Later than 1 year and not later than 5 years	142 545	-	142 545
<b>TOTAL LEASE COMMITMENTS</b>	<b>228 281</b>	<b>-</b>	<b>228 281</b>

2016/17	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	78 658	3	78 661
Later than 1 year and not later than 5 years	228 282	-	228 282
<b>TOTAL LEASE COMMITMENTS</b>	<b>306 940</b>	<b>3</b>	<b>306 943</b>

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating leases comprise of leases for premises. The lease for premises will expire on 30 September 2020 with no option for renewal. The Department does not have an option to cancel the lease before the expiry date. A tenant's installation allowed the Department to upgrade the premises at R450 per square meter amounting to R15 million. There are no encumbrances on the lease.

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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2017/18	Machinery and equipment	Total
	R'000	R'000
<b>24.2 Finance leases expenditure</b>		
Not later than 1 year	2 689	2 689
Later than 1 year and not later than 5 years	3 105	3 105
<b>TOTAL LEASE COMMITMENTS</b>	<b>5 794</b>	<b>5 794</b>

2016/17	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	2 271	2 271
Later than 1 year and not later than 5 years	1 241	1 241
<b>TOTAL LEASE COMMITMENTS</b>	<b>3 512</b>	<b>3 512</b>

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Material leasing arrangements are leases of photocopy machines and cellular telephones. For photocopy machines the Department has an option to renew the lease after the initial period of 36 months for another 24 months with a 75% reduction in the original lease price. For cellular telephones, a one month notice must be given to end the lease at the end of the lease period of 24 months, after which the cellular telephones become the property of the Department.

## 25. Accrued departmental revenue

	Note	2017/18	2016/17
		R'000	R'000
Transactions in financial assets and liabilities		386	430
<b>TOTAL</b>		<b>386</b>	<b>430</b>

## 25.1 Analysis of accrued departmental revenue

Opening balance	430	491
Less: Amounts received	348	(549)
Add: Amounts recognised	304	488
<b>CLOSING BALANCE</b>	<b>386</b>	<b>430</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 26. Irregular expenditure

	Note	2017/18	2016/17
		R'000	R'000
<b>26.1 Reconciliation of irregular expenditure</b>			
Opening balance		1 952 553	1 869 143
Add: Irregular expenditure - relating to prior year		(509)	92 140
Add: Irregular expenditure - relating to current year		1 028	1 704
Less: Prior year amounts condoned			(9 353)
Less: Current year amounts condoned			(1 081)
Less: Amounts not condoned and not recoverable		(1 312 482)	-
<b>IRREGULAR EXPENDITURE AWAITING CONDONATION</b>		<b>640 590</b>	<b>1 952 553</b>

## Analysis of awaiting condonation per age classification

Current year	1 028	1 342
Prior years	639 562	1 951 211
<b>TOTAL</b>	<b>640 590</b>	<b>1 952 553</b>

		2017/18
		R'000
<b>26.2 Details of irregular expenditure – added current year (relating to current and prior years)</b>		
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
No competitive quotations obtained from the Central Supplier's Database	None yet - await outcome of investigation	55
No competitive quotations obtained from the Central Supplier's Database	None yet - await outcome of investigation	63
Amount not paid incorrectly declared as irregular expenditure	Disciplinary steps commenced but are not completed	(509)
No approval for obtaining less than 3 quotes	None yet	910
<b>TOTAL</b>		<b>519</b>

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for the year ended 31 March 2018

		2017/18
26.3 Details of irregular expenditure not recoverable (not condoned)		R'000
Incident	Not condoned by (condoning authority)	
Bidder selected on functionality on 21 April 2011	Accounting Officer	12 407
Advertisement contracted without following procedures on 14 December 2010	Accounting Officer	56
Change Note signed without authority	Accounting Officer	43 459
Irregular extension of a contract	Accounting Officer	1 256 560
<b>TOTAL</b>		<b>1 312 482</b>

## 26.4 Details of irregular expenditure under investigation (not included in the main note)

Could not obtain quotes from the Central Database and obtained suppliers from the Central Database of a Municipality	1 365
Missing batch - suspected irregularities	296
Supplier did not declare family relationship	297
<b>TOTAL</b>	<b>1 958</b>

		2016/17
26.5 Prior period error		R'000
Relating to 2016/17		(509)
Amount not paid incorrectly declared as irregular expenditure		(509)
<b>TOTAL</b>		<b>(509)</b>

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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## 27. Fruitless and wasteful expenditure

	Note	2017/18	2016/17
		R'000	R'000
<b>27.1 Reconciliation of fruitless and wasteful expenditure</b>			
Opening balance		1 596	843
Prior period error		-	(8)
As restated		1 596	835
Fruitless and wasteful expenditure – relating to prior year		13	845
Fruitless and wasteful expenditure – relating to current year		56	15
Less: Amounts resolved		(2)	(78)
Less: Amounts transferred to receivables for recovery	11.5	(607)	(21)
<b>CLOSING BALANCE</b>		<b>1 056</b>	<b>1 596</b>
<b>27.2 Analysis of awaiting resolution per economic classification</b>			
Current		1 056	1 596
<b>TOTAL</b>		<b>1 056</b>	<b>1 596</b>



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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		2017/18
		R'000
<b>27.3 Analysis of Current Year's Fruitless and wasteful expenditure</b>		
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
59 Cases of "No shows"	To be transferred to debt	66
2 Cases of "No shows"	Transferred to debt	2
2 Cases of "No shows"	Under investigation	1
<b>TOTAL</b>		<b>69</b>

		Note	2016/17
			R'000
<b>27.4 Prior period error</b>			
Nature of prior period error			
<b>Relating to 2015/16 (affecting the opening balance)</b>			<b>(8)</b>
Incorrect amount captured on register	27.1		(8)
<b>Relating to 2016/17</b>			<b>(2)</b>
Incident was found not to be fruitless expenditure			(1)
Duplicated			(1)
<b>TOTAL</b>			<b>(10)</b>

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## 28. Related party transactions

	Note	2017/18	2016/17
		R'000	R'000
<b>Revenue received</b>			
Transactions in financial assets and liabilities		11 190	8 134
<b>TOTAL</b>		<b>11 190</b>	<b>8 134</b>
<b>Payments made</b>			
Goods and services		4 888	1 118
Payments for financial assets		5 147	9 763
<b>TOTAL</b>		<b>10 035</b>	<b>10 881</b>
<b>Year end balances arising from revenue/payments</b>			
Receivables from related parties		1 083	7 125
<b>TOTAL</b>		<b>1 083</b>	<b>7 125</b>
<b>Other</b>			
Guarantees issued/received			
S.A. National Roads Agency (SOC) Ltd.		30 367 604	29 457 772
<b>TOTAL</b>		<b>30 367 604</b>	<b>29 457 772</b>



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

*for the year ended 31 March 2018*

## Related party relationships

Name of related party	Relationship	Types of transaction
Air Traffic and Navigation Services Company Ltd.	Public Entity	Transactions in financial assets and liabilities
South African National Roads Agency Ltd.	Public Entity	Transfer payments
Road Traffic Management Corporation	Public Entity	Transfer payments and transactions in financial assets and liabilities
South African Civil Aviation Authority	Public Entity	Transfer payments, goods and services and transactions in financial assets and liabilities
South African Maritime Safety Authority	Public Entity	Transfer payments and goods and services
Driving License Card Account	Trading Entity	Salary claims and transactions in financial assets and liabilities
Passenger Rail Agency of South Africa Ltd.	Public Entity	Transfer payments and transactions in financial assets and liabilities
Railway Safety Regulator	Public Entity	Transfer payments and goods and services
Ports Regulator	Public Entity	Transfer payments
Road Traffic Infringements Agency	Public Entity	Transfer payments
Airports Company Ltd.	Public Entity	Not applicable
Cross Border Road Transport Agency	Public Entity	Not applicable
Road Accident Fund	Public Entity	Goods and services

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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## 29. Key management personnel

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers (provide detail below)	3	4 392	4 211
Level 15 to 16	11	9 461	11 738
Level 14 (incl. CFO if at a lower level)	31	35 817	33 873
<b>TOTAL</b>		<b>49 670</b>	<b>49 822</b>

## Key management personnel (Parliament/Legislatures)

Other	3	4 392	4 211
<b>TOTAL</b>		<b>4 392</b>	<b>4 211</b>

## 30. Public Private Partnership

	Note	2017/18 R'000	2016/17 R'000
<b>Unitary fee paid</b>		<b>13 339</b>	<b>14 796</b>
Indexed component		13 339	14 796
<b>Analysis of indexed component</b>		<b>13 339</b>	<b>14 796</b>
Goods and Services(excluding lease payments)		13 339	14 796

## Any guarantees issued by the department are disclosed in Note 20.1

Summary of the significant terms of the agreement, the parties to the agreement, and the date of commencement: A Transport Fleet Services Public Private Partnership was entered into during November 2006 to render vehicle fleet services to six Government departments. Over time, 13 Government departments are now participating in the contract. Services that are provided for in the contract include long-term vehicle rentals, short-term day-to-day vehicle rentals, short medium term vehicle rentals, a 24-hour Call Centre, chauffeur and point-to-point driven services, an internet based fleet management system with an electronic log book, and a fuel management system. The National Treasury approved the extension of the contact up to 28 February 2019.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 31. Provisions

	Note	2017/18	2016/17
		R'000	R'000
Long service awards		328	266
Provision for performance bonus		6 852	6 750
<b>TOTAL</b>		<b>7 180</b>	<b>7 016</b>

**Nature of each obligation and the expected timing of any resulting outflows of economic benefits or service potential:**

Long service award: Provision was made for employees who will receive long service awards in the next financial year. At this stage the Department is not able to reliably measure the long term portion of the long service awards.

Performance bonuses: The Provision for performance bonuses was based on the budget for Compensation of Employees for performance bonuses due but not yet paid. It is expected that the performance bonuses will be paid in the next financial year.

2017/18	Long service awards	Performance bonus	Total provisions
	R'000	R'000	R'000
<b>31.1 Reconciliation of movement in provisions</b>			
Opening balance	266	6 750	7 016
Increase in provision	309	6 852	7 161
Settlement of provision	(247)	(6 750)	(6 997)
<b>CLOSING BALANCE</b>	<b>328</b>	<b>6 852</b>	<b>7 180</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

2016/17	Long service awards	Performance bonus	Total provisions
	R'000	R'000	R'000
<b>31.1 Reconciliation of movement in provisions</b>			
Opening balance	300	6 557	6 857
Increase in provision	220	6 750	6 970
Settlement of provision	(254)	(6 557)	(6 811)
<b>CLOSING BALANCE</b>	<b>266</b>	<b>6 750</b>	<b>7 016</b>

**Nature of each obligation and the expected timing of any resulting outflows of economic benefits or service potential:**

Long service award: Provision was made for employees who will receive long service awards in the next financial year. At this stage the Department is not able to reliably measure the long term portion of the long service awards.

Performance bonuses: The Provision for performance bonuses was based on the budget for Compensation of Employees for performance bonuses due but not yet paid. It is expected that the performance bonuses will be paid in the next financial year.

**A description of the uncertainties/estimates applied in each of the provisions and information on the major assumptions made concerning future events:**

Long service awards: The provision is based on long service awards that will be paid to officials currently employed in the next twelve months.

Performance bonus: The payment of the performance bonuses will depend on the assessment of staff performance and the availability of the budget.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 32. Movable Tangible Capital Assets

## MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>32.1 Movement for 2017/18</b>					
<b>MACHINERY AND EQUIPMENT</b>	<b>138 338</b>	<b>595</b>	<b>10 742</b>	<b>86 498</b>	<b>63 177</b>
Transport assets	4 452	-	2 467	198	6 721
Computer equipment	98 183	-	4 329	65 155	37 357
Furniture and office equipment	31 434	392	2 144	20 899	13 071
Other machinery and equipment	4 269	203	1 802	246	6 028
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>138 338</b>	<b>595</b>	<b>10 742</b>	<b>86 498</b>	<b>63 177</b>

Included in disposals are eNaTIS assets that were transferred to the Road Traffic Management Corporation amounting to R84 926 385.92.

## ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current not paid (Paid current year received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>32.2 Additions</b>					
<b>MACHINERY AND EQUIPMENT</b>	<b>14 601</b>	<b>791</b>	<b>(3 906)</b>	<b>(744)</b>	<b>10 742</b>
Transport assets	3 267	-	-	(800)	2 467
Computer equipment	4 146	127	-	56	4 329
Furniture and office equipment	5 410	640	(3 906)	-	2 144
Other machinery and equipment	1 778	24	-	-	1 802
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>14 601</b>	<b>791</b>	<b>(3 906)</b>	<b>(744)</b>	<b>10 742</b>

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
<b>32.3 Disposals</b>				
<b>MACHINERY AND EQUIPMENT</b>	<b>6</b>	<b>86 492</b>	<b>86 498</b>	<b>-</b>
Transport assets		198	198	-
Computer equipment	6	65 149	65 155	-
Furniture and office equipment		20 899	20 899	-
Other machinery and equipment		246	246	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>6</b>	<b>86 492</b>	<b>86 498</b>	<b>-</b>

Included in disposals are eNaTIS assets that were transferred to the Road Traffic Management Corporation amounting to R84 926 385.92.

## MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>32.4 Movement for 2016/17</b>					
<b>MACHINERY AND EQUIPMENT</b>	<b>132 080</b>	<b>-</b>	<b>8 591</b>	<b>2 333</b>	<b>138 338</b>
Transport assets	3 652		800	-	4 452
Computer equipment	93 174		5 638	629	98 183
Furniture and office equipment	30 837		1 100	503	31 434
Other machinery and equipment	4 417		1 053	1 201	4 269
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>132 080</b>	<b>-</b>	<b>8 591</b>	<b>2 333</b>	<b>138 338</b>



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Machinery and equipment	Total
	R'000	R'000
<b>32.5 Minor assets</b>		
Opening balance	54 224	54 224
Additions	900	900
Disposals	38 076	38 076
<b>TOTAL MINOR ASSETS</b>	<b>17 048</b>	<b>17 048</b>
Number of R1 minor assets	105	105
Number of minor assets at cost	9 711	9 711
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>9 816</b>	<b>9 816</b>

Included in disposals are eNaTIS assets that were transferred to the Road Traffic Management Corporation amounting to R38 011 552.28.

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Machinery and equipment	Total
	R'000	R'000
<b>Minor assets</b>		
Opening balance	54 110	54 110
Additions	852	852
Disposals	738	738
<b>TOTAL MINOR ASSETS</b>	<b>54 224</b>	<b>54 224</b>
Number of R1 minor assets	407	407
Number of minor assets at cost	22 756	22 756
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>23 163</b>	<b>23 163</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018

	Machinery and equipment	Total
	R'000	R'000
<b>32.6 Movable assets written off</b>		
Assets written off	203	203
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>203</b>	<b>203</b>

## MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017

	Machinery and equipment	Total
	R'000	R'000
<b>Movable assets written off</b>		
Assets written off	732	732
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>732</b>	<b>732</b>

## MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

	Machinery and equipment	Machinery and equipment	Total
	R'000	R'000	R'000
<b>32.7 S42 Movable Capital Assets</b>			
No of Assets	1	9 428	9 429
Value of the asset (R'000)	254 648	84 927	339 575

## MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

	Machinery and equipment	Total
	R'000	R'000
<b>S42 Movable Capital Assets</b>		
No of Assets	15 776	15 776
Value of the asset (R'000)	38 011	38 011



## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 33. Intangible Capital Assets

## MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>33.1 Movement for 2017/18</b>					
SOFTWARE	319 903		420	254 910	65 413
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>319 903</b>	<b>-</b>	<b>420</b>	<b>254 910</b>	<b>65 413</b>

Included in disposals is the eNaTIS system that was transferred to the Road Traffic Management Corporation amounting to R254 648 350.00.

## ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-cash	Total
	R'000	R'000	R'000
<b>33.2 Additions</b>			
SOFTWARE	414	6	420
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>414</b>	<b>6</b>	<b>420</b>

## DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Non-cash disposal	Total disposals
	R'000	R'000
<b>33.3 Disposals</b>		
SOFTWARE		
<b>TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS</b>	<b>254 910</b>	<b>254 910</b>

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for the year ended 31 March 2018

## MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>33.4 Movement for 2016/17</b>					
<b>SOFTWARE</b>	<b>311 413</b>	<b>18 356</b>	<b>-</b>	<b>9 866</b>	<b>319 903</b>
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>311 413</b>	<b>18 356</b>	<b>-</b>	<b>9 866</b>	<b>319 903</b>

	Note	2016/17
		R'000
<b>33.4.1 Prior period error</b>		
Nature of prior period error		
Relating to 2002/3 to 2007/8 (affecting the opening balance)		18 356
Under statement of the prior year adjustment for eNaTIS software in the previous financial year	33.1	18 356
<b>TOTAL</b>		<b>18 356</b>



## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 34. Immovable Tangible Capital Assets

## MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>34.1 Movement for 2017/18</b>					
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>353 434</b>	-	-	-	<b>353 434</b>
Other fixed structures	353 434		-	-	353 434
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>353 434</b>	-	-	-	<b>353 434</b>

## MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>34.2 Movement for 2016/17</b>					
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>353 434</b>	-	-	-	<b>353 434</b>
Other fixed structures	353 434		-	-	353 434
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>353 434</b>	-	-	-	<b>353 434</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 2017/18

	No of Assets	Value of Assets
	R'000	R'000
<b>34.3 S42 Immovable assets</b>		
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>1</b>	<b>353 434</b>
Other fixed structures	1	353 434
<b>TOTAL</b>	<b>1</b>	<b>353 434</b>

## ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 2016/17

	No of Assets	Value of Assets
	R'000	R'000
<b>S42 Immovable assets</b>		
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>1</b>	<b>353 434</b>
Other fixed structures	1	353 434
<b>TOTAL</b>	<b>1</b>	<b>353 434</b>

The department acted as an agent on behalf of the Eastern Cape Department of Transport for the upgrade and refurbishment of the Mthatha Airport runway. The improvement to the asset is subject to transfer in terms of section 42 of the Public Finance Management Act. The department did not receive any revenue for acting as an agent in this regard.

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 35. Prior period errors

	Note	2016/17		Restated amount
		Amount before error correction	Prior period error	
		R'000	R'000	R'000
<b>35.1 Correction of prior period errors</b>				
<b>Revenue: (e.g. Annual appropriation, Departmental revenue, Aid assistance, etc.)</b>				
Recovery of previous year's expenditure	2.3	32 376	2 048	34 424
<b>NET EFFECT</b>		<b>32 376</b>	<b>2 048</b>	<b>34 424</b>
<b>Expenditure: (e.g. Compensation of employees Goods and services Tangible capital assets etc.)</b>				
Under statement of expenditure on inventory	4.4	4 679	31	4 710
Over statement of expenditure on consumables	4.5	6 902	(31)	6 871
<b>NET EFFECT</b>		<b>11 581</b>	<b>-</b>	<b>11 581</b>
<b>Assets: (e.g. Receivables Investments Accrued departmental revenue Movable tangible capital assets etc.)</b>				
Under statement of the prior year adjustment for eNaTIS software in the previous year	33.4.1	236 292	18 356	254 648
Under statement of intangible assets subject to transfer in terms of S42 of the PFMA in the previous year	32.6	236 292	18 356	254 648
Under statement of advances paid	10.1	3 832	2 048	5 880
<b>NET EFFECT</b>		<b>476 416</b>	<b>38 760</b>	<b>515 176</b>
<b>Liabilities: (e.g. Payables current Voted funds to be surrendered Commitments Provisions etc.)</b>				
Impairment of investments: Net asset value of PRASA was restated	12.1	4 052 089	111 905	4 163 994
<b>NET EFFECT</b>		<b>4 052 089</b>	<b>111 905</b>	<b>4 163 994</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

	Note	2016/17	Prior period error	Restated amount
		Amount before error correction		
		R'000	R'000	R'000
<b>Other: (e.g. Irregular expenditure fruitless and wasteful expenditure etc.)</b>				
Amount not paid incorrectly declared as irregular expenditure	26.1; 26.5	509	(509)	-
Fruitless and wasteful expenditure incorrectly captured	27.1; 27.4	843	(8)	835
Incident was found to be not fruitless and wasteful expenditure	27.1; 27.4	1	(1)	-
Duplicated fruitless and wasteful expenditure	27.1; 27.4	1	(1)	-
<b>NET EFFECT</b>		<b>1 354</b>	<b>(519)</b>	<b>835</b>

## 36. Inventory (Effective from date determined in a Treasury instruction)

	Note	2017/18	2016/17
	Annexure 6	R'000	R'000
<b>Inventory</b>			
Opening balance		57	61
Add: Additions/Purchases - Cash		34	32
(Less): Issues		(26)	(36)
<b>CLOSING BALANCE</b>		<b>65</b>	<b>57</b>

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 37. Statement of conditional grants paid to the provinces

NAME OF PROVINCE/GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount Received by Department	Amount Spent by Department	Unspent funds	% of Available Funds Spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Summary by province</b>												
Eastern Cape	1 666 386	-	-	1 666 386	1 666 386	-	-	1 666 386	1 606 331	60 055	96	1 497 942
Free State	1 530 400	-	-	1 530 400	1 530 400	-	-	1 530 400	1 530 289	111	100	1 499 287
Gauteng	2 811 246	-	-	2 811 246	2 811 246	-	-	2 811 246	2 560 998	250 248	91	2 535 374
KwaZulu-Natal	2 900 410	-	-	2 900 410	2 900 410	-	-	2 900 410	2 900 409	1	100	3 212 115
Limpopo	1 485 997	-	-	1 485 997	1 485 997	-	-	1 485 997	1 476 144	9 853	99	1 321 238
Mpumalanga	2 043 203	-	-	2 043 203	2 043 203	-	-	2 043 203	2 043 030	173	100	2 187 997
Northern Cape	1 136 045	-	-	1 136 045	1 136 045	-	-	1 136 045	1 136 045	-	100	954 455
North West	1 039 838	-	-	1 039 838	1 039 838	-	-	1 039 838	953 801	86 037	92	968 449
Western Cape	1 863 010	-	-	1 863 010	1 863 009	-	-	1 863 009	1 863 010	(1)	100	1 701 629
<b>TOTAL</b>	<b>16 476 535</b>	<b>-</b>	<b>-</b>	<b>16 476 535</b>	<b>16 476 534</b>	<b>-</b>	<b>-</b>	<b>16 476 534</b>	<b>16 070 057</b>	<b>406 477</b>		<b>15 878 486</b>

## Summary by grant

Provincial Road Maintenance - Coal Haulage Grant	482 000	-	-	482 000	482 000	-	-	482 000	482 000	-	100	801 000
Provincial Road Maintenance - Disaster Management Grant	270 000	-	-	270 000	270 000	-	-	270 000	180 000	90 000	67	298 123
Provincial Road Maintenance Grant	10 001 664	-	-	10 001 664	10 001 663	-	-	10 001 663	9 934 324	67 339	99	9 379 071

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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NAME OF PROVINCE/GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount Received by Department	Amount Spent by Department	Unspent funds	% of Available Funds Spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Public Transport Operations Grant	5 722 871	-	-	5 722 871	5 722 871	-	-	5 722 871	5 473 733	249 138	96	5 400 292
<b>TOTAL</b>	<b>16 476 535</b>	<b>-</b>	<b>-</b>	<b>16 476 535</b>	<b>16 476 534</b>	<b>-</b>	<b>-</b>	<b>16 476 534</b>	<b>16 070 057</b>	<b>406 477</b>		<b>15 878 486</b>

## Provincial Road Maintenance - Coal Haulage Grant

Mpumalanga	482 000			482 000	482 000			482 000	482 000	-	100	801 000
<b>TOTAL</b>	<b>482 000</b>	<b>-</b>	<b>-</b>	<b>482 000</b>	<b>482 000</b>	<b>-</b>	<b>-</b>	<b>482 000</b>	<b>482 000</b>	<b>-</b>		<b>801 000</b>

## Provincial Road Maintenance - Disaster Management Grant

Eastern Cape	90 000			90 000	90 000			90 000		90 000	0	90 000
Limpopo	130 000			130 000	130 000			130 000	130 000	-	100	100 000
Mpumalanga	50 000			50 000	50 000			50 000	50 000	-	100	50 000
Western Cape				-								58 123
<b>TOTAL</b>	<b>270 000</b>	<b>-</b>	<b>-</b>	<b>270 000</b>	<b>270 000</b>	<b>-</b>	<b>-</b>	<b>270 000</b>	<b>180 000</b>	<b>90 000</b>		<b>298 123</b>

## Provincial Road Maintenance Grant

Eastern Cape	1 345 134			1 345 134	1 345 134			1 345 134	1 375 080	(29 946)	102	1 189 725
Free State	1 274 731			1 274 731	1 274 731			1 274 731	1 274 675	56	100	1 258 030
Gauteng	656 183			656 183	656 183			656 183	654 924	1 259	100	501 784



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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NAME OF PROVINCE/GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount Received by Department	Amount Spent by Department	Unspent funds	% of Available Funds Spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
KwaZulu-Natal	1 828 971			1 828 971	1 828 971			1 828 971	1 828 970	1	100	2 201 069
Limpopo	1 010 387			1 010 387	1 010 387			1 010 387	1 000 534	9 853	99	895 109
Mpumalanga	929 269			929 269	929 269			929 269	929 189	80	100	787 865
Northern Cape	1 084 016			1 084 016	1 084 016			1 084 016	1 084 016	-	100	905 359
North West	932 884			932 884	932 884			932 884	846 847	86 037	91	867 524
Western Cape	940 089			940 089	940 088			940 088	940 089	(1)	100	772 606
<b>TOTAL</b>	<b>10 001 664</b>	<b>-</b>	<b>-</b>	<b>10 001 664</b>	<b>10 001 663</b>	<b>-</b>	<b>-</b>	<b>10 001 663</b>	<b>9 934 324</b>	<b>67 339</b>		<b>9 379 071</b>

**Public Transport Operations Grant**

Eastern Cape	231 252			231 252	231 252			231 252	231 251	1	100	218 217
Free State	255 669			255 669	255 669			255 669	255 614	55	100	241 257
Gauteng	2 155 063			2 155 063	2 155 063			2 155 063	1 906 074	248 989	88	2 033 590
KwaZulu-Natal	1 071 439			1 071 439	1 071 439			1 071 439	1 071 439	-	100	1 011 046
Limpopo	345 610			345 610	345 610			345 610	345 610	-	100	326 129
Mpumalanga	581 934			581 934	581 934			581 934	581 841	93	100	549 132
Northern Cape	52 029			52 029	52 029			52 029	52 029	-	100	49 096
North West	106 954			106 954	106 954			106 954	106 954	-	100	100 925
Western Cape	922 921			922 921	922 921			922 921	922 921	-	100	870 900
<b>TOTAL</b>	<b>5 722 871</b>	<b>-</b>	<b>-</b>	<b>5 722 871</b>	<b>5 722 871</b>	<b>-</b>	<b>-</b>	<b>5 722 871</b>	<b>5 473 733</b>	<b>249 138</b>		<b>5 400 292</b>

It is certified that all transfers were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province.

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## 38. Statement of conditional/unconditional grants paid to municipalities

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and Other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Buffalo City	55 868			55 868	55 868		
Cape Town	999 524			999 524	999 524		
Ekurhuleni	700 718			700 718	700 718		
Ethekwini	917 150			917 150	917 150		
George	210 362			210 362	210 362		
Johannesburg	918 187			918 187	918 187		
Mangaung	231 637			231 637	231 637		
Mbombela	211 673			211 673	211 673		
Msunduzi	210 014			210 014	157 512	52 502	
Nelson Mandela	273 297			273 297	273 297		
Polokwane	216 734			216 734	216 734		
Rustenburg	314 156			314 156	314 156		
Tshwane	900 239			900 239	900 239		
Alfred Nzo	2 285			2 285	2 285		
Amajuba	2 200			2 200	2 200		
Amatole	2 933			2 933	2 933		
Bojanala Platinum	2 359			2 359	2 359		
Cape Winelands	2 683			2 683	2 683		
Capricorn	2 417			2 417	2 417		
Central Karoo	1 917			1 917	1 917		
Chris Hani	3 222			3 222	3 222		



## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and Other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Dr Kenneth Kaunda	2 455			2 455	2 455		
Dr Ruth Segomotsi Mompati	2 439			2 439	2 439		
Eden	2 420			2 420	2 420		
Ehlanzeni	2 347			2 347	2 347		
Fezile Dabi	2 183			2 183	2 183		
Frances Baard	2 516			2 516	2 516		
Gert Sibande	2 309			2 309	2 309		
Sekhukhune	2 286			2 286	2 286		
Sisonke/Harry Gwala	2 221			2 221	2 221		
iLembe	2 266			2 266	2 266		
Ukhahlamba / Joe Gqabi	2 180			2 180	2 180		
John Taolo Gaetwewe	1 979			1 979	1 979		
Lejweleputswa	2 276			2 276	2 276		
Mopani	2 202			2 202	2 202		
Namakwa	2 898			2 898	2 898		
Ngaka Modiri Molema	2 535			2 535	2 535		
Nkangala	2 175			2 175	2 175		
OR Tambo	2 931			2 931	2 931		
Overberg	2 643			2 643	2 643		
Pixley Ka Seme	3 003			3 003	3 003		
Sarah Baartman	2 235			2 235	2 235		
Sedibeng	2 431			2 431	2 431		
Thabo Mofutsanyana	2 400			2 400	2 400		

## Department of Transport - Vote 35

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and Other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ugu	2 658			2 658	2 658		
uMgungundlovu	2 526			2 526	2 526		
Umkhanyakude	2 619			2 619	2 619		
Umzinyathi	2 275			2 275	2 275		
Uthukela	2 483			2 483	2 483		
uThungulu	2 523			2 523	2 523		
Vhembe	2 244			2 244	2 244		
Waterberg	2 129			2 129	2 129		
West Coast	2 553			2 553	2 553		
West Rand	2 589			2 589	2 589		
Xhariep	2 145			2 145	2 145		
ZF Mqacawu	2 860			2 860	2 860		
Zululand	2 359			2 359	2 359		
<b>TOTAL</b>	<b>6 266 868</b>	<b>-</b>	<b>-</b>	<b>6 266 868</b>	<b>6 214 366</b>	<b>-</b>	<b>-</b>

It is certified that all transfers in terms of the Division of Revenue Act were deposited into a primary bank account of the municipalities. The municipalities spent an average of 44% of the funds that were transferred due to the capital nature of most of the expenditure.



## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## Annexure 1A

## STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	DoRA and Other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount Received by Department	Amount Spent by Department	Unspent Funds	% of Available Funds Spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Buffalo City	55 868			55 868	55 868			55 868	22 100	33 768	40	-
Cape Town	999 524			999 524	999 524			999 524	505 281	494 243	51	950 063
Ekurhuleni	700 718			700 718	700 718			700 718	237 614	463 104	34	450 002
Ethekewini	917 150			917 150	917 150			917 150	490 443	426 707	53	950 078
George	210 362			210 362	210 362			210 362	44 046	166 316	21	156 444
Johannesburg	918 187			918 187	918 187			918 187	520 417	397 770	57	1 015 508
Mangaung	231 637			231 637	231 637			231 637	65 499	166 138	28	200 142
Mbombela	211 673			211 673	211 673			211 673	93 128	118 545	44	200 058
Msunduzi	210 014			210 014	157 512	52 502		157 512	69 013	88 499	44	200 031
Nelson Mandela	273 297			273 297	273 297			273 297	71 824	201 473	26	35 289
Polokwane	216 734			216 734	216 734			216 734	42 002	174 732	19	200 026
Rustenburg	314 156			314 156	314 156			314 156	189 068	125 088	60	285 039
Tshwane	900 239			900 239	900 239			900 239	347 011	553 228	39	950 011
Alfred Nzo	2 285			2 285	2 285			2 285	1 123	1 162	49	2 157
Amajuba	2 200			2 200	2 200			2 200	2 198	2	100	3 451
Amatole	2 933			2 933	2 933			2 933	388	2 545	13	2 806
Bojanala Platinum	2 359			2 359	2 359			2 359	1 294	1 065	55	2 175
Cape Winelands	2 683			2 683	2 683			2 683	709	1 974	26	2 683
Capricorn	2 417			2 417	2 417			2 417	1 289	1 128	53	3 634
Central Karoo	1 917			1 917	1 917			1 917	691	1 226	36	1 866

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	DoRA and Other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount Received by Department	Amount Spent by Department	Unspent Funds	% of Available Funds Spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Chris Hani	3 222			3 222	3 222			3 222	541	2 681	17	3 097
Dr Kenneth Kaunda	2 455			2 455	2 455			2 455	1 786	669	73	2 242
Dr Ruth Segomotsi Mompati	2 439			2 439	2 439			2 439	1 218	1 221	50	2 290
Eden	2 420			2 420	2 420			2 420	571	1 849	24	2 364
Ehlanzeni	2 347			2 347	2 347			2 347	1 095	1 252	47	1 958
Fezile Dabi	2 183			2 183	2 183			2 183	1 283	900	59	2 119
Frances Baard	2 516			2 516	2 516			2 516	2 291	225	91	2 427
Gert Sibande	2 309			2 309	2 309			2 309	1 058	1 251	46	2 200
Sekhukhune	2 286			2 286	2 286			2 286	1 425	861	62	2 120
Sisonke/Harry Gwala	2 221			2 221	2 221			2 221	2 130	91	96	2 095
iLembe	2 266			2 266	2 266			2 266	578	1 688	26	2 174
Ukhahlamba/Joe Gqabi	2 180			2 180	2 180			2 180	1 548	632	71	2 136
John Taolo Gaetwewe	1 979			1 979	1 979			1 979	884	1 095	45	1 823
Lejweleputswa	2 276			2 276	2 276			2 276	1 357	919	60	2 185
Mopani	2 202			2 202	2 202			2 202	919	1 283	42	2 049
Namakwa	2 898			2 898	2 898			2 898	1 349	1 549	47	3 925
Ngaka Modiri Molema	2 535			2 535	2 535			2 535	1 233	1 302	49	2 381
Nkangala	2 175			2 175	2 175			2 175	1 647	528	76	2 076
OR Tambo	2 931			2 931	2 931			2 931	-	2 931	0	-
Overberg	2 643			2 643	2 643			2 643	692	1 951	26	2 427
Pixley Ka Seme	3 003			3 003	3 003			3 003	2 667	336	89	2 973



## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	DoRA and Other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount Received by Department	Amount Spent by Department	Unspent Funds	% of Available Funds Spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Sarah Baartman	2 235			2 235	2 235			2 235	2 145	90	96	2 261
Sedibeng	2 431			2 431	2 431			2 431	1 722	709	71	2 350
Thabo Mofutsanyana	2 400			2 400	2 400			2 400	1 627	773	68	2 307
Ugu	2 658			2 658	2 658			2 658	1 125	1 533	42	2 510
uMgungundlovu	2 526			2 526	2 526			2 526	2 367	159	94	2 384
Umkhanyakude	2 619			2 619	2 619			2 619	1 583	1 036	60	-
Umzinyathi	2 275			2 275	2 275			2 275	1 397	878	61	2 183
Uthukela	2 483			2 483	2 483			2 483	824	1 659	33	2 378
uThungulu	2 523			2 523	2 523			2 523	1 782	741	71	2 379
Vhembe	2 244			2 244	2 244			2 244	1 133	1 111	50	1 993
Waterberg	2 129			2 129	2 129			2 129	-	2 129	0	1 897
West Coast	2 553			2 553	2 553			2 553	1 699	854	67	2 424
West Rand	2 589			2 589	2 589			2 589	1 824	765	70	2 484
Xhariep	2 145			2 145	2 145			2 145	1 416	729	66	3 218
ZF Mqacawu	2 860			2 860	2 860			2 860	1 055	1 805	37	2 684
Zululand	2 359			2 359	2 359			2 359	1 753	606	74	2 229
<b>TOTAL</b>	<b>6 266 868</b>	<b>-</b>	<b>-</b>	<b>6 266 868</b>	<b>6 214 366</b>	<b>52 502</b>	<b>-</b>	<b>6 214 366</b>	<b>2 754 862</b>	<b>3 459 504</b>		<b>5 694 205</b>

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the Department to provide an explanation for the variance.

It is certified that all transfers in terms of the Division of Revenue Act were deposited into a primary bank account of the municipalities.

The municipalities spent an average of 44% of the funds that were transferred due to the capital nature of most of the expenditure.

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 1B

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT / AGENCY / ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
South African National Roads Agency Ltd.	15 944 823			15 944 823	15 944 823	100	13 915 586
Railway Safety Regulator	49 564		24 300	73 864	73 864	100	65 987
South African Civil Aviation Authority	22 251			22 251	22 251	100	21 191
South African Maritime Safety Authority	12 965			12 965	12 965	100	7 586
Transport Education and Training Authority	1 161			1 161	1 161	100	1 105
Road Traffic Management Corporation	194 529			194 529	194 529	100	193 862
Ports Regulator	22 489			22 489	22 489	100	28 561
Road Traffic Infringements Agency	17 696			17 696	17 696	100	10 093
Air Traffic and Navigation Services Company Ltd.				-			52 160
<b>TOTAL</b>	<b>16 265 478</b>	<b>-</b>	<b>24 300</b>	<b>16 289 778</b>	<b>16 289 778</b>		<b>14 296 131</b>

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 1C

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2016/17
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public corporations</b>									
<b>Transfers</b>	<b>19 216 418</b>	<b>-</b>	<b>-</b>	<b>19 216 418</b>	<b>14 405 960</b>	<b>75.0</b>	<b>5 061 399</b>	<b>12 076 981</b>	<b>18 890 267</b>
Passenger Rail Agency of South Africa Ltd.	19 216 418			19 216 418	14 405 960	75.0	5 061 399	12 076 981	18 890 267
<b>TOTAL</b>	<b>19 216 418</b>			<b>19 216 418</b>	<b>14 405 960</b>	<b>75.0</b>	<b>5 061 399</b>	<b>12 076 981</b>	<b>18 890 267</b>

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 1D

## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
COSPAS / SARSAT	507		(103)	404	403	100	476
International Civil Aviation Organisation	4 303		(473)	3 830	3 830	100	4 686
Indian Ocean Memorandum of Understanding	338			338	346	102	393
International Maritime Organisation	1 531		(930)	601	600	100	549
African Civil Aviation Commission	4 980		209	5 189	5 189	100	4 982
International Oil Pollution Compensation Fund	10 000			10 000	5 559	56	3 821
South African Development Community	6 060		2 206	8 266	8 266	100	78
<b>TOTAL</b>	<b>27 719</b>	<b>-</b>	<b>909</b>	<b>28 628</b>	<b>24 193</b>		<b>14 985</b>



## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 1E

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Appropriation Act
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
National Sea Rescue Institute	2 316			2 316	2 316	100	2 205
SANTACO	21 289			21 289	21 289	100	20 275
Off Road Rescue Unit	88			88	88	100	84
The Mountain Club of South Africa	88			88	88	100	84
National Emergency Communications Division of the South African Radio League	88			88	88	100	84
K9 Search and Rescue Association	88			88	88	100	84
<b>TOTAL</b>	<b>23 957</b>	<b>-</b>	<b>-</b>	<b>23 957</b>	<b>23 957</b>		<b>22 816</b>

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 1F

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Taxi recapitalisation	389 041		(34 249)	354 792	233 542	66	359 352
Leave gratuity	187		3 890	4 077	4 077	100	1 627
Gifts and donations	-		2	2	2	100	5
Bursaries (non-employees)	10 434		(758)	9 676	9 676	100	9 914
Claims against the State	-		8	8	8	100	
<b>TOTAL</b>	<b>399 662</b>	<b>-</b>	<b>(31 107)</b>	<b>368 555</b>	<b>247 305</b>		<b>370 898</b>



## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 1G

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

		2017/18	2016/17
NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000	R'000
Received in cash			
Transport Education and Training Authority	Discretionary Grant Funding for Workplace Experience for Learners and Interns	1 008	486
SUBTOTAL		1 008	486
Received in kind			
Civil Aviation Authority United Arab Emirates	Sponsored air fare, accommodation, attendance costs and per diem for an official to attend a Civil Aviation Internship Programme	100	
International Maritime Organisation	Sponsored air fare attendance costs and per diem for an official to attend a meeting and Search and Rescue Coordination course	10	
French Government	Sponsored air fare and accommodation for two officials to attend a study tour on a cooperative transport agreement	127	
Government of Singapore	Sponsored training fees, accommodation and subsistence for an official to attend an Aerodrome Certification course	39	
Benguela Current Convention	Sponsored air fare, accommodation and per diem for an official to attend a Marine Spatial Planning Working Group and an Annual Science Forum	28	
International Maritime Organisation	Sponsored air fare, accommodation and per diem for an official to attend a Global Initiative for West, Central and Southern Africa Conference	34	
United Nations	Sponsored air fare, accommodation and per diem for an official to attend a Regional Workshop on Managing Emergencies in the Oil and Gas Industry	33	
Transport Education and Training Authority	Transportation of 2 000 learners that attended the career expo hosted to commemorate the International Civil Aviation Day 2017	333	
European Civil Aviation Conference (ECAC)	Sponsored participation fees, travelling costs and per diem for 3 days for an official to attend an ECAC conference		19
India Technical and Economic Cooperation Programme (ITEC)	Sponsored air fare, accommodation and attendance costs for an official to attend a training programme on integrated approach towards sustainable development		89
BMW South Africa	Ride and drive experience		4
Government of Morocco	Sponsored traveling costs for an official to attend a Search and Rescue Regional Coordinators meeting		27
International Maritime Organisation	Sponsored travelling, accommodation and subsistence for an official to attend an Incident Management System Workshop		48

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
International Maritime Organisation	Sponsored travelling, accommodation and subsistence for an official to attend a training course on the Global Maritime Energy Efficient Project		48
Government of Singapore	Sponsored training fees, accommodation and subsistence for two officials to attend two courses on Safety Audits of Air Traffic Services and State Safety Programme		37
Government of Singapore	Sponsored training fees, accommodation and subsistence for an official to attend a Port Management and Operations course		48
Government of Singapore	Sponsored training fees, accommodation and subsistence for an official to attend an Aviation Security Management Programme		40
International Maritime Organisation	Sponsored an official to attend a sub-regional workshop on an Incident Management System and Environmental Analysis in case of an oil spill		12
SADC with funding from European Union	Sponsored the full costs for two officials to attend a "Workshop on the validation of the draft baseline survey report and monitoring and evaluation framework for the Tripartite Transport Facilitation Programme"		77
Benguela Current Commission	Sponsored travelling, accommodation and workshop fees for an official to attend a workshop on The Capacity Assessment and Capacity Development Strategy in the Context of Strategic Conservation planning and Marine Spatial Planning		31
Gibb (Pty) Ltd.	Sponsored travelling, accommodation and conference fees for an official to attend an International Railway Safety Conference		79
Japan International Cooperation Agency	Sponsored the full costs for an official to attend a training programme in Urban Railway Management		205
United Nations	Sponsored traveling and conference fees for two officials to attend a Road Safety workshop		44
Africa Centre for Strategic Studies and U.S. Africa Command	Sponsored the full costs for an official to attend a workshop on Strategic Integration for Maritime Security		43
German Federal Environment Ministry	Sponsored the full costs for an official to attend an International Conference on Marine Spatial Planning		48
South African Civil Aviation Authority	Accommodation for 80 nominees for the Annual Transport Awards		112
South African National Roads Agency Limited	Artist for the Annual Transport Awards		198
Road Traffic Infringement Agency	Gifts for the Annual Transport Awards		20
Cross Border Road Transport Agency	Promotional Gifts for the Annual Transport Awards		20
Isuzu Trucks	Promotional Gifts for the Annual Transport Awards		12
Passenger Rail Agency of South Africa	Transport for the Annual Transport Awards		50
<b>SUBTOTAL</b>		<b>704</b>	<b>1 311</b>
<b>TOTAL</b>		<b>1 712</b>	<b>1 797</b>



## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

*for the year ended 31 March 2018*

## ANNEXURE 1H

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

	2017/18	2016/17
NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	R'000	R'000
<b>Made in kind</b>		
Wreaths and flowers for funerals of employees and their families and for hospitalised employees	2	1
Trophies for Transport Annual Awards	-	2
Gift for retiring Chief Executive Officer	-	2
<b>TOTAL</b>	<b>2</b>	<b>5</b>

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 2A

## STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of Public Entity	State Entity's PFMA Schedule Type (State Year End if Not 31 March)	% of Shares Held		Number of Shares Held		Cost of Investment R'000		Net Asset Value of Investment R'000		Profit/(Loss) for the Year R'000		Losses Guaranteed
		2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	Yes/No
National/ Provincial Public Entity												
Passenger Rail Agency of South Africa Ltd.	3B	100.0%	100.0%	4 248 258 440	4 248 258 440	4 248 259	4 248 259	(756 437)	84 265	(840 702)	(927 513)	No
Airports Company Ltd.	2	74.6%	74.6%	372 994 884	372 994 884	559 492	559 492	19 687 024	19 033 249	1 078 059	2 044 105	No
Air Traffic and Navigation Services Company Ltd.	2	100.0%	100.0%	190 646 000	190 646 000	190 646	190 646	2 595 017	2 381 266	213 751	228 305	No
S.A. National Roads Agency Ltd.	3A	100.0%	100.0%	4 000	4 000	1 091 044	1 091 044	249 187 671	249 187 686	(4 987 360)	(4 962 182)	No
Road Traffic Management Corporation	3A							323 719	335 471	(214 961)	148 887	No
Cross Border Road Transport Agency	3A							(143 601)	(181 491)	39 244	38 845	No



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Name of Public Entity	State Entity's PFMA Schedule Type (State Year End if Not 31 March)	% of Shares Held		Number of Shares Held		Cost of Investment R'000		Net Asset Value of Investment R'000		Profit/(Loss) for the Year R'000		Losses Guaranteed
		2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	Yes/No
Road Accident Fund	3A							(213 851 167)	(179 992 925)	(33 858 242)	(34 741 498)	No
Railway Safety Regulator	3A							15 282	8 674	4 954	2 534	No
South African Maritime Safety Authority	3A							62 819	(10 442)	73 286	62 702	No
South African Civil Aviation Safety Authority	3A							333 116	288 287	44 829	64 191	No
Ports Regulator	3A							16 532	14 074	(418)	37	No
Road Traffic Infringements Agency	3A							189 546	194 685	(5 139)	16 105	No
<b>TOTAL</b>				<b>4 811 903 324</b>	<b>4 811 903 324</b>	<b>6 089 441</b>	<b>6 089 441</b>	<b>57 659 521</b>	<b>91 342 799</b>	<b>(38 452 699)</b>	<b>(38 025 482)</b>	

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 2B

## STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (continued)

Name of Public Entity	Nature of Business	Cost of Investment R'000		Net Asset Value of Investment R'000		Amounts Owing to Entities R'000		Amounts Owing by Entities R'000	
		2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Controlled entities									
Passenger Rail Agency of South Africa Ltd.	Public transport		4 248 259	(756 437)	84 265				2 738
Airports Company Ltd.	Airports		559 492	19 687 024	19 033 249				
Air Traffic and Navigation Services Company Ltd.	Air traffic control		190 646	2 595 017	2 381 266			7	
S.A. National Roads Agency Ltd.	Roads		1 091 044	249 187 671	249 187 686				
Road Traffic Management Corporation	Road traffic			323 719	335 471				4 026
Cross Border Road Transport Agency	Cross border			(143 601)	(181 491)				
Road Accident Fund	Road accidents			(213 851 167)	(179 992 925)				
Railway Safety Regulator	Rail safety			15 282	8 674				
South African Maritime Safety Authority	Maritime safety regulation			62 819	(10 442)				
South African Civil Aviation Safety Authority	Civil Aviation safety regulation			333 116	288 287			129	
Ports Regulator	Ports regulation			16 532	14 074			25	25
Road Traffic Infringements Agency	Road traffic infringements			189 546	194 685				
Driving License Card Account	Driving license cards			534 894	436 518			922	336
TOTAL		-	6 089 441	58 194 415	91 779 317	-	-	1 083	7 125



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## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 3A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 - LOCAL

GUARANTOR INSTITUTION	Guarantee in Respect of	Original Guaranteed Capital Amount	Opening Balance 1 April 2017	Guaranteed Draw-Downs During the Year	Guaranteed Repayments/ Cancelled/ Reduced/ Released During the Year	Revaluations	Closing Balance 31 March 2018	Guaranteed Interest for Year Ended 31 March 2017	Realised Losses Not Recoverable i.e. Claims Paid Out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>Other</b>								
S.A. National Roads Agency (SOC) Ltd.	Capital Market loans	31 910 000	24 550 173		282 475		24 267 698	453 007	-
S.A. National Roads Agency (SOC) Ltd.	SZ Bonds & Money Market Loans	6 000 000	4 188 973	1 289 906			5 478 879	89 704	-
S.A. National Roads Agency (SOC) Ltd.	N1 Loan	1 036 523	267 606		189 298		78 308	8	
<b>TOTAL</b>		<b>38 946 523</b>	<b>29 006 752</b>	<b>1 289 906</b>	<b>471 773</b>	<b>-</b>	<b>29 824 885</b>	<b>542 719</b>	<b>-</b>

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## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

NATURE OF LIABILITY	Opening Balance 1 April 2017	Liabilities Incurred During the Year	Liabilities Paid/ Cancelled/ Reduced During the Year	Liabilities Recoverable (Provide Details Hereunder)	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the Department</b>					
Claim for developing a policy	13 500		13 500		-
Claim for services rendered	328	36			364
Claim for breach of contract	54				54
Claim for extra works on Mthatha Airport	52 262		5 127		47 135
Claim for expenses	-	30 000			30 000
Claim for travel and accommodation expenses		2 930			2 930
Claim for training expenses		149			149
<b>TOTAL</b>	<b>66 144</b>	<b>33 115</b>	<b>18 627</b>	<b>-</b>	<b>80 632</b>



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## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 4

## CLAIMS RECOVERABLE

NATURE OF LIABILITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total		Cash in transit at year end 2017/18*	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Department of Correctional Services			75	75	75	75		
Department of International Relations and Cooperation			192	192	192	192		
Department of Justice and Constitutional Development			2	2	2	2		
S.A. National Defence Force			2	2	2	2		
South African Police Services			488	488	488	488		
North West Department Of Public Works			28	28	28	28		
Department of State Security			190	190	190	190		
Eastern Cape Department of Health			5	5	5	5		
Kwa-Zulu Natal Department of Human Settlements			4	4	4	4		
Kwa-Zulu Natal Office of the Premier			2	2	2	2		
<b>TOTAL</b>	-	-	988	988	988	988		-
<b>OTHER GOVERNMENT ENTITIES</b>								
Driving License Card Account			922	336	922	336		
Independent Ports Regulator			25	25	25	25		
Road Traffic Management Corporation				4 026	-	4 026		
Roads Agency Limpopo				60	-	60		
Passenger Rail Agency of South Africa				2 738	-	2 738		
South African Civil Aviation Authority			129		129	-		
Air Traffic and Navigation Services Company Ltd.			7		7	-		
<b>SUBTOTAL</b>	-	-	1 083	7 185	1 083	7 185		
<b>TOTAL</b>	-	-	2 071	8 173	2 071	8 173		

## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

*for the year ended 31 March 2018*

## ANNEXURE 5

## INVENTORY

	2017/18		2016/17	
	Quantity	R'000	Quantity	R'000
<b>Inventory</b>				
Opening balance	502	57	547	61
Add: Additions/Purchases - Cash	74	34	193	32
(Less): Issues	(130)	(26)	(238)	(36)
<b>CLOSING BALANCE</b>	<b>446</b>	<b>65</b>	<b>502</b>	<b>57</b>



## Department of Transport - Vote 35

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

## ANNEXURE 6A

## INTER-ENTITY ADVANCES PAID (note 10.1)

ENTITY	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations and Cooperation	-	-	5 769	2 841	5 769	2 841
Statistics South Africa	1 748	-	-	2 048	1 748	2 048
<b>SUBTOTAL</b>	<b>1 748</b>	<b>-</b>	<b>5 769</b>	<b>4 889</b>	<b>7 517</b>	<b>4 889</b>
<b>PROVINCIAL DEPARTMENTS</b>						
Northern Cape Provincial Government	-	-	631	631	631	631
<b>SUBTOTAL</b>	<b>-</b>	<b>-</b>	<b>631</b>	<b>631</b>	<b>631</b>	<b>631</b>
<b>OTHER INSTITUTIONS</b>						
Government Communications and Information Services	9 237	360	-	-	9 237	360
<b>SUBTOTAL</b>	<b>9 237</b>	<b>360</b>	<b>-</b>	<b>-</b>	<b>9 237</b>	<b>360</b>
<b>TOTAL</b>	<b>10 985</b>	<b>360</b>	<b>6 400</b>	<b>5 520</b>	<b>17 385</b>	<b>5 880</b>

