SOUTH AFRICA YEARBOOK 2022/23

Transport

Transport

Transport is an essential part of the development of any country. The primary role of transport is to provide and improve access to different locations for businesses and individuals, for both freight and people movements. For the business sector, this involves connections between businesses and their suppliers, between businesses and other businesses, and between businesses and their markets. For the household sector, transport provides people with access to work, schools and shops. It connects them to social, recreational, community and medical facilities for personal and leisure activities.

The Constitution of the Republic of South Africa of 1996 identifies the legislative responsibilities of different spheres of government with regard to all modes of transport and its associated infrastructure. The Department of Transport (DoT) is responsible for the legislation and policies for rail, pipelines, roads, airports, ports and the intermodal operations of public transport and freight. The department conducts sector research, formulates legislation and policy to set the strategic direction of subsectors, assigns responsibilities to public entities, regulates through setting norms and standards, and monitors implementation.

The work of the DoT contributes to the realisation of the vision of improved social and economic development articulated in the National Development Plan (NDP), Priority 1 (economic transformation and job creation) and Priority 4 (spatial integration, human settlements and local government) of government's 2019-2024 Medium Term Strategic Framework (MTSF).

Over the medium term, the department aims to streamline efforts towards improving mobility and access to social and economic activities. It expects to achieve this by cultivating an enabling environment for the maintenance of national and provincial road networks, facilitating integrated road-based public transport services and revitalising passenger services.

Transfers and subsidies account for an estimated 91.4% (R255.2 billion) of the department's expenditure over the next 3 years, increasing at an average annual rate of 9.7%. Of this, R155 billion is directed towards transport public entities and agencies to carry out their mandated functions, and R98.5 billion is transferred to other spheres of government through the provincial roads maintenance grant, the public transport operations grant, the public transport network grant and the rural roads asset management systems grant.

Other notable spending over the period ahead is on goods and services, with an allocation of R3.5 billion, and compensation of employees, with an allocation of R1.7 billion. The goods and services budget will mainly be used to fund the expansion of the central roads data repository, operational costs associated with the administration of the recapitalisation of taxis, and unitary payments towards building a tugboat for monitoring South Africa's coastlines under the department's maritime pollution prevention function. The number of personnel is expected to increase from 825 in 2022/23 to 844 in 2025/26 as the department fills critical vacancies.

Cultivating an enabling environment for maintaining road networks

The Road Transport programme facilitates activities related to maintaining the country's national and provincial road networks. Investments in road networks are targeted at ensuring that passengers and freight carriers, which haul almost 80% of South Africa's freight load, have adequate access to safe roads.

The department has allocated R142.9 billion over the next three years to the Road Transport programme to fund efforts to construct, upgrade and maintain the national and provincial road networks. Allocations to the South African National Roads Agency Limited (SANRAL) are made through the programme's Road Oversight subprogramme, which is responsible for transferring an estimated R89 billion to the agency over the MTEF period.

The agency plans to use R56.5 billion of its departmental transfer to strengthen and upgrade the national non-toll network, R3.9 billion for the N2 Wild Coast project, R2.9 billion for the R573 (Moloto Road) development corridor and R2.2 billion for the Gauteng freeway improvement project. The agency received a special allocation of R23.7 billion in 2022/23 as a partial solution to the Gauteng freeway improvement project not generating enough toll revenue to service the debt raised for its construction.

This allocation is expected to provide the agency with sufficient funds to service several large debt redemptions and related maintenance in 2023/24. As a result of this one-off allocation in 2022/23, spending in Road Transport programme is expected to decrease at an average annual rate of 4.1%, from R60 billion in 2022/23 to R52.9 billion in 2025/26.

The road maintenance component of the provincial roads maintenance grant provides for the maintenance and rehabilitation of the provincial road network to prolong its lifespan. R52.3 billion is allocated to the grant over the medium term, of which R10.6 billion is specifically earmarked for road refurbishment, disaster relief and the construction of 96 bridges in rural areas.

Provinces are expected to use funds from the grant to rehabilitate 9 893 lane kilometres, reseal 13 122 lane kilometres, regravel 19 355 kilometres and blacktop-patch 6.5 million square kilometres.

Facilitating integrated road-based public transport services

The department plans to achieve a seamless integration of all modes of public transport to deliver an efficient, safe and reliable public transport system. R60 million is set aside over the medium term to pilot the integration of all road-based public transport ticketing systems.

The public transport network grant funds the infrastructure and indirect costs of bus rapid transit services in 10 cities, including Cape Town, Ekurhuleni, George, Johannesburg, Nelson Mandela Bay and Tshwane. Funding from the grant is expected to lead to a combined increase in the number of weekday passenger trips on bus rapid transit services in these cities from 250 555 in 2022/23 to 363 490 in 2025/26.

Transfers to the grant, through the Public Transport programme, are set to increase from R6 billion in 2022/23 to R8.4 billion in 2025/26. Transfers to the public transport operations grant, which subsidises bus services in provinces, are expected to increase from R7.1 billion in 2022/23 to R8.1 billion in 2025/26. Together, these grants account for an estimated R46.1 billion of the department's planned spending over the MTEF period.

Revitalising passenger rail services

To address the deterioration of passenger rail services, transfers to the Passenger Rail Agency of South Africa (PRASA) through the Rail Transport programme are focused on the recovery of the rail network.

These amount to an estimated R64.1 billion over the period ahead, 23.6% of the department's total budget, and will mainly be used for the agency's shift in focus towards implementing its strategic corridor recovery programme and continuing with its drive to renew rolling stock. The transfers include funding for capital expenditure, which increase at an average annual rate of 3.8%, from R12.6 billion in 2022/23 to R14.1 billion in 2025/26.

The portion of the transfers to the agency for operational expenditure is set to increase at an average annual rate of 4.3%, from R7.2 billion in 2022/23 to R8.2 billion in 2025/26, as more commuter lines come online.

Development and implementation of an integrated public transport network (IPTN) model in rural provinces

The National Guideline Framework for the development of integrated public transport plans provides a set of planning steps for district municipalities to use in formulating the rural district IPTNs. A process of formulating operational plans and designing of an integrated public transport system has been outlined to provide technical assistance in this regard.

The Rural Transport Strategy promotes the IPTN approach in districts that have higher densities of population. The system links rural settlements and district towns that have a concentration of economic activities and resulting in higher level of transport demand. The IPTN is aligned with the Municipal Spatial Development Framework because there is a spatial relationship between residential areas and economic activities.

Over the MTSF, the DoT plans to develop ten IPTN plans in line with the District Development Model (DDM). The purpose of District Municipality IPTN plans is to intensify the provision of integrated transport infrastructure and public transport services, and also to promote modal integration. IPTNs also strive to balance the public transport supply and demand, with the added outcome of reduced congestion on the road. The Rural Transport Implementation Framework, which is also linked to the DDM, embodies the principles of the differentiated approach that guides targeted infrastructure investment to areas with proven potential for economic development. As a result, areas that do not qualify for the development and implementation of the IPTNs will benefit from the implementation of the ITPs with basic infrastructure provision. The provision of public transport services will be strengthened through better coordination, planning and management of public transport operations.

Sustainable solution on e-tolls

World-class road infrastructure is essential to the implementation of the NDP and other key government programmes. It is, therefore, critical to create policy and legal certainty about the future of the toll road system and the user-pay principle to ensure that the SANRAL continues to meet its infrastructure mandate, its ability to raise capital on the bond market, improve its credit ratings and meet its debt obligations.

With the decision on the Gauteng Freeway Improvement Project still outstanding by mid-2021, a number of options have already been considered. The DoT will continue to engage with National Treasury to ensure that the final decision made is sustainable and in the best interest of South Africans. In relation to this, the DoT will, in the medium term, embark on the process of developing the Road Infrastructure Funding Policy to ensure that South Africa has a lasting solution to continued divergent stances around the toll road system and the user-pay principle.

Taxi industry formalisation and professionalisation

The mandate of the Taxi Recapitalisation Programme (TRP) dealt solely with the scrapping of old minibus taxi vehicles across the country with the overarching objective being the improvement of road safety by removing unroadworthy minibus taxis from the roads of South Africa.

The process involved the scrapping process and facilitation of an upgrade in the fleet of new TRP-compliant vehicles through a scrapping allowance paid directly to taxi operators. By 2021, a total of 77 971 of the initial target of 135 894 minibus taxis had been successfully scrapped. A review of the TRP was conducted towards the end of the term resulting in the launch of the Revised TRP in 2019.

The Revised TRP thus introduced key value-add elements to encourage sustainable continuity to the programme. As part of the Revised TRP, the scrapping allowance was increased from R91 000 to R124 000 per scrapped old taxi. Over the medium, and as part of the extended scope of the Revised TRP, the following will be prioritised:

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

Taxi Relief Fund (TRF)

The TRF secured by the Department to mitigate the negative financial impact of COVID-19 on the minibus taxi industry came to an end on 31 March 2023. Approximately R440 million had been disbursed accounting for over 80 000 operating licenses. Discussions are taking place with the National Treasury to ensure that the unspent funds if possible do l reach the intended beneficiaries.

Road transport safety and security

Motor vehicle accidents have proven to have a negative effect on socio-economic development in the country. South Africa has one of the highest vehicle accident mortality rates in the world. A comparative analysis of road deaths per 100 000 population indicates a rate of 25.2 for South Africa, which is above the world average of 17.4. Overall, over the past few years, the number of accidents reported has been increasing, while the number of vehicles on the road has also been increasing, although not as much.

South Africa is a participant to the second United Nations Decade of Action (UNDA) for Road Safety 2020 – 2030 and has endorsed the global undertaking seeking to build on the gains of first Decade of Action for Road Safety 2011 – 2020 to promote a coordinated effort towards sustaining the attainment of the road safety goals to save up to five million lives, and to contribute to the prevention of up to 50 million serious injuries by 2030 using 2020 as a baseline.

The high number of road traffic crashes and its associated consequences have a significant impact on South Africans. It hampers socio-economic development and impacts on the well-being of all South Africans. This impact is measured in terms of human lives lost, pain, grief and suffering, as well as an increasing cost to the economy. The extent of the problem is exacerbated when road fatalities and serious injuries are seen in the context of contributing to a significant economic loss for South Africa. People injured or killed on South African roads are often the breadwinners of their families and thus vital contributors to the economy at large.

Cognisant of these facts, South Africa needs to strengthen its resolve to continue working to improve safety on roads by enhancing cooperation and coordination with the spheres of government, and improving stakeholder participation in road safety programmes. The economic and financial analysis emphasise the need to improve road safety in the country to ensure that South Africans can live long, productive lives and that fiscal resources may be made available to aid the country's further development.

The National Road Safety Strategy (NRSS) sets a new path for creating a safe and secure road environment in South Africa. The primary strategic target of the strategy is to ultimately reduce fatal crashes by 50% by 2030. The strategy is based on a safe system approach that looks at a holistic view of the road transport system and interactions among roads, and roadsides, travel speed, vehicles and the road user. In accordance with the UNDA, the pillars of the strategy that will remain consistent in the NRSS are road safety management, safer roads and mobility, safer vehicles, safer road users and post-crash response.

The strategy has also taken into consideration previous efforts made towards addressing road safety problems in South Africa, by carefully reviewing previous road safety strategies. Key findings of these strategies highlight a lack of effective implementation, insufficient resourcing, misaligned prioritisation, and lack of broader stakeholder participation among the key issues previously experienced. As such, the NRSS focuses on sequencing of proposed interventions in a manner that is realistic and implementable.

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

Over the MTSF period, greater focus will be put on road safety education, engineering and law enforcement. Effective evaluation mechanisms will also be put in place to ensure the effectiveness, efficiency and impact of government programmes. The target set is to reduce road fatalities by 25% during the medium term.

Maritime Safety and Security

Maritime safety and security assist the industry to operate in a safeenvironment and provide a conducive environment to do business. Merchant ships operate in a hostile environment and certainty in terms of policy direction is important. The Comprehensive Maritime Transport Policy (CMTP) encourages stakeholders to support its initiatives as they assist with promoting shipping.

The attack against ships and other forms of criminal activities are a concern for the industry. These challenges must be addressed hence the National Maritime Security Strategy. South Africa must jealously guard against any form of pollution to its waters. It is important to have initiatives that will ensure that South African waters remain safe and secure from all forms of pollution.

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

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

As part of ensuring compliance to the ISPS Code, the department will focus mainly on addressing the 'stowaway' problem, which seems to be an ever-present phenomenon for the shipping industry. Stringent measures will be put in place to ensure that no unauthorised personnel are able to gain access to vessels, and that all those who have been authorised to board disembark before sailing.

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

In line with the implementation of the national strategic plan to end gender-based violence and femicide (GBVF) in the country, the development of a monitoring system for GBVF in the maritime sector will enable support and the protection of women at sea. There is ample evidence which suggests that investing in women is the most effective way to lift communities, companies and even countries. It is reported that countries with more gender equality have better economic growth and the evidence is clear that equality for women means progress for all.

Legislation

For cross-modal functions of public transport and freight, the DoT is guided by the following legislation and policies:

- The Transport Laws and Related Matters Amendment Act, 2013 (Act 3 of 2013), aims, among other things, to amend the Cross-Border Road Transport Agency to collect toll on behalf of the SANRAL.
- The National Land Transport Act, 2009 (Act 5 of 2009), clarifies the concurrent roles and responsibilities of the different spheres of government in relation to public transport. It also consolidates public transport planning, service delivery, regulation and monitoring in the municipal sphere, establishes the national and provincial public transport regulators, and enhances overall transport regulatory functions.
- The incorporation of the Shosholoza Meyl train service and the Autopax long-distance bus services into the PRASA was finalised in the Legal Succession to the South African Transport Services Amendment Act, 2008 (Act 38 of 2008).
- The National Road Traffic Amendment Act, 2008 (Act 64 of 2008) and the Cross-Border Transport Amendment
- Act, 2008 (Act 12 of 2008), allow for better road-traffic enforcement and improved cross-border regulation.
- The Administrative Adjudication of Road Traffic Offences Act, 1998 (Act 46 of 1998).
- The Civil Aviation Act, 2009 (Act 13 of 2009), was promulgated to harmonise and rationalise safety and security legislation for aviation to ensure compliance with the International Civil Aviation Organisation (ICAO) standards.
- The Air Service Licensing Amendment Act, 2008 (Act 21 of 2008), addresses corporate governance issues relating to the Air Services Licensing Council. The DoT plans to implement the airlift strategy and improve aviation safety and compliance with the standards set by the United States of America Federal Aviation Administration's International Aviation Safety Assessment Programme, and by the ICAO, an organ of the United Nations (UN).
- The Road Accident Fund (RAF) Amendment Act, 2005 (Act 19 of 2005), creates an equitable, affordable and sustainable system for victims of road accidents and their families.
- The RAF (Transitional Provisions) Act, 2012 (Act 15 of 2012), provides for transitional measures regarding certain categories of third parties whose claims were limited to R25 000 under the RAF Act, 1996 (Act 56 of 1996) prior to 1 August 2008.

The DoT has published a revised version of the Road Accident Benefit Scheme (RABS). The Bill proposed that the RABS Administrator replace the RAF. The new regulations, rules and forms were drafted to enable a better understanding of how the proposed scheme would operate in practice.

The RABS Bill provides for a new, no fault benefit scheme and a new administrator. The RABS Bill forms part of an initiative to replace the third-party compensation system currently administered by the RAF with a new scheme that is reasonable, equitable, affordable and sustainable.

Budget

For the 2022/23 financial year, the DoT was allocated R65.4 billion. The department will aim to remain within its ceiling for compensation of employees by managing the number of personnel, which is expected to decrease from 818 in 2021/22 to 750 in 2024/25 through natural attrition and retirement.

Entities

Air Traffic and Navigation Service (ATNS)

The Air Traffic and Navigation Services Company is mandated to provide safe, orderly and efficient air traffic navigational and associated services to the air traffic management community in terms of the Air Traffic and Navigation Services Act of 1993. All its services are in accordance with the ICAO standards and the civil aviation regulations issued in terms of the Civil Aviation Act of 2009.

The Air Traffic and Navigation Services Company maintains its focus on providing safe, efficient and cost- effective air traffic management solutions and related services, with an estimated 78% (R4.4 billion) of the entity's budget over the MTEF period expected to be used on communication, surveillance and simulator systems.

Compensation of employees comprises 58.3% (R3.3 billion) of total expenditure over the period ahead, while goods and services accounts for 26.6%. R823.9 million over the MTEF period is earmarked for capital expenditure. Total expenditure is expected to increase at an average annual rate of 10.6%, from R1.5 billion in 2022/23 to R2 billion in 2025/26.

The company generates its own revenue through the provision of aeronautical services to the aviation industry such as en-route and approach fees, aerodrome and area fees, and terminal manoeuvring area fees. Total revenue is expected to increase at an average annual rate of 18.2%, from R1.3 billion in 2022/23 to R2.1 billion in 2025/26, as the company returns to normal operations after the lifting of COVID-19 restrictions.

The ATNS Company maintains its focus on providing safe, efficient and cost-effect air traffic management solutions and related service, with the bulk of its budget expected to be used on communication, surveillance and simulator systems. Its total revenue is expected to increase from R1.3 billion in 2022/23 to R1.9 billion in 2023/24.

The non-regulated business has become increasingly critical for ATNS's growth and long-term positioning on the African continent. Through its commercial services division, and as part of its service excellence and innovation strategic pillars, ATNS is seeking to further leverage strategic joint venture opportunities on the African continent, thereby extending its services, product offering and geographic reach

Airports Company South Africa (ACSA)

Airports Company South Africa was established in terms of the Airports Company Act of 1993. The company owns and operates the 9 principal airports in South Africa, including the 3 main international gateways – OR Tambo International Airport, Cape Town International Airport and King Shaka International Airport.

Over the medium term, the company will focus on building and replacing infrastructure, and plans to invest approximately R1 billion in each year over the medium term on capital expenditure projects. This focus was deferred during the COVID-19 pandemic, which saw a significant decrease in commercial air travel, resulting in financial instability.

Total expenditure is expected to increase at an average annual rate of 1.1%, from R5.2 billion in 2022/23 to R5.4 billion in 2025/26, with goods and services accounting for 45.3% (R7.2 billion) of this spending. Revenue is expected to increase at an average annual rate of 8.5%, from R5 billion in 2022/23 to R6.4 billion in 2025/26, driven by the expected increase in passenger numbers as the air travel industry continues its recovery from the pandemic.

South Africa's aviation infrastructure programme will provide support to the ACSA's Recover and Sustain Strategy that includes playing an active role to support provincial airports and invest in specialised airports such as drone airports, taking advantage of emerging opportunities brought about by technology in moving freight. At its airports, the company forecasts a passenger growth of 25.2%

in 2023/24 and an increase in air transport movements of 17.3%, growing from 11.7% year-on-year.

Revenue is expected to increase to R5.7 billion in 2023/24, driven by the expected increase in passenger numbers as the air travel industry continues to recover from the COVID-19 pandemic.

Government supports ACSA to grow its footprint and play a bigger role in building and managing airports in the country and elsewhere in the continent. For the 2022/23 financial year, OR Tambo International won Best Cargo Airport in Africa. Cape Town International Airport won the Best Airport, and the Best Airport Staff in Africa award, while King Shaka International Airport won the Best Regional Airport in Africa award.

Cross-Border Road Transport Agency (CBRTA)

The CBRTA is mandated to regulate the cross-border road freight and passenger industry in terms of the Cross-Border Transport Act of 1998.

It is central in regulating the road freight industry and ensuring its ability to meaningfully contribute to the economy through the implementation of Linking Africa Plan and through the Africa's Continental Free Trade Agreement.

Over the next three years, the CBRTA will continue to facilitate an unimpeded flow of freight and passenger road transport across the region. To this end, the agency plans to conduct an average of 245 843 inspections to enforce cross-border road traffic law over this period.

Expenditure is expected to increase at an average annual rate of 4.4%, from R274.2 million in 2022/23 to R312.5 million in 2025/26, mainly driven by spending on administration, law enforcement, and research and regulatory services. The agency expects to derive 84.2% (R757.4 million) of its revenue over the MTEF period from administrative fees. Revenue is set to increase in line with spending.

Driving Licence Card Account

The driving licence card account was established in terms of the Public Finance Management Act of 1999 to manufacture driving licence cards based on orders from testing centres across South Africa.

Over the MTEF period, the entity will focus on improving data collection, and design and introduce a new format for driving licence cards. It will also invest in new machinery to ensure optimal manufacturing productivity. As a result, spending on production and infrastructure is expected to account for 63.2% (R357.3 million) of the entity's budget over the medium term.

Total expenditure is expected to decrease at an average annual rate of 2.4%, from R208.7 million in 2022/23 to R194 million in 2025/26, due to the accelerated depreciation of the current card production machine, which is nearing the end of its usable lifespan. The entity generates revenue through the sale of licence cards, inc easing at an average annual rate of 3.2%, from R225.7 million in 2022/23 to R248.1 million in 2025/26.

Passenger Rail Agency of South Africa

The PRASA was established in terms of the Legal Succession to the South African Transport Services Amendment Act of 2008). Its primary mandate it to provide rail commuter services within, to and from South Africa in the public interest. The agency also provides long-haul passenger rail and bus services within, to and from South Africa.

Over the medium term, the agency will focus on ensuring the recovery of commuter rail services by implementing it strategic corridor recovery programme and modernising its core infrastructure, which includes the replacement of old rolling stock and investment in signalling infrastructure.

As part of its strategic corridor recovery programme, the agency aims to restore services on Cape Town's central line and Tshwane's Mabopane line. To support this, capital expenditure is expected to increase at an average annual rate of 21.8%, from R12.5 billion in 2022/23 to R22.6 billion in 2025/26. The agency also expects to acquire 176 new train sets towards its rolling stock fleet renewal programme.

Total expenditure is expected to increase at an average annual rate of 5.1%, from R14.6 billion in 2022/23 to R17 billion in 2025/26, with 66.8% (R32.5 billion) of this spending earmarked in the Metrorail and mainline passenger service programmes. Compensation of employees accounts for an estimated 38.8% (R18.8 billion) of total spending over the period ahead.

Departmental transfers account for an estimated 89.2% (R64.1 billion) of the agency's revenue over the next three years. Other sources of income include the sale of train and bus tickets, rental income from leasing properties, on-board sales and interest. Total revenue is expected to increase at an average annual rate of 4%, from R22.2 billion in 2022/23 to R25 billion in 2025/26, driven mainly by a projected recovery in ticket sales as more commuter lines come back online.

The agency expects to run surpluses over the medium term. However, trade and other payables is expected to increase from R8.9 billion in 2022/23 to R25.4 billion in 2025/26, which suggests that the agency could face challenges in paying service providers and meeting targets over the period ahead.

Ports Regulator of South Africa (PRSA)

The PRSA was established in terms of the National Ports Act of 2005 to regulate South Africa's ports infrastructure system. The regulator sets port tariffs for the National Ports Authority and oversees complaints and appeals to preserve fairness, transparency and competitive practices for ports infrastructure.

The PRSA will continue to focus on strengthening the economic regulation of ports infrastructure and compliance with the ports regulatory framework over the medium term. In doing so, its expenditure is expected to increase at an average annual rate of 2.9%, from R44.5 million in 2022/23 to R48.5 million in 2025/26.

The regulator derives its revenue from departmental transfers, which are set to increase at an average annual rate of 2.7%, from R43 million in 2022/23 to R46.6 million in 2025/26. Total revenue is set to increase in line with expenditure.

Railway Safety Regulator (RSR)

The RSR was established in terms of the National RSR Act of 2002. The regulator is mandated to oversee railway operations, monitor operators and enforce a safe operating environment. This includes rail operators from neighbouring countries with operations that enter South Africa.

Over the medium term, the RSR planned to focus on its primary business of issuing safety permits to railway operators. It also plans to conduct 48 safety initiatives in 2023/24. These include education and awareness campaigns, community involvement programmes and training for safety ambassadors.

Expenditure is expected to increase at an average annual rate of 3.6%, from R263.2 million in 2022/23 to R292.5 million in 2025/26. This mainly covers operational expenses such as compensation of employees, office rental, professional fees and capital expenditure.

The RSR expects to generate 70% (R591.1 million) of its revenue over the period ahead from administrative fees and the remainder through transfers from the department. Revenue is expected to increase in line with spending.

Road Accident Fund

In terms of the RAF Act of 1996, the entity is mandated to compensate South African road users for losses or damages caused by motor vehicle accidents within the borders of South Africa.

Over the medium term, a change in the settlement policy of loss-of-income claims from lump sum to annuity will see a moderation in the payment of claims to match the fund's pay-as-you-go principle. Accordingly, the total value of claims paid out over the MTEF period is expected to decrease from R43.3 billion in 2022/23 to R35.9 billion in 2025/26 at an average annual rate of 6.1%.

The entity derives revenue from the RAF levy in terms of the Customs and Excise Act of 1964. Transfers received through the levy are expected to increase at an average annual rate of 0.5%, from R48.1 billion in 2022/23 to R48.9 billion by 2025/26, in line with an expected increase in fuel sales.

Road Traffic Infringement Agency (RTIA)

The RTIA derives its mandate from the Administrative Adjudication of Road Traffic Offences (AARTO) Act of 1998. The agency was established to administer procedures to discourage the contravention of road traffic laws, adjudicate infringements, enforce penalties for the contravention of road traffic laws, provide specialised prosecution support services, and carry out community education and awareness programmes in road safety-related matters.

The agency's activities over the medium term are focused on administration, adjudication and support, and the roll-out programme. Expenditure is expected to increase at an average annual rate of 4.5%, from R487 million in 2023/24 to R555.6 million in 2025/26, with goods and services accounting for an estimated 60.8% (R969.8 million) of this spending. The agency derives its revenue mainly through administrative fees and transfers from the department. Revenue is set to increase in line with expenditure.

Road Traffic Management Corporation (RTMC)

The RTMC was established through the RTMC Act of 1999. It is mandated to provide national road traffic strategic planning and law enforcement, and pool public sector resources for the provision of road traffic management.

Over the medium term, the RTMC planned to promote road traffic safety through education and awareness campaigns, manage road traffic data and information through the automation of processes in driving licence testing centres, maintain the electronic national traffic information system, and improve the coordination of road traffic law enforcement. Accordingly, spending on operations, the training of traffic personnel, strategic services and law enforcement is expected to account for 91.1% (R5.4 billion) of the corporation's total spending over the period ahead.

Expenditure is expected to increase at an average annual rate of 8.3%, from R1.6 billion in 2022/23 to R2 billion in 2025/26, mainly driven by spending on compensation of employees. The corporation derives revenue mainly through transaction fees, which account for 65.6% (R3.7 billion) of total projected revenue over the period ahead. Revenue is set to increase in line with spending.

South African Civil Aviation Authority (SACAA)

The SACAA was established in terms of the Civil Aviation Act of 2009. The authority is mandated to oversee the safety and security of the civil aviation industry and ensure compliance with and adherence to the standards and recommended practices of the IICAO.

Over the medium term, the authority will focus on implementing safety and security programmes in line with the standards and recommended practices issued by the organisation and civil aviation regulations in South Africa. Accordingly, it plans to conduct 229 air safety infrastructure investigations and 1 374 air safety operation inspections per year over the MTEF period.

The projected increase in capital expenditure from R10 million in 2022/23 to R225.6 million in 2025/26 is driven by the replacement of the inspection aircraft and calibration equipment. Expenditure is expected to increase at an average annual rate of 6.9%, from R862.3 million in 2022/23 to R1.1 billion in 2025/26. Revenue, which is set to increase in line with spending, is mainly generated through passenger safety charges, user fees and the aviation fuel levy.

South African Maritime Safety Authority (SAMSA)

The SAMSA was established in terms of the SAMSA Act of 1998. The authority is mandated to ensure the safety of life and property at sea, and prevent and combat marine pollution.

Over the next three years, the authority will continue to focus on ensuring safety and preventing pollution at sea. Spending on these activities accounts for an estimated 71.9% (R1.1 billion) of expenditure over the period ahead. Total expenditure is expected to increase at an average annual rate of 4%, from R487.1 million in 2022/23 to R548.4 million in 2025/26. The authority generates revenue through levies, fees and user charges. Revenue is expected to increase at an average annual rate of 3.9%, from R490.8 million in 2022/23 to R550.9 million in 2025/26, in line with inflationary adjustments to levies.

South African National Roads Agency Limited

The SANRAL was established in terms of the SANRAL and National Roads Act of 1998. It is responsible for the planning, design, construction, operation, management, control, maintenance and rehabilitation of the South African national road network, including the financing of these functions, for both toll and non-toll roads.

Over the medium term, the agency's focus remains on the construction, maintenance and preservation of the national road network. It plans to increase the length of the network in active strengthening and resurfacing contracts from 1 500 kilometres in 2022/23 to 3 000 kilometres in 2025/26. As a result, planned capital expenditure is expected to increase from R15.8 billion in 2022/23 to R38 billion in 2025/26 at an average annual rate of 34%.

Although the agency's number of personnel is expected to remain unchanged at 695 over the MTEF period, spending on compensation of employees is expected to increase at an average annual rate of 5.5%, from R748.4 million in 2022/23 to R878.9 million in 2025/26.

This is driven by an expected change in the composition of personnel, with more professionals and specialists, specifically project managers and procurement specialists, set to join the establishment to improve procurement processes and reduce the road maintenance backlog.

The special allocation of R23.7 billion in 2022/23 was expected to provide the agency with sufficient funds to service several large debt redemptions and related maintenance in 2023/24. Expenditure is expected to decrease at an average annual rate of 2.2%, from R27.5 billion in 2022/23 to R25.8 billion in 2025/26. This is due to moderation in spending from R35.4 billion in 2024/25 as the agency accelerates road maintenance projects to deal with the backlog in the first 2 years of the MTEF period.

SANRAL was set to receive 72.3% (R75.7 billion) of its revenue over the MTEF period through transfers from the department and 17.5% (R17.6 billion) through toll fees, concession income and rental income from investment properties. Revenue is expected to increase at an average annual rate of 9.6%, from R29 billion in 2022/23 to R38.1 billion in 2025/26.

Rail Transport Safety and Security

In recent years, the rail environment became a target of theft and vandalism of infrastructure, senseless attacks on employees and private security while on duty, sabotage and general disregard for the rule of law. The DoT plays a key role in ensuring safe rail operations in the country through the development of policies, strategies and legislative regulatory framework. This role is augmented by the RSR, which is an independent entity of the department tasked with overseeing and promoting safe railway operations through appropriate support, monitoring and enforcement.

Rail networks

The purpose of the Rail Transport programme within the DoT is to facilitate and coordinate the development of sustainable rail transport policies, rail economic and safety regulations, and infrastructure development strategies; systems that reduce system costs and improve customer service; to monitor and oversee the RSR and the PRASA; and the implementation of integrated rail services planned through the lowest competent sphere of government.

The South African rail network is the 11th-largest in the world at 22 298 route km, 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, the PRASA, and the Gautrain Management Agency. They fulfil distinctly different roles and responsibilities, and have different objectives and service delivery requirements.

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

The PRASA owns 746 route km of cape gauge network whilst Shosholoza Meyl trains run almost exclusively on the TFR track. The access relationship that PRASA has with TFR is heavily influenced by the history of the asset split criteria used to allocate infrastructure and rolling stock. The criterion used was that the main user of the network received ownership control of the asset.

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

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

The DoT has established an interim rail economic regulatory capacity, which prioritizes developing guidelines and frameworks to ensure fair and transparent access to the rail network, which will create a conducive environment for private sector participation. To function optimally, South Africa needs reliable, economical, integrated smooth-flowing rail corridors linking the various modes of public transport. Investing in the rail network should increase access to an integrated rail network and create a conducive environment for private sector participation and investment in rail infrastructure.

Passenger rail is a critical function that creates enormous positive externalities for the economy and justifies significant subsidisation from government. The consequences of any move by passengers to alternative modes of transport include the new costs that are imposed on the rest of the economy; low-income households relying on more expensive and less safe modes of transport; traffic congestion increases; and people in outlying areas become even more marginalised.

Government's infrastructure delivery plan prioritises network industries to support a long-term increase in the productive capacity of the economy with the potential to crowd-in additional private sector investment. As part of prioritising infrastructure development for network industries, the modernization of the rail freight and passenger transport will receive immediate attention.

The adoption of the Private Sector Participation (PSP) Framework for the railway industry is an important step in securing private sector interest. The next step to encourage private sector investment should be a clear procurement framework and rail economic regulation. Areas identified for PSP included main line freight, terminal-to-terminal freight, terminal operations in the service areas, private line freight and private sidings in the services and asset upgrade areas, municipal rail infrastructure, rail infrastructure upgrade and maintenance concessions and the leasing of rolling stock in the asset areas.

In addition, there are other areas in the services provision and asset upgrade category, which include branch line freight services, commuter services, rapid rail intercity and marshalling yards. Over the MTSF, the DoT and PRASA will intensify implementation of its capital expenditure programme with focus on three programmes – rolling stock fleet renewal, repair and modernisation of station and rail signalling Improvement.

Rail infrastructure

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

South Africa needs to make large investments to propel economic activity. These need to be made in a structured, considered manner to prevent inappropriate initiatives, protect South Africa's resources and ensure that prioritised investments are efficiently implemented.

Given government's limited finances, private funding will need to be sourced for some of these investments, and policy planning and decision-making will require trade-offs between competing national goals. Government needs not only to better coordinate collaborative investment by businesses and provincial and local government into key infrastructure projects, but to shape its institutional, policy and regulatory environment in order to enable investment, realise the desired efficiencies, improve infrastructure delivery, and contribute to economic growth and employment creation.

Rail-based public transport

The DoT, in its pursuit for a safe, affordable and reliable public transport system, has adopted an integrated policy approach that is based on peak intermodality. Besides its value proposition, intermodality is an integral part of sustainable mobility and its enhancement is vitally important for the provision of door-to-door transport services because of its advantages of economies of scale for both commuter and freight transport.

With this policy approach, the sector has set itself, amongst others, a medium-term target of realising the modal shift from road dominance to rail, not only to reduce the impact on our road infrastructure but also to reduce roadside emissions and to improve efficiencies in the broader transport value chain.

South Africa's passenger rail system has suffered years of underinvestment and deferred maintenance, creating fertile ground for the decline of the passenger rail system and hemorrhage market share over time. As part of positioning rail as a backbone of the public transport system, the Priority Corridor Strategy was introduced to ensure focused implementation. This included looking at corridors with high ridership to maximise impact.

It is thus important that rail is improved to compete with other modes to achieve proper share of passenger transport in order to reduce congestion on the road and further improve road safety. To achieve an optimum performance level, a number of interventions will be implemented over the medium term. These include maintenance, recovery and renewal of rolling stock fleet, modernisation of rail infrastructure, rolling out new train sets to priority corridors and to increase rail passenger trips.

Also targeted in the medium term is the revitalisation of branch lines to make rural economies more competitive by enabling provision of transport to some of the far-flung communities will be considered. These branch lines will not only benefit commuters but will also contribute to the proposed modal shift to rail for freight, thus alleviating pressure on the road network.

Transnet SOC Limited

Transnet provides and operates freight transportation services and infrastructure. The company's key strategic objectives include improving logistics competitiveness, promoting a modal shift from road to rail, increasing logistics connectivity, attracting private investment, developing skills and promoting reindustrialisation.

To sustain and expand its capacity, over the five-year period ending in 2026/27, Transnet planned to invest R99 billion, 44.5% (R44 billion) of which was earmarked to be invested in the rail sector, another 44.5% (R44 billion) at ports and 6% (R6 billion) on pipeline infrastructure. However, these investments were hindered due to the company having to reduce capital expenditure in 2022/23 by 9.2%, from R18 billion to R16.4 billion, because of liquidity constraints associated with limited profitability.

Significant turnaround in operations, and as such the company's financial position, in the short term have been impacted by events such as severe damages at the port of Durban and along the KwaZulu-Natal rail corridor due to flooding in the province in April 2022. To assist the company with repairs, government allocated R2.9 billion in 2022/23 through the Special Appropriation Act of 2022.

To assist with clearing the backlog in its infrastructure build, maintenance and modernisation programme, Transnet is actively seeking private sector participation in its operations. Investment from the private sector is also expected to contribute to the migration from road to rail, with the aim of reducing the total national cost of logistics.

The Department of Public Enterprises is working with Transnet to develop a turnaround plan that will address various operational and infrastructure funding challenges.

Expenditure is expected to increase at an average annual rate of 2.5%, from R81.3 billion in 2022/23 to R87.6 billion in 2025/26. Over the period ahead, Transnet Freight Rail operations constitute 59% (R152.7 billion) of total expenditure. Overall, spending on compensation of employees constitutes 34.4% (R86.5 billion), while goods and services constitutes 29.3% (R75.9 billion) and provision for depreciation accounts for 18.5% (R46.7 billion).

Transnet derives most of its revenue from freight, port and pipeline operations, amounting to 97.6% (R261.7 billion) of total revenue. Revenue is expected to increase at an annual average rate of 4.2%, from R83.9 billion in 2022/23 to R95.1 billion in 2025/26. The relatively low revenue growth was offset by cost savings and significant fair value adjustments.

The latter was linked to the reversal of previous downward valuations during the COVID-19 pandemic. As a result, the entity reported a net profit of R5 billion in 2021/22 compared to a loss of R8.4 billion in 2020/21.

The company is made up of the following business units:

- Agriculture and Bulk Liquids,
- Coal,
- Container and Automotive,
- Iron Ore and Manganese,
- Steel and Cement, and
- Mineral Mining and Chrome.
- Forming an integral part of the southern African economy, Transnet:
- moves 17% of the nation's freight annually,
- exports 100% of the country's coal,
- exports 100% of the country's iron ore,
- has annual revenues of over R14 billion,
- will invest R35 billion in capital over the next five years, and
- has 38 000 employees countrywide.

Gautrain

The Gautrain is an 80-km long mass rapid transit railway system that links Johannesburg, Pretoria and the OR Tambo International Airport. It was built to relieve traffic congestion in the Johannesburg-Pretoria traffic corridor and offer commuters a viable alternative to road transport, as Johannesburg had limited public transport infrastructure.

The Gauteng 25-Year Integrated Transport Master Plan will ensure integration of transport with spatial patterns, as well as the integration between various transport modes to transport people effectively.

The Gautrain ferries more than 60 000 people a day (including weekends) or 1.2 million people a year. The Gautrain Management Agency is planning to extend the rail route by 150 km over the next 20 years, including routes through Randburg, Fourways and Soweto. This expansion is expected to create 211 000 jobs.

A feasibility study that included demand modelling to determine transport needs for Gauteng in 2025 and 2037, indicated that the "cost of doing nothing" in the province will lead to major road congestion in 2037, at which stage cars will travel at an average of 15 km/h due to the doubling of car growth.

The feasibility study identified the following main links and stations of the Gautrain rail network extensions: On the link between Jabulani via Cosmo City and Samrand to Mamelodi, stations include Roodepoort, Little Falls, Fourways, Sunninghill, Olievenhoutsbosch, Irene, Tshwane East and Hazeldean.

The link between Sandton and Cosmo City has a station at Randburg. On the link between Rhodesfield and Boksburg there will be a station at East Rand Mall and possible link-up with the OR Tambo International Airport Midfield terminal development. A future link from Cosmo City to Lanseria Airport.

Passenger rail safety

The National RSR Act, 2002 (Act 16 of 2002), is the enabling legislation for setting up the independent RSR, reporting and accountable to the Minister of Transport.

The mandate of the RSR is to:

- oversee safety in railway transport, while operators remain responsible for managing the safety of their operations;
- develop an appropriate regulatory framework through the development of regulations and standards for safe railway operations;
- monitor and ensure safety compliance by conducting audits, inspections, safety assessments and occurrence investigations;
- collect and disseminate information relating to safe railway operations;
- promote the harmonisation of the railway safety regime of South Africa with the Southern African Development Community (SADC) railway operations; and
- promote improved safety performance to support the use of rail.

In pursuance of this mandate, the RSR has, in collaboration with the railway industry and the South African Bureau of Standards, developed a series of standards to ensure a common and consistent approach to railway safety in areas such as safety management, technical and operational requirements, and the management of human factors.

A key to the successful regeneration of the railway system in South Africa, and the subregion, is the interoperability of the railways. This implies consistent standards and common usage of technology where railway infrastructure is used by more than one operator.

The RSR and the railway industry continue to collaborate in developing the overarching broad technical and operating standards. The need for harmonisation of safety standards within the SADC region is of strategic importance. The RSR is facilitating efforts to adopt and align the current railway safety standards by regional railway operators through the Southern African Railways Association (SARA).

Since the RSR's creation, there has been increased awareness of safety in railways, improvements in safety management and accountability, and standardisation of safety management systems among railway operators in South Africa and regional railways operating into South Africa. The permit system employed by the RSR ensures the standardisation of safety management systems.

Through its SARA membership, the RSR plays a leading role in regional safety issues. The RSR played a central part in developing the Regional Safety Policy Framework and safety standards and in updating the Handbook on the Transportation of Hazardous Materials by Rail. Since the reintroduction of the railway police, there has been a significant drop in crime on trains and at train stations.

Civil aviation

Civil aviation is vital to international trade, investment, and tourism, as well as contributing to domestic transport, sports and recreation. Air transport connects South Africa to cities around the world and generates benefits to consumers and the wider economy by providing speedy connections between cities.

The DoT's Civil Aviation programme exists to facilitate the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards through regulations and investigations; and to oversee aviation public entities. Plans are underway to develop a business case for a government-owned national aviation academy.

Civil aviation safety and security

SACAA will focus on strengthening their effort in the implementation of General Aviation Safety Strategy through the use of innovation and technological solutions. The SACAA led a coordinated process of audits conducted by the following international bodies:

- The United States Federal Aviation Administration (FAA) following an audit conducted in November 2021. The final outcome audit assessment confirmed that South Africa has retained its category 1 status with the United States. The benefit of this outcome is that South African airlines, can operate directly into the United States with no hindrance.
- August 2022, South Africa was also subjected to a Universal Security Audit Programme by ICAO. I am pleased to confirm that South Africa has now received the final report from ICAO and the State received an unqualified audit opinion with no significant security concerns raised by ICAO.
- In November 2022, South Africa's aviation security cargo system was assessed by the United States Transport Security Administration. The outcome of this assessment confirmed yet again that the cargo security system of South Africa is on par with that of the US. As a result, the TSA granted South Africa permanent recognition. This means that South African cargo operators wishing to operate in the USA can do so unhindered, without a need to undergo individuals' assessment by the USA.
- In November 2022, South Africa also received the final report from the United States Federal Aviation Administration (FAA) following an audit conducted in November 2021. The final outcome of this assessment confirmed that South Africa has retained its category 1 status with the United States. The benefit of this outcome is that South African airlines, can operate directly into the United States with no hindrance.
- In March 2023 we were again audited by ICAO under its Universal Safety Oversight Audit Programme. From this audit, South Africa did not attract any significant safety concern and received an overwhelming Effective Implementation (EI) score of around 92%. This is a significant improvement from the 87.39% that ICAO gave the country in the 2017 audit. The recognition of South Africa's aviation systems by leading aviation States and Bodies has huge economic benefits for the State and the operators in the country.

Aviation infrastructure

The National Civil Aviation Policy acknowledges that airports are currently not integrated into a meaningful network that contributes to the socio-economic development of the country. The National Airports Development Plan has been initiated to guide present and future airport development; and the development of individual airports integrated within their broader spatial and transport contexts; and furthermore, to facilitate and promote development of aerotropolis and airport cities, in consultation with relevant stakeholders.

An integrated airport network system has the potential to support the NDP's objective by contributing to growing the economy and ensure that potential investments are utilised effectively and efficiently through economic initiatives such as the aerotropolis, airport cities, special economic zones linked to international airports to promote economic growth, trade and tourism and job creation. It could further facilitate the expansion of tourism, including sport and adventure tourism.

There are approximately 128 licensed airports, of which 10 are designated as international airports and 68 voluntarily registered airports. Of these, nine are owned by ACSA, nine owned by provincial governments, 38 military airports and around 100 municipal (local and district) airports. There are also numerous privately-owned licensed airports with the vast majority of the remainder of the airports being

private (business, non-profit, and individual). South Africa's nine major airports are:
- OR Tambo International Airport in Gauteng;
- Cape Town International Airport in the Western Cape;
- King Shaka International Airport in KwaZulu-Natal;
- Bram Fischer International Airport in the Free State;
- Chief Dawid Stuurman International Airport in the Eastern Cape;
- Upington International Airport in the Northern Cape;
- King Phalo Airport Airport in the Eastern Cape;
- George Airport in the Western Cape, and
- Kimberley Airport in the Northern Cape.

Airlift Strategy
The Airlift Strategy introduced structured regulatory measures for increasing tourism growth in South Africa. In particular, this strategy is based on aviation policy directives and contributes to the county's growth by:
- aligning with the Tourism Growth Strategy and industry;
- prioritising tourism and trade markets; and
- unblocking obstacles to growth through regulatory mechanisms, and bilateral and multilateral air-services negotiations.

The overall objective of the Airlift Strategy is to increase aviation's contribution towards sustainable economic growth and job creation. This requires the creation and maintenance of an enabling framework, within which both suppliers and consumers of air-transport services may exercise reasonable flexibility and choice.

The strategy enhances the prospects of South Africa as a preferred air-travel destination and synchronises the basis for bilateral air-services negotiations with other priorities. The strategy also provides specific guidelines for various unique markets, with emphasis on the needs of intra-African air services, and aims to improve the regulation of particularly the supply side of air-transport services. The DoT also developed the Airlift Implementation Plan, which provides a clear framework and capacity targets to be met.

Airlines
Several domestic airlines, as well as a number of smaller charter airline companies, operate in South Africa.

South African Airways (SAA)
SAA operates a full-service network in the international, regional and domestic markets. The airline is responsible for promoting air links with South Africa's key business, trading and tourism markets across the world, and contributing to key domestic air linkages.

The company was placed under business rescue in December 2019 and exited the process in April 2021. It resumed operations in September 2021, operating domestically and regionally, and has since been operating six aircraft.

Over the MTEF period, the airline plans to increase its operations and improve its service offering, for example, by expanding its route network. Government is in the process of concluding the sale of its majority shareholding in the company to a strategic equity partner. This is expected to attract the funding and skills required to strengthen the airline's balance sheet and improve its operations.

The partnership was expected to be finalised by the end of 2022/23, but due to outstanding matters such as regulatory approvals from the Competition Commission and the Air Services Licensing Councils, it is expected to be concluded in 2023/24.

Expenditure is expected to increase at an average annual rate of 50.8%, from R4.6 billion in 2022/23 to R15.9 billion in 2025/26. This significant increase is attributed to an increase in operations with the lifting of COVID-19 restrictions. Spending on goods and services constitutes 87.2% (R32 billion) of total expenditure, mainly driven by fuel, leases and maintenance costs.

Revenue is expected to increase at an annual average rate of 62.8%, from R3.9 billion in 2022/23 to R16.6 billion in 2025/26. It is mainly derived from the sale of air tickets, which constitutes 99.7% of total revenue. This significant increase is attributed to the airline's anticipated increase in operations.

Resources
Roads
South Africa's road network, including unproclaimed roads, is approximately 750 000 km, making it the 10th-longest road network in the world. Roads in South Africa fall under the jurisdiction of the three spheres of government (national, provincial and municipal), and responsibility for the entire road network is split between the three spheres' road authorities.

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

National roads
Government is responsible for overall policy, while the the SANRAL is the implementing agent of the national roads network, and along with the DoT, plays a key role in influencing policy and setting standards. The DoT continues to improve the road network by ensuring that it is well maintained and safe.

Provincial roads
Provincial governments are responsible for planning, constructing and maintaining roads and bridges, except those falling under the SANRAL or local governments. The DoT helps provincial and local governments to improve and develop the state of their roads.

Municipal roads
The construction and maintenance of most roads and streets within the municipal boundaries of cities and towns is the responsibility of the municipality concerned.

Toll roads
The toll road network comprises about 19% (3 120 km) of the national road grid. The SANRAL manages some 1 832 km of these toll roads.

In its endeavour to continue the expansion and maintenance of the comprehensive national road network, the SANRAL will continue the selective expansion of toll roads. About 1 288 km of the tolled sections of national roads have been concessioned to private companies to develop, operate and maintain.

Freight transport
Africa's road access rate is only 34% compared with 50% in other geographical zones. However, roads remain the dominant mode of transportation, accounting for more than 90% of passenger and freight transport in the continent, compared with around 50% of freight in Europe.

Pipelines
South Africa consumes about 25 billion litres of petroleum products a year. Transnet Pipelines transports almost 50% of all refined petroleum products in the country for the emerging and major oil companies of South Africa. The Tarlton storage and distribution depot is a vital conduit in the supply of fuel to Botswana. The company plans to enhance this service.

Transnet Pipelines transports all the crude requirements for the inland refinery at the National Petroleum Refiners of South Africa, from where almost 70% of their refined products, and 80% at Secunda, are transported through the pipeline network to the final markets. Transnet Pipelines owns, maintains and operates a network of 3 000 km of high-pressure petroleum and gas pipelines. Investment in the pipeline sector is ongoing.

Maritime transport
South Africa is bordered by the ocean on three sides. Studies suggest that the ocean has the potential to contribute up to R177 billion to the GDP and between 800 000 and one million direct jobs. It is a catalyst to facilitate international trade thereby providing necessary maritime/marine infrastructure and services, for goods to be seamlessly transferred from the manufacturing centres to the ports as imports and exports.

Maritime Industry Development manages the promotion of the maritime industry locally, regionally and globally. Current projects will assist in in developing programmes to improve the South African ship register and the inclusion of South Africans who are from historically disadvantaged backgrounds to participate in the maritime economic activities by supporting the establishment of a maritime broad-based black economic empowerment council.

The Oceans Economy Masterplan under Operations Phakisa is intended to use empirical evidence to galvanise stakeholders around a common understanding of challenges and opportunities, followed by the defining of a vision and the development of an action plan to address these challenges.

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

The DoT's Marine Transport programme exists to implement the CMTP to ensure promotion and coordination; as well as infrastructure and industry development and achieve compliance through monitoring, evaluation and oversight, and collaboration with maritime-related public entities, including the Ports Regulator; National Ports Authority; the SAMSA industry and international bodies.

Marine transport encompasses all forms of transport by sea, intermodal links and inland ports. It serves a large degree for the freight market, and in the South African context, offers no significant passenger-carrying ability.

- The accelerated implementation of the CMTP towards the goal of South Africa becoming an International Maritime Centre by 2030 is expected to achieve the following:
- Create enhanced maritime awareness by participating in international maritime platforms such as the Rio Competition in 2023.
- Establish the Maritime Development Fund (MDF).
- Create a shift from road to rail – open new markets for cargo movements.
- Create and maintain port capacity to support trade in ports through an effective port tariff methodology and strategy.
- Secure about 6% government cargo and use that to develop coastal shipping.

As a build-up and focused coordination, the following annual maritime thematic priorities have been agreed upon:

- 2022: Benefiting from the Maritime Value Chain;
- 2023: National Shipping Company;
- 2024: SADC Coastal Shipping;
- 2025: Maritime Infrastructure and Services;
- 2026: Revitalised South African Merchant Shipping;
- 2027: South Africa: Moving our Strategic Cargo;
- 2028: A vibrant South African Maritime Brand;
- 2029: Africa: a Thriving Maritime Market; and
- 2030: An International Maritime Centre in Africa.

Comprehensive Maritime Transport Policy

South African's length of the coastline is estimated to be approximately 3 000 km. In South Africa, the greatest challenge has been the absence of a maritime transport policy that is required to provide guidance to the industry. The much-awaited Maritime Transport Policy will create 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 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.

The CMTP serves as the embodiment of government's commitment to the growth, development and transformation of South Africa's maritime transport sector. It represents South Africa's long-term vision, the underpinning philosophy and principles that inform its development and the direction that government has committed to take the sector to reach its full potential.

One of the key strategic objectives of the CMTP is to develop South Africa to be an International Maritime Centre in Africa. In considering this bold objective, it is important to note that the CMTP Implementation Plan 2030 envisages that this status may be achieved by 2030. In the second year of the Maritime Decade, the focus is highlighting the sailing and luxury boat building subsector as being part of what the country offers to the world. South Africa's maritime sector must develop beyond its ability to serve national interest and provide efficient services to the global industry.

With the onset of the Fourth Industrial Revolution, South Africa should promote maritime analytical skills and tools. There is a need to learn from the bit of excellence in the ship and boat building industry, where South Africa is already highly recognised in the world and ranking number two, after France, as leader in the manufacture and distribution of catamarans and other sophisticated luxury yachts.

One of the areas requiring a better marine footprint is shipping and the CMTP Implementation Plan 2030 identifies coastal shipping as a key instrument, laying a firm foundation to build and grow the maritime sector. South Africa is expected to take steps to promote the development of a national shipping company in the light of the renewed impetus brought about by the CMTP.

Maritime Training

The South African Maritime Training Academy, at Simon's Town in the Western Cape, provides advanced training to the broader maritime sector, including the merchant navy, harbour-craft operations, the fishing industry and the South African Navy.

The South African Merchant Navy Academy, established at Granger Bay, is integrated with the Cape Peninsula University of Technology (CPUT), with a similar training facility at the Durban University of Technology (DUT). Deck and engineering students and officers complete their academic training at the CPUT and DUT, while lower classes of certificates are offered at the Northlink College, situated in the Duncan Dock area in Cape Town. This training institution also caters for deck, engine-room and catering department ratings.

The SAMSA is responsible for setting all standards of training certification and watch-keeping on behalf of the DoT, while the Maritime Education and Training Board is responsible for accrediting all maritime courses. Other maritime training organisations offer a wide range of courses that have been developed within the South African maritime industry. These are situated mainly in the ports of Cape Town and Durban and, to a lesser degree, Gqeberha.

As part of an initiative to reduce the vacancy rate of at least 45 000 jobs in the maritime industry, 12 further education and training (FET) colleges across the country offer courses aimed at equipping young people for a career in the industry. The FET colleges will meet at least 80% of the industry's skills demands, producing artisans such as riggers, welders and boiler makers. Annually, between 1 200 and 1 600 students enter the maritime industry after completing their studies.

Ports

Along its 3 000 km-long coastline, South Africa has eight commercial seaports: Richards Bay, Durban, East London, Ngqura, Gqeberha, Mossel Bay, Cape Town and Saldanha. South Africa is situated on a major sea route, which facilitates the safe and secure movement of about 500 megatonnes (Mt) of crude petrochemical sea trade. This represents over 30% of the world's petrochemical production, on board over 5 000 tanker voyages of very large crude carriers per year.

The commercial ports are crucial to South Africa's transport, logistics and socio-economic development. About 98% of South Africa's exports are conveyed by sea. The Port of Durban is the busiest container terminal in Africa and the second busiest in the southern hemisphere, following Melbourne, Australia. The Ports Authority alone employs 6 200 people at the Durban Port, with an estimated 30 000 people employed indirectly.

Richard's Bay is the busiest port in South Africa by tonnage and is one of the top two coal-handling ports in the world. The port focuses on bulk cargo handling while the Durban Port focuses on general cargo. It has also been earmarked for expansion projects with R3.7 billion set aside for mobile and quayside equipment, as well as weighbridges. Safety-critical, environmental and legal compliance projects will also be carried out.

Cape Town, located at the southern-most point of Africa, is ideally positioned as a hub terminal for cargo to South America and the Far East. West/East Africa cargo has grown substantially, making the Cape Town Container Terminal the terminal of choice for trans-shipment cargo.

The Gqeberha Container Terminal is one of the three specialised container-handling facilities along the South African coastline.

Operation Phakisa

Operation Phakisa was modelled upon the Malaysia "Big Fast Results" methodology, where government and the private sector converged to address binding constraints which where obstructing growth and job creation.

The Oceans Economy Lab was launched in 2014. South Africa is endowed with ocean space on three sides, representing a vast untapped market to grow the gross domestic product (GDP) and create jobs, thereby addressing poverty, unemployment and inequality.

The Oceans Economy has the potential to grow the GDP by R177 billion and create one million new jobs by 2033. A key assumption driving the above targets was a GDP growth rate of 5% per annum and an annual job growth rate of 6%.

The binding constraints were analysed by a cross section of public and private sector participants on a six-week Operation Phakisa Lab process, which resulted in 18 marine transport and manufacturing initiatives being crafted into a detailed three-foot plan for implementation. These initiatives addressed policy and regulation, infrastructure, skills and market development.

Safety of travellers

Road safety

Government's Road Safety Campaign has become an important part of the DoT's road safety projects and awareness efforts, especially during critical periods for road traffic management, such as the Easter long weekend and the December holidays.

At the end of 2015, it was announced that the RTMC could not use the Arrive Alive campaign anymore, as it had been registered as a brand. The safety campaign remains in place, operating under the name 365 Days of Road Safety Programme, which focuses on creating awareness all year round.

The goals of the campaign are to:

- reduce the number of road traffic accidents in general, and fatalities in particular, by 5% compared with the same period the previous year;
- improve road-user compliance with traffic laws; and
- forge improved working relationships between traffic authorities in the various spheres of government.

The campaign emphasised that the reduction in road deaths was urgent and non-negotiable. 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 24/7 on the roads. Anti-fraud and corruption operations will continue to be intensified at all public and private driver learning testing centres and driving schools around the country.

Maritime safety

An estimated 7 000 vessels pass around South Africa's coastline annually, of which many are laden tankers carrying in excess of 30 Mt of crude oil. South African weather conditions present regular challenges to vessels, often resulting in distress calls to the Cape Town-based Maritime Rescue Coordination Centre (MRCC).

Piracy constitutes a serious challenge to the development and stability of the SADC member states, given the importance of the region's international seaborne trade and its vital contribution to regional food stocks and economic development.

Threats of piracy are of particular concern to the SADC, whose coastline and shipping lanes are extremely vulnerable to maritime crime. As the SADC's coastal area does not fall within patrol areas of the international anti-pirate forces, the SADC will have to take responsibility for its own maritime security. The threat around the Horn of Africa and SADC waters detrimentally affects the SADC's trade and economy.

The SADC's Maritime Strategy entails a regional partnership with all member states contributing within their means. Not all members necessarily have the essential maritime and military capabilities, but they still contribute in other ways by providing land-based equipment such as radar and soldiers to patrol coastlines and islands.

The SADC has established robust rules of engagement for anti-piracy, which are largely consistent with those of other regions and task forces. Regarding the legal framework, SADC member states are expected to:

- ratify or accede to international maritime conventions/treaties/regimes and the incorporation of these into their national law;
- put in place comprehensive legal regimes at national level, consistent with international law, to prosecute pirates;
- stop the practice of "catch-and-release" of pirates since it allows experienced pirates to execute more sophisticated acts of piracy;
- strengthen and harmonise regional and domestic legal frameworks for arrest, awaiting trial detention, prosecution and imprisonment or repatriation of pirates; and
- take responsibility for its own maritime security in cooperation with other regions, task forces, navies and role players.

The MRCC enables South Africa to exercise its responsibilities to the international community by employing state-of-the-art search-and-rescue infrastructure and services.

South Africa has a well-established pollution prevention strategy, and is ready to respond in case of threats to the environment or to provide assistance to vessels at risk. The country acts in terms of the Indian Ocean Memorandum of Understanding (MoU) on Port State Control and has a similar agreement with the states of West Africa in the form of the Abuja MoU.

Search and rescue services

The Southern African Search and Rescue Organisation (Sasar) has been in existence since 1957. It was formalised through the enactment of the South African Maritime and Aeronautical Search and Rescue (SAR) Act, 2002 (Act 44 of 2002). The Act gave the organisation a statutory mandate to coordinate all SAR activities within South Africa's area of responsibility.

Its mandate is to ensure a coordinated and effective maritime and aeronautical search and rescue service within the South African search and rescue regions.

The SAR service is provided in terms of the obligations accepted by South Africa after signing and ratification of relevant IMO and ICAO Conventions inter alia, the International Convention on Maritime Search and Rescue, 1979 and the Convention on International Civil Aviation, 1944.

Other objectives include:

- minimising the loss of life and personal injury to aviators and mariners;
- minimising time spent searching for persons in distress by using top-of-the-range technology, research and development, education, regulation and enforcement;
- promoting and enhancing regional search and rescue capacity or capability and ensuring optimal use of SAR scarce resources;
- ensuring the implementation of international standards and recommended practices; and
- improving cooperation between aeronautical and maritime search and rescue authorities.

South Africa is responsible for a huge SAR area, representing about 10% of the globe and about 28.5 million km2 in total. The South African area is divided into the aeronautical and maritime SAR areas. The aeronautical SAR region covers Lesotho, Namibia, South Africa and Eswatini, and associated flight information regions.

The maritime SAR area stretches about halfway between South Africa and South America on the western side, and about halfway between South Africa and Australia on the eastern side. It also borders on Namibia, Angola, South Africa and Mozambique on the northern side and then extends to the south pole.

Relevant operational structures and substructures were established for Sasar to execute its mandate successfully. The Aeronautical Rescue Coordination Centre (ARCC) and the MRCC are the primary structures responsible for the execution of Sasar's statutory mandate. The ARCC and the MRCC are based at the ATNS and SAMSA.

The SAR only works when several countries and all stakeholders collaborate across borders. This culture of collaboration dates back to 1959 when the Convention on International Civil Aviation first made provision for cooperation between states. According to this provision, states will individually or in cooperation with other states, arrange for the establishment and prompt provision of the SAR services within their territories to ensure that people in distress get assistance.

Regional cooperation also uses scarce resources and helps nations to avoid duplicating efforts and facilities.

Through this collaboration, services are provided for poor states in a uniform way across a wide area. Collaboration also reduces the overall cost of the SAR operations.

Green Transport Strategy (GTS)

The movement of goods and services in time and space defines and influences economic activity. Demand for transport shapes the urban landscape and influences peoples' spatial choices in relation to schooling, places of work, religious services; and economic services such as banking, shopping and basic lifestyle requirements.

Businesses also choose to establish themselves based on market proximity and size, and ease of transport supporting labour, goods and services. These choices contribute in ways that are either favourable or extremely compromising to the well-being of individuals, households and businesses. According to the Green Transport Strategy for South Africa (2018 – 2050), emissions from the transport sector in South Africa account for 10.8% of the country's total greenhouse gas (GHG) emissions. In addition to these direct emissions arising from the combustion of fuels, there are indirect emissions from the production, refining and transportation of fuels. Continued growth within the transport sector is likely to have an increasing impact on land resources, water quality, air quality and biodiversity. In urban centres, transport is a major contributor to air pollution and emissions include nitrous oxides and particulates, which contribute to the brown haze seen over many of South Africa's main cities.

These pollutants have a significant impact on human health, increasing risks of respiratory diseases, heart disease, lung cancer and low birth weight – with children and the elderly particularly vulnerable. This place an even greater burden on the healthcare system with substantial medical costs.

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

It is the responsibility of the DoT to contribute to national economic development through a people-centred approach that creates opportunity and stimulates growth. The department intends to do this by driving the goals of the National Transport Master Plan 2050 as South Africa confronts its crossroads to provide safe, efficient, reliable and affordable transport.

This makes the need for real change within the transport sector urgent and imperative. The GTS aims to minimise the adverse impact of transport on the environment, while addressing current and future transport demands. This is underpinned by sustainable development principles. The strategy will promote green mobility to ensure that the transport sector supports the achievement of green economic growth targets and the protection of the environment.

The objectives of the GTS include:

- enabling the transport sector to contribute its fair share to the national effort to combat climate change in a balanced fashion;
- promoting behavioural changes towards sustainable mobility alternatives through information, education and awareness raising;
- engaging the low-carbon transition of the sector, to assist with the aligning and developing of policies which promote energy efficiency and emission control measures in all transport modes;
- minimising the adverse effects of transport activities on the environment; and
- facilitating the sector's just transition to a climate resilient transport system and infrastructure.

Road transport has been identified as the primary source of transport-related carbon dioxide emissions in South Africa, contributing 91.2% of total transport GHG emissions. The heavy reliance of the sector on fossil fuels contributes significantly to total GHG emissions for the country. This justifies a focus on immediate and targeted interventions around road transport to ensure a significant reduction of emissions in the transport sector as a whole.

This will require commitment to resources: significant long-term finance and investment, as well as supplementary work to prepare detailed business plans for finance and investment in transport-related mitigation. There are broad-scale economic opportunities for growth in the public and private sectors.

Some of the benefits include access to employment opportunities for poor communities, an efficiently run public transport system, access to clinics and other healthcare services and less polluted air. Improvements in transport efficiency will also have positive knock-on effects for all economic sectors that use transport.

During the MTSF, as part of implementation of the GTS, the DoT will develop its carbon emission just transition plan to ensure that it contributes to the country's target of keeping emissions between 398 Metric tons of carbon dioxide equivalent (Mt CO_2e) and 614 Mt CO_2e range and the commitments set out in the Nationally Determined Contributions.

Transport Month

October is Transport Month. During this month DoT and its entities showcase transport infrastructure services in aviation; maritime; public transport and roads. Transport Month is also be used to further advance the country's road safety initiatives, while also creating awareness of the economic benefits of the sector.

The aim to raise awareness of the important role of transport in the economy, and to invite participation from civic society and businesses alike, in providing a safer, more affordable, accessible and reliable transport.

Government's investments in rail, roads and public transport is changing the way people access their places of work, study and entertainment. These investments will also help to grow our economy, and address the challenges of unemployment, poverty and inequality.

October was declared Transport Month in 2005 during the Transport Lekgotla. It is used to raise awareness on the important role of transport in the economy and to encourage participation from civil society and business, including the provision of a safe and more affordable, accessible and reliable transport system in the country.