SOUTH AFRICA YEARBOOK 2023/24

Transport

Transport

The Constitution of the Republic of South Africa of 1996 identifies the legislative responsibilities of the national, provincial and local levels of government for all modes of transport, with associated infrastructure and operational requirements. The Department of Transport (DoT) is responsible for the legislation and policies for rail, pipelines, roads, airports, harbours and the intermodal operations of public transport and freight.

Accordingly, it conducts sector research, formulates legislation and policy to set the strategic directions of subsectors, assigns responsibilities to public entities, regulates by setting norms and standards, and monitors implementation.

Over the medium term, the department aimed to continue focusing on creating an enabling environment for economic activity by maintaining South Africa's road network; facilitating integrated road-based public transport networks; and investing in critical infrastructure to revitalise and turn around passenger rail services. Expenditure is expected to increase at an average annual rate of 4.2%, from R78.3 billion in 2023/24 to R88.6 billion in 2026/27.

Transfers and subsidies, mainly for transport public entities, account for an estimated 97.9% (R250.7 billion) of the department's expenditure, increasing at an average annual rate of 4.2%, from R76.7 billion in 2023/24 to R86.7 billion in 2026/27. Transfers to the provincial roads maintenance grant, the public transport operations grant, the public transport network grant and the rural roads asset management systems grant are intended to fund other spheres of government with concurrent transport functions.

Cabinet has approved reductions to the department's budget amounting to R20.3 billion over the medium term. Of this: R17.4 billion is effected in the national sphere on transfers to public entities, including the South African National Roads Agency Limited (SANRAL) and the Passenger Rail Agency of South Africa (PRASA); R2.7 billion in the provincial sphere on transfers to the provincial roads maintenance grant; and R237.9 million in the municipal sphere on transfers to the public transport network grant.

Accordingly, targets for roads rehabilitated, resealed and re-gravelled in provinces, and for passenger trips for integrated public transport services across various municipalities, have been reduced. To minimise the impact of these reductions, the department, through its implementing agencies, will aim to improve efficiencies and contract management to ensure value for money on services rendered by the private sector.

Maintaining South Africa's road network

By investing in South Africa's road networks, the department ensures that passengers and freight carriers have adequate access to safe roads. Of the R140.6 billion over the medium term allocated to the Road Transport programme to fund the construction, upgrading and maintenance of national and provincial road networks, R86.8 billion is allocated to the SANRAL.

Of this amount, R53.3 billion is to be spent on maintaining the national non-toll network, R4.1 billion on the N2 Wild Coast project, R3 billion on the R573 (Moloto Road) development corridor and R2.3 billion on the Gauteng Freeway Improvement Project (GFIP). The agency is set to receive an additional R81.4 million over the MTEF period to pilot a single ticketing system for public transport in Gauteng that will allow commuters to access all public transport facilities with a single pass.

The provincial roads maintenance grant is set to receive allocations amounting to R51.8 billion over the period ahead. The grant prioritises different elements of strategies to preserve road assets, including maintenance and refurbishment.

The road maintenance component of the grant provides funds to provincial transport departments to maintain and preserve the provincial road network, whereas the refurbishment and rural bridges component of the grant provides for the refurbishment of roads and the construction of 96 rural bridges in 2024/25 and 2025/26.

Provinces are also expected use the grant to rehabilitate 11 354 lane kilometres, reseal 14 710 lane kilometres, re-gravel 21 855 kilometres and blacktop-patch 7 369 246 square metres.

Facilitating integrated road-based public transport networks

The DoT disburses the public transport network grant to municipalities to carry out required infrastructure projects and cover indirect costs of bus rapid transit services in Cape Town, Ekurhuleni, George, Johannesburg, Nelson Mandela Bay, Polokwane, Rustenburg and Tshwane.

Funding from the grant is expected to lead to an increase in the number of weekday passenger trips on bus rapid transit services from a combined 245 141 in 2024/25 to 356 144 in 2026/27. Transfers to the grant are set to increase from R6.2 billion in 2023/24 to R7.6 billion in 2026/27.

Allocations to the public transport operations grant, which subsidises road based public transport services are expected to increase from R7.4 billion in 2023/24 to R8.5 billion in 2026/27. These services are provided by provincial departments of transport.

Investing in critical infrastructure to revitalise passenger rail services

In consultation with the department, the PRASA has adopted a priority corridor strategy to recover rail services and increase commuter numbers. To achieve this, interventions in the Rail Transport programme over the medium term include maintaining, recovering and renewing the agency's rolling stock fleet, modernising rail infrastructure, rolling out new train sets to priority corridors and increasing rail passenger trips and freight. Accordingly, transfers from the programme to the agency amount to an estimated R60.7 billion over medium term.

These funds will also be used to continue the agency's rolling stock renewal drive. As a result of Cabinet-approved reductions, transfers to the agency for capital expenditure are set to decrease at an average annual rate of 0.7%, from R12.9 billion in 2023/24 to R12.7 billion in 2026/27.

Transfers to the agency for operational expenditure, however, are set to increase at an average annual rate of 4.1%, from R7.5 billion in 2023/24 to R8.5 billion in 2026/27, as more commuter lines become operational. The agency will explore contractual exit clauses if necessary to mitigate the risk these reductions might pose to the fulfilment of some of its contracts.

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.

The DoT planned to develop 10 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

Government has officially switched off the gantries of the GFIP, popularly known as e- tolls. The gantries were switched off at midnight on 12 April 2024 at the SANRAL Central Operations Centre.

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.

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.

South Africa is a participant to the second United Nations Decade of Action (UNDA) for Road Safety 2020 – 2030. 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. 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 safe environment 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.

Entities

Air Traffic and Navigation Service (ATNS)

The ATNS 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 ATNS Act, 2003 (Act 45 of 1993). All its services are in accordance with the standards of the International Civil Aviation Organisation and the civil aviation regulations issued in terms of the Civil Aviation Act, 2009 (Act 13 of 2009).

The company will continue to focus on providing safe, efficient and cost-effective air traffic management solutions and related services over the medium term. An estimated 78% (R4.8 billion) of its budget over this period is expected to be used on communication, surveillance and simulator systems. Compensation of employees comprises 59.1% (R3.7 billion) of total expenditure over the period ahead, while goods and services accounts for 26.2% (R1.6 billion). Total expenditure is expected to increase at an average annual rate of 6.9%, from R1.8 billion in 2023/24 to R2.2 billion in 2026/27.

The company expects to generate 85.6% (R5.6 billion) of its revenue over the medium term by providing aeronautical services to the aviation industry, mainly through en-route and approach fees. Total revenue is expected to increase at an average annual rate of 7.8%, from R1.9 billion in 2023/24 to R2.4 billion in 2026/27, as the company returns to normal operations after the lifting of COVID-19 restrictions.

Airports Company South Africa (ACSA)

ACSA is established in terms of the Airports Company Act, 1993 (Act 44 of 1993). The company owns and operates the nine principal airports in South Africa, including the three main international gateways: OR Tambo International Airport, Cape Town International Airport and King Shaka International Airport. Over the medium term, the company will continue implementing its recovery strategy, which is supported by a revised financial plan.

The strategy focuses on continuously delivering major infrastructure requirements while maintaining its financial sustainability. Since the end of the COVID-19 pandemic, the company has reinforced its efforts to improve its sustainability and organisational resilience.

Total expenditure is expected to increase at an average annual rate of 3.4%, from R5.8 billion in 2023/24 to R6.4 billion in 2026/27, with goods and services accounting for an estimated 45.5% (R8.6 billion) of spending over the MTEF period.

Total revenue is expected to increase at an average annual rate of 11.1%, from R6.4 billion in 2023/24 to R8.8 billion in 2026/27, driven by the expected increase in passenger numbers as the air travel industry continues its recovery from the pandemic.

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, 1998 (Act 4 of 1998). It facilitates an unimpeded flow of freight and passenger road transport across the region. Over the next three years, the agency will focus on conducting inspections to enforce cross-border road traffic law.

Total expenditure is expected to increase at an average annual rate of 7.5%, from R333.3 million in 2023/24 to R414.3 million in 2026/27, mainly driven by spending on administration, law enforcement, facilitation and regulatory services. The road transport inspectorate, which was transferred to the Road Traffic Management Corporation in 2017, was transferred back to the agency from 1 April 2023. The additional cost of this function is estimated at R81 million and will be funded through interest on investments. The agency is set to derive 75.5% (R892.3 million) of its revenue over the MTEF period from administrative fees. Revenue is expected 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 medium term, the trading account will invest in a new production machine to ensure optimal manufacturing productivity.

As a result, spending on production and infrastructure is expected to account for 64.2% (R440.7 million) of its budget over the period ahead. Spending is projected to increase at an average annual rate of 4.3%, from R197.9 million in 2023/24 to R224.4 million in 2026/27.

The entity generates revenue through the sale of licence cards. Revenue is expected to decrease by 1.6%, from R235.6 million in 2023/24 to R224.4 million in 2026/27.

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 is 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 its strategic corridor recovery programme and modernising its core infrastructure, which includes replacing old rolling stock and investing in signalling infrastructure.

As part of its strategic corridor recovery programme, the agency aims to restore services – including rebuilding infrastructure, especially in Gauteng – and recover lines in KwaZulu-Natal after severe flooding in April 2022. Accordingly, spending on Metrorail is expected to amount to R29.3 billion over the next three years.

Total expenditure is expected to increase at an average annual rate of 3.3%, from R15.1 billion in 2023/24 to R16.7 billion in 2026/27. Spending on compensation of employees accounts for an estimated 35.6% (R16.8 billion) of total expenditure over the period ahead, decreasing at an average annual rate of 2.4%, from R6.1 billion in 2023/24 to R5.7 billion in 2026/27, due to the agency's planned voluntary severance process.

Transfers from the department account for an estimated 88.3% (R60.7 billion) of the agency's revenue over the medium term. 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 decrease at an average annual rate of 0.9%, from R24.6 billion in 2023/24 to R23.9 billion in 2026/27, driven mainly by a reduction in transfers from the department.

Ports Regulator of South Africa (PRSA)

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

The regulator remains focused on strengthening the economic regulation of ports infrastructure and compliance with the ports regulatory framework.

Total expenditure is expected to increase at an average annual rate of 4.7%, from R44.1 million in 2023/24 to R50.7 million in 2026/27. Compensation of employees comprises an estimated 71.2% (R103.1 million) of the regulator's expenditure over the MTEF period, increasing at an average annual rate of 4.4%. The regulator derives more than 96% of its revenue through transfers from the department, increasing at an average annual rate of 4.5%, from R42.6 million in 2023/24 to R48.6 million in 2026/27.

Railway Safety Regulator (RSR)

The RSR was established in terms of the National RSR Act of 2002. It is mandated to oversee railway operations, monitor operators and enforce a safe operating environment. This includes rail operators in neighbouring countries with operations that enter South Africa. Over the medium term, the regulator aimed to focus on issuing safety permits, conducting inspections and audits, investigating railway accidents, and developing regulations and safety standards.

Expenditure is expected to increase at an average annual rate of 4.3%, from R270.2 million in 2023/24 to R306.9 million in 2026/27. Compensation of employees comprises an estimated 64% (R565.6 million) of planned expenditure over the MTEF period. The regulator expects to generate 70.3% (R624 million) of its revenue over the next three years from administrative fees and most of 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 RAF 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, the change in the settlement policy for loss-of-income claims from lump sum to annuity is expected to result in a moderation in the payment of claims in line with the fund's pay-as-you-go principle.

As a result, the total value of claims paid out over the MTEF period is expected to decrease at an average annual rate of 6.2%, from R45.4 billion in 2023/24 to R37.4 billion in 2026/27.

The fund derives revenue through the road accident fund levy in terms of the Customs and Excise Act (1964). Transfers received through the levy are expected to increase at an average annual rate of 0.3%, from R49 billion in 2023/24 to R49.5 billion in 2026/27, in line with an expected increase in the sale of fuel.

Road Traffic Infringement Agency (RTIA)

The RTIA derives its mandate from the Administrative Adjudication of Road Traffic Offences (AARTO) Act (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 AARTO roll-out programme.

Expenditure is expected to increase at an average annual rate of 2.4%, from R508.9 million in 2023/24 to R546.6 million in 2026/27, with goods and services accounting for an estimated 58.9% (R915.7 million) of total estimated spending. The agency derives its revenue mainly through administrative fees and transfers from the department. Revenue is expected to increase at an average annual rate of 4.5%, from R479.1 million in 2023/24 to R546.6 million in 2026/27.

Road Traffic Management Corporation (RTMC)

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

Over the medium term, the corporation intends to implement the national road traffic law enforcement code, which is expected to integrate and harmonise traffic law enforcement and facilitate the integration and development of road safety regulations and the fair and efficient use of resources.

Total expenditure is expected to increase at an average annual rate of 6.9%, from R1.5 billion in 2023/24 to R1.8 billion in 2026/27, mainly driven by spending on compensation of employees. Although transaction fees are expected to remain the corporation's main revenue source, comprising an estimated 61.7% (R3 billion) of total revenue over the MTEF period, the corporation will pursue alternative revenue streams through its online licence renewal initiative.

South African Civil Aviation Authority (SACAA)

The South African Civil Aviation Authority 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 International Civil Aviation Organisation.

The authority will continue to focus on implementing safety and security programmes over the medium term in line with the standards and recommended practices issued by the organisation and South African civil aviation regulations. Accordingly, it intends to enhance and sustain its capacity by replacing flight inspection aircraft and flight calibration equipment, and procuring security systems, server rooms and an examination centre for its new building.

Total expenditure is expected to increase at an average annual rate of 8.5%, from R900.7 million in 2023/24 to R1.2 billion in 2026/27. Compensation of employees accounts for an estimated 68.6% (R2.2 billion) of total expenditure over the medium term. Passenger safety charges, user fees and the aviation fuel levy are expected to comprise 79.1% (R2.6 billion) of the authority's revenue over the period ahead, with transfers from the department amounting to an estimated R271.4 million. Revenue is set to increase in line with spending.

South African Maritime Safety Authority (SAMSA)

The SAMSA was established in terms of the SAMSA Act (1998). It is responsible for regulating and enforcing maritime safety and marine pollution from ships, and promoting South Africa's maritime interests. Its continued focus is on ensuring the safety of life and property at sea, and preventing and combating marine pollution.

Spending is expected to increase at an average annual rate of 4.3%, from R471.6 million in 2023/24 to R535.2 million in 2026/27, with compensation of employees comprising an estimated 62.3% (R948.6 million) of total expenditure over the MTEF period.

The authority generates revenue through levies, fees and user charges. Total revenue is expected to increase at an average annual rate of 4.3%, from R472.2 million in 2023/24 to R536.3 million.

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 national road network, including the financing of these functions, for toll and non-toll roads.

The declared national road network as at 31 March 2023 was 23 536 kilometres, of which non-toll roads comprised 87% and toll roads constituted 13%. Non-toll roads are fully funded through annual grant allocations amounting to R53.5 billion over the next three years.

Over the medium term, the agency's focus remains on constructing, maintaining and preserving the national road network. Accordingly, over the period ahead, the agency intends to implement its flagship projects, of which 11 are in the construction phase, six are in the tender phase and 10 are in the design phase. These projects are expected to result in more than R24.5 billion in infrastructure investment. They are all in key economic corridors and their timelines for completion range between five and 10 years.

Due to the implementation of backlog projects, payments to service providers for road maintenance or construction accounts for the bulk of the agency's total expenditure, increasing at an average annual rate of 1.8%, from R26.3 billion in 2023/24 to R27.7 billion in 2026/27. Expenditure on compensation of employees is estimated to increase at an average annual rate of 3.9%, from R820.7 million in 2023/24 to R919.3 million in 2026/27, in line with the agency's imperative to retain personnel.

Total expenditure is expected to increase at an average annual rate of 2.3%, from R30.3 billion in 2023/24 to R32.4 billion in 2026/27. The agency is set to receive 74.4% (R83.5 billion) of its revenue over the MTEF period through transfers from the department and 15.7% (R15.8 billion) through toll fees, concession income and rental income from investment properties. Revenue is expected to increase at an average annual rate of 7.1%, from R30.9 billion in 2023/24 to R38 billion in 2026/27.

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.

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 haemorrhage 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 the competitiveness of logistics, promoting a modal shift from road to rail, increasing logistics connectivity, attracting private investment, developing skills and promoting reindustrialisation.

Transnet has experienced a series of challenges that have resulted in underperformance and affected its liquidity and financial position. These include declining operational and maintenance efficiency, limited investment capital, a high cost base, reduced asset availability and reliability, increased crime and vandalism to equipment and infrastructure, and operational disruptions.

The decline has been more pronounced in the freight rail division, accounting for about 53% of the company's business, which has had a decrease in volume from 226 million tonnes in 2017/18 to 149.5 million tonnes in 2022/23.

To address this decline and optimise business operations over the medium term, Transnet will implement its recovery plan, which provides for 18 months to transition the company to profitability. As such, it plans to spend R19.2 billion on capital investments into, among other things, locomotives, and improving the availability and reliability of critical equipment and the quality of assets at ports.

Through this spending, Transnet anticipates rail freight volumes to increase to 154 million tonnes by 2023/24 and 193 million tonnes by 2024/25. Port volumes are also expected to increase based on a series of initiatives at both the ports and rail divisions. Accordingly, container volumes are expected to increase from 4 912.4 TEUs (thousand 20-foot-equivalent units) in 2023/24 to 6 933.3 TEUs in 2026/27.

As a result, expenditure is expected to increase at an average annual rate of 3.9%, from R89.6 billion in 2023/24 to R100.4 billion in 2026/27. Spending on compensation of employees constitutes an estimated 31.6% (R87.9 billion) of total expenditure over the next three years, whereas that on goods and services constitutes 28.8% (R83.6 billion).

Revenue is projected to increase at an average annual rate of 6.3%, from R93.9 billion in 2023/24 to R112.8 billion in 2026/27. The company expects to generate 93.7% (R291.6 billion) of its revenue through providing rail freight services.

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.

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 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 regional and domestic markets, and, more recently, has returned to the international market. 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 came out of the process in April 2021. It resumed flight operations in September 2021, operating domestically and regionally, and initially operated six aircraft on five routes. The airline is now operating 13 aircraft on 15 routes.

Over the MTEF period, the airline plans to increase its operations and improve its service offering. This is expected to be done by increasing its fleet size and route network. In the 2023 Budget, R1 billion was allocated to the airline for settling obligations emanating from its business rescue process.

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 unlock the funding required to strengthen the airline's balance sheet and improve its operations. The partnership was expected to be finalised in 2023/24, but aviation regulatory approvals and the repeal of the SAA Act of 2007 have led to delays.

In line with the airline's expansion plan and business restart following the sale, expenditure is expected to increase at an average annual rate of 34.2%, from R7.3 billion in 2023/24 to R17.7 billion in 2026/27.

Spending on goods and services constitutes 90.1 per cent (R40.8 billion) of total expenditure over the period ahead, mainly driven by fuel, leases and maintenance costs. As the airline expands its routes domestically, regionally and internationally, its revenue is expected to increase at an average annual rate of 36 per cent, from R7.5 billion in 2023/24 to R18.9 billion in 2026/27. The airline's revenue is generated through the sale of air tickets.

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 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.

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.

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.

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.