22 Transport

The Department of Transport aims to establish a national transport system that enables national, provincial and local provision of efficient, affordable and fully integrated infrastructure and services. The transport system seeks to best meet the needs of transport users and promote economic and social development, while being environmentally and economically sustainable.

The department's other key objectives include:

- facilitating access and affordability of public transport to the commuting public
- planning, developing and maintaining transport infrastructure to improve mobility and quality of life and contribute to economic development
- promoting sector and enterprise reforms to create a reliable, safe and competitive transport system.

Policy

The department is working to improve and expand infrastructure and, through subsidies, reduce the costs of public transport.

Transport policy is built on the framework set out by the Moving South Africa Strategy (1999) and the National Land Transport Transition Act, 2000 (Act 22 of 2000).

These established the vision of an efficient public transport system through the use of targeted subsidies, and the provision of a high-quality, comprehensive transport infrastructure.

In 2005/06, the department was allocated R3 billion to improve the public transport system and roads.

During 2004, the Department of Transport was restructured and refocused its strategic approach. As a result, the number of programmes has been reduced from eight to six. The main changes are the introduction of the Programme: Freight Logistics and Corridor Development; the consolidation of all of the regulatory functions into the Programme: Transport Regulation and Public Entity Oversight; and the consolidation of the planning and infrastructure functions into the Programme: Integrated Planning and Inter-Sphere Co-ordination. Key elements of the new strategic approach include:

- restructuring public transport subsidies to better target poorer commuters, irrespective of the mode of transport, and to align subsidised transport services to support municipal integrated transport plans

- streamlining the freight logistics network along key freight movement corridors by promoting infrastructure investment and improved operational efficiency
- increasing investment in transport infrastructure, both through increased public investment in road and rail infrastructure, and through public-private partnerships (PPPs)
- building capacity to monitor and oversee the public entities that report to the Minister of Transport
- developing the regulatory systems and capacity required to ensure that operators in the transport sector meet the required safety and security standards, and to establish a single economic regulator for the transport sector
- ensuring that the transport sector contributes to government's broad priorities of creating jobs and promoting Black Economic Empowerment (BEE).

A seamless logistics system

A critical area of focus is a seamless logistics system, characterised by an efficient flow of freight that promotes the economy's competitiveness. It is expected that the transport system will be restructured to prevent logistics from acting as a restraint on economic growth, employment and sustainable development. The removal of blockages within the ports and rail systems is regarded as a priority.

An integrated approach will be adopted to use the transport system as a catalyst to stimulate new development corridors in various regions of the nine provinces.

The development of strategic corridors will serve as a guide as to where transport infrastructure will be located in future. The development of these corridors will be interlinked with nodal and spatial development initiatives (SDIs) to prevent areas outside of the corridors from being delinked from the rest of the economy.

An example is the Kei Rail Project, which involves the upgrading and development of new facilities along the Umtata-Amabele railway line in the Eastern Cape. In 2004/05, the Department of Public Enterprises contributed R28 million to the Kei rail infrastructure upgrade.

Collaboration with other government departments saw commitments of about R44 million for the upgrade of the Belmont-Douglas railway line in the Northern Cape and Nkwaleni railway line in KwaZulu-Natal.

These projects are collaborative efforts between the Department of Transport, Spoornet and the respective provinces to increase the producers' access to freight transport and to reduce the cost of doing business in South Africa's rural areas.

Public-transport subsidies

The chief objectives of a sustainable public transport system are to improve the public transport system, broaden access to affordable transport, and stimulate economic activities.

Transport subsidies are potentially important tools for improving efficiency, access and equity. In the past, they have been targeted loosely and implemented selectively. The Department of Transport is channelling subsidies to those with the greatest need to maximise economic and social gains.

By mid-2005, there were 34 interim bus contracts in the whole country that accounted for 67% of the total subsidy allocation of R2,28 billion. There was R2,5 billion in subsidies a year for train commuters.

The transformation of bus contracts is part of initiatives to implement government's existing policy of regulated competition.

Tendered contracts will be the norm while negotiated contracts will be approved only as an exception. The tendered bus contracts will cover a period of seven years to provide certainty to the industry and enable bus operators to purchase new buses to provide commuters with safe, reliable and improved services. Negotiated contracts will cover a period of five years.

Black Economic Empowerment

By August 2005, the development of the Transport Sector BEE Charter was in the final stages of negotiations in eight subsector working groups. These are aviation, maritime, road freight, buses, freight forwarding, rail, the public sector and the taxi industry.

The charter sets targets for small, medium and micro enterprises (SMMEs), women, and people with disabilities.

The aim is to transfer ownership of enterprises throughout the industry value chain to black people and to increase their participation at all levels – employment, management, procurement and the development of new enterprises.

Non-motorised transport (NMT)

The promotion of NMT primarily aims to increase transport mobility and accessibility, mainly in rural areas. These include the donkey carts of the Northern Cape and the Shova Kalula Bicycle Programme.

The NMT Programme in the Kgalagadi and Botlhabela Presidential rural nodes has four sub-components:

- Promoting ownership and usage of various rural-transport operations (e.g. human/animal-drawn carts) in low-income rural areas and at local project level.
- Creating and/or improving appropriate, safe on- and off-the-road rural-transport infrastructure.
- Alleviating rural poverty by promoting the economic, as well as the strong industrial dimension, of NMT project operations and infrastructure (e.g. SMMEs). This will be achieved by exploiting local expertise to the maximum in running and sustaining the programme.
- Impact assessment and programme evaluation. The main objective of this component is to make meaningful contributions to the Rural Transport Strategy.

Transport safety

Increased emphasis is placed on safety issues in all transport modes. The Road to Safety Strategy, the transportation of dangerous goods by road, the establishment of the Maritime Rescue Centre, the setting-up of the Railway Safety Regulator, and the Road-Traffic Management Corporation (RTMC) are examples.

New Partnership for Africa's Development (NEPAD)

From a transport point of view, key issues in creating an effectively co-ordinated African response to global market challenges are market access, mobility and systems integration.

The Department of Transport is contributing actively to the practical realisation of NEPAD and the Southern African Development Community (SADC) development goals in several major areas, by promoting:

- efficient and effective maritime transport services
- rail-systems integration
- road-systems development and infrastructure maintenance.

Agencies

The Department of Transport has established four bodies to move certain elements of government's operational activities to commercial agencies. They are the South African National Roads Agency Ltd (SANRAL), the South African Maritime Safety Authority (SAMSA), the Cross-Border Road Transport Agency (CBRTA) and the South African Civil Aviation Authority (CAA).

South African National Roads Agency Ltd

The SANRAL is an independent, statutory company responsible for the design, construction, management and maintenance of South Africa's national road network, including toll and non-toll roads.

The SANRAL's responsibilities are to:

- strategically plan, design, construct, operate, rehabilitate and maintain South Africa's national roads
- deliver and maintain a world-class primary road network
- generate revenue from the development and management of its assets
- undertake research and development to enhance the quality of the country's roads
- upon request of the Minister of Transport and in agreement with a foreign country, provide, operate and maintain roads in that country.

South African Maritime Safety Authority

The SAMSA is a statutory body that reports to the Minister of Transport. Its responsibilities include the promotion of safety of life and property at sea, the prevention of marine pollution by pollutants emanating from ships, and the co-ordination of overall technical operations. It also develops policy on legal issues, foreign relations, marine pollution and certain specific safety matters.

The SAMSA's main functions are to:

- provide shipping competence and pollution services in a regional context
- manage marine incidents, casualties and wrecks, and participate in search-and-rescue missions
- control standby tugs and pollution stores
- maintain seafarers according to standards of training and staffing criteria
- provide a shipping-administration support service
- manage the registration of ships
- manage a coastal patrol service
- manage vessel traffic, including navigation aids
- provide lighthouse services.

Funding comes from, among other sources, levies on ships calling at South African ports, direct user charges and government service fees.

Cross-Border Road Transport Agency

The CBRTA regulates and controls cross-border passenger, freight and road transport. It also facilitates the establishment of co-operative and consultative relationships and structures between public and private-sector institutions, with an interest in cross-border road transport.

The CBRTA is also involved in collecting, processing and disseminating relevant information; providing training and capacity-building; and promoting entrepreneurship, with the focus on SMMEs with an interest in cross-border road transport.

The functions of the agency include:

- advising the Minister of Transport on cross-border transport matters and assisting in the process of negotiating and renegotiating cross-border road-transport agreements on request
- regulating the road-transport industry's access to the cross-border road-transport market
- facilitating ongoing co-operative and consultative relationships and structures between the public and private sectors in support of cross-border road-transport operations
- undertaking road-transport law enforcement.

The main source of income for the CBRTA is fees charged for cross-border permits.

South African Civil Aviation Authority

The CAA is charged with promoting, regulating and enforcing civil-aviation safety and security.

The CAA has proved to be a leader in the aviation regulatory sector in the SADC region. It has hosted several regional meetings and conferences since 1994, and is the driving seat of efforts to harmonise aviation regulations in the region and improve the level of aviation surveillance.

In 2003, South Africa was elected as a member of the International Civil Aviation Organisation (ICAO) Council and was requested to establish a South African office at the ICAO headquarters in Montreal, Canada.

The CAA is funded by a combination of direct and indirect fees and government funding for the investigation of aircraft accidents. User fees are based on the recovery of the agency's costs to provide the relevant direct services. This approach creates a more efficient and cost-effective regulatory regime and a safer civil aviation system.

Indirect fees are recovered through a R7 aircraft and passenger safety charge payable by all scheduled passengers.

Transnet Limited

Transnet Limited, a public company of which the South African Government is the sole shareholder, was established on 1 April 1990.

The company is recognised as a dominant player in the southern African transport infrastructure. Its activities are not restricted to southern Africa but extend beyond its borders into Africa and the rest of the world.

Government is embarking on a major investment drive of some R40,8 billion in Transnet over the next five years.

Transnet handles 176 million tons (mt) of rail freight per year, 2,8 mt road freight and 194 mt of freight through the harbours, while 13,8 million litres (ML) are pumped through its petrol pipelines annually.

By February 2005, the Department of Public Enterprises, in conjunction with Transnet and South African Airways (SAA), was working on the separation of SAA, which was expected to be finalised by 2006.

This will allow Transnet to focus on its rail, port and petro-pipeline core business. SAA will be a stand-alone entity reporting to the Department of Public Enterprises. The airline is now focusing on opening new routes around the globe and forging strong partnerships with other African airlines.

Transnet investment plans are focused on key operating divisions such as ports, rail and pipelines. The challenge facing Transnet is to expand the capacity of the freight system and ensure significant improvements in efficiency.

The key investments are:

- expanding and redesigning Pier 1 and widening the entrance of Durban harbour at a cost of R2,9 billion
- constructing the container terminal at Ngqura, at a cost of R2,6 billion
- expanding the Cape Town container terminal, at a cost of R2,6 billion
- constructing the multi-purpose pipeline from Durban to Gauteng, at a cost of R3 billion
- the purchasing by Spoornet of locomotives, wagons and equipment worth R8 billion.

Transnet Limited consists of eight main divisions, a number of subsidiaries, and their related businesses:

- Spoornet focuses on transporting freight, containers and mainline passengers by rail
- the National Ports Authority (NPA) focuses on providing total port infrastructure and marine-related services, managing port activities in a landlord capacity, and regulating port systems
- South African Port Operations (SAPO) focuses on port-terminal and cargo operations in commercially viable business units
- Petronet focuses on transporting petroleum products and gas through a high-pressure long-distance pipeline network
- Propnet manages a profitable property-development portfolio, and handles the management and investment function of Transnet's vast property portfolio
- Metrorail is a commuter rail transport business
- Transtel is the telecommunications unit of Transnet
- Transwerk is involved in engineering activities and is one of South Africa's leading manufacturers and refurbishers of railway rolling stock.

Road transport

National roads

In terms of the National Roads Act, 1998 (Act 7 of 1998), government is responsible for overall policy, while road-building and maintenance is the responsibility of the SANRAL.

The Department of Transport continues to improve the road network, ensuring that it is well-maintained and safe. A new national roads plan is being developed, indicating the importance of roads to the economy.

The South African road network comprises some 754 600 km of roads and streets.

Responsibility for the network is carried by the department with the SANRAL, the nine provinces, and local authorities.

A new proposed road-classification system has been developed to integrate the 29% of unclassified roads into the road system. Unclassified roads are predominantly access roads in rural communities and roads in settlements on the urban periphery.

The various categories include:

- 9 600 km of surfaced national toll and non-toll roads
- 56 000 km of surfaced provincial roads
- 300 000 km of gravel provincial roads
- 168 000 km of surfaced and unsurfaced urban roads
- 221 000 km of unclassified roads.

Cabinet approved a five-year road-infrastructure strategy to prevent the further deterioration of the country's road network.

The Minister of Finance, Mr Trevor Manuel, announced at the tabling of the Medium Term Budget Policy Statement in October 2005, that R31,5 billion would be allocated for infrastructure projects, including significant increases in spending on national and provincial roads over the Medium Term Expenditure Framework period.

Provincial roads

The planning, construction and maintenance of roads and bridges, other than those falling under the SANRAL or local governments, is the responsibility of provincial governments. The Department of Transport is always ready to assist provincial and local governments to improve and develop the state of their roads.

Spatial development initiatives

SDIs are recognised as effective means of stimulating economic growth by exploiting the existing economic potential within an area. The department's involvement in this project is focused on infrastructure provision, BEE, skills transfer and the creation of sustainable jobs.

The SDI programme uses public resources – particularly project planning, scoping and logistical co-ordination skills – to leverage private-sector involvement.

The SDI areas are Lubombo, West Coast, Fish River, Maputo Development Corridor, Wild Coast, Platinum, Phalaborwa and Richards Bay. (See Chapter 7: *Economy*.)

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

Toll roads cover some 2 400 km and are serviced by 32 toll plazas, including concessioned roads.

The viability of every toll road is determined over a 30-year period to assess the private-sector funding.

The performance of all toll roads is within the forecast, and in many cases roads perform better than forecast. It is envisaged that all new major toll-road projects will be financed through the Build, Operate and Transfer principle. This allows greater private-sector involvement in the financing, building, operation and maintenance of toll projects. When the concession period expires, the facility is transferred back to the State at no cost.

Road-traffic signs

A revised road-traffic-sign system, which closely conforms to international standards, has been phased in since November 1993.

The revised system involves changes to the colours of some of the regulatory and all of the warning signs, changes in design parameters, the modernisation of text and symbols, and the addition of new signs, signals and markings. Many of the new signs make use of symbols rather than text to eliminate language problems and reduce observation time.

Credit-card format (CCF) licences

CCF licences are valid for a period of five years, whereafter licence holders have to apply for a replacement.

The CCF licence contains more than 20 different security features, one of which is the encrypted two-dimensional bar code which complies with international standards.

Public transport

In terms of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), legislative and executive powers in respect of public transport are a provincial competency. National government, however, is responsible for policy-formulation, monitoring and strategic implementation. The Department of Transport continues to administer subsidies for buses and other subsidised forms of public transport.

According to the *National Household Travel Survey, 2003*, there are about 3,9 million public transport commuters. The 2,5 million taxi commuters account for over 63% of public transport work trips. Bus services account for another 22% of public transport commuters and the balance are carried to work by train. In addition to the 2,5 million commuters who use minibus-taxis as the main mode of travel, there are another 325 000 commuters who use taxis either as a feeder mode to other public transport services, or as a distribution service from the main mode to their places of work.

National Transport Register

The establishment of the National Transport Register is a requirement of the National Land Transport Transition Act, 2000.

The purpose of the register is to integrate the land-transport systems, i.e. the Subsidy Management System (SUMS), the Land-Transport Permit System (LTPS) and the Registration Administration System (RAS).

The LTPS facilitates the issuing of public road-carrier permits, to regulate entry into the road-carrier markets.

The objective is to facilitate the processing of permit applications and enable the local road transportation boards (provincial permit boards) to provide an efficient service to the industry. In achieving this goal, the LTPS supports the boards with:

- registering applications
- generating and verifying advertisements
- capturing objections and appeals
- generating agendas
- verifying vehicle information
- generating permits and permit transfers.

The RAS facilitates the registration of minibus-taxi associations with the Provincial Registrar to formalise the industry. They support the registrar with:

- registering members and associations
- registering vehicle particulars of members
- registering corridor particulars of associations
- management reporting.

The SUMS manages claims from provincial departments and payments thereof for bus contracts.

Urban transport

Metropolitan transport advisory boards govern urban areas which have been declared metropolitan transport areas. Both short- and long-term programmes for adequate transportation development are drawn up by the core city of each area and are revised and adjusted annually.

Nine such core areas exist, namely Johannesburg, Cape Town, Pretoria, Durban, Pietermaritzburg, Port Elizabeth, the East Rand, Bloemfontein and East London.

The planning of transport for metropolitan and major urban areas must be done in accordance with a growth-management plan, and travel modes should not compete with one another. In urban areas, passenger road-transport services are provided by local governments, private bus companies, which operate scheduled bus services between peripheral areas and city centres, and minibus taxis.

The Department of Transport supports provincial departments of transport and of public works in the construction of intermodal facilities and in their efforts to achieve integration between bus and taxi operations.

The minibus-taxi industry has shown phenomenal growth during the last few years, leading to a decrease in the market share of buses and trains as modes of transport.

Motor vehicles

According to the *National Household Travel Survey, 2003*, about 26% of households in South Africa have access to a motor car. In households where income exceeds R6 000 per month, 82% have access to one or more cars. Gauteng and the Western Cape have the highest car-ownership levels.

At 108 cars per 1 000 of the population for the country as a whole, car ownership in South Africa remains in its infancy.

Minibus taxis

The South African National Taxi Council (SANTACO) is the umbrella body for all provincial taxi organisations and strives to regulate, formalise and stabilise the industry. The council acts as a mediator in disputes between taxi organisations and plays a role in eliminating the causes of conflict within the industry.

In May 1999, government signed a memorandum of understanding (MoU) with SANTACO, paving the way for the replacement of the industry's ageing fleet and its absorption into South Africa's formal economy.

The MoU commits SANTACO to act against violent elements in the industry, participate in the regulation of the industry by ensuring its members have legal operations, and implement a programme of acceptable labour practices. Government, in turn, is bound by the MoU to find an acceptable solution to the industry's recapitalisation issues, legalise illegal operations within agreed parameters, and provide taxi operators with extensive training.

Taxi Recapitalisation Programme (TRP)

The TRP aims to replace the current ageing taxi fleet with new, safer and purpose-built minibus taxis.

Government announced in October 2004 that it would roll out its revised TRP at a cost of about R7,7 billion over seven years, starting at the beginning of the 2005/06 financial year.

In February 2005, the TRP was allocated R885 million over the next three years.

By July 2005, government had approved the detailed strategy for the roll-out of the TRP.

It comprises the introduction of safety requirements for the new taxi vehicles, scrapping of existing vehicles, effective regulation of the taxi industry, effective law enforcement in respect of public transport and empowerment of the taxi industry.

The new safety requirements, which are effective from 1 January 2006, involve:

- seatbelts
- roll-over bars
- type-two braking systems
- commercially rated tyres: size 185 R or 195 R
- warning markings
- wheel bands
- tamper-proof speed governors (100 km per hour will be set as the maximum)
- diesel-fuelled vehicles.

Any new vehicle entering the taxi industry without meeting these safety requirements will not be licensed to operate as a taxi.

Government intends to remove 10 000 old and unroadworthy vehicles from the roads by December 2006. With effect from August 2005, taxi operators who wish to exit the industry are invited to voluntarily hand in their vehicles and permits/operating licences.

The payment of a scrapping allowance of R50 000 to operators handing in their vehicles will only take place after operating licensing boards have registered applications, evaluated them and verified the validity of the permit/operating licences linked to the taxi vehicle.

Taxi operators failing to register their old vehicles will face impoundment of their vehicles and risk forfeiting the scrapping allowance.

In 2006, the Minister of Transport, Mr Jeff Radebe, is expected to introduce amendments to the National Land Transport Transition Act, 2000 to strengthen the regulation of the taxi industry. Among key amendments to be introduced is ensuring that municipalities take control of taxi ranks and their management.

Taxi ranks and routes will no longer be under the control of taxi associations or other bodies.

The Department of Transport, in consultation with the taxi industry, is considering the need for a regulatory body to facilitate the integration of the industry into the formal public transport system.

Bus transport

A network of public and privately owned passenger bus services links the major centres of South Africa and also serves commuters in the deep rural areas. Cabinet has approved measures intended to improve public-transport safety. These include the intensifica-

In October 2005, the Minister of Transport, Mr Jeff Radebe, issued 20 operating licences to Free State taxi operators who had converted their radius permits.

The conversion is part of the roll-out plan of the Taxi Recapitalisation Programme that is aimed at ridding the country of the current unsafe taxi fleet and replacing them with new, safer and more reliable vehicles.

tion of law enforcement, lowering the maximum speed limit for buses and minibus taxis to 100 km/h, and a fitness-testing programme for buses.

International models being explored emphasise the need for a formal safety fitness-rating methodology. A vehicle operator will receive a safety rating when an accredited or authorised safety specialist conducts an on-site review of the operator's compliance with applicable safety and hazardous material regulations.

In terms of the formal compliance review, the operator will be awarded one of three ratings: satisfactory, conditional or unsatisfactory.

To meet safety-fitness standards, the carrier will have to demonstrate that it has adequate safety-management controls in place to reduce the risks associated with:

- inadequate levels of financial responsibility
- inadequate inspection, repair and maintenance of vehicles
- professional driver's permit standard violations
- the use of unqualified and fatigued drivers
- improper use of motor vehicles
- unsafe vehicles operating on highways
- failure to maintain collision registers and copies of collision reports
- motor-vehicle crashes
- driving and parking violations
- the violation of hazardous material regulations.

The operator of a vehicle that has received an unsatisfactory safety rating will have a specified period of time from the effective date of rating notice to improve the safety rating to conditional or satisfactory.

Should the operator fail to do so, the carrier will be prohibited from operating commercial motor vehicles or transporting passengers for reward.

The Department of Transport has been working closely with the South African Bureau of Standards (SABS) to ensure that the emergency exits of buses and taxis meet required standards and allow passengers to escape without difficulty in emergencies.

The department has requested the SABS to pay specific attention to the relevant safety standards.

This includes the ability of young children and the aged to break through emergency windows.

The SABS has also been requested to look at the locations of all emergency exits and the education of passengers on how to use them.

The department has intensified its education campaign on how to use emergency exits and is engaging manufacturers in ensuring that more visible and reflective material is used to identify emergency exits.

Cross-border transport

Multilateral

The SADC Protocol on Transport, Communications and Meteorology provides a comprehensive framework for regional integration across the entire spectrum of the transport, communications and meteorology sectors. The general objective is to promote the provision of efficient, cost-effective and fully integrated infrastructure and operations in these fields.

The protocol also specifically addresses road transport, and aims to facilitate the unimpeded flow of goods and passengers between and across the territories of SADC member states. It aims to promote the adoption of a harmonised policy, which lays down general operational conditions for carriers.

Cross-border transport within the Southern African Customs Union (SACU) is undertaken in terms of the SACU MoU. The memorandum facilitates transport between member countries through the use of the single-permit system.

In April 2005, the Minister of Labour, Mr Membathisi Mdladlana, launched the Taxi Sectoral Determination. The regulation sets minimum wages and establishes basic conditions of employment for the taxi sector, with effect from July 2005.

This includes registration with the Unemployment Insurance Fund (UIF) of taxi drivers, administrative staff, rank queue marshals, fare collectors and cleaners.

The monthly contribution to the UIF is 2% – 1% is deducted from the driver's salary by the employer and the other 1% is contributed by the employer.

The MoU provides the framework for co-operation between the signatory countries, which has resulted in the establishment of technical working groups for traffic standards, road-user charges and passenger transport.

The activities of the passenger-transport working group led to the establishment of joint route management committees (JRMCs) for certain cross-border passenger routes within the SACU. The JRMCs comprise representatives from the public and private sectors of the countries concerned, and are aimed at jointly managing the routes in consultation with all stakeholders.

Bilateral

Bilateral agreements facilitate and encourage cross-border road transport in support of regional trade.

The Maputo Development Corridor between South Africa and Mozambique is a good example.

The two governments also signed agreements dealing with road freight and passenger transport between the two countries, which will facilitate the movement of goods and people by road, and eliminate bureaucratic proceedings at border posts.

The project also includes the upgrading and modernisation of the railway line between the two countries and of Maputo harbour, at a cost of about R150 million.

On 29 September 2003, South Africa, Namibia and Botswana signed an MoU on the development and management of the Trans-Kalahari Corridor (TKC).

The TKC was formally established in 1998 following the completion of the Trans-Kgalagadi Highway in Botswana. The TKC links the three southern African countries by road.

One of the benefits of the TKC is that it links the hinterlands of Botswana, Namibia and South Africa (especially Gauteng) with the Port of Walvis Bay. This port is the western seabord port in southern Africa and is closest to shipping routes to and from markets in the Americas and Europe.

The development of the TKC has the potential of significantly reducing transaction costs for SADC exporters and importers. This is expected to enable economic operators to become increasingly internationally competitive by enhancing their ability to exploit the benefits of preferential trade agreements with the United States of America (USA) and the European Union.

Domestic

The CBRTA fosters investment in the cross-border road-transport industry and provides high-quality cross-border freight and passenger road-transport services at reasonable prices. The agency works on a cost-recovery basis and any profits from cross-border permit fees are ploughed back into the system through a price reduction on permits in the following financial year. It also encourages small-business development in the industry.

Goods transport

In South Africa alone, road transport accounts for the movement of some 650 mt of freight traffic per year, compared with about 180 mt by rail.

The total throughput, inclusive of local production and imports, in the whole of the South African economy that requires logistics interventions amounted to 745 mt in 2003.

This was divided between 49% for mining, 45% for manufacturing and 6% for agriculture. It is estimated that it cost R135 billion in 2003 in transport costs to move that quantity, where 62% of the total cost was attributable to long-haul road transport, 22% to road distribution, 8% each to rail and air, and 1% to pipeline and water modes. It is estimated that logistical costs to the South African economy are in the region of 14,7% of gross domestic product, with transport representing some 75% of that cost.

The department is working with provincial counterparts and major stakeholders on the Overload-Control Infrastructure Programme, which deals with reckless overloading. The programme is based on the construction of a strategic network of traffic-control centres and fixed weigh stations on major roads, supported by mobile weigh stations on alternative roads in the main freight corridors.

In September 2005, Minister Radebe launched the National Freight Logistics Strategy (NFLS) in Pretoria. The NFLS aims to:

- regulate the freight system to ensure economic efficiency
- exercise effective oversight of the environmental and security elements of the freight system
- promote better physical and operational integration of seaports, airports and land-transport networks.

Road-traffic safety

Greater road-safety awareness has been generated through the activities of the *Arrive Alive* Campaign, which is part of the Road to Safety Strategy.

The RTMC Act, 1999 (Act 20 of 1999), provides for the establishment of the RTMC to:

- enhance the overall quality of road-traffic management and service provision
- strengthen co-operation and co-ordination between the national, provincial and local spheres of government in the management of road traffic
- maximise the effectiveness of provincial and local government efforts, particularly in road-traffic law enforcement
- create business opportunities, particularly for the historically disadvantaged sectors, to supplement public-sector capacity
- guide and sustain the expansion of private-sector investment in road-traffic management.

The RMTC is a partnership between the three spheres of government to strengthen its collective capacity for road-traffic management. The process for adjudicating road-traffic offences has been reformed and is now administrative, rather than judicial.

The Road Traffic Infringement Agency will serve as the collection agency for outstanding traffic fines and adjudicate contested traffic offences. This is a more efficient and effective system for administering traffic offences.

In mid-2005, the RTMC was tasked to finalise a detailed business plan, which aims to strengthen the State's law-enforcement capacity. Government has committed R2,5 billion over the next five years to increase its law-enforcement capacity relating to public transport.

The law-enforcement strategy includes strengthening the capacity of existing public transport law-enforcement units in the various provinces by June 2006, and establishing such units where necessary.

The Constitution authorises provinces to exercise legislative and executive powers pertaining to road-traffic safety, while the promotion thereof is primarily the responsibility of the Department of Transport.

The Road Traffic Safety Board (RTSB) endorses and acts as guardian of the Road Traffic Management Strategy (RTMS); assists in the identification, formulation and prioritisation of projects; monitors progress; and gives direction in the implementation of the RTMS.

The RTSB is made up of members of all three spheres of government, as well as traffic stakeholders in the private sector. The ministers of education, of health, of justice and constitutional development, of provincial and local government, of safety and security and of transport serve on the board.

Three Acts provide for the national co-ordination of regulation and law enforcement, the registration and licensing of motor vehicles, and the training and appointment of traffic officers. These are the RTMC Act, 1999; the National Road-Traffic Amendment Act, 1999 (Act 21 of 1999); and the Administrative Adjudication of Road-Traffic Offences Amendment Act, 1999 (Act 22 of 1999).

The Administrative Adjudication of Road-Traffic Offences Amendment Act, 1999 provides for a more efficient system of collecting traffic fines and for the introduction of a points demerit system, linked to the CCF driver's licence.

In February 2005, total new vehicle sales rose to 42 832, which is a 32,5% increase compared with the same month in 2004.

National Association of Automobile Manufacturers of South Africa figures showed that in February 2005, new car sales increased by 34,4%, light commercial vehicle sales rose by 28,5%, medium commercial vehicle sales by 49,5% and heavy truck and bus sales by 19%.

In March 2005, Statistics South Africa reported that the total motor trade sales in 2004 rose by 17,4% to R175,3 billion.

In terms of the Act, motorists' driver's licences will be suspended when they have 12 penalty points against their names. For every point over and above 12, the motorist's licence will be suspended for three months.

Points can easily be accumulated, for example, four penalty points each for exceeding the speed limit by 50%, driving an unregistered vehicle, refusing to undergo a blood or breathalyser test, or driving a vehicle without registration plates. The use of hand-held cellphones in vehicles is not allowed and non-compliance could cost a motorist two points.

When a driver's licence is suspended for a third time, it will be cancelled and the motorist will again have to undergo a driver's test. In more serious cases, a court may forbid a motorist to drive on a public road ever again. However, the system in no way detracts from the accused's constitutional right to a fair trial. The points demerit system is to be implemented in phases.

Arrive Alive

Government's *Arrive Alive* Road-Safety Campaign aims 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
- forge an improved working relationship between traffic authorities in the various spheres of government.

South Africa's rate of pedestrian fatalities is unacceptably high. Factors that have exaggerated the problem in South Africa include lack of infrastructure, such as adequate pavements or road-crossing facilities, lack of education in road usage, a traffic mix with vehicles and pedestrians sharing the road, poor town and transport planning of facilities, such as schools and community halls, and an absence of law enforcement.

The department launched the *Niyabonwa* (You are Seen) Campaign in November 2004.

The campaign aims to reduce pedestrian deaths by encouraging pedestrians to ensure that they are visible to motorists.

Road-safety awareness education is being gradually integrated into the mainstream school curriculum as a set of basic life skills that can be continuously expanded and deepened over time.

Pupils at pre-school level through to grade nine are being exposed to systematic, practical road-safety education within the framework of the 'life-skills' component of their curriculum.

By March 2005, about R9 million was being spent on a multimedia road-safety project involving the training of 116 000 primary school educators in 2 300 workshops throughout the country.

Patrol Car Project

On 17 March 2005, Minister Radebe launched the Arrive Alive Patrol Car Project, which aims to provide provincial and metropolitan/local traffic authorities with additional patrol vehicles.

During this first phase, 60 vehicles worth R6,29 million were distributed.

The vehicles were allocated to provinces as follows: Eastern Cape eight; Free State four; Gauteng nine; KwaZulu-Natal nine; Limpopo six; Mpumalanga six; North West six; Northern Cape four; and Western Cape eight.

The project aims to:

- increase the visibility of traffic authorities and the level of patrolling on identified top hazardous sections of national and major provincial roads
- improve personal interaction between traffic officials and the road-using public
- promote enforcement of selected traffic offences and contraventions
- change the behaviour of drivers
- promote traffic-law compliance in general, to reduce the number of road accidents.

Road-traffic control

The Department of Transport is responsible for co-ordinating and harmonising traffic control (law enforcement) in South Africa. This is done in conjunction with the provinces, which have legislative and executive powers in this regard.

The aim is to enhance traffic quality, promote voluntary compliance of road users with rules and regulations, reduce the incidence of traffic offences, prevent accidents, ensure effective adjudication and implement improved management.

An important facet of the department's work is the development of a standardised management system for traffic control at micro level, to assist traffic authorities in managing their internal and external environments optimally, and to achieve the highest levels of traffic quality.

About 100 provincial and local traffic authorities have implemented the traffic-management model.

Roadblocks are held on a continuous basis by provincial and local traffic authorities. They take many forms, ranging from formal joint roadblocks with the South African Police Service (SAPS), the South African National Defence Force (SANDF) and other role-players, to standard driver and vehicle roadside checks, run by traffic officers to check on driving licences, alcohol usage by drivers, vehicle licences, tyres, lights, brakes, outstanding fines, etc.

Road Accident Fund (RAF)

The RAF is a public entity that compensates victims of motor-vehicle accidents for bodily injuries and/or loss of financial support caused by the death of a breadwinner. The rights for compensation are prescribed by the RAF Act, 1996 (Act 56 of 1996).

The RAF derives its income from a tax levied on petrol and diesel sold in South Africa.

The RAF pays out numerous claims each year due to accidents caused by recklessness; inconsiderate, negligent and aggressive driver behaviour, as well as drunken driving. In 2004/05, 164 346 claims totalling R11,7 billion were lodged. Some 13 441 claims totalling R82 million were finalised and paid out.

Legislation

In September 2005, Minister Radebe introduced the second reading of the RAF Amendment Bill.

The Amendment Bill seeks to ensure the progressive realisation of the right to social security and healthcare and to provide appropriate relief without the introduction of unfair discrimination.

It introduces an equitable, fair and transparent system of compensation and also provides for good corporate governance, while addressing the financial position of the fund.

The Bill removes unreasonable limitations on passengers in favour of reasonable and transparent limitations for all road users. For the first time, users of public transport will now be able to claim from the fund.

The Bill ensures that more compensation reaches the primary victims of road accidents by reducing the settlement costs. The Bill further protects those seriously injured who will be able to receive compensation to help them adjust their lives accordingly.

The Bill introduces measures of transparency in providing healthcare according to public healthcare tariffs to ensure that current inequalities are not perpetuated through fuel levy monies.

Fraud and corruption

Due to the prevalence of fraud and corruption, claims have to go through a verification process to fully investigate and assess their authenticity and legitimacy. During 2004/05, the RAF identified and reported fraudulent claims to the value of R27,2 million countrywide. Arrests made came as a result of a joint effort with the National Prosecuting Authority (NPA) and the SAPS.

By May 2005, the NPA had reached plea bargaining agreements with the accused in 78 matters where they were ordered to refund the RAF. The agreements made included provision for an accused to refund the RAF in monthly instalments. The total amount received in 2004/05 in respect of the 78 cases was R430 136 and the closing balance (still to be recovered) was R817 398.

Road-safety initiatives

Although the core business of the RAF involves providing compensation to people who have wrongfully suffered loss or damage caused by motor-vehicle accidents, it also promotes a road-safety culture among road users. The RAF contributes to and supports Arrive Alive initiatives and has established partnerships with road safety and law-enforcement agencies to create awareness of road safety and crime prevention.

Patient Outreach Programme

The RAF initiated the Patient Outreach Programme to educate claimants on how to administer and manage the undertaking certificate, and also trace downtrodden patients in need of ongoing medical treatment. The offices are managed by professional nurses and occupational therapists appointed as case managers.

Upon identification of these patients, case managers then come up with a comprehensive treatment plan, taking into account the social, physical and psychological aspects of the person. In 2004/05, case managers managed to make a difference in the lives of 2 016 patients.

Rail transport

The Department of Transport embarked on a comprehensive recapitalisation programme to improve rail safety and revive rail transport as a viable public-transport alternative.

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

The regulator oversees safety by means of conducting audits and inspections; undertaking occurrence investigations; analysing occurrence statistics, operator-safety plans and accident reports; and issuing notices to operators to cease an activity or to improve an unsafe activity. Failure to respond to a notice could result in the operator, including the top management and even the board, being prosecuted.

In June 2005, the regulator launched the South African National Standard 3000-1, the first in a series of national safety standards to assist rail operators to understand and comply with new safety management regulations.

The development of industrial and local standards, which will cover certain geographical locations and circumstances, is expected to be completed in 2008.

Spoornet

Spoornet is the largest railroad and heavy haulier in Africa with an annual turnover in excess of US$1 billion. Spoornet's core competency is rail freight, which comprises 95% of turnover with the remaining turnover being derived from long-distance passenger services. Spoornet's core business is the transportation of mining or raw material along dense strategic corridors to ports.

Spoornet is being transformed as a competitive company that:

- provides an efficient and sustainable transport and logistics service
- contributes to the world competitiveness of its customers, the country and the continent
- operates in a manner that contributes to the reduced cost of doing business with the nation
- takes up its rightful place, relative to other transport modes, in the total surface freight transport industry and the economy of the country.

At the core of Spoornet's strategy is an emphasis on the basic imperatives of safety, customer service, operational efficiency, profitability, and attracting and retaining a skilled workforce.

Spoornet intends to spend about R14 billion on capital investment over the next five years to address technological challenges. About 90% of the investment will be spent on the rehabilitation and renewal of infrastructure, locomotives and wagons.

Capital programmes are underway in a number of areas:

Infrastructure

Investment in network infrastructure focuses on the rehabilitation of signalling and overhead power supply systems, which will result in more reliable train services. Focus is also placed on increasing network availability through reductions in line occupation time on the heavy haul and high-density corridors by 50%.

Locomotives

Much of the investment in locomotives will be directed towards upgrades for general freight locomotives and the acquisition of new locomotives for the heavy haul and high-density lines. This will have a 25% and 75% increase in tractive effort respectively, giving Spoornet the leverage to run longer and more reliable trains.

The reliability of an upgraded locomotive will improve by 40% and reduce maintenance costs by 55%. Spoornet has the skills within the business to carry out loco upgrade design and execution. As Spoornet commissions additional locomotives, improvements will also be experienced in other critical corridors.

Wagons

Investment in the wagon fleet will increase carrying capacity (from 45 to 60 tons per wagon) and address unsafe incidents (e.g. derailments) that negatively affect services to customers. Spoornet is embarking on a change in technology from friction to roller bearings, giving it the leverage to increase train speeds from an average of 60 km/h to 80 km/h. This change will also provide Spoornet with the leverage of running heavier loads and longer trains that will benefit customers.

Spoornet is a world leader in heavy-haul bulk railway operations. Spoornet also has general freight operations that are operated below standard. Plans are deployed to tap into the heavy-haul expertise and migrate some of the general freight lines and traffic to heavy haul. In this regard, Spoornet's Engineering and Technology Department aims to stay abreast of the latest global technological developments as the company strives to cater for customers' ever-changing transport needs.

Business units

Spoornet has seven transport divisions providing transport services in all transport modes.

Spoornet's special focus businesses include Shosholoza Meyl, LuxRail (Blue Train and Premier Class), LinkRail and Spoornet International Rail.

The revision of the public-transport subsidy system is expected to underpin the merger of Metrorail, Shosholoza Meyl and the South African Rail Commuter Corporation (SARCC) to report to the Department of Transport, and allow Spoornet to concentrate on freight.

Spoornet represents the group's rail transport interests and is the largest of the Transnet divisions in revenue, size and employee numbers.

Planned investment expenditure for the next 15 years is about R1 billion a year to address the estimated backlog of R15 billion.

Spoornet consists of the following business units, each with its own core business focus, namely:

GFB Commercial

Known previously as General Freight Business, GFB Commercial is the largest of Spoonet's business units, accounting for some 70% of its income and handling some 52% of its freight tonnage.

GFB Commerical manages the flow of material and information between suppliers and customers along sections of their supply chains. It strives to integrate the rail component of the supply chain with adjoining components to increase supply-chain efficiency and reliability at the lowest-possible cost.

COALlink

COALlink provides world-class transport for South Africa's export coal from the Mpumalanga coalfields to the Richards Bay Coal Terminal. It is one of the world's most efficient bulk export logistic supply chains, and its steam-coal export tonnage is second only to Australia's.

Orex

Orex deals with the transport of iron ore over the

Sub-Saharan Africa boasts about 83% of all Africa's railways. South Africa's share of the African total is some 35% and 42% of sub-Saharan Africa.

South Africa accounts for about 47% of the total number of locomotives of all types in sub-Saharan Africa and 32% of the African total. South Africa's dominance of electric locomotives is nearly complete, with about 96% of sub-Saharan locomotives and 92% of the continent's total number of electric locomotives.

South Africa's dominance of the African freight wagon fleet is 62% of the total African fleet and 74% of the sub-Saharan total. The amount of rail freight tonnes moved occurs mostly in the South African system, with about 71% of the African total and some 91% of sub-Saharan traffic.

861-km railway line from Sishen to Saldanha. Following the high demand for ore in the export markets, improvements to the line are underway to increase the capacity of the Orex line from 18 mt a year to more than 22 mt a year.

In a recent benchmark study, Orex was rated as 38% better than the next best-practice operator in its field.

Luxrail

Luxrail's primary focus is the operation of the Blue Train, which caters for a growing international tourist market. It has won several World Travel Awards for the world's leading luxury train. Crossing South Africa's varied landscape along four routes, the train combines the comfort and luxury of a five-star hotel with unparalleled journeys.

Luxrail also manages contracts with other luxury train operators using Spoornet's infrastructure. These include Rovos Rail, which travels throughout southern Africa, and the Spier, which travels on the Western Cape wine routes.

Shosholoza Meyl

Previously known as Main Line Passenger Services, Shosholoza Meyl provides affordable intercity passenger rail services to and from South African destinations. These include Johannesburg, Durban, Makhado, Polokwane, Komatipoort, East London, Port Elizabeth, Bloemfontein, Kimberley and Cape Town. Services also connect with destinations in Zimbabwe, Mozambique and Swaziland.

About four million passengers use Shosholoza Meyl's services a year.

In October 2005, Spoornet hosted the 15th International Railway Safety Conference in Cape Town.

The conference, under the theme *Innovative Safety Solutions for Tomorrow's Railway*, was officially opened by the Minister of Public Enterprises, Mr Alec Erwin.

The conference was hosted in conjunction with various role-players in the South African railway industry, including the South African Railway Commuter Association and the Rail Safety Regulator.

Participants included safety experts, consultants and representatives of various railway companies from around the world, as well as from railway-safety regulators, railway associations, labour organisations, and departments of transport.

Spoornet International Joint Ventures (IJV)

IJV is responsible for all Spoornet activities outside South Africa, as well as for all non-core activities and joint ventures within the country.

Spoornet aims to be a global leader in operations on the 1 000-mm and 1 067-mm (narrow gauge) rail networks of the world, especially in Africa. The IJV is Spoornet's vehicle for achieving this and other objectives outside the company's normal areas of activity.

Metrorail

Metrorail, a division of Transnet, is South Africa's only commuter rail service and has been operating in five metropolitan areas in the Western Cape, Eastern Cape, KwaZulu-Natal and Gauteng since 1990. The SARCC, a government agency, owns all commuter rail assets (property, infrastructure and rolling stock) to the value of R69 million. Metrorail provides the commuter services under a contract with the SARCC.

By February 2005, the Department of Public Enterprises was working with Transnet, Metrorail and the SARCC to consolidate the executive functions of Metrorail and the SARCC.

The transitional executive team's tasks include halting the continuing deterioration of the commuter rail service and putting together a stabilisation strategy. They will also need to accelerate the implementation of the rolling stock refurbishment programme, improve service levels on priority corridors in the Western Cape and Gauteng, reduce fare evasion, and improve the levels of safety and security on the commuter rail service.

The new entity was expected to be in place by December 2005. These initiatives were being undertaken in parallel with the development of the Interim National Rail Passenger Plan, which will provide a comprehensive vision and model and investment requirements for passenger rail.

Metrorail trains carry some 1,5 million passengers a day in 352 train-sets over 2 400 km of railway track nationally and serve 473 stations.

Metrorail regularly conducts safety campaigns to heighten the public's awareness of safety and security matters relating to the railway environment.

Some of the mini-themes that have been explored include the:

- *Close-the-Door* Campaign, which urges commuters to ensure that doors are closed before and while the train is in motion
- *Empty-Coach* Campaign, which advises commuters to be aware of activity around them inside trains.

South African Rail Commuter Corporation

The SARCC was established in 1990 to provide commuter rail services in South Africa.

The SARCC operates two major businesses – Rail Commuter Services and Property Management.

Rail Commuter Services is operated as a social responsibility programme requiring considerable government subsidisation. The assets that were transferred to the SARCC included property with a net potential of R2 billion in the main metropolitan areas.

The corporation's role as concessionaire is to establish and monitor service standards, safety and security levels, and operating efficiencies. More than two million people use the commuter rail service daily.

In 2004/05, the SARCC infrastructure and assets comprised 380 stations, some 2 240 km of electrified single-rail track and 4 564 coaches.

Intersite

Commuter rail stations and properties are managed and developed by Intersite Property Management Services (Pty) Ltd. Intersite is a wholly-owned subsidiary of SARCC that was formed in 1992.

The commuter rail portfolio comprises 478 stations, 4 200 hectares (ha) of land, and property in the major metropolitan areas of Johannesburg, Pretoria, Durban and Cape Town. Apart from building new stations and upgrading and maintaining stations, Intersite is commercialising them and generating income for commuter rail.

Since 1992, Intersite has completed a number of station upgrades at a cost of R542 million while a further R196 million has been invested in Metrorail operational assets. Several new stations/intermodal transport facilities were also completed totalling some R94 million.

In 2003/04, Intersite generated some R179 million for the SARCC.

The SARCC is implementing an active programme to improve the state of commuter rail rolling stock.

This is accomplished by increasing the number of coaches in the refurbishment process, at the same time improving repair standards. The new standard includes the upgrade of a modular body train set that shares the same aesthetics as the 10M3 and 10M4 coaches currently running in the Johannesburg and Cape Town regions.

During the 2004/05 financial year, 413 coaches were overhauled at a cost of R715 million.

Civil aviation

During 2004, a total of 567 074 arrivals and departures were handled at the 19 air-traffic service units, compared with 558 743 during 2001 and 543 627 in 2000.

By mid-2005, there were 9 063 aircraft on the South African register.

The number of airlines operating in South African airspace increased from nine in 1994 to more than 50 in 2004. Some 21 air-traffic control centres support operations covering some 145 licensed airports with paved runways and over 580 aerodromes with unpaved runways.

Airports

The Airports Company of South Africa (ACSA), which was officially established on 23 July 1993, owns and operates South Africa's 10 principal airports, including the three major international airports in Johannesburg, Cape Town and Durban. ACSA also has a 35-year concession to operate the Pilanesberg Airport near Sun City in North West. The other six airports are: Bloemfontein, Port Elizabeth, East London, George, Kimberley, Upington and Pilaneberg.

By June 2005, South Africa had 136 licensed airports/aerodromes categorised as either public or private, as well as 56 approved heli-stops.

ACSA's three core activities are:

- airport services, including the development of airport infrastructure such as providing and maintaining runways, taxiways and aprons; terminal facilities; and aviation security, fire and rescue services
- retail and advertising activities, including the provision of space within terminals to appropriate retailers, and other sites to operations such as car-hire firms, banks and space for advertisers
- property activities, retail and office premises, and car-parking facilities, as well as functioning as commercial landlords.

ACSA recorded a 7,4% rise in total departing passenger traffic during the financial year ended 31 March 2004, to 11,9 million. This was mainly attributable to an increase of 7,9% in domestic passenger volumes and 6,4% in international passenger volumes.

During the same period, revenue increased by 17% to R1,86 billion and operating profit rose by 19% to R902,3 million. Despite poor trading conditions, retail revenue increased by 15%, while advertising revenue increased significantly by 39% to R67,9 million and revenue from property increased by 6% to R138,4 million.

Despite a difficult market aggravated by a stronger rand, passenger volumes increased by 7,4% to 11,9 million. This was mainly attributable to an increase of 7,9% in domestic passenger volumes and 6,4% in international passenger volumes. Aircraft landings declined moderately by 2%. Domestic and international landings increased by 6,4% and 2,3% respectively, with regional landings decreasing by 2,1%.

During 2004, ACSA came closer to achieving its mission of managing world-class airports by completing projects to the value of more than R471 million at its airports. These included the upgrade of the terminal at Port Elizabeth, which was officially opened by the Minister of Transport in May 2004. At the company's flagship gateway, Johannesburg International Airport (JIA), new security gates and landside access roads were completed.

The completion of these projects marked the conclusion of a five-year expansion and upgrading programme, which started in 1998. Some R3 billion was invested in new or significantly upgraded airport infrastructure intended to bring facilities at ACSA airports in line with the world's best.

The board approved a sum of R3,58 billion over the next five years to increase capacity and efficiency at all airports, including the domestic airports in Kimberley, Bloemfontein and East London.

Major plans include a multistorey parkade at Cape Town International Airport (CTIA) with inhouse check-in counters, and an international passenger transfer facility in the JIA terminal. This will be integrated with the Gautrain Rapid Rail Link between JIA, Sandton and Johannesburg, to be constructed by the Gauteng Provincial Government.

Echo Apron, in conjunction with the Northern Pier development, will increase JIA's capacity to accommodate the new wide-body long-haul aircraft such as the A380 at connecting stands.

Furthermore, the Johannesburg International Trade Bureau (JITB), a joint venture between ACSA, the International Trade Bureau, and the National African Federated Chamber of Commerce, was expected to be completed in 2005.

The JITB will offer 2 200 m^2 of permanent exhibition space to over 120 of South Africa's premier exporters, with unparallelled access to international business visitors. The bureau will also feature a business information library, an exhibitor information desk, meeting rooms and consultation areas.

CTIA now boasts a world-class international terminal with capacity for up to five million passengers a year.

The Port Elizabeth Airport's new R30-million terminal building was officially opened in May 2004. The number of arriving and departing passengers moving through Port Elizabeth has increased over the past few years, with just under a million people moving through the airport during 2003/04.

ACSA will spend about R14 million at Bloemfontein Airport on a terminal revamp, the upgrade of fire-fighting equipment, and runway rehabilitation.

Some R23 million was allocated to East London Airport for a new instrument-landing system (ILS) and fire-fighting equipment.

Kimberley and George airports will each receive R6 million for terminal refurbishment, replacement and upgrade of equipment, and R17 million for terminal upgrade, ILS and equipment replacement.

Given its strong, although seasonal freight traffic, about R14 million was budgeted for cargo-apron extension, fire fighting and general equipment replacement, while R21 million was set aside for strengthening the runway, terminal extension and equipment improvement at Pilanesberg International Airport.

Air-Traffic Navigation Service (ATNS)

The ATNS is responsible for the efficient running of South Africa's air-traffic control systems and the maintenance of navigation equipment, which includes the deployment of air-traffic controllers and aviation technical staff.

The company college is a well-established facility that is used by several African countries for air-traffic services training and for technical training for equipment support.

The ATNS does not receive government transfers and derives its funding from its operations.

Air-traffic service fees contributed 90% to total revenue earned in 2003/04. Revenue from the air-traffic satellite communication system in the SADC region contributed 5% during the same period.

The balance of revenue is earned from technical maintenance services, aeronautical information services and the provision of training in air-traffic control.

Having started in 2004, the ATNS aims to achieve a return on capital employed of 11,1% over a five-year period, with medium-term targets of 6,1%, 6,9% and 8,2%.

The company expects to improve service-delivery targets, reduce pilot and controller workloads, and enhance the efficiency of the system by implementing the South African Advanced Air Traffic System (SAAATS).

The benefits of SAAATS to airlines include a reduction of delays due to improved approach sequencing, significant fuel savings, improved coverage and optimised routings in oceanic sectors.

A joint operations centre at the JIA is the nerve centre of all airport communications and operations. From here, all activities related to maintenance and building management are co-ordinated. The centre serves as a control office, crisis control centre for emergencies, and an Information Technology (IT) centre.

The ATNS was expected to increase the number of air-traffic controllers at JIA by 30%, from 69 to 96, by 2006. By June 2005, air-traffic control services were provided at 19 aerodromes in the country.

Airlines

SAA is by far the largest air carrier in Africa, with the JIA being the busiest airport in Africa. Nearly 75% of air traffic activity in Africa takes place in the region.

SAA, British Airways (BA)/Comair, SA Express, SA Airlink and Interair operate scheduled air services within South Africa and the Indian Ocean islands. In addition to serving Africa, SAA operates services to Europe, Latin America and the Far East.

Scheduled international air services are also provided by Air Afrique, Air Austral, Air Botswana, Air France, Air Gabon, Air Madagascar, Air Malawi, Air Mauritius, Air Namibia, Air Portugal, Air Seychelles, Air Tanzania, Air Zimbabwe, Airlink Swaziland, Alliance Express, BA, Cameroon Airlines, Delta Airlines, El Al, Egyptair, Emirates, Ethiopian Airlines, Ghana Airways, Iberia, KLM, Kenya Airways, LAM, LTU, Lufthansa, MK Airlines, Malaysia Airlines, Martinair Holland, North-West Airlines, Olympic Airways, Quantas, Royal Air Maroc, Saudi Arabian Airlines, Singapore Airlines, Swissair, Taag, Thai International, Turkish Airlines, Uganda Airlines, United Airlines, Varig, Virgin Atlantic, Yemenia, Zambian Air Services and Zambian Skyways.

Aviation safety and security

South Africa complies with the ICAO-recommended practices on aviation security.

South Africa is also participating in the development and establishment of an upper airspace control centre for the SADC. This initiative proposes that a single centre hosted by an SADC country will provide air-navigation services to all aircraft flying above 24 500 feet.

Emphasis is being placed on improved international access to and from South Africa by air, the expansion of the bilateral air-services framework, the implementation of the Yamoussoukro Declaration, effective monitoring of airline activities, and the efficient licensing and regulation of domestic and international air services. Other aims include promoting:

- safer skies: this involves ensuring that adequate safety and upper-air space-control regimes are in place across the continent, supported by efficient air-traffic and navigational services and systematic human resource development programmes
- efficient and effective aviation networks: this involves regulating as necessary to make air transport more affordable, creating regional hubs and air-carrier alliances, and supporting one another to establish a high-quality African airports network.

Interesting facts and figures about South African Airways (SAA):

- SAA serves more than 700 destinations throughout the world.
- It carries more than 6,5 million passengers each year and serves 34 cities in 26 countries on six continents.
- It employs close to 12 000 people worldwide, including 3 600 at SAA Technical. Staff include about 2 800 flight attendants and more than 800 pilots.
- SAA has a development programme known as Women in Aviation to develop high-calibre female managers to feed SAA's executive leadership.
- Some 77% of SAA leadership is black with a 56:44 male to female ratio. At senior management level, 44% are black; and 41% of middle management and 55% non-management staff are black.
- SAA Technical at Johannesburg International Airport (JIA) is the largest maintenance facility in Africa.
- SAA undertakes maintenance for more than 40 major airlines, including British Airways (BA), Singapore Airlines, Air France and Lufthansa.
- Some 20% of SAA's domestic travellers are 'regular' i.e. they fly more than one trip per month on average.
- SAA flies more than 20 domestic routes; there are 20 flights between Cape Town and Johannesburg per day.
- The Airbus has 15 movie channels in addition to video games, short features, actuality programmes and travel information.
- Airbus aircraft have 12 audio channels and a jukebox feature, allowing passengers to select and play their choice of music.
- SAA's business class flat-bed seat is the best in the world, according to Skytrax, which surveyed competitors, including BA and Virgin Atlantic.
- Voyager, SAA's loyalty programme, has 1,4 million members.
- Each year, wine experts sample 800 wines to select 70 for on-board aircraft.
- The Cycad Premium Lounge at JIA was ranked number three in the world by Skytrax World First-Class Survey in 2002.
- The Baobab Lounge for business class international travellers at JIA has 33 workstations offering ergonomic business modules, computers, printers and faxes.

Source: South African Airways

Ports

Commercial ports play a crucial role in South Africa's transport, logistics and socio-economic development. About 98% of South Africa's exports are conveyed by sea.

South Africa's eight commercial seaports are managed and controlled by the NPA, a division of Transnet Limited. The NPA was established in August 2001 from the restructuring of Portnet to enhance the efficiency of South Africa's seaports in the evolving maritime climate of the 21st century, a vital function in sustaining the growth of the national economy.

The new structure, comprising the NPA and the SAPO as separate entities, is specifically designed to separate operational and landlord functions to optimise the benefits and potential of public/private-sector partnerships, while at the same time retaining state ownership of this essential part of the national infrastructure.

The NPA is responsible for the maintenance and development of port infrastructure and is the biggest port authority in southern Africa, controlling eight of the 17 major ports in this region, namely Richards Bay, Durban, East London, Port Elizabeth, Mossel Bay, Cape Town, Saldanha and Ngqura.

The eighth commercial port, the Port of Ngqura, was set to become operational in 2005. The port is situated at the Coega River mouth about 20 km from Port Elizabeth. It boasts state-of-the-art facilities that complement the other seven national ports regarding additional volumes of commercial traffic, providing a variety of different cargo applications from breakbulk and liquid bulk to container and conveyer services. As the deepest container terminal in Africa, the port is one of the biggest government-sponsored infrastructure developments in South Africa.

With the conclusion of the NPA Bill, the South African port system is at the threshold of an exciting era. The NPA Bill, a product of government's National Commercial Ports Policy, provides South African ports with insight into government's vision for ports and a clear direction of how ports are to be managed and operated under the NPA.

Based on the National Commercial Ports Policy, the vision for South African ports is to become a system of ports, seamlessly integrated in the logistics network that is jointly and individually self-sustainable.

This will be achieved through the delivery of high levels of service and increasing efficiency for a growing customer base, and will result in the enhancement of South Africa's global competitiveness and facilitate the expansion of the economy through socially and environmentally sustainable port development.

The NPA is responsible for:

- port facilities to handle all types of cargo and ships through an extensive port network
- efficient transfer of goods between ship, road and rail through the provision of efficient port services
- efficient transportation of goods within and beyond the borders of South Africa through extensive and modern road, rail and sea links.

The NPA's business consists of the following divisions:

Trade and Logistics

This division is the strategic business arm of the NPA. It is responsible for customer relationship marketing along with a combination of technology and human resources.

Landlord Services

Landlord Services ensures the planning, development and optimal use of port property and infrastructure, as well as a safe, secure and healthy port environment.

The division consists of property, engineering and planning and development. Landlord Services has traditionally been the NPA's major revenue earner, initially through wharfage, and currently through cargo dues.

Maritime Services

Maritime Services includes improving efficiency in shipping services, the dredging of navigational waterways, and ensuring a safe shipping environment through vessel-tracing services, pilotage and lighthouse services.

The ports provide:

- pilotage, tug and berthing services
- bulk-handling installations to handle dry and liquid bulk, complemented by storage facilities
- container-handling facilities
- multi-purpose terminals for the handling of breakbulk and containers
- access to rail and road links
- ship-repair facilities
- feeder services.

Lighthouse Services

Lighthouse Services operates 45 lighthouses along the South African coastline.

The NPA has vessel-traffic systems in all ports, which ensure improved safety of navigation within the port and port limits, and enhance the service provided to the port user.

Marine Services

Marine Services operates 24 large tugs, eight work boats, four pilot boats and 14 launches in South Africa's eight commercial ports. Twenty-four hour services are provided at the ports of Durban and Richards Bay.

Portcon International

This division provides a consultancy and training service appropriate to ports operating within the African context.

Port and Corporate Affairs

This division is responsible for the efficient and profitable running of the ports as service-delivery platforms.

Deepwater ports

The Port of Richards Bay is a relatively young port, having opened on 1 April 1976. It is South Africa's leading port in terms of cargo volumes and handles in excess of 80 mt per year, representing about 57% of South Africa's seaborne cargo trade.

The port covers a surface area of 2 157 ha on land and 1 443 ha on water, making it the biggest port in South Africa in terms of size. It offers easy access to South Africa's national rail network with substantial growth capacity in the rail network link.

One of the port's inherent strengths is its deepwater infrastructure, with a maximum permissible draught of 17,5 m. This, coupled with the high-tech state-of-the-art terminal infrastructures, allows for high-speed, high-volume cargo handling and a fast turnaround of vessels.

Feasibility studies for the R2-billion ship-repair facility at the Port of Richards Bay are almost complete and construction was expected to start early in 2005. The facility will refurbish an estimated 40 ships per year, including bulk carriers and oil tankers. The design includes a 260-m long dry dock, 760 m of ship-repair outfitting quay, and 300 m for material and workboats. The facility is expected to be completed by mid-2007.

For industrial investors, the port offers an abundance of prime industrial land, both immediately adjacent to the port and further inland. About 1 644 commercial ocean-going vessels call at the port's five terminals annually, of which three are privately operated and two are operated by SAPO. The privately operated terminals are the Richards Bay Coal Terminal; Island View Storage, which handles bulk liquids and liquified gases; and Fedmis, which exports phosphoric acid.

Saldanha Port, situated on the West Coast, is the deepest and the largest natural port in southern Africa. The port is unique in that it has a purpose-built railroad serving a bulk-handling facility, which is connected to a dedicated jetty for the shipment of iron ore.

Saldanha also serves as a major crude-oil importation and transhipment port.

As the only iron-ore handling port in South Africa, a R930-million upgrade aimed at maintaining and increasing the carrying capacity of the iron-ore export plant was undertaken. This includes acquiring new equipment and increasing workspace efficiency. The project was expected to be completed in 2005/06.

Hub ports

The Port of Durban is a full-service general cargo and container port. It is the most conveniently situated port for the industrialised Durban/Pinetown and Gauteng areas and cross-border traffic.

As South Africa's premier cargo and container port, the Port of Durban handles over 55 mt of cargo per year and is a catalyst in the development of trade throughout the region. Durban has abundant shipping opportunities, both in terms of frequency and destinations served.

This is the busiest port in Africa, as well as the biggest in terms of container capacity due to its strategic location. It has a surface land area of 1 854 ha. The Durban Container Terminal is the largest such facility in the southern hemisphere and is geared to expand in terms of cargo handling.

It is especially effective as a hub port for cargo to and from the Far East, Europe and the Americas, serving South Africa, as well as west and east African countries. The port is also the premier port for a wide range of commodities, including coal, mineral ores, granite, chemicals, petrochemicals, steel, forest products, citrus products, sugar and grain.

The Port of Cape Town is one of two hubs in South Africa. It offers multi-purpose dry and liquid and dry terminals, as well as fully serviced dry docks. The port is renowned for its deciduous fruit and frozen-product exports. A major fishing industry is also based here.

The Port of Cape Town is strategically positioned and ideally situated to serve as a hub for cargoes between Europe, the Americas, Africa, Asia and Oceania. The port provides a complex network of services to its clients and a favourable environment for all stakeholders, to maximise benefits to the local and national economy.

Integrated intermodal cargo systems, ship repair, bunkering facilities and the reefer trade are examples of these services.

In 2005/06, Transnet approved investment of R2,075 billion to upgrade Durban and Cape Town container terminals. The aim is to improve the capacity within the ports and upgrade and develop the facilities to meet the economy's growing demands.

An amount of R1,437 billion was expected to be invested in the Port of Durban to develop the container-handling facility. This will be jointly funded by SAPO and NPA. An amount of R600 million was approved to upgrade the Cape Town Container Terminal.

In addition, R10 million was invested in 2005/06 to increase reefer infrastructure at the Cape Town Container Terminal.

These projects formed part of the five-year R37-billion infrastructure plan that was approved by Cabinet in 2004. They will strengthen Transnet's position to provide a seamless intermodal freight transport service that is consistent with the company's strategic vision of reducing the cost of doing business in South Africa.

The Port of East London is situated at the mouth of the Buffalo River on South Africa's east coast, and is the country's only commercial river port.

It boasts a large container terminal and grain elevator as it is the largest exporter of maize.

With a world-class R80-million car terminal, the port has become one of the major motor-vehicle export and import terminals in South Africa.

Multi-purpose ports

The Port of Port Elizabeth, with its proximity to heavily industrialised and intensively farmed areas, has facilities for the handling of all commodities – bulk, general and container cargo.

Being situated at the centre of the country's motor-vehicle-manufacturing industry, the port imports large volumes of containerised components and raw material for this industry. The bulk of exports comprises agricultural products. Apart from agricultural produce, manganese ore, motor-vehicle-industry-related products and steel are exported.

The container terminal has maintained the highest handling rates in Africa in recent years and is accredited to International Standards Organisation (ISO) 9002.

Located mid-way between Cape Town and Port Elizabeth, the Port of Mossel Bay has in the past specialised in serving the local inshore and deep-sea fishing industry, as well as limited commercial cargo. However, it now serves the oil industry as well as other client-orientated marine cargo handling.

This port is the only South African port that operates two offshore mooring points within port limits. Both mooring points are used for the transport of refined petroleum products.

Pipelines

Petronet owns, maintains and operates a network of 3 000 km of high-pressure petroleum and gas pipelines.

Transnet has approved R3 billion for the design, construction and commissioning of a new multi-products pipeline between Durban and Gauteng. The new pipeline will enhance Petronet's capacity to service the transport needs of refined petroleum products such as petrol, diesel and jet fuel along the Durban-Gauteng corridor.

Apart from doubling the current pipeline capacity to accommodate growing need, there is also the imperative to have this pipeline completed to coincide with South Africa's hosting of the 2010 Soccer World Cup. As the safest mode of bulk petroleum product transportation, this pipeline project will, in the long term, ensure optimal use of the fuel transport infrastructure in the country.

The Petroleum Pipelines Act, 2003 (Act 60 of 2003), has been promulgated and the appointment of a regulator was expected towards the end of 2005. The Gas Act, 2001 (Act 48 of 2001), was passed by Parliament in August 2001. Regulators for both gas and liquid fuels were expected to be in place by the end of 2005. This Act will result in commercial regulation of petroleum pipelines and will have a profound influence on Petronet. In 2006, Petronet will prepare for regulation and also focus on expanding the non-regulated side of the business with a specific focus on terminal management.

Maritime affairs

Maritime administration, legislation and shipping

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

South Africa's maritime administration and legislation is the responsibility of the Department of Transport, and is controlled on its behalf by the SAMSA in terms of the SAMSA Act, 1998 (Act 5 of 1998).

The broad aim of the SAMSA is to maintain the safety of life and property at sea within South Africa's area of maritime jurisdiction, and to ensure the prevention of marine pollution by oil and other substances emanating from ships.

The Department of Environmental Affairs and Tourism is responsible for combating pollution and has specific means at its disposal, such as the *Kuswag* coast-watch vessels, with which to perform this function.

Some of the South African Maritime Safety Authority's (SAMSA) recent achievements include:
- 1 011 ships with a gross tonnage of 238 196 tons were registered under the South African flag
- 219 foreign flagged ships were inspected and four detained
- 19 oil-pollution incidents were investigated
- 277 candidates passed various examinations conducted by SAMSA
- 3 082 safety certificates were issued out of 3 530 ship surveys
- 930 dry-dock certificates were issued out of 1 023 surveys.

The SAMSA is responsible for the introduction and maintenance of international standards set by the International Maritime Organisation in London, with respect to:
- ship construction
- maritime training and training curricula
- watch-keeping
- certification of seafarers
- manning and operation of local and foreign ships
- maritime search-and-rescue
- marine communications and radio navigation aids
- pollution prevention.

The SAMSA has an operations unit, a policy unit and a corporate support division to handle all financial, human resource and IT issues.

Other functions include the registration of ships, the establishment of a coastal patrol service, and the management of marine casualties and wrecks.

The SAMSA is steadily improving its capacity to monitor safety standards on foreign vessels. A considerable number of ships calling at South Africa's major ports were inspected and those not in compliance with international safety standards were detained until the deficiencies were corrected.

In February 2004, the department released the Proposed Maritime Agenda 2010 Strategy, which, among other objectives, seeks to promote and facilitate safe, secure, environmentally sound, efficient and sustainable maritime transport.

The South African Marine Corporation (Safmarine), Unicorn Lines and Griffin Shipping are South Africa's predominant shipping lines. Their fleets of container, oil tanker, general cargo and bulk cargo vessels operate not only between South African ports, but also as cross-traders to other parts of the world.

Training

The South African Maritime Training Academy at Simonstown 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, General Botha, established at Granger Bay, is integrated with the Cape Peninsula University of

Technology, with a similar training facility at the Durban Institute of Technology. Deck and engineering students and officers complete their academic training at the Cape Peninsula University of Technology and the Durban Institute of Technology, while lower classes of certificates are offered at the Training Centre for Seamen, 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 Department of Transport, while the Maritime Education and Training Board is responsible for the accreditation of 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, Port Elizabeth.

Search-and-rescue services

The Department of Transport is responsible for the provision of a search-and-rescue function in South Africa. The search-and-rescue programme has been in existence since 1948.

The South African Search-and-Rescue Organisation (SASAR) provides South Africa with a world-class search-and-rescue capability.

The SASAR is a voluntary organisation functioning under the auspices of the Department of Transport.

Its main function is to search for, assist, and, if necessary, rescue survivors of aircraft accidents or forced landings, vessels in distress, and accidents at sea. It is also charged with co-ordinating the resources made available to the department by various government departments, voluntary organisations, and private aircraft and shipping companies for search-and-rescue purposes. The executive committee of the SASAR, in conjunction with the relevant officials of the department, is responsible for formulating policy and procedures.

The Department of Transport, the SANDF, Telkom, Portnet, SAMSA, CAA, ATNS, SAPS, the Independent Communications Authority of South Africa, SAA and the Department of Provincial and Local Government are members of the SASAR and contribute their services and/or facilities.

Voluntary organisations such as the 4x4 Rescue Club, the Mountain Club of South Africa, Hamnet and the National Sea Rescue Institute are also members of the SASAR.

Maritime safety

South Africa has been identified as a focal point for a regional search-and-rescue centre. During 2003/04, the Department of Transport set aside R3,5 million for the establishment of a dedicated maritime rescue co-ordination centre. The process is at an advanced stage.

Acknowledgements

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