

Service Delivery

Environmental Analysis

The Department has scanned its internal and external environment and evaluated its role within the service delivery arena to ensure that it delivers on its legislative mandates. The strategic process was utilised to develop the most appropriate strategies, processes and plans to achieve identified objectives. This process is directly linked to the service delivery improvement plan.

SERVICE DELIVERY ENVIRONMENT AND CHALLENGES

A Better Public Transport System for All

The current transport system does not meet the demand for the movement of goods and people effectively. The challenges are most prevalent in relation to access, safety, security and consumer choice. The most common challenge facing commuters is that public transport is still not accessible to all and safety is still a great concern. The culture of service provision in the public transport arena needs to be improved. The primary task is to transform the current commuter based transport system to a public transport system for all.

In order to achieve this, the Department is committed to:

- the provision of integrated transport services in order to facilitate appropriate transport networks within each Province, Metro and Municipality, which are safe, efficient and clean;
- increasing investment in public transport facilities;
- allocating sufficient resources to implement holistic and year-round road safety activities;
- ensuring commuters have a voice; and
- strengthening partnerships with other spheres of government.

Implementing the Freight Logistics Strategy

As South Africa enhances its international competitiveness and further unlocks its economic potential, the freight logistics industry will play a key role in reducing costs and enhancing the reliability of moving goods, both within the domestic economy and between South Africa and its trading partners. The immediate benefits of restructuring the freight logistics industry will be sustained economic growth, which in turn will create more employment opportunities and assist in the funding of social development needs. The department is rolling out two national projects that are key to implementing the national freight logistics

strategy. Through the national freight databank project government will collect, collate and consolidate all available freight statistics on the movement of goods and services in the country. The national freight information systems project integrates information on the movement of goods and services across various systems (including accident statistics, SANRAL's traffic numbers and others) and generates reports customised to users' needs. The customs management subcommittee of the Trans-Kalahari Corridor has started piloting shorter customs processes for freight moving between Gauteng, Walvis Bay and Botswana.

Transparent and Predictable Regulatory Frameworks

The Transport Regulatory Framework will lay down principles that inform decisions and interventions, limit discretion and avoid unilateral regulatory intervention. Within the well-defined framework of regulatory principles and discretion, the regulator will be equipped with a comprehensive and flexible ranges of instruments. To further this objective, the department will focus on the following areas:

Roads

- road safety strategy with focus on public transport;
- developing a transport security strategy;
- giving effect to the Batho Pele principles, and install a positive image to transport services; and
- introducing a fraud and corruption investigation unit in the Department;

Rail

- developing regulations to address the current and future rail safety and security standards.

Aviation

- participating in the International Civil Aviation Organisation's (ICAO) Transparency Audit; and
- developing the civil aviation strategy to facilitate the implementation of the National Airports Development Plan, the Yamoussoukro Decision and the Civil Aviation Policy.

Maritime

- engaging in international co-operation endeavours to increase maritime training capacity; and
- implementing maritime policy.

Accident and Incident Investigation

- facilitating the provision of a search and rescue service for South Africa and the SADC region;
- improving co-ordination and awareness of search and rescue capacity;
- establishing a transport accident and incident investigation unit; and
- prioritising the restructuring of the Commissioner for Civil Aviation out of the CAA.

Public Entity Oversight

- overseeing existing safety regulators: Civil Aviation Authority, Maritime Safety Authority, Railway Safety Regulator and the Road Traffic Management Corporation;
- introducing processes and systems to facilitate the oversight and monitoring of public entities;
- establishing the Independent Ports Regulator;
- establishing the Independent Rail Economic Regulator; and
- implementation of the Airlift Strategy.

Our People, Our Priority

Over the next three years, the department's capacity will be increased and developed to deliver the following:

- a resourced and aligned organisational structure;
- a trained, competent and motivated team;
- an improved workplace climate; and
- effective leadership within the DoT at all levels.



SERVICE DELIVERY AND REGULATION THROUGH OUR PUBLIC ENTITIES

South African Passenger Rail Services (SAPRS)

The 2005/06 financial year marked the beginning of a major transformation phase for the rail commuter business in South Africa, with the process of consolidating passenger rail operations, operators and entities: namely the South African Rail Commuter Corporation (SARCC), Metrorail and Shosholozza Meyl into a single structure, reporting to the Department of Transport.

The purpose of the South African Passenger Rail Services (SAPS) is to ensure that rail commuter services are provided in the interest of the public and to promote rail as the primary mode of mass commuter transport. The consolidated agency will focus primarily on safety and security. Several initiatives have been introduced to reduce crime: the reintroduction of the railway police, the close circuit television (CCTV) pilot projects in the Western Cape (to be rolled out nationally under the leadership of SAPS), and the review of in-house security.

Other key focus programmes include the completion and implementation of the Rail Plan and the prioritisation of corridor allocation coupled with upgrades and replacement of rolling stock. Furthermore, the consolidation will be a main focus of the agencies in terms of finalizing and implementing the consolidation with Metrorail and Shosholozza Meyl. Key to this will be the implementation of the infrastructure investment strategy.

The SAPRS's main source of revenue is the transfer government provides to cover operations and capital expenditure. It received transfers of R2.71 billion in 2005/06, inclusive of capital transfers and VAT. Over the 2006 MTEF period, these allocations will grow by 12.5 % annually.

The SAPRS also generates income through its wholly-owned subsidiary, Intersite (Pty) Ltd, which acts as its property management arm. Intersite generates income through commercial property leases at stations, other property leases, such as billboards in railway reserves and the disposal of unused property.

Over this medium-term the focus will be on refurbishing about 500 coaches in 2006/2007, infrastructure projects, such as station upgrading, signalling, and telecommunications, introducing an integrated fare collection system, and rolling out CCTV surveillance systems in and around stations as well as coaches.

South African National Roads Agency



The National Roads Act (1998) charges the South African National Roads Agency Limited (SANRAL) with the principal tasks of strategically planning, designing, constructing, operating, rehabilitating and maintaining national roads to the highest standards. SANRAL is responsible for the existing national road network of 14 100km, with an estimated asset value in excess of R40 billion.

The key objective of the agency is the management of a primary road network ensuring best value for money. The strategic outcomes are highlighted in the table below.

| AREA | OUTCOMES |
|---------------------------|--|
| Tourism/ Long Distance | i. Road institutional policy and capacity management ii. Cost structure of public transport operators |
| Rural | iii. Long-term road investment sustainability |
| Urban | iv. Attractive public transport system by making road infrastructure public transport - "friendly" v. High system cost public transport |
| Freight | vi. Seamless movement vii. Inter-modal systems |
| Safety and Environment | viii. Safe roads ix. Reduce incidents |
| Capacity | x. Address basic skills gap |

SANRAL finances its operations from various sources, currently earning two-thirds of its income from government transfers. Over the next MTEF period, transfers are expected to increase by 26 % from R1.7 billion in 2005/06 to R3,5 billion in 2008/09 due to additional allocations for the road infrastructure framework. Other sources of revenue include loans raised by SANRAL in the capital markets and income earned through PPP's, and toll charges. SANRAL is also expected to generate revenue from the development and management of its assets, which are substantial. However, liabilities are also significant and must be managed prudently to maintain the financial sustainability of the entity.

Over the medium-term, SANRAL will ensure that the primary road network under its jurisdiction is efficiently managed and maintained to international standards.

SANRAL will also increase capital expenditure as a proportion of the total budget for national roads.

Road Accident Fund



In terms of the Road Accident Fund Act (1996), the Road Accident Fund (RAF) compensates victims of motor vehicle accidents for injuries, loss of income or loss of financial support. The turnaround of the Road Accident Fund entails the more efficient and effective payment of compensation and minimising the cost of administration and service providers. Furthermore, the RAF will promote good governance and efficient risk management whilst fostering positive stakeholder relations through proactive engagement. The implementation of the Road Accident Fund Amendment Act will play a significant role in relieving the financial pressures on the Fund whilst policy changes have been proposed to ensure a more sustainable, equitable, reasonable and affordable system of benefits aligned to the Comprehensive Social Security System.

The RAF is funded through a fuel levy included in the price of petrol and diesel, which is paid by drivers of motor vehicles. In 2005/06 the RAF received a large transfer of R2.7 billion from government to address its liquidity problems. This generated a surplus of R1.7 billion that will partially offset the future deficit over the 2006 MTEF.

In 2005/06, the RAF received 185 773 new claims from victims of road accidents (11% more claims than the previous year), and finalised only 90 116 claims. As a result of the slow progress in finalising claims, the backlog grew to 443 399, at an estimated value of R25 billion. With the number of road accidents rising every year, the RAF faces the challenge of significantly reducing claims administration time in order to reduce the claims backlog. The RAF's Strategic plan, outlines a comprehensive plan for dealing with the outlined challenges.

Cross-Border Road Transport Agency



The Cross-Border Road Transport Agency (CBRTA) was established in terms of the Cross-Border Road Transport Act (1998). Its main function is to regulate cross border road transport through issuing various permits for both freight and passenger transport. The strategic role of the (CBRTA) is the facilitation and regulation of freight and passenger transport in the region. In order to ensure that the agency is able to deliver in terms of economic growth in the region, the Department of Transport shall revisit the mandate and operation of the CBRTA to ensure an enab-

ling environment for the regulation, facilitation and enforcement roles of the CBRTA.

The CBRTA receives most of its revenue from permit fees, but the department made transfer payments of R2 million in 2004/05 to fund the upgrading of computers to improve the agency's operations. The agency is facing declining revenue income largely due to failure in the enforcement of the permit system. Over the medium-term, it will focus on improving revenue collection, reducing fraud and corruption, and reducing labour costs. As a result of increases in the movement of goods across borders, revenue is anticipated to increase gradually over the medium-term.

South African Maritime Safety Authority



The South African Maritime Safety Authority (SAMSA) was established under the South African Maritime Safety Authority Act (1998). Its mandate is to ensure safety of life and property at sea, to prevent and combat pollution from ships, and to promote South Africa's maritime interests.

SAMSA's responsibilities also include administering a number of maritime-related statutes covering such areas as ship registration, seafarer training and certification, ship safety and security, and coordinating maritime search and rescue.

SAMSA's major source of funding is derived from levies raised at ports (70 % of total income). These are collected by the National Ports Authority for a 2.5 % fee. The major spending area is employee costs (between 60 and 70 % of total expenses). In previous years, SAMSA under-spent on its employee budget due to vacant posts and the restructuring process. The increase in employee costs from 2005/06 to 2006/07 is related to filling vacant positions and providing for a performance-based bonus system. SAMSA has accumulated reserves of close to R70 million. It has been agreed with industry to reduce these reserves to an acceptable level (six months operating expenditure) over the next few years.

South African Civil Aviation Authority



The South African Civil Aviation Authority (CAA) was established in terms of the South African Civil Aviation Authority Act (1998). The CAA is a statutory body with the primary function of controlling and regulating civil aviation

in South Africa and overseeing the safety and security of the aviation industry. The vision of the CAA is regulatory excellence in aviation safety and security. The new mission is to ensure compliance and enforcement of regulations consistent with global best practices, to promote voluntary compliance, to participate and cooperate in the Africa and Indian Ocean (AFI) region, to oversee the functioning and development of the industry, to create a knowledge base and customer-focused organization and operate a sustainable business model. The Department of Transport will ensure the proper oversight over the safety regulator in terms of the International Civil Aviation Organisation (ICAO) requirements.

In terms of its enabling legislation, the CAA is mandated to generate its funding requirements from user fees, a charge on departing scheduled passengers and a fuel levy payable by the general aviation industry. The CAA continues to conduct full accident and incident responsibilities on behalf of the Department of Transport and receives an annual payment for these services. No price increases occurred during the 2006 financial year and the CAA was de-registered for VAT in April 2005, which resulted in a decrease in the safety charge. Projected revenue for 2006/07 includes no price increases. The budget for 2006/07 reflects a change from the targeted retention funding model, which was based on a five-year horizon over which surplus funds were generated in early years and then consumed in later years.

In 2006/07, the CAA will focus on the increase in staff capacity to enable the organisation to perform its safety and security oversight activities. Resources will also be directed to improve operational efficiency, coupled with deliberate efforts to maintain the safety standards required by the ICAO. Changes to the accounting standard for fixed assets will further affect the disclosed amounts for depreciation. In addition the CAA will focus on the separation of functions and building of capacity to enhance the areas of safety and security in relation to civil aviation responsibilities.

Urban Transport Fund

The Urban Transport Fund (UTF) was established in terms of the Urban Transport Act (1977). The fund is responsible for promoting transport planning, providing, improving and maintaining public transport facilities, assisting suburban railway services, urban transport research, transport engineering and transport economics training. Major recent achievements include the allocation of funding for corridor development projects and the development of public transport facilities in some of the urban renewal nodes.

The UTF contributed to upgrading sections of the Khulani corridor to address the storm water management system, partnered with the City of Johannesburg to provide public transport facilities at the Baragwanath node, and helped the City of Cape Town with the development of the Khayelitsha rail extension and the planning and design of two stations.

Over the 2006 MTEF, the UTF will be involved in training provincial and local government officials on the contents of the National Land Transport Transition Act (2000), developing transport plans in preparation for the 2010 FIFA World Cup, integrating transport functions and preparing integrated transport plans for transport authorities, and developing public transport models that can be replicated.

Road Traffic Management Corporation

The Road Traffic Management Corporation (RTMC) was established in terms of section 3 of the RTMC Act (1999), and began with the preparation of a business plan and strategy for its operations in April 2005. In addition to entrenching an effective partnership between national, provincial and local spheres of government in the management of road traffic matters the strategic role of the Road Traffic Management Corporation is to:

- enhance the overall quality of road traffic management and service provision;
- strengthen the cooperation and coordination between the national, provincial and local spheres of government in the management of road traffic;
- maximize the effectiveness of provincial and local government efforts, particularly in road traffic law enforcement;
- create business opportunities, particularly for the previously disadvantaged sectors;
- supplement public sector capacity; and
- guide and sustain the expansion of private sector investment in road traffic management.

The desired outcomes of the RTMC are to reduce the traffic offence rates, reducing the cost of accidents and create greater awareness of road safety.

The RTMC's operations are funded exclusively through a transfer payment from the Department of Transport. Operational priorities for the 2006 MTEF include establishing a road traffic law enforcement inspectorate, establishing a traffic academy for traffic officials, and continuously revising the training, enhancing and extending road safety programmes and projects for communities and schools, in-

cluding a school driver education and training programme, as well as the partial implementation of AARTO.

Railway Safety Regulator (RSR)



In line with government's commitment to keep the railways safe, secure and operating in an environmentally responsible manner, the Railway Safety Regulator (RSR) was established in 2002 with the promulgation of the National Railway Safety Regulator Act (2002). The regulator's core mandate is to oversee safety in the railway transport industry. The Railway Safety Management Regulations of July 2004 paved the way for the development of the safety management system by rail operators. The regulations outline a systematic and comprehensive process for the management of railway safety and safety management reports.

The RSR is set to increase its scope of work in response to the further development of regulations and standards while at the same time setting up a fully functional institution to implement, promote and enforce the National Railway Safety Regulator Act (2002). It will focus on new passenger rail developments (Gautrain) to monitor processes for the development of standards. A key strategic objective is to reduce human tragedy by monitoring level crossings, trespassing on rail reserve and unlawful occupation of land.

Key strategic areas of focus will be on accident and incident investigations, reporting on the transportation of dangerous goods by rail and the facilitation of the Freight Logistics Implementation Plan. Other objectives include developing technical and operational standards for rail safety, determining a fee structure for granting safety permits to railway operators, issuing railway safety permits to railway operators in order to legalise operations, developing the national information monitoring system, developing quarterly safety reports based on occurrence reports from the industry, supporting the implementation of the freight logistics strategy and participating in initiatives to harmonise railway safety in the SADC region.

Independent Ports Regulator (IPR)

Government, within the context of creating an effective regulatory framework for the ports sector within South Africa, is in the process of implementing changes through the legal framework of the National Ports Act 12 of 2005.

The Independent Ports Regulator will be established to:

- prevent abuse of power by the Ports Authority;
- ensure equality of access to the provision of port services;
- monitor the business relationship between Transnet and the Authority; and
- ensure that revenues generated by the Authority are used to the benefit of the Authority and its customers.

Interim Rail Economic Regulator

The key reasons for the implementation of the Interim Rail Economic Regulator are to address economic inefficiencies that exist in the rail transport system, and to ensure the utilization of its full potential as a network of transport linkages and to facilitate economic development. Rail transport is often not the mode of choice and this is true for rail freight, commuter and inter-city services.

The interim rail economic regulator shall monitor, analyse and report to the Minister of Transport on the following:

- rail service levels;
- competition between road and rail;
- setting of rail tariffs and rates; and
- efficiency measures in rail transport and current providers thereof.



Air Traffic and Navigation Services Company



The Air Traffic and Navigation Services Company Limited (ATNS), established in terms of the Air Traffic and Navigation Company Act (1993), is responsible for safe, orderly and efficient air traffic, and navigational and associated services in its area of control. It provides extensive air traffic information services and related aeronautical support services in the major airspace and at 21 airports throughout South Africa. The company college is a well-established facility currently used by a large number of African countries for air traffic services training as well as for technical training for equipment support.

The strategic focus of the Air Traffic Navigation Services is to improve safety performance. Furthermore, it is to position ATNS to secure a continued role in the changing global air traffic management system and maintain long-term financial sustainability. Service delivery will be performance based whilst striving to become an employer of choice. The desired end result of the agency is :

- safe and secure use of airspace;
- optimal use of airspace;
- appropriate levels of representativity and competency
- capacity ahead of demand; and
- meeting reasonable customer requirements with industry norms.

ATNS does not receive government transfers and gets its funding from its operations. Air traffic service fees contribute 90% of total revenue earned, revenue from the VSAT satellite communication system in the SADC region contributes 4%, and the other 6% is earned from technical maintenance services and other sources. Billed revenue for 2005/06 reflects an increase of 21% compared to the last financial year. Over and above the 12,6% tariff increase, there has been a volume growth of 8,6%. Operational expenditure is only 5% higher.

Airports Company of South Africa



The Airports Company South Africa Limited (ACSA) was established in 1993 with the enactment of the Airports Company Act (1993). The core business of the company is providing airport operational services (aeronautical business), which includes infrastructure, aviation safety and security services, and commercial activities (non-aeronautical business). Airport development solutions, retail, property and advertising activities are also catered for.

ACSA will focus on infrastructure development to ensure that the air services industry is able to support national

economic growth. Investments at Johannesburg International Airport will be to international pier, international departure, and parking. At Cape Town International Airport investments will include domestic terminal and parking upgrades. Terminal upgrades will also be done at Durban International, George and East London Airports. Apart from infrastructure upgrades, improved service delivery agreements will facilitate the end-to-end processing of passengers through effective stakeholder interaction. Airport security will be improved through awarding new security contracts.

ACSA's activities are self-financing through airline charges and user fees from air passengers. Revenue increased by 5.3% from R1.9 billion in 2004/05 to R2 billion in 2005/06. The increase is mainly due to growth of 45, 5% in non-aeronautical revenue and 14.7 % in aeronautical business (12 % in departing passengers and 2.7 % in aircraft movements).

In 2004/05, ACSA invested R492 million in infrastructure development. Infrastructural projects included the revamping of the Johannesburg International Airport to make provision for rapid exit, and renovations at the Cape Town International Airport with the construction of the multi-storey parking facility. Capital investment will significantly increase in 2005/06 due to the introduction of wide-bodied aircraft in 2007/08 and in the run up to the 2010 Soccer World Cup.

The key priority of ACSA in the next five years is delivering its capital programme, with the disbursement of R5.2 billion for infrastructure development. In embarking upon a capital-restructuring programme, ACSA aims to unlock value for shareholders by reducing the cost of capital developments, among others.



The aim of the Department is "To provide safe, reliable, effective and fully integrated transport operations and infrastructure which will best meet the needs of all communities, improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable." The Department's objectives are realised through the following programmes namely:

Program 1: Administration

Coordinate and render an effective, efficient, strategic support as well as administrative service to the Ministry and Department of Transport.

Program 2: Transport Policy, Research and Economic Analysis

Effectively manage a national innovative research and development programme, analyse strategic policies, develop appropriate legislation, and provide economic advice and analysis for all modes of transport.

Program 3: Transport Regulation and Accident and Incident Investigation

Create an enabling regulatory environment in the areas of safety, security and environmental compliance, and manage accident and incident investigations in all modes of transport.

Program 4: Integrated Planning and Inter-sphere Coordination

Manage and facilitate integrated planning and inter-sphere coordination for transport infrastructure and operations.

Program 5: Freight Logistics and Corridor Development

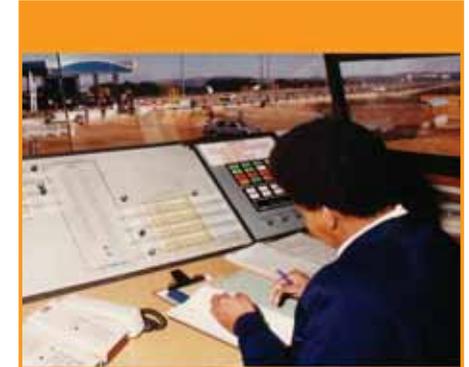
Manage the implementation of the transport logistics strategy and the development of freight movement corridors.

Program 6: Public Transport

Develop practices and norms that will increase access to appropriate and quality public transport that meets the needs of both rural and urban passengers.

Program 7: Public Entity Oversight and Economic Regulation

Develop appropriate mandates and monitoring mechanisms for public entities. Develop and oversee transport economic regulation in line with broad economic and transport policies.



Expenditure Estimates

EXPENDITURE ESTIMATES

Medium Term Revenues and Expenditure

Summary of Expenditure and Budget Allocations

| R thousand | Expenditure outcome | | | Adjusted Appropriation 2005/06 | Medium term expenditure estimates | | |
|-----------------------------|---------------------|--------------------|--------------------|-----------------------------------|-----------------------------------|------------|------------|
| | Audited 2002/03 | Audited 2003/04 | Audited 2004/05 | | 2006/07 | 2007/08 | 2008/09 |
| Expenditure and voted funds | 5,718,184 | 6,232,543 | 6,679,868 | 10,741,005 | 12,870,458 | 13,599,312 | 15,513,071 |

Departmental Revenue Collection

| Economic classification R thousand | Expenditure outcome | | | Adjusted Appropriation 2005/06 | Medium term expenditure estimates | | |
|--|---------------------|--------------------|--------------------|-----------------------------------|-----------------------------------|----------------|----------------|
| | Audited 2002/03 | Audited 2003/04 | Audited 2004/05 | | 2006/07 | 2007/08 | 2008/09 |
| Sale of goods and services other than capital assets | 37,725 | 34,063 | 22,230 | 24,230 | 26,410 | 27,221 | 29,638 |
| Interest, dividends and rent on land | 119,291 | 246,180 | 144,450 | 158,280 | 172,500 | 181,125 | 197,209 |
| Financial transactions in assets and liabilities | 418 | 50,544 | 212 | 278 | 300 | 315 | 343 |
| Total | 157,434 | 330,787 | 166,892 | 182,788 | 199,210 | 208,661 | 227,190 |

Expenditure Summary per Programme

| Programme R thousand | Expenditure outcome | | | Adjusted Appropriation 2005/06 | Medium term expenditure estimates | | |
|---|---------------------|--------------------|--------------------|-----------------------------------|-----------------------------------|-------------------|-------------------|
| | Audited 2002/03 | Audited 2003/04 | Audited 2004/05 | | 2006/07 | 2007/08 | 2008/09 |
| 1. Administration | 65,664 | 74,422 | 90,734 | 129,783 | 126,038 | 132,307 | 139,038 |
| 2. Transport Policy, Research and Economic Analysis | 45,710 | 15,822 | 16,574 | 42,054 | 28,312 | 31,694 | 33,261 |
| 3. Transport Regulation Accident and Incident Investigation | 164,989 | 120,338 | 160,736 | 143,681 | 151,859 | 165,188 | 178,682 |
| 4. Integrated Planning and Inter-Sphere Coordination | 1,255,297 | 1,356,068 | 1,509,911 | 2,079,226 | 3,161,253 | 4,231,161 | 5,511,159 |
| 5. Freight Logistics and Corridor Development | 1,897 | 29,942 | 3,755 | 19,023 | 27,846 | 18,739 | 19,983 |
| 6. Public Transport | 4,087,066 | 4,447,197 | 4,694,267 | 5,431,431 | 9,165,827 | 8,817,314 | 9,418,820 |
| 7. Public Entity Oversight and Economic Regulation | 97,561 | 188,754 | 203,891 | 2,895,807 | 209,323 | 202,909 | 212,128 |
| Total | 5,718,184 | 6,232,543 | 6,679,868 | 10,741,005 | 12,870,458 | 13,599,312 | 15,513,071 |
| Change to 2005 Budget estimate | | | | 3,138,846 | 4,627,230 | 4,334,223 | 5,425,242 |

Expenditure per Economic Classification

| Economic classification R thousand | Expenditure outcome | | | Adjusted Appropriation 2005/06 | Medium term expenditure estimates | | |
|---|---------------------|--------------------|--------------------|-----------------------------------|-----------------------------------|-------------------|-------------------|
| | Audited 2002/03 | Audited 2003/04 | Audited 2004/05 | | 2006/07 | 2007/08 | 2008/09 |
| Current payments | 361,223 | 370,915 | 450,837 | 579,047 | 538,852 | 541,013 | 581,736 |
| Compensation of employees | 53,044 | 64,073 | 82,934 | 114,018 | 157,678 | 165,826 | 175,001 |
| Goods and services | 308,179 | 305,959 | 341,340 | 465,029 | 381,174 | 375,187 | 406,735 |
| Financial transactions in assets and liabilities | | 883 | 26,563 | | | | |
| Transfers and subsidies | 5,355,199 | 5,827,968 | 6,214,956 | 10,147,470 | 12,293,670 | 13,016,765 | 14,889,045 |
| To: Provinces and municipalities | 39,925 | 21,194 | 1,830 | 242,060 | 3,760,086 | 2,775,000 | 3,526,000 |
| Departmental agencies and accounts | 1,222,016 | 1,353,033 | 1,519,616 | 4,590,720 | 2,483,623 | 3,239,805 | 3,715,156 |
| Universities and technikons | 8,253 | 9,475 | 8,106 | 6,684 | 7,085 | 7,439 | 7,796 |
| Public corporations and private enterprises | 4,074,328 | 4,428,648 | 4,671,290 | 5,142,430 | 5,756,375 | 6,687,194 | 7,302,313 |
| Foreign governments and international organisations | 3,828 | 4,902 | 3,316 | 4,170 | 4,420 | 4,641 | 4,871 |
| Non-profit institutions | 6,779 | 10,542 | 10,524 | 11,306 | 11,975 | 12,575 | 13,793 |
| Households | 70 | 174 | 274 | 150,100 | 270,106 | 290,111 | 319,116 |
| Payments for capital assets | 1,762 | 33,660 | 14,075 | 14,488 | 37,936 | 41,534 | 42,290 |
| Buildings and other fixed structures | | 28,000 | | 11,462 | 34,779 | 38,221 | 38,796 |
| Machinery and equipment | 1,762 | 5,660 | 14,075 | 3,026 | 3,157 | 3,313 | 3,494 |
| Total | 5,718,184 | 6,232,543 | 6,679,868 | 10,741,005 | 12,870,458 | 13,599,312 | 15,513,071 |

Summary of Expenditure on Infrastructure

| Infrastructure transfers to other spheres, agencies and departments R thousand | Expenditure outcome | | | Adjusted Appropriation 2005/06 | Medium term expenditure estimates | | |
|---|---------------------|--------------------|--------------------|-----------------------------------|-----------------------------------|------------------|------------------|
| | Audited 2002/03 | Audited 2003/04 | Audited 2004/05 | | 2006/07 | 2007/08 | 2008/09 |
| SARCC Rolling Stock | 480,289 | 463,895 | 587,640 | 613,202 | 989,137 | 1,603,718 | 1,719,871 |
| SARCC Signaling, Buildings, Perways | 210,711 | 201,105 | 67,360 | 75,098 | 220,461 | 288,360 | 307,812 |
| SANRAL Road Projects | 421,072 | 464,694 | 504,276 | 565,333 | 797,952 | 1,079,350 | 1,256,944 |
| Public Transport Infrastructure Fund | | | | 241,710 | 519,000 | 624,000 | 1,790,000 |
| Gautrain Rapid Rail Link | | | | | 3,241,000 | 2,151,000 | 1,760,000 |
| Total | 1,112,072 | 1,129,694 | 1,159,276 | 1,495,343 | 5,767,550 | 5,746,428 | 6,834,627 |

