Road Traffic
Management Corporation



ANNUAL REPORT 2025 2026

INNOVATE **TODAY**, SECURE **TOMORROW.**

Road Traffic
Management Corporation

ANNUAL REPORT 2025 2026

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SMART MOBILITY

GENERAL INFORMATION

AUTONOMOUS VEHICLES

1. General Information

Registered Name	Road Traffic Management Corporation
Registered Office Address	146 Akkerboom Street Zwartkop Centurion 0157
Postal Address	Private Bag X147 Pretoria 0001
Telephone Number	012 999 5200
Email Address	info@rtmc.co.za
Website Address	www.rtmc.co.za
External Auditor	Auditor-General of South Africa Lynnwood Bridge Office Park The Auditor-General of South Africa Building 4 Daventry Road Lynnwood Manor 0181
Bankers	First National Bank Standard Bank SA Reserve Bank
Company Secretary	Ms Sigidikazi Petse sigidikazi.petse@rtmc.co.za **Qualifications:** B Juris, LLB

2. List of Abbreviations

AARTO	Administrative Adjudication of Road Traffic Offences
AGSA	Auditor-General of South Africa
AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
CA	Chartered Accountant
CEO	Chief Executive Officer
CLLT	Computer Licence Learner Testing
CoE	Cost of Employees
CPA	Criminal Procedure Act
DDLT	Digitised Driving Licence Test
DLCA	Driving Licence Card Account
DLTC	Driving Licence Testing Centre
EAP	Employee Assistance Programme
EDL	Examiner of Driving Licence
EDWARD	Every Day Without a Road Death
EMET	Energy Mobility Education Trust
EMPD	Ekurhuleni Metropolitan Police Department
EOV	Examiner of Vehicles
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
EXCO	Executive Management Committee
GIAS	Global Internal Audit Standards
GRAP	Generally Recognised Accounting Practice
HIV	Human Immunodeficiency Virus
HR	Human Resources
IA	Internal Audit
IAF	Internal Audit Function
IIA	The Institute of Internal Auditors
IODSA	The Institute of Directors in South Africa
ISO	International Organisation for Standardisation

IT	Information Technology
KM	Knowledge Module
KPI	Key Performance Indicator
KPMG	Klynveld Peat Marwick Goerdeler
MEC	Member of the Executive Council
MTDP	Medium–Term Development Plan
MTEF	Medium-Term Expenditure Framework
MV	Motor Vehicle
MVL	Motor Vehicle Licence
NDP	National Development Plan
NEVs	New Energy Vehicles
NLTA	National Land Transport Act
NQF	National Qualifications Framework
NRSS	National Road Safety Strategy
NRTA	National Road Traffic Act
NRTLEC	National Road Traffic Law Enforcement Code
NTACU	National Traffic Anti-Corruption Unit
NTP	National Traffic Police
PET	Participatory Educational Techniques
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
POPIA	Protection of Personal Information Act
RMG	Risk Management Group
RTIA	Road Traffic Infringement Agency
RTMC	Road Traffic Management Corporation
RTMCA	Road Traffic Management Corporation Act
RTS	Roadworthiness Testing Sheet
RTTA	Road Traffic Training Academy
SA	South Africa
SABPP	South African Board of People Practices
SADC	Southern African Development Community
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SANBS	South African National Blood Service

SARS	South African Revenue Service
SASRIA	South African Special Risk Insurance Association
SASSETA	Safety and Security Sector Education and Training Authority
SBD	Standard Bidding Document
SCM	Supply Chain Management
SD-WAN	Software-Defined Wide Area Network
SDG	Sustainable Development Goals
SHC	Shareholders Committee
SP	Strategic Plan
UN	United Nations
UNGA	United Nations General Assembly
UNRSC	United Nations Road Safety Collaboration
WEM	Work Experiential Module
WHO	World Health Organisation





3. Foreword by the Chairperson

It is with great pride that I present the Road Traffic Management Corporation's (RTMC) Annual Report for the 2025–2026 financial year. This report reflects not only our performance but also our unwavering commitment to safer roads, efficient traffic management, and the protection of lives across South Africa.

Over the past year, the RTMC has continued to strengthen its role as the principal custodian of road safety. The RTMC has advanced its strategic priorities by enhancing law enforcement capacity, expanding technology-driven solutions, and deepening partnerships with communities, law enforcement agencies, and stakeholders. These efforts have contributed to measurable progress in reducing road fatalities and improving compliance with traffic laws.

The year under review was not without challenges. Road safety levels, particularly during the Easter and festive seasons, remained intolerably high, as they did in the corresponding periods of earlier years. Granted, the overall number of accidents and fatalities showed some decline; however, they remain a matter of grave concern.

Rising vehicle volumes, evolving mobility trends, and the need for sustainable infrastructure have demanded innovative responses. Notwithstanding these challenges, the RTMC remained firmly focused on delivering on its mandate and ensuring that its interventions remain relevant, responsive, and impactful.

Governance developments also required significant attention during the year. In March 2026, the High Court delivered a judgment concerning the respective powers and responsibilities of the Corporation's governance structures, including the authority of the Board and the status of its Charter. The issue was remediated with the Shareholders Committee after year-end. The Board remains committed to ensuring that governance arrangements are legally sound, that roles and accountabilities are clearly defined, and that the Corporation continues to discharge its mandate effectively while the necessary governance measures are implemented.

Looking ahead, the RTMC remains firmly committed to building a culture of road safety. The RTMC will continue to invest in data-driven decision-making, strengthen public awareness initiatives, and align its operations with national development priorities. The RTMC upholds its values of transparency, accountability, and service excellence, and this Annual Report stands as a testament to that commitment.

On behalf of the Board, I express my gratitude to the Minister of Transport, Ms Barbara Creecy, the Deputy Minister, Mr Mkhuleko Hlengwa, and the Shareholders Committee for their resolute support and active commitment to improving road safety in the country.

We wish to express our gratitude to the Department of Transport for its exemplary leadership and strategic guidance, along with the Parliamentary Committee on Transport, other government departments, and state-owned entities.

The Board takes great pride in the numerous RTMC employees and stakeholders who frequently go above and beyond their responsibilities in protecting the lives of our nation's road users. Collectively, we persist in shaping a future where every journey is safer and each life on our roads is valued.

N. Mufamadi

Nomusa Mufamadi

Chairperson of the Board

Over the past year, the RTMC has continued to strengthen its role as the principal custodian of road safety. The RTMC has advanced its strategic priorities by enhancing law enforcement capacity, expanding technology-driven solutions, and deepening partnerships with communities, law enforcement agencies and stakeholders.





4. Chief Executive Officer's Overview

The year under review emerged as a tempestuous passage, marked by formidable trials and unrelenting pressures that sought to test the resilience, resolve, and very character of the Road Traffic Management Corporation (RTMC). Yet, as Shakespeare so eloquently reminds us, "Sweet are the uses of adversity," for amidst the turbulence and uncertainty, there arose moments of profound opportunity for the RTMC to distinguish itself through steadfast leadership, unwavering commitment, and an enduring pursuit of excellence.

We remained steadfast, principled, and true to the rule of law, even amidst immense pressure, adversity, and competing interests. Our decisions and actions were consistently anchored in legality, accountability, fairnes and good governance, reaffirming our unwavering commitment to constitutional democracy, and ethical leadership. In the face of adversity, the RTMC neither faltered nor retreated, but instead stood resolute, transforming obstacles into stepping stones and demonstrating its capacity to rise with honour, purpose, and distinction in service of its mandate and the people it serves.

Performance overview

Road safety remains a national priority and a shared responsibility. During the year under review, the RTMC intensified its efforts to reduce road fatalities and enhance law enforcement coordination across all spheres of government. Through strengthened collaboration with provincial authorities, municipalities, law enforcement agencies, and civil society, we made measurable progress in addressing reckless and negligent driving, improving compliance, and reinforcing a culture of road safety.

From a governance and financial perspective, the RTMC maintained prudent financial management and strengthened internal controls. The RTMC achieved 95% of its performance targets. We remain committed to transparency, accountability, and the responsible use of public resources, ensuring that every investment contributes meaningfully to our strategic objectives.

We also advanced our national road safety campaigns, targeting high-risk behaviours such as speeding, driving under the influence of alcohol, and pedestrian negligence. Through sustained public awareness programmes, particularly during peak travel periods, we reached millions of South Africans with vital safety messages aimed at saving lives. While progress is evident, we remain acutely aware that too many lives are still lost on our roads, and we remain resolute in our commitment to reversing this trend.

Capacity building and the professionalisation of traffic law enforcement remained a priority. We continued to invest in training and development programmes for traffic officers, ensuring that they are equipped with the necessary skills, tools, and ethical grounding to execute their duties effectively and with integrity. Our commitment to building a capable and accountable traffic policing environment is central to improving public trust and achieving sustainable road safety outcomes.

Financial performance and sustainability

Our online motor vehicle licence renewal platform continued to demonstrate strong growth, with revenue increasing by 34% year-on-year, exceeding the target by nine percentage points. This indicates a growing preference among users for convenient, accessible, and efficient online services. Similarly, the online vehicle registration and change of ownership platform also recorded growth, with more clients onboarded to the system.

The unpopular and challenging decision to implement stringent financial austerity measures has undoubtedly yielded positive results and significantly turned around

We remained steadfast, principled, and true to the Rule of Law, even amidst immense pressure, adversity and competing interests.

our financial difficulties and long-standing woes. Through strong leadership, fiscal discipline, and prudent expenditure management, the RTMC has gradually regained stability and restored confidence in its financial sustainability trajectory.

Although the journey was arduous and required significant sacrifices from all stakeholders, the results confirm that the difficult decisions made in the best interests of the RTMC ultimately led to positive outcomes. However, we are confident that stronger progress is achievable by further fostering a culture of consistency, accountability, and shared ownership in the implementation of our resolutions and strategic decisions.

In conclusion, even as we celebrate the milestones attained and the resilience demonstrated under difficult circumstances, we must remain mindful that we are not yet out of the woods. The road ahead still demands unwavering dedication, disciplined commitment, and visionary leadership to steer the RTMC through prevailing uncertainties and emerging challenges. As the idiom aptly reminds us, "the storm may have calmed, but the sea remains rough." It is therefore incumbent upon all of us to remain steadfast, united in purpose, and resolute in action to ensure that the foundations we are laying today translate into sustainable stability, institutional excellence, and a prosperous future for the RTMC.



Adv. Makhosini Msibi

Chief Executive Officer: RTMC

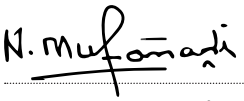


5. Statement of Responsibility and Confirmation of the Accuracy of the Annual Report

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

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General.
- The annual report is complete, accurate, and free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report issued by the National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.
- The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in these statements.
- The accounting authority is responsible for establishing and implementing a system of internal control, which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, performance, human resources information, and financial affairs of the entity for the financial year ended 31 March 2026.



Nomusa Mufamadi
Chairperson of the Board

6. Strategic Overview

6.1 OUR VISION

"Leading South Africa to Safe Roads"

6.2 OUR MISSION

To improve road safety by:

- Collaborating on road traffic management
- Providing data insights
- Supporting government and stakeholders to save lives

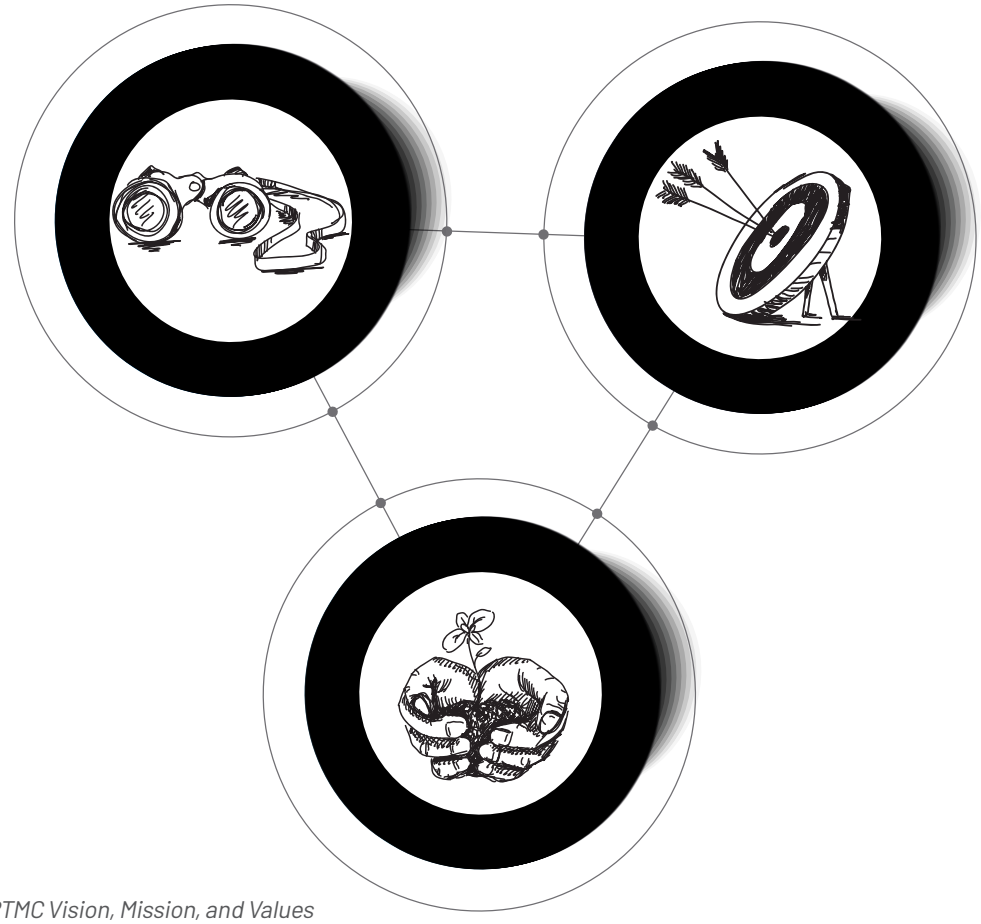


Figure 1: RTMC Vision, Mission, and Values

6.3 OUR VALUES

The RTMC's values emanate from the Constitution of the Republic of South Africa. They emphasise the organisation's commitment to law and order and service delivery.

Safety	We are committed to ensuring the safety of employees and stakeholders.
Integrity	We are committed to ethical standards and to always doing the right thing, even when no one is watching: This includes being accountable, practising fairness and impartiality as an organisation and as individuals.
Innovation	We welcome new ideas and technologies, always looking for better ways to solve problems.
Excellence	We are committed to quality and outstanding service offerings underpinned by the Batho Pele principles.
Collaboration	We believe in the power of teamwork, sharing knowledge and resources to reach common goals.

Table 1: RTMC Values

7. Legislative and Other Mandates

The RTMC is a Schedule 3A public entity with the mandate to perform a particular social or economic responsibility of government. The RTMC derives its mandate from the statutes listed below:

7.1. Constitution of the Republic of South Africa, 1996

The Constitution is the supreme law of the Republic. The RTMC abides by the obligations imposed by the Constitution. The table below reflects the RTMC's constitutional mandate in relation to other spheres of government in the execution of its responsibilities.

SECTION	IMPLICATION
Schedule 4	Sets out the areas of provincial legislative competence. Schedule 4, Part A, lists the functional areas of concurrent national and provincial competence as follows: • Public Transport; • Road Traffic Regulation; and • Vehicle Licensing.
Schedule 5	Provides for traffic as a Schedule 5 functional area. However, the Constitution also provides for national legislative authority over Schedule 5 matters under section 44(2) and the provisions of section 76(1). All the legislative mandates of the RTMC are enacted in terms of section 76(5) of the Constitution.

Table 2: RTMC's constitutional mandate

7.2. Road Traffic Management Corporation Act 20 of 1999 (RTMCA)

Parliament approved the RTMCA in 1999 in line with the provisions of section 44(2) of the Constitution. In terms of the Act, the RTMC was established to pool powers and resources and to eliminate the fragmentation of responsibilities for all aspects of road traffic management across the various levels of government. The Act provides, in the public interest, for cooperative and coordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters by the national, provincial, and local spheres of government. The Act's objectives include:

RTMC ACT OBJECTIVES

- To establish the RTMC as a partnership between the national, provincial, and local spheres of government.
- To enhance the overall quality of road traffic service provision to ensure safety, security, order, discipline, and mobility on the roads.
- To protect road infrastructure and the environment through the adoption of innovative practices and the implementation of innovative technology.
- To phase out, where appropriate, public funding and phase in private-sector investment in road traffic on a competitive basis.
- To introduce commercial management principles to inform and guide road traffic governance and decision-making in the interest of enhanced service provision.
- To optimise the utilisation of public funds by:

Limiting investment of public funds to road traffic services which meet a social or non-commercial strategic objective, and which have poor potential to generate a reasonable rate of return; and securing, where appropriate, full cost recovery based on the user-pays principle.

- To regulate, strengthen, and monitor intergovernmental contact and cooperation in road traffic matters.
- To improve the exchange and dissemination of information on road traffic matters.
- To stimulate research in road traffic matters and effectively utilise the resources of existing institutes and research bodies.
- To develop human resources in the public and private sectors that are involved in road traffic.

Section 18(1) of the RTMCA stipulates that the Shareholders Committee (SHC) must, as part of the organisational structuring of the RTMC, establish as many functional units as required in accordance with the business and financial plan to ensure effective management of at least the ten functional areas depicted in Figure 2:

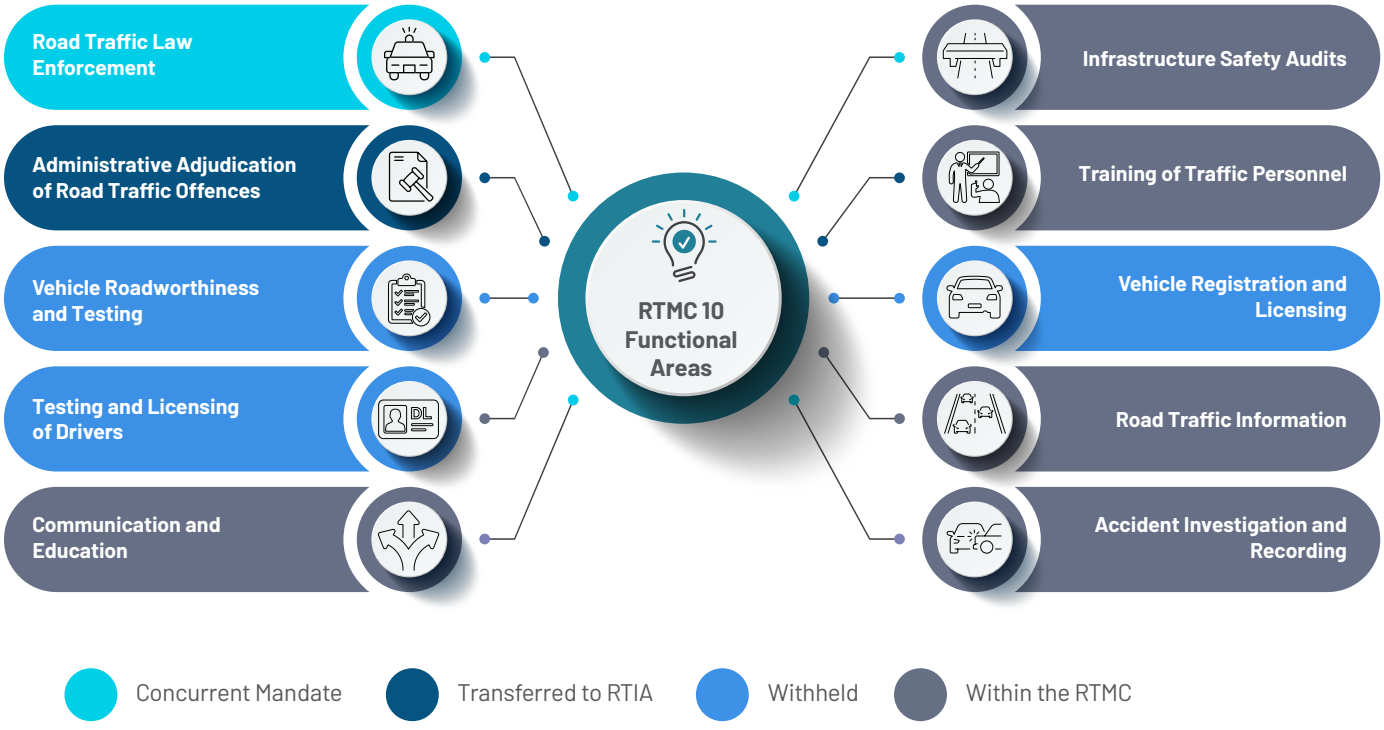


Figure 2: RTMC functions as outlined in Section 18 of the RTMCA

The 10 functional areas are executed as follows:

FUNCTIONAL AREA	CURRENT PRACTICE
Road Traffic Law Enforcement	Provincial and local authorities execute law enforcement operations; the RTMC National Traffic Police (NTP) was created to conduct law enforcement operations in the nine provinces. Furthermore, the RTMC is responsible for thought leadership regarding law enforcement in the Republic.
Administrative Adjudication of Road Traffic Offences (AARTO)	The AARTO Act established the Road Traffic Infringement Agency (RTIA) as the agency responsible for the roll-out and implementation of the AARTO system. The function was duly transferred from the RTMC to the RTIA. As part of the implementation of AARTO, the RTMC is responsible for the training of traffic personnel and the development and maintenance of the National Contravention Register. The NTP already issues infringements in terms of the AARTO Act as part of the initial pilot of AARTO.
Vehicle and Roadworthiness Testing	The function is not transferred to the RTMC. It is conducted by the provinces or municipalities as delegated.
Testing and Licensing of Drivers	The function is a concurrent function of the national and provincial spheres of government. In the 2021/22 financial year, the RTMC established two Driver Licence Testing Centres (DLTCs) for the first time, which are operationalised through an agency agreement with the Gauteng Province. The DLTCs have been established to provide an improved service-delivery model.
Communication and Education	The function was transferred to the RTMC and is fully executed in line with the National Road Safety Strategy (NRSS).
Infrastructure Safety Audits	The RTMC is the custodian of the Road Safety Audit Manual and is driving the professionalisation of the Road Safety Auditor career path. The conducting of road infrastructure audits is intended to grade our roads and ensure that they comply with safety standards and that the roads are designed to promote safer travel.
Training of Traffic Personnel	As part of the professionalisation of traffic personnel, the RTMC has established the Road Traffic Training Academy for the implementation of road traffic-related training. The Training Norms and Standards function assists with the development and registration of the qualifications and monitors compliance with the training norms and standards.
Vehicle Registration and Licensing	The function is partially fulfilled by the RTMC. The RTMC conducts online Vehicle Registration and Licensing services.
Road Traffic Information	The RTMC is the custodian of road traffic information, which is housed in the National Road Traffic Information System and published periodically.
Accident Investigation and Recording	The RTMC is responsible for the investigation and recording of crashes; these are conducted in line with the defined criteria relating to major crashes.

Table 3: Status of the 10 functional areas

The functions of the CEO – Section 29 of the RTMCA:

a) Manage and control the day-to-day affairs of the RTMC as per the business and financial plan.

b) Undertake, as per this Act and any other legislation concerning road traffic matters, the provision and rendering of road traffic services.

c) Execute any directive of the Shareholders Committee issued in terms of Section 13 and report to the committee on the implementation of the directive.

d) Undertake research into road traffic matters.

e) After consultation with the Minister of Finance and every MEC responsible for finance, draw up a governance agreement to be concluded between the Shareholders Committee and the Board on the appointment of the Board.

f) Facilitate private-sector investment by:
   (i) Undertaking feasibility and investment studies to ascertain the technical, commercial and economic viability of projects.
   (ii) Assisting the private-sector in preparing business plans to provide equity and loan finance.
   (iii) Assisting potential private investors to ensure compliance with any legal requirements.
   (iv) Providing the private sector with advice.

g) Promote private sector investment in road traffic by:
   (i) The establishment of investment helplines to assist potential investors.
   (ii) The publication of investment-related publications.
   (iii) Holding national or localised conferences.
   (iv) Organising investment contact visits.
   (v) Initiating contacts with other ministries, departments, state-owned enterprises, investment promotion centres and related parties.
   (vi) Collecting, updating and disseminating appropriate promotional and facilitator information.
   (vii) Any other appropriate method.

h) Report to the Shareholders Committee:
   (i) On the level and scope of performance of the RTMC in terms of the business and financial plans.
   (ii) On the impact of investment contracts contemplated in section 37 and performance contracts contemplated in sections 15(4) and 19(4).
   (iii) Subject to section 38(2), on whether a private-sector entity is better suited to perform the function envisaged in a public contract.

i) Perform the functions assigned to him or her by the Shareholders Committee and the Board on its appointment.

j) Assign functions to the managers of functional units if authorised thereto by the Shareholders Committee in terms of Section 28(2)(u).

k) Exercise and perform all the powers and duties conferred or imposed by this Act or by any other law.

l) Exercise and perform all the powers and duties incidental to the above-mentioned powers and duties.

7.3. National Road Traffic Act 93 of 1996 (NRTA)

The NRTA provides for road traffic and related matters that apply uniformly throughout the Republic. It prescribes national principles, requirements, guidelines, frameworks and national norms and standards that must be applied uniformly in the provinces, and other matters contemplated in Section 146(2) of the Constitution. It facilitates the consolidation of land transport functions and locates them in the appropriate sphere of government.

7.4. Administrative Adjudication of Road Traffic Offences Act 46 of 1998 (AARTO)

The AARTO Act promotes road traffic quality by providing a scheme to discourage road traffic contraventions and to facilitate the adjudication of road traffic infringements. The RTMC is an issuing authority and, through the National Traffic Police, applies the AARTO infringement processes and procedures.

7.5. Criminal Procedure Act 51 of 1977 (CPA)

The purpose of the CPA is to regulate procedures and related matters in criminal proceedings. The Act governs how criminal cases are handled in courts of law by establishing due process in criminal prosecutions. A traffic officer is appointed as a peace officer as stipulated in Section 334(2)(A) of the CPA, which contains schedules of offences a peace officer may impose.

7.6. Protection of Personal Information Act 4 of 2013 (POPIA)

The purpose of POPIA is to promote the protection of personal information processed by public and private bodies and to introduce certain conditions to establish minimum requirements for the processing of personal information.

7.7. Other Applicable Legislation

LEGISLATION	CONTEXT
Public Finance Management Act, 1999 (No. 1) and applicable regulations (PFMA)	The PFMA also provides for reporting against predetermined measurable objectives contained in short- and medium-term plans. • Section 27(4) of the PFMA provides the basis for the development of measurable objectives, which must be included in national and provincial institutions' annual budgets. • Sections 40(3) and 55(2) provide the basis for reporting performance against predetermined objectives. • Section 38(d) of the Act states that the accounting officer is responsible for managing, safeguarding, and maintaining a department or entity's assets and for managing its liabilities. • Sections 38(a)(iv) and (c)(iii) provide the basis for systems that properly evaluate all major capital projects before a final decision on the project is made and also manage available working capital efficiently and economically.
Statistics Act, 1999	The Statistics Act provides for the planning, production, analysis, documentation, storage, dissemination, and use of official and other statistics. The purpose of these statistics is to help organs of state, businesses, other organisations and the public with planning, decision-making and monitoring or assessing policies. Using official statistics strengthens the quality of government and institutional short- and medium-term plans.
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	The Act ensures the promotion of equality, non-racialism, and non-sexism, and the prevention of unfair discrimination in line with Sections 9 and 10 of the Constitution.

Table 4: Other applicable legislation

7.8. Institutional Policies and Strategies

The DoT sets the direction for road traffic management, safety policy, and legislation. However, regional authorities also develop policies in line with global standards. Further details are provided in Figure 3.



Figure 3: Road safety policies/instruments

7.9. Global policy instruments

7.9.1 Sustainable Development Goals

The RTMC's road safety responses are underpinned by two important global policy instruments: the Sustainable Development Goals (SDGs) and the Global Plan for the Decade of Action for Road Safety. The SDGs were adopted in 2015 at a United Nations summit in New York as a response to the development challenges facing the global community. There was global acceptance that road safety is linked to poverty, education, and health goals. The inclusion of road safety in the SDGs in 2015 shows increased international attention to road safety challenges.



Figure 4: Sustainable Development Goals

The SDGs include two road safety targets among the 17 goals, namely:

- By 2020, halve the number of global deaths and injuries from road traffic accidents.
- By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, such as women, children, persons with disabilities, and older persons.

7.9.2 Decade of Action for Road Safety

On 11 May 2011, the Decade of Action for Road Safety 2011–2020 was launched in over 100 countries with a single objective: to prevent five million road traffic deaths globally by 2020. In August 2020, the United Nations General Assembly (UNGA) issued a new resolution that proclaimed the period 2021–2030 as the Second Decade of Action for Road Safety, with the goal of reducing road traffic deaths and injuries by at least 50% from 2021 to 2030. In this context, it urges Member States to continue their efforts through 2030 on all road safety-related targets of the Sustainable Development Goals.



Figure 5: Second Decade of Action for Road Safety

7.9.3 Global Plan

The UN Global Plan for the Decade of Action for Road Safety 2021–2030 aims to reduce road traffic deaths and injuries by 50% through five key pillars: Road Safety Management, Safer Roads and Mobility, Safer Vehicles, Safer Road Users, and Post-Crash Response. These pillars promote integrated, sustainable, and safe transport systems. The figure outlines the pillars of the Decade of Action for Road Safety to reduce road crash fatalities and serious injuries.

In response to the Global Plan, the RTMC was admitted as a member of the United Nations Road Safety Collaboration (UNRSC) in 2011, an association of lead agencies on road safety. The RTMC, in collaboration with DoT, developed the National Road Safety Strategy 2016–2030, approved by Cabinet in 2017, thus aligning with the Global Plan's imperatives. The RTMC strategy is thus aligned to the pillars of road safety, particularly Pillar 4: Safe Road Use.



Figure 6: Global Plan

7.9.4 Regional Policy Instrument(s)

Agenda 2063

Agenda 2063, published by the African Union Commission in 2015, is a strategic framework for Africa's socio-economic transformation over the next 50 years. It builds on and aims to accelerate the implementation of past and existing continental initiatives for growth and sustainable development. Agenda 2063 has the following aspirations:

- An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa's renaissance.
- An Africa of good governance, democracy, respect for human rights, justice, and the rule of law; a peaceful and secure Africa; an Africa with a strong cultural identity, common heritage, shared values, and ethics; an Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children.
- An Africa that is a strong, united, and influential global player and partner.

These aspirations have priority areas aligned to the SDGs.

7.9.5 Local policy instruments

The RTMC's strategic imperatives are informed by the government's key priorities, which are outlined in the National Road Safety Strategy (NRSS) approved by Cabinet. These plans and frameworks include:

National Development Plan (NDP)

The purpose of the NDP was to set out a new vision for South Africa by outlining the vision for 2030. The priorities below are intricately linked to the mandate of the RTMC:

Priority 8 (Health care for all)

The NDP sets out a target to reduce accidents (motor vehicle crashes), injuries, and violence by 50% from 2010 levels, thus providing a clear direction on the need to focus on safety matters involving all road users. The NDP outlines the following factors for monitoring and control in figure 7 below:



Figure 7: NDP factors

The priorities aim to enhance the overall quality of road traffic service provision and ensure safety, security, order, discipline, and mobility on roads.

Priority 10 (Building safer communities)

The NDP outlines the key delivery outcome for this priority as strengthening the criminal justice system by ensuring cooperation between all departments in the justice, crime prevention, and security cluster.

Priority 12 (Fighting corruption)

The NDP acknowledges corrupt practices as a phenomenon that necessitates clear and decisive action, emphasising the importance of upholding the rule of law and ensuring compliance. Elevated levels of corruption, particularly within the road traffic sector, adversely affect the reputation of the road traffic law enforcement sector. The RTMC addresses fraud and corruption by implementing an integrated approach supported by resilient anti-corruption strategies and structures.

Medium-Term Development Plan (MTDP)

The MTDP was introduced to ensure alignment with national imperatives and promote inclusivity, as well as to align with international naming conventions. The MTDP places greater emphasis on development outcomes and is primarily framed as an economic plan to address existing socio-economic challenges. As a result, the RTMC's Strategic Plan (SP) and Annual Performance Plan (APP) must be aligned with the MTDP to enable its implementation. Below are the three strategic priorities of the 7th Administration that must be served for the realisation of a better life for all South Africans. The 2025–2030 MTDP outlines the three priorities binding all government departments as follows:

Of the three priorities identified by the MTDP, the RTMC's core mandate closely aligns with riorities 2 and 3. The RTMC delivers on these by implementing responsive initiatives such as road traffic law enforcement interventions, onboarding traffic personnel, conducting road safety research, running road safety awareness and education campaigns, and providing customer-centric services through the introduction of technologies in road traffic services. The way in which the RTMC's alignment with these two priorities can best be described is as follows:

Priority 2: Reduce poverty and tackle the high cost of living

The RTMC's quest to lower road fatalities in South Africa aligns with the priority of the 7th Administration to reduce poverty and tackle the high cost of living. By promoting health and safety in communities, the RTMC enhances road safety awareness and education. Central to the RTMC's goals and strategy is the implementation of the following:

- Bring about behavioural change
- Reduce barriers to accessing opportunities
- Enable and encourage the sharing of roads by road users

Priority 3: A capable, ethical, and developmental state

- A capable state has the required human capabilities, institutional capacity, service processes, and technological platforms to deliver on the NDP through a social contract with the people.
- An ethical state is driven by the constitutional values and principles of public administration and the rule of law, focused on the progressive realisation of socio-economic rights, and social justice as outlined in the Bill of Rights.



Figure 8: MTDP priorities

- A developmental state addresses people's needs through interventionist, developmental, participatory public administration. It builds an autonomous developmental state guided by the public interest rather than individual or sectional interests. It is embedded within South African society, promoting active citizenry through partnerships across all sectors of society.

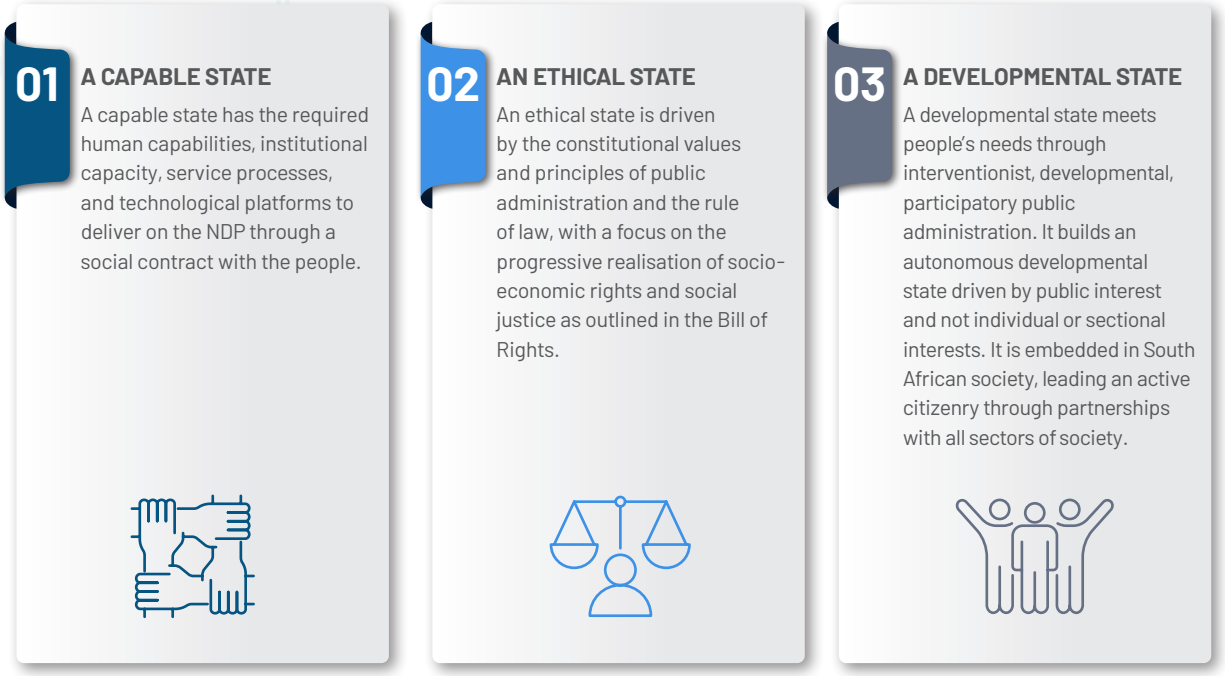


Figure 9: MTDP Capable state dimensions

The Department of Transport's Key Priorities

The Department of Transport's strategy is anchored by five core strategic priorities, which not only shape its operational agenda but also align with the broader political goals of the 7th Administration. These priorities are designed to enhance the efficiency, safety, and sustainability of the transport sector, driving growth and transformation in line with national objectives. The following key priorities have been identified to guide efforts in the sector:

1. Safety as an enabler of service delivery;
2. Public transport that enables social emancipation and an economy that works;
3. Infrastructure development that stimulates economic growth and job creation;
4. Building a maritime nation, elevating the oceans economy; and
5. Accelerating transformation towards greater economic participation.

By focusing on these priorities, the Department of Transport seeks to foster a more sustainable, safe, and efficient transport system that drives both social and economic development across the country. The RTMC aligns its key strategic outcomes with those identified under Safety as an Enabler of Service Delivery. The RTMC seeks to achieve this as follows:

- Address the scourge of fatalities caused by road crashes: The RTMC's core mandate is to ensure road safety and reduce road-related fatalities. This priority directly aligns with the RTMC's primary focus on improving road safety through traffic law enforcement, road user education, and road safety campaigns. Initiatives such as enhanced road traffic law enforcement, technology-driven monitoring and enforcement, and educational programmes to raise awareness about road safety can significantly contribute to reducing the high rates of accidents and fatalities on South African roads.

- Zero tolerance for fraud and corruption: Fraud and corruption, particularly in road traffic law enforcement, licensing, and road transport services, are significant challenges in the road traffic management sector. The RTMC plays a crucial role in combating these issues by implementing stricter oversight mechanisms, ensuring transparency in its operations, serving as a thought leader, adopting data-driven, modern technological interventions, and collaborating with other law enforcement agencies to eliminate fraudulent practices, particularly those involving driver's licences and vehicle registrations. By fostering a culture of zero tolerance, the RTMC can build public trust and maintain the integrity of road traffic management.

National Road Safety Strategy (NRSS) 2016–2030

The National Road Safety Strategy (NRSS) for 2016–2030 is a comprehensive framework informed by both national and international road safety policies. Its primary purpose is to drastically reduce fatalities and accidents on South African roads through coordinated and effective actions spearheaded by the RTMC and supported by the collective efforts of all South Africans.

At the heart of the NRSS is its vision of achieving "Safe and Secure Roads" across the country, with a target to reduce road fatalities by 50% by 2030, based on a 2010 baseline. This ambitious goal is aligned with global road safety targets, such as those set by the United Nations Decade of Action for Road Safety. To achieve this, the NRSS recognises four areas that require critical intervention. These are:

The responsibility for the implementation of the NRSS is shared across several key road safety entities, with the RTMC playing a coordinating and monitoring role. This is done through established governance structures such as the National Road Safety Steering Committee and the Committee of Traffic Officials. The NRSS 2026–2030 is currently under review by the DoT, and it is anticipated that the process will be concluded by the end of the financial year.

National Road Traffic Law Enforcement Code (NRTLEC)

The NRTLEC has been developed and seeks to integrate and harmonise road traffic law enforcement functions across the country. The Code will ensure standardisation of norms and standards in the areas of strategic direction and goals, minimum requirements for training and the appointment of road traffic law enforcement officers, operating principles, performance levels, management of information systems, and compliance.

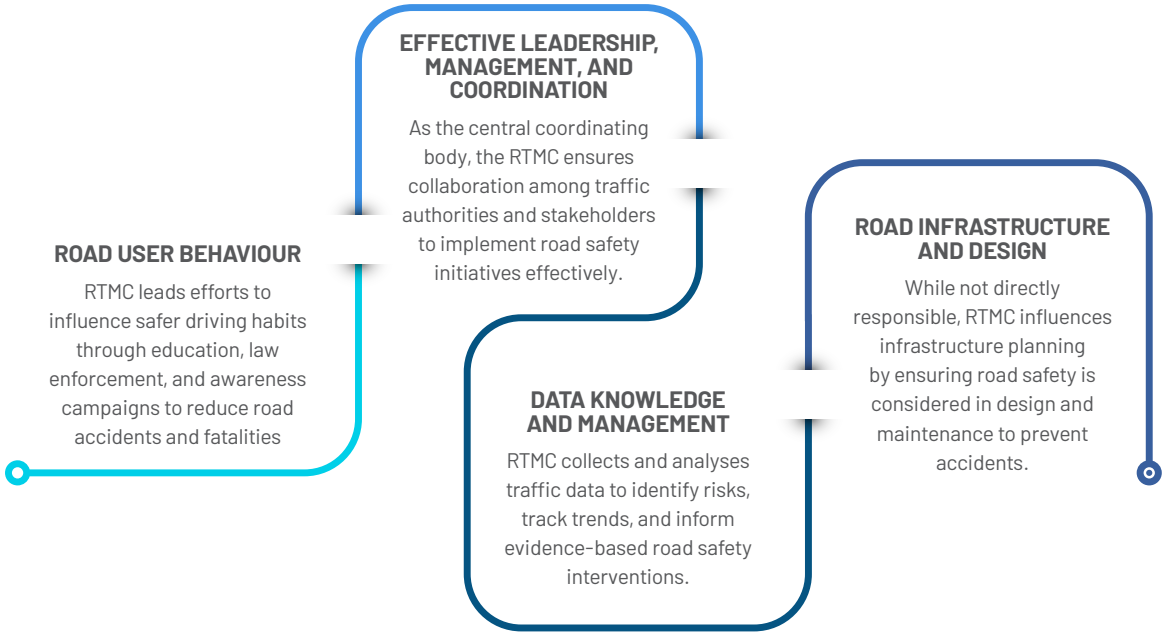


Figure 10: NRSS critical intervention areas

8. Organisational Structure

The RTMC organisational structure is designed to ensure a cohesive approach to reducing road accidents, enhancing traffic flow, and promoting road user safety. This structure also caters for anticipated future functions that may be transferred to the RTMC. The figure below depicts the organisational structure, highlighting filled and vacant positions.

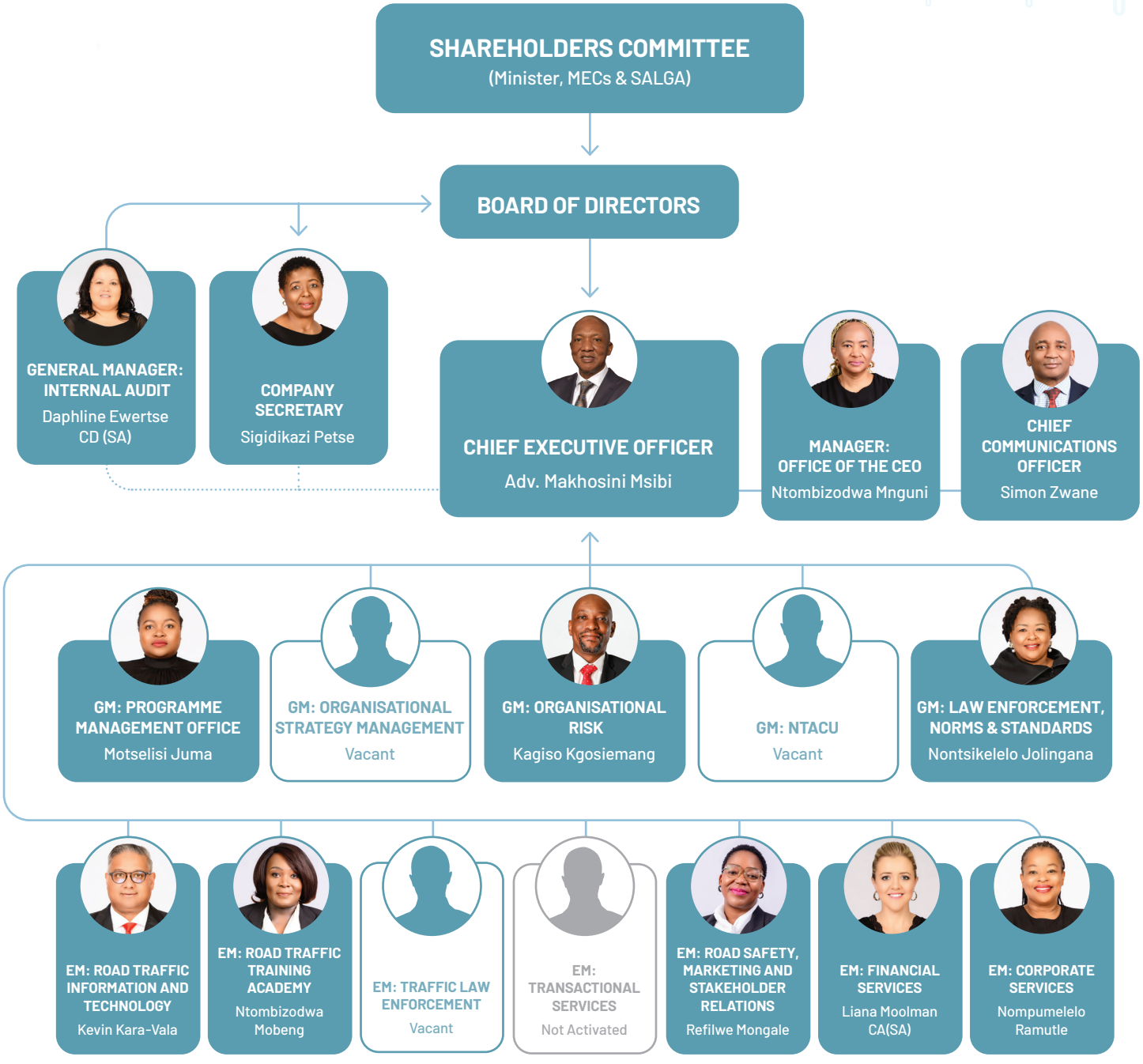


Figure 11: RTMC Organisational Structure

Vacant positions

- Executive Manager: Traffic Law Enforcement
- General Manager: Organisational Strategy Management
- General Manager: National Traffic Anti-Corruption Unit (NTACU)

Employees have been appointed to act in these positions as follows:

Kopano Maponyane	Acting Executive Manager: Traffic Law Enforcement
Motselisi Juma	Acting General Manager: Organisational Strategy Management
Kagiso Kgosiemang	Acting General Manager: NTACU

Table 5: Employees in Acting Positions

8.1. Sub-Programmes

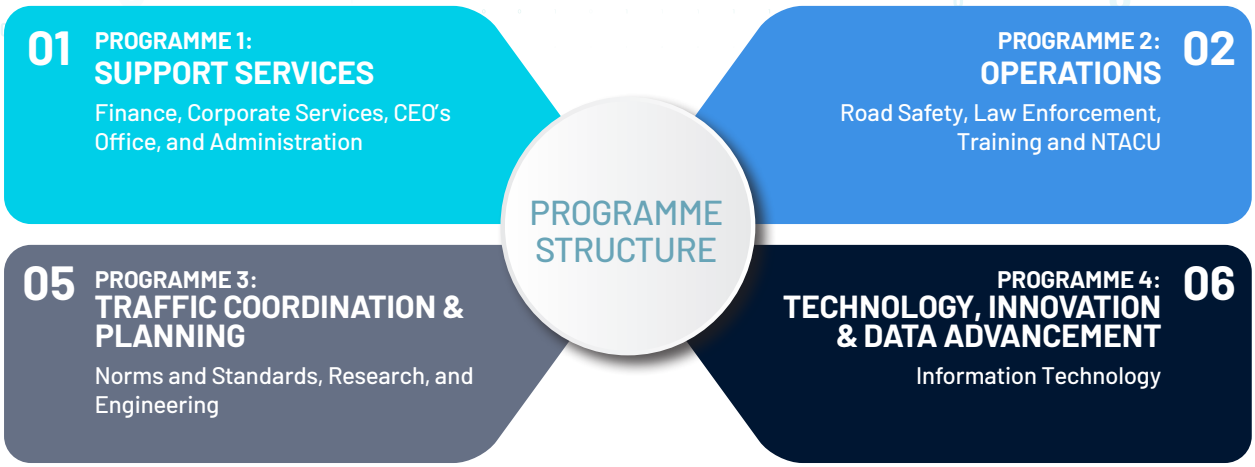


Figure 12: Programmes structure

8.2. Positions Reporting to the CEO

The following are the employees and the programmes allocated to them:

NAME	DESIGNATION	SUB-PROGRAMME
EXECUTIVE MANAGEMENT		
Ms Refilwe Mongale	Executive Manager: Road Safety Stakeholder Relations Management	Road Safety, Marketing, and Stakeholder Management
Ms Ntombizodwa Mobeng	Executive Manager: Road Traffic Training Academy	Training of Traffic Personnel
Mr Kopano Maponyane (Acting)	Executive Manager: Traffic Law Enforcement	Law Enforcement
Mr Kevin Kara-Vala	Executive Manager: Road Traffic Information and Technology	Road Traffic Information, Research and Engineering, Information and Communication Technology
Ms Liana Moolman	Executive Manager: Financial Services	Financial Services
Ms Nompumelelo Ramutle	Executive Manager: Corporate Services	Human Resources
OFFICE OF THE CEO		
Ms Daphline Ewertse	General Manager: Internal Audit	Internal Audit
Ms Motselisi Juma (Acting)	General Manager: Organisational Strategy Management	Strategy Management
	General Manager: Programme Management Office	Programme Management
Mr Kagiso Kgosiemang (Acting)	General Manager: National Traffic Anti-Corruption Unit	National Traffic Anti-Corruption Unit
	General Manager: Organisational Risk Management	Risk Management
Ms Nontsikelelo Jolingana	General Manager: Law Enforcement Norms and Standards	Law Enforcement Norms and Standards
Ms Sigidikazi Petse	Company Secretary	Company Secretariat
Ms Ntombizodwa Mnguni	Manager: Office of the CEO	Office of the CEO
Mr Simon Zwane	Chief Communications Officer	Communications

Table 6: Programme Manager, designations and sub-programmes

9. Members of the Board



Nomusa Mufamadi
Chairperson



Adv. Makhosini Msibi
Chief Executive Officer



Adv. Johannes Makgatho
DoT Representative



Thandi Thankge CD(SA)
Member



Dr. Eddie Thebe
Member



Prof. Maredi Mphahlele
Member



Prof. Chitja Twala
Member



Lerato Magalo
Member



Nkhumeleni Kudzingana
Member



Adv. Xola Stemela
Member



Sigidikazi Petse
Company Secretary

10. Executive Management



Adv Makhosini Msibi
Chief Executive Officer



Kevin Kara-Vala
Executive Manager:
Road Traffic Information
and Technology



Liana Moolman
Executive Manager:
Financial Services



Refilwe Mongale
Executive Manager:
Road Safety, Marketing and
Stakeholder Relations



Nompumelelo Ramutle
Executive Manager:
Corporate Services



Ntombizodwa Mobeng
Executive Manager:
Road Traffic Training Academy



Mr Kopano Maponyane
Acting Executive Manager:
Law Enforcement




SMART MOBILITY
PERFORMANCE
INFORMATION
ELECTRIC VEHICLES

1. Auditor-General's Report: Predetermined Objectives

The CEO is responsible for establishing and implementing systems of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

The performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the Strategic Plan (2025-2030) and the Annual Performance Plan 2025/26 for the RTMC for the year ended 31 March 2026.

The audit conclusion received from the Auditor-General of South Africa on the performance against predetermined objectives is included under predetermined objectives in the audit report on pages 85 to 87.



2. Overview of Public Entity's Performance

2.1. Service delivery environment

Performance Summary for the 2025-2026 Financial Year

During the year under review, the RTMC implemented its 2025/26 Annual Performance Plan (APP), structured around four key programmes.

The RTMC had 19 Key Performance Indicators, divided among the following programmes.



Figure 13: Programme Structure and number of targets

A total of 19 performance targets were planned for the financial year. Of these, 18 targets were successfully achieved, resulting in a performance achievement rate of 95%. The detailed summary of performance for the 2025-2026 financial year is presented below:

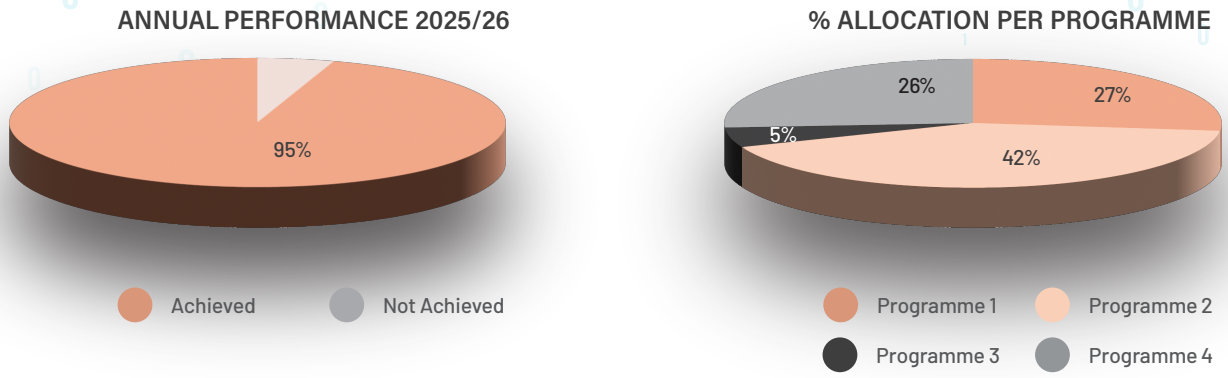


Figure 14: 2025/26 Annual performance

2.2. Organisational environment

During the period under review, the RTMC operated within a complex organisational environment arising from whistleblower allegations of financial misconduct, irregular expenditure, and governance failures.

These developments led to the precautionary suspension of the Chief Executive Officer and several senior management officials, necessitating the appointment of employees to act in key executive positions to maintain operational continuity.

Following a court judgment delivered on 9 March 2026, the suspension of the Chief Executive Officer was declared unlawful, leading to the reinstatement of the Chief Executive Officer and the affected leadership team.

Subsequently, the organisation resumed normal operations, supported by ongoing efforts to stabilise governance and ensure continuity in strategic and operational execution.

2.3. Key policy developments and legislative changes

There were no key policy developments or legislative changes.

3. Progress towards Achievement of Institutional Impacts and Outcomes

The table below depicts the outcome indicators of the RTMC as outlined in the Strategic Plan 2025/26–2029/30. The reporting on these outcome indicators reflects performance for the 2025/26 period:

OUTCOME	OUTCOME INDICATORS	BASELINE	FIVE-YEAR TARGET	ACTUAL PERFORMANCE	COMMENTS
Reduce fatalities and serious injuries	Reduction in road traffic fatalities	11 883	6 984	11 485	Calendar report January – December 2025
	Number of road safety officials trained	3 330	3 675	1 370	As at 31 March 2026
Digitalisation of road traffic services to optimise services and monetise them	% customer satisfaction survey	68%	80%	-	The survey will be conducted in the 2026/27 financial period
Build a financially sustainable entity	% revenue growth change	9%	7%	18%	No deviations

Table 7: 2025/26-2029/30 Outcome Indicators

The outcomes can be summarised as follows:

3.1. Outcome 1: Reduce fatalities and serious injuries

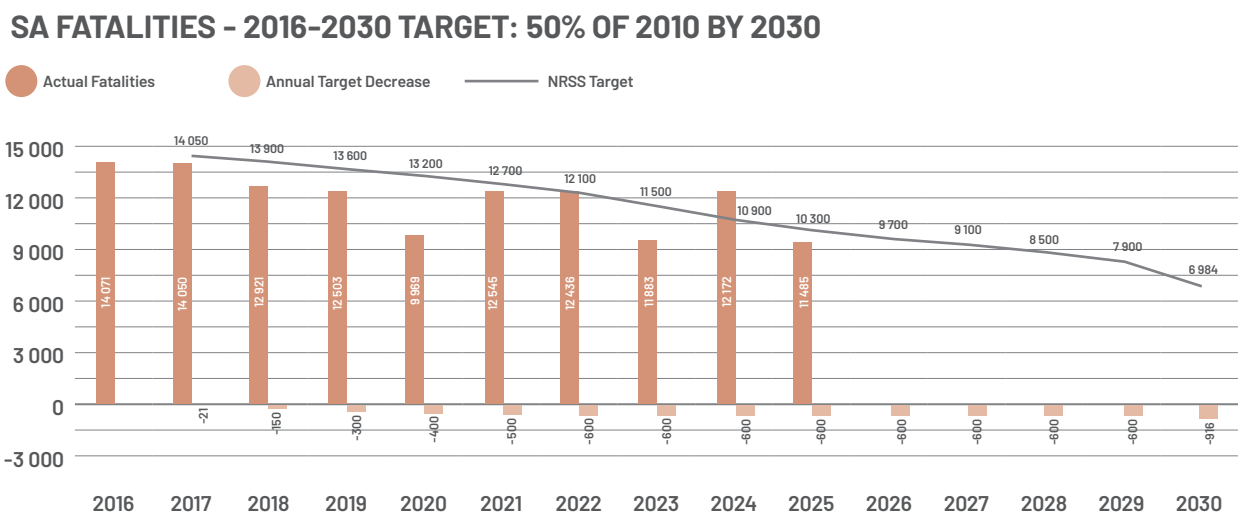


Figure 15: SA Fatalities 2016-2030 Target: 50% of 2010 by 2030

Although there is a marginal reduction in fatalities compared to the baseline, performance remains considerably below the five-year target, indicating that current interventions are insufficient to achieve the desired impact. This underperformance highlights insufficient scaling of road safety programmes, potential resource and funding constraints, and weaknesses in the implementation of preventive measures. The ongoing review of the National Road Safety Strategy (NRSS) presents an opportunity to enhance integration and cohesion across the road safety ecosystem. However, its success will rely heavily on securing adequate resources, sustainable funding, and the effective implementation of targeted interventions.

3.2. Outcome 2: Digitalisation of road traffic services to optimise services and monetise

The RTMC continues to drive the digitalisation of road traffic services to optimise service delivery and enhance revenue generation. While progress has been made in modernising key systems and platforms, the RTMC recognises that the full benefits of digital transformation, particularly in improving customer experience and unlocking new revenue streams, are yet to be realised.

The delay in the customer satisfaction results highlights a gap in performance measurement, which is being addressed through the planned introduction of a comprehensive customer satisfaction survey in the 2026/27 financial year. This will enable the RTMC to better assess service efficiency, identify areas for improvement, and align digital solutions with user needs.

The RTMC remains committed to accelerating digital transformation initiatives to improve the accessibility, efficiency, and transparency of services, while ensuring that these initiatives contribute meaningfully to financial sustainability through enhanced monetisation opportunities.

3.3. Outcome 3: Build a financially sustainable entity

The RTMC has made significant progress towards building a financially sustainable entity, as evidenced by revenue growth exceeding the set target. The achievement of 18% revenue growth is an over-achievement against a target of 7%; this exceeded the set target by 11%. This demonstrates the RTMC's ability to strengthen its revenue base and improve its financial performance.

This outcome reflects improved revenue collection efficiency, enhanced service monetisation, and the implementation of targeted financial management initiatives. As a result, the RTMC is better positioned to sustain its operations and support strategic priorities within the road safety ecosystem.

Notwithstanding this positive performance, the RTMC recognises the importance of ensuring that revenue growth is sustainable, diversified, and aligned with service delivery improvements. Going forward, the RTMC will focus on maintaining consistent revenue performance, strengthening cost containment measures, and ensuring that financial sustainability translates into improved service outcomes and value for stakeholders.

4. Institutional Programme Performance Information

4.1. Programme 1: Support Services – Finance, Corporate Services, CEO's Office, and Administration

The purpose of this programme is to ensure that all back-office operations are efficiently managed, providing critical support to other programmes. This programme covers the essential internal functions required to run the organisation smoothly. It includes Finance Management, Corporate Services (such as Human Resources and Legal), the CEO's Office, Internal Audit, and Administrative Support.

SUB-PROGRAMME	PURPOSE	LINK TO INSTITUTIONAL OUTCOMES
Finance	To ensure sound financial management, regulatory compliance, budgeting, procurement, revenue optimisation, and accurate financial reporting within the RTMC, in line with the PFMA, Treasury Regulations, and GRAP standards	Build a financially sustainable entity
Corporate Services	To ensure effective organisational support through human capital management, transformation and employee relations, legal and compliance services, training standards development, and the management of facilities, security, fleet, and workplace support services to enable efficient organisational performance	

Table 8: Programme 1 – Support Services

Training Revenue Generated

This represents the total revenue earned from RTMC training programmes executed and serves as a key indicator of the financial performance of training initiatives. It provides insight into the uptake and effectiveness of training offerings, supports monitoring against annual growth targets, and informs strategic planning to enhance revenue generation and programme impact. Training revenue for the period under review reflects a 34% year-on-year decline compared to the same period in the previous financial year. The deviation is due to the fact that the anticipated training at the time of the strategy development could not be realised during the year.

Clients Onboarded for Online Motor Vehicle Registration and Change of Ownership

This key performance indicator (KPI) tracks the RTMC's efforts to expand access to its online motor vehicle registration and change of ownership services. It highlights the organisation's commitment to digitising processes, improving service delivery, and enhancing convenience for vehicle owners, dealerships, and financial institutions.

During the 2025-2026 financial year, the RTMC aimed to onboard four clients onto the online platform. The organisation surpassed this target, successfully onboarding six clients: Auction Nation, Motus Online, Cubbi Cars Online, Nedbank Limited, iMas Finance, and Bidvest McCarthy Online. This achievement reflects the RTMC's dedication to modernising vehicle registration services and strengthening digital engagement with its stakeholders.

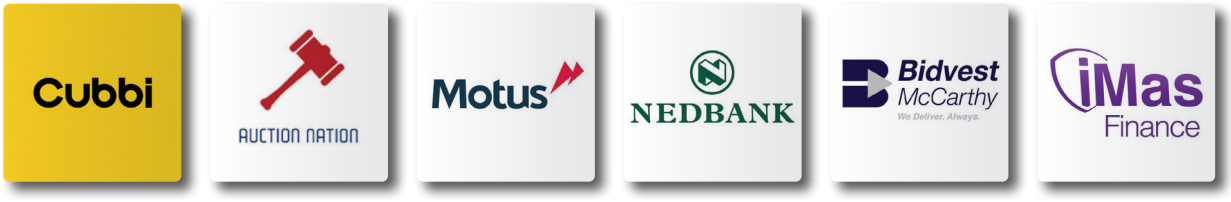


Figure 16: Onboarded Clients

Acquisition of Sponsorships

This tracks the identification, securing, and management of sponsorships to support RTMC programmes and initiatives. It contributes to resource mobilisation, enhances programme funding, and strengthens partnerships with external stakeholders to achieve strategic objectives. For the period under review, sponsorship revenue increased by 15% year-on-year, exceeding the set target of 10%. This performance is largely attributable to the SASSETA sponsorship, reflecting strengthened collaboration with key stakeholders and enhanced resource mobilisation efforts.

Online Motor Vehicle Licence Renewal Growth

This measures the increase in uptake of the online platform for motor vehicle licence renewals, reflecting the shift from manual to digital services. It provides insight into user adoption, supports the monitoring of service efficiency, and contributes to expanding digital access for road users. The target for the period under review was 25% growth. Performance reflects a strong upward trajectory, with online revenue increasing by 34% year-on-year, thereby exceeding the set target by 9 percentage points. This robust growth demonstrates a sustained shift towards the adoption of digital services, indicating increased user preference for convenient, accessible, and efficient online platforms.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: FINANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATION
Build a financially sustainable entity	Financial optimisation	Percentage training revenue generated	-	-	4%	-34%	-38%	Planned training initiatives could not be realised as anticipated, resulting in the significant decrease in training revenue.
		Number of clients on-boarded for online motor vehicle registration and change of ownership	-	-	4	6	2	Enhancements to the onboarding strategy and service offering resulted in an increased number of clients successfully onboarded.
		Percentage online motor vehicle license renewal growth	-	-	25%	34%	9%	Client base expansion, increased stakeholder engagement, improved system efficiency, targeted marketing initiatives, and strong utilisation by banks and agents.
	Revenue diversification	Percentage sponsorships acquired	-	-	10%	15%	5%	The positive variance is due to higher-than-anticipated funding received from SASSETA.

Table 9: Finance performance

Implementation of Organisational Development Programmes

This entails planning and executing initiatives to enhance the capacity, effectiveness, and performance of the RTMC workforce. It supports talent development, strengthens leadership and management capabilities, and fosters a culture of continuous improvement across the organisation. The following programmes were executed:



Divorce, Maintenance and Tax Workshop

An informative workshop was hosted to equip employees with practical knowledge on personal and financial matters. The session covered key topics such as the legal process of divorce, maintenance rights and responsibilities, asset protection, estate planning, and navigating the SARS platform for tax submissions. The workshop provided a supportive environment for engagement, enabling participants to ask questions and gain clarity on complex issues. Attendees left better informed and more confident in managing their legal and financial responsibilities.

Trainee Crash Investigator Programme

The Trainee Crash Investigator Programme was introduced to strengthen organisational capability, support succession planning, and develop critical skills. It marked the transition from planning to operational delivery in line with structured, phased organisational development interventions.

The opportunity was advertised internally, attracting 57 applications. Candidates were assessed against approved eligibility criteria, including qualifications, relevant experience, and prior training. Following screening and interviews, 19 candidates were deemed suitable, of which 15 were appointed to the programme and four retained as reserves.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: CORPORATE SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATION
Build a financially sustainable entity	Streamlined operating model	Number of organisational development programmes implemented	-	-	2	2	-	-

Table 10: Corporate Services Performance

4.2. Programme 2: Operations – Road Safety, Law Enforcement, Training and NTACU

The purpose of this programme is to improve road safety, ensure compliance with road traffic laws, provide necessary training, and combat corruption within road traffic management. This programme involves frontline activities such as road safety initiatives, law enforcement, training programmes, and NTACU.

SUB-PROGRAMME	PURPOSE	LINK TO INSTITUTIONAL OUTCOMES
Road Safety	• To advocate, communicate, and educate road users on road safety within the Republic • To continuously coordinate and monitor road safety programmes targeting different road user groups, namely pedestrians, drivers, cyclists, and passengers • To monitor the implementation of the National Road Safety Strategy and develop related progress reports	Reduce road fatalities through the implementation of road safety programmes
Law Enforcement	To enforce various applicable pieces of legislation through the issuing of citations or arrests, which include but are not limited to the following: • The National Road Traffic Act of 1996, as amended (NRTA) • The National Land Transport Act of 1998 (NLTA), which deals with public transport infringements, such as operating a public vehicle for a reward without the necessary permits • The Administrative Adjudication of Road Traffic Offences Act of 1998, which is responsible for the administration, collection, adjudication, and the points demerit system of fines related to road traffic, and which is set to replace Section 56 of the Criminal Procedure Act of 1977, which provided for dealing with road traffic offences through the criminal court system	
Training	• The overarching objective of the Road Traffic Training Academy (RTTA) in delivering traffic and road safety training is to contribute meaningfully to reducing road traffic crashes, fatalities, and injuries by developing competent, professional, and ethical traffic law enforcement personnel • The RTTA seeks to strengthen the capacity of the traffic management sector by equipping officers and road safety practitioners with the requisite knowledge, skills, and behavioural competencies to comply with and enforce road traffic legislation effectively and consistently	
NTACU	To provide education, training, and conduct investigations into all matters related to fraud and corruption. This includes a proactive and reactive approach to investigating cases of fraud and corruption	

Table 11: Programme 2 – Operations



National Participatory Educational Techniques (PET) and Debates

This programme comprises two components, namely Participatory Educational Techniques (PET) and Debates, aimed at promoting road safety awareness among learners through active participation, critical thinking, and dialogue on road safety issues. The programme also seeks to empower participants to serve as road safety ambassadors within their communities.

The competition was held from 8 to 9 October 2025 and was organised into rural and urban categories to promote balanced representation and inclusivity. A total of six provinces participated, namely North West, Mpumalanga, Limpopo, Western Cape, Free State, and KwaZulu-Natal.

Monitoring report on the implementation of the National Road Safety Strategy (NRSS) 2016-2030

The NRSS offers a coordinated, multi-sectoral approach to road safety, involving national, provincial, and local government, as well as private-sector and civil society stakeholders. It focuses on improving road user behaviour, strengthening law enforcement, enhancing road and vehicle safety, and improving post-crash response systems.

The primary objectives of the NRSS are to:

- Reduce road traffic fatalities by 50% by 2030, in line with global targets
- Improve compliance with traffic laws through targeted and high-visibility enforcement
- Enhance coordination among all road safety stakeholders
- Strengthen data systems for evidence-based planning and monitoring
- Promote safer road user behaviour, particularly among high-risk groups
- Improve emergency response and post-crash care to reduce fatalities after crashes

During the period under review, a monitoring report on the implementation of the National Road Safety Strategy (NRSS) 2016–2030 was compiled and formally approved by the Board. The report evaluates progress towards strategic objectives, identifies gaps and challenges in implementation, and provides evidence-based insights to support policy adjustments and the continuous improvement of road safety interventions in line with national and international targets.

It should be noted that the NRSS is currently under review, and this review provides a high-level assessment of the NRSS from its inception to date, examining progress against the five pillars of the Safe System Approach. Key objectives include:

- Identifying achievements, challenges, and gaps in implementation
- Aligning South Africa's progress with global best practices
- Providing evidence-based recommendations to improve road safety outcomes

Overall, the review aims to strengthen accountability, inform stakeholders, and support informed decision-making towards a safer road environment for all South Africans.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: ROAD SAFETY								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATION
Reduce road fatalities through the implementation of road safety programmes	Creating awareness and encouraging safe driving practices among road users	Number of road safety programmes implemented	3	3	1	1	-	-
		Number of monitoring reports on the implementation of the NRSS 2016-2030 produced		1 Monitoring report on the implementation of the NRSS 2016-2030 approved by the Board	1 Monitoring report on the implementation of the NRSS 2016-2030 approved by the Board	1 Monitoring report on the implementation of the NRSS 2016-2030 approved by the Board	-	-

Table 12: Road Safety Performance

Implementation of Law Enforcement Interventions

Road traffic law enforcement interventions are central to the RTMC's mandate to promote compliance, reduce road fatalities, and enhance the safety of all road users. These interventions combine high-visibility enforcement with targeted, intelligence-led operations, ensuring a focused and data-driven approach to maximising impact on road safety.

During the reporting period, Law Enforcement conducted a total of 19 318 interventions, exceeding the planned target of 16 519 by 2 799 interventions. This overachievement reflects a proactive approach to road safety enforcement and a strong commitment to reducing road traffic violations and fatalities.

The figure below provides a breakdown of the actual interventions by sub-category.

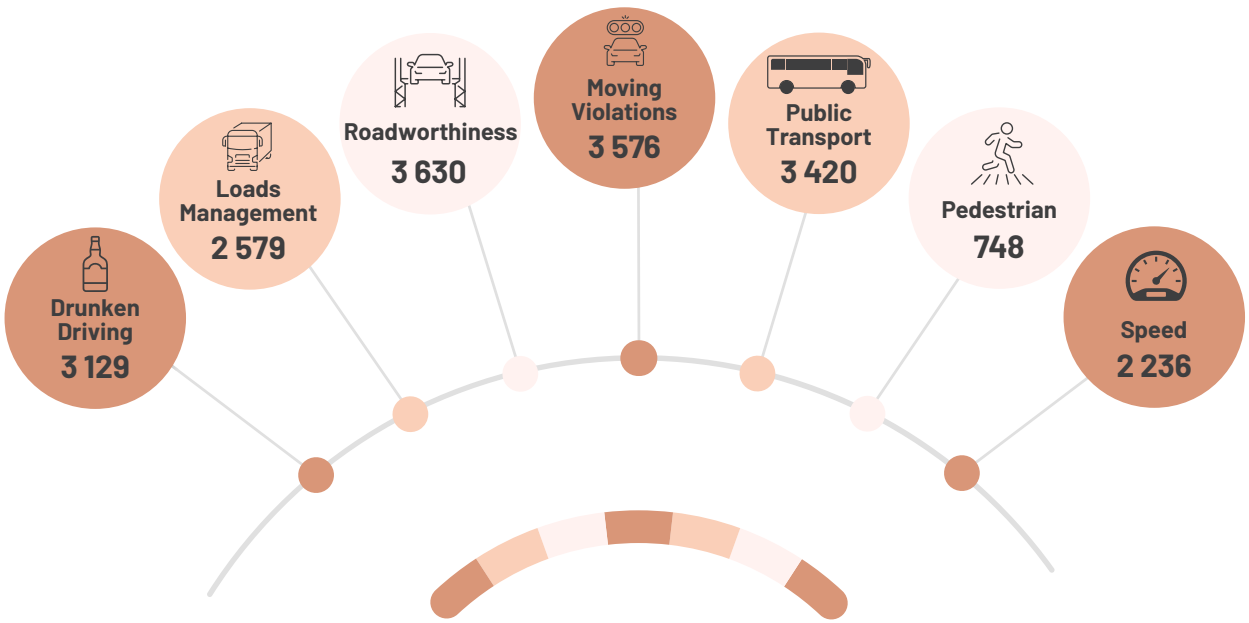


Figure 17: Law Enforcement Sub-interventions

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: LAW ENFORCEMENT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATION
Reduce road fatalities through the implementation of road safety programmes	To enforce road traffic laws for the safe and free flow of traffic to prevent road crashes	Number of road traffic law enforcement interventions implemented	3 280	12 392	16 519	19 318	2 799	The deployment of law enforcement across all nine provinces, coupled with improvements in deployment strategies, enabled the effective execution of interventions and contributed to an increase in overall output

Table 13: Law enforcement performance

Modules delivered to Traffic Trainees on the NQF Level 6 Traffic Officer Qualification

The Academy offers training on the NQF Level 6 Traffic Officer Qualification, a comprehensive three-year programme. During the period under review, the modules were presented as follows:

MODULE	NUMBER OF OFFICIALS ASSESSED	COMPETENT	NOT COMPETENT	% COMPETENCY
KM04: National Road Traffic Act	536	529	7	99%
KM05: Additional Road Traffic Law Enforcement Legislation	540	461	79	85%
KM06: Administration Adjudication of Road Traffic Offences Act (AARTO)	545	537	8	99%
KM08: Criminal Law	535	462	73	86%
KM09: Law of Criminal Procedure	539	514	25	95%
KM11: Road Safety Education and Road Safety Systems	545	536	9	98%
KM12: Basic Crash Investigation	541	540	1	100%
KM14: Handle and Use of a Firearm in a Law Enforcement Environment	531	490	41	92%
PM01: Safety on Public Roads	535	535	0	100%
PM02: Apply Tactical Survival Techniques	515	515	0	100%
PM03: Execute Law Enforcement and Other Related Duties	535	534	1	100%
PM05: Maintain Discipline	535	535	0	100%

Table 14: Modules delivered to Traffic Trainees

Modules delivered to officials in the road safety sector

This programme is designed to strengthen knowledge and skills, ensuring officials remain effective and competent in their roles. As part of this initiative, the Academy delivered four modules during the year, as outlined below:

MODULE	NUMBER OF OFFICIALS ASSESSED	COMPETENT	NOT COMPETENT	% COMPETENCY
Examiner for Driving Licences (EDL)	34	28	6	82%
Examiner of Motor Vehicles (EOV)	28	7	21	25%
Crash Investigation	23	23	0	100%
Advanced Loads Management	21	13	8	62%

Table 15: Modules Delivered to Road Safety Officials

Modules delivered to Road Safety Practitioners

The Academy presented a total of nine (9) modules to enrolled Road Safety Practitioners. These included six (6) Knowledge Modules and three (3) Practical Modules. The modules were presented as follows:

MODULE	NUMBER OF OFFICIALS ASSESSED	COMPETENT	NOT COMPETENT	% COMPETENCY
KM02 - Communication Skills	24	24	0	100%
KM03 - Introduction to Criminology	23	22	1	96%
KM06 – Legislation	24	21	3	88%
KM07 - Public Sector Management	22	22	0	100%
KM08 - Introduction to Research Methodology	25	25	0	100%
KM09 - Introduction to Road Maintenance, Design, and Related Principles	22	22	0	100%
PM01 - Design and Develop Road Safety Plans	2	2	0	100%
PM02 – Generate an Abstract and Conduct Research	3	2	1	67%
PM03 - Road Related Infrastructure Audits	2	2	0	100%

Table 16: Modules delivered to Road Safety Practitioners

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: TRAINING								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATION
Reduce road fatalities through the implementation of road safety programmes	Professionalisation of road traffic services	Number of modules delivered to traffic trainees on NQF 6 traffic Officer qualification	7	7	12	12	-	-
		Number of modules delivered to officials in the road safety sector	3	3	4	4	-	-
		Number of modules delivered to road safety practitioners	9	9	9	9	-	-

Table 17: Training performance

Reported fraud and corruption complaints investigated

The NTACU, mandated to combat fraud and corruption within traffic law enforcement, is responsible for investigating cases reported by members of the public. During the period under review, the NTACU successfully investigated all 329 reported cases, demonstrating full compliance with its investigative mandate.

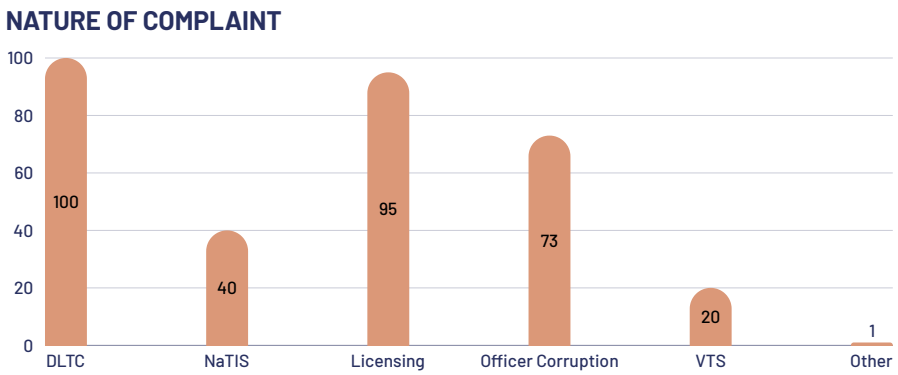


Figure 18: Nature of Complaint

Self-initiated fraud and corruption cases investigated

In addition to cases reported by the public, the NTACU also conducts self-initiated investigations through proactive intelligence gathering. During the period under review, a total of 225 fraud and corruption cases were investigated, exceeding the target of 220 by 5 cases. The figure below provides a breakdown of the self-initiated cases:

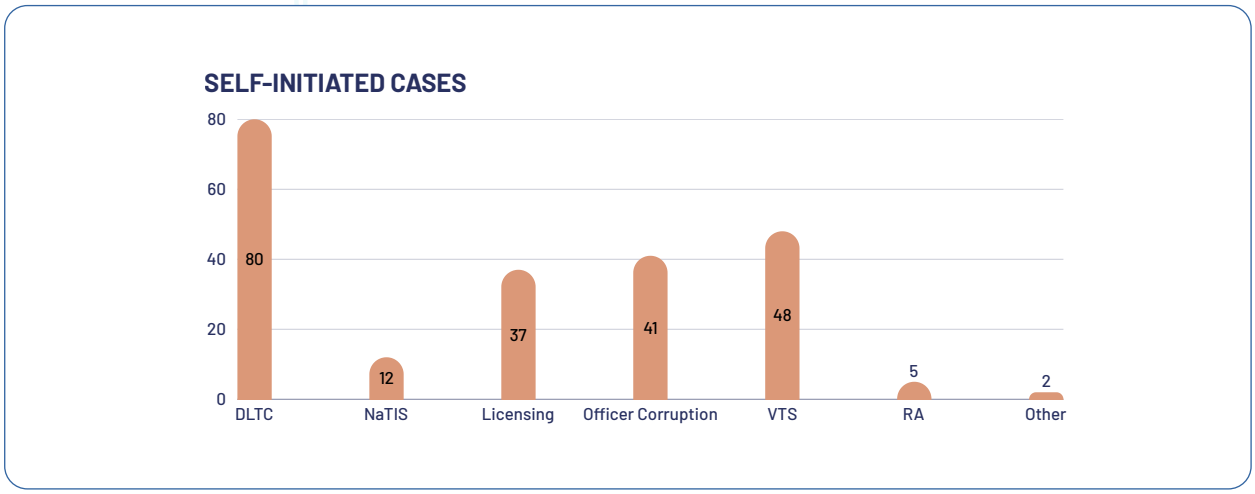


Figure 19: Self-initiated Cases

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: NTACU								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATION
Reduce road fatalities through the combating of fraud and corruption	Combating fraud and corruption, ensuring safer roads across South Africa	% of reported fraud and corruption complaints investigated	100%	100%	100%	100%	-	-
		Number of self-initiated fraud and corruption cases investigated	232	190	220	225	5	The increase in capacity allowed for allocation of resources towards execution of special projects during the festive season

Table 18: NTACU Performance

4.3. Programme 3: Traffic Coordination and Planning – Norms and Standards, Research, and Engineering

The purpose of this programme is to create a well-coordinated, standardised approach to traffic management, backed by research and technical expertise in traffic systems. This programme manages the setting of norms and standards for road traffic management, as well as research and engineering related to road traffic systems.

SUB-PROGRAMME	PURPOSE	LINK TO INSTITUTIONAL OUTCOMES
Norms and Standards	To regulate and harmonise the road traffic law enforcement fraternity through the development of national enforcement standards, thereby enabling proactive strategies aligned with the imperatives of the National Road Safety Strategy	Reduce fatalities and serious injuries
Research and Engineering	To stimulate research into road safety-related matters and to ensure effective road traffic and safety engineering coordination across all spheres of government in line with the Safe System Approach	

Table 19: Programme 3 – Traffic Coordination and Planning

Production of a Research Report

The study titled *"New Energy Vehicles and Road Safety: Is South Africa Ready?"* examines South Africa's readiness to transition to new energy vehicles (NEVs), including electric, hydrogen, biofuel, and carbon-based e-fuel options, within the broader context of improving road safety and advancing environmental sustainability. It responds to the dual challenge of persistently high road traffic fatalities and the growing need to decarbonise the transport sector. The study adopts a mixed-methods approach, combining desktop research with a nationally representative survey to assess the implications of alternative fuel technologies for vehicle performance, maintenance reliability, and overall road safety outcomes.

The objectives of the study are to:

- Evaluate how different NEVs influence road safety, particularly in relation to vehicle performance, reliability, and the risk of mechanical failure;
- Identify the most appropriate combination of alternative energy solutions that can contribute to reducing road fatalities while addressing environmental and socio-economic challenges;
- Inform policy and planning by assessing how insights on the evolving vehicle energy landscape can support the prioritisation of safer vehicle technologies and infrastructure in high-risk areas; and
- Determine the behavioural, regulatory, and infrastructural changes required to ensure that the adoption of cleaner energy vehicles results in measurable improvements in crash reduction, particularly among vulnerable road users.

The research study has been published on the RTMC website and can be accessed via the link below:

https://www.rtmc.co.za/images/rtmc/docs/research_dev_rep/New-Energy-Vehicles-and-Road-Safety---Is-South-AFrica-Ready—-March-2026.pdf

Table 20: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: RESEARCH AND ENGINEERING								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATION
Digitalisation of road traffic services to optimise services and monetise	Improved data analytics capability	Number of research reports produced	1	1	1	1	-	-

4.4. Programme 4: Technology, Innovation, and Data Advancement – IT

IT is responsible for managing and modernising the technological backbone of South Africa's road traffic systems. This includes the operation and safeguarding of the National Traffic Information System (NaTIS), designated as a National Key Point due to its critical role in national mobility and security.

The programme also drives the production of road traffic information, data analytics, and research, alongside the deployment of innovative digital solutions to improve the efficiency, security, and accessibility of road traffic services. It is structured around the following sub-programmes:

SUB-PROGRAMME	PURPOSE	LINK TO INSTITUTIONAL OUTCOMES
IT	• The purpose of this programme is to leverage technology to enhance traffic coordination, strengthen law enforcement capabilities, and enable evidence-based decision-making. In this regard, Road Traffic Information and Technology is responsible for the development, maintenance, operation, security, and support of road traffic information systems and related business applications • The programme further advances traffic management through the continuous improvement of IT systems, alongside the strengthening of data governance and information management practices	Digitalisation of road traffic services to optimise services and monetise

Table 21: Programme 4 - Technology, innovation, and data advancement

Sites digitised with Roadworthiness Testing Sheet (RTS)

The Roadworthiness Testing Sheet (RTS) aims to enhance efficiency, accuracy, and transparency in vehicle testing processes by digitising testing forms.

During the reporting period, a total of 51 vehicle testing stations were deployed with the digitised RTS, exceeding the annual target of 50 stations. This represents an overachievement of one site.

The map to the right illustrates the provincial distribution of the deployed stations:

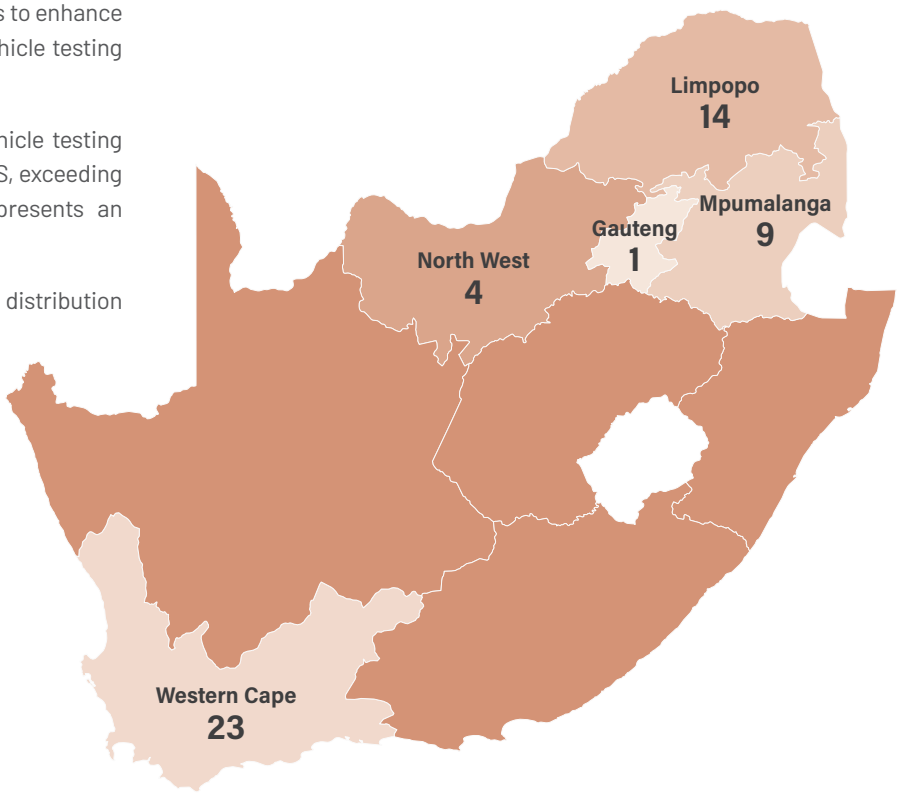


Figure 20: RTS Deployments per province

Sites digitised with Computerisation of Learner's Testing (CLLT)

The RTMC has been implementing the Computerisation of Learner's Licence Testing (CLLT) nationwide. This initiative aims to strengthen the integrity, efficiency, and standardisation of the learner's licence testing process. By introducing digital systems, it reduces human error, minimises opportunities for fraud and corruption, and ensures that all candidates are assessed fairly and consistently.

During the review period, the RTMC successfully computerised 20 leaner's licence testing centres, achieving the target of 20. This comprises two centres in KwaZulu-Natal and 18 in the Western Cape.

Driving Licence test sheet digitised (DDLT)

The DDLT system digitises the driving licence testing process by replacing paper-based test sheets with an electronic format. It enables real-time recording and monitoring of candidate test results, reduces administrative errors, and improves data accuracy and integrity. The system also supports standardised assessment, strengthens accountability, and facilitates efficient reporting and analysis across testing centres.

A Driving Licence Test Sheet Module has been developed and integrated into the system to further enhance functionality. This module allows examiners to electronically capture candidate performance during testing, improving assessment consistency while minimising manual intervention and strengthening the overall integrity of the testing process.

New Digital Offerings

An electronic motor vehicle licence disc has been successfully developed and implemented as a secure, digital alternative to the traditional windscreen disc, providing a modern approach to verifying a vehicle's licensing status. Built in alignment with internationally recognised standards for electronic driving licences (eDL), the solution offers a digital credential that can be securely authenticated and managed electronically. The innovation is expected to streamline licence administration by reducing reliance on printed licence discs and physical distribution processes, while supporting improved efficiency, enhanced security and stronger integration with regulatory and law enforcement systems.

Monetisation of Data

The introduction of the sale of crash data aims to strengthen revenue generation by reconfiguring the online crash reporting system. The system has been upgraded to include a secure online payment facility, allowing members of the public to pay for requested crash reports. The module has been developed and is currently deployed in a controlled production environment for testing by authorised users.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: IT									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2023/24	AUDITED ACTUAL PERFORMANCE 2024/25	PLANNED ANNUAL TARGET 2025/26	ACTUAL ACHIEVEMENT 2025/26	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26	REASONS FOR DEVIATION	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
Digitalisation of road traffic services to optimise services and monetise	Centralised data management systems	Number of sites digitised with road traffic systems (RTS)	76	121	120	0	-120	The target was due for delivery in Quarter 4	The target was revised downward due to budget constraints. The target was revised from 120 to 50
		Number of sites digitised with Computer Licence Learner Testing (CLLT)	49	65	50	3	-47	Three sites were digitised prior to the target revision	The target was revised downward due to budget constraints. The target was revised from 50 to 20
		Number of Driving Licence Test Sheet digitised (DDLT)	-	-	50	0	-50	The target was due for delivery in quarter 4 hence there was no performance prior to amendments to the APP	The target was revised from deployment of 50 sites to development of the module. The amendment was due to budget constraints
		Number of new digital offerings	-	-	1	0	-1	The target was not revised	
Build a financially sustainable entity	Revenue diversification	% monetisation of data	-	-	Sale of accident module developed	Module developed	-	The target was not revised	

Table 22: IT Performance (Original APP)

Re-tabled APP

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement Table

SUB-PROGRAMME: IT								
OUTCOME	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2023/24**	**AUDITED ACTUAL PERFORMANCE 2024/25**	**PLANNED ANNUAL TARGET 2025/26**	**ACTUAL ACHIEVEMENT 2025/26**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2025/26**	**REASONS FOR DEVIATION**
		Number of sites digitised with road traffic systems (RTS)	76	121	50	51	1	An additional site was deployed following the availability of equipment, enabling simultaneous site deployment resulting in over performance
Digitalisation of road traffic services to optimise services and monetise	Centralised data management systems	Number of sites digitised with Computer Licence Learner Testing (CLLT)	49	65	20	20	-	-
		Number of Driving Licence test Sheet digitised (DDLT)	-	-	Driving Licence test Sheet Module developed	Driving Licence test Sheet Module developed	-	-
		Number of new digital offerings	-	-	1	1	-	-
Build a financially sustainable entity	Revenue diversification	% monetisation of data	-	-	Sale of accident module developed	Sale of accident module developed	-	-

Table 23: IT Performance (Re-tabled APP)

4.5. Linking performance with budgets

The comparison between the approved adjusted budget and actual expenditure for the 2025/26 and 2024/25 financial years indicates an overall improvement in expenditure management, despite continued spending pressures within certain programmes. For the 2025-2026 financial year, the organisation recorded total actual expenditure of R2.042 billion against an approved adjusted budget of R1.923 billion, resulting in an overall overexpenditure of R119.22 million, representing an amount 2% over the adjusted budget. This reflects a significant improvement compared with the 2024/25 financial year, in which actual expenditure amounted to R1.805 billion against an approved adjusted budget of R1.643 billion, resulting in an overexpenditure of R162.527 million, or 9.7% above the adjusted budget.

	2025/2026				2024/2025			
Programme	**Approved Budget** R'000	**Approved Adjusted Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000	**Approved Budget** R'000	**Approved Adjusted Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000
Road Safety, Marketing and Stakeholder Relations	34 993	32 380	26 992	5 388	28 505	33 134	28 148	4 985
Law Enforcement	428 406	547 559	550 692	(3 133)	373 354	414 946	463 543	(48 596)
Traffic Intelligence and Security	25 010	30 540	30 049	491	21 663	23 942	23 418	523
Road Traffic Information and Technology	317 050	341 538	297 564	43 975	429 383	293 688	300 551	(6 863)
Support Services	824 720	863 211	1 040 071	(176 860)	700 261	719 195	839 886	(117 053)
Training of Traffic Personnel	155 134	108 042	97 119	10 923	177 762	157 745	153 269	4 476
Total Expenditure	**1 785 313**	**1 923 269**	**2 042 487**	**(119 217)**	**1 730 928**	**1 642 650**	**1 805 177**	**(162 527)**

Table 24: Linking performance with budgets

The analysis of the performance is provided below:

Road Safety, Marketing and Stakeholder Relations recorded underexpenditure of R5.388 million in 2025/26, representing 16.7% below the adjusted budget, compared to underexpenditure of R4.985 million or 15.0% in 2024/25. This reflects relatively stable spending patterns within the programme. The underexpenditure was attributed to the shift in the implementation model of programmes using social media platforms, online platforms, and other cost-saving mechanisms. The programme also obtained sponsorships for promotional material.

Law Enforcement programme recorded an overexpenditure of R3.133 million in 2025/26, representing 0.5% above the adjusted budget, compared to an overexpenditure of R48.596 million or 11.7% in 2024/25. The reduction in the variance reflects improved expenditure management within the programme despite operational demands associated with law enforcement activities.

Traffic Intelligence and Security maintained stable expenditure performance across both financial years, recording marginal underexpenditure of R491 thousand (1.6%) in 2025/26 and R0.523 million (2.2%) in 2024/25, indicating effective budget management within the programme.

Road Traffic Information and Technology recorded underexpenditure of R43.975 million in 2025/26, representing 13.0% below the adjusted budget, compared to an overexpenditure of R6.863 million or 2.0% in 2024/25. The underexpenditure in 2025/26 may be attributable to the reduction of KPIs.

The Training of Traffic Personnel (RTTA) programme recorded underexpenditure of R10.923 million in 2025/26, representing 10.1% below the adjusted budget, compared to underexpenditure of R4.476 million or 3.2% in 2024/25. The increased underexpenditure may indicate delays in the implementation of training programmes.

Support Services programme recorded the highest overexpenditure in both financial years. In 2025/26, actual expenditure amounted to R1.040 billion against an adjusted budget of R863.211 million, resulting in an overexpenditure of R176.860 million or 20.0%. This reflects an increase compared with the 2024/25 financial year, in which the programme overspent by R117.053 million, representing 16% above the adjusted budget. The overexpenditure is attributable to the expenditure on non-cash expenditure, namely depreciation and the provision for doubtful debts.

Programme	2025/2026 Approved Budget R'000	2025/2026 Approved Adjusted Budget R'000	2025/2026 Actual Expenditure R'000	2025/2026 (Over)/Under Expenditure R'000	2025/2026 Annual Spent % as Allocated Budget R'000	2024/2025 Approved Budget R'000	2024/2025 Approved Adjusted Budget R'000	2024/2025 Actual Expenditure R'000	2024/2025 (Over)/Under Expenditure R'000	2024/2025 Annual Spent % as Allocated Budget R'000
Road Safety, Marketing and Stakeholder	**34 993**	**32 380**	**26 992**	**5 388**	**83%**	**28 505**	**33 134**	**28 148**	**4 985**	**85%**
Cost of Employees	23 090	21 712	21 747	(35)	100%	17 990	21 990	21 448	542	98%
Operating Expenditure	11 903	10 668	5 245	5 423	49%	10 514	11 144	6 701	4 443	60%
Law Enforcement	**428 406**	**547 559**	**550 692**	**(3 133)**	**101%**	**373 354**	**414 946**	**463 543**	**(48 596)**	**112%**
Cost of Employees	395 590	488 575	482 633	5 942	99%	347 844	384 710	419 642	(34 932)	109%
Operating Expenditure	32 817	58 984	68 059	(9 075)	115%	25 510	30 236	43 900	(13 664)	145%
Traffic Intelligence and Security	**25 010**	**30 540**	**30 049**	**491**	**98%**	**21 663**	**23 942**	**23 418**	**523**	**98%**
Cost of Employees	23 552	27 874	28 416	(543)	102%	20 537	22 430	21 920	511	98%
Operating Expenditure	1 459	2 666	1 632	1 034	61%	1 126	1 512	1 499	13	99
Road Traffic Information and Technology	**317 694**	**341 538**	**297 564**	**43 975**	**87%**	**429 383**	**293 688**	**300 551**	**(6 863)**	**102%**
Cost of Employees	168 089	184 159	176 338	7 821	96%	335 600	160 084	163 566	(3 481)	102%
Operating Expenditure	149 605	157 379	121 226	36 153	77%	93 784	133 604	136 985	(3 381)	103%
Support Services	**824 077**	**863 211**	**1 040 071**	**(176 860)**	**120%**	**700 261**	**719 195**	**836 248**	**(117 053)**	**116%**
Cost of Employees	173 062	180 233	175 169	5 064	97%	156 686	169 821	170 206	(385)	100%
Operating Expenditure	487 185	571 766	715 840	(144 075)	125%	274 176	429 808	573 873	(144 065)	134%
Capital Expenditure	163 830	111 212	149 062	(37 850)	134%	269 399	119 566	92 168	27 397	77%
Training of Traffic Personnel	**155 134**	**108 042**	**97 119**	**10 923**	**90%**	**177 762**	**157 745**	**153 269**	**4 476**	**97%**
Cost of Employees	74 209	68 033	63 719	4 314	94%	62 107	70 675	70 566	110	100%
Operating Expenditure	80 924	40 009	33 400	6 609	83%	115 655	87 070	82 704	4 366	95%
Total Expenditure	**1 785 313**	**1 923 269**	**2 042 487**	**(119 217)**	**106%**	**1 730 928**	**1 642 650**	**1 805 177**	**(162 527)**	**110%**

Table 25: Expenditure as per economic classification per programme

	2025/2026					2024/2025				
Programme	**Approved Budget** R'000	**Approved Adjusted Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000	**Annual Spent % as Allocated Budget** R'000	**Approved Budget** R'000	**Approved Adjusted Budget** R'000	**Actual Expenditure** R'000	**(Over)/Under Expenditure** R'000	**Annual Spent % as Allocated Budget** R'000
Cost of Employees	857 591	970 586	948 022	22 564	98%	798 512	829 711	867 348	(37 636)	105%
Operating Expenditure	763 893	841 472	945 403	(103 931)	112%	663 018	693 373	845 661	(152 288)	122%
Capital Expenditure	163 830	111 212	149 062	(37 850)	134%	269 399	119 566	92 168	27 397	77%
Total Expenditure	**1 785 313**	**1 923 269**	**2 042 487**	**(119 217)**	**106%**	**1 730 928**	**1 642 650**	**1 805 177**	**(162 527)**	**110%**

Table 26: Programme Expenditure as per economic classification

Cost of Employees expenditure for 2025/26 amounted to R948.022 million against an adjusted budget of R970.586 million, resulting in underexpenditure of R22.564 million, with 98% of the allocated budget spent. This reflects improved personnel expenditure management when compared to the 2024/25 financial year, in which expenditure amounted to R867.347 million against an adjusted budget of R829.711 million, resulting in overexpenditure of R37.636 million or 105% expenditure against the allocated budget. The underexpenditure in 2025/26 is attributable to the implementation of the staffing strategy and cost containment measures during the financial year.

Operating Expenditure continued to record significant spending pressures in both financial years. In 2025/26, expenditure amounted to R945.403 million against an adjusted budget of R841.472 million, resulting in overexpenditure of R103.931 million or 112% expenditure against the allocated budget. Although still overspent, this reflects an improvement compared to 2024/25, in which expenditure amounted to R845.661 million against an adjusted budget of R693.373 million, resulting in overexpenditure of R152.288 million or 122% expenditure against the allocated budget. The overexpenditure is attributable to the expenditure on non-cash items, namely depreciation and provision for doubtful debts.

Capital Expenditure recorded overexpenditure in 2025/26. Actual expenditure amounted to R149.062 million against an adjusted budget of R111.212 million, resulting in an overexpenditure of R37.850 million, with 134% of the allocated budget spent. This represents an increase in spending performance compared to 2024/25, where capital expenditure amounted to R92.168 million against an adjusted budget of R119.566 million, resulting in underexpenditure of R27.397 million and 77% spending against the allocated budget. The overexpenditure is attributable to the SD-WAN project, with payment scheduled for the outer years of the Medium-Term Expenditure Framework (MTEF) in line with the budget. Assets were delivered and capitalised in the current financial year.

4.6. Strategy to overcome areas of underperformance

4.6.1 Generation of Training Revenue

For the period under review, the RTMC did not achieve the generation of training revenue. The focus will be on the execution of a specialised training programme, continuous professional development, digital learning, strategic partnerships and the expansion of training services to the SADC region.

5. Revenue Collection

The RTMC derives its revenue from, among others, the following sources:



Figure 21: Revenue streams

The table below depicts that the actual revenue collected for 2025/26 amounted to R2 billion, while R1.68 billion was collected in 2024/25, an increase of R323 million. The over-collection can be attributed mainly to revenue from online licence renewals and to other revenue items not budgeted for in the ordinary course of business.

Sources of Revenue	2025/2026				2024/2025			
	Approved Estimate R'000	Adjusted Estimate R'000	Actual Amount Collected R'000	Over/ (Under) Collection R'000	Approved Estimate R'000	Adjusted Estimate R'000	Actual Amount Collected R'000	Over/ (Under) Collection R'000
Grant Allocation	204 264	249 264	249 264	0	196 991	196 991	196 991	0
Transaction Fees- Provincial	756 703	785 303	824 575	39 272	856 519	817 099	818 888	1 789
AARTO Infringements	135 599	193 599	221 198	27 599	72 206	115 887	109 783	-6 104
Training Provisioning and Facilities	9 139	4 569	5 418	849	8 745	8 745	7 365	-1 380
Section 56 Revenue	4 658	4 658	4 748	90	62 181	5 500	2 208	-3 292
eNaTIS Data Access	320	245	290	45	306	306	214	-92
Transaction Fees - Online	197 100	197 100	186 859	-10 241	65 700	136 656	146 017	9 361
Online Licence Renewal Revenue	176 957	184 957	196 870	11 913	94 377	122 690	150 891	28 201
Online Delivery Fees	184 952	184 952	185 862	910	98 641	128 233	145 302	17 069
Online - MV Registrations	45 500	48 500	56 642	8 142	38 773	38 773	25 945	-12 827
Special Project Income	0	0	0	0	0	0	349	349
Sponsorships and donations	0	0	8 603	8 603	0	0	7 864	7 864
Impound Fees	0	0	0	0	0	0	135	135
MVL Recovery	0	0	5	5	0	0	0	0
Other Income	0	0	4 829	4 829	0	0	4 953	4 953
Interest Received	20 364	20 364	21 173	809	0	19 394	20 625	1 232
DLTC's Revenue	49 757	49 757	43 185	-6 572	52 376	52 376	44 847	-7 529
DLCA Revenue	0	0	0	0	184 113	0	0	0
Total	**1 785 313**	**1 923 269**	**2 009 522**	**86 253**	**1 730 928**	**1 642 650**	**1 682 376**	**39 726**

Table 27: Revenue streams

6. Capital Investment

6.1. Capital Investment, Maintenance, and Asset Management Plan

There was no capital investment, maintenance, or asset management plan in the year under review.

Infrastructure Projects	2025/2026			2024/2025		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Collection R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Collection R'000
Total						

Table 28: Capital investment


SMART MOBILITY
GOVERNANCE
INTELLIGENT
TRANSPORT
SYSTEMS

1. Introduction

Corporate governance embodies the processes and systems by which public entities are directed, controlled, and held accountable. In addition to legislative requirements based on the RTMC Act, and corporate governance is applied through the precepts of the Public Finance Management Act (PFMA) and in tandem with the principles contained in the King V Report on Corporate Governance. Parliament, the Executive Authority/Shareholders Committee and the Accounting Authority/Board are responsible for corporate governance.



2. Portfolio Committees

Parliament exercises its role by evaluating the performance of the RTMC, interrogating its annual financial statements and other relevant documents, which have to be tabled, as well as any other documents tabled from time to time.

The Portfolio Committee exercises oversight of service delivery performance and, as such, reviews the non-financial information contained in the annual report and is concerned with service delivery and the enhancement of economic growth. During the period under review, the RTMC appeared before the Portfolio Committee on Transport on 25 November 2025 and 3 February 2026 to table the 2025/26 December/ January Festive Season Road Safety Plan and the 2025/26 Festive Season Road Safety Statistics, respectively.

NAME	PORTFOLIO	JURISDICTION
Ms Barbara Creecy - Chairperson	Minister of Transport	National
Mr Mkhuleko Hlengwa	Deputy Minister of Transport	
Mr Panyaza Lesufi (Premier)	Community Safety	Gauteng*
Ms Kedibone Diale-Tlabela	MEC: Public Transport and Logistics	
Mr Xolile Nqatha	MEC: Transport, Safety and Liaison	Eastern Cape
Mr Jabu Mbalula	MEC: Community Safety, Roads and Transport	Free State
Mr Jackie Macie	MEC: Transport, Safety and Liaison	Mpumalanga*
Mr Thulasizwe Thomo	MEC: Public Works, Roads and Transport	
Ms Susani Violet Mathye	MEC: Transport and Community Safety	Limpopo
Mr Siboniso Duma	MEC: Transport and Human Settlement	KwaZulu-Natal
Ms Limakatso Koloi	MEC: Transport, Safety and Liaison	Northern Cape
Mr Wessels Morweng	MEC: Community Safety and Transport Management	North West
Mr Isaac Sileku	MEC: Mobility	Western Cape
Mr Sebang Motlhabi	SALGA	National

* Province has dual membership

Table 29: Shareholders Committee

4. The Board

4.1. Introduction

The Board is accountable to the Shareholders Committee in terms of the RTMC Act, PFMA and the Performance Agreement entered into between the Board and the Shareholders Committee. The Board comprises a mix of executive and non-executive members representing the necessary skills to strategically guide the RTMC.

4.2. The role of the Board

The role and responsibilities of the Board, as set out in the Board Charter, include:

a) Providing effective leadership and control in terms of the RTMC Strategy and ensuring absolute responsibility for the performance of the RTMC.

b) Ensuring that the RTMC continues to operate as a viable, sustainable going concern.

c) Ensuring the achievement of Shareholders' performance objectives and timeously providing all statutory reports.

d) Ensuring that the RTMC complies with applicable laws, regulations, and policies.

e) Providing oversight of the human, operational, and financial resources available within the RTMC to achieve the strategic objectives.

f) Ensuring effective communication between the RTMC and its internal and external stakeholders.

g) Ensuring that appropriate governance structures are in place.

h) Ensuring the delegation of authority for the day-to-day management of the RTMC and its operations.

i) Reviewing the Board Charter and Terms of Reference of Board Committees annually, in line with good governance practices.

j) Striving to ensure the RTMC's integrity and independence from any vested interest.

4.3. Board Charter

On 9 March 2026, the High Court delivered judgment concerning the validity of the Board Charter and the scope of the Board's delegated authority. The Court declared the Board Charter invalid and suspended the declaration of invalidity for the period stipulated in the order to enable the relevant governance structures to regularise the necessary delegations and governance arrangements. Following the judgment, the Shareholders Committee and Board commenced the process of reviewing and strengthening the governance framework, including the Board Charter and delegations of authority to ensure alignment with the RTMC Act and the Court's findings.



4.4. Composition of the Board

The RTMC Act provides that the Board shall be comprised of:

- Eight (8) independent Non-Executive Members and the Chief Executive Officer appointed by the Shareholders Committee.
- One (1) official of the Department of Transport appointed by the Minister.

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Ms Nomusa Mufamadi	Chairperson	1 November 2022	N/A	Postgraduate Diploma Financial Accounting BSc in Accounting Diploma Industrial Relations	Finance, Auditing	South African Special Risk Insurance Association (SASRIA)	None	18
Prof Maredi Mphahlele	Non-Executive	1 November 2022 (re-appointment)	N/A	DTech Computer Science MSc Computer Science BSc Hons Computer Science and Mathematics Teacher's Diploma in Science and Mathematics	Information Technology	None	Strategy, Monitoring and Evaluation Committee Information and Technology Governance Committee	16
Ms Thandi Thankge CD(SA)	Non-Executive	1 November 2022 (re-appointment)	N/A	MCom Business Management BA Hons Industrial Psychology BA Industrial Psychology Diploma Library and Information Services	Human Resources	Masana Petroleum Solutions Masana Employee Share Trust; South African Institute of Chartered Accountants (SAICA); Energy Mobility Education Trust (EMET)	Remuneration Committee Audit and Risk Committee	18
Dr Eddie Thebe	Non-Executive	1 November 2022 (re-appointment)	N/A	DTech Road Safety MTech Public Relations Management BA Hons Communications BA Communications Diploma Road Safety	Road Safety	None	Social and Ethics Committee Strategy, Monitoring and Evaluation Committee	14
Prof Chitja Twala	Non-Executive	1 November 2022	N/A	PhD History MA History BA Hons History BA History	Research, Governance and Transformation Quality Assurance	None	Social and Ethics Committee Strategy, Monitoring and Evaluation Committee	13
Ms Lerato Magalo	Non-Executive	1 November 2022	N/A	MBA Postgraduate Diploma General Management BTech Civil Engineering (Environmental) Postgraduate Diploma Business Administration National Diploma Civil Engineering	Strategy development and Execution Sustainability Reporting Governance Engineering	Momentous Foundation	Social and Ethics Committee Strategy, Monitoring and Evaluation Committee	16
Adv Xola Stemela	Non-Executive	1 November 2022	N/A	LLB BJuris Advocate (Member of the Chamber)	Legal	None.	Remuneration Committee Audit and Risk Committee	16

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended
Mr Nkhumeleni Kudzingana	Non-Executive	1 November 2022	N/A	National Diploma Information and Technology	Information Technology	None.	Information and Technology Governance Committee Remuneration Committee	16
Adv Johannes Makgatho	DoT Representative	1 November 2022	N/A	LLB BProc	Legal Transport Regulations	None	Information and Technology Governance Committee; Strategy, Monitoring and Evaluation Committee	15
Adv Makhosini Msibi*	Chief Executive Officer	1 January 2024 (re-appointment)	N/A	LLB BJuris	Legal	Vaal Central Water Board	None	3
Ms Refilwe Mongale**	Acting Chief Executive Officer	1 July 2025	N/A	BCom Economics PG Dip Development Finance PG Dip Futures Studies	Public Sector Governance, Revenue Assurance, Strategy, Business Development, Road Safety Management, Business Turnaround Consulting	None	None	8
Mr Matsemela Moloi***	Acting Chief Executive Officer	16 January 2026	N/A	BA Honours, MA (Applied Linguistics), MBA	Law Enforcement	None	None	1

Table 30: Composition of the Board

Note 1:

The first term of the current Board expired on 31 October 2025. It was subsequently extended for three months ending 31 January 2026 and further extended for three months to 30 April 2026 or until the appointment process of the new Board is finalised, whichever occurs first.

Note 2:

**Ms Refilwe Mongale was appointed Interim/Acting CEO effective from 1 July 2025 to 15 January 2026.

***Mr Matsemela Moloi was seconded from the Road Traffic Infringement Agency (RTIA) and appointed Acting CEO effective from 16 January 2026 to 12 March 2026.

The substantive Chief Executive Officer, Adv Makhosini Msibi, was placed on precautionary suspension on 1 July 2025. Subsequent to the Gauteng High Court ruling of 9 March 2026, the CEO resumed duties effective from 12 March 2026.

Note 3:

The Board held eighteen meetings:

*Four were quarterly meetings and three meetings were a continuation of the quarterly meetings; one was a special meeting to consider the draft Annual Financial Statements and Annual Report; one was a special meeting in preparation for the Annual General Meeting; seven special meetings considered a variety of matters, including whistleblowing allegations, Ad Hoc Committee matters, and matters relating to the CEO.

4.5. Committees

The Board established the following Committees, in line with the Board Charter, to ensure effective oversight in the discharge of its duties.

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
Strategy, Monitoring and Evaluation Committee	10	5	• Prof Maredi Mphahlele (Chairperson) • Prof Chitja Twala • Dr Eddie Thebe • Ms Lerato Magalo • Adv Johannes Makgatho (Department Representative)
Information and Technology Governance Committee	4	3	• Mr Nkhumeleni Kudzingana (Chairperson) • Prof Maredi Mphahlele • Adv Johannes Makgatho (Department Representative)
Remuneration Committee	5	3	• Ms Thandi Thankge CD(SA) (Chairperson) • Mr Nkhumeleni Kudzingana • Adv Xola Stemela
Social and Ethics Committee	4	3	• Prof Chitja Twala (Chairperson) • Dr Eddie Thebe • Ms Lerato Magalo
Audit and Risk Committee	8*	5	• Ms Dineo Maithufi (Chairperson) • Ms Nontle Jaxa • Ms Mashamaite Ramutsheli • Ms Thandi Thankge • Adv Xola Stemela

Table 31: Committees

4.6. Remuneration of Board members

NAME	REMUNERATION (RETAINER AND MEETING ATTENDANCE FEES)	TOTAL
Ms N Mufamadi	R968 098	**R968 098**
Prof M Mphahlele	R779 122	**R779 122**
Ms T Thankge CD(SA)	R779 122	**R779 122**
Dr E Thebe	R645 396	**R645 396**
Prof C Twala	R779 122	**R779 122**
Ms L Magalo	R645 396	**R645 396**
Adv X Stemela	R618 504	**R618 504**
Mr N Kudzingana	R779 122	**R779 122**

Table 32: Remuneration of Board members

5. Risk Management

The RTMC has adopted a proactive and accountable risk management culture. Risk management is recognised as an integral component of governance and decision-making, with oversight exercised at the Board and executive levels. The RTMC has updated, approved, and implemented key risk management tools, including:

i. Risk Management Policy
ii. Enterprise Risk Management Framework
iii. Risk Appetite and Tolerance Framework

The above-mentioned tools were approved by the Board and communicated through internal platforms and management forums. Ongoing efforts are focused on enhancing accessibility and understanding of these documents to ensure consistent application throughout the RTMC.

The RTMC's risk management approach is grounded in the principles of Enterprise Risk Management (ERM), which provides a holistic, integrated view of the risks and emerging risks it faces through annual and quarterly risk assessments. Once new and emerging risks are identified, management is required to develop mitigation strategies to minimise the potential impact that may result in organisational goals not being achieved. The framework allows the RTMC to proactively address both internal and external factors that could pose threats, while also identifying potential opportunities that can be leveraged to the RTMC's advantage.

The Board, through the Audit and Risk Committee (ARC), provides independent oversight of risk management, guides the strategic intent of risk management, and monitors the activities of the function. The following strategic risks were identified, and the RTMC continues to monitor the implementation of agreed risk mitigation periodically.

Strategic Outcome	Risk Description	Risk rating
Reduce fatalities and serious injuries	Non-achievement of the NRSS 2030 target	
	Insufficient resources for the execution of law enforcement duties	
	Limited ability and capacity to curb fraud and corruption (Road Traffic fraternity)	
A Financially Sustainable Entity	Limited ability and capacity to curb fraud and corruption (internally)	
Digitalisation of road traffic services to optimise services and monetise	Cyberattacks on digitised road systems	
A Financially Sustainable Entity	Misalignment of the organisational structure	
	Reliance on Continuously Decreasing Shareholders' Funding	

Table 33: Strategic risks

Risk Grade	Score Range
Low	1–8
Medium	9–16
High	17–25

6. Internal Control

The RTMC management and employees enable the Board to meet its responsibility of ensuring that there are adequate and effective internal controls within the RTMC by implementing standards and systems of internal control that provide reasonable assurance in terms of:

- Integrity and reliability of financial and operational information, in line with applicable standards.
- The efficiency and effectiveness of controls in safeguarding assets.
- Compliance with applicable policies, procedures, laws, and regulations.

The internal control unit is responsible for the following:

- Coordinating the development, review and implementation of internal financial control systems, policies, and procedures.
- Identifying, mitigating and managing control risks which may hamper the achievement of the unit's objectives to manage its financial and related resources effectively, efficiently and economically.
- Monitoring and evaluating the effectiveness of the entity's established controls and ensuring that they are functioning as intended.

7. Internal Audit

7.1. Strategic Role and Purpose of Internal Audit

7.1.1. Strategic Role

The Road Traffic Management Corporation's internal audit function's mandate is found in sections 51 and 76 of the Public Finance Management Act, which states:

"51. General responsibilities of accounting authorities. — (1) An accounting authority for a

public entity—

must ensure that the public entity has and maintains—

(ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77; and ..."

"76. Treasury regulations and instructions. — (4) The National Treasury must make regulations or issue instructions applicable to all institutions, concerning—

(e) internal audit components and their functioning;" read together with Treasury Regulations 27.2.2 and 27.2.6.

The internal audit function's authority is created by its direct functional reporting relationship to the ARC; such authority allows for unrestricted access to the Board.

In addition to this, the internal audit mandate is aligned to the provisions of the Global Internal Audit Standards.

The ARC authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Road Traffic Management Corporation and other specialised services from within or outside Road Traffic Management Corporation to complete internal audit services.

7.1.2. Purpose

The purpose of the internal audit function is to strengthen Road Traffic Management Corporation's ability to create, protect, and sustain value by providing the Board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances Road Traffic Management Corporation's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Road Traffic Management Corporation's Internal Audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the ARC.
- Internal auditors are free from undue influence and committed to making objective assessments.

The RTMC's internal audit function adheres to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The General Manager reported periodically to the ARC and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement programme.

The IAF functions in line with the terms of the Internal Audit Charter which was approved by the ARC and endorsed by the Accounting Authority (Board). The charter was reviewed during the 2025-2026 financial year to ensure compliance with the requirements of Global Internal Audit Standards (GIAS).

7.2. Strategic Positioning and Independence

7.2.1. Strategic Positioning

The General Manager is positioned at a level in the organisation that enables the Internal Audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the Internal Audit Function.

The General Manager reports functionally to the ARC and administratively (for example, day-to-day operations) to the Chief Executive Officer.

This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the ARC, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

7.2.2. Independence and Objectivity

The General Manager has confirmed to the ARC, at least annually, the organisational independence of the internal audit function.

Where the governance structure did not support organisational independence, the General Manager documented the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

The General Manager informed the ARC about the interference and resistance faced by internal auditors regarding the scope, execution, or communication of their work and findings.

The disclosure included communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

The General Manager ensured that the Internal Audit Function remained free from all conditions that could undermine the ability of internal auditors to perform their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.

Internal auditors maintained an unbiased mental attitude that allowed them to perform engagements objectively, such that they believed in their work product, did not compromise quality, and did not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors had no direct operational responsibility or authority over any of the activities they reviewed for the year under review.

7.3. Vision, Mission, and Strategy

The IAF has the following vision and mission as outlined in the approved Five-Year Internal Audit Strategy, which was developed in line with the GIAS.

Vision: To be a trusted advisor and strategic partner, providing assurance and insights that enhance the organisation's risk management, control, and governance processes.

Mission: To conduct risk-based audits that address high-priority and emerging risks, supporting the organisation's strategic objectives.

The IAF's strategy is to enhance the effectiveness of internal audits, ensure compliance, and support the company's overall strategic goals. The Internal Audit function strengthens the entity's ability to create, protect, and sustain value in the public interest by providing the Board, Audit and Risk Committee and senior management with independent, risk-based, and objective assurance, advice, insight, and foresight.

7.4. Charter, Methodology and Internal Audit Plans

The Internal Audit Charter, Three-Year Rolling Plan and Annual IA Plan are reviewed on an annual basis and were duly reviewed for the year under review and approved by the ARC and endorsed by the Board.

7.5. Internal Audit Modality and Staffing

The IAF is an in-house function. The approved structure has 14 positions, of which five are vacant, representing a vacancy rate of 36%. Due to the financial constraints of the organisation, none of the vacancies were filled during the year under review.

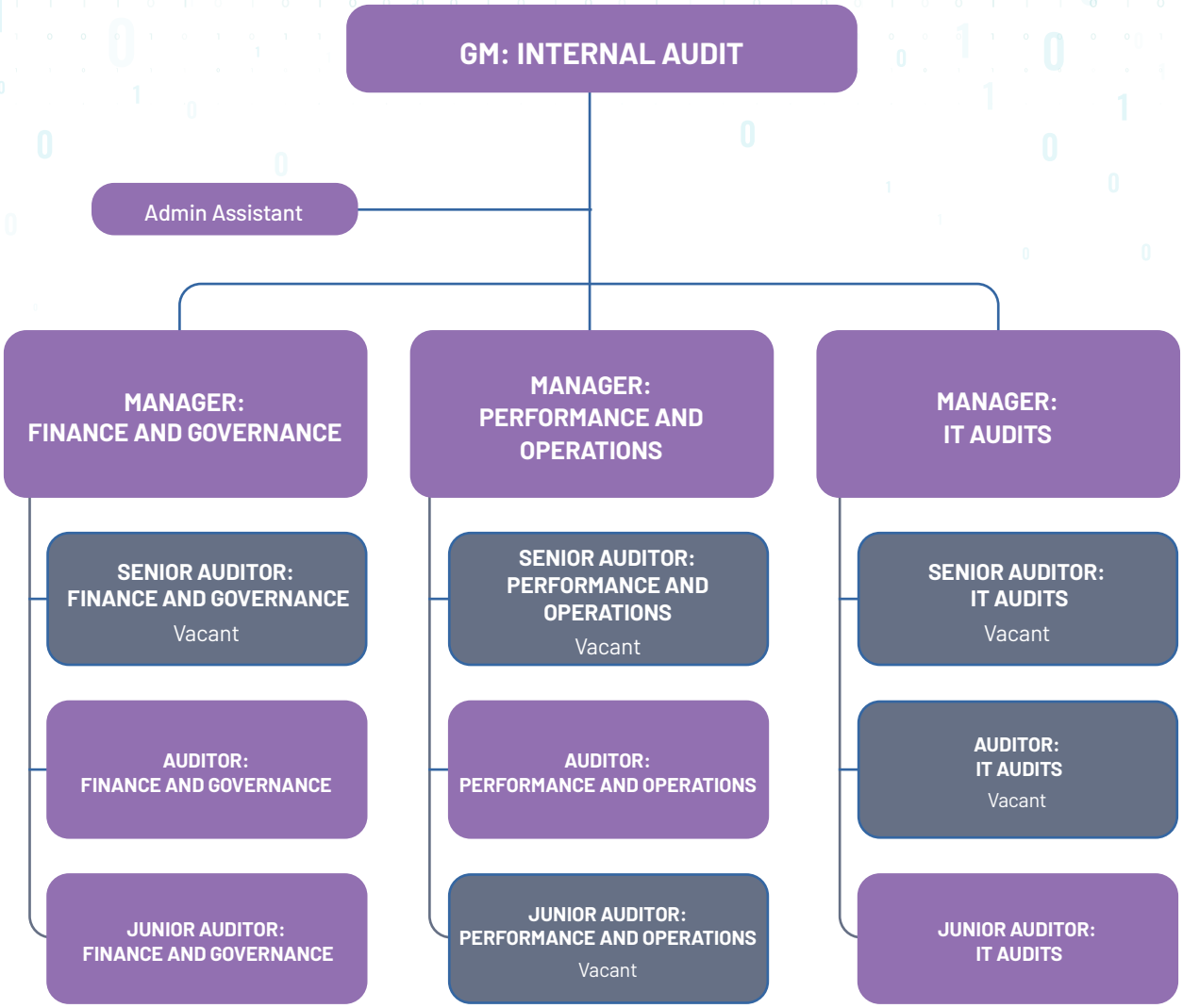


Figure 22: Internal audit unit structure

The staffing skills mix is appropriate, but there is a concern regarding the lack of Senior Internal Auditors, and a request has been made for these to be considered, as well as the auditor position in Information Technology.

The entire IA team attended training on the GIAS, and we identified virtual training and webinars to keep the team updated on current industry changes. Additionally, four staff members received bursaries from the RTMC to obtain certifications.

7.6. Quality Assurance and Improvement Programme

The General Manager developed, implemented, and maintained a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme includes external and internal assessments of the internal audit function's conformance with the GIAS, as well as performance measurement to assess the internal audit function's progress towards the achievement of its objectives and the promotion of continuous improvement.

Internal assessments are done after each quarter and on an annual basis. The 2025/26 internal assessment is in progress. The last external assessment was done in 2021/22, and the next external assessment is due in March 2027. The IAF is in the process of preparing for this. All findings raised in the last external assessment have been addressed.

7.7. Summary of Work Done by the IAF in the Reporting Period

The approved annual Internal Audit Plan included a total of 39 engagements, and we were able to execute 40 engagements. In addition to this, we also planned for the execution of Bid Pre-Awards and the rendering of advisory services to the PET and Debates competition. All bid pre-award assignments were completed, although these were limited due to financial constraints experienced by the RTMC.

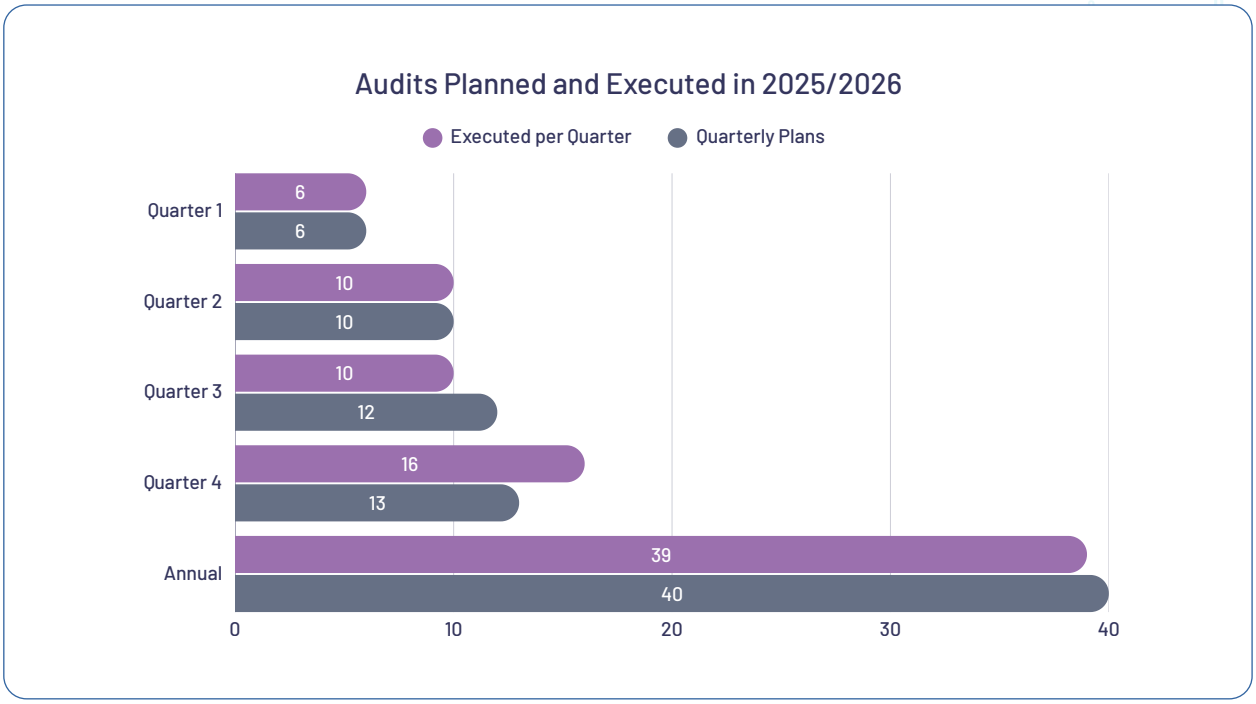


Figure 23: Planned and executed audits

One audit was rolled over and is included in the Annual Plan for the 2026/27 financial year. The reason for this was resource constraints; we did, however, include a different audit, hence we achieved the engagement targets.

	NUMBER OF FINDINGS	TOTAL ADDRESSED	NOT YET DUE	TOTAL NOT ADDRESSED	NO. OF RECURRING FINDINGS (LAST 3 FINANCIAL YEARS)
IA Findings	78	37	13	28	**29**
AGSA Findings	46	34	3	12	**8**
IAF Findings - IT	24	5	13	8	**1**
Total	**148**	**76**	**29**	**48**	**38**

Table 34: Status of audit findings addressed

8. Audit and Risk Committee

8.1 Audit and Risk Committee Composition and Meeting Attendance

The ARC comprised five independent Non-Executive Members. Three members of the Committee are externally appointed to augment the expertise required by the Audit Committee, while two members are Non-Executive Members of the Board.

NAME	QUALIFICATIONS	PROFESSIONAL AFFILIATION	APPOINTMENT: TERM OF OFFICE		NO. OF MEETINGS ATTENDED		DECLARATION OF INTERESTS IN EVERY MEETING	IS THE MEMBER AN EMPLOYEE OF AN ORGAN OF STATE	NO. OF OTHER AUDIT COMMITTEES THAT THE MEMBER SERVES ON	NO. OF GOVERNANCE STRUCTURES THE MEMBER SERVED ON, WHETHER IN RTMC OR ANY OTHER INSTITUTION(S)
			START DATE	END DATE	ORDINARY MEETINGS	SPECIAL MEETINGS				
Ms Dineo Maithufi *	Chartered Accountant CA(SA) BCom Hons Accounting BCom Accounting	The South African Institute of Chartered Accountants (SAICA) The Institute of Directors in South Africa (IODSA)	01/07/2023	30/06/2026	4	4	Yes	No	1	2
Ms Nontle Jaxa *	BCom Accounting BCompt Hons MBA	The Institute of Internal Auditors South Africa	01/10/2023	30/09/2026	4	4	Yes	No	None.	None.
Ms Mashamaite Ramutsheli *	MPhil Internal Audit BTech Internal Audit	Institute of Internal Auditors (IIA) Ethics Institute of South Africa	01/10/2023	30/09/2026	4	4	Yes	No	2	2
Ms Thandi Thankge CD(SA)	MCom in Business Management BA in Industrial Psychology BA Hons in Industrial Psychology Diploma in Library and Information Services	Institute of Directors South Africa (IoDSA) South African Board of People Practices (SABPP)	01/01/2024	30/06/2026	4	4	Yes	No	2	6
Adv. Xola Stemela	LLB BJuris	Institute of Directors South Africa (IoDSA) Johannesburg Society of Advocates	01/01/2024	30/06/2026	4	4	Yes	No	None.	1

* External independent non-executive member

Table 35: Audit and risk committee composition

8.2 Remuneration of Audit and Risk Committee External Members

The three external and independent Non-Executive Members of the Committee were remunerated for attendance.

	REMUNERATION: MEETING ATTENDANCE FEES	TOTAL
Ms D Maithufi	R681 731	**R681 731**
Ms N Jaxa	R242 021	**R242 021**
Ms M Ramutsheli	R242 023	**R242 023**

Table 36: Remuneration of audit and risk committee external members

9. Compliance with Laws and Regulations

The organisation remains committed to compliance with all applicable legislation, regulations, and codes of best practice, including the Public Finance Management Act (PFMA) and sector-specific legislation. During the 2025-2026 financial year, the organisation strengthened its compliance function by implementing a structured, risk-based compliance framework, supported by the approval of a Compliance Policy and the establishment of a Compliance Universe comprising 37 applicable Acts.

To reinforce accountability and oversight, the RTMC established mechanisms to monitor and report on compliance performance, with formal quarterly reporting to governance structures. These measures collectively support a proactive and systematic approach to compliance, enhancing the organisation's ability to meet its legislative obligations and uphold sound governance practices.

10. Fraud and Corruption

The elimination of fraud and corruption is anchored as an organisational strategic drive to inculcate ethical behaviour in the RTMC. To achieve and sustain this objective, ethics management is driven as a deliberate culture change initiative aimed at ensuring that all those associated with the RTMC behave as model public servants, motivated to ensure a clean administration. During the year under review, the RTMC had to respond to several whistleblower reports alleging a variety of inappropriate behaviour, attributed to several employees and members of the management team. It is always required that action be taken to investigate and, where necessary, that consequence management follow. Stringent considerations are in place to guard against the abuse of the mechanisms in place to deal with the said matters, as these processes are prone to abuse. As at the year-end, some investigations remained active with no clear indication of their planned conclusions.

11. Minimising Conflict of Interest

The Supply Chain Management (SCM) function has a Code of Conduct for SCM Practitioners to promote mutual trust, respect, and an environment where business can be conducted with integrity, fairness, and in a responsible manner. Internally, there are levels of segregation of duties between the preparer, reviewer, and approver. This process also helps ensure that it is foolproof. SCM Practitioners or other role players who are involved in SCM are also expected to, amongst others:

- Maintain a high level of integrity at all times.
- Reject any business practices which might be deemed improper.
- Never use their authority or position for personal gain.
- Declare any personal interest that might affect, or be perceived by others to affect, their impartiality and decision-making.
- Remain impartial in all dealings and not be influenced by external factors.

Members of the Bid Committees are also expected to carry out their roles in a manner that is honest, fair, impartial, transparent, cost-effective, and to maintain the highest level of integrity. The Bid Committees require that all members declare their interests, and where a potential conflict exists, such members recuse themselves from participating in the evaluation and adjudication process.

There are mandatory documents that bidders must complete in the bidding process, and failure to complete these mandatory documents results in the bidder's disqualification. These documents include:

- Standard Bidding Document 4 (SBD4) - to declare any interest in and relationship with any other persons employed by the State. This declaration ensures that officials who are related to a specific bidder do not participate in the evaluation and adjudication processes.

The RTMC also requires all employees to submit and declare their business interests annually. Employees are also required to obtain approval from the Accounting Officer to conduct other business or perform other remunerative work.

12. Code of Conduct

The organisation promotes a culture of ethical leadership and responsible corporate citizenship through the implementation of a formal Code of Conduct and ethics management framework. Ethical standards are embedded in organisational policies, performance expectations, and training programmes, including induction sessions for new employees. Ethics oversight is integrated into governance structures, including the Board and the Enterprise Risk and Audit Committee, which is a management committee, ensuring that ethical conduct is monitored and aligned with risk and assurance processes. Employees are expected to uphold the principles of integrity, accountability, respect, and transparency, and breaches of the Code are addressed through established disciplinary processes.

13. Health, Safety and Environmental Issues

The RTMC prioritises the health, safety, and well-being of its employees through a comprehensive Occupational Health and Safety framework, aligned with its Environmental, Social and Governance (ESG) strategy. During the 2025-2026 financial year, the organisation achieved notable improvements in workplace safety, recording 42 incidents compared to 72 in the previous financial year, representing a 42% year-on-year reduction. This performance significantly surpassed the annual ESG target of a 5% reduction in workplace injuries, demonstrating the effectiveness of safety controls, awareness programmes, and management oversight.

These improvements are supported by continuous safety monitoring, adherence to regulatory requirements, and targeted interventions in high-risk operational environments, including training and law enforcement units.

The RTMC maintains an operational OHS clinic that offers immediate medical support and ongoing employee care, while ensuring compliance with the Department of Labour and the Compensation for Occupational Injuries and Diseases Act. Environmental management initiatives, including waste management, resource efficiency, and sustainable infrastructure practices, further reinforce the organisation's commitment to a safe and environmentally responsible workplace.

14. Company Secretary

The roles and responsibilities of the Company Secretary are outlined in the Board Charter, read with King V. The Company Secretary is a source of guidance to the Board on matters of good governance. Members of the Board have full access to the services of the Company Secretary as well as access to information and records necessary to discharge their duties. The Company Secretary is empowered with the authority and support needed to carry out duties, which include, amongst others:

- Development of systems and processes that enable the Board to discharge its functions effectively and efficiently.
- Ensuring that the Board receives adequate information to make informed decisions.
- Reviewing the Board Charter and Board Committee Terms of Reference annually.
- Development of Board and Board Committees' annual work plans.
- Maintaining all statutory records.
- Ensuring Board induction, training and development of members of the Board.

15. Social Responsibility

No activities were undertaken for the period under review.



16. Audit and Risk Committee Report

The Audit and Risk Committee ("the Committee") hereby presents its report for the financial year ended 31 March 2026.

Audit and Risk Committee Responsibility

The Committee has complied with its responsibilities in terms of section 51(1)(a)(ii) of the Public Finance Management Act (PFMA) and Treasury Regulation 27.1 and has discharged its duties in accordance with its Terms of Reference, as approved by the Board.

In-Year Management and Quarterly Reports

The Road Traffic Management Corporation ("the RTMC") has submitted in-year Management and Quarterly reports to the National Treasury and Department of Transport in line with the PFMA.

The Effectiveness of Internal Control and Risk Management

The Committee is responsible for ensuring that the Internal Audit function is independent and has the necessary resources, standing and authority to perform its duties effectively.

The Committee is satisfied with the effectiveness and efficiency of the Internal Audit function and has approved the Internal Audit Charter as well as the risk based three-year rolling and annual Internal Audit Plans.

Internal Audit activities were conducted in line with the approved Internal Audit Plan (refer to page 63 for details), with additional assignments undertaken as required. The Committee is satisfied that the Internal Audit function remained independent, objective, and effective in discharging its responsibilities.

The General Manager: Internal Audit reports functionally to the Audit and Risk Committee and administratively to the Chief Executive Officer. During the year under review, the General Manager reported to the Audit and Risk Committee instances of interference and resistance encountered by Internal Audit in relation to aspects of its work. The Committee considered these matters in the context of its responsibility to safeguard the independence, authority and effectiveness of the Internal Audit Function and continued to monitor the adequacy of safeguards and management's response. Notwithstanding these matters, the General Manager maintained direct access to the Audit and Risk Committee and was able to escalate matters considered necessary for the discharge of Internal Audit's mandate.

The Committee continued to monitor internal and external audit findings. While progress has been made in addressing certain findings, the Committee remains concerned about the repeat findings over multiple reporting periods, indicating weaknesses in the timely and sustainable implementation of corrective actions.

Furthermore, the Committee provided oversight on the management of strategic risks quarterly. Progress on mitigation plans was provided and monitored by the Committee.

Financial Sustainability

The Committee maintained robust oversight of the organisation's financial sustainability, ensuring that enhanced governance and monitoring measures were implemented to closely monitor financial performance until the organisation's financial position stabilised by financial year-end.

Governance Developments

The Committee notes the High Court judgment delivered on 9 March 2026 concerning the respective powers and responsibilities of the Corporation's governance structures. The judgment has implications for the governance architecture, delegations of authority and governance instruments of the Corporation. The Committee has continued to monitor governance developments within its mandate and considers the timely regularisation and clarification of these arrangements important to sustaining an effective control and assurance environment.

Evaluation of Financial Statements

The Committee reviewed the Annual Financial Statements prepared by Management.

Auditor-General's Report

The Committee has reviewed the RTMC's implementation plan on external audit findings raised in the previous year and is satisfied that the matters have been adequately resolved.

The Committee concurs and accepts the conclusion of the Audit Report on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Ms Dineo Maithufi
Chairperson: Audit and Risk Committee

17. B-BBEE Compliance Performance Information

The RTMC is a Level 2 B-BBEE contributor, as indicated in the table below:

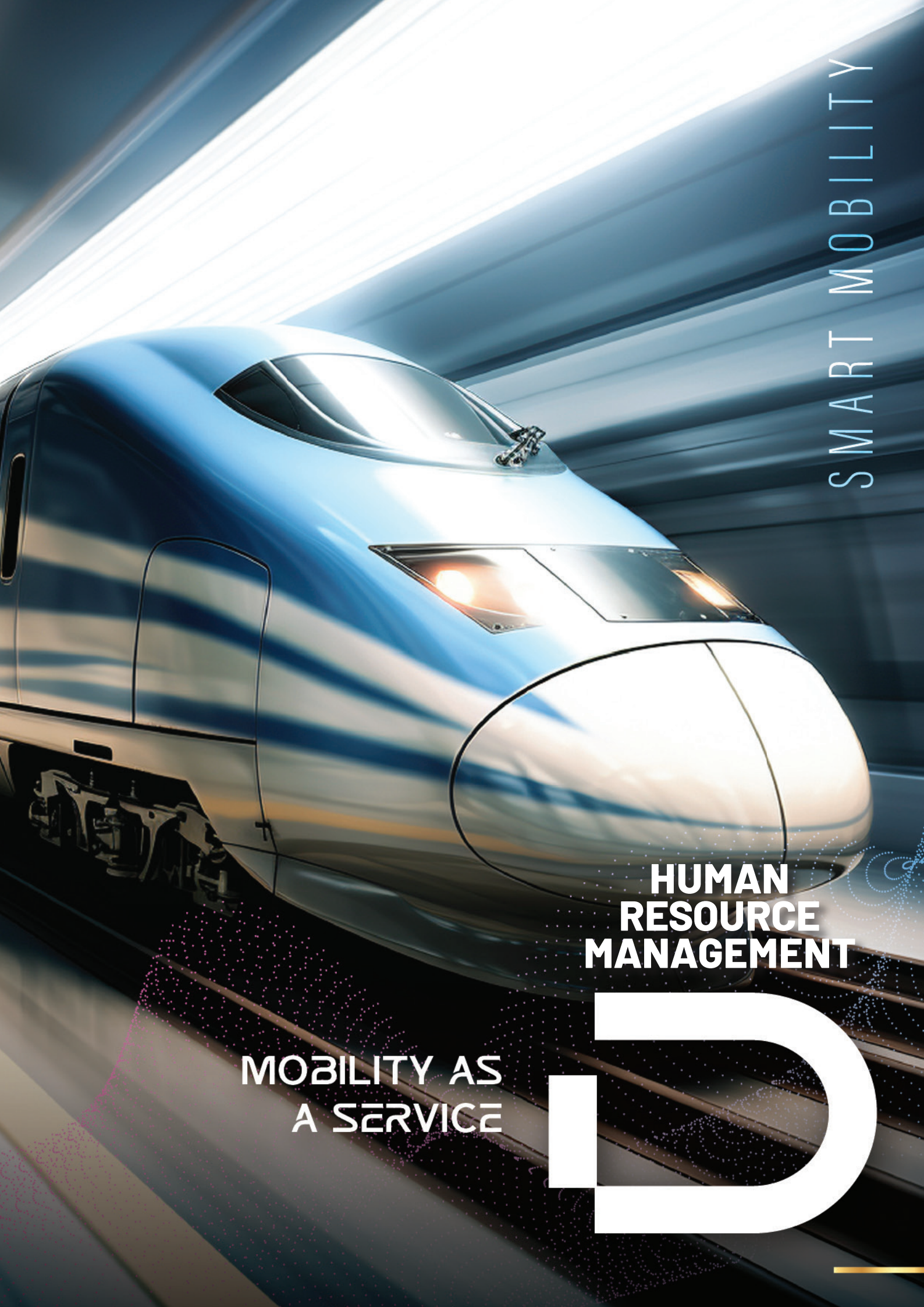
SCORECARD INFORMATION	SCORE	TARGET SCORE
Management Control	6.00	10.00
Employment Equity	14.45	15.00
Skills Development	20.32	25.00
Preferential Procurement	30.00	30.00
Enterprise Development	15.00	15.00
Socio-Economic Development	0.82	5.00

Table 37: B-BBEE scorecard elements

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1-8) with regard to the following:

CRITERIA	RESPONSE YES/NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	**No**	The RTMC does not issue any licences.
Developing and implementing a preferential procurement policy?	**Yes**	The RTMC has an approved policy that complies with the preferential procurement regulations.
Determining qualification criteria for the sale of state-owned enterprises?	**No**	The RTMC does not have any other enterprises.
Developing criteria for entering into partnerships with the private sector?	**No**	The RTMC does not have criteria for entering into partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	**No**	The RTMC does not have criteria for awarding incentives, grants, and investment schemes in support of Broad-Based Black Economic Empowerment.

Table 38: B-BBEE compliance


SMART MOBILITY
HUMAN RESOURCE MANAGEMENT
MOBILITY AS A SERVICE

1. Introduction

1.1. Overview of Human Resources

The Human Capital function supports the organisation's strategic objective of building a financially sustainable and high-performing entity through effective workforce planning, talent development, and performance management.

During the 2025-2026 financial year, the organisation operated in a constrained fiscal environment, with a strong focus on cost containment, particularly on employee compensation, which remains the primary cost driver.

1.2. HR Priorities for the Year

The key Human Resource priorities for the reporting period included:

- Containment and optimisation of the Cost of Employment (CoE).
- Implementation of succession planning initiatives.
- Strengthening performance management compliance.
- Development of a career progression framework.
- Alignment of workforce planning with organisational sustainability objectives through the Staffing Strategy.

Impact

These priorities contributed to improved workforce stability, cost control, and the establishment of long-term talent pipelines.

1.3. Workforce Planning and Talent Strategy

During the reporting period, the RTMC implemented a strategic workforce optimisation approach informed by the approved Staffing Strategy. This was necessitated by the high cost of employment, which constituted approximately 52% of revenue collected, placing pressure on long-term financial sustainability as at 31 March 2025.

The strategy focuses on aligning workforce capacity with operational priorities through controlled recruitment, natural attrition, internal mobility, and redeployment, while protecting critical service delivery functions.

Key interventions include demand-driven recruitment, rationalisation of non-essential positions, and optimisation of workforce structures to improve efficiency and reduce costs over the medium term.

The organisation adopted a cautious workforce planning approach to align staffing levels with financial sustainability goals.

Key strategic interventions included:

- No new appointments in the last two quarters of the year to control cost escalation.
- Reduction in headcount from 1 706 to 1 633 employees.
- Implementation of differentiated pay scales (50th and 75th percentile for critical skills).

The workforce strategy emphasises:

- Retention of critical skills.
- Controlled recruitment in priority areas.
- Development of internal talent pipelines.

1.4. Employee Performance Management

The Performance Management and Development System (PMDS) remained a key mechanism for aligning individual performance with organisational objectives.

1.5. Employee Wellness and Holistic Development

The RTMC continues to implement a comprehensive employee wellness programme aimed at promoting the physical, psychological, and financial well-being of employees, thereby enhancing productivity, engagement, and organisational resilience.

The wellness programme is multi-dimensional and includes:

- Psychosocial support services, including counselling, bereavement support, and conflict resolution.
- Health promotion initiatives, including regular wellness communication and awareness campaigns.
- Outreach services, including home and hospital visits for employees requiring support.
- Financial wellness initiatives to improve financial literacy and reduce employee stress.
- Spiritual counselling and Employee Assistance Programme (EAP) interventions.

During the reporting period, the RTMC intensified its focus on preventative and diagnostic wellness interventions through structured wellness initiatives. These initiatives combined clinical health assessments, financial wellness evaluations, and psychosocial screenings.

Additional initiatives implemented during the year include:

- Financial wellness workshops aimed at improving financial management and reducing absenteeism.
- Sports and recreation programmes, such as midweek aerobics sessions, to improve morale and physical health.
- Partnerships with external stakeholders (such as the SANBS and the Department of Health) to support broader health promotion initiatives, including blood donation drives and HIV/AIDS prevention programmes.

These initiatives collectively contribute to a wellness-centred organisational culture, supporting employee well-being while reinforcing the RTMC's commitment to being a caring and responsible employer.

1.6. Policy Development

The Human Capital unit made significant progress in policy development and governance. The following policies were reviewed:

- Bereavement Policy.
- Bursary Policy.
- Employee Health and Wellness Policy.
- Learning and Development Policy.
- Occupational Health and Safety Policy.

1.7. Key Achievements

- Stability in the workforce, with a 99.5% retention rate.
- Reduction in headcount, supporting cost containment.
- Implementation of a succession planning programme.
- Development and implementation of the Staffing Strategy.
- Continued compliance with HR legislative requirements.
- Reduction in the CoE-to-revenue ratio from 52% as at 31 March 2025 to 47% as at 31 March 2026, translating to a 5% reduction

1.8. Challenges

- Low performance management compliance in some areas.
- Underrepresentation of females and persons with disabilities.
- Limited recruitment opportunities due to the vacancy moratorium.

1.9. Future HR Plans/Priorities

- Finalisation of the revised organisational structure.
- Strengthening PMDS compliance and system integrity.
- Implementation of succession planning initiatives.
- Addressing employment equity gaps, particularly those relating to disability and gender.
- Enhancing workforce capability through targeted development programmes.

1.10. Conclusion

The Human Resource function contributed positively to organisational sustainability by stabilising workforce numbers, managing costs, and strengthening HR governance. However, key structural and equity challenges remain and will require focused strategic interventions in the next financial year.



2. Human Resources Oversight Statistics

Personnel Cost by Programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Road Safety, Marketing, and Stakeholder Management	26 992	16 652	62%	15	1 110
Training of Traffic Personnel	97 119	54 057	56%	64	845
Law Enforcement	550 692	407 368	74%	1 081	377
Traffic Intelligence and Security	30 049	26 447	88%	31	853
Road Traffic Information and Technology	297 565	155 709	52%	223	698
Support Services	1 040 071	164 995	16%	219	753
Total	**2 042 488**	**825 228**	**40%**	**1 633**	**505**

Table 39: Personnel cost by programme

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	6 981	1%	1	6 981
Senior Management	68 231	8%	26	2 624
Professional qualified	127 942	16%	93	1 376
Skilled	314 215	38%	463	679
Semi-skilled	299 147	36%	1 003	298
Unskilled	8 712	1%	47	185
Total	**825 228**	**100%**	**1 633**	**505**

Table 40: Personnel cost by salary band

Performance Rewards

No performance rewards were paid during the period under review.

Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost (R'000)	No. of employees trained	Avg. training cost per employee (R'000)
Road Safety, Marketing, and Stakeholder Management	16 652	2	0.0%	3	0.7
Training of Traffic Personnel	54 057	50	0.1%	54	0.9
Law Enforcement	407 370	24	0.0%	1 051	0.0
Traffic Intelligence and Security	26 447	0	0.0%	47	0.0
Road Traffic Information and Technology	155 709	969	0.6%	59	16.4
Support Services	164 994	246	0.1%	90	2.5
Total	**825 228**	**1 291**	**0.2%**	**1 302**	**1.0**

Table 41: Training costs

Employment and Vacancies

Programme	2024/2025 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
Road Safety, Marketing, and Stakeholder Management	13	16	15	1	6%
Training of Traffic Personnel	72	72	64	8	11%
Law Enforcement	1 126	1 134	1 081	53	5%
Traffic Intelligence and Security	23	31	31	0	0%
Road Traffic Information and Technology	242	277	223	54	19%
Support Services	230	270	219	51	19%
Total	1 706	1 800	1 633	167	9%

Table 42: Employment and vacancies per programme

Level	2024/2025 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	26	38	26	12	32%
Professional qualified	97	122	93	29	24%
Skilled	472	581	463	118	20%
Semi-skilled	1 045	1 008	1 003	5	0%
Unskilled	65	50	47	3	6%
Total	**1 706**	**1 800**	**1 633**	**167**	**9%**

Table 43: Employment and vacancies by salary band

The organisation recorded an overall vacancy rate of 9%, which is within a manageable range but still noteworthy. Twelve senior management positions were vacant. The critical senior management position was advertised.

Employment Changes

The turnover rate for the period under review remained at 8%. The acceptable norm for a turnover rate ranges between 4% and 12%; therefore, a rate of 8% is within the acceptable range.

Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	26	1	1	26
Professional qualified	97	3	7	93
Skilled	472	13	22	463
Semi-skilled	1 045	32	74	1 003
Unskilled	65	16	34	47
Total	**1 706**	**65**	**138**	**1 633**

Table 44: Employment changes

Reasons for Staff Leaving

Reason	Number	% of total no. of staff leaving
Death	7	5%
Resignation	37	27%
Dismissal	14	10%
Retirement	9	7%
Ill-health	0	0%
Expiry of contract	71	51%
Other	0	0%
Total	**138**	**100%**

Table 45: Reasons for staff leaving

Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary action	Number
Verbal Warning	1
Written Warning	6
Final Written Warning	7
Suspension without pay	0
Dismissal	14

Table 46: Labour Relations: misconduct and disciplinary action

Equity Target and Employment Equity Status

MALE

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	9	9	2	2	0	0	2	2
Professional qualified	35	34	3	3	4	4	9	9
Skilled	238	236	7	6	7	7	14	13
Semi-skilled	653	628	25	25	2	2	5	5
Unskilled	25	15	1	1	0	0	0	0
Total	**961**	**923**	**38**	**37**	**13**	**13**	30	29

Table 47: Male equity target and employment equity status

FEMALE

Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	11	11	1	1	0	0	1	1
Professional qualified	35	35	0	0	2	2	5	5
Skilled	181	181	6	6	4	4	6	6
Semi-skilled	308	284	6	6	3	3	1	1
Unskilled	21	17	0	0	0	0	0	0
Total	**556**	**528**	**13**	**13**	**9**	**9**	**13**	**13**

Table 48: Female equity target and employment equity status

DISABLED STAFF

Level	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	1	1	1	1
Skilled	4	4	2	2
Semi-skilled	2	2	1	1
Unskilled	0	0	0	0
Total	7	7	4	4

Table 49: Disabled staff equity target and employment equity status



SMART MOBILITY

PFMA COMPLIANCE REPORT

REALTIME DATA CONNECTIVITY

1. Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses

1.1. Irregular Expenditure

a) Reconciliation of irregular expenditure

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	23 883	1 21
Less: Irregular expenditure condoned	0	(121)
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable1	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	**23 883**	**0**

Table 50: Reconciliation of irregular expenditure

Reconciling notes

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	23 883	121
Total	**23 883**	**121**

Table 51: Reconciling notes

b) Details of irregular expenditure (under assessment, determination, and investigation)

The following matter has been identified and is currently subject to a forensic investigation by an independent third party to determine whether it meets the definition of irregular expenditure as contemplated in section 1 of the Public Finance Management Act (Act No. 1 of 1999), read together with the National Treasury PFMA Compliance and Reporting Framework.

This relates to the procurement of MVTS units for the Western Cape Provincial Government pursuant to a Shareholders' resolution. The expenditure was recognised as donation expenditure in the Statement of Financial Performance. The matter is being investigated to determine whether the expenditure was incurred in contravention of section 53(4) of the PFMA and section 25(2) of the Road Traffic Management Corporation Act, 1999, arising from expenditure incurred outside the approved Business and Financial Plan and approved budget.

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	23 883	0
Total	**23 883**	**0**

Table 52: Details of irregular expenditure

During the 2025-2026 financial year, the RTMC procured Mobile Vehicle Testing Station (MVTS) units for the Western Cape Provincial Government in accordance with a Shareholders' resolution. The related expenditure of R23 883 200 was recognised as donation expenditure in the Statement of Financial Performance.

It was noted that the expenditure was not specifically provided for in the approved budget forming part of the RTMC's Business and Financial Plan. Consequently, a question has arisen as to whether the expenditure may constitute non-compliance with section 53(4) of the Public Finance Management Act, which requires expenditure to be incurred in accordance with the approved budget, read together with section 25(2) of the Road Traffic Management Corporation Act, 1999, which requires directives of the Shareholders' Committee or the Board to fall within the parameters of the approved Business and Financial Plan.

The irregular expenditure disclosed in this note has been referred for investigation in accordance with the National Treasury PFMA Compliance and Reporting Framework. Investigations are ongoing, including this transaction, to determine the relevant facts, accountability, and any consequential actions. Where appropriate, the accounting treatment and disclosure will be updated once the relevant processes have been concluded.

c) Details of irregular expenditure condoned

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Irregular expenditure condoned	0	121,4
Total	**0**	**121,4**

Table 53: Details of irregular expenditure condoned

d) Details of irregular expenditure removed - (not condoned)

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Irregular expenditure NOT condoned and removed	0	0
Total	**0**	**0**

Table 54: Details of irregular expenditure removed

e) Details of irregular expenditure recoverable

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Irregular expenditure recoverable	0	0
Total	**0**	**0**

Table 55: Details of irregular expenditure recoverable

f) Details of irregular expenditure written off (irrecoverable)

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

Table 56: Details of irregular expenditure written off

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
	0	0
Total	**0**	**0**

Table 57: Details of irregular expenditure

h) Details of disciplinary or criminal steps taken as a result of irregular expenditure

DISCIPLINARY STEPS TAKEN
Not applicable

Table 58: Details of disciplinary or criminal steps taken

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Opening balance	3 394	3 483
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure recoverable	0	(89)
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
Closing balance	**3 394**	**3 394**

Table 59: Reconciliation of fruitless and wasteful expenditure

Reconciling notes

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	0
Total	**0**	**0**

Table 60: Reconciling notes

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Fruitless and wasteful expenditure under assessment	5 927	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	3 394	3 394
Total	**9 321**	**3 394**

Table 61: Details of fruitless and wasteful expenditure

During the normal course of operations, RTMC identified billing discrepancies in which Vodacom invoiced the Corporation for services that were either not rendered or not billed in accordance with the contractual agreement. Upon identifying these discrepancies, management disputed the invoices and engaged Vodacom through correspondence, meetings and numerous escalations. Due to the complexity of Vodacom's internal approval processes, resolution has been significantly delayed despite continuous follow-up by RTMC.

Vodacom has acknowledged the billing discrepancies and has committed to issuing a credit note in favour of RTMC. The latest communication from Vodacom confirms that the approval is awaiting authorisation from its Financial Director. Management, therefore, has a reasonable expectation that the disputed amounts will be recovered and has accordingly recognised the matter as a contingent asset pending finalisation of the recovery process.

Withholding payment carried a significant risk that Vodacom could suspend or restrict services while the billing dispute remained unresolved. Such an interruption could have compromised the availability of the Disaster Recovery Centre, thereby exposing RTMC to the risk of failure or disruption of a National Key Point. Given the strategic importance of the NaTIS environment to road traffic management and public service delivery, management considered that the consequences of any disruption to this critical infrastructure would far outweigh the temporary financial exposure arising from disputed billings, particularly where the amounts remained recoverable.

Management therefore exercised its fiduciary responsibilities by ensuring the uninterrupted operation and protection of critical national infrastructure while simultaneously preserving RTMC's contractual rights through the ongoing recovery process.

c) Details of fruitless and wasteful expenditure recoverable

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Fruitless and wasteful expenditure recoverable	0	89
Total	**0**	**89**

Table 62: Details of fruitless and wasteful expenditure recoverable

d) Details of fruitless and wasteful expenditure not recoverable and written off

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Fruitless and wasteful expenditure written off	0	0
Closing balance	**0**	**0**

Table 63: Details of fruitless and wasteful expenditure not recoverable and written off

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

DISCIPLINARY STEPS TAKEN
Not applicable

Table 64: Details of disciplinary or criminal steps taken

1.3. Additional Disclosure Relating to Material Losses in Terms of PFMA Section 55(2)(b) and (iii)9

a) Details of material losses through criminal conduct

MATERIAL LOSSES THROUGH CRIMINAL CONDUCT	2025/2026 R'000	2024/2025 R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	**0**	**0**

Table 65: Details of material losses through criminal conduct

b) Details of other material losses

NATURE OF OTHER MATERIAL LOSSES	2025/2026 R'000	2024/2025 R'000
	0	0
Closing balance	**0**	**0**

Table 66: Details of other material losses

c) Other material losses recoverable

NATURE OF LOSSES	2025/2026 R'000	2024/2025 R'000
	0	0
Closing balance	**0**	**0**

Table 67: Other material losses recoverable

d) Other material losses not recoverable and written off

NATURE OF LOSSES	2025/2026 R'000	2024/2025 R'000
	0	0
Closing balance	**0**	**0**

Table 68: Other material losses not recoverable and written off

2. Information on late and/or non-payment of suppliers

DESCRIPTION	2025/2026 R'000	2024/2025 R'000
Valid invoices received	2 791	672 306
Invoices paid within 30 days or agreed period	2 540	542 195
Invoices paid after 30 days or agreed period	160	23 323
Invoices older than 30 days or agreed period (unpaid and without dispute)	1	10
Invoices older than 30 days or agreed period (unpaid and in dispute)	**36**	**92**

Table 69: Information on late and/or non-payment of suppliers

3. Information on Supply Chain Management

3.1. Procurement by other means

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER	CONTRACT NUMBER	VALUE OF CONTRACT
Appointment of a service provider to conduct forensic investigation in relation to whistleblower allegation	KPMG	Limited bidding	CONTR-00355	Hourly Rate based
Appointment of a service provider to conduct a personal threat assessment	RMG Forensic Services	Limited bidding	CONTR-00356	Hourly Rate based
Request to approve the deviation from the normal SCM processes for the renewal of Oracle Technical Support services for a period of one ten (10) months	Oracle SA	Sole Supplier	CONTR-00275	R 1 246 095
Request for approval to deviate from normal SCM processes by appointing the National Regulator for Compulsory Specifications (NRCS) as a sole shooting range regulator for a period of three (3) years	The National Regulator for Compulsory Specifications	Sole Supplier	CONTR-00366	R 7 584
Request for approval to deviate from normal SCM processes to appoint the Quality Council for Trades and Occupations (QCTO) for the printing of the Occupational Certificates for the NQF Level 6 Traffic Officer and Road Safety Office Qualification for a period of three (3) years	The Quality Council for Trades and Occupations	Sole Supplier	CONTR-00327	R 105 280
Request to deviate from procurement process to procure TeamMate Licences for a period of 1 year only	Wolter Kluwer	Sole Supplier	CONTR-00288	R 24 360
Request to deviate from normal SCM procedures to appoint the South African Post Office on a sole source supplier basis, for a period of three (3) years	South African Post Office	Sole Supplier	CONTR-00230	Rates Based

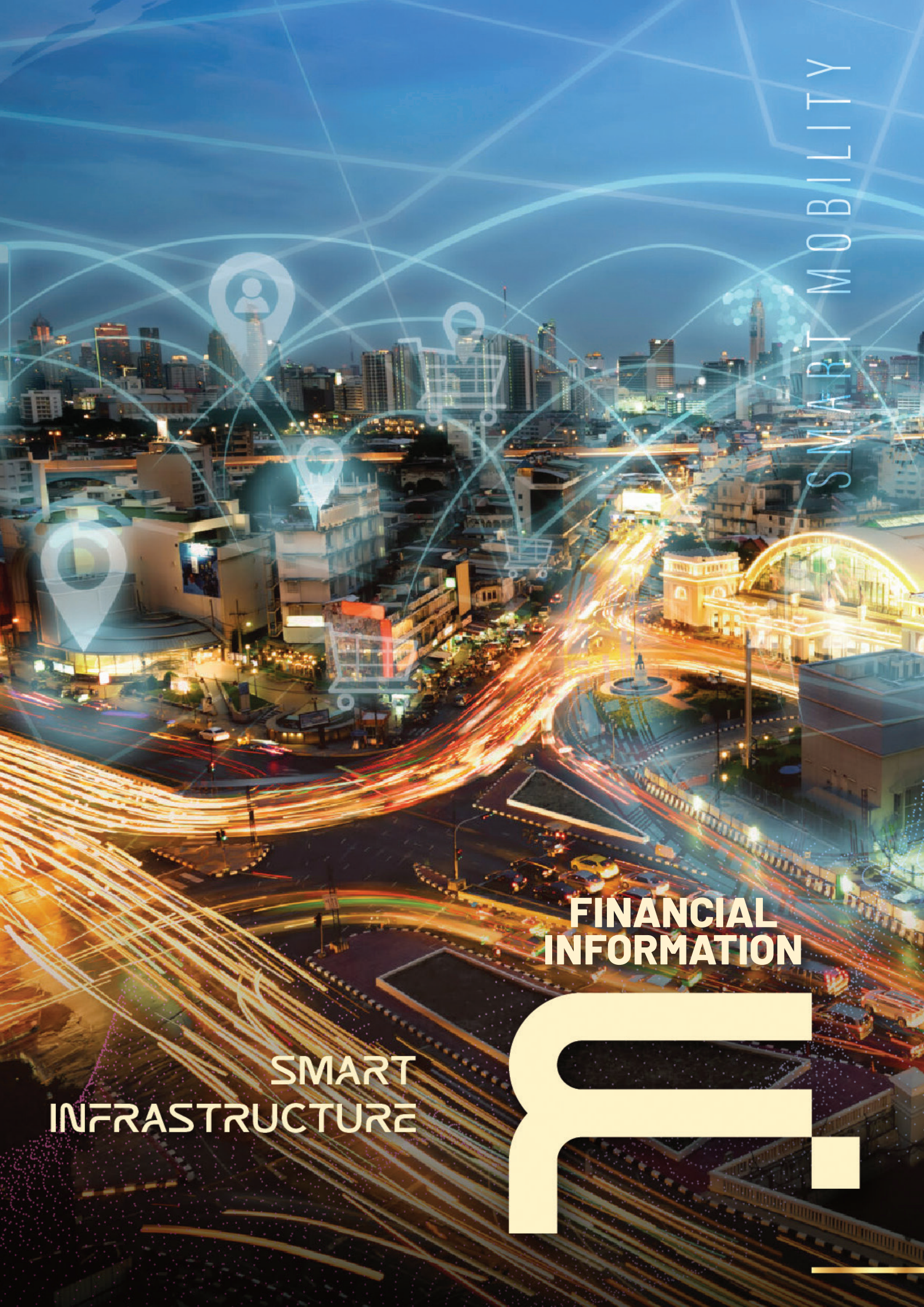
PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER	CONTRACT NUMBER	VALUE OF CONTRACT
Request for the approval of the deviation from the normal SCM process to appoint a sole service provider for the renewal of Oracle Technical Support Services from July and September to 17 December 2025	Oracle SA	Sole Supplier	CONTR-00275	R 467 764
Request for approval to deviate from the normal SCM process to appoint a sole service privider for the procurement of Microsoft Azure subscription for 15 months ONTHS	Microsoft	Sole Supplier	CONTR-00256	R 689 776
Request to deviate from normal SCM process to procure the Audit Command Language Licences from a sole provider - Sur Tech So-lutions RSA (Pty) Ltd ("Sur Tech")	Sur Tech Solution RSA (Pty) Ltd	Sole Supplier	CONTR-00290	R 456 477
Request to approve the deviation to appoint Truvelo Africa Electronics Division (Pty) Ltd for printing Moving Violation Recorders (MVR) Operator Certificates for Traffic Officers	Truvelo	Sole Supplier	CONTR-00308	R 7 305
The renewal of Oracle Technical Support Services for a period of 12 months, effective from 18 December 2025 to 17 December 2026, and 31 March 2026 to 17 December 2026	Oracle SA	Sole Supplier	CONTR-00275	R 16 051 633
Request for approval to deviate from normal procurement process to appoint a sole service provider for the procurement of Microsoft Windows 10 Extended Security Support for 13 months	Microsoft Windows	Sole Supplier	CONTR-00256	R 124 200
Request to approve the appointment of Adapt IT (Pty) Ltd for provision of CaseWare Software Licences for a period of one (1) year	Adapt IT	Sole Supplier	CONTR-00276	R 170 732
Request for approval to deviate and appoint Governmet Printing Works (GPW) for a period of two (2) years for the procurement of printing work (Face Value documents and other related forms) and printing paper	GPW	Sole Supplier	CONT-00360	R 13 849 095
Request to deviate from normal procurement process and to approve the request for the extension of BCX MSA for a period not exceeding eight (8) months, effective 1 February 2026	BCX MSA	Sole Supplier	CONTR-00221 B	R 14 378 136
Total				**R46 332 342**

Table 70: Procurement by other means

3.1. Contract variations and Expansions

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
Request to ratify the corrected parking tariffs on the deviated extension of the existing lease contract for office accommodation in the Waterfall Edge Building with Axis for a period of four years and eight months from 1 December 2024 to 31 July 2029	Axis Properties and Mowana Properties	Variation	CONTR-00173 -a CONTR-00173 -b	R10 531 575	0	R3 291 974
Total				**R10 531 575**	**0**	**R3 291 974**

Table 71: Contract variations and expansions


SMART MOBILITY
FINANCIAL INFORMATION
SMART INFRASTRUCTURE

Accounting Authority's Responsibilities and Approval

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors were engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Authority acknowledges that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the Accounting Authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Authority is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2027 and, in the light of this review and the current financial position, they are satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the entity is a going concern and that the National Department of Transport has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Accounting Authority is primarily responsible for the financial affairs of the entity, it is supported by the entity's external and internal auditors.

The Internal as well as external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements.

The annual financial statements set out on page 91 to 182 which have been prepared on the going concern basis, were approved by the Accounting Authority on 30 July 2026 and were signed on its behalf by:



N.M Mufamadi
Chairperson

Report of the Auditor-General

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON ROAD TRAFFIC MANAGEMENT CORPORATION

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Road Traffic Management Corporation (the Public Entity) as set out on pages 91 to 182, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Road Traffic Management Corporation as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected Programme presented in the

annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.

11. I selected the following programme presented in the annual performance report for the year ended 31 March 2026. I selected a programme that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

PROGRAMME	PAGE NUMBERS	PURPOSE
Operations Road safety, law enforcement, training and NTACU	35-41	The purpose of this programme is to improve road safety, ensure compliance with traffic laws, provide necessary training and combat corruption within traffic management. This programme involves frontline activities such as road safety initiatives, law enforcement, training programs and NTACU.

12. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included.
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected Programme.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
23. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. The Other information I obtained prior to the date of this auditor's report is the Chief executive officers report/Overview, PFMA compliance report and the Human Resource Management Report. The Executive Authority's report/Overview (Minister), Accounting Authority's Report of the Audit and Risk Committee and Governance information are expected to be made available to us after the 31 July 2026.
26. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
27. When I do receive and read the executive authority's report/overview (Minister). Accounting authority's report, report of the audit and risk committee and governance information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
29. I did not identify any significant deficiencies in internal control.

Other reports

30. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
31. There is a forensic investigation that is currently ongoing on the allegations made in the prior year on procurement (SCM irregularities) and financial management and operational matters. We followed up with relevant personnel regarding the status of the investigation, and as at the time of preparing this report, the auditors were informed that there is no set of investigation reports available, the investigation is still ongoing.

Auditor General

Pretoria

31 July 2026

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional skepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance.

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements.

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(2)(c); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruc-tion No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a); 2(1)(b); 2.1(f)
Preferential Procurement Regula-tions, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Cor-rupt Activities Act 12 of 2004	Section 34(1)

Statement of Financial Position

as at 31 March 2026

Figures in R	Note(s)	2026	2025 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	2	54 318 863	67 583 896
Receivables from non-exchange transactions	3	97 313 426	89 826 840
Cash and cash equivalents	4	383 937 184	178 625 659
Inventories	5	4 012 372	3 728 095
		539 581 845	**339 764 490**
Non-Current Assets			
Property, plant and equipment	6	928 225 184	892 675 628
Intangible assets	7	352 737 146	354 170 547
Receivables from exchange transactions	2	3 843 964	10 271 695
		1 284 806 294	**1 257 117 870**
Total Assets		**1 824 388 139**	**1 596 882 360**
Liabilities			
Current Liabilities			
Finance lease - as lessee	8	1 550 827	2 199 563
Operating lease liability	9	4 133 904	1 930 156
Payables from exchange transactions	10	375 979 705	277 742 703
Provisions	11	113 707 645	98 928 597
Payables from non-exchange transactions	12	3 828 660	1 738 026
		499 200 741	**382 539 045**
Non-Current Liabilities			
Finance lease - as lessee	8	294 349	1 132 526
Provisions	11	574 604	544 081
		868 953	**1 676 607**
Total Liabilities		**500 069 694**	**384 215 652**
Net Assets		**1 324 318 445**	**1 212 666 708**
Reserves			
Revaluation reserve		140 837 246	140 837 246
Accumulated surplus		1 183 481 199	1 071 829 462
Total Net Assets		**1 324 318 445**	**1 212 666 708**

Statement of Financial Performance

for the year ended 31 March 2026

Figures in R	Note(s)	2026	2025 Restated*
Revenue			
Revenue from exchange transactions			
NaTIS online motor vehicle registration and change of ownership		56 642 190	25 944 282
Special project income		4 800	348 877
RTIA - Aarto infringement collection fees		1 859 411	1 053 402
NaTIS data charge		290 494	214 391
Training provisioning and facilities		5 418 183	7 365 008
Revenue from previously written off assets		637 642	370 547
Secondment income		1 245 496	3 231 987
Courier fees		185 861 907	145 302 498
NaTIS online motor vehicle licence renewal - collection agency fee		196 869 780	150 891 314
Sundry income		921 797	219 891
Project income - Sponsorship		7 027 631	7 399 904
Insurance reimbursements		1 440 480	8 253
Interest received	13	21 172 725	20 625 472
Total revenue from exchange transactions		**479 392 536**	**362 975 826**
Revenue from non-exchange transactions			
Sponsorship in-kind		1 575 622	463 950
Impound fees		-	134 500
DLTC management		41 325 698	43 793 492
Government grants		249 264 000	196 991 000
Revenue from unclaimed liabilities		583 664	1 121 925
Infringement fees (AARTO)		221 197 948	109 782 563
Transaction fees		1 011 434 408	964 904 976
NRTA section 56 Infringement		4 748 456	2 208 200
Total revenue from non-exchange transactions		**1 530 129 796**	**1 319 400 606**
Total revenue	14	**2 009 522 332**	**1 682 376 432**
Expenditure			
Employee related costs	15	(987 370 482)	(907 118 403)
Donations	16	(23 883 200)	-
Depreciation and amortisation	17	(108 961 130)	(93 335 037)
Impairments	18	-	(11 759 436)
Finance costs	19	(716 988)	(999 338)
Lease rentals on operating lease	20	(29 854 219)	(37 499 184)
Expected credit losses	21	(1 521 775)	-
Debt Impairment	22	(205 723 241)	(112 365 278)
Gain or loss on disposal of assets		(3 914 492)	(5 048 767)
Operating expenditure	23	(531 480 937)	(544 883 624)
Total expenditure		**(1 893 426 464)**	**(1 713 009 067)**
Surplus (deficit) for the year		**116 095 868**	**(30 632 635)**

Statement of Changes in Net Assets

as at 31 March 2026

Figures in R	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	55 699 990	1 099 308 908	1 155 008 898
Adjustments			
Correction of errors 29	-	3 153 189	3 153 189
Balance at 01 April 2024 as restated*	**55 699 990**	**1 102 462 097**	**1 158 162 087**
Changes in net assets			
Revaluation of Leasedhold property (Land)	140 837 246	-	140 837 246
Impairment of Leasehold property (Building)	(55 699 990)	-	(55 699 990)
Net income (losses) recognised directly in net assets	85 137 256	-	85 137 256
Deficit for the year	-	(30 632 635)	(30 632 635)
Total recognised income and expenses for the year	85 137 256	(30 632 635)	54 504 621
Total changes	85 137 256	(30 632 635)	54 504 621
Opening balance as previously reported	**140 837 246**	**1 071 829 462**	**1 212 666 708**
Adjustments			
Change in accounting policy 28	-	(4 452 764)	(4 452 764)
Restated* Balance at 01 April 2025 as restated*	**140 837 246**	**1 067 376 698**	**1 208 213 944**
Changes in net assets			
Other fair value gains (losses)	-	8 633	8 633
Net income (losses) recognised directly in net assets	-	8 633	8 633
Surplus for the year	-	116 095 868	116 095 868
Total recognised income and expenses for the year	-	116 104 501	116 104 501
Total changes	-	116 104 501	116 104 501
Balance at 31 March 2026	**140 837 246**	**1 183 481 199**	**1 324 318 445**

Cash Flow Statement

for the year ended 31 March 2026

Figures in R	Note(s)	2026	2025 Restated*
Cash flows from operating activities			
Receipts			
Receipts from RTIA		19 079 656	9 099 775
Grants		249 264 000	196 991 000
Interest income		21 126 485	20 606 665
NaTIS online services		2 940 119 998	2 224 212 543
Training provisioning and facilities		3 266 523	12 594 163
DLTC management		71 004 483	56 297 683
NRTA section 56 infringement		1 150 360	268 850
Special deployment		16 604 051	13 449 082
Special project receipts		12 000	1 163 970
Other cash items		16 043 139	15 081 292
Transaction fees		811 979 278	805 790 906
		4 149 649 973	**3 355 555 929**
Payments			
Employee costs		(973 629 341)	(884 254 760)
Suppliers		(537 325 000)	(645 819 249)
Purchase of MVTS - Donations		(17 912 400)	-
RTIA payments		(54 526 110)	(33 028 670)
NaTIS online payments		(2 251 362 401)	(1 704 102 674)
		(3 834 755 252)	(3 267 205 353)
Net cash flows from operating activities	24	**314 894 721**	**88 350 576**
Cash flows from investing activities			
Purchase of property, plant and equipment		(107 752 450)	(86 683 402)
Proceeds from sale of property, plant and equipment		1 232 654	-
Purchase of other intangible assets		-	(701 500)
Net cash flows from investing activities		**(106 519 796)**	**(87 384 902)**
Cash flows from financing activities			
Finance lease payments		(3 063 400)	(36 823 346)
Net increase/(decrease) in cash and cash equivalents		205 311 525	(35 857 672)
Cash and cash equivalents at the beginning of the year		178 625 659	214 483 331
Cash and cash equivalents at the end of the year	4	**383 937 184**	**178 625 659**

* See Note 28 & 29

Statement of Comparison of Budget and Actual Amounts

as at 31 March 2026

Figures in R	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref.
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
NaTIS online motor vehicle registration and change of ownership	45 500 000	3 000 000	**48 500 000**	56 642 190	**8 142 190**	34a
Special project income	-	-	**-**	4 800	**4 800**	34b
RTI - Aarto infringement collection fees	-	-	**-**	1 859 411	**1 859 411**	34b
NaTIS data charge	319 856	(74 442)	**245 414**	290 494	**45 080**	34c
Training provision and facilities	9 138 999	(4 569 500)	**4 569 499**	5 418 183	**848 684**	34d
Revenue from previously written off assets	-	-	**-**	637 642	**637 642**	34b
Secondment income	-	-	**-**	1 245 496	**1 245 496**	34b
Courier fee	184 952 013	-	**184 952 013**	185 861 907	**909 894**	
NaTIS online motor vehicle licence renewal - collection agency fee	176 956 788	8 000 000	**184 956 788**	196 869 780	**11 912 992**	34e
Sundry income	-	-	**-**	921 797	**921 797**	34b
Project income - sponsorship	-	-	**-**	7 027 631	**7 027 631**	34b
Insurance reimbursement	-	-	**-**	1 440 480	**1 440 480**	34b
Interest received	20 363 590	-	**20 363 590**	21 172 725	**809 135**	
Total revenue from exchange transactions	**437 231 246**	**6 356 058**	**443 587 304**	**479 392 536**	**35 805 232**	
Revenue from non-exchange transactions						
Sponsorship in-kind	-	-	**-**	1 575 622	**1 575 622**	34b
DLTC management	49 757 125	-	**49 757 125**	41 325 698	**(8 431 427)**	34f
Government grants	204 264 000	45 000 000	**249 264 000**	249 264 000	**-**	
Revenue from unclaimed liabilities	-	-	**-**	583 664	**583 664**	34b
Infringement fees (AARTO)	135 599 429	58 000 000	**193 599 429**	221 197 948	**27 598 519**	34g
Transactions fees	953 803 230	28 600 000	**982 403 230**	1 011 434 408	**29 031 178**	34h
NRTA section 56 infringement	4 658 362	-	**4 658 362**	4 748 456	**90 094**	
Total revenue from non-exchange transactions	**1 348 082 146**	**131 600 000**	**1 479 682 146**	**1 530 129 796**	**50 447 650**	
Total revenue	**1 785 313 392**	**137 956 058**	**1 923 269 450**	**2 009 522 332**	**86 252 882**	

Statement of Comparison of Budget and Actual Amounts

as at 31 March 2026 (continued)

Figures in R	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref.
Expenditure						
Employee related cost	(891 071 031)	(112 162 503)	**(1 003 233 534)**	(987 370 482)	**15 863 052**	34i
Donations	-	-	**-**	(23 883 200)	**(23 883 200)**	34m
Depreciation and amortisation	(102 893 936)	(9 899 198)	**(112 793 134)**	(108 961 130)	**3 832 004**	34j
Finance costs	(80 283)	(719 717)	**(800 000)**	(716 988)	**83 012**	34k
Lease rentals on operating lease	(42 143 120)	4 917 805	**(37 225 315)**	(29 854 219)	**7 371 096**	34l
Expected credit losses	-	-	**-**	(1 521 775)	**(1 521 775)**	34m
Debt Impairment	-	-	**-**	(205 723 241)	**(205 723 241)**	34m
Operating expenditure	(585 295 358)	(72 709 791)	**(658 005 149)**	(531 480 937)	**126 524 212**	34n
Total expenditure	**(1 621 483 728)**	**(190 573 404)**	**(1 812 057 132)**	**(1 889 511 972)**	**(77 454 840)**	
Operating surplus	**163 829 664**	**(52 617 346)**	**111 212 318**	**120 010 360**	**8 798 042**	
Gain or (loss) on disposal of assets	-	-	**-**	(3 914 492)	**(3 914 492)**	34m
Surplus before capital expenditure	**163 829 664**	**(52 617 346)**	**111 212 318**	**116 095 868**	**4 883 550**	
Capital expenditure	(163 829 664)	52 617 346	**(111 212 318)**	(149 062 945)	**(37 850 627)**	34o
Budget surplus/(deficit) for the year (*)	**-**	**-**	**-**	**(32 967 077)**	**(32 967 077)**	

*Please see note 34p for detailed explanation.

Significant Accounting Policies

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.4 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practical and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practical and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods except for the transactions disclosed in the prior period note.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used for more than one accounting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

An item of property, plant and equipment that qualifies for recognition as an asset, shall be measured at its cost. Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of such acquisition.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through an exchange transaction. However, when property, plant and equipment are acquired through non exchange transactions, those items are initially measured at their fair value or carrying value, based on the applicability of GRAP106 and GRAP105 respectively, as at date of acquisition.

Assets under work in progress (WIP) are recognised initially at cost, which is the fair value of the consideration paid to acquire the asset. These assets are not depreciated as they have not yet reached the condition of operating as intended by management. Once the asset is finished, it is transferred to the applicable classification where it will be depreciated in accordance with the useful life of that classification, as per the applicable accounting policy.

Derecognition of an item of property, plant and equipment occurs when the item is no longer capable of operating in the manner intended by management and no economic benefits are expected to flow to the Corporation as a result of its use.

Property, plant and equipment, with the exception of land and buildings is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. Where useful life expectations differ from previous estimates, the changes are accounted for as a change in accounting estimates.

Leasehold Land and Buildings are carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. On an annual basis, the land and buildings are assessed for any significant changes that could lead to a significant change in the carrying value. Should there be no significant changes the land and buildings are only revalued every 5 years. Land and buildings are valued by independent valuers. The accumulated depreciation on leasehold building is reversed to the cost at revaluation date.

The useful lives and residual values of the assets are considered and evaluated at the end of each financial year and redetermined where necessary.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Leasehold buildings - college	Straight-line	0-99 years
Leasehold improvements - college		
• Road upgrade	Straight-line	As per lesser of lease term or useful life
• Sewerage pumpstation	Straight-line	30-60 years
• Borehole pumpstation	Straight-line	10-60 years
• Fencing	Straight-line	10-20 years
Leasehold improvements - office	Straight-line	As per lesser of lease term or useful life
Machinery and equipment	Straight-line	05-20 years
Furniture and fittings	Straight-line	02-30 years
Motor vehicles	Straight-line	05-20 years
Office equipment	Straight-line	02-30 years
Computer equipment	Straight-line	03-30 years
Parkhomes and containers	Straight-line	05-20 years
Communication devices	Straight-line	02-06 years
Fire arms	Straight-line	10-20 years
Tools	Straight-line	01-05 years

Land has an unlimited useful life and therefore is not depreciated. Assets under work in progress (WIP) are also not depreciated as they are not yet at the condition of operating as intended by management.

Depreciation of an asset commences when the asset recognised is in an operating condition and manner intended by management. Such depreciation is expensed in the statement of financial performance from the date it is brought into use, until it is disposed or derecognised. The accumulated depreciation is recognised in the statement of financial position and deducted from cost price to determine the net book value or carrying amount of such an asset.

Property, plant and equipment assets are derecognised:

- When it is no longer operating in the manner intended by management; or
- When no future economic benefits or service potential are expected from its use.

The resulting gain or loss is recognised in the statement of financial performance in the period such disposal occurred. Where the proceeds and the disposal do not take place in the same financial period, they are recognised separately as an income and expense in the period it incurs.

In exceptional circumstances, to achieve fair presentation, some assets may exceed their average useful lives as documented above, as the asset management policy is only reviewed at least every 3 years.

Assets purchases with a value of less than R5 000 and/or a useful life of less than 12 months are expensed as minor assets in the Statement of Financial Performance.

1.6 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

An item of intangible assets that qualifies for recognition as an asset, shall be measured at its cost. Where an intangible asset is acquired through a non-exchange transaction, its cost at shall be measured at its fair value as at the date of such aquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.

- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Useful lives of intangible assets have been re-assessed, revised and changed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Computer software	Straight-line	01-15 years
NaTIS system	Straight-line	Indefinite useful life

Intangible assets with an indefinite useful life are not amortised however, assessed for impairment at least annually. As part of computer software of the RTMC, is NaTIS assets. These assets are assets classified with an indefinite useful life.

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Amortisation of an intangible asset commences when the asset recognised is in an operating condition and manner intended by management. Such amortisation is expensed in the statement of financial performance from the date it is brought into use, until it is disposed or derecognised. The accumulated amortisation is recognised in the statement of financial position and deducted from cost price to determine the Net Book Value or carrying amount of such an asset.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.
- when it is no longer operating in the manner intended by management.

The resulting gain or loss is recognised in the statement of financial performance in the period such disposal occurred. Where the proceeds and disposal do not take place in the same financial period, they are recognised separately as an income or expense in the period it incurs.

Impairment of assets

At each reporting date, the Corporation assesses whether there is any indication that any asset of property, plant and equipment and intangible assets may be impaired. If there is an indication of possible impairment, the recoverable amount of the affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset(or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.7 Financial instruments - GRAP 104 (revised 2019) - current policy

Definitions

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or liability is the amount at which it is measured initially, minus principal repayments, plus or minus cumulative amortisation using the effective-interest rate method, and less any loss allowance.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

Initial Recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Distinguishing financial liabilities and residual interests

The entity as issuer of a financial instrument classifies the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or a residual interest in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and a residual interest.

Classification

Classification of Financial Assets

The entity classifies financial assets as subsequently measured at amortised cost or fair value through surplus or deficit on the basis of both:

(a) the entity's management model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of applying (b) above:

- Principal is the fair value of the financial asset at initial recognition
- Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin (where applicable).

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or cost.

Classification of Financial Liabilities

The entity classifies all financial liabilities as subsequently measured at amortised cost, except for:

(a) Financial liabilities at fair value through surplus or deficit. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

(b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition.

(c) Financial guarantee contracts. After initial recognition, the issuer of such a contract (unless paragraph 4.7(a) or (b) applies) subsequently measures it at the higher of:

  (i) the amount of the loss allowance determined in accordance with paragraphs 5.17 to 5.35; and

  (ii) the amount initially recognised less, when appropriate, the cumulative amount of revenue recognised in accordance with the principles of the Standard of GRAP on Revenue from Exchange Transactions (GRAP 9) (where applicable).

(d) Commitments to provide a loan at a below-market interest rate. The issuer of such a commitment (unless paragraph 4.7(a) applies) subsequently measures it at the higher of:

  (i) the amount of the loss allowance determined in accordance with paragraphs 5.17 to 5.35 plus, for concessionary loans, any social benefit provided; and

  (ii) the amount initially recognised less, when appropriate, the cumulative amount of revenue recognised in accordance with the principles of GRAP 9 (where applicable).

(e) Contingent consideration recognised by an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfers of Functions Between Entities Not Under Common Control applies. Such contingent consideration is subsequently measured at fair value with changes recognised in surplus or deficit.

Reclassification

The entity reclassifies financial assets when:

(a) it changes its management model for managing financial assets, it reclassifies all affected financial asset in accordance with GRAP 104 (revised 2019);

(b) a reliable measure of fair value either becomes, or ceases to be, available for an investment in a residual interest.

The entity does not reclassify any financial liability.

Measurement

Initial measurement

Except for, where at initial recognition, the entity measures receivables and payables at their transaction price if they do not contain a material financing transaction, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

However, if the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, the entity applies the relevant paragraphs in GRAP 104 (revised 2019).

Despite the above, at initial recognition, the entity measures receivables and payables at their transaction price if they do not contain a material financing transaction.

Subsequent measurement of financial assets

After initial recognition, the entity measures a financial asset at:

(a) amortised cost;

(b) fair value through surplus or deficit; or

(c) cost.

The entity applies the impairment requirements in paragraphs 5.17 to 5.35 to financial assets that are measured at amortised cost in accordance with paragraph 4.2 and paragraph 5.36 to financial assets measured at cost in accordance with paragraph 4.5.

Subsequent measurement of financial liabilities

After initial recognition, the entity measures a financial liability in accordance with the section on "Classification of Financial Liabilities".

Impairment

Recognition of expected credit losses

General approach

The entity recognises a loss allowance for expected credit losses on a financial asset that is measured in accordance with paragraphs 4.2, a lease receivable, or a loan commitment and a financial guarantee contract to which the impairment requirements apply in accordance with paragraphs 1.3(e), 4.7(c) or (d).

Subject to paragraphs 5.28 to 5.30, at each reporting date, an entity measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If the entity measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the above paragraph is no longer met, the entity measures the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

Subject to paragraphs 5.28 to 5.30, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The entity recognises in surplus or deficit, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with GRAP 104 (revised 2019).

Determining significant increases in credit risk

At each reporting date, the entity assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the entity uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the entity compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Simplified approach for receivables and lease receivables

Despite paragraphs 5.18 and 5.20, the entity always measures the loss allowance at an amount equal to lifetime expected credit losses for receivables and lease receivables.

The requirements for purchased or originated credit impaired financial assets do not apply to receivables.

Measurement of expected credit losses

The entity measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred, using the definition of a "credit impaired financial asset", on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Such impairment losses are not reversed.

Reclassification of financial assets

If the entity reclassifies financial assets in accordance with paragraph 4.16, it applies the reclassification prospectively from the reclassification date. The entity does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Gains and losses

A gain or loss on a financial asset that is measured at amortised cost is recognised in surplus or deficit when the financial asset is derecognised, reclassified in accordance with paragraph 5.38, through the amortisation process or in order to recognise impairment gains or losses. The entity applies paragraphs 5.38 if it reclassifies financial assets out of the amortised cost measurement category. A gain or loss on a financial liability that is measured at amortised cost is recognised in surplus or deficit when the financial liability is derecognised and through the amortisation process.

Derecognition

Derecognition of financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

(a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;

(b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

(c) the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:

    (i) derecognises the asset; and

    (ii) recognises separately any rights and obligations created or retained in the transfer.

Derecognition of financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability, and a new financial liability recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction, are accounted for in accordance with GRAP 23.

If the entity repurchases a part of a financial liability, the entity allocates the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. The difference between (a) the carrying amount allocated to the part derecognised and (b) the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognised is recognised in surplus or deficit.

Presentation

Interest, dividends or similar distributions, losses and gains

Interest, dividends or similar distributions, losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit. Distributions to holders of residual interests is recognised by the entity directly in net assets. Transaction costs incurred on residual interests is accounted for as a deduction from net assets.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when the entity:

(a) currently has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.8 Financial instruments - GRAP 104 (Previous policy applied in comparative period)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when, and only when the

entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Initial measurement of financial assets and financial liabilities

When a financial instrument is recognised, the entity measures its fair value plus, in the case of a financial asset or a financial liability transaction costs that are directly attributed to the acquisition or issue of the financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- Combined instrument that is required to be measured at fair value; or
- An investment in a residual interest that meets the requirements for reclassification.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of setoff exists, and the parties intend to settle on a net basis.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated

future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of there reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Policies relating to specific financial instruments

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account. Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current.

Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest method.

Liability Online Motor Vehicle Licence Renewal

Liability to provinces is recognised on the online renewal of motor vehicle licence.

It is measured at net of the service fee payable by RTMC (92%) of all baseline fees and penalties collected on behalf of the provinces.

Liabilty on Change of Ownership

Liability on change of ownership to provinces is recognised when the transaction of online incur.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- The contractual rights to the cash flows from the financial asset expire, are settled or waived
- The entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- The entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - Derecognise the asset; and
  - Derecognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a inancial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires, or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial

modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service; and
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related services.

When an employee has rendered services to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
- as an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When

contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are be discounted using the discount rate as specified.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the other entity no longer anticipates economic benefits to flow from the asset.

1.11 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a

statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

Aarto infringement collection fee

As a collecting authority for AARTO infringements, 3% of the value of every infringement collected by the RTMC is due to the RTMC as a collection fee. This in terms of the AARTO Act.

NaTIS data charge

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Training provisioning and facilities

When the outcome of a transaction involving the rendering of services, in the form of training, can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a training related transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Online motor vehicle licence renewal

a) Collection agency fee

Revenue arising from the use of online motor vehicle licence renewal system is recognised when there is an online renewal of motor vehicle licence through the RTMC online platform.

It is measured at 8% of all baseline fees collected on behalf of the provinces in line with the respective agreements with provinces.

b) Courier fee

Online motor vehicle licence renewal courier fee revenue is recognised when there is an online renewal of motor vehicle licence and payment of non-refundable delivery fee. A maximum of 200 licences can be delivered in one parcel of door to door delivery.

It is measured at R99 for door-to-door delivery and R72 for registered mail.

Online motor vehicle registration and change of ownership

Revenue arising from the use of online motor vehicle registration and change of ownership platform is recognised when there is an online registration or change in ownership.

It is measured at R330 in line with the RTMC Regulations of 2022.

Secondment Income

Secondment Income is the secondment of employees to departments or public entities. The recipient department or public entity shall bear the total cost to company of the seconded employee unless otherwise agreed upon by both parties. The RTMC recognises revenue from secondment income at cost in terms of the agreement concluded.

Special NTP deployment

National Traffic Police (NTP) Deployment of traffic law enforcement officers is the rendering of road traffic law enforcement services on national, provincial and local government road at the request of national, provincial and local government. The recipient department or public entity or local authority shall bear certain costs as agreed by both parties. The RTMC recognizes revenue from deployments at cost in terms of the agreement concluded.

Insurance reimbursement

Insurance income is derived from insurance claims raised in terms of loss of assets or damaged assets during a specific financial year. The RTMC recognizes revenue from insurance claims at fair value in terms of the acknowledgement of loss received from the relevant insurance provider.

Sundry Income

Sundry income is any other income that is derived from ad hoc transactions. The RTMC recognizes revenue from ad hoc transactions at fair value.

Fraudulent MVL recovery (Special project income)

The RTMC entered into an agreement with the Gauteng Department of Roads and Transport to recover monies lost through fraudulent renewal of motor vehicle licenses. Revenue is recognised upon successful recovery and in terms of percentage agreed upon in the agreement between the two parties.

Sponsorships

The RTMC recognises assets and revenue arising from sponsorship transactions in the period in which the sponsorship arrangement becomes binding. These are measured at fair value in line with the agreement.

Revenue from previously written off assets

The RTMC recognises revenue from assets previously written off through disposal by means of sale. This is measured at the fair value.

Interest received

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised in the surplus or deficit using the effective interest rate method.

1.12 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

All infringement fees

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

As part of the RTMC's legislative mandate, it is required to issue fines. Due to the legal obligation at play, revenue is recognised even though there may be uncertainty of whether the revenue will ultimately be collected.

a) Initial recognition

At the time of initial recognition of infringement fees, the full amount that is collectable by the RTMC is recognized as revenue on the date the infringement is issued.

b) Subsequent recognition

Subsequent to the initial recognition of the revenue, the revenue is assessed for impairment. The probability of collecting revenue is assessed when the accounts fall into arrears and is impaired in accordance with past experience.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Transaction fees

Transaction fees are recognised when there is a renewal of motor vehicle licence.

Unclaimed liabilities

Liabilities that are unclaimed for a period of 3 years are written off and recognised as revenue.

Sponsorships in-kind

Assets and revenue arising from sponsorship transactions are recognised in the period in which the sponsorship arrangement becomes binding, except for some services received in-kind. The RTMC only recognises those services received in-kind for which fair value can be accurately determined by reference to the market rates. Other or immaterial services in-kind are only disclosed in the notes to the annual financial statements and not recognised.

DLTC Management

RTMC has been appointed as a Grade F DLTC in accordance with Gauteng Road Traffic Act and was appointed by Gauteng Department of Roads and Transport to perform DLTC management functions. As a compensation for the DLTC management function, the full value of the collected fees is retained by the RTMC. Revenue is recognised on collection of the fees in line with the Memorandum of Understanding signed by the two parties.

Impoundment revenue

The RTMC, at the behest of the provincial traffic authorities provide administration of impound facilities in the province. Revenue recognition is at fair value as determined by the agreement concluded.

Penalties charged/Penalty income

The RTMC recognizes penalty income where a contractor fails to bring works or sections thereof to practical completion on the date or dates agreed upon, the contractor shall be liable for penalty per calendar day for non-completion of the works or each section thereof. The penalty due shall be calculated from date of practical completion of the works or section thereof in line with the agreement.

1.13 Irregular expenditure

Irregular expenditure as defined in section 1 of the Public Finance Management Act (PFMA) is expenditure other than unauthorised expenditure, incurred in contravention of the entity's supply chain management prescripts.

The Irregular expenditure framework issued by National Treasury in terms of sections 76(1) to 76(4) of the PFMA requires the following:

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the

irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.14 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the 12 months that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.15 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2025/04/01 to 2026/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.16 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.17 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Contingent assets and contingent liabilities are not recognised but disclosed in the notes, unless the possibility of flow of resources is remote. If the disclosures of contingencies may seriously prejudice the entity, then the general nature of the contingency is disclosed, together with the reason as to why further information is not disclosed.

An assessment of the Corporation's litigations is conducted on a quarterly basis to determine whether there are any dormant cases. A case is considered dormant if it has been stagnated for a period of 12 months or more. Such cases are closed for reporting purposes. Dormant cases older than 3 years are considered prescribed and are automatically removed from the contingent liability register.

All cases, however, are discussed with Legal to identify any possible risks or probabilities that would require cases as set out in the afore-mentioned paragraph to be disclosed. Management's professional judgement, as well as the materiality framework, is applied when disclosing cases that deviate from the above.

1.18 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

In the process of applying the entity's accounting policies the following estimates, were made:

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are

largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. They are significantly affected by a number of factors including amongst others environmental conditions, together with economic factors such as inflation interest etc.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Taxation

The RTMC is exempt from income tax as an institution established by Law for the purpose of section 10 1(cA)(i) of the Income Tax Act.

Annual returns of income together with supporting documentation, such as financial statements must be submitted to the Tax Exemption Unit. The institution must also adhere to the following requirements, i.e. no profits or gains will be distributed to any person, the funds will be utilised solely for investment or object for which it was established and on dissolution of the institution the remaining assets must be transferred to anybody with objects similar to those of the institution and which is itself exemptfrom income tax in terms of section 10(1)(cA)(i) of the Act or the State.

Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis. Where an individual consideration is regarded practical, it is applied. The determination of this allowance is predisposed to the utilisation of estimates, assumptions, and management judgements. In determining this allowance, the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

Accounting by principals and agent

The entity makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements applied are disclosed in accounting policy 1.25.

Additional information is disclosed in Note 33.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Accounting for adjustments to revenue

Determining whether an adjustment to revenue charged in terms of legislation or similar means is a correction of an error or a change in an accounting estimate requires the application of judgement by management. When adjustments to revenue already recognised arise from new information that becomes known to the entity, the following considerations are applied to determine whether the adjustment to revenue already recognised is a correction of an error or a change in an accounting estimate:

(a) If information becomes known to the entity, and the entity could reasonably have been expected to know of the information and/or the information used was incorrect, the adjustment to revenue is likely to be a correction of an error.

(b) If information becomes known to the entity, but the entity could not reasonably have been expected to know of this information when the revenue was charged, the adjustment to revenue is likely to be a change in an accounting estimate.

Accounting for adjustments to revenue that correct an error or prior period error

Following the outcome of the determination processes noted above, and assessing whether this is new information that becomes known to the entity, the entity accounts for an adjustment to revenue already recognised, including interest and penalties, as the correction of an error or prior period error where the entity:

(a) has not followed a proper due process to promulgate the tariff, basis, percentage or formula to charge the revenue; and/or

(b) incorrectly applied the tariff, basis, percentage or formula in charging revenue.

Errors discovered within the reporting period which relates to that period are corrected before the annual financial statements are authorised for issue. The principles in GRAP 3 are applied to account for the adjustment to revenue already recognised as a result of the correction of a prior period error.

Accounting for adjustments to revenue as a change in an accounting estimate

Following the outcome of the determination processes noted above, and assessing whether this is new information that becomes known to the entity, the entity accounts for any adjustment to revenue already recognised, including interest and penalties, as a change in an accounting estimate if changes occur in the circumstances that led to the recognition of the revenue.

The principles in GRAP 3 are applied to account for a change in an accounting estimate.

Other provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use,and expected future use and the entity's expectations for the year ended 31 March 2026 availability of finance to replace the asset at the end of its useful life.

In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

1.19 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at weighted average cost. The net replacement value does not apply as the Corporation does not sell any of its inventory items.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted avarage formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

In line with GRAP 12.8 inventory shall be measured at the lower of cost and current replacement cost where they are held for distribution at no cost.

1.20 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

- The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.21 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of economic benefit.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.22 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount. The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfe

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.23 Distribution of accumulated surplus

The distribution of accumulated surplus is recognised and disclosed upon declaration by the Shareholders Committee. Management decides on the implementation date.

1.24 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.25 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.26 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

FIGURES IN R

2. Receivables from exchange transactions

	2026	2025
Receivables from exchange transactions		
Staff advances	175 501	352 294
Prepayments (*)	31 637 534	54 396 403
Deposits	1 080 009	1 024 740
Staff debtors	245 821	691 474
Online service receivables	21 161 674	14 709 306
Receivables - other	3 435 096	8 752 852
Training provisioning and facilities	3 391 797	1 383 809
Total Receivables from exchange transactions	**61 127 432**	**81 310 878**
Receivables from exchange transactions		
Non-current assets (**)	3 843 964	10 271 695
Current assets	57 283 468	71 039 183
	61 127 432	**81 310 878**
Reconciliation of expected credit losses/impairment for trade and other receivables		
Opening balance	(3 455 286)	(227 196)
Provision for expected credit losses/impairment	(1 521 774)	(3 228 090)
Amounts written off as uncollectible	2 281 160	-
Initial application of expected credit loss	(268 705)	-
	(2 964 605)	**(3 455 286)**
Receivables from exchange transactions after expected credit losses/impairment		
Staff advances	175 501	352 294
Prepayments (*)	31 637 534	54 396 403
Deposits	1 080 009	1 024 740
Staff debtors	116 246	688 605
Online service receivables	20 708 606	14 709 306
Receivables - other	2 999 797	6 305 478
Training provisioning and facilities	1 445 134	378 765
Total Receivables from exchange transactions	**58 162 827**	**77 855 591**
Split between non-current and current portions		
Non-current assets (**)	3 843 964	10 271 695
Current assets	54 318 863	67 583 896
	58 162 827	**77 855 591**

* Prepayments are mainly attributed to software licence payments made in line with Service Level Agreements. The payment terms for oracle was renegotiated to quarterly invoicing, resulting in the significant reduction in pre-payments during the financial year under review.

** Non-current assets consist of rental deposit and prepayments of which the term exceeds 12 months.

2. Receivables from exchange transactions (cont.)

	2026	2025
Split between financial instruments and non-financial instruments		
Other non-financial instruments related	31 813 035	54 748 696
Carrying amount of non-financial instruments	31 813 035	54 748 696
Carrying amount of financial instruments	26 349 792	23 106 895
Total split between financial instruments and non-financial instruments	**58 162 827**	**77 855 591**

Refer to note 30 for additional information.

3. Receivables from non-exchange transactions

AARTO - Infringements	516 197 407	314 079 115
Receivables other	3 752 304	4 793 745
NaTIS Transaction fees	131 600 125	119 004 218
NRTA Section 56 Infringement	51 290 800	47 684 204
Total Receivables from non-exchange transactions	**702 840 636**	**485 561 282**
Statutory related	699 088 332	480 767 537
Gross amount of non-financial instruments	699 088 332	480 767 537
Gross amount of financial instruments	3 752 304	4 793 745
Total split between financial instruments and non-financial instruments	**702 840 636**	**485 561 282**

Reconciliation of provision for impairment / expected credit losses of receivables from non-exchange transactions

Opening balance	(395 734 441)	(286 597 255)
Provision for impairment	(206 040 464)	(109 137 186)
Unused amounts reversed	431 757	-
Initial application of expected credit loss	(4 184 061)	-
	(605 527 209)	**(395 734 441)**

Receivables from non-exchange transactions after impairment

Receivables other	-	4 793 745
NaTIS Transaction fees	97 313 426	85 033 095
Total Receivables from non-exchange transactions	**97 313 426**	**89 826 840**

Statutory receivables general information

a) Transaction(s) arising from statute

AARTO fines

In implementing the law enforcement function Section 31 of the AARTO Act of 2008 and schedule 2 of the AARTO regulations, requires law enforcement officers to impose infringements to motorists who contravene the provisions of the AARTO Act. Thus, statutory receivables consist of infringements issued but not yet paid by the motorists.

AARTO collection fee

In terms of the AARTO Act, all collecting authorities are entitled to 3% of the AARTO infringements collected.

3. Receivables from non-exchange transactions

Transaction fees

Section 24 of the RTMC Act prescribe that the RTMC is funded from:

- monies prescribed, subject to section 48(1)(b) which must include transaction fees charged by the Corporation for the rendering of services.

The collection of transaction fees is in terms of Government Gazette No. 29852 dated 30 April 2007, where the terms and conditions of this arrangement are clearly stipulated.

NRTA Section 56

These infringements are issued in terms of Section 56 of the Criminal Procedure Act of 1977. A written notice is a method of securing attendance of the accused in the magistrate's court.

If an accused is alleged to have committed an offence and a peace officer on reasonable grounds believes that a magistrate's court, on convicting such accused of that offence, will not impose a fine exceeding the amount determined by the Minister from time to time by notice in the Gazette, such peace officer may, whether or not the accused is in custody, hand to the accused a written notice which shall:

- specify the name, the residential address and the occupation or status of the accused;
- call upon the accused to appear at a place and on a date and at a time specified in the written notice to answer a charge of having committed the offence in question;
- contain an endorsement in terms of section 57 that the accused may admit his guilt in respect of the offence in question
- and that he/she may pay a stipulated fine in respect thereof without appearing in court; and
- contain a certificate under the hand of the peace officer that he/she has handed the original of such written notice to the accused and that he/she has explained to the accused the importance thereof.

b) Determination of transaction amount AARTO - Infringements

In terms of the AARTO Act and regulations, the AARTO National task team determines the fines to be imposed. The fine list is then gazetted as Schedule 3 of the AARTO Regulations.

AARTO - collection fee

RTMC is entitled to 3% of all fines collected as collecting fee, inline with the AARTO Act. As at year end, the receivable is zero.

Transaction fees

RTMC receives R72 per transaction on all motor vehicle licence registrations and renewals from all the provinces as approved by the Minister of Transport (Government Gazette number 40523 dated 28 December 2016) effective from 1 February 2017.

NRTA Section 56

The amount of a fine imposed is proposed by the issuing authority (RTMC) and the fine list is approved by the magistrate's court within the jurisdiction where the offence was committed.

3. Receivables from non-exchange transactions (cont.)

c) Interest or other charges levied/charged

AARTO - Infringements

Interest is not charged on outstanding fines.

AARTO - collection fee

Interest is not charged on outstanding balance.

Transaction fees

Interest is not charged on outstanding balance.

NRTA Section 56

Interest is not charged on outstanding fines.

d) Basis used to assess and test whether a statutory receivable is impaired

At each financial year-end, the entity assesses the appropriateness and recoverability of the carrying amount of statutory receivables. As a result, assessment is made as to any indication that a statutory receivable, or a group of statutory receivables, may be impaired. In doing so, the following indicators are considered:

AARTO - Infringements

- The probability of assessing each infringer individually.
- The practicality of an overall assessment.
- The collection rate in the year under review and the average collection rate over the past 5 years.
- Considering the aforementioned history, all outstanding fines are provided for due to the poor collection rate.

Transaction fees

- The collection rate in the year under review and the average collection rate over the past 10 years.
- The probability to recover the long outstanding debt.
- Consideration of disputes on cancelled transaction fees.

NRTA Section 56

- The probability of assessing each infringer individually.
- The practicability of an overall assessment.

3. Receivables from non-exchange transactions (cont.)

Statutory receivables

As of 31 March 2026, statutory receivables were R699 088 258 (2025: R480 767 538), the amount of the provision was R601 774 905 as of 31 March 2026 (2025: R395 734 443).

The ageing of statutory receivables is as follows:

Statutory receivables - 2026	Neither past nor impaired	1-3 months	3-5 months	More than 5 months	Impaired statutory receivables	Total
NaTIS Transaction fees	66 239 568	33 687 597	323 751	31 349 136	(34 286 699)	97 313 353
AARTO - Infringement	-	43 010 322	52 005 527	421 181 557	(516 197 406)	-
NRTA section 56 infringement	-	635 841	1 743 900	48 911 059	(51 290 800)	-
	66 239 568	**77 333 760**	**54 073 178**	**501 441 752**	**(601 774 905)**	**97 313 353**

Statutory receivables - 2025						
NaTIS Transaction fees	62 297 640	24 411 315	6 043 979	26 251 284	(33 971 123)	85 033 095
AARTO - Infringement	-	25 686 614	13 613 733	274 778 769	(314 079 116)	-
NRTA section 56 infringement	-	750	1 124 825	46 558 629	(47 684 204)	-
	62 297 640	**50 098 679**	**20 782 537**	**347 588 682**	**(395 734 443)**	**85 033 095**

Collection rate - 2026	**Revenue recognised**	**Cash collected**	**Collection rate**
NaTIS Transaction fees	824 575 184	(807 249 973)	98%
AARTO Infringement	221 197 948	(19 079 656)	9%
NRTA Section 56 Infringement	4 748 456	(1 150 360)	24%
	1 050 521 588	**(827 479 989)**	**79%**

Collection rate - 2025			
NaTIS Transaction fees	818 887 824	(805 790 906)	98%
AARTO Infringement	109 782 563	(9 099 775)	8%
NRTA Section 56 Infringement	2 208 200	(268 850)	12%
	930 878 587	**(815 159 531)**	**88%**

Movement in allowance for impairment - 2026	**Opening balance**	**Provision for impairment**	**Closing balance**
NaTIS Transaction fees	33 971 123	315 576	34 286 699
AARTO Infringement	314 079 116	202 118 291	516 197 407
NRTA Section 56 Infringement	47 684 204	3 606 596	51 290 800
	395 734 443	**206 040 463**	**601 774 906**

Movement in allowance for impairment - 2025			
NaTIS Transaction fees	27 456 075	6 515 048	33 971 123
AARTO Infringement	213 396 327	100 682 789	314 079 116
NRTA Section 56 Infringement	45 744 854	1 939 350	47 684 204
	286 597 256	**109 137 187**	**395 734 443**

3. Receivables from non-exchange transactions (cont.)

Statutory receivables past due but not impaired

Statutory receivables which are less than 1 month past due are not considered to be impaired. As at 31 March 2026 R31 298 184, (March 2025: R22 735 456) were impaired.

Statutory receivables - 2026	2 months	3 months	Over 3 months past due	Total
NaTIS Transaction fees	19 892 082	11 181 703	224 399	31 298 184

Statutory receivables - 2025	2 months	3 months	Over 3 months past due	Total
NaTIS Transaction fees	22 052 496	333 983	348 977	22 735 456

Statutory receivables impaired

As of 31 March 2026, Statutory receivables of R601 774 905 (2025: R395 734 442) were impaired and provided for.

The ageing of these statutory receivables is as follows:

2026	0-3 months	3-6 months	Over 6 months	Total
NaTIS Transaction fees	-	-	34 286 699	34 286 699
AARTO Infringement	43 010 322	52 005 527	421 181 557	516 197 406
NRTA Section 56 Infringement	635 841	1 743 900	48 911 059	51 290 800
	43 646 163	**53 749 427**	**504 379 315**	**601 774 905**

2025	0-3 months	3-6 months	Over 6 months	Total
NaTIS Transaction fees	-	-	33 971 123	33 971 123
AARTO Infringement	25 686 614	22 830 061	265 562 440	314 079 115
NRTA Section 56 Infringement	750	297 125	47 386 329	47 684 204
	25 687 364	**23 127 186**	**346 919 892**	**395 734 442**

4. Cash and cash equivalents

	2026	2025
Cash and cash equivalents consist of:		
Cash on hand	3 654	5 243
Current accounts	61 186 746	17 161 921
Call accounts	322 746 784	161 458 495
	383 937 184	**178 625 659**

5. Inventories

	2026	2025
Ammunition	456 947	698 055
Consumables	713 915	491 301
Office refreshments	-	1 960
Personal protective equipment	2 760	16 560
Printing and stationery	1 183 782	1 263 791
Medical supplies	364 160	343 244
Perishable	377 599	201 613
Non-perishables	369 714	305 379
Face value documents	543 495	406 192
	4 012 372	**3 728 095**

Inventory pledged as security

None of the above inventory have been pledged as security / surety for liabilities.

6. Property, plant and equipment

	2026			2025		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold land - College	140 838 246	-	140 838 246	140 838 246	-	140 838 246
Leasehold buildings - College	121 345 035	(1 968 034)	119 377 001	121 345 035	-	121 345 035
Leasehold improvements college						
- Road upgrade	17 558 130	(267 848)	17 290 282	17 558 130	(52 624)	17 505 506
- Sewerage pumpstation	12 335 095	(337 423)	11 997 672	12 335 095	(66 293)	12 268 802
- Borehole pumpstation	12 410 383	(529 459)	11 880 924	12 410 383	(104 022)	12 306 361
- Fencing	3 660 705	(302 886)	3 357 819	3 660 705	(59 507)	3 601 198
Leasehold improvements - Office	35 112 517	(10 686 306)	24 426 211	36 193 884	(4 517 723)	31 676 161
Machinery and equipment	4 692 082	(2 596 261)	2 095 821	4 692 082	(2 336 725)	2 355 357
Furniture and fittings	11 586 698	(5 991 844)	5 594 854	10 493 802	(5 030 860)	5 462 942
Motor vehicles	199 118 329	(135 507 166)	63 611 163	199 380 041	(134 830 310)	64 549 731
Office equipment	108 435 198	(61 986 146)	46 449 052	106 995 243	(50 186 973)	56 808 270
Computer equipment	502 898 129	(252 725 134)	250 172 995	481 765 604	(195 158 820)	286 606 784
Parkhomes and containers	123 409 724	(7 790 395)	115 619 329	123 409 724	(1 636 819)	121 772 905
Communication devices	3 624 418	(3 429 905)	194 513	3 639 417	(2 776 631)	862 786
Fire arms	13 045 841	(4 612 837)	8 433 004	13 067 059	(4 091 503)	8 975 556
Tools	535 225	(130 507)	404 718	535 225	(23 755)	511 470
Computer equipment - Work in progress	101 253 062	-	101 253 062	-	-	-
Traffic training college phase two	5 228 518	-	5 228 518	5 228 518	-	5 228 518
- Work in progress						
Total	**1 417 087 335**	**(488 862 151)**	**928 225 184**	**1 293 548 193**	**(400 872 565)**	**892 675 628**

FIGURES IN R

6. Property, plant and equipment

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Completed project during the year	Disposals	Depreciation	Total
Leasehold land - College	140 838 246	-	-	-	-	140 838 246
Leasehold buildings - College	121 345 035	-	-	-	(1 968 034)	119 377 001
Leasehold improvements college						
- Road upgrade	17 505 506	-	-	-	(215 224)	17 290 282
- Sewerage pumpstation	12 268 802	-	-	-	(271 130)	11 997 672
- Borehole pumpstation	12 306 361	-	-	-	(425 437)	11 880 924
- Fencing	3 601 198	-	-	-	(243 379)	3 357 819
Leasehold improvements - Office	31 676 161	40 441	-	-	(7 290 391)	24 426 211
Machinery and equipment	2 355 357	-	-	-	(259 536)	2 095 821
Furniture and fittings	5 462 942	1 106 557	-	(4 968)	(969 677)	5 594 854
Motor vehicles	64 549 731	16 863 367	-	(2 609 240)	(15 192 695)	63 611 163
Office equipment	56 808 270	5 099 790	-	(1 656 443)	(13 802 565)	46 449 052
Computer equipment	286 606 784	21 267 253	3 423 842	(1 335 767)	(59 789 117)	250 172 995
Parkhome and containers	121 772 905	-	-	-	(6 153 576)	115 619 329
Communication devices	862 786	-	-	(2 918)	(665 355)	194 513
Fire arms	8 975 556	8 633	-	(8 189)	(542 996)	8 433 004
Tools	511 470	-	-	-	(106 752)	404 718
Computer equipment - Work in progress (*)	-	104 676 904	(3 423 842)	-	-	101 253 062
Traffic training college phase two - Work in progress	5 228 518	-	-	-	-	5 228 518
	892 675 628	**149 062 945**	**-**	**(5 617 525)**	**(107 895 864)**	**928 225 184**

* During the year under review, the Corporation procured computer equipment for the SD-WAN project. Assets were delivered and capitalised in the current financial year under work in progress. SD-WAN is one of the essential security features to ensure NaTIS data protected.

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Completed project during the year	Reclassification	Disposals	Depreciation	Revaluation	Impairment loss	Total
Leasehold land - College	-	-	-	1 000	-	-	140 837 246	-	140 838 246
Leasehold buildings - College	51 761 616	-	133 236 123	(1 000)	-	(917 128)	(55 699 990)	(7 034 586)	121 345 035
Leasehold improvements college									
- Road upgrade	-	-	17 558 130	-	-	(52 624)	-	-	17 505 506
- Sewerage pumpstation	-	-	12 335 095	-	-	(66 293)	-	-	12 268 802
- Borehole pumpstation	-	-	12 410 383	-	-	(104 022)	-	-	12 306 361
- Fencing	-	-	3 660 705	-	-	(59 507)	-	-	3 601 198
Leasehold improvements - Office	775 658	-	35 072 059	-	-	(4 171 556)	-	-	31 676 161
Machinery and equipment (*)	2 614 893	-	-	-	-	(259 536)	-	-	2 355 357
Furniture and fixtures	3 125 258	2 902 701	-	-	(63 764)	(501 253)	-	-	5 462 942
Motor vehicles	79 459 233	525 274	-	-	(872 008)	(14 562 768)	-	-	64 549 731
Office equipment	52 559 816	12 550 713	6 682 777	-	(2 718 677)	(12 266 359)	-	-	56 808 270
Computer equipment	273 891 169	26 863 126	45 706 185	-	(3 329 759)	(56 523 937)	-	-	286 606 784
Parkhomes and containers	665 346	-	122 641 097	-	-	(1 533 538)	-	-	121 772 905
Communication devices	1 638 282	-	-	-	(51 522)	(723 974)	-	-	862 786
Fire arms	4 760 828	4 746 939	-	-	(31 169)	(501 042)	-	-	8 975 556
Tools	-	535 225	-	-	-	(23 755)	-	-	511 470
Computer equipment - Work in progress	45 648 685	57 500	(45 706 185)	-	-	-	-	-	-
Leasehold improvement - Work in progress	-	35 072 059	(35 072 059)	-	-	-	-	-	-
Office equipment - Work in progress	1 879 630	4 803 147	(6 682 777)	-	-	-	-	-	-
Parkhomes and containers - Work in progress (**)	47 511 683	-	(47 511 683)	-	-	-	-	-	-
Traffic training college - Work in progress (**)	255 446 632	4 111 736	(254 329 850)	-	-	-	-	-	5 228 518
	821 738 729	**92 168 420**	**-**	**-**	**(7 066 899)**	**(92 267 292)**	**85 137 256**	**(7 034 586)**	**892 675 628**

*Machinery and equipment

During the 2017 transfer of the NaTIS function, a generator with a value of R487 800 was erroneously omitted from the capitalisation of assets acquired through the Section 42 transfer. This resulted in an adjustment to the 2024/25 opening balance of R270 926 and recognition of depreciation amounting to R27 100. See note 29.

**Traffic training college and parkhomes

Construction and installation of parkhomes at Boekehoutkloof traffic college phase one was completed and the construction and other related costs were capitalised in the previous financial year.

6. Property, plant and equipment (cont.)

	2026	2025
Pledged as security		
No property, plant and equipment has been pledged as security.		
Assets subject to finance lease (Net carrying amount)		
Leasehold property - Land (a)	140 838 246	140 838 246
Leasehold property - Buildings (a)	119 377 001	121 345 035
Computer equipment (b)	2 685 896	3 640 681
Communication devices (c)	-	88 606
	262 901 143	**265 912 568**

Finance lease assets

a) The Leasehold Property consists of land and buildings of the Boekenhoutkloof Traffic College that was leased to the RTMC under a 99-year lease at R1 per year, with an option to extend. The lease commenced on 01 April 2017. The property was valued by an independent valuer at the end of the 2024/25 financial year in line with the accounting policy.

The independent valuer utilised a Cost Method Approach or as alternatively described a replacement cost less depreciation/plus appreciation approach in carrying out the valuation assessment. The applicable assessment and assignment included and recorded a separate estimate pertaining building Insurance replacement Valuations, as well as the probable market values based upon a capitalised first year Net Annual Rental Income Analyses Valuation approach. The related revaluation surplus and/or impairment is recorded in the above accompanying reconciliation of property, plant and equipment and in the Statement of Net Assets.

b) Computer equipment also includes rugged tablets that were acquired through finance lease over a period of two years.

c) No communication devices were acquired during the year through a finance lease. All previous devices have been settled in full as at 31 March 2026.

None of the above assets have been pledged as security/surety.

Repairs and maintenance on assets amounted to R18 288 204 and (31 March 2025: R27 382 025) of which majority related to motor vehicles. The loss on disposal of assets is disclosed on the face of the Statement of Financial Performance.

7. Intangible assets

	2026			2025		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	369 477 626	(16 740 481)	352 737 145	370 712 415	(16 541 869)	354 170 546
Intangible assets under development	12 860 940	(12 860 939)	1	12 860 940	(12 860 939)	1
Total	**382 338 566**	**(29 601 420)**	**352 737 146**	**383 573 355**	**(29 402 808)**	**354 170 547**

Reconciliation of intangible assets - 2026	Opening balance	Disposals	Amortisation	Total
Computer software	354 170 546	(368 135)	(1 065 266)	352 737 145
Intangible assets under development	1	-	-	1
	354 170 547	**(368 135)**	**(1 065 266)**	**352 737 146**

Reconciliation of intangible assets - 2025	Opening balance	Amortisation	Total
Computer software	355 247 746	(1 077 200)	354 170 546
Intangible assets under development	1	-	1
	355 247 747	**(1 077 200)**	**354 170 547**

7. Intangible assets (cont.)

Included in Computer software is NaTIS assets with an indefinite useful life

The asset were evaluated for possible impairment and the following are some of the factors considered in the process:

- The system infrastructure was upgraded during the 2021/22 financial year as part of continuous service delivery improvement and new revenue streams implemented;
- Negotiations are underway to implement Natis in SADC countries in the near future. Implementation has already beeen successful in Namibia;
- Online platforms are being implemented, through the use of NaTIS, for online renewal of licence discs, motor vehicle registration and change of ownership;
- Several future revenue streams, fully dependent on Natis, have been identified and will be implemented in the foreseeable future.
- Development is underway on NaTIS for the roll-out of AARTO nationally. The next phase is to roll-out on 01 July 2026.

Based on the aforementioned, it was concluded that no impairment is necessary in the current financial year as the system is deemed to produce future economic benefits for the Corporation for an indefinite period as it is continuously evolving.

8. Finance lease - as lessee

	2026	2025
Minimum lease payments due		
- within one year	1 826 011	2 835 912
- in second to fifth year inclusive	318 500	1 280 000
	2 144 511	4 115 912
less: future finance charges	(299 335)	(783 823)
Present value of minimum lease payments	**1 845 176**	**3 332 089**
Present value of minimum lease payments due		
- within one year	1 550 827	2 199 563
- in second to fifth year inclusive	294 349	1 132 526
	1 845 176	**3 332 089**
Non-current liabilities	294 349	1 132 526
Current liabilities	1 550 827	2 199 563
	1 845 176	**3 332 089**

- On 1 April 2017, Boekenhoutkloof Traffic College was acquired under a finance lease of 99 years at R1 per year. The initial recognition of the lease liability and asset, determining the present value of the minimum lease payments, was determined using the prime rate of 10.50% as at 1 April 2017.
- Communication devices and certain computer equipment were acquired through a finance lease over a period of two years. The devices were acquired at different dates during the previous and current financial year. The initial commencement date of the finance lease in the current financial year is 05 November 2025 at an interest rate of 0.24% per annum.

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

FIGURES IN R

9. Operating lease asset (liability)

	2026	2025
Operating lease smoothing liability	4 133 904	1 930 156

The operating lease liability arises from lease smoothing in accordance with the respective lease agreements for two main office premises, one office parking facility, and the data recovery centre. The leased properties are situated at Centurion Gate Business Park and Waterfall, as well as for rental of space for hosting of the data recovery centre.

The initial commencement date of the operating leases is 01 August 2024. The lease agreements are for a period of five years with the data hosting services for a period of three years. A return notice must be provided within six months prior to the termination date. The lease agreement imposes no restrictions, however a written consent is required before subleasing of the properties.

The lease agreements stipulate an annual rental escalation on the anniversary of the commencement of the lease as follows:

- Waterfall office parking facility - 6% per annum
- Centurion (The Gate) office premises - 6% per annum
- Waterfall office premises - 8% per annum
- Data Recovery Centre (hosting space) - 10% per annum

For further details of future periods refer to note 25 (d).

10. Payables from exchange transactions

Trade payables (a)	95 106 216	45 064 470
Income received in advance (b)	336 949	1 000 557
RTIA - Aarto infringements (collecting authority capacity) (c)	7 009 261	1 393 415
Accrued employee costs	13 489 557	13 852 095
Accrued expenses (d)	18 374 783	26 132 780
Online motor vehicle licence renewal (e)	237 453 380	188 214 814
NaTIS online motor vehicle registration and change of ownership (f)	3 946 388	2 010 947
PrDP renewal (f)	263 171	66 476
CBRTA transitional arrangement liability (g)	-	7 149
	375 979 705	**277 742 703**

a.) Included in trade payables is a liability for the procurement of equipment of the SD-WAN project. A payment plan is in place to alleviate cash pressures.

b.) Income received in advance in the prior year primarily comprised of receipts relating to the learnership programme.

c.) The AARTO infringement collection rate improved during the current financial year through a joint operation with the Gauteng Department of Roads and Transport (GDRT). These strengthened enforcement efforts led to a corresponding increase in the amounts due to the RTIA.

d.) Accrued expenses for the previous financial year primarily comprised of lease rentals for office buildings and the construction costs related to the upgrade of the traffic training college. Additionally, a provision with to value of R4 347 797 for compensation commission 2024/25 assessment was erroneously classified as accrued expenditure. See note 29.

e.) The increase in the online service liability is due to the higher uptake of the online service. This is payable monthly on the 21st of the next month.

f.) The increase in the NaTIS online motor vehicle registrations, change of ownership, and PrDP renewal can be ascribed to the expanded adoption and full utilisation of the online platform.

g.) The final amount due under the CBRTA transitional arrangement was fully settled during the year under review.

FIGURES IN R

11. Provisions

Reconciliation of provisions - 2026	Opening balance	Additions	Utilised	Reversed	Total
Provision for compensation commission	4 347 797	5 970 602	(4 347 797)	-	5 970 602
Provision for performance bonus	64 829 622	65 152 183	-	(64 829 622)	65 152 183
Provision for leave	29 384 678	57 080 371	(43 951 101)	-	42 513 948
Provision for expenditure	366 500	3 360 826	(3 656 414)	-	70 912
Provision for capped leave (non-current)	544 081	30 523	-	-	574 604
	99 472 678	**131 594 505**	**(51 955 312)**	**(64 829 622)**	**114 282 249**

Reconciliation of provisions - 2025	Opening balance	Additions	Utilised	Total
Provision for compensation commission	-	4 347 797	-	4 347 797
Provision for performance bonus	50 737 334	14 092 288	-	64 829 622
Provision for leave	23 482 924	66 452 781	(60 551 027)	29 384 678
Provision for expenditure	-	15 368 877	(15 002 377)	366 500
Provision for capped leave (non-current)	518 173	25 908	-	544 081
	74 738 431	**100 287 651**	**(75 553 404)**	**99 472 678**

Non-current liabilities	574 604	544 081
Current liabilities	113 707 645	98 928 597
	114 282 249	**99 472 678**

Compensation commission

The provision represents obligations arising from assessments issued by the Compensation Commission. In line with statutory requirements, the Department of Employment and Labour issues a provisional assessment for the current year, based on the prior year's submission of the Return of Earnings (ROE).

The additions recognised during the current year are attributable to this provisional assessment, ensuring that the entity remains compliant with the Compensation for Occupational Injuries and Diseases Act (COIDA). This provision is established to safeguard that all employees are adequately covered for work related injuries and occupational diseases.

Performance bonus provision

The provision for performance bonus is calculated based on the prior periods' board approval and policy as a percentage per grade of employees. The provision becomes due after the entity's performance exceeds 90% (95% achieved for 2025/26) whereafter an employee qualifies for performance bonus as a result of the performance measurement tool applied or based on a methodology approved by the Board. Payments of performance bonuses is subject to the Board declaring bonuses.

Leave provision

Employees' entitlement to annual leave is recognised when it accrues from 1 January to 31 December and will be forfeited on 30 June the following year. A provision is made on the estimated liability for annual leave as a result of services rendered by employees up to the amount of the obligation.

11. Provisions(cont.)

Expenditure provision

Provision for expenditure where the amount or timing is uncertain.

Capped leave provision

Capped leave is only paid upon death or retirement of an employee. Employees will forfeit capped leave upon resignation. The increase disclosed under additions is due to the rate increase as a result of the salary increase.

12. Payables from non-exchange transactions

	2026	2025
Unallocated receipts	1 751 331	215 396
Unidentified receipts	2 077 329	1 522 630
	3 828 660	**1 738 026**

These receipts are mainly from Section 56 notices that cannot be allocated to an infringement.

13. Finance income

Interest revenue

Interest received	21 172 725	20 625 472

14. Revenue

NaTIS online motor vehicle registration and change of ownership (14.1)	56 642 190	25 944 282
Special project income (14.2)	4 800	348 877
RTIA - Aarto infringement collection fees (14.3)	1 859 411	1 053 402
NaTIS data charge	290 494	214 391
Training provisioning and facilities (14.4)	5 418 183	7 365 008
Revenue from previously written off assets	637 642	370 547
Secondment income	1 245 496	3 231 987
Courier fees (14.5)	185 861 907	145 302 498
NaTIS online motor vehicle licence renewal - collection agency fee (14.5)	196 869 780	150 891 314
Sundry income	921 797	219 891
Project income - sponsorships	7 027 631	7 399 904
Insurance reimbursements	1 440 480	8 253
Interest received	21 172 725	20 625 472
Sponsorship in-kind (14.6)	1 575 622	463 950
Impound fees	-	134 500
DLTC management	41 325 698	43 793 492
Government grant	249 264 000	196 991 000
Revenue from unclaimed liabilities	583 664	1 121 925
Infringement fees (AARTO income)	221 197 948	109 782 563
Transaction fees	1 011 434 408	964 904 976
NRTA section 56 infringement fees	4 748 456	2 208 200
	2 009 522 332	**1 682 376 432**

FIGURES IN R

14. Revenue (cont.)

14.1 NaTIS online motor vehicle registration and change of ownership

During the previous financial year, the online motor vehicle registrations (OMVR) service was utilised by three (3) clients for a full twelve-month period. In the current financial year, uptake increased significantly, with seven (7) clients making full use of the service throughout the year. This service continues to gain momentum and is showing strong growth in adoption.

14.2 Special project income

Special project income refers to fraudulent transactions processed and detected on NaTIS from Nationwide sites. In collaboration with provinces, collection of these amounts are pursued through the civil legal route. During the current financial year a decision was taken to halt the project.

14.3 RTIA - Aarto infringement collection fees

In accordance with the AARTO Act, a collecting authority is entitled to 3% of the value of the fines collected. During the year under review, an AARTO Collection Unit was established to collect AARTO fines mainly in the Gauteng province. The additional payment gateways created via the NaTIS online platform and the two (2) DLTC's have significantly improved efficiency in the collection process.

14.4 Training provisioning and facilities

The significant decrease in training revenue during the current financial year is attributed to the conclusion of the training programme offered to the Boarder Management Authority (BMA). In 2023/24, the RTMC entered into an agreement with the BMA to provide training to its officers. This programme ended in the previous financial year, and no other major training initiatives were undertaken in the year under review.

14.5 Courier fees and NaTIS online motor vehicle licence renewal (collection agency fee)

Revenue generated from courier fees and collection agency fees are directly linked to the number of online motor vehicle renewal transactions for the year. The influx is directly related to the continuous growth of the online service.

The amount included in revenue arising from non-exchange transactions is as follows:	2026	2025
Sponsorship in Kind (14.6)	1 575 622	463 950
Impound fees	-	134 500
DLTC management	41 325 698	43 793 492
Government grant	249 264 000	196 991 000
Revenue from unclaimed liabilities	583 664	1 121 925
Infringement fees (AARTO income)	221 197 948	109 782 563
Transaction fees	1 011 434 408	964 904 976
NRTA section 56 infringement fees	4 748 456	2 208 200
	1 530 129 796	**1 319 400 606**

14.6 Sponsorship in-kind

a) During the 2025/2026 financial period, RTMC was granted a discretionary grant by SASSETA for the Examiner of Vehicle (EOV) & Examiner of Driving Licence (EDL) training programmes (R382 250).

b) The RTMC is utilising the SANRAL parking space for NTP at no cost. The space used is immaterial in nature and thus not quantified / recognised. Finalisation of the SANRAL agreement is still pending.

14. Revenue (cont.)

c) As part of Road Safety Education, the RTMC received the following sponsored vehicles for use during the festive season:

- Audi A3
- Audi Q3
- Cherry 7 Pro
- Cherry 4 Pro
- 5 x Donfeng Box with two charge cards
- 2 x Volkswagen Amarok
- Volkswagen T-Cross

d) In September 2025, RTMC received road block essentials to the value of R185 472 from Aware.org in preparation for October Transport Month, and during November 2025, as part of the Road Safety Campaign, a further contribution of road block essentials to the value of R857 900 was received from the same organisation.

e) The RTMC received a sponsorship from Truvelo Africa Electronics to the value of R150 000 for the National Women in Law Enforcement dialogue held as a means of recognising all the women in the law enforcement sector.

15. Employee related costs

	2026	2025
Basic Salaries	669 701 360	599 907 655
Bonus Provision	322 560	14 092 288
UIF	3 510 468	3 185 471
SDL	8 168 879	7 380 260
Leave gratuity	2 544 843	1 624 941
Retirement funds	61 188 024	55 032 843
Travel, motor car, accommodation, subsistence and other allowances	16 563 827	11 762 831
Overtime payments	1 614 870	6 779 498
Long-service awards	757 500	160 000
Acting allowances	7 817 358	7 466 155
Car allowance	4 610 470	5 346 871
Housing benefits and allowances	19 639 578	20 660 151
Non pensionable and allowances	169 473 142	153 490 259
Services bonus (13th cheque)	21 457 603	20 229 180
	987 370 482	**907 118 403**

a.) Employee related cost includes:

- Board and its committee members. See note 27.4.
- An amount of R2 503 818 (31 March 2025: R2 362 099) paid to interns as internship stipend from April 2025 to March 2026. The amount was paid on behalf of SASSETA as their payments to interns were delayed. After payment was made to the interns, SASSETA would reimburse the Corporation. This amount is included as part of sponsorship income.

b.) Contract employees are utilised on an adhoc basis when needed.

c.) Cost of employees increased due to, amongst others, the following factors:

- Annual cost-of-living adjustments implemented for all employees;
- Salary increases applicable to traffic trainees upon successful completion of their one-year probation period following absorption into permanent positions; and
- The absorption of trainees in May 2023, July 2024, and January 2025 respectively, which resulted in a significant increase in employee-related allowances, including danger allowance, night shift allowance, Sunday allowance, as well as travel and subsistence costs associated with deployments.

FIGURES IN R

15. Employee related costs

	2026	2025
Staff complement		
Permanent employees	1 560	1 620
Contract employees	93	128
Traffic trainees	541	546
Interns	39	70
	2 233	**2 364**

16. Donations

Donation of assets	23 883 200	-

Donation of four Mobile Vehicle Testing Stations to Western Cape province in line with the shareholders resolutions.

17. Depreciation and amortisation

Property, plant and equipment	107 895 864	92 267 292
Intangible assets	1 065 266	1 067 745
	108 961 130	**93 335 037**

18. Impairment loss

Impairments		
Property, plant and equipment	-	11 759 436

The leasehold builing was valued in the previous financial year 2024/2025 resulting in a net impairment of R11 759 436.

Aggregate impairment loss	-	67 459 426
Reversal of previous reserve	-	(55 699 990)
	-	**11 759 436**

19. Finance costs

Finance lease	716 988	999 338

20. Lease rentals on operating lease

Office buildings		
Contractual amounts	28 000 935	35 311 334
Equipment		
Contractual amounts	1 853 284	2 187 850
	29 854 219	**37 499 184**

21. Expected credit losses

Increase/(decrease) in expected credit loss allowance	1 521 775	-

22. Debt impairment

Contributions to debt impairment provision	205 723 241	112 365 278

FIGURES IN R

23. Operating expenditure

	2026	2025
Advertising (a)	1 114 139	797 954
Ammunition (b)	1 038 979	684 253
Auditors remuneration	9 555 230	7 820 755
Bank charges c)	31 780 150	27 602 339
Catering (d)	105 829	1 828 127
Cleaning (e)	897 867	1 612 317
Compensation commission (f)	7 309 093	3 996 460
Computer expenses	68 962 622	78 776 890
Consumables	1 797 880	2 084 627
Consulting and professional fees (g)	7 794 088	2 297 623
Corporate gifts, donation (h)	-	38 425
Corporate social responsibility (i)	-	235 276
Employee wellness programme (j)	2 306 032	1 671 041
Fuel and oil	21 789 778	22 740 096
Insurance	7 401 440	6 853 284
Labour relations (k)	2 860 458	3 673 260
Leased office restoration (l)	-	6 216 961
Lease operating costs	3 897 903	3 625 316
Legal fees (n)	13 946 667	7 374 035
Minor assets	4 084 117	3 553 818
Motor vehicle expenses (o)	5 772 843	4 339 136
Postage and courier (p)	138 648 638	101 781 823
Printing and stationery (q)	21 893 550	24 874 836
Projects - annual performance plan (r)	29 769 618	60 671 657
Recruitment cost (s)	211 516	981 944
Relocation cost (t)	210 742	3 560 070
Repairs and maintenance	27 914 542	31 517 600
SAPO Truebill (u)	6 137 543	3 444 734
Security	13 803 326	13 325 852
Staff welfare (v)	1 107 172	1 786 758
Storage and warehouse (w)	393 038	305 828
Subscriptions and membership fees (x)	319 025	395 157
Telephone and datalines (y)	41 311 558	46 955 098
Training (z)	1 670 914	3 768 551
Travel - local (aa)	44 436 830	35 728 250
Travel - overseas (bb)	167 782	351 389
Uniform (cc)	802 984	12 176 561
Utilities (dd)	10 264 514	9 070 431
Venue expenses (ee)	2 530	6 365 092
	531 480 937	**544 883 624**

23. Operating expenditure

a) Advertising

The advertising expense ran concurrently with the enabling factor being the sponsorships in-kind that is recognised as revenue. For example, where promotional items were received in-kind, the revenue will be recognised, however, at activations the advertising expense will be triggered.

b) Ammunition

During the financial year under review, more traffic trainees participated in firearm training, which resulted in higher ammunition costs compared to the prior year.

c) Bank charges

The increased transaction volume on the NaTIS online platform led to a corresponding rise in NaTIS online bank charges.

d) Catering

The significant decrease in catering cost is mainly attributable to austerity measures and cost-saving initiatives implemented during the financial year under review.

e) Cleaning

During the previous financial year, the construction of the traffic training college was completed, necessitating extensive cleaning in preparation for student occupation.

f) Compensation Commission

The increase in Compensation commission costs during the current financial year is mainly attributed to the increased staff compliment as a result of the trainee absorption and subsequent salary increases/adjustments of traffic officers who have successfully completed their one year probation period. In addition, the understatement of the prior year provision by R1 338 491 contributed to the overall increase.

g) Consulting and professional fees

During the current financial year, the Corporation made use of meeting recording services, expanded nursing services during deployments and commenced with a forensic investigation. These activities contributed to an increase in consulting fees.

h) Corporate Gifts, Donations

The decrease in corporate gifts is mainly attributable to austerity and cost saving measures implemented during the financial year under review.

i) Corporate social responsibility

During the year under review, the Corporation participated in fewer CSR project initiatives due to limited resources.

j) Employee Wellness Programme

During the 2024/25 financial year, two cohorts of traffic trainees successfully completed their training and were absorbed into permanent employment within the RTMC. The first cohort passed out in July 2024, while the second cohort was absorbed in January 2025. As employee health and wellness services are rendered and charged on a per-employee basis, the increase in staff complement resulted in a corresponding increase in the cost of these services. Consequently, 2025/26 represents the first full financial year reflecting the impact of the expanded employee base on wellness service expenditure.

23. Operating expenditure (cont.)

k) Labour Relations

A decrease in labour relations cost in the financial year under review is attributed to reduced labour disputes.

l) Leased office restoration

The Corporation relocated to new office building in the 2024/25 financial year, resulting in a decrease in leased office restoration costs in the financial year under review.

n) Legal fees

An increase in legal fees is attributed to resolving ongoing and additional legal disputes in the financial year under recview.

o) Motor vehicle expense

The increase in motor vehicle expense is mainly attributable to the procurement of mechanic tools and spare parts for the ageing fleet.

p) Postage and courier

The courier fees associated with the renewal of motor vehicle licences have been increasing in line with the growth rate of online services.

q) Printing and stationery

The reduction in stationery and printing expenses is primarily attributable to austerity and cost saving measures implemented during the financial year under review. Procurement activities were largely restricted to essential items, namely toner cartridges and printing paper

r) Projects - Annual Performance Plan

During the current financial year, the Corporation managed to obtain sponsorships with various stakeholders. Taking into account cost saving measures implemented during the financial year, this resulted in a decrease in project costs.

s) Recruitment cost

The Corporation primarily conducted recruitment processes internally, with only the psychometric assessments being outsourced, as opposed to outsourcing the entire recruitment process. This approach contributed to cost efficiencies while ensuring that critical elements of the recruitment function remained within the organisation.

t) Relocation cost

The Corporation relocated to new office building in the 2024/25 financial year, resulting in a decrease in relocation costs in the financial year under review.

u) SAPO Truebill

During the financial year, there was a significant increase in AARTO infringements, which directly contributed to the increase in SAPO Truebill expenditure due to the higher volume of infringement notices processed and distributed.

v) Staff welfare

The decrease in staff welfare is mainly attributable to austerity and cost saving measures implemented during the financial year under review.

w) Storage and warehouse

During the year under review, the Corporation commenced a forensic investigation that required the retrieval of documents from storage, resulting in increased storage and warehouse costs.

23. Operating expenditure (cont.)

x) Subscription and membership fees

In the financial year under review, fewer employees subscribed to professional bodies as compared to the previous financial year, which resulted in a decrease in subscription and membership fees.

y) Telephone and fax

The decrease in telephone and fax costs is mainly attributable to reduced number of copper-based sites.

z) Training

During the financial year under review, the Corporation has invested less in training of staff due to austerity measures resulted in a decrease in training costs.

aa) Travel - Local

The Corporation incurred an increase in travel costs in the financial year under review. This is mainly attributable to the festive season and easter deployments of traffic officers throughout the country.

bb) Travel - Overseas

The decrease in travel overseas is mainly attributable to austerity and cost saving measures implemented during the financial year under review.

cc) Uniforms

The Corporation procured less combat uniforms for traffic officers in the financial year under review, resulting in a decrease in uniform cost.

dd) Utilities

The 2025-2026 financial year represents the first full year in which the Corporation has occupied the Boekenhoutkloof Traffic College. As the Corporation now occupies and is responsible for the entire facility, utility costs are higher compared to the previous arrangement at Denel, where only a portion of the premises was occupied and related utility costs were shared accordingly.

ee) Venue expenses

Austerity and cost saving measures were implemented during the financial year under review. This resulted in a decrease in venues expenditure.

FIGURES IN R

24. Cash generated from operations

	2026	2025
Surplus (deficit)	116 095 868	(30 632 635)
Adjustments for:		
Depreciation and amortisation	108 961 130	93 335 037
Gain on sale of assets and liabilities	3 914 492	5 048 767
Finance costs - Finance leases	716 988	999 338
Impairment deficit	-	11 759 436
Expected credit losses	1 521 775	-
Debt impairment - Other	205 723 241	112 365 278
Movements in operating lease assets and accruals	2 203 748	1 930 156
Movements in provisions	14 809 571	24 734 247
Change in accounting policy	(4 452 766)	-
Other non-cash items	846 167	-
Changes in working capital:		
Inventories	(284 277)	(1 413 297)
Receivables from exchange transactions	19 692 764	(7 521 283)
Provision for bad debt impaiment	(205 723 241)	(112 365 278)
Receivables from non-exchange transactions	(7 486 586)	(6 477 354)
Provision for expected credit losses	(1 521 775)	-
Payables from exchange transactions	57 786 988	(2 989 960)
Payables from non-exchange transactions	2 090 634	(421 876)
	314 894 721	**88 350 576**

25. Commitments

a) Authorised capital expenditure

Contract commitment

• Property, plant and equipment	23 379 035	78 482 486

Purchase order contract

• Property, plant and equipment	1 100 068	4 804 934

Total capital commitments

Contract commitment	23 379 035	78 482 486
Purchase order commitments	1 100 068	4 804 934
	24 479 103	**83 287 420**

b) Authorised operational expenditure

Contract commitment

• Operating expenditure	271 445 963	373 346 060

Purchase order commitment

• Operating expenditure	22 025 675	12 575 472

FIGURES IN R

25. Commitments

	2026	2025
Total operational commitments		
Contract commitment	271 445 963	373 346 060
Purchase order commitment	22 025 675	12 575 472
	293 471 638	**385 921 532**
Total commitments		
Total commitments		
Authorised capital expenditure	24 479 103	83 287 420
Authorised operational expenditure	293 471 638	385 921 532
	317 950 741	**469 208 952**

c) Commitments beyond 12 months

Commitments	114 799 440	313 537 939

d) Below are operating leases included in the above total commitment. See note 9

Operating leases - as lessee (expense)

Minimum lease payments due - office space		
- within one year	27 409 832	27 409 832
- in second to fifth year inclusive	61 548 849	88 958 681
	88 958 681	**116 368 513**

The lease relates to two office premises situated at Centurion and Waterfall, one office parking facility situated in Waterfall, and hosting of the data recovery centre. The lease term is 01 August 2024 to 31 July 2029. No arrangement have been entered into for contingent rent.

Minimum lease payments due - office equipment		
- within one year	1 775 186	2 237 864
- in second to fifth year inclusive	350 814	1 997 772
	2 126 000	**4 235 636**

The lease relates to twenty eight photocopy machines and ninety water dispensers situated in various offices. The lease term is 01 May 2023 to 30 June 2028. No arrangements have been entered into for contingent rent.

e) Below are finance leases included in the above total commitments. See note 8.

Minimum lease payments due		
- within one year	1 826 011	2 835 912
- in second to fifth year inclusive	318 500	1 280 000
	2 144 511	**4 115 912**

FIGURES IN R

26. Contingencies

Contigent liability

The general nature of the contingency is disclosed, the entity could be prejudiced should further information be disclosed.

Tasima (Pty) Ltd vs RTMC Labour Matters: Steenkamp Order

- In April 2017 Tasima lodged an urgent application for a declaratory order that the Tasima employees must transfer to the RTMC in terms of Section 197 of the Labour Relation.
- On 25 May 2017, Steenkamp J ordered amongst others that, with effect from 5 April 2017, the contracts of employment of the Tasima employees transferred automatically from Tasima to the RTMC.
- On 21 December 2018 the Labour Appeal Court upheld the Order of Steenkamp J but upheld the appeal of the RTMC re-interim payments
- The RTMC appealed to the Constitutional Court. The matter was heard in the Constitutional Court on 13 August 2019 and judgement was reserved.
- On 4 August 2020 the Constitutional Court ordered the transfer of the employees to RTMC in terms of Section 197 of the LRA. The RTMC duly complied, and the employees were transferred to the RTMC.
- The Corporation appointed a legal team to oppose the application.
- It appears as if Tasima has abandoned the litigation.
- Financial exposure with regards to the backpay is still to be calculated however, estimated at R32 454 579 plus legal fees.
- The Contingency amount includes claim from:
- Roets vs RTMC
- Solidarity ABO vs RTMC
- Joao Lobo & 83 Others vs RTMC.

Claasens vs RTMC

- Civil Claim for damages suffered as result of shooting.
- RTMC defended the matter and filed its plea.
- Financial exposure is determined at R7 266 046 plus cost in the event that the plaintiff is successful.

Skosana vs Minister of Police and RTMC, M Tlou vs RTMC, T Potwana vs RTMC

- Claim for unlawful arrest for contravention of the Disaster Management Act, COVID19 curfew.
- RTMC is defending the matter.
- Financial exposure is determined at R400 000 for Skosana and R100 000 per claim for Tlou and Potwana plus legal cost in the event that the plaintiffs are successful.

Nevhulaudzi vs RTMC

- Claim for unlawful arrest as a result of NTACU arrest.
- Financial exposure is determined at R400 000 plus legal cost in the event that the plaintiffs are successful.

Maleka vs RTMC

- Claim for unlawful arrest arising as a result of NTACU arrest.
- Financial exposure is determined at R400 000 plus legal cost in the event that the plaintiffs are successful.

Madona vs RTMC

- Civil claim for damages as a result of NTACU arrest
- Litigation is ongoing.
- Financial exposure is determined at R2 810 000.

26. Contingencies

Thenga vs RTMC

- Claim for unlawful arrest.
- Litigation is ongoing.
- Financial exposure is determined at R4 000 100.

Maphohosha vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation is ongoing.
- Financial exposure is determined at R2 810 000.

Mashimbye vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation is ongoing.
- Financial exposure is determined at R2 810 000.

Ngaka vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation is ongoing.
- Financial exposure is determined at R2 810 000.

Machaka vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation is ongoing.
- Financial exposure is determined at R2 810 000.

Kheswa vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation is ongoing.
- Financial exposure is determined at R2 810 000

Maqayiya vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation is ongoing.
- Financial exposure is determined at R810 000.

Sehapi vs RTMC

- Civil claim for damages as a result of assault and unlawful arrest.
- Litigation is ongoing.
- Financial exposure is determined at R700 000.

DNRS vs RTMC

- Claim for loss of income caused by the cancellation of an agreement.
- Litigation is ongoing.
- Financial exposure is determined at R16 515 200.

26. Contingencies

Tagoe vs RTMC

- Claim for car accident.
- Litigation is still ongoing.
- The financial exposure is determined at R42 722.

Majela vs RTMC

- Claim for car accident.
- Matter referred to insurance.
- The financial exposure is determined at R312 072.

Schoeman and 13 others vs RTMC

- Claim for damages as a result of Section 197 transfer from CBRTA to RTMC.
- Litigation is still ongoing.
- The financial exposure is determined at R42 000 000.

Mphahlele vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation is ongoing.
- Financial exposure is determined at R2 810 000.

Rasentsoere vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation is ongoing.
- Financial exposure is determined at R2 000 000.

Msimango vs RTMC

- Civil claim becuase of unlawful arrest and assault by NTP.
- Litigation is ongoing.
- Financial exposure is determined at R10 180 000.

Likhoele vs RTMC

- Civil claim for damages as a result of NTACU arrest.
- Litigation ongoing.
- The Corporation is defending the matter which is in court.
- Financial exposure is R2 000 000 plus RTMC legal fees.

DNRS vs RTMC

- Claim for service rendered
- Litigation ongoing.
- Financial exposure is R414 920.

FIGURES IN R

26. Contingencies

Sakhiwo

- Claim for professional fees on Boekenhoutkloof Traffic College construction - phase two
- Sakhiwo was appointed as the multi-disciplinary professional advisor team for the upgrading of the Boekenhoutkloof Traffic College. The project was structured into two phases, with phase one being completed and phase two suspended due to funding limitiations. Prior to suspension, certain items such as fencing were advanced, however, the procurement process was not finalised. A dispute has since arisen between the service provider and RTMC regarding the scope of work. The agreed portion has been duly accounted for.
- Financial exposure is R1 856 525.

Sakhiwo

- Claim for professional fees on Boekenhoutkloof Traffic College construction - phase two
- Sakhiwo was appointed as the multi-disciplinary professional advisor team for the upgrading of the Boekenhoutkloof Traffic College. The project was structured into two phases, with phase one being completed and phase two suspended due to funding limitations. The appointed service provider has subsequently claimed that the RTMC authorised commencement of phase two. The RTMC disputes this assertion.
- Financial exposure is R19 449 273.

Contingent assets

Reimbursement of legal fees

- The Public Protector pursuant to complaints lodged with her office, investigated and decided against the CEO. The decision of the Public Protector was successfully reviewed by the CEO through the Court. The CEO's legal fees in the amount of R1 506 006 incurred was subsequently reimbursed. Upon taxation and payment of the costs by the Public Protector to the CEO, the CEO will be liable to repay the Corporation the taxed costs. The amount is unknown at this stage. Follow ups are being made with the CEO.

Vodacom claim

- The RTMC has submitted a claim with Vodacom for services not rendered, amounting to R7 667 944. The claim has not yet been approved and remains subject to validation due to its materiality.

27. Related parties

27.1. Related party relationships

The RTMC was established in terms of Section 3 of the RTMC Act of 1999 and is ultimately controlled by the National Department of Transport and is therefore related to all other entities under common control. The RTMC pulls together the powers of National, Provincial and Local spheres of Government and is thus related to all institutions within National Government.

The governance structures of the RTMC comprise of the Shareholders Committee and the Board of Directors. The RTMC ACT provides that the Shareholders Committee consist of the Minister of Transport as the Chairperson, every MEC of Provincial Transport and two representatives nominated by the South African Local Government Association (SALGA).

During the year under review, the Shareholders Committee comprised of the following members:

NAME	DESIGNATION
Ms Barbara Creecy	Minister of Transport
Mr Xolile Nqatha	MEC: Transport & Community Safety and Liaison, Eastern Cape
Mr Jabu Mbalula	MEC: Community Safety, Roads & Transport, Free State
Mr Panyaza Lesufi	Community Safety, Gauteng (Office of the Premier)
Ms Kedibone Diale-Tlabela	MEC: Public Transport & Logistics, Gauteng

27. Related parties (continued)

NAME	DESIGNATION
Mr Thami Ntuli	Community Safety, KwaZulu-Natal (Office of the Premier)
Mr Siboniso Duma	MEC: Transport and Human Settlements, KwaZulu-Natal
Ms Susani Violet Mathye	MEC: Transport & Community Safety, Limpopo
Mr Jackie Macie	MEC: Community Safety, Security & Liaison, Mpumalanga
Mr Thulasizwe Thomo	MEC: Public Works, Roads & Transport, Mpumalanga
Ms Limakatso Koloi	MEC: Department of Transport ,Safety and Liaison, Northern Cape
Mr Wessels Morweng	MEC: Community Safety & Transport Management, North West
Mr Isaac Sileku	MEC: Mobility, Western Cape
Mr Sebang Motlhabi	SALGA Representative

Members of key management

Key management personnel are defined as executive and non-executive management of RTMC. Related-party relationships exist between RTMC, its directors, key management personnel and parties within the national sphere of government.

Transaction and balance with related parties

The transactions with all related parties are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under the common control of the Department, these were undertaken at arms lengths.

27.2 Related party balances

a.) Balances with controlling entity

Amounts included in Trade receivables (Trade payables) regarding re-lated parties

	2026	2025
Department of Transport (DoT) - Secondment	1 358 693	1 358 693

b.) Balances with other related parties

Amounts included in Trade receivables (Trade payables) regarding related parties

	2026	2025
Road Traffic Infringement Agency (RTIA) - Administration of Aarto Infringements	516 197 407	314 079 115
Road Traffic Infringement Agency (RTIA) - Collection of Aarto Infringements	(7 009 261)	(1 393 415)
Gauteng Department of Roads and Transport (Driver licence cards)	(5 022 730)	(4 393 495)
NDoT Driver Licence Card Account (DLCA)	560 743	107 835
Airport Company South Africa (ACSA)	-	(3 107 496)
Safety and Security Sector Education and Training Authority (SASSETA)	-	(48 000)
Safety and Security Sector Education and Training Authority (SASSETA)	1 000	1 503 500
Telkom South Africa	(1 052 393)	(2 462 173)
Telkom South Africa	77 905	-
Government Communication and Information System	40 293	-
Border Management Authority	231 976	-
CBRTA transitional arrangement receivable	-	1 040 210
CBRTA transitional arrangement liability	-	(7 149)

FIGURES IN R

27. Related parties (continued)

	2026	2025
Service rendered by RTMC:		
• Free State	133 754	133 754
• Gauteng	90 645	90 573
Training provisioning and facilities		
• Gauteng Department of Roads and Transport	51 360	7 941
Online motor vehicle licence renewal		
• Eastern Cape	(27 111 709)	(23 323 184)
• Free State	(8 920 687)	(5 793 457)
• Gauteng	(74 987 141)	(57 086 448)
• KwaZulu-Natal	(23 808 391)	(15 357 127)
• Limpopo	(8 130 772)	(5 421 357)
• Mpumalanga	(25 931 574)	(23 261 260)
• North West	(7 157 101)	(5 355 476)
• Northern Cape	(39 119 758)	(37 090 922)
• Western Cape	(22 286 239)	(15 525 576)
Transaction fees		
• Eastern Cape	12 557 335	11 415 421
• Free State	6 279 408	3 015 720
• Gauteng	25 198 992	23 715 360
• KwaZulu-Natal	28 782 303	17 727 819
• Limpopo	4 762 004	4 742 345
• Mpumalanga	4 526 828	4 072 464
• North West	3 479 112	3 266 712
• Northern Cape	34 793 421	35 041 453
• Western Cape	11 220 649	16 006 924
NaTIS online motor vehicle registration and change of ownership		
• Eastern Cape	(264)	-
• Free State	(924)	(132)
• Gauteng	(3 893 311)	(1 982 483)
• KwaZulu-Natal	(19 555)	(28 980)
• Limpopo	(5 808)	-
• Mpumalanga	(1 452)	-
• North West	(3 450)	-
• Northern Cape	(792)	-
• Western Cape	(17 532)	-
Special project		
• Free State	-	(523 315)
• Gauteng	-	523 315

27. Related parties (continued)

	2026	2025

c.) Balances with exempt entities

By virtue of being considered a related party to all institutions of National Government, the below outlines the nature and outstanding balances at financial year end for all institutions of National Government that are exempt from the normal related party disclosure requirements.

Department of Employment and Labour

• Provides services for occupational injuries and diseases (Compensation Commissioner).	(7 309 093)	(3 996 460)
Government Printing Works		
• Supplies sensitive stationery and gazetting.	(741 531)	-
Auditor General		
• Provides external audit services	(2 323 207)	(787 178)
South African Post Office		
• Provides mandatory postage services.	(190 252)	(231 003)

South African Broadcasting Corporation supplied television licence with no balance in the current and previous financial year.

The South African Revenue Services collected employer taxes, no balance in the current and previous financial year.

Quality Council for Trades and Occupation supplied qualification accreditation with no balance in the previous financial year 2024/25.

SANRAL provision of e-toll services as well as parking space services at no cost, no balance in the current and previous financial year.

Commitments with related parties

Western Cape Provincial Department of Transport (*)	-	(29 854 000)
Telkom South Africa	(17 332 684)	(36 145 352)
Government Printing Works	1 813 758	-
South African Post Office	(15 216 769)	-

* During the previous financial year, in line with the Shareholder's Resolution, a commitment was made to donate five (5) Mobile Vehicle Testing Stations to the Western Cape province. This commitment was however, reduced to four (4) due to financial constraints.

e.) Provision for doubtful debts related to outstanding balances with related parties

Road Traffic Infringement Agency (RTIA)	(516 197 407)	(314 079 115)
Provinces (Transaction fees)		
• Eastern Cape	(627 867)	(1 538 201)
• KwaZulu Natal	(26 583)	(9 555)
• Mpumalanga	(262 124)	-
• Northern cape	(33 370 125)	(32 423 367)

FIGURES IN R

27. Related parties (continued)

	2026	2025
27.3 Related party transactions		
a.) Transactions with controlling entity		
Government grants received		
Department of Transport	249 264 000	196 991 000
b.) Transactions with other related parties		
Secondment's		
National Department of Transport (DLCA)	1 245 496	2 424 175
Department of Transport	-	807 804
Services rendered on behalf of RTMC by:		
RTIA - Collection of AARTO infringements	1 859 411	1 053 402
Online services - collection agency fee:		
• Eastern Cape	14 121 925	12 644 686
• Free State	8 920 331	6 440 112
• Gauteng	80 769 716	62 320 540
• KwaZulu-Natal	24 782 133	17 835 685
• Limpopo	7 136 024	4 915 874
• Mpumalanga	25 182 587	19 806 422
• North West	7 322 054	5 445 883
• Northern Cape	5 129 460	3 720 990
• Western Cape	23 505 549	17 761 120
NaTIS online motor vehicle registration and change of ownership		
• Eastern Cape	12 210	-
• Free State	14 190	330
• Gauteng	55 781 880	25 439 370
• KwaZulu-Natal	685 410	504 240
• Limpopo	30 690	-
• Mpumalanga	14 520	-
• North West	16 500	330
• Northern Cape	4 620	-
• Western Cape	82 170	990
Gauteng Department of Roads and Transport		
• DLTC Management	41 325 698	43 791 024
Special project		
• Free state	4 800	348 877
Impoundment of vehicles		
• Free State	-	134 500
Deployment		
• Gauteng Department of Roads and Transport	-	470 252
Discretionary grant		
• Safety and Security Sector Education and Training Authority (SASSETA)	7 409 881	7 399 904

FIGURES IN R

27. Related parties (continued)

	2026	2025
Service rendered on behalf of :		
RTIA - Administration of AARTO fines	221 197 948	109 782 563
Collection of transaction fees		
• Eastern Cape	49 987 512	49 148 640
• Free State	29 902 104	39 936 600
• Gauteng	309 670 848	307 583 424
• KwaZulu-Natal	117 223 776	115 260 696
• Limpopo	52 920 144	52 111 728
• Mpumalanga	53 830 592	54 588 888
• North West	41 059 656	41 225 184
• Northern Cape	17 746 488	17 850 528
• Western Cape	142 295 544	141 182 136
Training provisioning and facilities		
Gautrain Management Agency	508 544	14 892
Gauteng Department of Roads and Transport	-	513 037
Border Management Authority	-	5 103 962
Provision for debt impairment		
Road Traffic Infringement Agency (RTIA)	(202 118 291)	(100 682 788)
Transaction fees (Provinces)		
• Eastern Cape	910 334	(1 538 201)
• KwaZulu-Natal	(17 028)	52 128
• Limpopo	-	440 990
• Mpumalanga	(262 124)	-
• Northern Cape	(946 758)	(5 469 965)
Expenditure		
Gauteng Department of Roads and Transport (Driver licence cards)	(11 027 120)	(12 693 325)
Airport Company South Africa (ACSA) - Classroom rental, accommodation and meal	-	(41 440 191)
Government Communication and Information System	-	(684 555)
National School of Governance	-	(1 575 840)
Telkom South Africa	(25 364 619)	(23 849 486)
Government Printing Works - Stationery (Printing paper)	(1 010 717)	-

Gauteng Department Roads and Transport

During the year, the RTMC and Gauteng Department Roads and Transport (GPDRT) entered into a collaboration agreement whereby the RTMC will deploy 92 officers to the department. The department will in exchange provide vehicles and impound facilities, at no cost, to enable the officers to execute law enforcement operations under the joint operation agreement. The RTMC will incur the employment cost and provide the uniforms and tools of trade at no cost to the GPDRT. In terms of the agreement all traffic infringements (AARTO & Section 56) issued will accrue to the RTMC. The agreement contains a clause which states that impound fee revenue will be shared 50/50, the clause is however not enforceable, as revenue-sharing agreement is not approved by the Gauteng Provincial Treasury.

FIGURES IN R

27. Related parties (continued)

	2026	2025
Donations		
Western Cape - Mobile Vehicle Testing Stations	23 883 200	-

* During the current financial year, four (4) Mobile Vehicle Testing Stations were donated to the Western Cape province in line with the Shareholders Resolution. Refer to Note 16.

27.4 Key management information

Non - executive members: 2026

Name	Retainer & Meeting Fees	Total
NN Mufamadi - Chairperson	968 098	968 098
N.J. Kudzingana	746 658	746 658
L.M.E. Magalo	645 396	645 396
Prof. M.I. Mphahlele	779 122	779 122
X.C . Stemela	618 504	618 504
C.T. Thankge	779 122	779 122
Dr. E.M. Thebe	645 396	645 396
Prof. C.M. Twala	779 122	779 122
	5 961 418	**5 961 418**

Non - executive members: 2025

Name	Retainer & Meeting Fees	Total
NN Mufamadi - Chairperson	968 098	968 098
N.J. Kudzingana	779 122	779 122
L.M.E. Magalo	645 396	645 396
Prof. M.I. Mphahlele	779 122	779 122
X.C . Stemela	618 504	618 504
T. Thankge	779 122	779 122
Dr. E.M. Thebe	645 396	645 396
Prof. C.M. Twala	779 122	779 122
	5 993 882	**5 993 882**

Board members' remuneration is structured into two elements consisting of a monthly retainer and meeting fees capped at their specific packages.

Executive management

Court ruling relating to Board Authority and the suspension of the Chief Executive Officer

On 9 March 2026, the Court declared invalid the Board's adoption of the Board Charter dated 29 January 2024 and set aside the Board resolution of 1 July 2025 placing the Chief Executive Officer on precautionary suspension. The Court suspended the order of invalidity for a period of 90 days, until 7 June 2026, to allow the Shareholders Committee to determine and delegate the functions and powers of the Board in accordance with the Road Traffic Management Corporation Act 20 of 1999.

The Board and management have assessed the effect of the judgment on the current year annual financial statements and concluded that, up to the date of approval of the annual financial statements, the suspended order of invalidity is still valid and thus did not give rise to any material misstatement or non-compliance affecting the annual financial statements. The matter is currently under consideration by the Board and the Shareholders' Committee.

27. Related parties (continued)

2026	Basic salary	Other short-term employee benefits	Acting allowance	Total
Adv. M. Msibi (CEO)	4 187 959	2 791 973	-	6 979 932
*M. Moloi (Acting CEO from 16 January 2026 to 12 March 2026)	-	-	-	-
D. Ewertse	1 584 839	1 056 559	-	2 641 398
N.J. Jolingana (Acting EM Road Safety Stakeholder Relations Management from 03 July 2025 to 15 January 2026)	1 777 864	756 039	190 619	2 724 522
M.P. Juma (Acting GM Organisational Strategy Management from 01 March 2024)	1 584 839	847 934	22 901	2 455 674
K. Kara-Vala	2 098 080	1 398 720	-	3 496 800
K.K. Kgosiemang (Acting GM National Traffic Anti-Corruption Unit from 04 July 2025 to 12 February 2026 and Acting EM Corporate Services from 13 February 2026 to 25 March 2026)	1 584 839	1 056 559	216 518	2 857 916
D.N. Mobeng	2 913 929	971 310	-	3 885 239
R. Mongale (Interim CEO from 01 July 2025 to 16 October 2025 and Acting CEO from 17 October 2025 to 15 January 2026)	2 008 905	1 339 270	405 921	3 754 096
L. Moolman	2 209 044	1 472 696	-	3 681 740
P. K. Maponyane (Acting EM Law Enforcement from 01 December 2024 and Acting EM Corporate Services from 22 September 2025 to 12 February 2026)	1 523 884	1 015 922	373 575	2 913 381
S. Petse	1 848 175	790 030	-	2 638 205
N.V. Ramutle	2 447 760	1 049 040	-	3 496 800
O.P. Legoale (Acting GM from 10 March 2025 to 15 April 2025)	42 574	24 835	11 451	78 860
L.G. Mbanjwa (Acting EM Financial Services from 22 September 2025 to 25 March 2026)	704 412	598 237	119 961	1 422 610
	26 517 103	**15 169 124**	**1 340 946**	**43 027 173**

* Mr. Matsemela Moloi was seconded from the Road Traffic Infringement Agency (RTIA) and appointed as Acting Chief Executive Officer (CEO) of the RTMC.

27. Related parties (continued)

2025	Basic salary	Other short-term employee benefits	Acting allowance	Total
Adv. M. Msibi (CEO)	4 504 441	3 003 960	-	7 508 401
D. Ewertse	1 500 652	1 000 435	-	2 501 087
N.J. Jolingana	1 683 424	716 457	-	2 399 881
M.P. Juma (Acting GM Organisational Strategy Management from 01 March 2024)	1 500 652	997 458	248 564	2 746 674
K. Kara-vala	1 986 630	1 324 420	-	3 311 050
K.K. Kgosiemang	1 500 652	1 000 435	-	2 501 087
D.N. Mobeng	2 759 141	919 714	-	3 678 855
R. Mongale	1 902 192	1 268 128	-	3 170 320
L. Moolman	2 091 700	1 394 466	-	3 486 166
P.K. Maponyane (Acting EM Law Enforcement from 01 December 2024)	480 978	280 652	124 525	886 155
S. Petse	1 660 948	707 070	-	2 368 018
S. Podile (resigned 30 November 2024)	1 440 636	702 499	-	2 143 135
N.V. Ramutle	2 317 735	993 315	-	3 311 050
O.P. Legoale (Acting GM from 01 April 2024 to June 2024, and 12 July 2024 to 11 January 2025, and 10 March 2025 to 15 April 2025)	815 095	553 217	222 564	1 590 876
L.G Mbanjwa (Acting EM Financial Services from 31 October 2024 and 23 December 2024)	183 566	128 496	64 139	376 201
	26 328 442	**14 990 722**	**659 792**	**41 978 956**

Audit and Risk Committee members: 2026	Meeting attendance	Total
H.N. Jaxa	242 021	242 021
D. Maithufi	681 731	681 731
M. Ramutsheli	242 023	242 023
	1 165 775	**1 165 775**

Audit and Risk Committee members: 2025	Meeting attendance	Total
H.N. Jaxa	268 912	268 912
D. Maithufi	519 414	519 414
M. Ramutsheli	161 348	161 348
	949 674	**949 674**

28. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Financial Instruments (GRAP 104, revised 2019)

Nature of change

During the current reporting period, the entity applied the revised Standard of GRAP on Financial Instruments (GRAP 104, revised 2019) for the first time.

The revised Standard introduces, inter alia:

- A new classification model for financial assets and financial liabilities, based on the entity's management model for managing financial assets and on the characteristics of the contractual cash flows (SPPI condition).
- A new expected credit loss (ECL) model for the impairment of financial assets measured at amortised cost, certain loan commitments, financial guarantee contracts and lease receivables.
- Revised requirements for the presentation of own-credit risk on financial liabilities designated at fair value through surplus or deficit; and
- Specific guidance on residual interests (including measurement at cost as a practical expedient when fair value is not reliably measurable).

The revised Standard became effective for the entity on 1 April 2025

Impairment – Expected credit losses (ECL)

During the year, the Corporation implemented the revised requirements of GRAP 104: Financial Instruments relating to the impairment of financial assets retrospectively, in accordance with GRAP 3.

At the date of initial adoption, the entity used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognised and compared that to the credit risk at the date of initial adoption of the Standard.

On transition, the entity sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that was available without undue cost and effort.

When determining whether there has been a significant increase in credit risk since initial recognition, the entity applied:

(a) the requirements in paragraphs 5.25 and Appendix A paragraphs AG5.81 to AG5.83 of GRAP 104 (2019);
(b) the rebuttable presumption in paragraph 5.26 of GRAP 104 (2019) for contractual payments that are more than 30 days past due if the entity applied the impairment requirements by identifying significant increases in credit risk since initial recognition for those financial instruments on the basis of past due information.

Impact on the financial statements

Reconciliation of measurement categories and carrying amounts – at the date of initial adoption

2026

Class of instrument	Notes	Carrying amount (before adoption)	Carrying amount (after initial adoption)	Change in carrying amount
Staff debtors		688 605	488 821	(199 784)
Online service receivable		14 709 306	14 661 362	(47 944)
Recivables other		11 097 991	7 072 935	(4 025 056)
Training provisioning and facilities		378 765	200 016	(178 749)
Deposits		1 024 740	1 024 740	-
Cash and cash equivalents		178 625 659	178 625 659	-
		206 525 066	**202 073 533**	**(4 451 533)**

28. Changes in accounting policy (cont.)

Reconciliation of impairment allowances/provisions to opening loss allowances – at the date of initial adoption

2025 **Class of instrument**	**Closing impairment provision before impairment**	**Adjustments from change in measurement category**	**Difference recognised in opening accumulated surplus/(deficit)**	**Opening loss allowance at date of initial adoption**
Staff debtors	2 869	199 784	199 784	202 653
Online service receivables	-	47 944	47 944	47 944
Receivables other	2 447 374	4 025 056	4 025 056	6 472 430
Training provisioning and facilities	1 005 004	178 749	178 749	1 183 753
Deposits	-	-	-	-
Cash and cash equivalent	-	-	-	-
	3 455 247	**4 451 533**	**4 451 533**	**7 906 780**

Summary of effect on accumulated surplus/net assets

As a result of applying GRAP 104 (revised 2019), the entity recognised a net decrease R4 451 533 in opening accumulated surplus or deficit on the date of initial adoption, comprising:

- A increase of R4 451 533 from applying the expected-credit-loss impairment requirements rather than the previous impairment model.

Cash and deposits remained unaffected reflecting their inherent low-risk nature.

General

See Note 30 Financial Instruments – Risk Management and Other Disclosures, for Financial Instruments detailed disclosures.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2025 is as follows:

Statement of Financial Position

Receivables from exchange transactions	
Adjustment	(268 705)
Receivables from non-exhange transactions	
Adjustment	(4 184 061)
Opening retained earnings	
Adjustment	4 452 766

29. Prior period errors

		2025

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position

Decrease in receivables from exchange transactions	(a)	(9 798 514)
Increase in property, plant, and equipment	(b)	5 491 229
Increase in intangible assets	(c)	1 607 786
Increase in receivables from exchange transactions (Non-current assets)	(d)	10 271 695
Decrease in operating lease liability	(e)	432 350
Increase in payables from exchange transactions	(f)	(2 835 032)
Increase in provisions	(g)	(4 551 097)
Increase in payables from non-exchange transactions	(h)	(1 738 026)
Increase in opening accumulated surplus	(i)	(3 153 189)
		(4 272 798)

Statement of Financial Performance

Decrease in revenue from exchange transactions	(j)	1 062 100
Increase in depreciation and amotisation	(k)	841 393
Increase in impairments	(l)	4 724 850
Increase in lease rentals on operating lease	(m)	201 864
Decrease operating expenditure	(n)	(2 557 409)
		4 272 798

a) Receivables from exchange transaction - Current assets

- Understatement - Late receipt of credit notes, resulting in an understatement of accrued income (R1 224 782); Provision for compensation commissioner was erroneously over estimated resulting in an understatement of accrued income (R351 337).
- Overstatement - An invoice for 2021/22 relating to office restoration was erroneously omitted resulting in an overstatement of accrued income (R40 190); An invoice for NaTIS online motor vehicle registration and change of ownership erroneously duplicated resulting in an overstatement of online service receivable (R1 638); A secondment debt was erroneously raised for the deployment of traffic officers (R470 252); Prepayments of licences and support covering periods longer than twelve months were erroneously classified as current assets (R9 246 957); The deposit for a five year lease of office premises was erroneously classified as current assets (R1 024 739); Erroneous billing of municipalities party to a memorandum of understanding for EDL and EOV training (R590 858).

b) Property, plant and equipment

- **Understatement** - During the 2017 transfer of the NaTIS function, a generator with the value of R487 800 was erroneously omitted during that capitalisation of assets acquire through the Section 42 transfer; Late submission of a claim for the initiation phase of the second phase of the traffic training college (R5 228 518); A change in estimate of certain computer equipment useful lives resulted in a restatement of 31 March 2025 balances (R18 885).
- **Overstatement** - The omission of the above generator resulted in the understatement of accumulated depreciation relating to the previous year's of R243 974.

c) Intangible assets

- **Understatement** - A change in estimate of certain computer software useful lives resulted in a restatement of 31 March 2025 balances (R1 607 786).

29. Prior period errors (continued)

d) Receivables from exchange transaction - Non-current assets

- **Understatement** - Prepayments of licences and support covering periods longer than twelve months were erroneously classified as current assets (R9 246 957); The deposit for a five year lease of office premises was erroneously classified as current assets (R1 024 739).

e) Operating lease liability

- **Understatement** - Recalculation of operating lease liability (R1 696 671); The erroneous classification of operating lease rentals of data hosting space resulted in the omission of operating lease liability (R53 683); Erroneous evaluation of the lease term resulted in an understatement of the lease liability (R46 699).
- **Overstatement** - Erroneous calculation of lease liability based on a submission and not the signed contract (R19 220). Recalculation of operating lease liability (R2 210 182).

f) Payables from exchange transactions

- **Understatement** - Late receipt of invoices, resulting in an understatement of accrued expenses (R509 038); Late receipt of invoice for utilities resulting in an understatement of accrued expenses (R164 178); The late receipt of the final invoice for the construction of the traffic training college resulted in an incorrect calculation of the impairment loss subsequent to the revaluation of the college (R4 724 850); Late submission of a claim for the initiation phase of the second phase of the traffic training college (R5 228 518).
- **Overstatement** - Late receipt of credit notes for overbilling, resulting in an overstatement of trade payables (R69 387); An invoice for NaTIS online motor vehicle registration and change of ownership erroneously duplicated resulting in an overstatement of the portion payable to provinces (R648); Reversal of accrued expenses was erroneously omitted resulting in overstatement of accrued expenses (R1 825 069); Provision for compensation commission was erroneously classified as accrued expense resulting in an overstatement of accrued expenses (R3 996 460); The unidentified and unallocated receipts were erroneously classified as payable from exchange transactions (R1 738 026); Incorrect billing for services not rendered (R161 961).

g) Provisions

- **Understatement** - Erroneous calculation of provision for operating lease expenditure based on a submission and not the signed contract (R203 300); Provision for 2024/25 compensation commission due, was erroneously classified as accrued expense resulting in an understatement of provision (R4 347 797).

h) Payables from non-exchange transactions

- **Understatement** - The unidentified and unallocated receipts were erroneously classified as payabled from exchange transactions (R1 738 026).

i) Accumulated surplus

- **Understatement** - Late receipt of credit notes, resulting in an overstatement of telephone expense (R481 489); During the 2017 transfer of the NaTIS function, a generator was erroneously omitted during that capitalisation of assets acquired through the Section 42 transfer (R487 800); A change in estimate of intangible assets and property, plant and equipment resulted in a restatement of 31 March 2025 balances (R2 440 964).
- **Overstatement** - Invoice for 2021/22 relating to office restoration was erroneously omitted resulting in an overstatement of accumulated surplus (R40 190); The omission of the above generator resulted in the understatement of depreciation relating to the previous years (R216 874).

j) Revenue from exchange transactions

- **Overstatement** - An invoice for NaTIS online motor vehicle registration and change of ownership erroneously duplicated (R990); A secondment invoice was erroneously raised for the deployment of traffic officers (R470 252); Erroneous billing of municipalities party to a memorandum of understanding for EDL and EOV training (R590 858).

29. Prior period errors (continued)

k) Depreciation and amotisation

- **Understatement** - During the 2017 transfer of the NaTIS function, a generator was erroneously omitted during that capitalisation of assets acquire through the Section 42 transfer; This omission resulted in the understatement of prior depreciation (R27 100); A change in estimate of computer equipment and computer software resulted in an increase of depreciation (R814 293).

l) Impairment

- **Understatement** - The late receipt of the final invoice for the construction of the traffic training college resulted in an incorrect calculation of the impairment loss subsequent to the revaluation of the college (R4 724 850).

m) Lease rentals on operating lease

- **Understatement** - Erroneous calculation of provision for operating lease expenditure based on a submission and not the signed contract (R203 300); Recalculation of lease liability (R1 696 671); Lease rentals for data hosting space were erroneously classified as datalines expenditure (R519 514); The erroneous classification of operating lease rentals of data hosting space resulted in the omission of operating lease liability (R53 683); Erroneous evaluation of the lease term resulted in an incorrect straightlining of the operating lease expenditure (R46 699).
- **Overstatement** - Erroneous calculation of lease liability based on a submission and not the signed contract resulted in the overstatement of operating lease expenditure (R19 220); Late receipt of credit notes for overbilling, resulting in an overstatement of parking fees (R88 601); Recalculation of lease liability resulting in an overstatement of lease rental on operating lease (R2 210 182).

n) Operating expenditure

- **Understatement** - Late receipt of invoices resulting in an understatement of legal expenditure (R199 942), computer expense (R48 735), and utilities (R197 248); Late receipt of invoice resulting in an understatement of local travel expenses (R260 362).
- **Overstatement** - Late receipt of credit notes, resulting in an overstatement of telephone expense (R743 294), Utilities (R13 856); Reversal of accrued expenses was erroneously omitted resulting in an overstatement of computer expense (R52 533), printing and stationery (R64 040), repairs and maintenance (R388 516), leased office restoration (R861 764), subscription and membership fees (37 626), training (R61 487), utilities expenses (R269 452); Lease rentals on operating lease were erroneously allocated to utilities account resulting in an overstatement of utilities expense (R89 652); Lease rentals for data hosting space were erroneously classified as datalines expenditure (R519 514); Incorrect billing for services not rendered (R161 961).

o) Reclassification

- During the previous financial year, the PrDP renewal liability was erroneously classified as trade payables (R66 476).

p) Disclosures

Related party balances

- During the previous financial year Denel SOC Ltd was erroneously disclosed under balances with exempt entities.

Contingencies

- During the previous financial year, Mqayiya and Sehapi were incorrectly disclosed as R2 810 000 per claim resulting in an overstatement of contingent liabilities (R4 110 000).

Accounting by principals and agents

- Prior period duplication of an invoice for NaTIS online motor vehicle registration and change of ownership resulted in an overstatement of assets and liabilities under the custodianship of of the RTMC (R648).

29. Prior period errors (continued)

q) RTMC 2024/2025 Annual Report printing errors

Property, plant and equipment note

- In the RTMC 2024/2025 Annual Report, the reconciliation of property, plant and equipment for 2024/25 was misstated. The depreciation column was erroneously labeled as revaluations (R92 230 737), while the revaluations column was erroneously labeled as depreciation (R85 137 256).

Operating expenditure note

- The cost of computer expenses (R78 780 688) was erroneously allocated to consumables, while the cost of consumables was erroneously allocated to computer expenses (R2 084 627).

30. Financial Instruments - Risk Management and Other Disclosures

RTMC adopted the simplified expected credit loss (ECL) approach in determining impairment provisions for receivables. Lifetime expected credit losses are recognised using historical recovery trends and collection performance as the basis for estimating recoverability.

The impairment methodology is based on the principle that the Expected Credit Loss percentage is inversely related to the recovery rate achieved on debtor accounts.

Expected Credit Loss % = 100% - Recovery Rate %

Debtors were further assessed according to risk categories ranging from low to high risk, depending on the probability of recovery and the effectiveness of collection interventions implemented.

The Expected Credit Loss provision is applied against the gross carrying amount of receivables, excluding balances that do not meet the definition of a recoverable financial asset, such as credit balances.

Accordingly, receivables are disclosed at net carrying value, being the gross debtor balance less the recognised Expected Credit Loss allowance.

Net Carrying Amount = Gross Debtor Balance - Expected Credit Loss Allowance

The revised methodology strengthens compliance with GRAP 104 and ensures that receivables are reflected at amounts expected to be recovered based on historical trends, current collection performance and risk assessment principles.

Carrying amounts of financial assets

A financial asset is in default when payment has not been received within 30 days of the invoice date, at which point the entity's debt collection procedures are initiated in line with the current debtor's policy and Section 51(1)(b)(i) of the PFMA.

Financial assets are written off when there is no reasonable expectation of recovering the outstanding contractual cash flows. This assessment is made after all reasonable recovery actions have been exhausted and the write-off has been approved in accordance with the RTMC's delegated authority. Indicators that there is no reasonable expectation of recovery include insolvency, prescription, unenforceable debts, cancellation of infringements, untraceable debtors, uneconomical recovery, uncollectible debts, deceased estates with no recoverable assets, and other circumstances provided for in the Debt Management Policy. Financial assets that have been written off are not subject to further enforcement activity.

30. Financial Instruments - Risk Management and Other Disclosures (continued)

Class of financial instrument 2026	Note(s)	At amortised cost	Total
Staff debtors	2	116 246	116 246
Online service receivable	2	20 708 610	20 708 610
Receivable - other		2 999 797	2 999 797
Training provisioning and facilities	2	1 445 135	1 445 135
Deposits	2	1 080 009	1 080 009
Cash and cash equivalents		383 937 184	383 937 184
Total carrying amounts		**410 286 981**	**410 286 981**

Class of financial instrument 2025			
Staff debtors	2	488 821	488 821
Online service receivable	2	14 661 362	14 661 362
Receivable - other		7 072 935	7 072 935
Training provisioning and facilities	2	200 016	200 016
Deposits	2	1 024 740	1 024 740
Cash and cash equivalents	4	178 625 659	178 625 659
Total carrying amounts		**202 073 533**	**202 073 533**

Carrying amounts of financial liabilities

Class of financial instrument 2026

Finance lease obligation	8	1 845 176	1 845 176
Payables from exchange transactions	10	375 642 756	375 642 756
Payables from non-exchange transactions	12	3 828 660	3 828 660
		381 316 592	**381 316 592**

Class of financial instrument 2025

Finance lease obligation	8	3 332 089	3 332 089
Payables from exchange transactions	10	276 742 146	276 742 146
Payables from non-exchange transactions	12	1 738 026	1 738 026
Total carrying amounts		**281 812 261**	**281 812 261**

Nature and extent of risks arising from financial instruments

Overview

The entity is exposed to the following risks from its use of annual financial statements:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Accounting Authority has overall responsibility for the establishment and oversight of the entity's risk management framework. The Accounting Authority has established the risk committee, which is responsible for developing and monitoring the entity's risk management policies. The committee reports quarterly to the Accounting Authority on its activities.

Financial Instruments - Risk Management and Other Disclosures (continued)

The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities.

The entity audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the entity. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

The credit risk management practice

The entity is exposed to credit risk arising from receivables. The risk is managed through:

- Monitoring debtor ageing;
- Implementing collection procedures; and
- Expected credit loss assessments

Financial assets - 2026	Neither past nor impaired	1-3 months	3-5 months	More than 5 months	Impaired financial assets	Total
Staff debtors	88 256	-	144 556	13 009	(129 575)	116 246
Online services receivable	19 998 215	858 872	170 898	133 689	(453 068)	20 708 606
Receivable other	1 401 988	70 227	226 454	1 736 428	(435 299)	2 999 798
Training provisioning and facilities	1 369 994	829 594	5 149	1 187 060	(1 946 663)	1 445 134
Deposits	1 080 008	-	-	-	-	1 080 008
Cash and cash equivalents	383 937 184	-	-	-	-	383 937 184
	407 875 645	**1 758 693**	**547 057**	**3 070 186**	**(2 964 605)**	**410 286 976**

Financial assets - 2025	Neither past nor impaired	1-3 months	3-5 months	More than 5 months	Impaired financial assets	Total
Staff debtors	479 062	20 141	19 963	172 307	(202 653)	488 820
Online services receivable	14 484 862	114 233	-	110 211	(47 944)	14 661 362
Receivable other	7 647 927	432 956	835 827	445 826	(2 289 600)	7 072 936
Training provisioning and facilities	234	32 165	536 873	814 537	(1 183 793)	200 016
Deposits	1 024 740	-	-	-	-	1 024 740
Cash and cash equivalents	178 625 659	-	-	-	-	178 625 659
	202 262 484	**599 495**	**1 392 663**	**1 542 881**	**(3 723 990)**	**202 073 533**

The following financial instruments are considered to have low credit risk

Only the instruments listed below are treated as low credit risk. All others follow the normal SICR assessment.

Financial instrument	**Class**
Deposits	Deposits

Deposits are contractually refundable at the end of the lease term and are held in interest bearing bank accounts with reputable financial institutions with a strong history of meeting their obligations. The deposits are not subject to significant deterioration, and the likelihood of default is therefore considered remote.

Financial instrument	Class
Cash and cash equivalents	Cash and cash equivalents

The bank balances are held with reputable financial institutions with high credit ratings. Accordingly, they are considered to have low credit risk.

Financial instrument	Class
Online motor vehicle licence	Online motor vehicle licence

The entity considers online motor vehicle licence receivables to have a low credit risk as the transaction in its nature is a cash transaction and daily settlements occur within 24 hours of cash collected by the financial institutions.

Inputs, assumptions and estimation techniques

It was noted that the expenditure was not specifically provided for in the approved budget forming part of the Corporation's Business and Financial Plan. Consequently, a question has arisen as to whether the expenditure may constitute non- compliance with section 53(4) of the Public Finance Management Act, which requires expenditure to be incurred in accordance with the approved budget, read together with section 25(2) of the Road Traffic Management Corporation Act, 1999, which requires directives of the Shareholders' Committee or the Board to fall within the parameters of the approved Business and Financial Plan.

Quantitative and qualitative information about amounts arising from expected credit losses

The movement in the expected credit loss allowance reflects changes in the gross carrying amount of receivables arising from normal revenue recognition, collections, write-offs and the ageing of outstanding balances during the reporting period. The expected credit loss allowance was measured using the entity's revised impairment methodology adopted in accordance with Revised GRAP 104. No other significant changes in the measurement methodology or credit risk management practices occurred during the reporting period.

Changes in loss allowance and gross carrying amount

2026: Staff debtors

Reconciliation of loss allowance	Lifetime ECL, simplified approach	Total
Loss allowance at the beginning of the year	202 653	202 653
Transfer to Lifetime ECL simplified approach (receivables/lease)	62 144	62 144
Write-offs	(135 222)	(135 222)
Loss allowance at the end of the year	**129 575**	**129 575**

Reconciliation of gross carrying amount		
Gross carrying amount at the beginning of the year	691 474	691 474
Transfer to Lifetime ECL simplified approach (receivables/lease)	(310 431)	(310 431)
Write-offs	(135 222)	(135 222)
Gross carrying amount at the end of the year	**245 821**	**245 821**

Financial Instruments - Risk Management and Other Disclosures (continued)

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	245 821
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	(129 575)
Net carrying amount	**116 246**

Online service receivable

Reconciliation of loss allowance	Lifetime ECL, simplified approach	Total
Loss allowance at the beginning of the year	47 944	47 944
Transfer to Lifetime ECL simplified approach (receivables/lease)	405 124	405 124
Loss allowance at the end of the year	**453 068**	**453 068**

Reconciliation of loss allowance		
Gross carrying amount at the beginning of the year	14 709 306	14 709 306
Transfer to Lifetime ECL simplified approach (receivables/lease)	6 452 368	6 452 368
Gross carrying amount at the end of the year	**21 161 674**	**21 161 674**

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in “Reconciliation of gross carrying amount” above	21 161 674
Loss allowance at the end of the year as disclosed in the “Reconciliation of loss allowance” above	(453 068)
Net carrying amount	**20 708 606**

Receivable - other

Reconciliation of loss allowance	Lifetime ECL, simplified approach	Total
Loss allowance at the beginning of the year	6 473 661	6 473 661
Transfer to Lifetime ECL simplified approach (receivables/lease)	238 997	238 997
Financial instruments that have been derecognised	(431 757)	(431 757)
Write-offs	(2 046 698)	(2 046 698)
Loss allowance at the end of the year	**4 234 203**	**4 234 203**

Reconciliation of gross carrying amount		
Gross carrying amount at the beginning of the year	13 593 197	13 593 197
Transfer to Lifetime ECL simplified approach (receivables/lease)	(4 219 300)	(4 219 300)
Write-offs	(2 139 898)	(2 139 898)
Gross carrying amount at the end of the year	**7 233 999**	**7 233 999**

Financial Instruments - Risk Management and Other Disclosures (continued)

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	7 233 999
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	(4 234 203)
Net carrying amount	**2 999 796**

Training provisioning and facilities

Reconciliation of loss allowance	Lifetime ECL, simplified approach	Total
Loss allowance at the beginning of the year	1 183 793	1 183 793
Transfer to Lifetime ECL simplified approach (receivables/lease)	815 510	815 510
Write-offs	(52 641)	(52 641)
Loss allowance at the end of the year	**1 946 662**	**1 946 662**

Reconciliation of gross carrying amount		
Gross carrying amount at the beginning of the year	1 383 809	1 383 809
Transfer to Lifetime ECL simplified approach (receivables/lease)	2 060 628	2 060 628
Write-offs	(52 641)	(52 641)
Gross carrying amount at the end of the year	**3 391 796**	**3 391 796**

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	3 391 796
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	(1 946 662)
Net carrying amount	**1 445 134**

Deposits

Reconciliation of gross carrying amount	Lifetime ECL, simplified approach	Total
Gross carrying amount at the beginning of the year	1 024 740	1 024 740
Transfer to Lifetime ECL simplified approach (receivables/lease)	55 269	55 269
Gross carrying amount at the end of the year	**1 080 009**	**1 080 009**

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	**1 080 009**

Financial Instruments - Risk Management and Other Disclosures (continued)

2025: Staff debtors

Reconciliation of loss allowance	Lifetime ECL, simplified approach	Total
Loss allowance at the beginning of the year	2 868	2 868
Transfer to Lifetime ECL simplified approach (receivables/lease)	199 785	199 785
Loss allowance at the end of the year	**202 653**	**202 653**

Reconciliation of gross carrying amount		
Gross carrying amount at the beginning of the year	681 884	681 884
Transfer to Lifetime ECL simplified approach (receivables/lease)	9 590	9 590
	691 474	**691 474**

Net carrying amount determination	
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	691 474
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	(202 653)
Net carrying amount	**488 821**

Online service receivable

Reconciliation of loss allowance	Lifetime ECL, simplified approach	Total
Transfer to Lifetime ECL simplified approach (receivables/lease)	47 944	47 944

Reconciliation of gross carrying amount		
Gross carrying amount at the beginning of the year	7 312 020	7 312 020
Transfer to Lifetime ECL simplified approach (receivables/lease)	7 397 286	7 397 286
Gross carrying amount at the end of the year	**14 709 306**	**14 709 306**

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in “Reconciliation of gross carrying amount” above	14 709 306
Loss allowance at the end of the year as disclosed in the “Reconciliation of loss allowance” above	(47 944)
Net carrying amount	**14 661 362**

Receivable - other

Reconciliation of loss allowance	Lifetime ECL, simplified approach	Total
Loss allowance at the beginning of the year	224 328	224 328
Transfer to Lifetime ECL simplified approach (receivables/lease)	6 249 333	6 249 333
Loss allowance at the end of the year	**6 473 661**	**6 473 661**

Financial Instruments - Risk Management and Other Disclosures (continued)

Reconciliation of gross carrying amount	Lifetime ECL, simplified approach	Total
Gross carrying amount at the beginning of the year	13 255 299	13 255 299
Transfer to Lifetime ECL simplified approach (receivables/lease)	291 298	291 298
Gross carrying amount at the end of the year	**13 546 597**	**13 546 597**

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	13 546 597
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	(6 473 661)
Net carrying amount	**7 072 936**

Training provisioning and facilities

Reconciliation of loss allowance	Lifetime ECL, simplified approach	Total
Transfer to Lifetime ECL simplified approach (receivables/lease)	1 183 792	1 183 792

Reconciliation of gross carrying amount		
Gross carrying amount at the beginning of the year	11 637 604	11 637 604
Transfer to Lifetime ECL simplified approach (receivables/lease)	(10 253 796)	(10 253 796)
Gross carrying amount at the end of the year	**1 383 808**	**1 383 808**

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	1 383 808
Loss allowance at the end of the year as disclosed in the "Reconciliation of loss allowance" above	(1 183 792)
Net carrying amount	**200 016**

Deposits

Reconciliation of gross carrying amount	Lifetime ECL, simplified approach	Total
Gross carrying amount at the beginning of the year	1 567 729	1 567 729
Transfer to Lifetime ECL simplified approach (receivables/lease)	1 059 769	1 059 769
Financial instruments that have been derecognised	(1 602 758)	(1 602 758)
Gross carrying amount at the end of the year	**1 024 740**	**1 024 740**

Net carrying amount determination	Total
Gross carrying amount at the end of the year as disclosed in "Reconciliation of gross carrying amount" above	1 024 740

Financial Instruments - Risk Management and Other Disclosures (continued)

Credit risk exposure

For purposes of determining the credit loss allowances, management determine the credit rating grades of each financial asset at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

2026

The following below sets out the internal credit rating framework which is applied by management for financial instruments for which external ratings are not available, except for receivables and lease receivables:

Internal rating grade	Description of rating	Basis for recognising expected credit losses
Good paying customer	Above 75%	Lifetime ECL
Moderate paying customer	Between 51% and 75%	Lifetime ECL
Bad paying customer	50% and below	Lifetime ECL

The following below sets out the provision matrix framework which is applied by management for receivables and lease receivables

Type	Expected credit loss rate	
	Recovery rate	ECL rate
Staff debtors	32 %	68 %
Online service receivable	89 %	11 %
Receivable - other	81 %	19 %
Training provisioning and facilities	44 %	56 %

2025

The following below sets out the internal credit rating framework which is applied by management for financial instruments for which external ratings are not available, except for receivables and lease receivables:

Internal rating grade	Description of rating	Basis for recognising expected credit losses
Good paying customer	Above 75%	Lifetime ECL
Moderate paying customer	Between 51% and 75%	Lifetime ECL
Bad paying customer	50% and below	Lifetime ECL

The following below sets out the provision matrix framework which is applied by management for receivables and lease receivables

Type	Expected credit loss rate	
	Recovery rate	ECL rate
Staff debtors	14 %	86 %
Online service receivable	88 %	12 %
Receivable - other	77 %	23 %
Training provisioning and facilities	88 %	12 %

Financial Instruments - Risk Management and Other Disclosures (continued)

Liquidity risk

The entity is exposed to liquidity risk. This is a result of the availability of funds to cover future commitments as they become due.

The entity manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. Through an ongoing review of future commitments and cashflow projections, the entity's financing requirements are met through a mixture of government funding and the cash generated from operations. Committed financing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

Additionally, the entiy manages liquidity risk by maintaining sufficient cash resources and monitoring cash flows.

Financial instrument categories:

Category	2026	2025
Financial assets at amortised cost	410 286 981	202 073 533
Financial liabilities at amortised cost	(381 316 592)	(28 112 261)
	28 970 389	**173 961 272**

There have been significant changes to the entity's liquidity risk management practices and processes compared to the prior reporting period.

As part of a comprehensive turnaround strategy designed to strengthen the entity's liquidity position, the following measures were introduced:

- Financial sustainability reporting with a focus on the cost of employees.
- Reduction in employee appointments, limited to essential and key positions.
- Adjustment of key performance targets to align with available financial resources.
- Introduction of austerity measures to promote prudent financial management.

As a direct outcome of the turnaround strategy and the measures outlined above, the entity's net financial instruments, which reflected a negative position in the prior year, have now shifted to a positive position. This improvement demonstrates the effectiveness of the liquidity risk management interventions and underscores the entity's strengthened financial resilience going forward.

Maturity analysis of contractual undiscounted cash outflows – non-derivative financial liabilities

2026

Non-current liabilities	**Less than 1 year**	**1 to 2 years**	**Total**
Finance lease obligation	-	294 349	294 349
Current liabilities			
Finance lease obligation	1 550 827	-	1 550 827
Payables from exchange transactions	375 642 756	-	375 642 756
Payables from non-exchange transactions	3 828 660	-	3 828 660
	381 022 243	**294 349**	**381 316 592**

The maturity analysis shows the remaining contractual maturities.

Financial Instruments - Risk Management and Other Disclosures (continued)

2025

Non-current liabilities	Less than 1 year	1 to 2 years	Total
Finance lease obligation	-	1 132 526	1 132 526
Current liabilities			
Finance lease obligation	2 199 563	-	2 199 563
Payables from exchange transactions	276 742 146	-	276 742 146
Payables from non-exchange transactions	1 738 026	-	1 738 026
	280 679 735	**1 132 526**	**281 812 261**

The maturity analysis shows the remaining contractual maturities.

Market risk

Sensitivity analysis

Scope and objectives

Market risk is the risk that changes in the market prices, such as interest rates, foreign exchange rates and equity prices will affect the value of the Corporation`s financial assets and the amount of the Corporation`s liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The nature of the Corporation`s exposure to market risk and its objectives, policies and procedures for managing market risks have not changed significantly from the prior period, except for the recent price hike in fuel. This might have a bearing on our service providers we rely on to do deliveries on time. This already has a significant impact on our ability to deploy traffic officers resulting in the budget becoming more and more constrained.

Interest rate risk

The Corporation has limited exposure to interest risk. Cash and cash equivalents carry interest at a variable rate. The RTMC is not allowed to have an overdraft facility, in terms of the PFMA.

Non-compliance risk

2024/2025 Non-compliance

Section 25(1) of the RTMC Act stipulates that "The Chief Executive Officer is the Accounting Officer of the Corporation and must ensure that the expenses of the Corporation do not exceed its income". During the 2024/25 financial year, the Corporation was in contravention with this section, thus resulting in a non-compliance. Below are the cost drivers resulting in the expenses exceeding the income:

- NTP Probation completion resulted in unbudgeted increases to the said officers' salaries;
- Unbudgeted appointments including the absorption of the Traffic Trainees;
- The procurement of MVTS units for the Western Cape in line with a Shareholders Resolution; and
- The office relocation cost.

Financial Instruments - Risk Management and Other Disclosures (continued)

2025/2026 Non-compliance

Section 25(2) of the RTMC Act states that "The shareholders committee or the board, as the case may be, must ensure that any directive issued in terms of section 13 falls within the parameters of the business and financial plan". During the financial year and as per the above stated, the Shareholders instructed the procurement of MVTS units for the Western Cape. This was not in the Corporation's budget with many more pressing matters to prioritise. The lack of funds results in this transaction leading to non-compliance.

To mitigate the risk of this event recurring, the budget policy was updated and strengthened during 2025/2026 to prohibit any expenditure beyond the allocated budget. Any expenditure beyond the budget needs to be approved by the Board.

An investigation including the above, amongst others, is still underway.

31. Irregular and Fruitless and wasteful expenditure

	2026	2025
Irregular expenditure	23 883 200	121 440
Amount condoned	-	(121 440)
Closing balance	**23 883 200**	**-**

*Refer to reconciling notes in the annual report

Non-compliance with section 53(4) of the Public Finance Management Act

During the 2025-2026 financial year, the Corporation procured Mobile Vehicle Testing Station (MVTS) units in accordance with a Shareholders' resolution. The related expenditure of R23 883 200 was recognised as donation expenditure in the Statement of Financial Performance.

It was noted that the expenditure was not specifically provided for in the approved budget forming part of the Corporation's Business and Financial Plan. Consequently, a question has arisen as to whether the expenditure may constitute noncompliance with section 53(4) of the Public Finance Management Act, which requires expenditure to be incurred in accordance with the approved budget, read together with section 25(2) of the Road Traffic Management Corporation Act, 1999, which requires directives of the Shareholders' Committee or the Board to fall within the parameters of the approved Business and Financial Plan.

The irregular expenditure disclosed in this note has been referred for investigation in accordance with the National Treasury PFMA Compliance and Reporting Framework. Investigations are ongoing, including this transaction, to determine the relevant facts, accountability, and any consequential actions. Where appropriate, the accounting treatment and disclosure will be updated once the relevant processes have been concluded.

Prior year administrative error on leased agreement

During the previous financial year, an administrative error occurred during the preparation of a deviation submission that sought approval for the lease agreement for a building occupied by the Corporation. The leased area was erroneously captured as 903m^2 instead of the correct 1123m^2.

As a result, the payments for the period 01 December 2024 to 31 March 2025 to the value of R121 440, for the 220m^2 omitted, were processed based on the 1123m^2 of which only 903m^2 was duly approved.

The Chief Executive Officer has since, through the Loss and Disposal Committee's recommendation, approved the condonement of the irregular expenditure in line with the Irregular Expenditure Framework.

Details of fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the current financial year.

32. Events after the reporting date

a) Non-adjusting events

Subsequent to year-end, face-value documents with a cost of R205 956 were identified as defective. Prior to the approval of these financial statements, the supplier replaced the affected documents at no cost to the Corporation. Consequently, no financial loss was incurred, and the carrying value of inventory at the reporting date remained unchanged.

33. Accounting by principals and agents

The entity is a party to a principal-agent arrangement(s).

Details of the arrangments are as follows:

RTMC acts as an agent to:

1) RTIA - infringement collection

In terms of the appointment as DLTC by Gauteng Department of Roads and Transport, RTMC is eligible to collect any other fee owed to the Department and other Road Traffic Agencies as prescribed in the applicable legislation, section 17 of the AARTO Act. The RTMC also collects the fees from infringement payments as part of the online renewal offering and track-and trace operations in terms of the aforementioned legislation.

Based on the above, RTMC is empowered in terms of the AARTO Act to collect outstanding infringements as a collecting agency on behalf of RTIA. The purpose of the relationship from a Law Enforcement point of view is for the motorists to acknowledge and rectify traffic infringements.

RTMC will accept all payments or part thereof, made by the infringer in respect of settlement of an infringement notice issued in terms of section 17 of the AARTO Act.

The Collecting Authority will retain 3% of the total amount collected which is VAT exempt and transfer the balance to the dedicated AARTO account.

2) Online renewal of motor vehicle licences

During February 2022 financial year, RTMC and the Provincial departments of Transport entered into an agreement whereby RTMC provides online renewal of motor vehicle licences services on behalf of provinces.

RTMC is an agent to the arrangement and the assessment is that the provinces remain responsible for the management of vehicles licensing. Further, only the provinces have the power to determine the minimum service performance of the RTMC.

The risks associated with the execution of the function remains with the provinces.

As a compensation for the services performed, the RTMC retains 8% of all the baseline fees and penalties collected on behalf of the provinces.This arrangement is still in place.

3) Online motor vehicle registration and change of ownership

In February 2022, the RTMC regulations for 2022 which includes Online Motor Vehicle Registration and Change of Ownership came into effect. These regulations as made by the Minister of Transport allows the RTMC to collect registration and change of ownership fees as gazetted by the different MEC's in their respective provinces.

The online vehicle registration fee will be levied on all registrations performed by Financial Institutions, Motor Dealers, Insurance Companies and Large Fleet Operators. The online registration function will allow an approved entity the ability to register a vehicle to themselves as title holder.

The fee collected will include both the Convenience fee for the RTMC which is R330 and registration or change of ownership fee as determined by the MEC's in the different provinces. RTMC as an agent, will therefore collect the registration and change of ownership fee on behalf of the Provincial Department of Transport.

The risks associated with the execution of the function remains with the provinces.This arrangement is still in place.

33. Accounting by principals and agents (continued)

4.) Special project income

The National Road Traffic Act 1996 Act No 93, provides that the registration and licensing system of motor vehicles for the province shall be as prescribed by the Member of the Executive Council (MEC) of the Province.

The MEC of the Province may prescribe fees and penalties, relating to the application for the registration or licensing of a motor vehicle or licencing of a motor trade number. Failure to pay the prescribed fees and penalties timeously shall constitute debts, due to the province by the title holder, owner or holder, as the case may be.

In terms of an agreement between the RTMC and Gauteng Department of Roads and Transport as well as the RTMC and the Free State Community Safety Roads and Transport, the provinces ceded its rights to recover the debt from debtors to the RTMC to enable the RTMC to pursue recovery of the debt upon recovery of such debt by the RTMC, will share the recovered amounts with the province on a recovered revenue sharing basis which RTMC, 40%, is to retain of any recovered revenue and will pay over 60% of such to the province.

The risks associated with execution of the function remains with the province. This arrangement is still in place. Payments are made monthly inline with the agreement between the parties.

5.) Professional Driver Permit (PrDP)

In terms of the appointment as DLTC by Gauteng Department of Roads and Transport, RTMC is eligible to collect any other fee owed to the Department and other Road Traffic Agencies as prescribed in the applicable legislation. RTMC also collects the fees from the renewal of PrDP licenses and in the process, as required by legislation, request police clearance on the fingerprints taken from the applicant. The RTMC will retain R3 per transaction of the application for police clearance on the fingerprints and remit the remainder amount to Afiswitch.

Entity as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R255 421 375, (31 March 2025: R178 240 343).

Revenue	2026	2025
RTIA - Aarto Infringements	1 859 411	1 053 402
Online Motor Vehicle licence renewal - Collection agency fee	196 869 780	150 891 314
Online registration and change of ownership	56 642 190	25 944 282
Special project income	4 800	348 877
Professional Driver Permit (PrDP) police clearance (DLTC)	45 194	2 468
	255 421 375	**178 240 343**

Cost incurred in the provision of the services	Marketing	Bank charges	Bulk printing and dispatch	Total
Online Motor Vehicle Licence Renewal - Collection Agency Fee	-	(30 081 297)	(123 680 388)	(153 761 685)

33. Accounting by principals and agents (continued)

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements.

	Assets	Liabilities
RTIA - Aarto Infringements (collecting authority capacity)	7 009 261	(7 009 261)
Online motor vehicle licence renewal - Collection agency fee	237 453 380	(237 453 380)
Online registration and transfer of ownership	3 946 388	(3 946 388)
Professional Driver Permit (PrDP)	263 171	(263 171)
	248 672 200	**(248 672 200)**

* Assets under the custodianship of the RTMC comprises of receivables from exchange transactions and cash & cash equivalents.

Payments are made within 21 days in line with the service level agreement between the RTMC, RTIA, Gauteng Department of Roads and Transport, and the provinces.

Receivables and/or payables recognised based on the rights and obligations established in the binding agreements.

	Opening balance	Amounts collected on behalf of the principal	Amounts remitted during period to the principal	Total
RTIA - Aarto Infringements (collecting authority capacity)	1 393 414	60 141 956	(54 526 110)	7 009 260
Online motor vehicle licence renewal - Collection agency	188 214 814	2 264 002 465	(2 214 763 900)	237 453 379
Online registration and transfer of ownership	2 010 947	37 923 165	(35 987 724)	3 946 388
Special project income	523 315	7 200	(530 515)	-
Professional Driver Permit (PrDP)	66 477	1 461 263	(1 264 568)	263 172
	192 208 967	**2 363 536 049**	**(2 307 072 817)**	**248 672 199**

Entity as principal

RTMC acts as a principal to:

1.) RTIA - Aarto Infringements

RTMC is a principal to RTIA for the purposes of collection of AARTO penalties, this is in terms of Section 13 of the AARTO Act, 2008. The terms and conditions of this arrangement is clearly stipulated in the AARTO Act.

2.) Provinces - Transaction fees

RTMC is a principal to the provincial Departments of Transport for the purposes of collection of transaction fees, this is in terms of the RTMC Regulation, 2022 of the RTMC Act, 2022. The terms and conditions of this arrangement is clearly stipulated in the 2022 RTMC Regulations.

Payments are made within 30 days in accordance with 2022 RTMC Regulation.

3.) Bank agents - Online Motor Vehicle Licence renewal.

RTMC is a principal to FNB Online (FNBNAV), Capitec Online & Nedbank Online for the purpose of collecting fees, this is in terms of a Service Level Agreement with the aforementioned banks. These banks do not retain any of the amount for online renewals nor does the RTMC pay any fees to the banks for collection of fees. The terms and conditions of this agreement are clearly stipulated in the said Service Level Agreements.

33. Accounting by principals and agents (continued)

Fee paid	2026	2025
RTIA - Aarto Infringements	572 390	272 993

RTMC pays 3% of the transaction fee as compensation for services performed.

Payments are made within 21 days in line with the service level agreement between the RTMC and RTIA.

Resources under custodianship of agent - assets and liabilities	Opening balance	Amounts collected on behalf of the principal	Resources remitted by agent	Closing balance
RTIA - Aarto Infringements	314 079 115	221 197 948	(19 079 656)	516 197 407
Transaction fees				
• Eastern Cape	11 415 560	49 987 512	(48 845 597)	12 557 475
• Free State	3 015 720	39 840 624	(36 576 936)	6 279 408
• Gauteng	23 715 360	309 670 848	(308 187 144)	25 199 064
• KwaZulu-Natal	17 727 818	117 223 776	(106 169 292)	28 782 302
• Limpopo	4 742 346	52 920 144	(52 900 485)	4 762 005
• Mpumalanga	4 072 444	53 830 592	(53 376 228)	4 526 808
• North West	3 266 712	41 059 656	(40 847 256)	3 479 112
• Northern Cape	35 041 444	17 746 488	(17 994 520)	34 793 412
• Western Cape	16 006 920	142 295 544	(147 081 819)	11 220 645
Banks				
• Capitec	2 492 503	437 126 327	(436 434 674)	3 184 156
• Nedbank	235 183	75 372 809	(75 035 222)	572 770
• FNB Nav	250 503	186 926 552	(187 377 321)	(200 266)
	436 061 628	**1 745 198 820**	**(1 529 906 150)**	**651 354 298**

These principal-agent arrangements are still in place.

34. Budget differences

Material differences between budget and actual amounts

Reasons for material variances between the Approved Budget and Actual Amounts on the various items disclosed in the Statement of Comparison of Budget and Actual Amounts are explained below:

a) NaTIS online motor vehicle registration and change of ownership

The Corporation introduced a convenience service during the 2022/23 financial year which enables motor dealerships to register and change ownership of motor vehicles online. Revenue generation is driven by the dealerships up take of the service, which was more than anticipated, hence resulting in an over-recovery of revenue.

34. Budget differences (continued)

b) Revenue items that are not budget for under normal operations

Some revenue items are incidental to the normal operations of the Corporations and as a result not budgeted for. These include:

- Special project income
- RTIA – Aarto infringement collection fees: This entails revenue generated as a result of Aarto infringement payments at the RTMC DLTC's.
- Revenue from previously written off assets
- Secondment income
- Sundry income
- Project income – Sponsorship
- Insurance reimbursement
- Sponsorship in-kind
- Revenue from unclaimed liabilities

c) NaTIS data charge

Revenue generation is driven by the public's up-take of the online services which exceeded the anticipated targets, resulting in an over-recovery of revenue.

d) Training provisioning and facilities

The Corporation's training constitutes training of the Examiner of Driving Licence (EDL) and the Examiner of Vehicle (EOV), which showed a slight over achievement compared to the budget.

e) NaTIS Online Motor Vehicle Licence Renewal Collection Fees

Revenue generation was driven by higher-than-anticipated daily up-take of motor vehicle licence renewals, resulting in an over- recovery of revenue.

f) DLTC Management

The Corporation's generation of revenue from this function is driven by the rate of public take-on. All functions have also not been activated as anticipated.

g) Infringement fees (AARTO income)

NTP put in extra effort to enforce the law, as evidenced by the significant number of infringements issued throughout the year.

h) Transaction Fees

The increase in revenue is attributed to the growth in vehicle population and improved compliance levels, which resulted in a higher volume of transactions processed.

i) Employee costs

Employee costs is less than the budget in 2025-2026 financial year due to the implementation of the staffing strategy.

34. Budget differences (continued)

j) Depreciation

All capital expenditure previously recorded under WIP for the Boekenhoutskloof project was capitalised, resulting in the first full year of depreciation being recognised. In addition, the Corporation acquired a number of vehicles during the year, which also commenced depreciating. However, depreciation budget is slightly higher than anticipated.

k) Finance cost

Interest was anticipated however the supplier had agreed to accommodate the Corporation interest free if we adhere to the approved payment plan.

l) Lease rental on operating lease

The Corporation relocated during the 2024/25 financial year, resulting in 2025/26 being the first full financial year in which rental expenses were incurred in terms of the new leasing model.

m) Expense items not included under normal operations

Some expenses are incidental to the normal operations of the Corporation and as a result not budgeted for. These include:

- Debt impairment
- Expected credit losses
- Gain or loss on disposal of assets
- Donations

n) Operating expenditure

During the financial year, the Corporation realised an underspend in operating expenditure, largely due to the austerity measures introduced in the second quarter to mitigate the financial constraints of the Corporation. In the fourth quarter, a budget adjustment was approved by the Board to reflect anticipated revenue increases and to reallocate funds across expenditure categories and programmes. The adjustment aimed to address variances identified through budget monitoring and to minimize the over and underspending. Further details on the main contributors to the underspend are provided below:

- Advertising: Delayed procurement of advertising, branding and promotional material was supplemented by sponsorships, led to underspending.
- Training of traffic personnel: This expenditure variance is due to delayed procurement for planned projects such as the EDL training equipment because of limited financial resources, resulting in an underspend in the current financial year.
- Computer expense: This expenditure is attributed to the procurement of fewer CLLT, MFA project and NaTIS deployment equipment items, resulting in an underspend in the current financial year.
- Courier fees: This expenditure is attributed to online renewal of motor vehicle licenses, which increases in line with online revenue but resulted in a cost lower than anticipated, resulting in an underspend in the current financial year.
- Data lines: The decrease in copper-based sites resulted in a decrease in data lines costs.
- Uniform: This expenditure is due to less combat uniform procurement for traffic officers in the financial year under review, resulting in an underspend in uniform cost.
- Repairs and maintenance: This expenditure is attributed to motor vehicle repairs and maintenance costs which was lower due to the number of motor vehicles written off and disposed during the current financial year, resulting in an underspend in motor vehicle repairs and maintenance cost.

34. Budget differences (continued)

o) Capital expenditure

- During the year under review, the Corporation procured equipment for the SD-WAN project, with payment scheduled for three years instead of once-off. The assets have been capitalised in the current financial year, resulting in captital expenditure exceeding the budget allocation.

p) Expenditure exceeding income

- During 2024/25, the Corporation procured Mobile Vehicle Testing Stations (MVTS) for Western Cape inline with Shareholders resolution, with delivery taking place in the year under review.
- The Corporation procured services to install SD-WAN countywide. The tender was approved by the Board with a three year payment plan. The supplier had however procured the equipment in bulk as per their proposal. Due to the fact that all the equipment was delivered, the full capitalisation has to be recognised in line with GRAP. The remainder of the payments fall in the outer two financial years as per the Board resolution. Capitalisation of an asset takes place at the soonest of delivery or invoicing. All the equipment was thus capitalised which shows an overspend on Capex, however only being the accounting treatment for the asset. Only the budgeted amount of R51million was paid, the remaining payments are being made in the years they were budgeted for. From an expenditure point of view there was thus no overspend on Capex.



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