



23 / 24
INTEGRATED
ANNUAL
REPORT





THE SIX CAPITAL ICONS IN THIS
INTEGRATED ANNUAL REPORT:



HUMAN CAPITAL



INTELLECTUAL CAPITAL



NATURAL CAPITAL



MANUFACTURED CAPITAL



FINANCIAL CAPITAL



SOCIAL AND RELATIONSHIP
CAPITAL

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ABBREVIATION AND ACRONYMS

ACSA	Airports Company of South Africa
AFC	Automatic Fare Collection
AFSA	Arbitration Foundation of Southern Africa
APP	Annual Performance Plan
APS	Airport Passenger Service
ARC	Audit and Risk Committee
ASB	Accounting Standards Board
ATS	Alexandra Transport Solutions
BBBEE	Broad-Based Black Economic Empowerment
BCJV	Bombela Civil Joint Venture
BCP	Business Continuity Plan
BEs	Black Entities
BCC	Bombela Concession Company
BMC	Bombela Maintenance Company
BOC	Bombela Operating Company
CA	Concession Agreement
CC	Competition Commission
CCTV	Closed Circuit Television
CDF	Concessionaire Demand Forecasted
CEO	Chief Executive Officer
CIPC	Companies and Intellectual Properties Commission
COCA	Close-out of the Concession Agreement
Concessionaire	Bombela Concession Company (Pty) Ltd
CPI	Consumer Price Index
CSCs	Contactless Smart Cards
DBSA	Development Bank of South Africa
DFDS	Dedicated Feeder and Distribution Services
DI	Discovery Insure
DRP	Dispute Resolution Procedure
DTLC	Driving License Testing Centres
DWS	Department of Water and Sanitation
EA	Enterprise Architecture
EAP	Environmental Assessment Practitioner
EDMS	Electronic Document Management System
EE	Employment Equity
EIA	Environmental Impact Assessment
EMEs	Emerging Micro Enterprises (EMEs)
EMP	Environmental Management Plan
EMU	Electric Multiple Unit
EMV	Europay Master Visa
EWRMS	Enterprise-Wide Risk Management System
FAC	Finance and Asset Committee
FEMP	Fare Evasion Management Plan
GDARD	Gauteng Department of Agriculture and Rural Development
GDID	Gauteng Department of Infrastructure Development

GDRT	Gauteng Department of Roads and Transport
GEGDS	Gauteng Employment, Growth and Development Strategy
GIBS	Gordon Institute of Business Science
GIS	Geographic Information System
GMA	Gautrain Management Agency
GMA Act	Gautrain Management Agency Act (Act 5 of 2006), as amended
GPG	Gauteng Provincial Government
GPS	General Passenger Service
GRAP	Generally Recognised Accounting Practice
GRRIN	Gauteng Rapid Rail Integrated Network
GTA	Gauteng Tourism Authority
GTIA	Gauteng Transport Infrastructure Act (Act 8 of 2001)
GTIP5	5-year Gauteng Transport Implementation Plan
HC	Human Capital
HDI	Historically Disadvantaged Individuals
HoA	Heads of Agreement
HCRC	Human Capital and Remuneration Committee
HR	Human Resources
I&AP	Interested and Affected Party
ICT	Information and Communications Technology
IEC	Independent Environmental Consultant
IIA	Institute of Internal Auditors
IIRC	International Integrated Reporting Council
IPC	Individual Performance Contract
IoDSA	Institute of Directors in Southern Africa
ISEM	Independent Socio-Economic Monitor
ITMP (Gauteng)	Integrated Transport Master Plan
JRA	Johannesburg Roads Agency
JWWF	Johannesburg Women Writers Festival
KM	Knowledge Management
KPI	Key Performance Indicator
LIR	Land Information Register
MAXIMO	Concessionaire's maintenance information management system
MEC	Member of the Executive Council (for Public Transport and Road Infrastructure, Gauteng)
MFDS	Midibus Feeder and Distribution Service
MOU	Memorandum of Understanding
MRTR	Minimum Required Total Revenue
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NARSA	National Archives and Records Service of South Africa
NIPMO	National Intellectual Property Management Office
NLTA	National Land Transport Act (Act 5 of 2009)
NMT	Non-Motorised Transport
NIPMO	National Intellectual Property Management Office
OCD	Operating Commencement Date
OEM	Original Equipment Manufacturer
O&M	Operations and Maintenance
ORTIA	OR Tambo International Airport

PFMA	Public Finance Management Act (Act 1 of 1999), as amended
PH	Public Holidays
PICC	Presidential Infrastructure Co-ordinating Commission
PMC	Performance Monitoring Committee
PMS	Performance Monitoring System
PoPIA	Protection of Personal Information Act (Act 4 of 2013)
PPP	Public Private Partnership
PRASA	Passenger Rail Agency of South Africa
Province	Gauteng Provincial Government
PST	Province's Support Team
PTKS	Public Transport Knowledge Seminar
QMS	Quality Management System
QSEs	Qualifying Small Enterprises
R&D	Research and Development
RFP	Request for Proposals
RoD	Record of Decision
RRE	Rail Reserve Events
RUF	Railway Usage Fee
RUL	Remaining Useful Life
SAHRC	South African Human Rights Commission
SAICE	South African Institute of Civil Engineers
SCADA	Supervisory Control and data Acquisition
SCUMP	Service Capacity Utilisation Management Plan
SEC	Social and Ethics Committee
SED	Socio-Economic Development
SEZs	Special Economic Zones
SHEQ	Safety, Health, Environment and Quality
SIP	Social Investment Programmes
SIP7	Strategic Integrated Project
SITA	State Information Technology Agency
SMMEs	Small, Medium and Micro Enterprises
SNOC	Security and Network Operations Centre
SPG	Strategic Partners Group
STR	Stored Travel Rights
SVAI	Shared Value Africa Initiative
TA1	Treasury Approval
TMC	Transport Management Centre
TOD	Transit Orientated Development
TOM	Ticket Office Machine
TRAC-SA	Technology and Research Activity Centre of South Africa
TTP	Targeted Threat Protection
TVM	Ticket Vending Machine
UATP	International Association of Public Transport
WUL	Water Use License

1. PURPOSE OF THE REPORT

The Integrated Annual Report reviews the Gautrain Management Agency's (GMA) financial, operational, social and governance performance for the financial year ended 31 March 2024. The purpose of the report is to provide a concise view of the GMA, how it creates value, and its performance against the strategic outcome, in a way that gives stakeholders a holistic view of the Agency and its future. Unless otherwise indicated, the information presented is comparable to that of the prior years.

1.1. INTEGRATED THINKING AND MATERIALITY

The GMA's approach to reporting is enabled through the Agency's progress towards integrated thinking reflected in the performance indicators covering non-financial and financial matters, as well as its strategy, material matters and associated risks.

Material matters are identified through careful analysis of risks and strategic outcomes to identify those matters that the GMA considers to be most significant. Contained in the report are various forward-looking statements, that relate to the possible future position, business strategy and operation.

2. REPORTING FRAMEWORK

The 2024 Integrated Annual Report provides a platform for stakeholders to assess the GMA's performance during the year under review. An overview of performance for the period 1 April 2023 to 31 March 2024, as well as a future focus for the period 1 April 2024 to 31 March 2025, are provided.

The following guiding principles were used to develop the Integrated Annual Report:

- Application of the six capitals approach to integrated thinking and reporting;
- Review of performance during the 2023/24 financial year;
- Strategic focus and future orientation;
- Interconnectivity of strategic and operational information; and
- Stakeholder engagement and responsiveness.

The report is prepared in compliance with the following:

- International Integrated Reporting Framework published by the International Integrated Reporting Council;
- The Public Finance Management Act (PFMA) Act 1 of 1999;
- The Companies Act (Act 71 of 2008);
- South African Standards of Generally Recognised Accounting Practice (SA Standard of GRAP);
- Elements of the National Treasury Annual Report Guide for Public Entities; and
- The King IV Report on Corporate Governance for South Africa.

3. GMA'S DEFINITION OF MATERIALITY

The approach to reporting on material matters is informed by a careful analysis of risks, strategic outcomes and intended outcomes to identify those matters that the Agency considers to be most significant. These can be encapsulated across a set of material themes that include the following:

- **Socio-Economic Development (SED):** Contributing to a growth trajectory for Gauteng and promoting urban mobility and quality of life, through direct SED initiatives and targeted job creation within an environment of limited funding and competing social priorities;
- **Stakeholder impact:** Fostering strong and committed relationships through strategic partnerships, regular engagement, building an inclusive and cohesive employee culture, effective communication and marketing that maximise value for stakeholders and reinforce positive perceptions of reliability, convenience and professionalism;
- **Responsible financial and contract management:** Ensuring the Concession Agreement (CA) and public funds are managed responsibly and to the benefit of stakeholders, and by applying appropriate financial materiality thresholds in line with regulatory provisions;
- **Operational efficiency, sustainability and resilience:** Sustaining effective and efficient operations and compliance through strong governance structures and cooperation, responsible environmental stewardship, appropriate systems and processes that also foster resilience under difficult economic conditions; and
- **Innovative approaches to integration and Knowledge Management (KM):** Capturing, sharing and preserving knowledge to enable strategic leadership decisions and integrated thinking towards innovation in expansion and integration strategies to meet growth in capacity demand.

From a financial perspective, materiality levels in accordance with the PFMA, are captured in the GMA's materiality and significance framework, which is set out in the Annual Strategic Plan for 2023/24 to 2025/26. In setting the relevant thresholds, the GMA has taken cognisance of the following:

- The GMA is funded primarily by a provincial Medium-Term Expenditure Framework (MTEF) budget allocation;
- The business of the GMA is conducted within the framework of the mandate, objects and powers contained in the GMA Act, as well as the business and financial direction set out in the Strategic Plan and Budget; and
- The GMA is governed by the PFMA and the National Treasury regulations and has public accountability and responsibility to stakeholders, which is important and ensures that the GMA risk appetite is managed within the confines of these prescripts.

The determined overall materiality level, excluding system assets, is to be 5% of actual expenditure for the 2022/23 financial year (excluding extraordinary expenditure that is unlikely to reoccur) i.e., approximately R122 878 000. The GMA has also determined the materiality level for system assets to be 0.1% of the system assets for the 2022/23 financial year, i.e. approximately R26 154 000.

A qualifying transaction may also be considered significant based on considerations other than financial if, in the opinion of the Accounting Authority, it is significant for the application of section 55(2) of the PFMA.

4. ASSURANCE

The Audit and Risk Committee has reviewed the Annual Financial Statements for the year ended 31 March 2024 and concluded that these comply in all material respects with the requirements of SA Standards of GRAP. Unless otherwise indicated, the information presented is comparable to that of the prior years.

The GMA's assurance approach relies on shared oversight and responsibility for the assurance process by drawing on risk management, management, Internal Audit and the Auditor-General. Table 01 below indicates the GMA's integrated reporting assurance framework, including the respective assurance providers and their outcomes. The Audit and Risk Committee, as well as the Board, rely on the respective assurance providers to assess the adequacy and effectiveness of the GMA's risk management and internal controls.

Table 01: Integrated Reporting Assurance Framework

CONTENT	ASSURANCE PROVIDERS	OUTCOMES	FRAMEWORK
Annual Financial Statements	<ul style="list-style-type: none"> • GMA Board and Audit and Risk Committee • Auditor-General 	<ul style="list-style-type: none"> • Review • Approval • Qualified/unqualified opinion • Material findings on the usefulness and reliability of performance information 	<ul style="list-style-type: none"> • PFMA • GRAP
Integrated Annual Report (in full)	<ul style="list-style-type: none"> • GMA Audit and Risk Committee • GMA Board 	<ul style="list-style-type: none"> • Board's approval 	<ul style="list-style-type: none"> • Legislative requirements • Treasury guidelines
Review of internal controls and risk management	<ul style="list-style-type: none"> • GMA Board and Board Committees oversight 	<ul style="list-style-type: none"> • Review and commentary • Assess and address residual risks • Strengthen risk governance policies and protocols and risk management • Approval 	<ul style="list-style-type: none"> • Enterprise risk management • Legislative requirements • PFMA
Corporate governance	<ul style="list-style-type: none"> • Internal Audit • Corporate Governance and Ethics 	<ul style="list-style-type: none"> • Assessments of controls • Internal control environment 	<ul style="list-style-type: none"> • King IV • PFMA

5. BOARD RESPONSIBILITY

The Board, assisted by its Committees, is responsible for ensuring the integrity of the Integrated Annual Report. This Integrated Annual Report was approved by the Board and signed on its behalf by the Chairperson of the Board, and the Chief Executive Officer of the Gautrain Management Agency.



Prof. Mfanelo Ntsobi
GMA: Board Chairperson
31 July 2024



Mr. Tshepo Kgobe
GMA: Chief Executive Officer
31 July 2024



“VALUE CREATION IS NOT ABOUT FINANCIAL METRICS: IT IS ABOUT LASTING VALUE FOR ALL STAKEHOLDERS.”

6. HIGHLIGHTS OF VALUE CREATED



FINANCIAL CAPITAL	INTELLECTUAL CAPITAL	HUMAN CAPITAL
<p>The Financial Capital is the pool of funds that is available to the organisation for use in the production of goods or the provision of services obtained through financing, such as debt, equity or grants, or generated through operations or investments. Financial capital is required to operate the Gautrain and support growth, expansion and innovation. This can be capital obtained from internal resources such as operating revenue and reinvestment of profit, as well as external allocations from the Gauteng Provincial Treasury, taxpayers, investors and partners. Shared value creation, in terms of financial capital outcomes, forms the significant economic benefits of the Gautrain.</p>	<p>This form of capital covers intangible, tacit information within an organisation that provides a competitive advantage, including intellectual property, such as patents, copyrights, software and organisational systems, procedures and protocols. It further includes the intangibles that are associated with the brand and reputation that an organisation has developed, such as patents, copyrights, software and organisational systems relevant to the GMA. Procedures and protocols as well as the knowledge of employees and the GMA brand and reputation, also form part of the GMA's intellectual capital – as does Knowledge Management (KM). These create value for the Agency, improve business efficiency and harness innovation capability.</p>	<p>This encompasses employees' skills and experience and their capacity and motivations to innovate, including their alignment with and support of the GMA's governance framework and ethical values, such as its recognition of human rights, as well as their ability to understand and implement an organisation's strategy. Human capital includes loyalties and motivations for improving processes, goods and services, including the ability to lead and collaborate. Human capital reflects the wellbeing of the GMA's diverse and committed workforce, led by a strong leadership team. It is critical to ensure that the financial and intellectual resources are available to support the business model, achieve outcomes and outputs and execute the Strategic Plan.</p>
<ul style="list-style-type: none"> The commercial revenue was generated from the Drivers Licence Testing Centres (DLTCs) and the AMaaS services. Financial exposure to the GMA was adequately managed by ensuring that the average fare evasion was maintained at 0.00%. 	<ul style="list-style-type: none"> The GMA improved its risk maturity from 89% to 90% by continuing to roll out the Enterprise-Wide Risk Management System and development of an Operational Tolerance Dashboard. Development of the Enterprise Portfolio Management Office's (EPMO) online project registration platform application and an online project management platform. The Agency developed a repository of knowledge products that aid in the codification of tacit knowledge and protect the intellectual property of the Agency. The GMA implemented the first Smart DTLC in the township, the first of its kind in the country on behalf of the Gauteng Department of Roads and Transport (GDRT). GMA, in partnership with National Intellectual Property Management Office (NIPMO), developed a GMA IP toolkit, that will guide the Agency to manage innovative endeavours protecting valuable IP. 	<ul style="list-style-type: none"> R1 457 million, spent on education, training and development. An additional 18 young people were employed to render the services at the DLTCs. Through the Graduate Development Programme, the employment, training and development of 13 young graduates continued.



SOCIAL AND RELATIONSHIP CAPITAL	NATURAL CAPITAL	MANUFACTURED CAPITAL
<p>The entities and their relationships established within and between each community, group of stakeholders and other networks to enhance individual and collective wellbeing, fall under this form of capital. Social and relationship capital includes common values and behaviours, key relationships and the trust and loyalty that an organisation has developed – and strives to build and protect – with customers, suppliers and business partners, as well as an organisation’s social licence to operate. The GMA’s social and relationship capital lies in its aims to contribute to an improved quality of life for GMA communities and Gautrain users, and includes the Agency’s conducive relationship with its key stakeholders such as staff and vendors as well as passengers.</p>	<p>Natural capital is an input to the production of goods or the provision of services. An organisation’s activities also impact, positively or negatively, on natural capital. It includes water, land, minerals and forests as well as biodiversity and ecosystem health. Gautrain’s reliance on a stable supply of electricity, the contribution to the decrease in carbon emissions and the positive impact on land management around Gautrain stations all relate to natural capital.</p>	<p>Manufactured capital includes production-orientated equipment, tools, infrastructure and assets. These are human-created physical objects (as distinct from natural physical objects) that are available to the organisation for use in the production of goods or the provision of services, including buildings, equipment and infrastructure. The GMA’s manufactured capital includes Gautrain stations, rolling stock, buses and midibuses and other physical assets supporting the day-to-day operation of the GMA and Gautrain, including buildings, parking areas and offices.</p>
<ul style="list-style-type: none"> • The Gautrain continued to contribute positively to the Gauteng economy, through meeting and exceeding the Socio-Economic Development (SED) targets on Black Equity participation, participation in management and direct employment by Bombela Concession Company (Pty) Ltd (BCC) and Bombela Operating Company (BOC). • The midibus partnership model between the GMA and the taxi industry created employment opportunities. 	<ul style="list-style-type: none"> • By carrying over 7.9 million train passengers in the year, the Gautrain saved on CO₂ emissions as opposed to if those passengers had travelled by private car. • The GMA, in partnership with the Development of Southern Africa (DBSA) and KfW Development Bank, is investigating the use of solar energy at Gautrain stations to reduce its carbon footprint. • DLTCs have been developed using recyclable material and using renewable energy. • The GMA Board approved a sustainability policy and has adopted a sustainability principle of shredding paper as part of its Environmental Sustainability Goals (ESG) journey. 	<ul style="list-style-type: none"> • The maintenance of locally assembled rolling stock used in current train operations continued to use sub-components that are locally sourced. • The ongoing bus fleet replacement programme continued to play a pivotal role in supporting the local supply chain in a period when local manufacturing has been impacted by an economic downturn and strict localisation requirements. • The installation of additional and next-generation fare gates meets future System needs and delivers service improvement.



7. FOREWORD BY MEC

Kedibone Diale-Tlabela

Gauteng MEC for Transport and Logistics

I am pleased to report that the Gauteng Management Agency (GMA) has made significant progress across several areas in the 2023/24 financial year. A notable achievement was the successful oversight of the Concessionaire, which maintained high levels of operational efficiency.

I am delighted to announce that the Gautrain Management Agency has achieved its twelfth consecutive clean audit from the Auditor-General (AGSA). This is a testament to our strong governance and administration.

The Gautrain Project is part of a long-term vision, which includes a commitment towards creating and sustaining a new culture of public transport use. Gautrain has changed the perception of public transport in South Africa by providing a mode of choice that is reliable, affordable, safe and convenient.

The Project remains an enabler of economic growth in the Province, facilitating growth in property development around Gautrain stations and contributing to the GDP of the Province.

In the past year, I encouraged the GMA to leverage its expertise and experience to support the provincial government in areas beyond the GMA and Gautrain itself. The Agency responded enthusiastically by completing and launching the Transport Management Centre (TMC), building the first state-of-the-art Driving Licensing Testing Centre (DLTC) in a township, and providing many other services. These initiatives support the Gauteng Provincial Government's Aga Lerona campaign and offer new public amenities and services, potentially serving as revenue streams for the GMA going forward.

These efforts are part of the vision to provide seamless smart mobility services for socio-economic growth and development, placing people at the centre of this realisation in the Province. Significant progress continues to be made in preparation for the period post the current concession agreement, which ends in March 2026. Our objective is to ensure a seamless transition that will cause no interruption in the Gautrain operations. In the new financial year, the GMA will continue preparations for this transition.

The planning for the Gauteng Rapid Rail Integrated Network (GRRIN) extensions continued with the undertaking of a Preliminary Route Alignment Study for the Soweto Extensions and Cosmo City Junction to determine the route. This demonstrates our commitment to inclusive development across the province.

I would like to express my gratitude to the former GMA Board Chairperson, Mr Mogopodi Mokoena, and the other Board members for their sterling commitment to overseeing the GMA activities, and to the former CEO, Mr William Dachs, for his dedication during his tenure. Congratulations to the new Board under the leadership of Prof. Mfanelo Ntsobi, and wishes to Mr Tshepo Kgobe on his appointment as the new GMA CEO. My heartfelt thanks go to the dedicated GMA staff who have helped maintain excellent corporate practices.

We are proud of the work accomplished during this period and remain committed to further progress.

Lastly, I wish to thank all partners and the metropolitan councils of Ekurhuleni, Johannesburg, and Tshwane for their collaboration and support.



Kedibone Diale-Tlabela

Gauteng MEC for Transport and Logistics.



8. FOREWORD BY THE FORMER CHAIRPERSON

Mr Mogopodi Mokoena

Former Chairperson: GMA Board

It is with great pleasure that I present the Integrated Annual Report for the Financial Year 2023/24 on behalf of the GMA Board. The GMA is responsible for managing the relationship between the Province and the Concessionaire in terms of the Concession Agreement and ensuring that the objectives of the Gautrain Project are met. These objectives are achieved through, among others, commitment to good corporate governance and sound financial management.

During the 2023/24 financial year, the GMA Board provided strategic direction and oversight that ensured the Gautrain Project operates in a sustainable manner with a clear commitment to good governance and the economic and social imperatives of the Gauteng Provincial Government.

In the year under review, the GMA Board reviewed and approved the following matters:

- Policies and key documents for the 2023/24 financial year;
- Report on the Recruitment and Appointment of the new GMA CEO;
- Report on the Recruitment and Appointment of the new GMA Board;
- Mandates delegated to the GMA by the MEC for Transport and Logistics, e.g., Smart Driver's Licensing Testing Centres;
- GMA Board Handover Report;
- Expansion of the GMA Mandate;
- Post-2026 Gautrain Project;
- GMA commercial initiatives;
- Gauteng Rapid Rail Integrated Network Extensions; and
- Closeout of the current Concession Agreement.

During my term as a Chairperson of the Board in the last six years, the GMA continued to receive clean audit opinions, totalling eleven clean audit opinions to date, demonstrating a culture of good governance.

APPRECIATION

The Board extends its gratitude to the former GMA CEO, Mr William Dachs, who excelled in navigating and balancing the strategic and operational aspects of the GMA during a challenging period.

Let me take this opportunity to congratulate and wish Prof. Mfanelo Ntsohi, the new Board Chairperson, and the new GMA Board success as they steer the GMA into a new era. I am confident that the new GMA Board, together with the management team, will continue to guide the GMA in the right direction and build on the foundation that has been laid. I would also like to congratulate and wish Mr Tshepo Kgobe, the new GMA CEO, success in his new role.

I feel privileged to have been associated with the GMA and grateful to have worked with a visionary team of Board members and a dedicated team of professionals who lead the organisation at the management level. Let me also take the opportunity to congratulate and thank the GMA employees for all their hard work.

Finally, I would like to thank the MEC for Transport and Logistics, Ms Kedibone Diale-Tlabela, for her support of the GMA's strategic objectives, as well as the Gauteng Provincial Government and the three Metropolitan municipalities in the Gauteng Province, namely Ekurhuleni, Johannesburg, and Tshwane, for their co-operation.



Mr Mogopodi Mokoena

Former Chairperson: GMA Board

31 July 2024



9. FOREWORD BY THE CURRENT CHAIRPERSON

Prof. Mfanelo Ntsobi

GMA: Board Chairperson

In the past financial year, the South African economy faced several challenges that impacted its recovery. On the domestic front, severe constraints in the transport and logistics sector, along with rising production costs, living expenses, high inflation, and rising interest rates, among others, weighed on domestic economic activity and transport costs.

GOVERNANCE

In the year under review, the term of office for the previous Board ended on 31 December 2023. I would like to express my sincere gratitude to Mr Mogopodi Mokoena, the former Chairperson, and the Board for their unwavering dedication in providing an excellent platform for the new Board to build upon. Additionally, I extend my thanks to the former CEO, Mr William Dachs, for his leadership and commitment in achieving the objectives of the Gauteng Provincial Government.

Congratulations to the new GMA CEO, Mr Tshepo Kgobe, who was appointed in February 2024. We look forward to him taking the GMA to new heights.

To ensure a smooth transition, Mr Mokoena, on behalf of the former Board, handed over the approved GMA Board Handover Report to the new Board at the meeting held on 23 November 2023.

The GMA has continued to set high standards by obtaining an unqualified audit report from the Auditor-General for the twelfth consecutive year.

OUTLOOK

Looking ahead to the new financial year, the GMA Board will continue to provide the strategic direction to ensure the GMA maintains good governance and oversees the following initiatives, among others:

- Post-2026 Gautrain Project;
- Closeout of the current Concession Agreement;
- Implementation of commercial initiatives;
- Increase Gautrain ridership;
- Developing alternative strategies to leverage partnerships to increase ridership and bring passengers back into the system; and
- Planning and implementing extensions and expansions of the Gautrain network.

ACKNOWLEDGEMENTS

I would like to acknowledge my Board colleagues, whose efforts and dedication ensure that we collectively meet our mandate. Furthermore, I express the Board's appreciation to Mr William Dachs for his excellent service and contribution to the GMA and for passing the baton to Mr Tshepo Kgobe.

Thank you to the GMA Management Committee and employees, various GMA stakeholders, and the Gauteng Provincial Government for their support. We also extend our gratitude to the three metropolitan councils of Ekurhuleni, Johannesburg, and Tshwane for their cooperation.

Lastly, the Board expresses its appreciation to the MEC for Roads and Transport, Ms Kedibone Diale-Tlabela, for her support and guidance.



Prof. Mfanelo Ntsobi

GMA: Board Chairperson

31 July 2024



10. OUTGOING CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr William Dachs

Outgoing GMA CEO

As the CEO of the Gautrain Management Agency for the preceding three financial years and the first ten months of this financial year, I am most pleased to see that the vast majority of the targets set by the Executive Authority and the Board continue to be achieved, as has been the case in previous years. While the details of these achievements are set out in this Annual Report, a few stand out as being highly relevant to the continuous success of the GMA.

The first is the continued growth of passenger numbers on the trains, buses and midi-buses of the Gautrain System, where 7,9 million train passengers and 3,3 million bus and midi-bus passengers made trips in the financial year. At 11% year-on-year growth, the benefits of a modern, safe and reliable urban transport system like the Gautrain are being recognised by the citizens and visitors of Gauteng.

Secondly, with this growth and supported by astute financial management, the payments by the Province for the capital costs and ongoing asset maintenance and replacement through the Patronage Guarantee have remained within budget and the Patronage Guarantee has reduced from the previous financial year.

Thirdly, the process of procuring a replacement operator is well underway for when the current concession ends in 2026. Gautrain was one of the first urban rail concessions in the world when it reached commercial close in late 2006. It is now one of the first to reach the end of the concession life cycle, and the GMA continues to be a world leader in its management of these complex procurements and contracts.

Finally, the excellence in governance, oversight, and financial management remained at the high levels set for the Agency, with an impressive 12th clean audit being achieved.

It is also important to recognise the important role that the GMA and Gautrain play in the rail sector in South Africa. When the National Rail Policy, approved by Cabinet, cites the Gautrain as a good example of collaboration between public and private sectors and sets a policy imperative that more rail concessions should be undertaken in the country, this is recognition of the foresight of those who planned and executed the project over the last twenty years.

With my four-year term of office as CEO having ended on 31 January 2024, I have been privileged to work with two Boards, one under the experienced leadership of Mr Mogopodi Mokoena, and the other under the thoughtful guidance of Professor Mfanelo Ntsobi. The transition between the two Boards was seamlessly managed, as was the transition with my successor CEO, Mr Kgobe.

I thank both Boards for their support, as well as the MEC for Transport and Logistics, Ms Kedibone Diale-Tlabela, for her leadership.

I have been privileged to lead a superb management team at the GMA, and my gratitude goes to them and the excellent people in the Agency. I know I have left the project and organisation in good hands.



Mr William Dachs

Outgoing GMA CEO



11. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr Tshepo Kgobe
Chief Executive Officer

It is truly an honour to introduce the 2023/2024 Integrated Annual Report for the Gautrain Management Agency (GMA) as the CEO, of such a capable and prestigious organisation.

The 2023/2024 financial year has been a very eventful year for the GMA. Furthermore, it has become increasingly clear that the public transport sector has entered a period of significant change, bringing both challenges and opportunities for the Agency. These changes not only require a focus on improved service delivery, but also highlight areas of the organisation that need to be strengthened as we look forward into the future.

Driving strong operational performance remains our top priority. In doing so, the utmost efficiency in the allocation and utilisation of our resources and other valuable assets to create shared value for the citizens of the Gauteng City Region through the Gautrain Project, remains paramount.

The provision of Gautrain services continued yielding positive results, with the services showing year-on-year ridership growth during a period of continued constrained growth emanating from the post-Covid19 operating environment. The Agency has achieved 100% of its Annual Performance Plan (APP) outcome indicators in the 2023/24 financial year. This was made possible by a holistic approach to service delivery, good governance, responsible financial management, zero tolerance for non-compliance practices, as well as guidance and oversight by the GMA Board and its Committees.

The GMA has, once again, proudly received a clean audit outcome from the Auditor-General of South Africa for the 2023/2024 financial year, marking the 12th consecutive year of such an achievement.

OUTLOOK

As part of responding to the ever-changing landscape and operating environment, the organisation is leveraging its past success, extensive skill set, and experience to ensure its financial sustainability and growth of revenue sources. Accordingly, the GMA has initiated the necessary processes to update its mandate and related legislation to allow for further diversification of its revenue streams in line with this strategic approach of expanding the GMA's offerings while maintaining the core business of assuring the provision of rapid rail services in Gauteng.

With the current concession agreement coming to an end in March 2026, the GMA is in the process of closing out this agreement while undertaking the procurement that will enable the appointment of a

new concessionaire to take over the operations and maintenance of the Gautrain. This is being done in a timely manner to allow for a seamless continuation of services. It is envisaged that the appointment of a new concessionaire will be announced in the next financial year. The new contract will aim at service excellence and innovation on the current Gautrain System while maximising its benefits.

The preparatory work required to enable the realisation of the Gauteng Rapid Rail Integrated Network (GRRIN) Extensions is also underway and includes aligning with the Province's strategic planning and ambitions for mobility.

APPRECIATION

In periods of change, collective wisdom plays a crucial role in creating stability. My gratitude goes to the MEC for Transport and Logistics, Ms Kedibone Diale-Tabela for her leadership, insight, and support during this reporting period. The eagerness with which the MEC devoted her time to the Agency is appreciated.

Furthermore, I wish to thank the GMA Board, ably led by Prof. Mfanelo Ntsohi, for their leadership and guidance. I look forward to working with the Board to realise the GMA's strategic goals and assure them of Management's determined support.

Thank you to my predecessor, Mr William Dachs, for his dedication and determination in steering the ship in the last five years. My sincerest gratitude also goes to the former Board under the stewardship of Mr Mogopodi Mokoena as the Chairperson.

In conclusion, I would like to extend my sincere gratitude to the GMA employees for their ongoing commitment to the organisation throughout the years, and I look forward to taking the GMA to greater heights together.

I would also like to thank our commuters, the Gauteng Provincial Government, local authorities, regulators, and all our other stakeholders for their continued support, input, and insights.



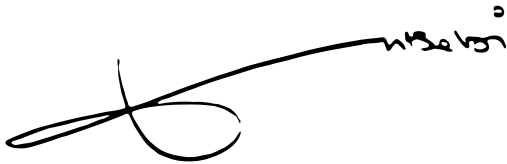
Mr Tshepo Kgobe
GMA: Chief Executive Officer
31 July 2023

12. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE INTEGRATED ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the Integrated Annual Report are consistent with the annual financial statements audited by the Auditor-General.
- The Integrated Annual Report is complete, accurate and free from any omissions.
- The Integrated Annual Report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury and other frameworks.
- The Annual Financial Statements (Part F) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) applicable to the public entity.
- The accounting authority is responsible for the preparation of the Annual Financial Statements and the judgements made in this information.
- The accounting authority is responsible for establishing, and implementing a system of internal control that 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 Integrated Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2024.



Prof. Mfanelo Ntsobi
GMA: Board Chairperson
31 July 2024



Mr. Tshepo Kgobe
GMA: Chief Executive Officer
31 July 2024





**“GMA CONTINUED TO RECEIVE
CLEAN AUDIT OPINIONS, A
DEMONSTRATING A CULTURE OF
GOOD GOVERNANCE.”**



A

ORGANISATIONAL OVERVIEW

1. ABOUT THE GMA

The Gautrain Management Agency (GMA) is an entity of the Gauteng Provincial Government (GPG) mandated to manage the implementation of the Gautrain Project; and the relationship with the Concessionaire, i.e. the Bombela Concession Company (BCC), which operates the Gautrain System on behalf of the GMA.

Our Purpose

Transform spaces, people and the economy through mobility.



Our Vision

To provide an integrated, innovative and efficient transport system that promotes sustainable, long-term socio-economic growth in Gauteng.



Our Mission

We are committed to manage, coordinate and oversee the Gautrain Rapid Rail Link Project through the implementation of the Concession Agreement between the Gauteng Provincial Government and the Bombela Concession Company (Pty) Ltd.

Our core values

Leadership

we value leading and being led with transparency, honesty and fairness



Learning

we value being given equal opportunities to learn and grow in a fruitful and meaningful way



Caring

we value being cared for and being seen as an important part of the organisation

Excellence

we value a high-performance culture to pursue Excellence



2. THE GMA IN RELATION TO THE GAUTRAIN PROJECT

The Gautrain Project is aimed at providing and optimising an integrated and innovative public transport system that enables and promotes the long-term sustainable economic growth of Gauteng. It is also part of a broader vision to industrialise and modernise the region, including a commitment to creating and sustaining an integrated culture of smart mobility.

The GMA was established to manage, on behalf of GPG, the implementation of the Gautrain and the relationship with the Concessionaire. The Agency's focus is to manage, coordinate and oversee both the operation and maintenance of the Gautrain and the implementation of the expansion of the System and extension of rapid rail to accommodate future demand.

The Project is implemented as a Public-Private-Partnership (PPP) between the Gauteng Provincial Government (GPG) and the Concessionaire, Bombela Concession Company (Pty) Ltd (BCC). The duration of the concession for the design, part-financing, construction, operation, and maintenance of the Gautrain is 19½ years.

BCC is a private company ring-fenced for delivering all the services as defined in the Concession Agreement (CA) to specified levels of performance. These comprise services related to the trains and buses, management and maintenance of all the System assets, safety, stations, revenue collection, marketing, as well as passenger communication. As of 1 April 2023, the BCC changed its shareholding to the following:

- Intertoll International is a leading European investor in infrastructure, including motorway and rail concessions and is a provider of specialist consultancy services catering to the transportation and infrastructure sectors in Europe.
- SPG is a broad-based black economic empowerment company represented at all levels within the Bombela family.
- J&J is a broad-based investment holding and management company, and holds investments in companies operating in the financial services, healthcare, information technology and industrial sectors.

The Concessionaire’s shareholding structure is indicated in Figure 01 below.

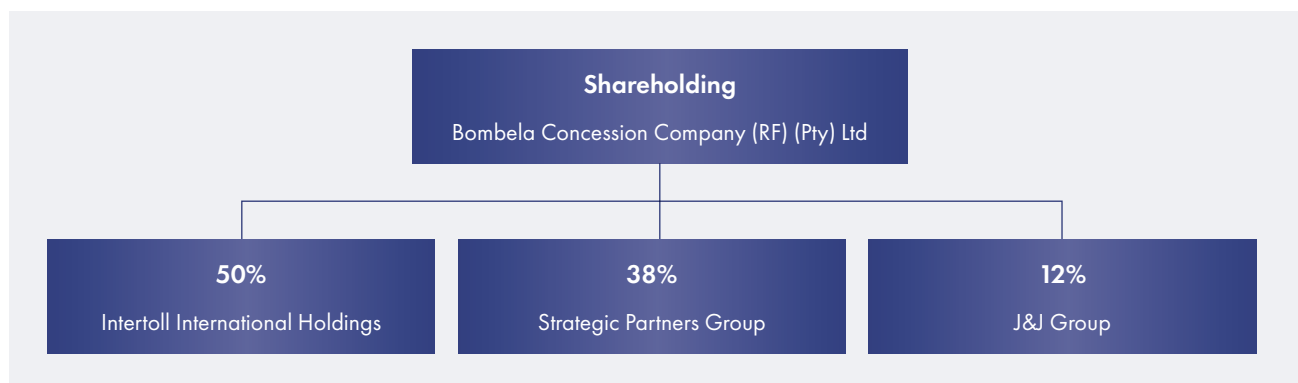


Figure 01: Bombela Concession Company shareholding

3. LEGISLATIVE MANDATE AND OTHER MANDATES

The GMA is a GPG Public Entity that derives its mandate primarily from the GMA Act.

The GMA has been established in terms of the GMA Act and is listed, as a Provincial Public Entity, under Schedule 3c of the PFMA; and adheres to and complies with a range of legislation, regulations and policies that are relevant to its operations and strategy in the broader transformation and development of the economy, summarised in Table 02 below.

Table 02: Legislative and other mandates

CATEGORY	LEGISLATION AND MANDATES
Policy and strategic frameworks	<ul style="list-style-type: none"> • The Medium-Term Strategic Framework (MTSF); • The New Growth Path (NGP); • The National Development Plan (NDP); • Gauteng Employment, Growth and Development Strategy (GEGDS); • Gauteng 25-Year Integrated Transport Master Plan (GITMP); • Gauteng Transport Implementation Plan – 5 Year (GTIP5); • Presidential Infrastructure Co-ordinating Commission (PICC); • The Public Service Corporate Governance of Information and Communication Technology Policy Framework; • The Public Sector Integrity Management Framework; • Protocol on Corporate Governance in the Public Sector; • King IV Report; • National Rail Policy – 2022; • White Paper on National Transport Policy – 2021; • The GPG’s Global City Region Integrated Infrastructure Master Plan – 2030; • Green Transport Strategy for South Africa (2018 – 2050); • The South African Economic Reconstruction and Recovery Plan; • The National Transport Master Plan Synopsis Update 2017 (NATMAP); and • The Gauteng Provincial Government’s Growth and Development Plan.

CATEGORY	LEGISLATION AND MANDATES
Statutory Mandates	<ul style="list-style-type: none"> • Constitution of the Republic of South Africa Act, No 108 of 1996 • The Gautrain Management Agency Act, Act 5 of 2006 (GMA Act), as amended; • Public Finance Management Act, Act 1 of 1999 (PFMA), as amended; • The Gauteng Transport Infrastructure Act, Act 8 of 2001 (GTIA), as amended; • The Treasury Regulations, promulgated in terms of Section 76 of the PFMA; • The National Land Transport Act, Act 5 of 2009 (NLTA), as amended; and • The Gauteng Transport Authority Act, Act 2 of 2019 (GTA Act).
Other relevant legislation	<ul style="list-style-type: none"> • Consumer Protection Act, Act 68 of 2008 (CPA), as amended; • Preferential Procurement Policy Framework Act, Act 5 of 2000 (PPPFA), as amended; • Protection of Personal Information Act, Act 4 of 2013 (POPIA); • Employment Equity Act, Act 55 of 1998 (EEA), as amended; • Electronic Communication and Transactions Act, Act 25 of 2002 (ECTA); and • Section 72 and Regulation 43 of the Companies Act 71 of 2008, as amended.



4. ORGANISATIONAL STRUCTURE GMA HIGH LEVEL STRUCTURE

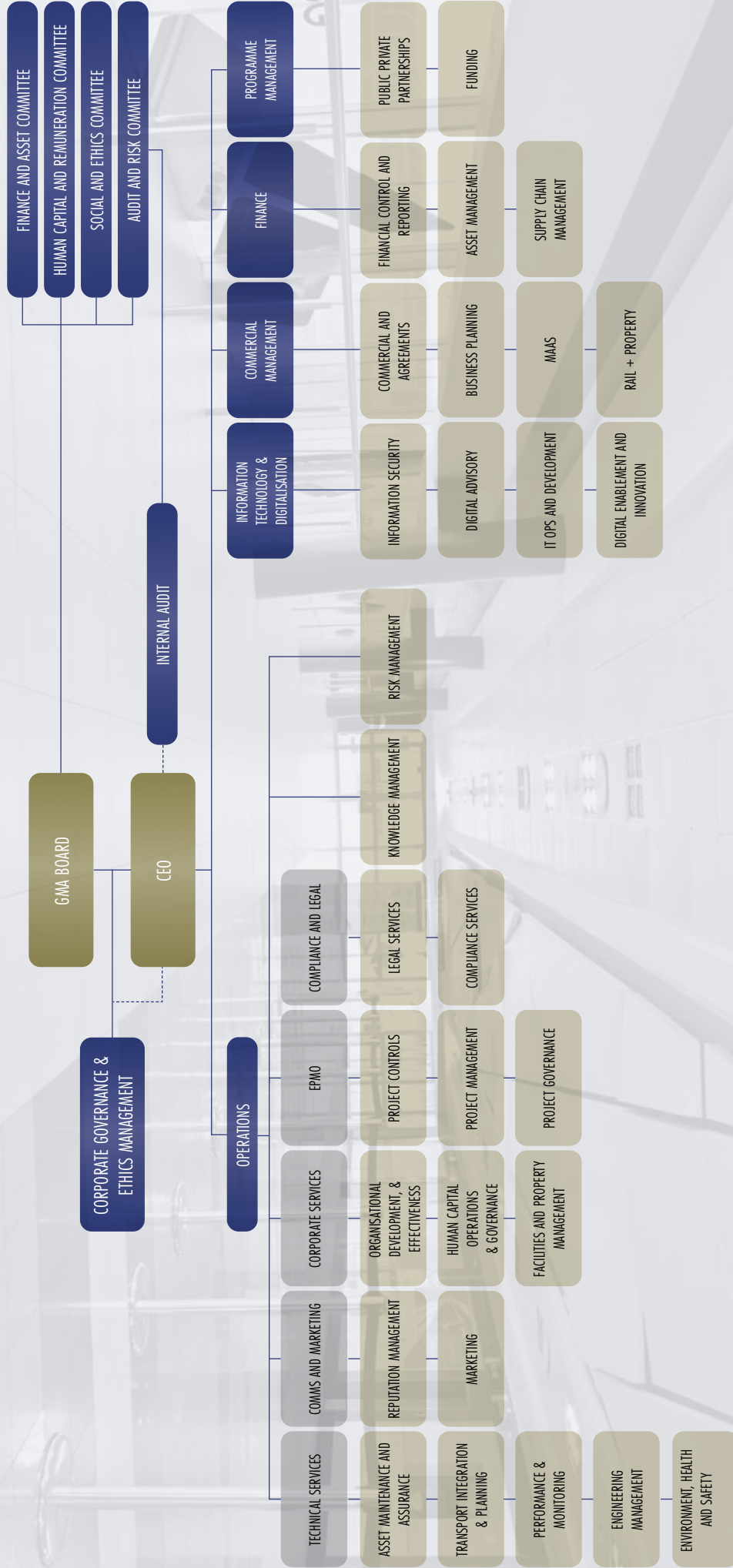


Figure 02: Organisational structure

5. STAKEHOLDERS OF THE GMA

5.1. GMA AND GAUTRAIN STAKEHOLDER UNIVERSE

The GMA operates within a complex landscape involving multiple stakeholders, both internal and external, that are engaged on various platforms and have varying needs and expectations. Understanding the role of stakeholders is important to the GMA, as it enables the Agency to ensure it meets reasonable and material expectations when they arise, and thus build relational capital. Below is Figure 03 depicting the GMA's stakeholder universe.



Figure 03: Stakeholder Universe

5.2. ADDRESSING KEY STAKEHOLDER INTERESTS DURING THE YEAR UNDER REVIEW

To ensure alignment with the GMA's purpose, the Agency actively engages with stakeholders that have vested interests in the organisation's business and performance. Table 03 on the following page, reflects key stakeholder interests and outcomes of the engagements that took place during the year under review.

Table 03: Stakeholder Engagements

STAKEHOLDER	ISSUES AND AREAS OF INTEREST	OUTCOMES
Executive Authority (MEC) and oversight department	<ul style="list-style-type: none"> Service Level Agreement between the GMA and the Gauteng Department of Roads and Transport Financial and operational sustainability Governance and leadership issues Inclusion of strategic initiatives relating to the alignment of the Gauteng Government Required support for the Post-2026 Project and funding support for the Post-2026 Project 	<ul style="list-style-type: none"> The GMA started a process to track the KPIs at the various subcommittees of the Board to continuously monitor and evaluate the performance Strengthening the alignment of the GPG strategy of Growing Gauteng Together Political support
Gauteng Provincial Legislature	<ul style="list-style-type: none"> GRRIN Project route alignment on stakeholder engagement for Phase I 	<ul style="list-style-type: none"> Report on the stakeholder engagement process undertaken
Portfolio Committee on Roads and Transport	<ul style="list-style-type: none"> Reviews the non-financial information contained in the GMA's Integrated Annual Report 	<ul style="list-style-type: none"> Service delivery and economic growth
Standing Committee on Public Accounts (SCOPA)	<ul style="list-style-type: none"> Reviews the GMA's Annual Financial Statements and the Audit Report of the Auditor-General 	<ul style="list-style-type: none"> Exercise an oversight role
Portfolio Committee on Finance	<ul style="list-style-type: none"> Reviews the Appropriation Bill of the Gauteng Province 	<ul style="list-style-type: none"> Exercise an oversight role
Standing Committee on Gender, Youth and People with Disabilities (GEYODI)	<ul style="list-style-type: none"> Reviews the process of service implementation relating to gender, youth, women and people with disabilities 	<ul style="list-style-type: none"> Exercise an oversight role
Board Members (Accounting Authority)	<ul style="list-style-type: none"> Service Level Agreement between the GMA and the GDRT The GMA Strategic Plan for the 2024/25 to 2026/27 financial years APP for the 2024/25 financial year Post-2026 Gautrain Project 	<ul style="list-style-type: none"> Compliance Approval of the GMA Strategic Plan for the 2024/25 to 2026/27 financial year Approval of the APP for the 2024/25 financial year Progress report on the work done
GMA management and employees	<ul style="list-style-type: none"> The GMA strategic plan Wellness programmes 	<ul style="list-style-type: none"> Information sharing on the strategic plan and the GMA's strategic direction Wellbeing of employees
Affected and impacted communities	<ul style="list-style-type: none"> Route alignment process of GRRIN 	<ul style="list-style-type: none"> Understanding of the process and GRRIN Project
Municipalities	<ul style="list-style-type: none"> Transport integration GRRIN Project Post-2026 Project 	<ul style="list-style-type: none"> Seamless support for operations Understanding of the GRRIN Project Information sharing and collaboration
Strategic partners	<ul style="list-style-type: none"> Creating shared value initiatives for Gautrain commuters Alignment in joint marketing initiatives to commuters 	<ul style="list-style-type: none"> Value creation/benefit for commuters and growth of commuter passengers
Media	<ul style="list-style-type: none"> Information sharing on the Gautrain and GMA business 	<ul style="list-style-type: none"> Positive reporting on our business
Financiers	<ul style="list-style-type: none"> Funding 	<ul style="list-style-type: none"> Provision of financial support for the Post-2026 Project and other projects
Developmental partners	<ul style="list-style-type: none"> Public transport integration and travel data sharing 	<ul style="list-style-type: none"> Travel data which was used to update the Gautrain demand forecasts
Taxi associations	<ul style="list-style-type: none"> Engagements on the implementation of the MFDS partnerships with the industry 	<ul style="list-style-type: none"> Additional MFDS routes to increase the geographical footprint of the feeder and distribution network
Other public transport stakeholders	<ul style="list-style-type: none"> Common public transport initiatives 	<ul style="list-style-type: none"> Collaboration in common initiatives

6. AREAS OF RECOGNITION AND CERTIFICATION

The GMA is consistently recognised and benchmarked by industry authorities. During the year under review, various local and international industry authorities recognised the following achievements..



TOP EMPLOYER CERTIFICATION

CERTIFICATION AUTHORITY

Top Employers Institute

Top Employers Institute is the global authority on recognising excellence in people practices and on advancing employee conditions within the entire organisation.

CERTIFIED

2023-2024



DRIVER'S LICENSE TESTING CENTERS

SERVICE DESIGN

Loeries Awards

AGENCY

Gautrain Management Agency

BRAND

Gautrain

PRODUCT

Driver's License Renewal Services

BUSINESS SECTOR

Miscellaneous/Other

2023 Finalist





B

HOW THE GMA CREATES VALUE (GMA STRATEGY)

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on Other Legal and Regulatory Requirements section of the auditor's report.

2. THE CONTEXT IN WHICH THE GMA OPERATES (SITUATIONAL ANALYSIS)

2.1. THE GMA'S EXTERNAL ENVIRONMENT

The Gautrain is a rail-based public transport system operating in Gauteng. Its external environment encompasses passenger rail operations, transport-related legislation and regulation, and province-wide strategic and integrated planning.

The GMA continues to fulfil its mandate within these regulatory and planning frameworks by ensuring the most effective outputs from the Gautrain System, its expansion, and undertaking preparatory work for the development and implementation of the planned Gauteng Rapid Rail Integrated Network extensions according to approved policies.

With the current Gautrain Concession expiring in March 2026, processes to enable its replacement are underway. The feasibility study for the Post 2026 Gautrain was concluded and submitted to both the National and Provincial Treasuries for Treasury Approval 1 (TA1) and Treasury Approval IIA. These approvals have been granted to the GMA, allowing the publication of the procurement documents into the market as part of the procurement process. This process is expected to result in the appointment of a preferred bidder in the new financial year.

2.2. SERVICE DELIVERY ENVIRONMENT

Gautrain service delivery, measured in terms of customer satisfaction, equates to an average Net Promoter Score of 97%, which is well above the benchmark of 86%. The Gautrain's ridership steadily increased.

The following are being considered and planned to improve service delivery towards increasing the Gautrain ridership and revenue:

- Operation Shift – a joint initiative between the GMA and Concessionaire to increase ridership and operational efficiency.
- Partnerships with special event organisers to support transport to big concerts and sporting events thereby increasing ridership and passenger retention.
- Assessing various fare products, with one of the products being student products that have been implemented.

2.3. THE GMA ENVIRONMENT

Significant developments within the GMA that may have had an impact on the Agency's delivery of its Strategic Plan and Annual Performance Plan, include:

- Implementing the GPG's stated plan for the Gauteng Provincial Growth and Development Plan;
- Repositioning the Agency to be data-driven and exploit opportunities offered by technology;
- Benefitting from the GMA as a knowledge organisation, thus contributing to development in the rail and transport sector;
- Continued contribution to skills development through the GMA's graduate programme that prepares young graduates for employment opportunities in the future;
- Planning for the end of the current Concession Agreement and continuation of services beyond 2026;
- Maintaining the GMA's standards of governance and financial management;
- Leveraging on the past consecutive clean audits that the GMA has achieved; and
- Developing partnerships with key public and private entities that are mutually beneficial.

2.4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Key policy or legislative changes that may have an impact on the GMA are monitored annually. A comprehensive gap analysis is conducted to establish the extent to which the GMA is compliant with various legislation and key policies to ensure appropriate control measures are taken to ensure full compliance.

During the year under review, the GMA reviewed and submitted, to the Portfolio Committee for Transport, comments on the Economic Regulation of Transport Bill, which was published for public comment.

The GMA continues to collaborate with the Gauteng Department of Roads and Transport, in reviewing and processing the Gauteng Transport Infrastructure Bill (GTI Bill), which is intended to overhaul and repeal the current Gauteng Transport Infrastructure Act. It is envisaged that, once

the GTI Bill is promulgated, the Province will be able to use it to, amongst others, diversify its service offerings by commercialising some of its activities.

3. RISK MANAGEMENT AND OPPORTUNITIES

Risk management practices ensure effective risk identification, assessment and mitigation strategies to proactively manage and monitor risks to anticipate and prevent potential threats and ensure continuity of operations. The GMA is committed to a process of sound risk management aligned with the principles of good corporate governance consistent with the PFMA and Public Sector Risk Management Framework (PSRMF).

3.1. PROGRESS DURING THE PERIOD UNDER REVIEW

During the financial year under review, the GMA continued to embed an Enterprise-Wide Risk Management System within the Agency. This has marked a continuous improvement in the maturity of the risk management system, with a clear allocation of responsibilities across the GMA Board and Committees, management and employees. A risk maturity assessment is performed annually. The current status of the entity's risk maturity is reflected in Figure 04 below.

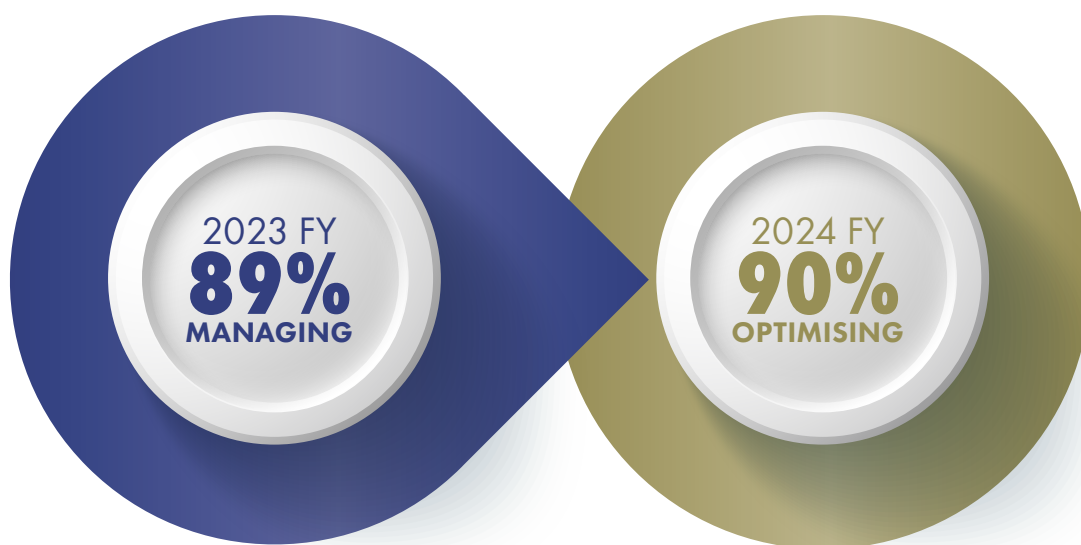


Figure 04: Risk Maturity Transition

The risk maturity transition was achieved by various initiatives driven by the GMA Board, including:

- Continuous development of Project Risk Registers, a revised project risk matrix;
- Review of project reports for the Enterprise Portfolio Management Office (EPMO);
- Sustainability Policy and Sustainability Engagement Plan;
- Opportunity management with ongoing review of the opportunity risk register;
- Ongoing analysis of risks in terms of the Six Capitals of King IV;
- Risk awareness initiatives; and
- Consideration of risks related to the Post-2026 strategy.

The GMA continued to build on the foundation laid during the Operating Period, which included:

- Review of opportunities for the organisation per the opportunity management register;
- Strengthening the risk maturity within the entity, at all levels, by embedding the Agency's risk management culture, including frequent risk awareness initiatives;
- Continuous monitoring of the Enterprise-Wide Risk Appetite and Tolerance Framework, Strategic and Operational Tolerance Dashboards as well as the Strategic Control Register;
- Rigorous implementation and monitoring of the defined risk management plans;
- Ongoing assessment of the risks associated with Post-2026 planning;
- Alignment of risk management processes with ISO standards, including development of risk process maps;
- Support of the Governance and Ethics function, including an annual review of alignment to King IV principles;
- Revised project risk management matrix;
- Revised System Disruption Register;
- Sustainability Policy; and
- Sustainability Engagement Plan.

3.2. ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK

The GMA developed an Enterprise-wide Risk Management Framework that is applied across the entire organisation, from a strategic level to operational and project management process levels. This framework supports the GMA in improving and sustaining its performance by enhancing its systems of risk management to protect against adverse outcomes and optimise opportunities; and further outlines the authority and responsibilities of all stakeholders responsible for the management of risk and was developed in terms of the prescripts indicated in Figure 05 below.

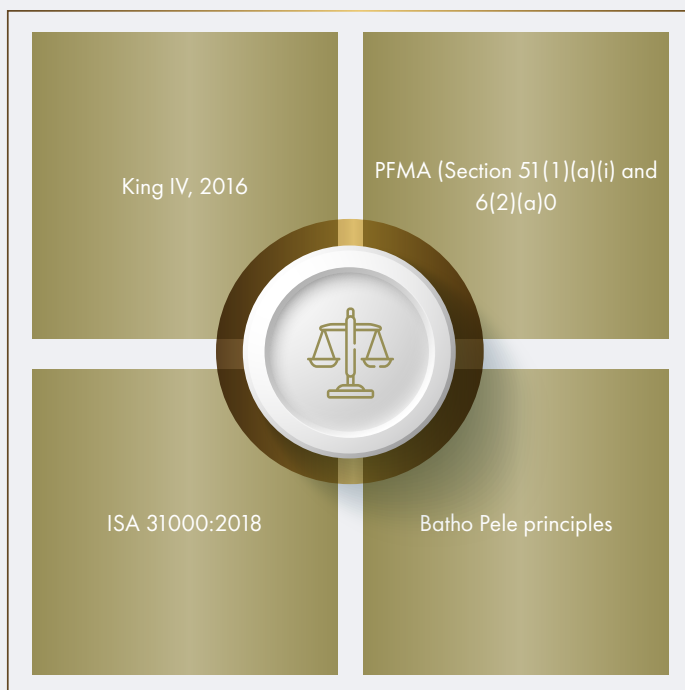


Figure 05: Enterprise-Wide Risk Management Framework

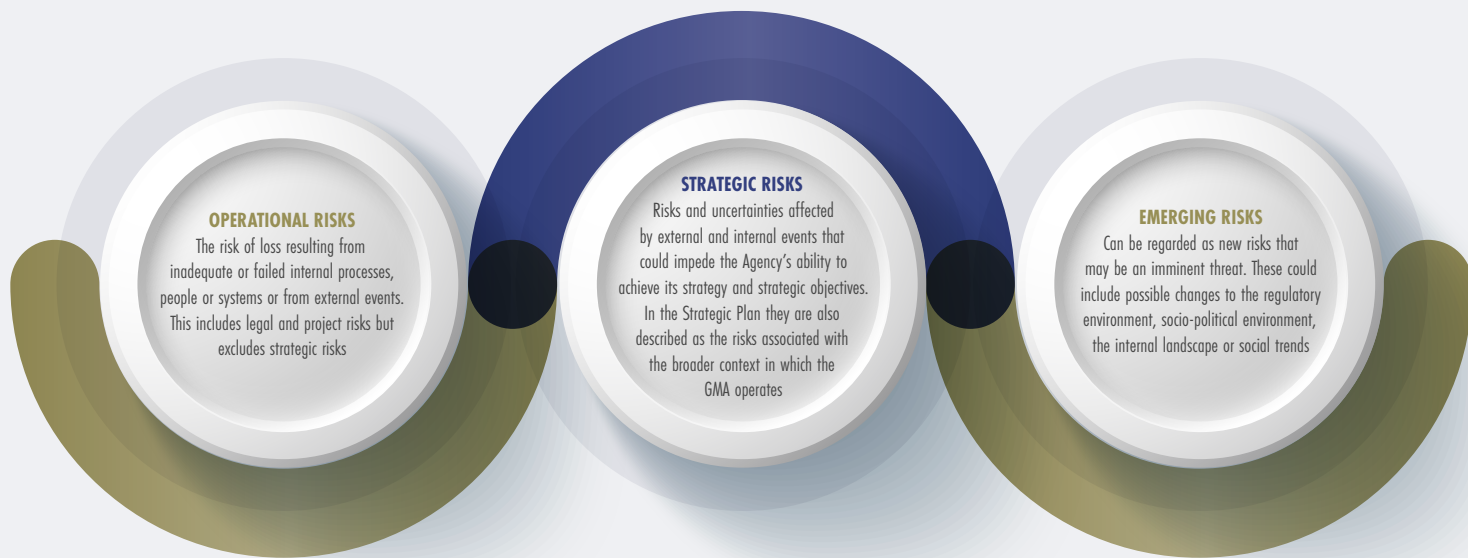


Figure 06: Classification of risks

3.3. SUMMARY OF MAJOR RISKS AS PER THE RISK REGISTER

The GMA Board and Management have considered the environment in which the GMA operates, as well as potential future events that include the following:

- Proposed extensions to the GRRIN network;
- Commercialisation;
- Post-2026 planning initiatives;

- The need to reduce GMA's carbon footprint;
- Possible devolution of commuter rail services to the Gauteng Province;
- A struggling economy post-COVID-19 with population growth and the unemployment rate on the increase; and
- The ongoing digital transformation (disruptive technologies).

The GMA's areas of focus will continue to grow, together with the monitoring of its operating environment, and agility to formulate responses accordingly. Any available resources will be focused on addressing any risks for the best possible results.

Where constraints are identified, these will be monitored while risks identified will be mitigated and incorporated into the Enterprise-Wide Risk Management System accordingly.

Within the context of shared value creation and outcomes across multiple capitals, management of the top five strategic risks is summarised in Table 04 below. Some of the elements of these risks are not under the direct control of the GMA and, to the extent that they impose constraints on the GMA, will be reported as such to the Board and stakeholders. Risks within the influence or control of the GMA form part of the Enterprise-Wide Risk Management (ERM) and appropriate mitigations and controls will be developed and implemented.

Table 04: Top 5 Strategic risks

Risk no.	Risk description	Mitigations	Outputs (strategic objectives)	Six capitals	Inputs	Outcomes desired/achieved
1.	Business continuity at the end of the Concession period in 2026 and beyond	<ul style="list-style-type: none"> • Asset Handover Project • GRRIN extensions • Post-2026 Gautrain Project 	Ensure that the management of the relationship with the Concessionaire optimises performance delivery	<ul style="list-style-type: none"> • Financial • Natural • Manufactured • Social • Intellectual <p>Material theme</p> <ul style="list-style-type: none"> • Operational efficiency, sustainability and resilience • Socio-economic development 	<ul style="list-style-type: none"> • Additional trains • Concession Agreement: old and new • Portfolio Management • Innovation • Land acquisition 	<ul style="list-style-type: none"> • Business continuity • Assets with desired RUL per CA • Growth in revenue • Growth in asset value • Economic benefits • SED benefits • Increase in the size of the system
2.	Cyber security and information governance (unauthorised disclosure or access to GMA information - internal and external cyber-attacks) resulting in financial and reputational loss The risk increases with the digital evolution of the agency and the increasing value of procurement transactions	<ul style="list-style-type: none"> • Intelligence-based, and AI-driven threats monitoring and detection • Security Operation Centre (SOC) • User awareness and training • Data privacy and governance tools • Advanced security tools • Enhanced endpoint security and protection • Data protection 	Provide a secure and reliable information technology environment that facilitates knowledge sharing	<ul style="list-style-type: none"> • Financial • Social • Human • Intellectual <p>Material theme</p> <ul style="list-style-type: none"> • Operational efficiency, sustainability and resilience • Innovative approaches to integration and Knowledge Management (KM) 	<ul style="list-style-type: none"> • Cash reserves • Licences • Agreements • Policies, procedures and protocols • Training 	<ul style="list-style-type: none"> • Strong governance structures • Technically skilled employees • Data is well managed, secured and enabled to be shared

Risk no.	Risk description	Mitigations	Outputs (strategic objectives)	Six capitals	Inputs	Outcomes desired/achieved
3.	<p>Low or static growth for both train and bus passengers impacting the Patronage Guarantee payment and resulting in reputational loss</p> <p>Operating in a post-COVID-19 economy and a hybrid working environment, train passenger numbers are not at pre-COVID levels yet</p> <p>The consequences are as stated above</p>	<ul style="list-style-type: none"> Monthly monitoring of passengers Marketing mitigation measures Penalty regime Increased security at stations System (IFM): Euro-visa Project Post-2026 Gautrain Project 	Increase the ridership of the Gautrain System to minimise the Patronage Guarantee	<ul style="list-style-type: none"> Financial Social Manufactured <p>Material theme</p> <ul style="list-style-type: none"> Operational efficiency, sustainability and resilience Responsible financial and contract management 	<ul style="list-style-type: none"> Concession Agreement Customer survey Reputation audit Additional trains 	<ul style="list-style-type: none"> Growth in revenue High customer satisfaction Growth in brand value Growth in usage Growth in asset value
4.	Inability to meet PG commitments in the long-term	<p>The GMA funding plan which includes:</p> <ul style="list-style-type: none"> * A reprioritisation of GDRT and the GMA budget * Additional budget requests to Treasury * Commercial initiatives 	Increase the ridership of the Gautrain System to minimise the Patronage Guarantee	<ul style="list-style-type: none"> Financial Social Manufactured <p>Material theme</p> <ul style="list-style-type: none"> Operational efficiency, sustainability and resilience Responsible financial and contract management 	GMA funding plan initiatives	Business continuity



Risk no.	Risk description	Mitigations	Outputs (strategic objectives)	Six capitals	Inputs	Outcomes desired/achieved
5.	Perceptions about the Gautrain that impact negatively on its reputation and brand value	<ul style="list-style-type: none"> Perception audits Various brand value opportunities identified as part of the brand value strategy Integrated Communication and Marketing Strategy Procurement Plan Brand Management Policy; Media Management Policy; Spokesperson and Social Media Management Policy; Constant media analysis Monthly MarkComms meetings with Concessionaire to monitor items of concern 	To ensure that the obligations of the Concessionaire are met and that the concession agreement is managed for the optimal benefit of the Gauteng Province, its residents, users and visitors	<ul style="list-style-type: none"> Financial Social Manufactured <p>Material theme</p> <ul style="list-style-type: none"> Operational efficiency, sustainability and resilience Responsible financial and contract management 	<ul style="list-style-type: none"> Customer survey Reputation audit Brand valuation 	<ul style="list-style-type: none"> Growth in revenue High customer satisfaction Growth in brand value Growth in usage Growth in asset value

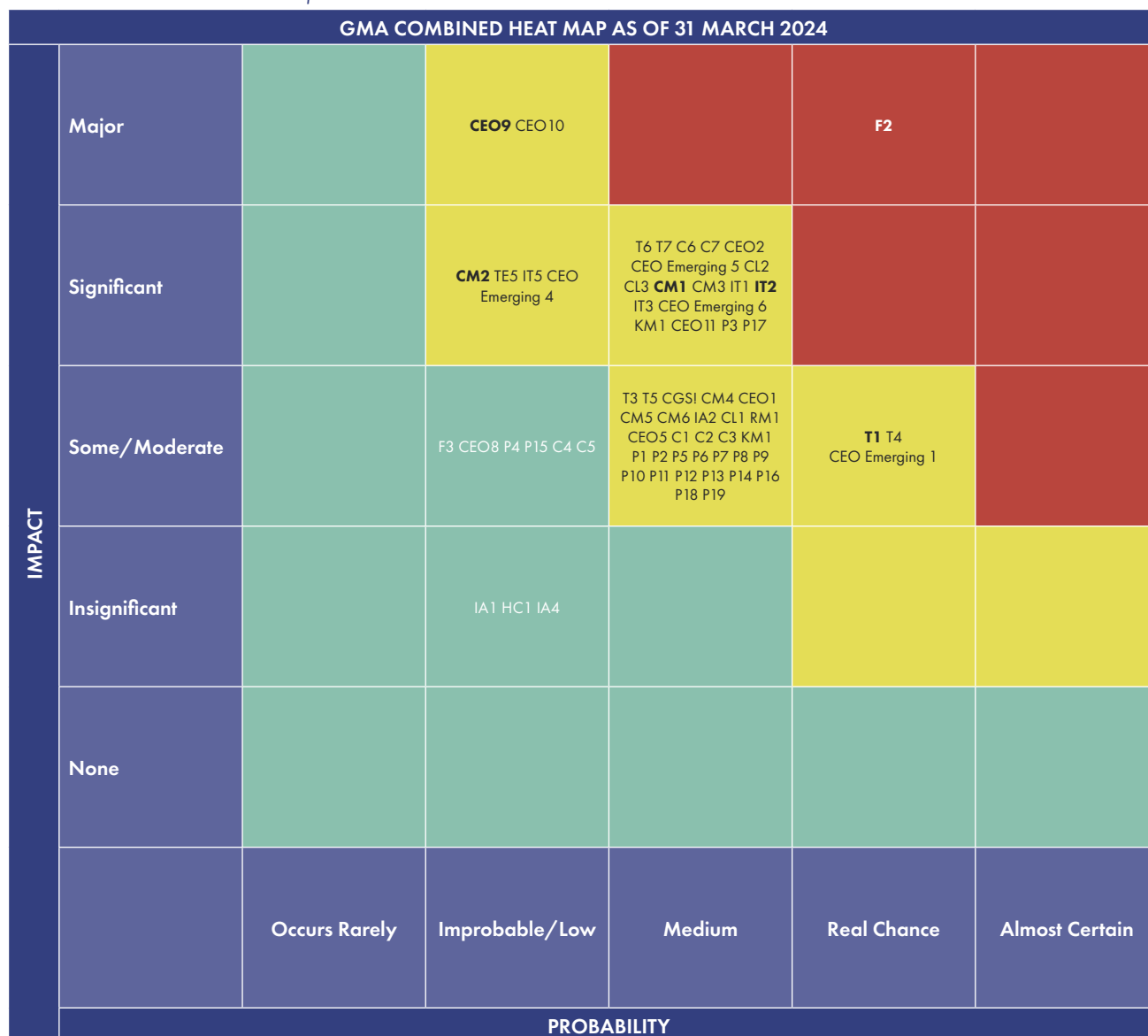
3.4. CONSTRAINTS

The GMA operates under the constraints indicated in Figure 07 below.



Figure 07: Constraints

Table 05: GMA combined heat map as of 31 March 2024



T	Technical Services	CEO	Office of the CEO
TE	Technical Emerging	CEO Em	CEO Emerging
IT	Information Communication Technology	CL	Compliance and Legal
HC	Human Capital / Corporate Services	F	Finance
IA	Internal Audit	P	Post-2026 Gautrain Project
CM	Comms/Marketing	KM	Knowledge Management

The GMA risks (97 in total of which 4 are emerging risks) are well mitigated and most risks are in the low to medium probability/impact zones. Management actions are in place to manage the risk in the red zone. The top 5 strategic risks are highlighted on the heat map and referenced in Table 04:

- **IT2/IT3:** Cyber security, information governance and service continuity – see point 2 in Table 04
- **T1:** Low or static growth in ridership – see point 3 in Table 04
- **F2:** Inability to meet PG commitments in the long term – see point 4 in Table 04; and
- **CM1/CM2:** Perceptions about the Gautrain that impact negatively on its reputation and brand value – see point 5 in Table 04

3.5. OPPORTUNITIES

The GMA identified a range of opportunities related to the achievement of the desired outcome of growth revenue, growth in user numbers and increased size of the System. These opportunities are divided into six categories as indicated in Table 06 below.

Table 06: Opportunities

No.	Description
1.	Expansion of the System with the acquisition of capital assets such as additional parking, modernised fare collection systems, and other enhancements. The expansion of the additional parking, as well as the deployment of modern fare collection systems, and new generation fare gates, are in the process of deployment.
2.	Extension of the System. The GMA has completed a Feasibility Study for the Gauteng Rapid Rail Integrated Network (GRRIN) extensions that will be developed in accordance with the GTIA, and PFMA as the necessary approvals are obtained. These extensions form part of enabling the development of the ITMP25, as well as the GPG's other strategic development planning. This will contribute to significant economic growth for the Gauteng Province, along with many other benefits.
3.	Revenue enhancement measures to take advantage of the commercial opportunities inherent in the Gautrain System. The System, as well as the foot traffic it creates, enables the implementation of various sources of alternative revenue such as fixed advertising boards, digital advertising media, activations, as well vehicle wraps on the DFDS busses.
4.	Development of partnerships with key public and private entities that jointly benefit both parties. The GMA entered and renewed 16 partnerships during the financial year.
5.	To attract and retain talent by positioning the GMA as a top employer in South Africa and a globally recognised leader in Africa via various human capital initiatives.
6.	Diversification and optimisation of alternate revenue streams through the commercialisation (Licensing and Agency Services).

3.6. FUTURE FOCUS

In line with the GMA's Strategic Outcome of enhancing the management of the CA through entrenching an environment of strong corporate governance and legal compliance, risk management action plans will be implemented with a view to further improving the risk maturity of the Agency, including:

- Continuous evolution of the project risk management environment with the roll-out of various risk management-specific initiatives in the new financial year;
- Publishing of a risk case study;
- Sustainability framework
- Risk awareness initiatives;
- Enhancement of Disruption Risk Register;
- Close-out of the Concession Agreement (COCA Risk Register);
- Post-2026 Project Risk Register;
- Opportunity management model; and
- Continuous assessment of risk maturity.

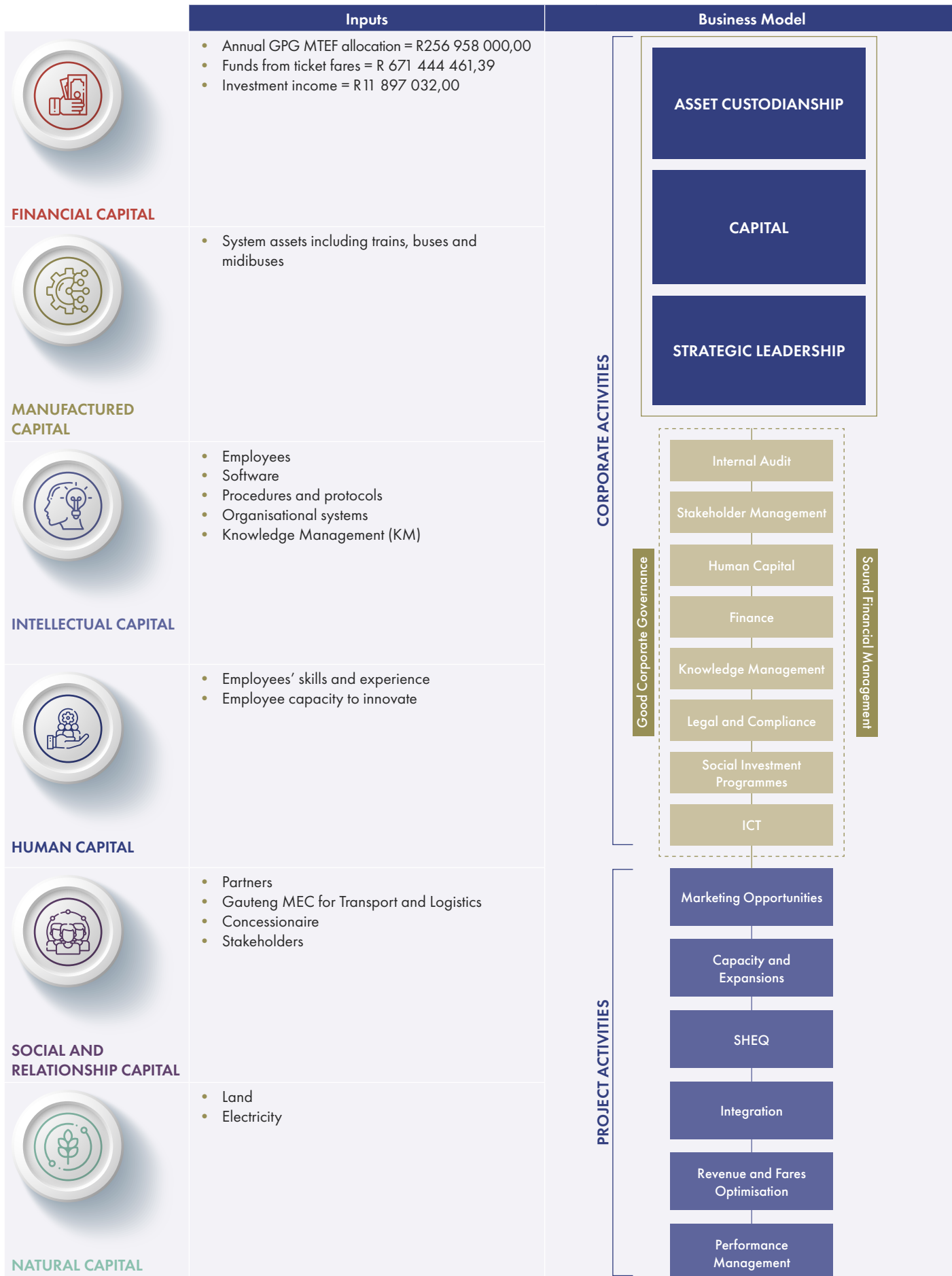
To achieve the above, the GMA will maximise inputs into the six capital various strategic interventions.





4. THE VALUE-CREATING BUSINESS MODEL

Through the application of various capital resources, the GMA's Strategic Plan and operating practices enhance the competitiveness of the Agency while simultaneously advancing the economic and social conditions amongst the communities in which it operates. The GMA's business model is based on its mandate under the GMA Act and is premised on delivering outcomes that benefit Gauteng Province and its people. This shared value creation focuses on identifying and expanding the relationship between societal and economic progress over time by linking inputs and outputs to the consequences (or outcomes) for the six capitals.



CORPORATE ACTIVITIES

PROJECT ACTIVITIES

Good Corporate Governance

Sound Financial Management

Outputs	Outcomes	Capitals impacted
<p>Reliable and secure public transport services that are attractive to Gautrain users.</p> <p>Development nodes around stations with land use that take advantage of Gautrain proximity.</p>	<ul style="list-style-type: none"> • Growth in revenue • Economic benefits • More efficient land use 	<p>Social and Relationship Capital</p> <p>Natural Capital</p>
<p>Assurance that the Gautrain assets are well maintained and remain fit for service with an appropriate remaining useful life.</p> <p>Continued investment in planning and implementing asset improvement projects.</p>	<ul style="list-style-type: none"> • Increase in size of System • Growth in asset value 	<p>Manufactured Capital</p>
<p>GMA and Gautrain intellectual property, copyrights, software and organisational systems.</p> <p>Policies and procedures related to System expansion and extension planning, asset assurance, performance management, marketing and supply chain management.</p> <p>A Knowledge Management system based on knowledge generation and sharing.</p>	<ul style="list-style-type: none"> • Development of industry knowledge • A competitive advantage in delivering on financial and manufactured capitals • An iconic Gautrain brand • Favourable reputation amongst stakeholders 	<p>Intellectual Capital</p> <p>Social and Relationship Capital</p>
<p>Efficient communication and relationship development with stakeholders.</p> <p>Human capital development initiatives. A healthy remuneration philosophy.</p> <p>An efficient performance management system.</p> <p>An ethics-based governance system.</p>	<ul style="list-style-type: none"> • Growth in brand value • Staff talent growth • Efficient performance management • A culture of ethics 	<p>Human Capital</p> <p>Social and Relationship Capital</p> <p>Intellectual Capital</p>
<p>Increased revenue to local businesses.</p> <p>Boosted supply chains in the local rail industry.</p> <p>Increased employment.</p>	<ul style="list-style-type: none"> • High SED benefits • Improved stakeholder relationships • Collective wellbeing, through common values and behaviours, key relationships and the trust and loyalty of its stakeholders 	<p>Social and Relationship Capital</p>
<p>A safe operating environment.</p> <p>Reduced carbon emissions compared to private car usage.</p> <p>Reduced road congestion.</p>	<ul style="list-style-type: none"> • Improved environmental outcomes 	<p>Natural Capital</p>

5. MATERIAL ISSUES RELATING TO THE GMA AND RESOURCE ALLOCATION

The GMA continued to commit significant resources to planning and implementing various initiatives and projects aimed at increasing capacity and operational efficiencies in key areas of passenger demand, ensuring operational safety, continuation of Gautrain services beyond 2026.

Resources were also allocated to planning the extensions of the Gauteng Rapid Rail Integrated Network (GRRIN) as part of enabling their implementation. Addressing issues raised by key stakeholders regarding these extensions remains an ongoing activity.

5.1. FINANCIAL ARRANGEMENTS OF THE GAUTRAIN

The procurement and implementation of the Gautrain Project were preceded by the Gauteng Provincial Government (GPG) undertaking a comprehensive feasibility study and preparing its financial model. At that time, it was clear that, like the vast majority of passenger rail projects worldwide, the Gautrain would require financial support from the government. This support was defined in two parts in accordance with the two phases of the project, i.e. the capital contribution that the GPG would need to make during the Development Period, and the unitary payment that the Province would need to make during the Operating period.

For the Gautrain, the total capital requirement exceeded the amount the private sector could invest and recover through user fees. The difference between the total capital requirement and the amount the private sector could invest constituted the provincial contribution, which was a grant that amounted to R25,2 billion, disbursed upon the achievement of specific milestones by the Concessionaire. This provincial contribution was shared between the Province and the National Department of Transport.

Given the high uncertainty of revenue accruing to the private party during the Operating Period of the Gautrain Public-Private Partnership (PPP), a financial metric known as the Minimum Required Total Revenue (MRTR) was established. If the revenue received by the Concessionaire from operating the Gautrain falls below the MRTR, the Concessionaire is deemed to require revenue support through a Patronage Guarantee from the Province. Thus, the bidders for the Project competed based on the combined lowest provincial contribution and Patronage Guarantee payable by the Province.

Payment of the Patronage Guarantee is performance-based, exposing the Concessionaire to significant deductions in an event that the train or bus performance drops below specified levels. This particular financial structure creates strong incentives for the Concessionaire to maintain high performance standards in delivering and operating the Gautrain during the Concession Period. However, it provides limited incentives for the Concessionaire to maximise revenue from operating the System. To counteract the lack of financial incentives, the GMA focuses on ensuring adequate operating and maintenance standards and maximising revenue by growing ridership and expanding the Gautrain System on a sound business basis. This approach helps sustain the business model while enhancing the overall effectiveness and efficiency of the Gautrain service.

6. ACHIEVEMENT OF IMPACTS AND OUTCOMES

6.1. STRATEGIC PERFORMANCE OVERVIEW

The GMA's strategy is aligned with the Gauteng Medium-Term Strategic Framework as well as the Growing Gauteng Together 2030 plan, while also being a key component of the smart mobility objectives of the Gauteng Department of Transport and Road Infrastructure as captured in the Growing Gauteng Together Through Smart Mobility 2030 strategy. To contribute to the smart mobility objective, the GMA is focused on enhancing service excellence through innovation on the existing system, and by leveraging the benefits of the planned GRRIN extensions.

The term of office of the former Board, Board Committees and Board Advisors ended on 31 December 2023. As part of the continuation of providing strategic guidance, governance, and oversight to the Agency, the new Board and its Advisors were appointed during September 2023, effective 1 January 2024. The GMA also continued to move towards an outcome-based approach in terms of the application of the King IV principles from which the Agency managed to achieve a clean audit for 2023, its eleventh consecutively.

The GMA made good progress across several areas in the 2023/24 financial year, especially in terms of oversight of the Concessionaire where the Gautrain achieved high levels of operational efficiency.

The overall system performance in the financial year was of an exceptionally high standard. Train service operations achieved an average availability of 99,69%, and punctuality of 98,22%. Over the period under review, the train service operation maintained a high level of aggregated monthly performance. The fare evasion rate applicable throughout the year remained below the 4% norm, resulting in an average fare evasion rate of 0,00% in 2023/24, which is in line with the fare evasion rate recorded in 2022/23.

The GMA has, in collaboration with the Concessionaire, continued with the implementation of security enhancement initiatives in various parts of the System. Amongst others, these security initiatives include the deployment of effective security measures to secure Gautrain commuters and infrastructure. This contributed to high levels of operational efficiency and customer satisfaction by maintaining safe train and bus operations. Since the start of the reporting financial year, there has been a significant increase in passenger trips, in comparison to the previous financial

year. The overall increase in passenger trips was 10,79% compared to the previous year. This increase is attributed to the continuous steady improvement from passengers returning to the System after the COVID-19 impact, as indicated in Table 07 below.

Table 07: Passenger trips per financial year

Financial Year	Service Type		Total
	Airport passenger	General passenger	
FY 22/23	672 684	6 459 938	7 132 622
FY 23/24	747 724	7 154 764	7 902 488
% Change	11.16%	10.76%	10.79%

There have been similar growth patterns for the Gautrain Dedicated Feeder and Distribution Services (DFDS). Bus patronage has grown 10,96% in the 2023/24 financial year to reach 2,5 million annual passenger trips.

Table 08: DFDS Passenger trips per financial year

Financial Year	Bus Total
FY 22/23	2 326 389
FY 23/24	2 581 465
% Change	10.96%

The performance of the Midibuses Feeder and Distribution (MFDS) routes continued to exceed projected demand expectations. Passenger numbers increased from 646 000 in the previous financial year to 765 000 in the year under review. This translates to an annual increase of 18% more passengers than in the previous period.

Table 09: MDFD passenger trips per financial year

Financial Year	Midibus Total
FY 22/23	646 000
FY 23/24	765 000
% Change	18%

With the current concession ending in March 2026, the GMA has continued with the process to prepare for the Post-2026 Gautrain period. This process is intended to ensure that the Gautrain operations remain uninterrupted after the expiry of the current Concession Agreement. The Feasibility report was approved by National Treasury in April 2023. Treasury Approval 1 and Treasury Approval IIA to the GMA that allows the publication of the procurement documents into the market, subsequently granted to the GMA. The procurement process is currently underway with the preferred bidder expected to be appointed by the end of 2024, and the appointment of the Concessionaire in 2025.

The planning of the GRRIN extensions continued with the undertaking of the Preliminary Route Alignment Study for the Soweto Extensions and Cosmo City Junction. This undertaking will enable the MEC to determine the route for the affected phases of these extensions as per prescripts of the GTIA.

The CA includes specific SED deliverables that directly demonstrates the benefits of the Gautrain in terms of the shareholding by black persons and black women, procurement, sub-contracting and employment equity elements. SED targets were met and exceeded as the Gautrain continues to contribute positively to the Gauteng economy.

The GMA continued to embed an Enterprise-Wide Risk Management System within the Agency. This has marked a continuous improvement in the maturity of the risk management system, with a clear allocation of responsibilities across the GMA Board and Committees, Management and employees. The risk maturity of the Agency has improved from 89% to 90%.

The GMA also reached levels of maturity with low turnover of staff and good performance in terms of its mandates under the GMA Act. The GMA had 156 positions approved with 136 positions filled and funded for in the 2023/24 Financial Year.

Knowledge Management (KM) activities linked to the strategic goals of the Agency have been on track. KM in the GMA has matured, evidenced by the knowledge flow and embedment throughout the organisation, as well as a diverse portfolio of assets such as lessons learned, case studies, knowledge shares, and incentives.

6.2. IMPACT OVERVIEW

In terms of the GMA's set impact statement, "To contribute to economic growth and transformation as well as job creation, spatial integration and improved mobility to and from human settlements in the Gauteng Province", notable progress was made. This progress is evident in the reporting of the SED performance as well as the performance of the integration of the Gautrain System with other public transport services, amongst others.

7. PERFORMANCE INFORMATION

Key Performance Information is indicated in Table 10 below.

Table 10: Outcome, output, output indicators, targets and actual achievements.

GAUTRAIN MANAGEMENT AGENCY ANNUAL PERFORMANCE INFORMATION REPORT FOR THE 2023/24 FINANCIAL YEAR						
Outcome 1: To ensure a reliable, efficient, affordable and sustainable rail service through maintaining a high level of service excellence in all performance related matters						
Outputs	No.	Output Indicators	Audited 2019/2020	Audited 2020/21	Audited 2021/22	
Increase the Ridership of the Gautrain System so as to minimise the Patronage Guarantee	1	Average number of quarterly rail passengers (annualised)	13,929,916	2,653,160	4,366,451	
	2	Number of activities undertaken in accordance with the Marketing Plan	16	20	20	
	3	Average number of quarterly bus passengers (annualised)	4 255 503	861 706	1 332 671	
	4	Identify and implement possible capacity system improvements and interventions on the existing Gautrain network	4	4	4	
Ensure the efficient provision of capacity by the Concessionaire to match demand on the system	5	Number of monitoring events by the GMA of the Concessionaire on all capacity increase obligations set by the CA or by Variation Notice	6	6	6	
Support integration related engagements, particularly with the Province and the three metropolitan municipalities to enhance transport integration within the Province						
Outputs	No.	Output Indicators	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	
Ensure the consistent and accurate application of the penalty regime against the Patronage Guarantee in accordance with the concession agreement so as to maintain a System and Services that meets the specification and is attractive to passengers	6	Number of reviews of Penalty Verifications performed	11	11	11	

	Audited 2022/23	Planned Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	7,132,622	7,574,490	7,902,488	327,998.30	Achieved - Exceeded target by 4.33%. While ridership remained below pre-COVID levels, there has been steady improvement in the past financial year with passengers slowly returning to the system, due to various initiatives by the GMA, hence the overachievement	Quarterly
	20	20	20	Achieved -	Achieved	Quarterly
	2 326 389	2 203 055	2 581 465	378 409,85	Achieved - Exceeded target by 17.18%. While ridership remained below pre-COVID levels, there has been steady improvement in the past financial year with passengers slowly returning to the system, due to various initiatives by the GMA, hence the overachievement	Quarterly
	4	4	4	-	Achieved	Quarterly
	6	6	6	-	Achieved	Quarterly
	Audited Actual Performance 2022/23	Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	11	11	11	-	Achieved	Quarterly

Support integration related engagements, particularly with the Province and the three metropolitan municipalities to enhance transport integration within the Province

Outputs	No.	Output Indicators	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22
Ensure that the management of the relationship with the Concessionaire optimises performance delivery	7	Monthly review of Revenue and Patronage Reports for compliance with CA	11	11	11
	8	Number of Customer Satisfaction Surveys reviewed	2	2	2
	9	Resolution of Disputes in line with the provisions of the Concession Agreement	4	4	4
To monitor, evaluate & assess the relevant legislative compliance of the Concessionaire and the GMA for purposes of achieving appropriate compliance with the applicable prescripts	10	Number of reviews on compliance conducted on Safety, Health or Environmental Performance and Legislative compliance dependent on risk areas	1	1	1
Outputs	No.	Output Indicators	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22
To ensure the improved quality of overall financial management via efficient implementation of approved financial policies	11	Nature of audit opinion for 2023/24 FY	Un-qualified Audit report	Un-qualified audit report	Un-qualified audit report
To completely and accurately account for assets of the GMA, and to ensure adequate safeguarding, verification and accountability over these assets	12	Quarterly Report detailing the management of the GMA Assets in compliance with GMA Asset Management policies and procedures	4	4	4
To assure that the Concessionaire meets its obligations regarding the maintenance of the assets	13	Monthly oversight of Concessionaire asset maintenance regime	12	12	12
	14	Number of station and system assets condition inspection reports	4 System and 40 Stations Condition/ Cleanliness inspections	4 System and 40 Stations Condition/ Cleanliness inspections	4 System and 40 Stations Condition/ Cleanliness inspections

	Audited Actual Performance 2022/23	Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	11	11	11	-	Achieved	Monthly
	2	2	2	-	Achieved	B-annually
	4	4	4	-	Achieved	Quarterly
	1	1	1	-	Achieved	Annually
	Audited Actual Performance 2022/23	Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	Un-qualified audit report	Un-qualified audit report	Un-qualified audit report	-	Achieved	Annually
	4	4	4	-	Achieved	Quarterly
	12	12	12	-	Achieved	Monthly
	4 System and 40 Stations Condition/Cleanliness inspections	4 System and 40 Stations Condition/Cleanliness inspections	4 System and 40 Stations Condition/Cleanliness inspections	-	Achieved	Quarterly

Outcome 4: To enhance the management of the concession agreement through entrenching an environment of strong Corporate Governance and Legal Compliance

Outputs	No.	Output Indicators	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22
Evaluate the effectiveness of corporate governance in the GMA to achieve good governance	15	Evaluation of the effectiveness of the Board and Board Committees	50% implementation of the Action Plan emanating from the Performance Evaluation of the Board and Board Committees.	100% implementation of the Action Plan emanating from the Performance Evaluation of the Board and Board Committees.	Performance Evaluation Report of the Board and Board Committees.
	16	Delegation of Authority reviewed and approved by Board	Approval of the Revised DoA by the Board	Approval of the Revised DoA by the Board	Approval of the Revised DoA by the Board
To create an environment that attracts and retains talent through a progressive Employee Value Proposition (EVP) that positions the GMA to be a preferred employer of choice	17	Number of employee engagement surveys conducted within the Financial Year	90% of approved and budgeted vacant posts filled	89% of approved and budgeted vacant posts filled	91.3% of approved and budgeted vacant posts filled
Provide assurance on compliance with internal controls in all divisions divisions to achieve good governance	18	Quarterly Key Control Dashboard which highlights the state of control in the area of Leadership, Financial and Performance Management and Governance in compliance with PFMA	4	4	4
	19	Quarterly Consolidated Internal Reports issued to the ARC highlighting the progress against the approved Internal Audit Plan	4	4	4
Provide a secure and reliable information technology environment that facilitates knowledge sharing	20	ICT project dashboard indicating percentage of projects deployed as per ICT strategy	4	4	81% of ICT initiatives implemented
Provide for the effective identification and mitigation of risks across all functions to assist in achieving the outputs (strategic objectives) of the organisation	21	Quarterly Reporting on Development and Implementation of Risk Management Process for Strategic and Emerging Risks	4	4	4
Provide assurance on compliance with applicable legislation within the GMA in order to obviate non-compliance	22	Quarterly Compliance Status Dashboard, highlighting the extent of compliance, with applicable legislation.	Not applicable	Not applicable	4

	Audited Actual Performance 2022/23	Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	50% implementation of the Action Plan emanating from the Performance evaluation of Board and Board Committees.	80% implementation of the Action Plan emanating from the Performance Evaluation of the Board and Board	100% implementation of the Action Plan emanating from the Performance Evaluation of the Board and Board	20% implementation of the Action Plan emanating from the Performance Evaluation of the Board and Board	Achieved - overachieved by 20% as it was feasible to complete all Action Plans during the financial year	Annually
	Approval of the Revised DoA by the Board	Approval of the Revised DoA by the Board	Approval of the Revised DoA by the Board	-	Achieved	Annually
	92% of approved and budgeted vacant posts filled	2	2	-	Achieved	Bi-annually
	4	4	4	-	Achieved	Quarterly
	4	4	4	-	Achieved	Quarterly
	87% of ICT initiatives implemented	85% of ICT initiatives implemented	86% of ICT initiatives implemented	1% of ICT initiatives implemented	Achieved - Above target by 1% - Projects that were overlapping from the previous quarters and previous financial year were closed ahead of schedule, which resulted in the over-achievement of targets.	Quarterly
	4	4	4	-	Achieved	Quarterly
	4	4	4	-	Achieved	Quarterly

Outcome 5: To promote a robust, co-operative and productive environment with all relevant structures of government and stakeholders

Outputs	No.	Output Indicators	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22
Develop and implement a reputation management strategy with stakeholders to increase Gautrain and GMA brand values	23	Number of activities undertaken in accordance with Communication Plan	24	44	16

Outcome 6: To contribute to the economic growth and development of Gauteng through deliberate economic interventions and targeted job creation and support of BEEs and SMMEs in the Province

Outputs	No.	Output Indicators	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/21	Annual Target 2021/2022
To monitor and verify the Concessionaire socio-economic development obligations to ensure compliance with the Concession Agreement as well as to maximise economic impact in the Gauteng Province	24	Number of ISEM reports with verified performance on obligations and variations	12	12	12
To oversee the GMA's Social Investment Programmes that transform people, spaces and the economy through sustainable partnerships	25	Quarterly Progress reports on SIP activities	4	4	4

Outcome 7: To ensure that Gautrain is a catalyst and contributor to the total public transport solution in Gauteng through the development and implementation of integration strategies

Outputs	No.	Output Indicators	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22
Support integration related engagements, particularly with the Province and the three metropolitan municipalities to enhance transport integration within the Province	26	GMA Involvement through meetings and projects	4 Quarterly Reports on progress regarding joint development	4 Quarterly Reports on progress regarding joint development	4 Quarterly Reports on progress regarding joint development
Provide effective facilitation of integration of Gautrain trains and buses with other modes of transport at Gautrain stations to enhance transport integration within the Province	27	Number of initiatives implemented by GMA that support integration of modes	3	3	3
Fulfil a planning function with regard to the Gauteng Rapid Rail extensions to enable the implementation of the GRRIN Extensions Project	28	Conduct Route Determination for the proposed Gauteng Rapid Rail Integrated Network (GRRIN) Extensions	4	4	4

	Audited Actual Performance 2022/23	Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	16	16	16	-	Achieved	Quarterly
Key Performance Indicators						
	Audited Actual Performance 2022/23	Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	12	12	12	-	Achieved	Monthly
	4	4	4	-	Achieved	Quarterly
Other Key Performance Indicators						
	Audited Actual Performance 2022/23	Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	4 Quarterly Reports on progress regarding joint development	4 Quarterly Reports on progress regarding joint development	4 Quarterly Reports on progress regarding joint development	-	Achieved	Quarterly
	3	3	0	-	Achieved	Quarterly
	4	4	4	-	Achieved	Quarterly

Outcome 8: To ensure sound project and financial planning to the optimal benefit of the GMA and Gauteng Province

Outputs	No.	Output Indicators	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22
Implement a partnership plan that involves stakeholders to contribute towards the GMA's sustainability	29	Interaction with partners: New partnerships or the renewal of existing partnerships.	Identification of and interaction with at least eighteen partners or renewal of MOU with existing partners	16 signed MOUs	16 signed MOUs

7.2. LINKING PERFORMANCE WITH BUDGETS

The GMA has achieved 100% of the outcome indicators in the 2023/24 financial year. This achievement has been made with a 0.88% under-spend of actual expenditure versus budget for the 2023/24 financial year. It is evident from the achievements above that the budget was spent to achieve the GMA planned outcome indicators.

Programme/ activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	Number of employees	Average personnel cost per employee (R'000)
Project expenditure	2 481 372	-	-	-	-
GMA expenditure	450 662	239 658	75%	136	676
Total	2 932 035	239 658	7,2%	136	676

7.3. STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There was no under performance

	Audited Actual Performance 2022/23	Annual Target 2023/2024	Actual Performance 2023/2024	Deviations from Planned Targets to Actual Achievement 2023/24	Reasons for deviations	Report Frequency
	16 signed MOUs	16 signed MOUs	16 signed MOUs	-	Achieved	Monthly

7.4. CAPITAL INVESTMENT

The Gautrain assets are currently being operated and maintained efficiently and effectively. The performance of the Gautrain assets is measured at the system level as defined in the CA. The system performance is reported as availability and punctuality which is the ability of the system to consistently deliver services to customers. The Gautrain has consistently performed above the set performance targets since the commencement of operations. Underpinning this excellent service performance, is a robust asset life cycle management and maintenance philosophy. In terms of the CA, the Concessionaire is contractually liable to maintain the Gautrain assets in accordance with the Asset Management and Maintenance Plan (AMMP). The AMMP outlines the various maintenance strategies applicable to each asset group, viz:

- Preventive Maintenance Plans which detail activities to be performed during minor and major maintenance intervals applicable to each asset group.
- Renewals and Upgrade Plans which detail the major upgrades and/or renewal intervals applicable to each asset group;
- Replacement Plans which detail the replacement cycles for asset groups which have reached the end of their design and/or useful lives; and
- Where necessary, to improve performance or capacity, and new assets are acquired in the System in terms of the long-term capital investment plan of the Gautrain.

During the previous year, all planned maintenance activities were completed in accordance with the AMMP. Major upgrades and/or replacements of the following asset groups were completed and are at various stages of completion:

- Overhaul and replacement of rolling stock sub-systems and components;
- Structural repairs at Midrand and Pretoria bus depots;
- Refurbishment of underground pumps in the tunnel section;
- Replacement of electronic equipment at the Operations Control Centre;
- Replacement of fire alarm panels and connection of some panels to the stations and tunnel management system; and
- Part replacements of the automatic collection system, CCTV, telephone, signalling and radio systems.

During the previous year, acquisition/upgrades of the following assets commenced, and the assets are at various stages within the project lifecycle in line with the Gautrain Investment Plan as necessitated by capacity improvement requirements:

- Installation and commissioning of the Next Generation Fare Gates (PG600) was completed at Park Station. The roll-out to Sandton and OR Tambo International Airport (ORTIA) stations is in progress.
- Reconfiguration and upgrade of the driver's restroom at Park, Sandton, Pretoria and ORTIA stations.
- Replacement of commuter benches on the station platforms.
- Assessment study to improve wayfinding signage inside the stations and directional signage to the stations.
- Implementation strategy for the renewable energy supply to the Gautrain.

8. SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ)

The Safety, Health, Environment and Quality (SHEQ) function facilitates the Agency’s commitment to create and maintain a safe and healthy workplace. This, supported by a culture of safety stewardship through targeted awareness, consistent and credible leadership, guidance, monitoring and reporting, is undertaken to prevent injuries and occupational illness. The Agency’s goal is to achieve a sustainable business while ensuring zero harm to the commuters and the environment which will enable the GMA to deliver its strategic outcome.

8.1. PERFORMANCE DURING THE YEAR UNDER REVIEW

8.1.1. Health and safety

The Concessionaire monitors its health and safety in relation to the System. In the year under review, one major incident that resulted in a fatality on the Passenger rail line was reported and recorded. Two reportable incidents were recorded, with no injuries or structural damage. The below table is the Health, Safety and Environment (SHE) dashboard.

Table 11: Safety hazards/incidents

Operational dashboard	Financial Year 2023/24
Signal is Passed At Danger (SPADS)	12
Collisions	2
Mainline derailments	2
Platform overrun	17
Total near misses, hazards and safety concerns	223

8.1.2. Environmental management

The Agency has shown 97% compliance with all environmental legislation and the project Environmental Management Plan (EMP). Areas of improvement are waste management, public consultation, community relations, depot and workshop management, and track and rail reserve maintenance. Compliance with the audit criteria, as set out in the various commitments contained in the audited Water Use License (WUL), was 88,29%.

The project has also noted no significant environmental emergency events as listed in Table 12 below.

The GMA and Concessionaire have agreed that as part of the sustainability initiative, environmental reporting will, going forward, include the reporting of carbon emissions from the Gautrain System. Although this is not a contractual requirement, it was accepted that these statistics would support future sustainability programmes.

Table 12: Significant environmental emergency events

Operational dashboard	April 2023 to March 2024
Environmental spillages	5
Number of bird/animal/objects strikes	1
Environmental incidents	32
Environmental compliance notices	0

8.1.3. Quality

The Agency has implemented the ISO Integrated Management System (IMS), intended to assist the organisation to have a centralised electronic system for storage of documents and ease of document control. The GMA is embarking on an IMS Certification process. This certification enables the GMA to continually improve its OHS performance, minimise the SHEQ risks, eliminate hazards, prevent work-related injury and ill health, and provide a safe and healthy environment.

8.2. FUTURE FOCUS

The GMA will work on the sustainability framework as well as the ISO Integrated Management System (IMS) certification for the organisation in order to support existing and future enhancements to the System and assure continual improvement and sustainability.



“PART OF RESPONDING TO THE EVER-CHANGING LANDSCAPE AND OPERATING ENVIRONMENT, THE ORGANISATION IS LEVERAGING ITS PAST SUCCESS, SKILL SET AND EXPERIENCE TO ENSURE ITS FINANCIAL SUSTAINABILITY AND GROWTH OF REVENUE SOURCES.”



OPERATIONAL PERFORMANCE

1. GMA ACTIVITIES

1.1 SOCIO-ECONOMIC DEVELOPMENT (SED)

An Independent Socio-Economic Monitor (ISEM) has been appointed since the beginning of the concession for the purpose of verifying Socio-Economic Development (SED) achievements attained on the Project by the Concessionaire. The SED achievements reported below, are based on the verified achievements reported every quarter by the ISEM.

1.1.1. SED performance for the Financial Year 2023/24

The ISEM has completed its verification for the period April 2023 to March 2024 and Table 13 below summarises the achievements:

Table 13: Achievements from April 2023 to March 2024.

SED PERFORMANCE:			APRIL 2023 TO MARCH 2024		
SED ELEMENT				Verified	%
No.	Description	Unit	Obligation	Achievement	Achievement
Black Equity participation					
SED01:	Shares held by BEs/Black persons in BCC	%	25.00%	64.94%	260%
SED01:	Shares held by BEs/Black persons in BOC	%	25.10%	35.44%	141%
SED02:	Shares held by Black women in BCC	%	3.75%	8.38%	223%
SED02:	Shares held by Black women in BOC	%	3.75%	12.67%	338%
Procurement and sub-contracting					
SED03:	Procurement from BEs/Black persons	R'000	92 086.85	169 269.79	184%
SED04:	Sub-contracting to BE	R'000	328 520.53	986 839.75	300%
SED05:	Procurement and sub-contracting to new BE	R'000	379 246.56	894 039.58	236%
SED06:	Procurement and sub-contracting expenditure to SMMEs	R'000	56 199.64	126 482.73	225%
Local content					
SED08:	Employment of local people	per months	15 911	18 139	114%
SED09:	Procurement of South African materials	R'000	254 216.32	1 199 136.27	472%
SED10:	Procurement of South African plant and equipment	R'000	0.00	5 765.71	100%
Participation in SPG					
SED11:	HDI staff seconded by SPG	per months	0.00	0.00	100%
SED12:	Expenditure by SPG on plant and equipment	R'000	0.00	0.00	100%
SED13:	Procurement from, or sub-contracting to SPG	R'000	0.00	0.00	100%
Participation in management					
EEPO1:	HDI in management positions	per months	348	525	151%
EEPO2:	Women in management positions	per months	180	270	150%
EEPO7:	HDI in Occupational Level C	per months	614	2 323	378%
Direct employment					
EEPO3:	HDI employed	per months	11 412	17 281	151%
EEPO4:	Women employed	per months	4 105	6 491	158%
EEPO5:	People with disabilities employed	per months	240	284	118%
Training					
EEPO6:	Expenditure on human resource development	R'000	5792.46	10 647.92	184%
EEPO8a:	Women participating in the Learnership & Mentorship Programme	per months	0.00	0.00	100%
EEPO8b:	Employment and mentorship of women learners	per months	0.00	0.00	100%

The Concessionaire has made significant efforts to ensure that its SED obligations in terms of economic spending and SED objectives are met, and significantly exceeded its SED obligations during the Operating Phase. This trend continued in the period under review.

1.1.2. SED performance since the commencement of the operating period until the end of March 2024

Based on ISEM verification concluded to date, the Concessionaire has cumulatively achieved all its obligations since the commencement of the operating period until the end of March 2024. Table 14 below summarises the achievements:

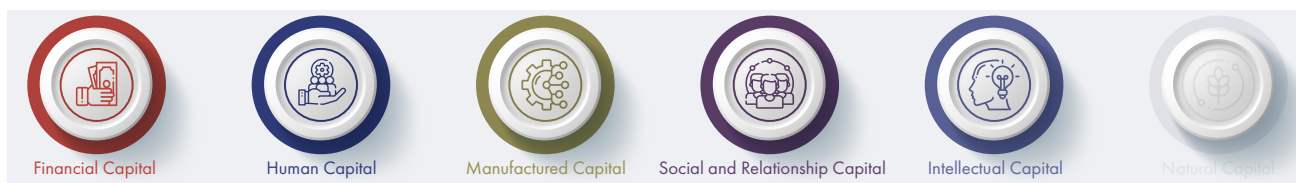
Table 14 : Achievements from the operating period until the end of March 2024.

SED PERFORMANCE:			Operating Period to MARCH 2024		
SED ELEMENT				Verified	%
No.	Description	Unit	Obligation	Achievement	Achievement
Black Equity participation					
SED01:	Shares held by BEs/Black persons in BCC	%	25.00%	52.27%	209%
SED01:	Shares held by BEs/Black persons in BOC	%	25.10%	30.51%	122%
SED02:	Shares held by Black women in BCC	%	3.75%	15.03%	401%
SED02:	Shares held by Black women in BOC	%	3.75%	7.59%	202%
Procurement and sub-contracting					
SED03:	Procurement from BEs/Black persons	R'000	721 458.44	1 540 256.31	213%
SED04:	Sub-contracting to BE	R'000	2 478 394.36	6 787 594.16	274%
SED05:	Procurement and sub-contracting to new BE	R'000	2 690 417.92	6 185 383.34	230%
SED06:	Procurement and sub-contracting expenditure to SMMEs	R'000	480 166.80	839 584.42	175%
Local content					
SED08:	Employment of local people	per months	186 402.00	232 425.00	125%
SED09:	Procurement of South African materials	R'000	1 372 110.42	7 621 210.05	555%
SED10:	Procurement of South African plant and equipment	R'000	299 468.47	360 928.22	121%
Participation in SPG					
SED11:	HDI staff seconded by SPG	per months	0.00	0.00	100%
SED12:	Expenditure by SPG on plant and equipment	R'000	0.00	0.00	100%
SED13:	Procurement from, or sub-contracting to SPG	R'000	0.00	0.00	100%
Participation in management					
EEP01:	HDI in management positions	per months	3 981	7 725	194%
EEP02:	Women in management positions	per months	1 918	4 264	222%
EEP07:	HDI in Occupational Level C	per months	6 902	36 333	526%
Direct Employment					
EEP03:	HDI employed	per months	133 498	217 691	163%
EEP04:	Women employed	per months	48 107	69 008	143%
EEP05:	People with disabilities employed	per months	2 814	3 215	114%
Training					
EEP06:	Expenditure on human resource development	R'000	49 584	70 284.05	142%
EEP08a:	Women participating in the Learnership & Mentorship Programme	per months	0.00	0.00	100%
EEP08b:	Employment and mentorship of women learners	per months	0.00	0.00	100%

The above tables clearly indicate that the Concessionaire has complied with its obligations in all of the SED elements. In terms of the penalty and reward regime, there are no penalties awarded to the Concessionaire for the year under review.

By the continued achievement and exceeding performance in most elements, the Concessionaire continues to develop growth in the brand value and full compliance through procurement, sub-contracting and employment.

1.1.3. Value created



1.1.4. Future focus

Schedule 22 of the Concession Agreement contains the monthly SED obligations. Table 15 below summarises the SED obligations for the 2024/25 financial year.

Table 15: SED obligations for the financial year 2024/25

SED PERFORMANCE:		OBLIGATIONS FOR THE FINANCIAL YEAR: 2024/25			
SED ELEMENT				Verified	%
No.	Description	UNIT	Obligation	Achievement	Achievement
Black Equity participation					
SED01:	Shares held by BEs/Black persons in BCC	%	25.00%		
SED01:	Shares held by BEs/Black persons in BOC	%	25.10%		
SED02:	Shares held by Black women in BCC	%	3.75%		
SED02:	Shares held by Black women in BCC	%	3.75%		
Procurement and sub-contracting					
SED03:	Procurement from BEs/Black persons	R'000	73 357		
SED04:	Sub-contracting to BE	R'000	196 615		
SED05:	Procurement and sub-contracting to new BE	R'000	253 655		
SED06:	Procurement and sub-contracting expenditure to SMMEs	R'000	38 235		
Local content					
SED08:	Employment of local people	per months	15 911		
SED09:	Procurement of South African materials	R'000	150 868		
SED10:	Procurement of South African plant and equipment	R'000	0.00		
Participation in SPG					
SED11:	HDI staff seconded by SPG	per months	0.00		
SED12:	Expenditure by SPG on plant and equipment	R'000	0.00		
SED13:	Procurement from, or sub-contracting to SPG	R'000	0.00		
Participation in management					
EEPO1:	HDI in management positions	per months	348		
EEPO2:	Women in management positions	per months	180		
EEPO7:	HDI in Occupational Level C	per months	613		
Direct employment					
EEPO3:	HDI employed	per months	11 506		
EEPO4:	Women employed	per months	4 113		
EEPO5:	People with disabilities employed	per months	240		
Training					
EEPO6:	Expenditure on human resource development	R'000	3 940		
EEPO8a:	Women participating in the Learnership & Mentorship Programme	per months	0.00		
EEPO8b:	Employment and mentorship of women learners	per months	0.00		

1.2. INFORMATION TECHNOLOGY AND DIGITILISATION

The Information and Communications Technology (ICT) function plays a pivotal role in driving the agency's success. It strategically empowers GMA by providing essential digital tools, enhancing business agility, streamlining processes, and fostering collaboration across the organisation. Additionally, it contributes significantly to the agency's purpose and sustainability. The ICT function is actively driving digital transformation within the organisation, aiming to enhance ICT maturity.

1.2.1. Performance during the period under review

During the year under review, 87% of the annual targets related to the ICT function were achieved. Highlights of the key achievements are:

- **Development:** The unit developed and deployed several applications and solutions that enhanced the functionality and user experience of the GMA's business processes and services, such as the Performance Management Review Application and the SHEQ Inspection Management.
- **Operations:** The unit ensured the availability, reliability, and security of the GMA's IT infrastructure and services. The unit also migrated Sage 300 and Sage X3 to a cloud environment, improving the security, availability, and scalability of the financial management systems. Additionally, the unit embarked on digitising and automating the entire human resources value chain.
- **Data and Enterprise Architecture/Innovation:** The unit implemented a data platform that integrates and processes structured and unstructured data from various sources to generate insights for decision-making and reporting. An enterprise architecture repository was also developed to document and align the business, application, data, and technology domains of the GMA. ICT has piloted innovative solutions leveraging artificial intelligence, machine learning, and automation to enhance the GMA's capabilities and services. An organisation-wide data literacy program has been implemented in collaboration with the Human Capital Department to equip all employees with the skills necessary to effectively utilise data.
- **Cybersecurity:** The unit implemented various security measures, such as web content filtering, data leak prevention, security orchestration automation and response, and security awareness training, to protect the GMA's information assets and systems from cyber threats.

Governance and risk management play a major role in ensuring that services are delivered fairly, transparently, and optimally. Risk assessments are continuously performed in line with the Enterprise Risk Framework to identify potential risks and opportunities that the GMA faces.

1.2.2. Value Created



1.2.3. Future focus

The main focus for the year ahead is:

- Enhancing digital capabilities and innovation across the organisation by investing in new technologies, platforms, and skills to support the strategic objectives and values.
- Improving customer experience and satisfaction by delivering reliable, secure, and user-friendly ICT services and solutions that meet the needs and expectations of internal and external stakeholders.
- Strengthening ICT governance and risk management by establishing clear roles and responsibilities, policies and standards, performance indicators, and compliance mechanisms for ICT activities and projects.
- Promoting ICT collaboration and alignment, by fostering a culture of teamwork, communication and learning among ICT staff and with other business units, partners and vendors.
- Continue implementation of data platform and data initiatives.
- Improving data literacy and usage across the organisation.
- Strengthening the resilience of information systems and networks against cyber threats and incidents.
- Strengthening the cyber awareness and capabilities of staff and stakeholders.
- Fostering a culture of cyber security excellence and innovation within the organisation.
- Collaborating with other entities in the public and private sectors to share best practices and coordinate responses to cyber challenges.

1.3. KNOWLEDGE MANAGEMENT

Knowledge capture, knowledge sharing, knowledge embedment, thought leadership, research, and innovation comprise the five pillars that anchor the GMA Knowledge Management (KM) programme. In just a year shy of a decade, KM in the GMA has matured, evidenced by the knowledge flow and embedment throughout the organisation, as well as a diverse portfolio of assets such as lessons learned, case studies, knowledge shares, and incentives.

OUR KNOWLEDGE IS OUR GOLD.

The GMA recognise that our knowledge is our wealth, and we aspire to be an organisation of innovators driven by learning culture, productivity and operational efficiency

IF YOU NEED...

TRY...

<p>1. KNOWLEDGE PUBLICATIONS</p>	<p>Case studies as well as lessons learnt, fact sheets, technical papers etc. are of critical importance in ensuring that the knowledge that has been and continues to be accumulated over the years about the Gautrain Project is captured, shared, disseminated, and preserved as part of KM strategy pillars.</p>
<p>2. PPP STRATEGIC SUPPORT (ENGINEERING DMS)</p>	<p>PPP Strategic Support is provided through the Document Control an Holistic Records Management function with utilisation of ProjectWise as an engineering Document Management System for exchange an management of correspondence between the Concessionaire and province(GMA) as well as compliance to legislative requirements in terms of records handling, off-site and shredding services.</p>
<p>3. GAUTRAIN TALKS</p>	<p>The podcasts form part of tacit knowledge capture to explicit format using a digital mode of dissemination in line with KM strategy pillars.</p>
<p>4. E-LOUNGE</p>	<p>The GMA e-Lounge book club seeks to create a space for colleagues to engage and collaborate in a relaxed manner outside the usual mainstream work topics. Furthermore, the book club is also used as a mechanism for inculcating GMA values which are Caring, Excellence, Learning and Leadership.</p>
<p>5. INNOVATION GOLDX KNOWLEDGE SHARE</p>	<p>Innovation GoldX Knowledge Sharing session are workshops aimed at empowering GMA staff through learning from subject matter experts who share their knowledge and insight in their areas of expertise on the knowledge share platform.</p>
<p>6. DIGI-SAVVY</p>	<p>Digi-Savvy sessions are workshops with the goal of empowering all the GMA staff to make efficient an intelligent use of GMA's online platforms such as MS 365 products like MS Teams etc.</p>
<p>7. PUBLIC TRANSPORT KNOWLEDGE SEMINAR</p>	<p>The Annual Public Transport Knowledge Seminar (PTKS) is an initiative that forms part of Thought Leadership platforms for discussing technical transport matters an problem solving within the knowledge management strategic pillars.</p>
<p>8. GOLDX PORTAL</p>	<p>The Knowledge Management Portal (GoldX Portal) is a platform aimed at assisting GMA's knowledge preservation an sharing efforts, serving internal as well as external stakeholders locally or abroad.</p>
<p>9. KM STORIES</p>	<p>Storytelling is the number-one way to get people to participate in KM initiatives an apply knowledge in their respective areas of work. As such KM stories are part of K initiative that demonstrate an show how KM works and why it matters, ally or abroad.</p>
<p>10. E-LIBRARY</p>	<p>The GMA e-Library provides seamless access to information to enable the workforce to perform their duties and functions in an efficient manner and promote a culture of learning.</p>
<p>11. KM INCENTIVES</p>	<p>The Knowledge Management incentive aim to improve employee engagement and promote the collaborative effort on the KM initiatives within the GMA. Research have shown that the desired KM value and outcomes cannot be realised form just the implementation of KM Strategy initiatives, therefore employee recognition and incentives are crucial for a successful knowledge management programme.</p>
<p>12. STRATEGIC PARTNERSHIPS AND INNOVATION</p>	<p>The GMA through innovative strategic partnerships have collaborated with top ranking international and local business schools including provincial entities to promote GMA as a thought leader in die transport an rail landscape by way of creating an sharing our knowledge assets an leveraging on the expertise of our partners to increase capacity.</p>

1.3.1. Performance during the period under review

The highlights of the work conducted during the year under review can be summarised as follows:

a) PPP strategic support

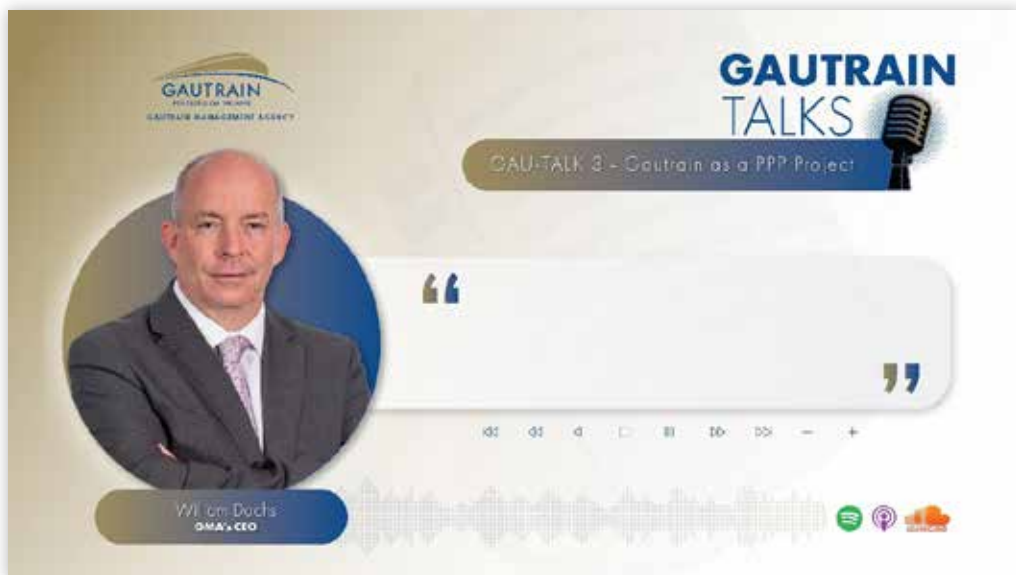
In 2020, the GMA adopted a Holistic Records Management Programme whose sole purpose was to move the organisation from paper to digital. In the year under review, the focus has been on a process to phase out paper documentation related to the management of the CA. This digitisation journey is intended to equip the Agency to manage the processes related to the closing of the Concession Agreement in anticipation of Gautrain Post-2026 project.

b) GMA Knowledge Management Centre of Excellence

In support of the Knowledge Management Strategy and positioning the GMA as a thought leader and a Centre of Excellence in rail infrastructure and transport integration, support is provided to external research requests from students requesting information for their studies such as Honours, Masters, and PhD studies. As a result, the GMA has facilitated 34 research studies since 2017 to date. Of the 34 research studies, a total of seven (7) were supported in the year under review and eight (8) knowledge share sessions were delivered successfully during this reporting period.

During the year under review, the GMA was appointed as one of the Technology and Innovation Support Centre (TISC) hosts, to deliver Intellectual Property (IP) related content approved by the World Intellectual Property Organisation (WIPO) Academy Distance Learning (DL). As a TISC host, the Agency will support initiatives aimed at, amongst others, turning GMA IP into commercial assets, licencing GMA's IP and driving intellectual property advocacy.

Through the partnership with Buzzsprout Distribution Channels for broader reach, there has been an increase in access and usage of knowledge content and products such as the **Gautrain Talks Podcast** published internally and externally on social media platforms. (<https://soundcloud.com/gautraintalks>)



In an effort to embed knowledge and grow the culture of knowledge sharing among employees, fifty-seven (57) GoldX™ Knowledge Management incentives were awarded to employees in various categories.

c) Thought leadership

In an effort to position the GMA as a thought leader and enrich the leadership capacity, seven (7) e-Lounge book club sessions were successfully delivered during the year under review. In addition, Knowledge Partnerships for Thought Leadership and Executive Leadership Development Programme were entered into with Wiits and GIBS Business Schools. The Knowledge Partnership for Thought Leadership has successfully delivered strategy facilitation support, innovation lab, and participation in the Smarter Mobility Conference as part of the Public Transport Knowledge Seminar (PTKS).

GMA E-LOUNGE REPORT 2023/24 FY

Number of E-lounge Sessions	Period	Total of People Reached	Total of People Reached Internal	Total of People Reached External	Average People Reach
07 Sessions	12 Months	1 336	330	1,006	191

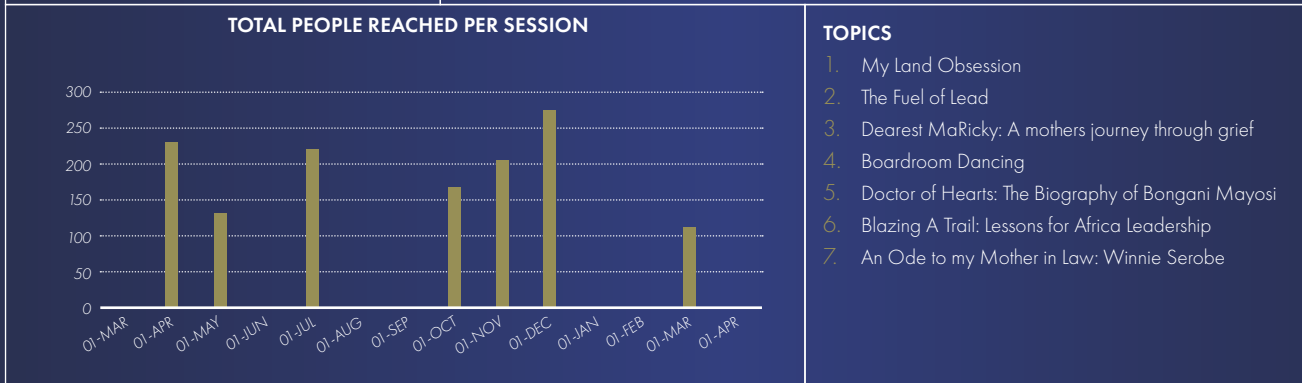
IMPACT & VALUE CREATION

- Intellectual Capital (IP)
- Learning Organisation
- Productivity & Performance
- Social Capital
- Values & Culture
- People Engagement

BOOKS COVERED

My Land Obsession
The Fuel to Lead
Dearest MaRicky
Boardroom Dancing
Doctor of Hearts
Blazing a Trail
An Ode to my Mother in Law

PARTNERSHIP WITH PUBLISHERS



It was through Knowledge Partnerships for Thought Leadership that the GMA delivered the inaugural “Women Leading Knowledge” Breakfast event on 29 August 2023.



Panel members at the Women Leading Knowledge Breakfast
From left: Dr Michele Ruiters - GIBS Faculty; Dr Jabulile Msimang Galawe - WBS Faculty; Ego Iwegbu - Founder and CEO Ms London; Mapaseka Mokwele - SA Broadcaster)

A partnership for collaborative knowledge production was concluded between the TEDx University of Johannesburg and GMA wherein a TEDx event under the theme Reengineering Humanity was held on 11 October 2023.



GMA CEO, Mr Tshepo Kgobe at TEDx University of Johannesburg

In addition, the GMA collaborated with the Johannesburg Business School and Johannesburg Institute for Advanced Study to deliver the Johannesburg Festival for Women Writers, which took place from 9 to 10 March 2024. The Johannesburg Women Writers Festival (JWWF) is a South African annual event that provides a platform for open and progressive discourse with participation from renowned local and international authors and thought leaders. The informal discussions under this year's theme of Mothers and Daughters will be the festival's hallmark, with spirited debates on various topical issues. Given the intent, focus and outcomes of the JWWF, the GMA views it as an opportune platform with significant synergies with the e-Lounge book club.

1.3.2. Value Created

Knowledge Management maturity in the GMA is evidenced by the value created in the following capitals.



1.3.3. Future focus

The focus for the new financial year will be:

- Continuation of Knowledge Management initiatives to support the GMA strategy to manage, coordinate and oversee the Gautrain Rapid Rail Link project by managing the Concession Agreement;
- Continuation of the KM Centre of Excellence will, through platforms such as the PTKS, share innovative ways of improving public transport, and elevate the GMA to remain top of mind in the public transport integration space;
- Continue to support the GMA as a learning organisation through case studies, fact sheets, knowledge share sessions; and
- Build capacity on IP assets development and governance.

1.4. COMPLIANCE AND LEGAL SERVICES

The GMA Act, read in conjunction with the PFMA, requires the GMA to, amongst others, monitor the policy and legislative environment of the Project and carry out its functions in terms of the GMA Act and any other applicable law.

1.4.1. Performance during the period under review

The GMA, in accordance with the provisions of the GMA Act, continuously oversees, manages and monitors the Concessionaire's performance and adherence to the CA in accordance with the GMA Act. In this regard, where the Concessionaire fails or neglects to comply with its obligations as outlined in the CA, appropriate penalties are imposed on it. The long-standing Operational Period Disputes were eventually resolved through a Settlement Agreement that was reached between the Concessionaire and the Province. As part of the settlement, the Concessionaire and the Province agreed to adopt an expeditious and cost-effective adjudication process, in respect of Project Events disputes. This bespoke adjudication process continues to assist the Province and the Concessionaire in enhancing efficiency and cost-effectiveness in resolving disputes pertaining to the Project Events disputes.

In respect of the Province's Construction All Risks claim against Zurich Insurance, the Province managed to recover a sizeable portion of its legal costs in respect of the High Court costs and the Supreme Court of Appeal costs that were incurred in pursuing the matter. The recovery of these legal costs was pursuant to both the Gauteng High Court and the Supreme Court of Appeal having ruled in favour of the Province, in respect of the merits part of the claim against Zurich Insurance. Regarding the pursuit of the quantum part of the claim, the Province has issued summons against the insurer and the pleadings are almost closed.

In order to monitor the policy and legislative environment within which the GMA operates, the GMA has subscribed to the applicable Parliamentary Committees of the Parliamentary Monitoring Group and professional associations, such as the Compliance Institute of Southern Africa. As part of facilitating compliance with laws that apply to the GMA, several awareness initiatives aimed at embedding and institutionalising legislative compliance continued together with the monitoring of progress on the implementation thereof, as well as proactive measures to engage regulatory authorities on pending legislation, to constructively influence the final versions thereof. In order for the GMA to continue being effective in delivering on its mandate, a strong organisational compliance culture, underpinned by a spirit of collaboration and co-ordination of the GMA's response to laws applicable to it, is being fostered.

In preparation for the procurement of the new Concessionaire, the current Concession Agreement was reviewed and unpacked, which culminated in the proposed Post-2026 Concession Agreement being finalised and included in the pack that forms part of the RFP documents that have been issued to the market. In addition, the legal requirements for the Close-out of the Concession Agreement (COCA) were outlined, with particular emphasis on the transfer of the employees of the current Concessionaire to the Successor Concessionaire, in line with Section 197 of the Labour Relation Act and Clause 54 of the current Concession Agreement.

1.4.2. Future focus

More focus will be on the Post-2026 Project, procuring the Successor Concessionaire, as well as reviewing and addressing any legal or compliance-related concerns relating to COCA, among others, to ensure a seamless transition from the current Concession to the new Concession.

Considering the GMA's imminent expansion of its mandate, the process of reviewing and amending the GMA Act will commence in the new financial year. Moreover, the legislative developments will be monitored on a continuous basis, in order to ensure that the GMA is fully compliant with its statutory obligations.

The draft GTI Bill, which is currently undergoing the Socio-Economic Impact Assessment process and is intended to overhaul and repeal the GTIA, will be processed in collaboration with the Gauteng Department of Roads and Transport and the State Law Advisors, in order to enhance the viability and sustainability of the Gautrain System by seizing commercial opportunities in and around the Gautrain stations and in areas where the Gautrain operates.

With a summons having been issued against Zurich Insurance to claim the quantum, after the Supreme Court of Appeal ruled in favour of the Province on the merits, using the Intellectual Capital, the outcome will bring the matter to finality. The GMA will, in parallel, also continue to pursue a possible commercial settlement of this matter by continuing to engage Zurich Insurance in discussions.

1.5. COMMERCIALISATION

The Commercialisation function within the GMA is intended to leverage the Gautrain System's assets and the GMA's resources to create additional value for the citizens of the province, encourage the use of the Gautrain and other modes of public transport, as well as generate additional revenue.

1.5.1. Performance during the period under review

1.5.1.1. DLTC performance

The Drivers Licence Testing Centres (DLTCs) facilities at the Centurion and Midrand Gautrain Stations as well as the pilot facility at the GMA Office in Midrand continued to generate revenue and profit for the Agency. During the year under review, the GMA was mandated by the GDRT to support the expansion of licensing services to the township communities. The Agency successfully launched the first Smart Licensing

Centre in Atteridgeville, as part of the licensing expansions programme. The DLTC fleet has renewed approximately 75 000 licenses during the reporting period.

1.5.1.2. Agency services performance

The GMA through the Agency Management as a Service (AMaas) rendered services to the Transport Authority for Gauteng (TAG), GDRT and g-Fleet Management. The following projects were delivered:

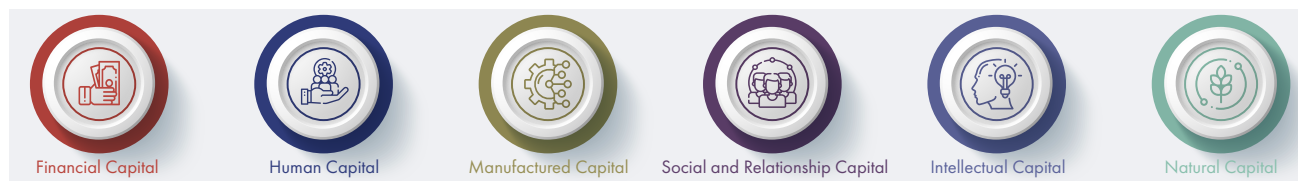
- Project management support for subsidised bus services in Gauteng
- Business case to support the new organisation for g-Fleet Management
- Launch of the Transport Management Centre (TMC)

The GMA achieved revenues and profits of R32 million and R14.5 million, respectively. Table 16 below provides a summary of the financial performance relating to commercialisation.

Table 16: Commercial financial performance

Income statement	2023/24	2022/23	Change YoY	% Change YoY
Revenue	37 357 668,61	28 626 107,64	8 731 560,97	30,5%
Licensing - GMA DLTCs	32 710 963,90	25 652 244,00	7 058 719,90	27,5%
Licensing - TISH DLTCs	273 073,20		273 073,20	-
Agency services	4 373 631,51	2 973 863,64	1 399 767,87	47,1%
Expenditure	24 920 410,01	18 648 426,68	6 271 983,33	33,6%
Licensing fees	15 056 739,13	12 964 936,40	2 091 802,73	16,1%
Operational expenses	9 863 670,88	5 683 490,28	4 180 180,60	73,5%
Net profit	12 437 258,60	9 977 680,96	2 459 577,64	24,7%
Net profit margin	33,3%	34,9%	-1,6%	-4,5%

1.5.2. Value Created



1.5.3. Future focus

In the next financial year, the focus will be the following:

- Launching additional Smart DLTC at Sandton Station;
- Launching a pilot coffee shop at Midrand Station;
- Continued support for the GDRT in respect of various transport and rail-related mandates; and
- Launching of eight additional smart licensing facilities in Gauteng.

1.6. COMMUNICATION AND MARKETING

The GMA's Communication and Marketing Strategy focuses on Gautrain's mandate to increase and sustain ridership by managing Gautrain's reputation and executing growth and retention marketing. It contributes to the GMA's purpose by connecting people through agile marketing and purpose-driven communication.

1.6.1. Performance during the period under review

The core focus for the year under review was on positioning Gautrain as a world-class integrated public transport service and executing growth and retention marketing.

1.6.1.1. Marketing

To promote Gautrain as the lifestyle transport mode of choice, the GMA supported a diverse range of special events by providing transport to the following events:

- Rugby: SA vs Argentina, SA vs Australia and SA rugby team homecoming event after the 2023 World Cup victory in France.
- Soccer games: SA vs Morocco, Mamelodi Sundowns vs Wydad Casablanca and SA team's homecoming after the Africa Cup of Nations Tournament.
- Cricket lovers were transported to the SA20 matches.
- Runners were accommodated at the City2City marathon, with the race starting at the Centurion Gautrain Station and ending at Wanderers.
- Concert lovers got to see the Calabash and Replenishment concerts.
- Festival enthusiasts got transported to the Air Force Museum show, Craft Beer and Droomland events.

These special events contributed to an increase in ridership levels and high Advertising Value Equivalency (AVE), thus promoting the brand. This GMA continued to promote the discounted Gautrain student product through the 'Ride with the G' campaign, at various tertiary institutions. The campaign included campus radio and television, activations and posters. Products sold during the period under review have a total value of R10 220 692, which is a significant increase from the R6 041 430 sales in the previous year.

Attendance of South Africa's main tourism exhibitions is critical to promoting the Gautrain services with a focus on the airport line. Accordingly, the Gautrain exhibited at Africa Travel Indaba and the World Travel Market shows.

Various advertising initiatives were implemented, such as the Gautrain television and radio advertisement that was aired across various TV channels and radio stations and Airport TV in Gauteng, Durban and Cape Town. Together with Joburg in Your Pocket, Gautrain is promoting the service to visit various sites around Gauteng and includes a photo competition of the Jacaranda trees, getting enthusiastic supporters to use the Gautrain to get to different sites. The GMA worked with News24 and Netwerk24 across their platforms, promoting the campaign Your Journey Starts Here to their extensive network of over 300 million readers. The campaign was very well received and is recorded as one of the best-performing campaigns to date.

1.6.1.2. Media management

The GMA and Gautrain proactively engage the media around the various thematic areas highlighting the role and mandate of the GMA and the Gautrain Project.



BREAKING NEWS

- A total of 2 046 media reports for print, broadcast and online were received about the Gautrain during the financial year under review. The contribution (in communication value) to the reputation of the project, amounts to an estimated R96,5 million. The sentiment of the articles was recorded as 44% positive, 48% neutral, and 8% negative.
- Positive reports were received on mentions of Gautrain's services for different events, Gautrain's support for Green Economy, the Driver's License Testing Centres, the appointment of Tshupo Kgobe as the GMA's CEO, GMA's clean audit status, news on partnerships and related initiatives, the start of Post-2026 Gautrain Project process, and the Gauteng Rapid Rail Integrated Network (GRRIN) extension project.
- Solicited and unsolicited media interviews were conducted by the GMA leadership for print, broadcast and online media to continue informing the public about the Gautrain's current and future projects and plans, as well as the change in leadership of the GMA CEO and Board.
- The negative reports were mainly on service interruptions and opinion pieces comparing Gautrain to other railway systems.

The following graph shows an overview of the Gautrain’s media sentiment for the financial year under review.

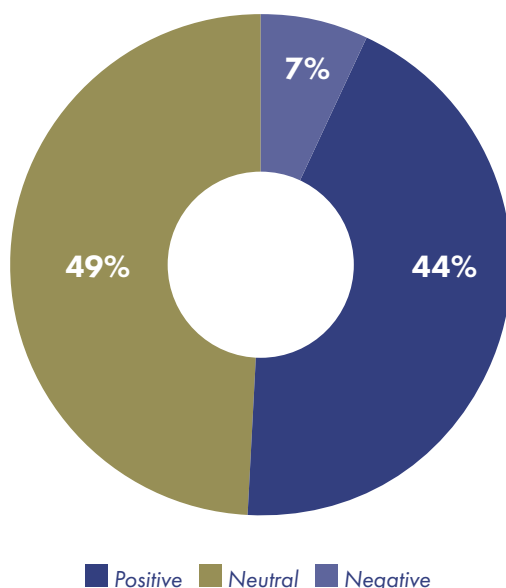


Figure 08: Overview of Gautrain’s media sentiment from 1 April 2023 to 31 March 2024

1.6.1.3. Brand management

- The Gautrain brand was enhanced through various activities and reinforcements of the brand communities within different lifestyle segments. This was through, amongst others, conferences and presentations, media articles and discussions on the Gautrain Project;
- The Gautrain and GMA brand celebrated and supported commemorative days such as Heritage Day, International Earth Day, and Youth Day.
- The GMA continues to host site visits for various stakeholders in the form of presentations to schools along the Gautrain route, the public and private sector, as well as NGOs.
- With the aim of highlighting GMA’s role in helping to address societal issues such as fatherlessness and gender-based violence, GMA, in partnership with the Character Company, kick-started a three-month targeted media campaign on SA FM, Kaya FM and Mail & Guardian.
- The GMA and Gautrain were profiled on SABC’s flagship breakfast television show, Morning Live, as well as Engineering News and ENCA, discussing Gautrain’s future plans regarding the extensions, sustainability and green economy, with CEO Tshepo Kgobe.
- Continuous monitoring took place to ensure the Gautrain brand was not being used without consideration of the GMA. No incidents were reported in the year under review.

1.6.1.4. Digital communication and marketing

The Gautrain commuter website continues to serve non-registered and registered commuters, with an audience overview of 1 172 973. A total of 1 282 234 downloads of the Gautrain mobile application were made, with 1 537 317 active users.

During the year under review, the GMA was profiled on the Gautrain social media platforms and the GMA website had 1 090 791 visits. The followership of all social media pages gradually increased with a social media advertising value estimated at R722 673 881,74 for the reporting period.

1.6.1.5. Strategic partnerships

Potential partnerships for the GMA were formed with social enterprises, corporate, commercial, academic and government entities. Each partnership is considered based on a prerequisite partnership evaluation form. For the 2023/24 financial year, the aim was to foster partnerships that contribute to the implementation of the GMA projects, to increase and maintain Gautrain ridership and brand equity.

GMA has partnership agreements with commercial companies in which available resources are shared to enable the entities to create mutually beneficial benefits for the organisations as well as for Gautrain specifically, to add value to the Gautrain passengers and enabling an increase in ridership. Strategic partnerships active in the year under review include:

- Discovery Insure (DI):** Since 2014, the DI Vitality Drive partnership has since been renewed several times. The value-added offerings to DI clients who use the Gautrain services have proven to be successful with current reports highlighting the average expenditure of DI clients across the entire Gautrain system to be estimated at more than R6 million in the past financial year.
- Gauteng Tourism Authority (GTA):** The strategic agreement with GTA to collaborate and promote the Gauteng City Region as a competitive destination for leisure and business events, leveraging its world-class infrastructure, transportation, and lifestyle offerings. Joint

exhibitions and events were organised to promote the use of Gautrain to travel around Gauteng, focusing on the tourism industry and aligning with the Gauteng Provincial Government's #VisitGauteng initiative.

Social/government/reactive partnerships

GMA positions the Gautrain brand as accountable, responsible and caring through partnership agreements with non-profit organisations and government departments. The aim of these partnerships is to align the brand as an ambassador of goodwill that responds in real-time to current events, and "right now" issues. The social and governmental partnerships active in the year under review include:

- a. **South African Human Rights Commission (SAHRC):** A partnership is to create shared value for both organisations, as well as to collaborate for marketing and collective campaigns and events, specifically focusing on creating awareness about mobility and accessibility of Gautrain to disabled commuters. The SAHRC will share insight into reports and feedback received from customers around public transport accessibility for people living with disabilities to improve the Gautrain service.
- b. **Shared Value Africa Initiative (SVAI):** A partnership with SVAI for education initiatives, knowledge sharing, advocacy and communication and marketing activities specifically for the #ItsNotOK movement, which is in line with the South African National "Stop GBV" initiative. GMA is supporting the organisation and cause by continuously positioning messages on official social media platforms, attending knowledge-sharing events and promoting the initiative on in-station digital platforms.

Project-based partnerships

GMA partners with various event organisers and conference management organisations for short-term project-based partnerships. These forms of collaboration are signed for initiatives which are only run on a short-term (project or event) basis. The main objective of these partnerships is to position Gautrain as a mobility partner and a transport mode of choice for leisure and business travel, with the aim to see an overall increase in ridership. Project-based partnerships active for the year under review include:

- a. **Park Acoustics:** An agreement with Park Acoustics to be the official mobility partner for the 2023 Capital Craft Beer Festival (CCBF) held at the Pretoria National Botanical Gardens on Saturday, 17 June 2023. The partnership targeted a specific market and Gautrain offered a complimentary midibus service between Hatfield Station and the Botanical Gardens to Gautrain passengers attending the event. The total usage recorded was 1 633 trips which made it the most successful project-based partnership up to date as these figures represent 16% of the total event attendees.
- b. **South African BRICS Business Council (SABBC):** A partnership agreement to position Gautrain as the official public transport partner for the 2023 BRICS summit which took place at Gallagher Convention Centre on 18 to 24 August 2023. GMA provided cards for delegates arriving at ORTIA Station and assisted with activation space at Sandton and Midrand Stations for promoters to guide national and international delegates to the venue as they used the Gautrain service.

1.6.1.5. Stakeholder management

- **Internal stakeholder engagement**
Engagement with internal stakeholders included numerous electronic communiques and events such as employee town hall meetings and management sessions, on various matters such as the leadership changes, the GMA Strategy, the GRRIN Project, and updates on the Post-2026 Project. A bi-monthly newsletter, *SNIPPET*, was launched to keep internal stakeholders abreast about the engagements of the GMA, while aiming to foster a sense of community.
- **External stakeholder engagement**
Customer satisfaction was evaluated through monthly surveys with net promoter scores ranging between 95% and 98%, and an average of 97%, which is well above the benchmark of 86%. The value-for-money feedback continues to be of concern and is closely monitored.
 - Various stakeholder engagements continued during the year under review, these include the Post-2026 Project and the GRRIN Project.
 - As part of knowledge sharing, the GMA continued to host site visits for various stakeholders in the form of presentations and visits to the system. These included delegations from the Nigerian Institute for Transport Technology.

1.6.2. Value Created



1.6.3. Future focus

To increase and sustain ridership by managing the GMA's and Gautrain's reputation and executing growth and retention marketing campaigns. The GMA will continue to pursue strategic partnerships to position the Gautrain System and brand as a contributor towards shared value and

growth in passengers, as well as to position the use of public transport, and public transport integration, as an economically and environmentally positive lifestyle choice in the minds of current and future passengers.

1.7. COMMUNITY PARTNERSHIPS

The midibus partnership model developed by the GMA involves integrating the minibus taxi industry with the Gautrain System. This is achieved through the provision of mobility services, using midibuses. The minibus taxi industry operates the Midibus Feeder and Distribution Services (MFDS) which provides a first-and-last-mile solution as an extension to the Gautrain Service. The partnership between the GMA and the minibus taxi industry is based on three principles, namely, formalisation of the minibus taxi operators into a sustainable business; provision of a scheduled, safe, and reliable public transport services, and job creation. The MFDS provides an efficient, scheduled, safe and reliable mobility services in areas where other modes of public transport services are not suitable.

1.7.1. Performance during the period under review

The GMA facilitated engagements with public transport stakeholders to enable the implementation of the MFDS partnerships and to strengthen stakeholder relations. The GMA implemented additional MFDS routes to increase the geographical footprint of the feeder and distribution network and to provide accessibility to Gautrain stations.

The number of passengers increased from 646 000 in the previous financial year, to 765 000 in the year under review. This translates to a year-on-year of 18% more passengers annually than for the previous period. The performance of MFDS routes exceeded projected demand and management expectations. The GMA continues to ensure that there is enough capacity to carry passengers and that the minibus taxi industry provides the required level of service.

1.7.2. Value Created



1.7.3. Future focus

The focus for the new financial year will be to increase the footprint of MFDS operations to positively impact more communities near the Gautrain System. This includes an operational review of the feeder system and optimising it by appropriating a suitable mode based on current and future demand as well as the introduction of new routes to meet the increasing demand for public transport based on new development trends. The GMA will continue to engage relevant public transport stakeholders to ensure that planned MFDS routes are implemented.

The GMA intends to implement technological solutions, including an electronic ticketing solution and Wi-Fi that will support MFDS operations and provide convenience to Gautrain midibus passengers and MFDS operators. The focus will also be on exploring and implementing possible non-fare revenue generation streams for MFDS.

1.8. SOCIAL INVESTMENT PROGRAMME (SIP)

The GMA recognises the need for social cohesion and nation-building, and thus, through the GMA Social Investment Programme (SIP), supports community development. The objectives are to contribute to the social, economic and environmental upliftment of vulnerable communities in Gauteng, and to build good stakeholder relationships with communities to increase support in safeguarding the GMA's assets for all who use them. A strong focus is also on GMA staff involvement, which is fostered through a volunteer programme that sees staff giving up time and knowledge to support the GMA SIP initiatives and communities.

1.8.1. Performance during the period under review

a) Marlboro Precinct Project

The Marlboro Precinct Project Social Economic study was concluded and the GMA is assessing which of the needs identified by this study can possibly be addressed through SIP.

b) SIP initiatives implemented

During the year under review, several SIP projects were implemented. These included:

- Completion of the Klipspruit West Family Centre, an early childhood development centre, that the GMA helped build a learning facility for.
- Support of transport for students from townships to Sandton to attend the Music & Lifestyle Expo.
- Support for the community of Ward 105, in which Marlboro Station is situated, with two events: Breakfast with the Councillor and elderly and an Alex Women in Business Expo for Women's Month.
- Hosting an award ceremony for the scholars of Tomorrow Trust, which celebrated their tertiary year-end certificates and passes, which were made possible through Tomorrow Trust's weekend education programme.
- Hosting a Santa on Wheels year-end function for 40 children from St. Vincent School for the Deaf and Nokuthula Special School.

c) Employee Corporate Social Investment Programme (ECSIP)

The ECSIP saw GMA employees extend their time and professional skills to benefit communities and partners that the Agency supports. The following activities took place in the year under review:

- Earth Day book drive held at Ditshego House of Laughter, where an afternoon of fun was had by reading books and poetry and enjoying time together.
- Delivery of stationery to Afrika Tikkun (Diepsloot): The GMA donated various stationery items including 900 scientific calculators, 1 800 size A4 exercise college books and 900 eleven-piece math sets, the items students find the hardest to get.
- GMA GauServers celebrated Mandela Day with the Charlotte Manny-Maxeke Institute at the Morris Isaacson High School in Soweto and donated seedlings and gardening equipment to the school. GMA GauServers volunteered in the planting of seedlings for twelve vegetable beds.

d) Managing and monitoring the SIP budget

The SIP funds are focused on projects that support the GMA's purpose and priorities and contribute toward the United Nations Sustainable Goals. The SIP funds are invested in different markets to ensure that they generate interest. The closing balance of R20 673 177.78 will be applied to SIP projects to be implemented in the new financial year.

1.8.2. Value created



1.8.3. Future focus

The GMA will focus on creating a long-term project that is driven by the climate change narrative. The Agency is analysing the project's carbon footprint and will, on an annual basis, plant trees to combat the impact. In the next financial year, the GMA is looking at supporting non-profit organisations in communities along the Gautrain route, supporting projects that align to the Agency's objectives and strategic goals.

2. GAUTRAIN-RELATED OPERATIONS

2.1. TRAIN OPERATIONS

The objective of the train operational system is to operate trains according to an agreed operating plan that, amongst others, translates passenger demand into a rail service concerning service frequencies and train set configurations.

There are three train services in operation:

- A General Passenger Service (GPS) on the North/South (N/S) line between Hatfield Station and Park Station;
- A General Passenger Service (GPS) on the East/West (E/W) line between Rhodesfield Station and Sandton Station; and
- An Airport Passenger Service (APS) on the East/West (E/W) line between OR Tambo International Airport Station and Sandton Station.

2.1.1. Performance during the period under review

Train availability and punctuality

The agreed performance norms for train availability and punctuality are 98% and 94% respectively.

Table 17: Train service availability and punctuality

	Q1 (FY 2023/24)			Q2 (FY 2023/24)			Q3 (FY 2023/24)			Q4 (FY 2023/24)			Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2023/24
Scheduled Trips	6,379	7,080	7,005	7,130	7,273	6,891	7,274	7,126	6,567	7,273	6,852	6,936	83,786
Actual Trips	6,368	7,054	6,990	7,128	7,256	6,872	7,245	7,108	6,552	7,243	6,842	6,923	83,581
Trips cancelled	3	20	12	2	11	14	27	16	12	23	3	9	152
Early starts	8	6	3	-	6	5	2	2	3	7	7	4	53
Late arrivals	56	83	71	181	82	74	240	239	57	173	61	119	1,436
Service availability	99.83%	99.63%	99.79%	99.97%	99.77%	99.72%	99.60%	99.75%	99.77%	99.59%	99.85%	99.81%	99.69%
Availability norm	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
Service punctuality	98.99%	98.74%	98.94%	97.46%	98.79%	98.85%	96.66%	96.61%	99.08%	97.51%	99.01%	98.22%	98.22%
Punctuality norm	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%	94.00%

* Early Stats (>190 seconds) not regarded as "available"

The train service operations achieved an average availability of 99,69% and 98,22% punctuality over the review period. The exceptional service quality was maintained due to fewer major service disruptions over the review period.

In the financial year under review, the total passenger trips recorded were 7 902 488, resulting in 10,79% increase in passenger trips when compared to an increase of 63,35% during the previous year.

Table 18: Passenger trips per financial year

Financial Year	Service type		
	Airport passenger	General passenger	Total
FY 22/23	672 664	6 459 936	7 132 622
FY 23/24	747 724	7 154 764	7 902 488
% Change	11.16%	10,76%	10,79%

The slight increase in passenger trips in the financial year under review can be attributed to the continuous steady improvement from passengers returning to the System after the COVID-19 impact.

Train passenger demand

The comparable train passenger numbers or matched trips** for 2022/23 and 2023/24 financial years are summarised in several graphs below. These include total train passenger trips and a further breakdown of the average number of passenger trips per weekday.

(* *A 'matched trip' is where the Automatic Fare Collection System matched all rail entries and exits by ticket, sequential number, and time.)

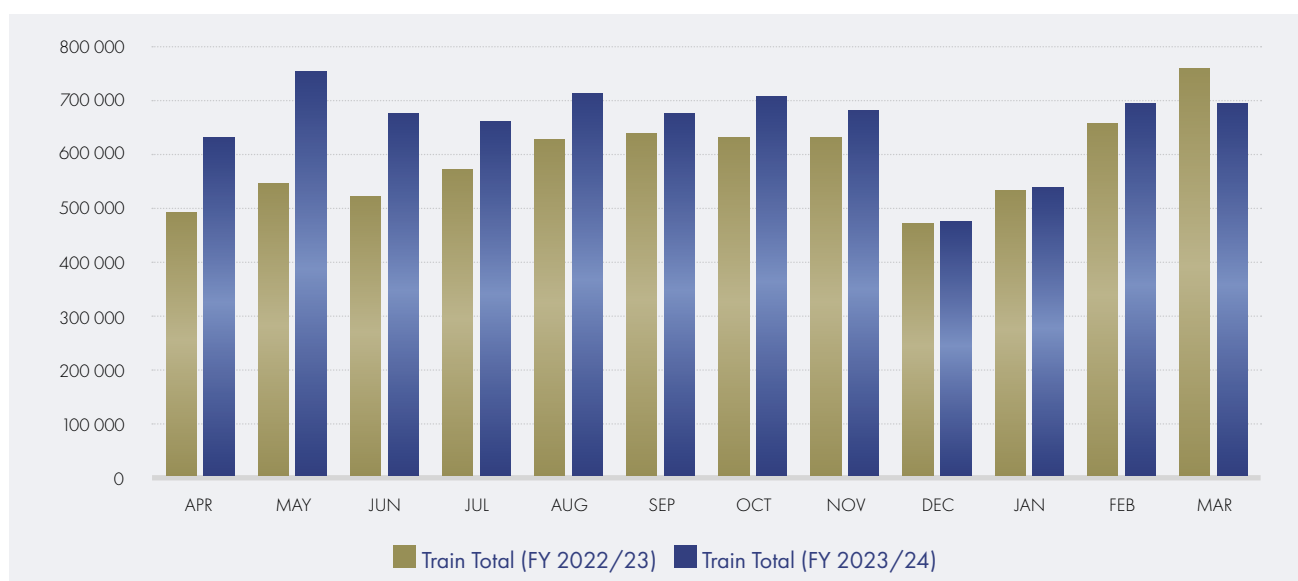


Figure 09: Total train passenger trips – monthly for all rail services

Figure 09 on the previous page shows that the total train passenger trips increased for all the months in the year under review, when compared to the previous financial year. The slight increase for the months can be attributed to passengers gradually coming back to the System after the impact of COVID-19.

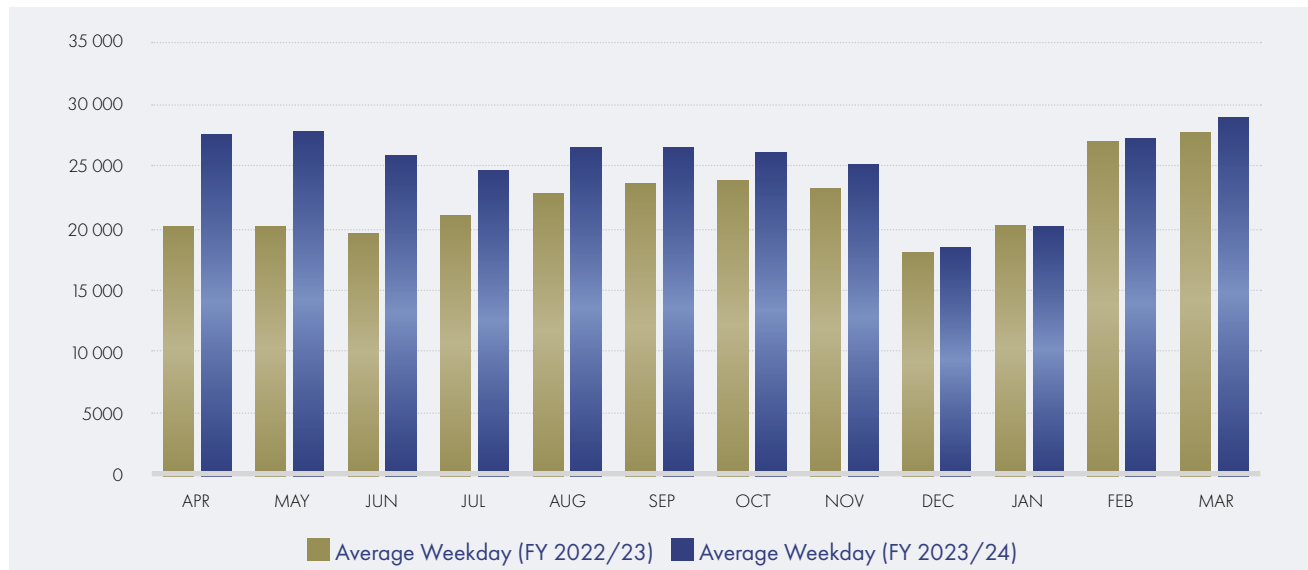


Figure 10: Average general passengers service trips – weekdays

The average weekday GPS trips have increased for all the months of the 2023/24 financial year, when compared to the previous financial year. The increase for the months can be attributed to the gradual return of passengers to the system after COVID-19.

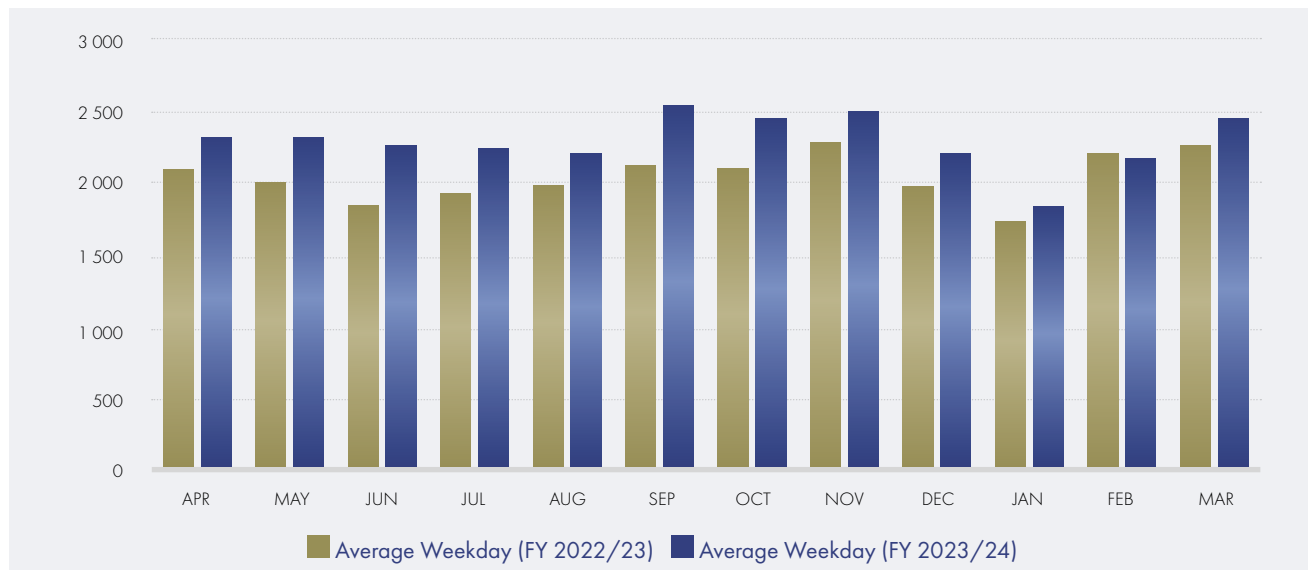


Figure 11: Average airport service trips – weekdays

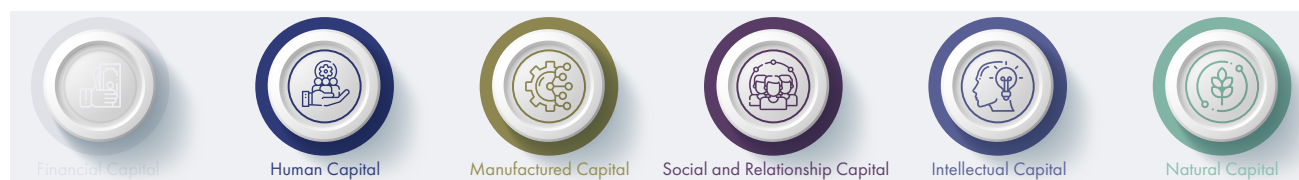
The average weekday APS trips have increased for all the months of the 2023/24 financial year, when compared to the previous financial year. The increase for the months can be attributed to the gradual return of passengers to the system after COVID-19.

Train service timetable changes

Gautrain service changes following the end of the (COVID-19) State of Disaster:

- The regulated 70% capacity restriction was suspended from 1 June 2022.
- From 18 July 2022, two additional 8-car trains were added to the N/S peak period service in response to improved demand, bringing the total number of 8-car trains during peak periods to five.
- From 1 October 2022, both N/S and E/W weekend train service headways were improved. Weekend services commenced with a 30-minute headway from the start of service, improving to a 20-minute headway from 09h00 until 16h00, thereafter returning to a 30-minute headway until the end of service.
- Both the N/S and E/W weekday train service frequencies were maintained at 10 minutes during peak periods and 20 minutes during off-peak periods.

2.1.2. Value created



2.1.3. Future focus

As the end of the current concession draws closer, the GMA will continue to monitor and direct the train operations to ensure that signs of a decline in service standards can be addressed timeously in the interest of the passengers. This bodes well with the GMA's strategic direction that seeks to maintain performance excellence on Gautrain.

2.2. FEEDER AND DISTRIBUTION OPERATIONS

The Gautrain Dedicated Feeder and Distribution Services (DFDS), or bus services, operate mainly on business days. At present, there are 26 routes in operation on weekdays and two (2) during weekends and public holidays. Weekend services are operated between Pretoria Station and Pretoria Zoo and from Midrand Station to the Mall of Africa, as well as for special events over weekends to promote awareness and usage of the service.

The Gautrain bus operations support the rail system with dedicated feeder and distribution services to enhance the accessibility of the specified stations. It also facilitates the train operational system in terms of providing suitable alternative means of transportation when there is a problem in operating a full end-to-end rail service.

2.2.1. Performance during the period under review

Bus service availability and punctuality are managed with an agreed timetable that provides the parameters for the Performance Monitoring System. The availability norm is 99% and the punctuality norm is 95%.

Table 19: DFDS or bus availability and punctuality

	Q1 (FY 2023/24)			Q2 (FY 2023/24)			Q3 (FY 2023/24)			Q4 (FY 2023/24)			Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2023/24
Service Availability	99.66%	99.37%	99.34%	99.55%	99.14%	99.86%	99.91%	99.84%	99.73%	99.81%	99.68%	99.54%	99.62%
Availability Norm	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%
Service Punctuality	99.36%	99.22%	98.93%	98.89%	97.15%	98.09%	99.02%	98.50%	99.33%	98.52%	97.15%	95.64%	98.32%
Punctuality Norm	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%

The monthly aggregated performance on availability and punctuality was above the performance norm throughout the review period. Overall, the bus service achieved an aggregated availability of 99,62% and punctuality of 98,32%.

The consistent high-performance levels of bus punctuality were sustained due to lower-than-usual traffic congestion around Park, Sandton, and Midrand Stations because of fewer cars on the road during peak periods.

In the 2023/24 financial year, the bus passenger trip numbers were at 2 581 465 which is 10,96% higher when compared to 2022/23 (see Table 20 on the following page). The increase for the year can be attributed to passengers gradually returning to the system since the COVID-19 impact. The previous year's increase relative to the year before, was 74,56%.

Table 20: Bus service passengers per financial year

Financial Year	Bus total
FY 22/23	2,326,389
FY 23/24	2,581,465
% Change	10,96%

During the year under review, the bus services (during weekdays) sustained a level of between 32% and 44% of rail trips (during weekdays) being supported.

Passenger demand

Figure 12 below shows the monthly passenger demand for bus service trips. All months in the 2023/24 financial year show an increase when compared to the previous year, except for the month of March.

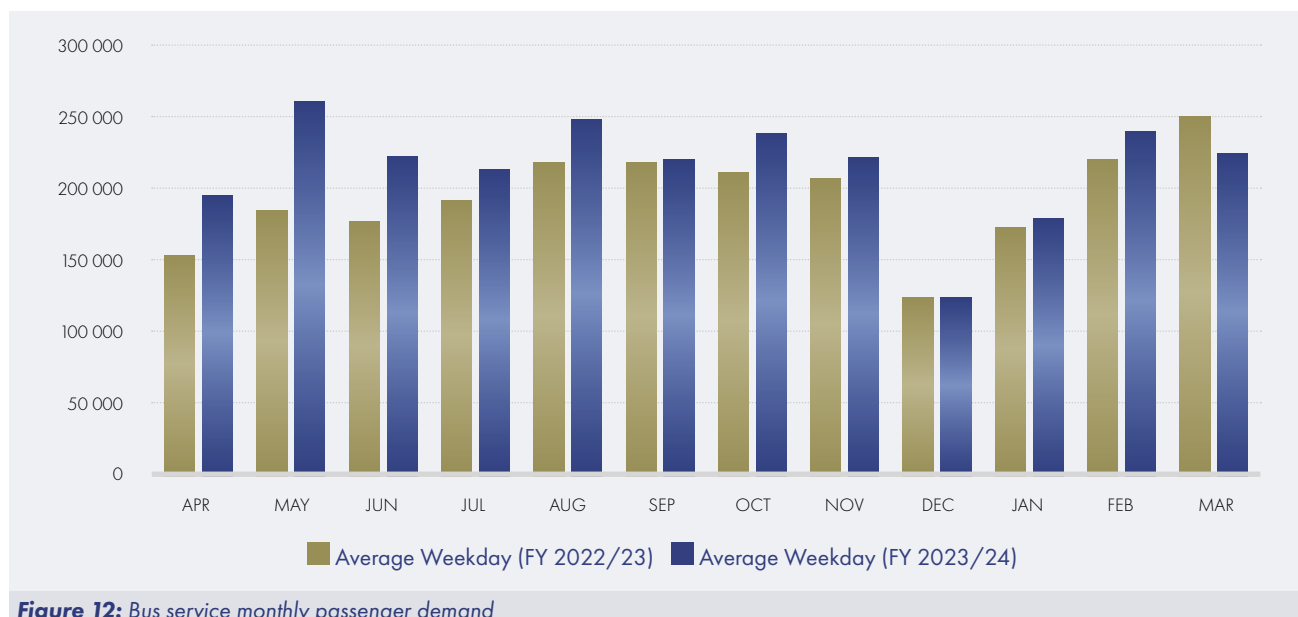


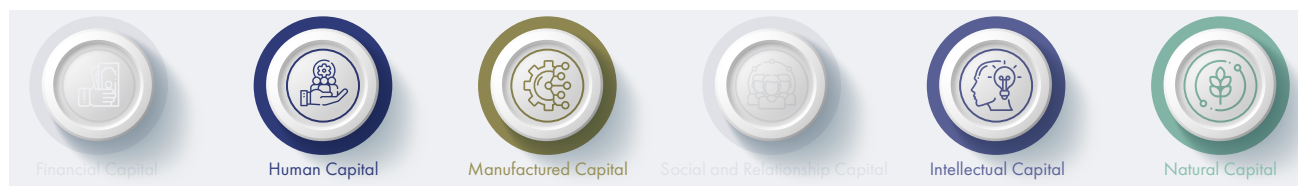
Figure 12: Bus service monthly passenger demand

The increase for the year can be attributed to passengers gradually returning to the system after the COVID-19 impact.

Feeder and Distribution Service timetable changes

DFDS and MFDS headways were updated in line with changes to the train service.

2.2.2. Value created



2.2.3. Future focus

The bus fleet renewal programme that has resulted in the replacement of the buses that have surpassed the 10-year age limit, is still ongoing. As part of Operation Shift, a review of the bus operations is underway to optimise services and routes, as well as ensure appropriate alignment with train services, before confirming the need for any additional vehicles to the bus operations.

2.3. PERFORMANCE MANAGEMENT

The performance regime's objective is to assure a predefined quality and standard of service that is designed to be attractive to Gautrain's target markets.

A comprehensive performance regime specified in the CA penalises the Concessionaire for non-adherence to pre-defined performance norms or standards of the critical elements of the Gautrain System. Non-conformance to these performance standards may result in various levels of penalties based on daily and/or aggregated monthly performance. The CA makes provision for relief to the Concessionaire related to conditions outside its control, defined in the CA as external causes and project events. These are subject to an acceptable motivation and require evidence indicating no negligence and that appropriate incident management practices were implemented.

2.3.1. Performance during the period under review

The Performance Monitoring Committee (PMC) reviewed the Concessionaire’s monthly performance against the set norms to validate a penalty percentage to, amongst others, calculate the monthly operating fee deduction.

The overall system performance in the financial year was of an exceptionally high standard, except for a few system failures that resulted in the penalties imposed.

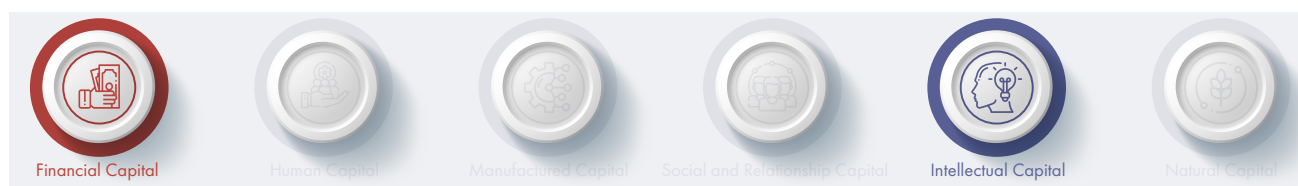
Table 21: Penalty percentage summary

PENALTY PERCENTAGE SUMMARY PER MEASUREMENT GROUP - OCD2													
Major Performance Measurement Groups	Penalty Percentage Weight	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24
		Q1			Q2			Q3			Q4		
PP1 Train Operational Service Group	60%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
PP2 Feeder & Distribution Group	10%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
PP3 Customer Feedback Group	3%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
PP4 Security Group	20%	0,00%	0,00%	0,50%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
PP5 Cleanliness and Damage Repair Group	7%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,50%	0,50%	0,00%
Total Penalty Percentage (PP)	100%	0,00%	0,00%	0,50%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,50%	0,50%	0,00%

Two (2) penalties were levied during the period under review and were in the performance area of Cleanliness and Damage Repair Group. All penalties levied were due to underperformance on the Escalator Availability measurement for January and February 2024.

Throughout the year, the GMA ensured that all service components, as per major performance groups, provide an acceptably consistent high-quality service to users of the Gautrain System.

2.3.2. Value created



2.3.3. Future focus

The GMA would continue to monitor the System’s performance on all key results areas to ensure that signs of a decline in service standard can be addressed timeously in the interest of the passengers.

2.4. STATION OPERATIONS

Train station performance, condition and level of service are pivotal in growing ridership on the Gautrain System. Station staff and security are at the front office interfacing directly with passengers and representing the Gautrain.

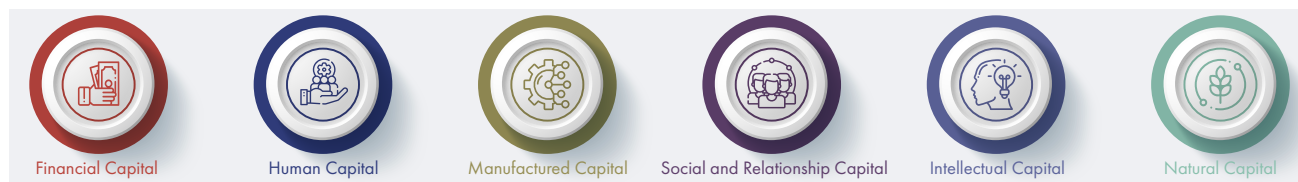
The qualitative (by means of audits) and quantitative measurements contained in the CA, guide the concessionaire on the performance targets for hygiene, equipment availability and level of service. GMA monitors the Concessionaire’s performance targets, and penalties are applied for underperformance.

Quarterly Capacity Committee meetings create a platform for constant communication and engagement on outstanding issues and improvement projects. Official communication and minutes are documented and stored to ensure accountability.

2.4.1. Performance during the year under review

The Concessionaire exceeded the station cleaning target with a result of 100%. This is 5% above the 95% requirement. Both station condition and system infrastructure condition KPIs were measured at 100% for this financial year. During the period under review, the performance of lifts, fare gates as well as ticketing machines operated above their respective targets on average with high compliance levels.

2.4.2. Value created



2.4.3. Future focus

Station capacity improvement initiatives are guided by the System Capacity Assessment process. The process allows for the supply of resources and equipment at stations to follow passenger demand. This maximises System utilisation whilst ensuring that there is sufficient capacity available to prevent overcrowding and unsafe situations. The following projects have been identified as a result of this assessment:

- The provision of additional fare gates as an extension to the upgrade of the ticketing system: New generation fare gates are planned for Sandton, Park and OR Tambo Stations to alleviate congestion and queues. These gates will provide enhanced features to limit possible fare evasion. The first phase of installations was completed at Park Station, and installations are currently underway at Sandton Station.
- The improvement of station vehicular and pedestrian movements is expected to be addressed at the stations for which studies were done.

In addition, the GMA has embarked on introducing simulation modelling of the Gautrain System. The simulations will allow the GMA to identify and influence bottleneck parameters, unlocking additional value for passengers by reducing their total commuting time.

2.5. SYSTEM SECURITY

Security of the Gautrain System is one of the key objectives of the GMA and is required to ensure that the System is a safe and reliable public transport system. The GMA ensures that the Concessionaire adheres to the system security performance measures in terms of the CA. The GMA continues to monitor the Concessionaire in terms of the CA System's security performance measures, to adhere to the set CA performance measures.

2.5.1. Performance during the year under review

The GMA monitors, on a monthly basis, the Concessionaire's security performance and other agreed thresholds for Physical Security of Passengers (PC4 S1) and Safety of Passenger Property (PC4 S2) as per the CA. During the current financial year, the threshold was exceeded for PC4 S2 incidents during the second quarter. There were two (2) PC4 S1 incidents reported during the second quarter and five (5) PC4 S2 incidents reported during the second and fourth quarters. The Concessionaire has assured the GMA that identified security measures are implemented to ensure the reduction of these incidents.

The implementation of the integrated security strategy has continued during the year under review. Through the strategic direction provided by the strategy, and in consultation with the Concessionaire, the implementation of the security initiatives will continue to ensure the Gautrain system is a safe and secure environment.

The Concessionaire continued to monitor and manage rail reserve events as part of the mitigation of security risks within and along the rail reserve. During the current financial year, the number of rail reserve events was at an average of eight (8) incidents. This is a slight decrease in the average rail reserve incidents (i.e. ten incidents) from the previous financial year. This decrease is attributed to effective security measures that the Concessionaire has put in place to secure the System. The Concessionaire completed the construction project to protect the rail reserve area with vehicle barriers in the Eco-Park Centurion area, to mitigate security risks associated with motor vehicle accidents impacting the rail reserve.

During this financial year, there has been a decrease in the number of cable theft incidents in the Gautrain System and this positively contributes to the efficiency of the Gautrain System. The effective security measures put in place by the GMA through the Concessionaire and the Operator, ensure that effective security measures are deployed to safeguard the Gautrain System infrastructure.

As part of the GMA's assurance role, the GMA conducted several rail reserve security inspections to identify external security threats and develop security mitigation measures. These rail reserve security inspections play a critical role in ensuring the protection of the Gautrain System, its passengers and their property from dangers and threats. To ensure a safe and secure reliable public transport, the GMA will continue to monitor the performance of the Concessionaire and Operator on security. The GMA has established and maintained stakeholder relations in the security environment because partnerships are a key security success factor.

2.5.2. Value created



2.5.3. Future focus

The GMA will continue to monitor the performance of the Concessionaire in terms of the performance measures in the CA. The assurance function of effectively conducting security inspections will continue in the new financial year. The efficiency of these inspections will be enhanced by using new drone technology that the GMA will deploy. The GMA will, in collaboration with the Concessionaire and Operator, implement security enhancements around Gautrain Marlboro Station and Rhodesfield Station precincts to ensure that Gautrain stations and rail reserves are safe and secure.

2.6. SYSTEM CAPACITY AND EXPANSIONS

System capacity is separated into rail service, bus service and park-and-ride capacity. The focus is on short-term to medium-term demand optimisation, supported by capacity interventions.

The GMA has developed an internal capacity planning tool. On a 12-month cycle of operations, the actual performance of the system is assessed, the future passenger demand is forecasted, and system capacity constraints are identified and addressed to facilitate the estimated demand. All the system constraints are monitored monthly and updated regularly with the latest trends.

The GMA, together with the Concessionaire, monitors demand on the system via the Quarterly Capacity Committee meetings to implement capacity interventions when required.

2.6.1. Performance during the year under review

Passenger trips have improved relative to the previous financial year. This can be attributed to improved economic activity post-COVID-19. Although the Gautrain System capacity constraints are not expected in the short term, it remains important to monitor capacity utilisation continuously.

The train overcrowding performance during peak periods for the period under review remained at 100% throughout the financial year. No weekday train and DFDS overcrowding events were recorded during the period under review.

There are ongoing measures to enhance parking availability and the improvement of traffic flow to and from stations.

2.6.2. Value created



2.6.3. Future focus

It is the responsibility of the GMA to provide adequate rail service capacity in peak periods with the available rolling stock and demand management tools. It is forecasted that available rolling stock will be reaching capacity in the medium term. Opportunities for additional capacity are limited to:

- The re-configuring of the train's seating layout that will result in an increase in the standing-to-seating ratio.
- The procurement of additional rolling stock that includes the addition of train set staging and maintenance capacity.

- The rollout of auto-coupling across the existing fleet allows for greater flexibility and faster transition between peak and off-peak services. The possibility of coupling at terminal stations is also being investigated.
- Additional 8-car trains may be rolled out to increase system capacity during peak periods. However, the level to which additional capacity may be rolled out is limited to the procurement of additional rolling stock.
- A short-turn train shuttle service would increase capacity along the highest carrying links.

The GMA has initiated a pilot to increase the number of train sets for which seats are removed to allow for more standing space together with the provision of handrails. These train sets would be operated in the 4-car time slots during peak to improve passenger convenience and reduce dwell times. After implementation, a passenger satisfaction survey would be used to measure passenger comfort before a final decision is taken to remove more seats from train sets.

Park-and-ride remains an important means of access to stations. With reference to parking capacity that cannot satisfy future demand, the expansion options at Pretoria Station remain a challenge that needs to be addressed in the longer term. The additional parking at Centurion Station is to be transferred to the Operator to ensure that it can be managed as part of the Gautrain System.

2.7. ASSET MAINTENANCE, MANAGEMENT AND ASSURANCE

A key objective of the GMA is to assure maintenance management and long-term preservation of System assets beyond the 19.5-year tenure of the inclusive of the 4.5 years of the development period and 15 years of operations, maintenance and delivery of services. The GMA executes an oversight role on the Concessionaire’s Asset and Maintenance Management Systems and has developed a management framework for the entire lifecycle of System assets. The Gautrain assets are classified into core and non-core assets:

- The Concessionaire’s entity, BMC, is responsible for the maintenance of the core railway system; and
- The Concessionaire’s entity, BOC, is responsible for the maintenance of the non-core railway system.

2.7.1. Performance during the period under review

The Concessionaire’s performance is measured monthly by monitoring the sub-systems and asset sub-clusters that affect service availability and punctuality. As part of its Annual Performance Plan (APP), the GMA conducts inspections to provide assurance on the state of repair and care of assets thereby verifying the achievement of both the Performance and the Asset Management and Maintenance targets. The following forms part of the KPIs for the year under review:

- Reviews of all mandatory asset reports;
- Station condition and cleanliness inspections and issuing of non-conformance reports;
- System infrastructure condition inspections and issuing of non-conformance reports;
- Verification of assets; and
- Four-yearly condition assessment of assets to determine the remaining useful life in accordance with the Concession Agreement.

All KPIs set for the year for the GMA in the APP have been achieved and Table 22 below outlines the achievement.

Table 22: Achievement of key performance indicators

Key performance indicator	Planned	Achieved
System infrastructure condition/ rolling stock / bus cleanliness and condition	4	4
Station cleanliness and condition	40	40
Reviews of the monthly asset and maintenance	12	12

Other achievements during the year under review include:

- Capacity optimisation:** The following project that is aimed at optimising capacity are at various stages of the project lifecycle:
 - The PG600 fare gate upgrade project (PG600 project) aims to procure and implement a total of thirty-two new generation PG600 fare gates on the Sandton, ORTIA and Park Gautrain Stations, as well as in the planned new AFCS test facility at the Gautrain Midrand Depot. New Generation Fare Gates (PG600) were installed at Park Station and commissioned successfully. The gates are now connected to the available software module to monitor performance. Plans are in place to roll out the installation of the PG600 fare gates to the other two stations. The completion of the project is anticipated to be by the end of 2024.
- Enhancements to passenger experience:** Several initiatives are currently underway to enhance the passenger experience and encourage ridership:
 - The system enhancement project to replace the existing station platform benches with ergonomically improved benches, has commenced. The new benches comply with the national building regulations, and are more comfortable and user-friendly. It is envisaged that the benches will enhance customer experience in the Gautrain System and improve aesthetics at the stations.
 - In an effort to improve customer experience, the Gautrain has undertaken an initiative to improve wayfinding signage within the system and directional signage outside the station precinct to make it easier for commuters to find directions to the station. A project was

initiated to conduct a thorough assessment from the first-time use experience of passengers. The estimated completion period of the first phase is 2024. The second phase of the project is to implement recommendations from the assessment results to enhance signage for the benefit of commuters.

- Installation of Wi-Fi coverage for one hour at the station, for usage by commuters, is completed.

c) Renewals, upgrades and replacement of assets: The Concessionaire has implemented renewal and replacement of relevant asset groups in line with the CA renewal and replacement programme, including obsolescence management.

- The bus replacement programme for 9-metre and 12-metre buses is completed. The replacement of 18-metre articulated buses has been delayed due to the effects of the pandemic. The Concessionaire has submitted a proposal to refurbish the remaining buses to prolong the operational life.
- The Supervisory Control and Data Acquisition (SCADA) was upgraded due to obsolescence and improved functionality of the System.
- The Concessionaire continued to implement the renewal programme in accordance with the CA. Renewals and replacements included, but were not limited to the rehabilitation, refurbishment, infrastructure and equipment including structures, underground water pumps, UPS batter replacements and fire alarm.
- The Concessionaire is implementing engineering change proposals to modernise equipment and infrastructure.

d) Preparation for the transfer of the System to the successor Concessionaire: The following activities are in progress to prepare for the transfer of assets:

- The condition assessment of Gautrain System’s assets to determine the remaining useful life project is conducted in line with the GMA Asset Management Policy to audit the condition and RUL of Gautrain assets every four (4) years. The second condition assessment of System’s assets is completed. Results from the determination of the remaining useful life are indicative that assets are well maintained and will meet the remaining useful life at the end of the concession.
- The Province has commenced with the preparation of the inspection of the System for handover at the end of the concession. The main focus will be to verify, through the condition assessment, that the System’s assets will meet the residual life at the concession end date.

2.7.2. Integrated system approach

A robust maintenance management philosophy, with supporting systems, is in place to ensure asset integrity. The Concessionaire continuously implements measures to reduce the number of services affecting failures in the System; the GMA reviews these as part of assurance. The total number of service requests for corrective maintenance generated for the entire System for the year under review, is shown in Figure 13 and 14 below. All corrective maintenance service requests are generated from the Maintenance Management Information System called MAXIMO.

The cyclical nature of service orders is directly proportional to the passenger numbers. The reduction in service order requests for the weeks during December 2023 indicates low passenger numbers.

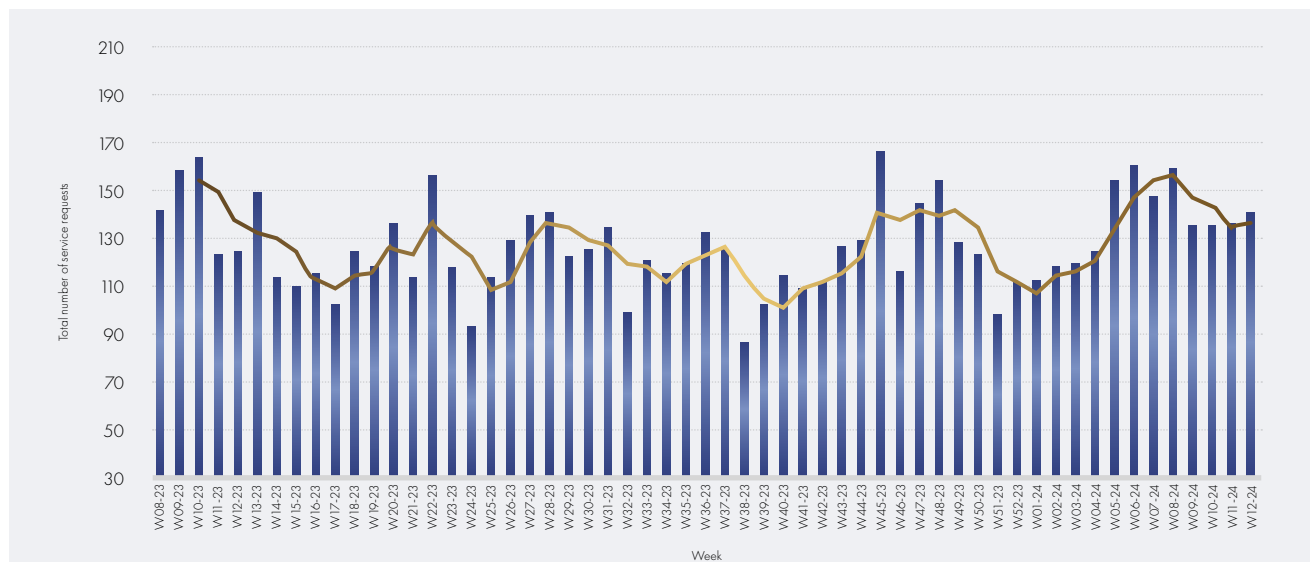


Figure 13: Core System total number of service requests

The total weekly service orders generated for the non-core System are shown in Figure 14 below.

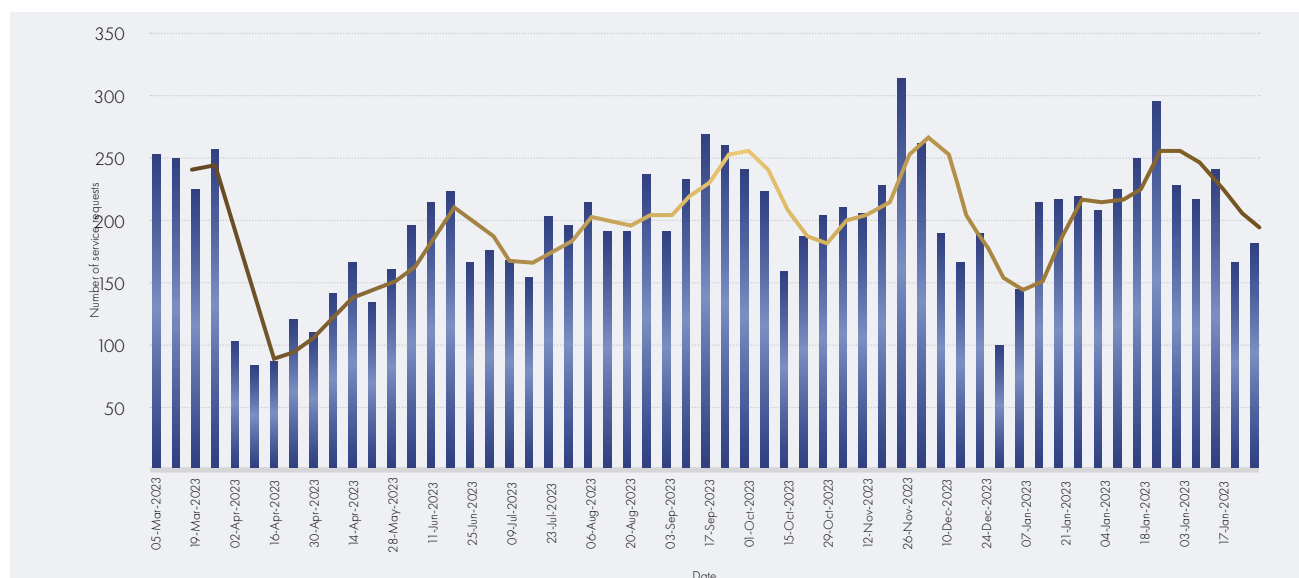


Figure 14: Non-core system total number of service requests

2.8. REVENUE MANAGEMENT AND FARE OPTIMISATION

The GMA's basic assurance role is to optimise the CA provisions, such as the annual fare adjustment, and ensure that all income is accounted for.

Revenue management consists of the revenue collected by the Concessionaire which is influenced by the annual fare adjustment, ridership and income protection. The number of days and the combination of weekdays, weekends and positioning of public holidays are crucial in determining the monthly income.

2.8.1. Performance during the year under review

The 2023/24 financial year was characterised by a slight recovery in usage of the System and related revenue.

The annual fare adjustment is agreed upon according to the timelines and framework prescribed in the Concession Agreement, as guided by the ticketing regime. These are, amongst others, to maximise patronage in the System, and to set fares that are attractive and in line with the expected Consumer Price Index (CPI) movements.

The annual fare adjustment continued to be used as a lever to influence customer behaviour, improve customer satisfaction and encourage usage of the System. This was evident as the broad fare adjustment based on a general CPI of 7,67% was agreed upon and implemented on 1 June 2023.

The highlights of the fare adjustment are summarised below:

- CPI increase on general and airport passenger service fares;
- Bus fare – R1 increase for rail users and R2 increase for non-rail users;
- R1 increase on Gautrain cards;
- No increase in parking fares;
- R2 increase in boarding fares; and
- Increase in penalty fares.

The structure of discounted products available for regular users on the general passenger services remained unchanged as detailed below:

- The 10-trip ticket saving at 7,5%, based on a single train trip standard fare valid for 10 days; and
- The 44-trip ticket saving at 15% on a single train trip standard fare valid for 44 days.

GPS Rail Ticket Product Preference is made up of Pay-As-You-Go (STR), Period Products and Single and Return Products. These constitute 68,0%, 24,7% and 6,5% respectively. Usage of STR and Single and Return Products declined by 0,3% and 32,8% respectively, whereas Period Products grew by 16,0% compared to 2022/23.

Passenger convenience continued to be maintained by offering an option for passengers to load their Gautrain cards through the website and application. Furthermore, passengers had an option to use Europay Mastercard Visa (EMV) compatible cards as an alternative to Gautrain cards. EMV and web sales make up 24,6% and 6,8% of ticket sales respectively. This is an increase of 45,4% on EMV usage and 5,8% for web sales compared to 2022/23.

Student Products usage improved; this is evident in related revenue as it grew by 69;0% compared to 2022/2023.

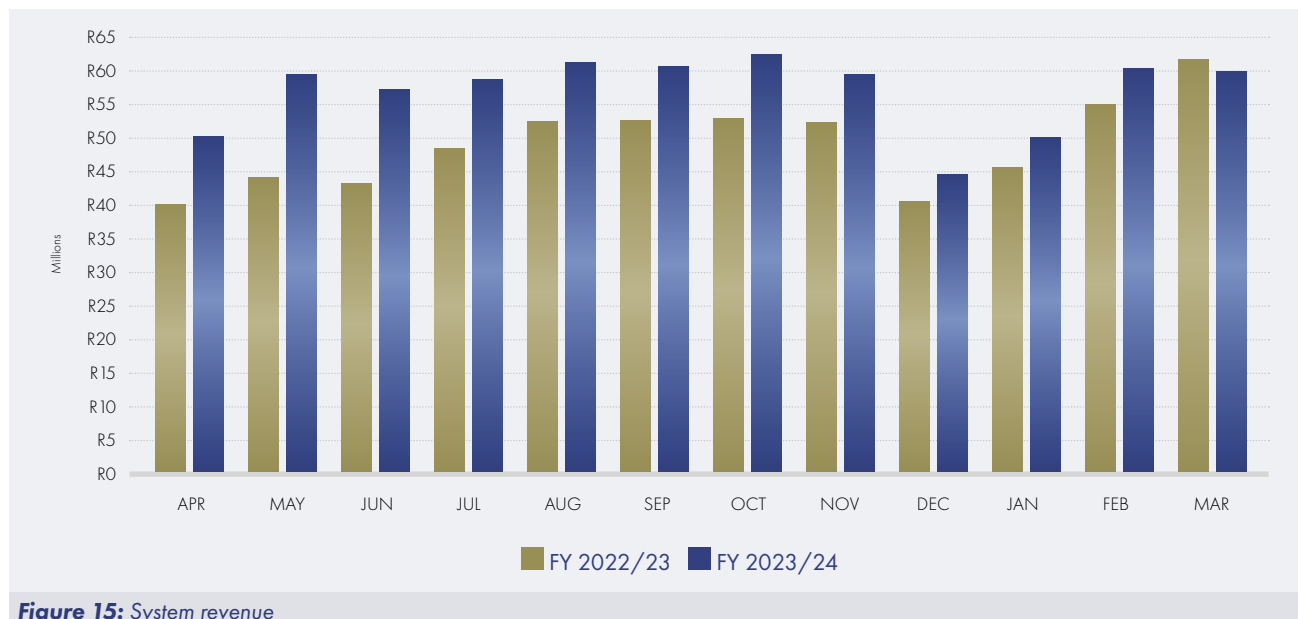


Figure 15: System revenue

The impact on revenue is clearly demonstrated in Figure 15. Revenue increased by 16,3% compared to 2022/23 and reached 66,4% of pre-COVID level. October 2023 recorded the highest revenue in the 2023/24 financial year which was also the highest post-COVID.

2.8.2. Mitigation of fare evasion

The primary objective of fare evasion management is to secure all fare revenue for services rendered and to minimise the monthly patronage guarantee payable. The secondary objective is to maintain a safe and secure environment for paying passengers.

The fare evasion rate applicable throughout the year remained below the 4% norm. The average fare evasion rate stood at 0,00% in 2023/24. This is in line with the fare evasion rate recorded in 2022/23. (See Table 23 below.)

Blocked CSCs (Contactless Smart Cards), due to tailgating, declined from 13,83 per million passengers in 2022/23, to 10,63 per million passengers in 2023/24.

Table 23: Fare Evasion Rate (FER)

	Q1			Q2			Q3			Q4		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Monthly FER	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
Fare Evasion Norm	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Quarterly Applicable FER*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*Quarterly Fare Evasion Rate is based on the previous quarter

2.8.3. Value created



2.8.4. Future focus

The Concessionaire submitted the Annual Fare Adjustment proposal to increase fares by CPI of 6,09% with effect from 1 June 2024. In order to ensure that fares remain attractive and improve customer satisfaction, the following was agreed:

- CPI-related increase on all rail fares and parking fares;
- Bus fare – R1 increase for rail users and R2 increase for non-rail users;
- R2 increase in boarding fares;
- Increase in penalty fares to align with the cheapest APS fare; and
- No increase on Gautrain cards.

The overall impact of the adjustment on revenue and ridership will be closely monitored.

FEMP will be continuously revised to cater for new passenger behaviour, installation of new fare gates, Europay Mastercard Visa (EMV) and new trends in the payments industry to ensure continuous compliance to Payment Card Industry (PCI) Data Security Standards (DSS). Human capital will be crucial in continuously reducing the fare evasion rate.

2.9. INTEGRATION MANAGEMENT OF THE GAUTRAIN WITH THE PUBLIC TRANSPORT SYSTEMS

The GMA has, as one of its strategic objectives, the integration of the Gautrain System with other transport services and public transport plans. The Agency aims to achieve this objective through engagement with key public transport stakeholders to discuss integration initiatives and to coordinate integrated transport planning in the Province. To ensure that integration projects or initiatives are coordinated and implemented effectively, the GMA participates in the planning structures that are coordinated by local authorities and engages relevant public transport stakeholders. The GMA supports the improvement of the public transport network through the provision of scheduled, safe, and reliable mobility services and the implementation of infrastructure improvement projects.

2.9.1. Performance during the year under review

The GMA implemented additional three Midibus Feeder and Distribution Service (MFDS) routes to improve accessibility to the Gautrain System. To optimise the existing Dedicated Feeder and Distribution Services (DFDS), the GMA has implemented the amendments of Dedicated Feeder and Distribution Service (DFDS) routes to increase the footprint of feeder services and enable accessibility to new developments.

The GMA participated in provincial and municipal engagement structures to facilitate transport planning and the implementation of integrated public transport services. The implementation of MFDS routes was achieved through collaboration with key transport stakeholders and affected parties to improve the service efficiency of the feeder and distribution services. The GMA continues to ensure that the provision of scheduled, safe, and reliable public transport services, with associated job creation, is realised through the MFDS model.

2.9.2. Value created



2.9.3. Future focus

The GMA will continue to implement its rollout plan to provide mobility services at various stations using the MFDS partnership model. The GMA further plans to implement the optimisation of existing MFDS and DFDS routes and to implement infrastructural improvement projects at Gautrain stations. The GMA will continue to engage public transport stakeholders, including the metered taxi industry, and explore the need for partnership to facilitate integration with the Gautrain System.

The integration initiatives will continue to provide an acceptable level of service that will have a positive impact on passengers and their experience of the System.

2.10. LAND ACQUISITION AND WAY LEAVE MANAGEMENT

The protection of the rail reserve and other public transport infrastructure is one of the GMA's critical roles executed in terms of the GTIA. The GMA has continued to play its assurance role by effectively managing the assessment of GTIA applications in collaboration with the Concessionaire and Operator. This process ensures the protection of the Gautrain rail reserve and development facilitation.

2.10.1. Performance during the period under review

During the financial year under review, the GMA processed numerous GTIA applications and conducted site inspections to ensure that approved applications complied with the conditions of approval. This has continued to indicate the positive contribution the GMA makes in facilitating developments around the Gautrain stations and along the rail reserve. The GMA made this contribution in collaboration with the Concessionaire, Operator and relevant local authorities. These GTIA applications were assessed and managed using the GMA's Geographic Information System (GIS). The GMA continued to use a GIS web-based Land Information Register to manage the Gautrain rail reserve land information, keep track of development activities along the rail reserve, and capture current and future development trends for planning purposes.

In the financial year under review, the GMA has continued to implement a project to roll out drone technology within the GMA. Six (6) GMA employees obtained their Remote Pilot Licences (RPLs) from the South African Civil Aviation Authority (SACAA) to ensure that the GMA is well equipped to operate drones within the ambit of relevant legislation. This project will ensure that the GMA enhances its technological tools to provide its assurance role in managing the rail reserve. The GMA also successfully migrated its GIS to a cloud-based environment. The GMA continued to share GIS data and obtained relevant GIS data from third parties to ensure the protection of the Gautrain System.

The GMA has collaborated with the City of Johannesburg Metropolitan Municipality to ensure additional protection measures are put in place to prevent any adverse impacts resulting from activities above the tunnel area between Marlboro Portal and Johannesburg Park Station.

2.10.2. Value created



2.10.3. Future focus

Using the provisions of the GTIA, the GMA will continue to protect the Gautrain rail reserve and other related infrastructure. The deployment of state-of-the-art drone technology will assist the GMA in effectively managing GTIA applications and site inspections. The GMA will continue to improve the current GIS technology to ensure continued effective management of the Gautrain rail reserve.

To ensure sharing of development data and alignment of key stakeholders' strategic development plans, stakeholder engagements on GTIA applications and GIS data sharing will continue in the new financial year.

2.11. PLANNING FOR THE FUTURE: GAUTENG RAPID RAIL INTEGRATED NETWORK (GRRIN) EXTENSIONS

The 25-Year Gauteng Integrated Transport Master Plan (GITMP25) which was adopted by the GPG in 2013, was commissioned to enable, amongst others, province-wide mobility, socio-economic development, and societal development in the future. As part of the development of the interventions proposed by the GITMP25, particularly the development of the passenger rail network, it was necessary for the GMA to develop a comprehensive strategy to improve rail coverage in the Province. The implementation of this strategy began with the undertaking of an extensive feasibility study of the possible extensions to the existing Gauteng Rapid Rail Integrated Network (GRRIN), which was completed in 2016.

The implementation of the proposed GRRIN extensions will be in five (5) phases of which Phase 1 extends from the existing Marlboro Station to a new station at Little Falls on the West Rand, including an upgraded Sandton Station, a new maintenance depot facility, as well as additional stations at Randburg and Cosmo City. The second phase will further connect to Soweto from Little Falls with additional stations at Roodepoort and Jabulani. Phases 3 to 5 will include further connections to Lanseria, Mamelodi, and Boksburg, respectively.

The feasibility study, together with an application for Treasury Approval 1 (TA1) for Phase 1, was submitted to National Treasury in April 2017. The GMA, through the Provincial Treasury, has further requested for Conditional Treasury Approval I (CTAI) in March 2019, to enable the continuation of the preparatory work required to enable the development of the infrastructure for Phase 1. While approvals are being sought, long-term planning and route determination will continue. The Preliminary Route Alignment Study to enable the determination of the route for Phase 1, was undertaken as per the prescripts of the GTIA, and MEC determined the route on 25 May 2022. The project was concluded on 30 June 2022. The procurement of the project to undertake the preliminary design for Phase 1 of the GRRIN extensions will commence, subject to the outcomes of the TAI or CTAI applications and funding availability.

The project to enable the MEC to determine the route for the Soweto extension, as well as the Cosmo City Junction of the proposed GRRIN extensions, commenced in August 2022. The preliminary route alignment study, together with the related environmental investigations, in

accordance with the GTIA, is currently underway. This project includes a pre-feasibility study of further servicing Gauteng through rail, as well as the technical integration study for junction stations of the proposed Gauteng Rapid Rail Integrated Network extensions project.

2.11.1. Performance during the period under review

During the year under review, the draft Route Alignment Alternatives Report, which will form part of the Preliminary Route Determination Report for the Soweto extension and Cosmo City Junction, as well as the Interim Environmental Investigation Report for the route alternatives were developed. The combined Draft Pre-Feasibility Study Report, including the conceptual corridor design has been developed and will be finalised and approved in the new financial year.

During the year under review, several enquiries have been received by the GMA concerning the published Phase 1 route. The GMA developed and continually implemented the stakeholder management plan for the determined route. This includes responses to the enquiries that are ongoing, and the availability of all documentation related to the process including an interactive map of the determined route are on the GMA website.

2.11.2. Value created



2.11.3. Future focus

The following outcomes are planned for the GRRIN extensions project in the next financial year:

- Advancing the TA1 approval process for Phase 1 of the proposed GRRIN extensions with the National Treasury;
- Continuation of the stakeholder engagements for the determined route for Phase 1 of the proposed GRRIN extensions;
- Stakeholder engagements for the Soweto extensions and Cosmo City junction of the proposed GRRIN extensions;
- Determination and publication of the route for the Soweto extensions and Cosmo City junction of the proposed GRRIN extensions; and
- Conclusion of the pre-feasibility study to investigate possible further extensions of the footprint of the rapid rail network to the eastern, western, and southern parts of Gauteng, including connectivity to the Special Economic Zones (SEZs) that form part of the GPG strategic planning.

2.12. PLANNING FOR THE FUTURE – POST-2026 PROJECT

The Gautrain Rapid Rail System is a PPP concluded in accordance with Treasury Regulation 16, which came into effect through a Concession Agreement (CA) between the Province and Bombela Concession Company (BCC). Over the past years, GMA exercised its duty to oversee the CA on behalf of the Gauteng Provincial Government and aims to continue fulfilling these obligations until the current CA ends in March 2026. To ensure a seamless process post the current CA, preparatory work had commenced, with the first phase involving the development of a detailed feasibility study for the project.

As part of implementing the project, the GMA has built a capacity with requisite skills and experience, involving technical, finance, commercial, legal, economic and Broad-Based Black Economic Empowerment (B-BBEE) to support the implementation of this project. In addition to the internal capacity, a suitably qualified Transaction Advisor (TA) was appointed to conduct a feasibility study and advise on the potential for a new PPP Concession and procurement to operate, maintain, enhance, and expand the Gautrain Project beyond 2026. The feasibility study was completed in June 2022.

2.12.1. Performance during the year under review

The completed feasibility study was approved by the National Treasury in April 2023, effectively granting Treasury Approval 1 to the GMA. The feasibility study concluded that the post-2026 Gautrain aligns comprehensively with provincial and national transport and economic imperatives. The study further concluded that the post-2026 Gautrain will provide significant economic and transport benefits to the Province, and the country and that it offers improved affordability and value for money given that the current Gautrain assets are fully paid for in the current concession. The PPP structure was approved as the optimal institutional delivery vehicle for the post-2026 Gautrain as it offers significant advantages in the ability of the government to transfer risk to the private party, cost efficiency, institutional capacity, market appetite, environmental sustainability, and on-time transition.

The GMA was also granted Treasury Approval IIA in July 2023, effectively allowing for the publication of procurement documents into the market. The Request for Proposals (RFP) and new PPP Agreement were issued to the market in November 2023. The tender process is currently underway, with the preferred bidder expected to be appointed by the end of 2024.

2.13. VARIATIONS

The GMA is responsible for the implementation and oversight of:

- Commercial variations issued in line with the CA to initiate System improvements and enhancements;
- Investigating possible commercial opportunities within the System to optimise passenger growth and revenue;
- Providing technical input to litigation and matters related to dispute resolution;
- Developing plans for capital expenditure (CAPEX) delivery within the financial year; and
- Managing the Concessionaire in line with the contractual obligations of the CA.

2.13.1. Performance during the period under review

In this reporting period, the Province was notified of eight (8) Project Events, all of which were settled between the parties. None of the Project Events were referred for adjudication.

With respect to variations, the GMA's effort has been on continuously managing the existing variations, as well as focusing on closing off variations that have been completed, in full compliance with the CA. The GMA and the Concessionaire have initiated and completed commercialisation initiatives in the Gautrain System with smart licensing centres now operational at some of the Gautrain stations. The parties have also continued to facilitate the implementation of new midibus routes as variations. Furthermore, parties have also implemented system enhancement initiatives such as rolling out the new and improved fare gates, as well as security enhancement initiatives for the System as part of variations.

2.13.2. Future focus

As the GMA looks to the closure of the current CA, all the new, strategically important variations must be implemented during the next reporting period as the CA prescribes that no new variations can be implemented eighteen (18) months before the end of the current CA. During the next reporting period, the focus will largely be on the implementation of these new initiatives and ensuring the execution of the ongoing variations that are aimed at improving and enhancing the current assets, marketing the System for ridership growth as well as initiatives to improve customer experiences.

This will include, without limitation, the following:

- Implementation of commercialisation initiatives on the System;
- Security enhancements on the System;
- Continued implementation of the midibus strategy;
- The installation of additional fare gates;
- The installation of new benches at all Gautrain stations;
- The implementation of new products for Gautrain customers to drive passenger numbers;
- The implementation of special event partnerships for branding and marketing the System;
- Implementation of backup power on the System; and
- Continued refurbishment of driver restrooms at Gautrain stations.



**“DRIVING STRONG
OPERATIONAL PERFORMANCE
REMAINS OUR TOP PRIORITY.”**



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GOVERNANCE WITH PURPOSE

GOVERNANCE WITH PURPOSE

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislature, corporate governance in the public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King IV Report on Corporate Governance. Governance oversight over a public entity in the Province vests in the Provincial Legislature, the Executive Authority and the Board of the public entity.

1. GAUTENG PROVINCIAL LEGISLATURE

The Gauteng Provincial Legislature exercises its oversight role through Portfolio Committees. The GMA held a number of engagements with the Portfolio Committees to provide responses to questions raised by them. Portfolio Committees responsible for overseeing the GMA's activities are as follows:

- Standing Committee on Public Accounts (SCOPA) – reviews the GMA's Annual Financial Statements and the Audit Report of the Auditor-General.
- Portfolio Committee on Roads and Transport – reviews the non-financial information contained in the GMA's Integrated Annual Report. The Committee focuses on service delivery and economic growth.
- Portfolio Committee on Finance – reviews the Appropriation Bill of the Gauteng Province.
- Standing Committee on Gender, Youth and People with Disabilities (GEYODI) – reviews the process of service implementation relating to gender, youth, women and people with disabilities.

2. EXECUTIVE AUTHORITY

The Gauteng MEC for Transport and Logistics is the Executive Authority of the GMA. The PFMA and the GMA Act give authority to the Executive Authority for oversight powers with reference to the Strategic Plan, Annual Performance Plan, Budget, Service Level Agreement, and Annual and Quarterly Reports. The relationship between the MEC and the Board is managed through a Service Level Agreement. The Service Level Agreement assists in establishing a transparent and accountable working relationship on matters related to the implementation of the provisions of the PFMA, the GMA Act and the objectives of the Gauteng Department of the Roads and Transport, Gauteng Provincial Government and the National Government.

The following documents were submitted to the Executive Authority during the 2023/24 financial year in line with the GMA Act and PFMA:

Table 24: Documents submitted to the Executive Authority

DOCUMENTS	DATE OF SUBMISSION
Quarterly GMA Performance and Performance Information Reports for the 2023/24 financial year	28 April 2023, 26 July 2023, 30 October 2023 and 30 January 2024
GMA Integrated Annual Report for the 2023/24 financial year	31 August 2023
GMA Strategic Plan for the 2024/25 to 2026/27 financial years	29 September 2023
GMA Annual Performance Plan for the 2023/24 financial year	29 September 2023
Revised GMA Annual Performance Plan for the 2024/25 financial year	1 March 2024

3. ACCOUNTING AUTHORITY

The Board is the Accounting Authority of the GMA. According to Section 9(1) of the GMA Act, the Board is responsible for managing the business and affairs of the GMA. The Board endorses the corporate governance principles as set out in King IV. A detailed Report on the GMA's Application of King IV is provided in Addendum A.

The Board acts as the custodian for good corporate governance and strives to achieve its governance outcomes, namely, ethical culture, good performance, effective control and legitimacy through ethical and effective leadership. The Board's main governance responsibilities and governance outcomes are highlighted in the figure on the following page.



Figure 16: Board's governance responsibilities and governance outcomes

The GMA's Corporate Governance Practices and Processes provide role clarity by clearly defining roles and areas of accountability required to govern the GMA effectively. They also enable the Board to create value through:

- a. Ensuring that its composition and structure enables it to fulfil its mandate and obligations, aligned with the GMA strategy.
- b. Adhering to legal, compliance and accounting requirements and contributing to a climate of discipline to reduce fraud and corruption.
- c. Promoting ethical leadership and ethical organisational culture.
- d. Improving the GMA's resilience and performance. To remain resilient and continue to maintain good performance in a changing environment, the GMA continued to adapt its corporate governance practices to meet new demands and grasp new opportunities.
- e. Increasing value of intangible assets. Transparency with stakeholders and responsible organisational behaviour contributed to the value of intangible assets such as reputation, public image, public confidence and goodwill.

The role, responsibilities, membership requirements and procedural conduct of Board members are documented in a Board Charter.

The Board defines the levels of materiality to determine the scope of delegation of authority and reserves specific powers and authority for itself. Establishing Board Committees promotes independent judgement, and assists with the balance of power and the effective discharge of the Board's governance role and responsibilities. The Board also delegates some of the duties to the CEO who is assisted by the GMA Management Committee. The CEO is responsible for leading the implementation and execution of the approved strategy, policies, and plans, as well as the day-to-day operations of the GMA. The GMA Corporate Governance Structure is depicted in the figure on the following page:

The Board is ultimately responsible for the governance, strategic direction, performance and long-term success of the GMA

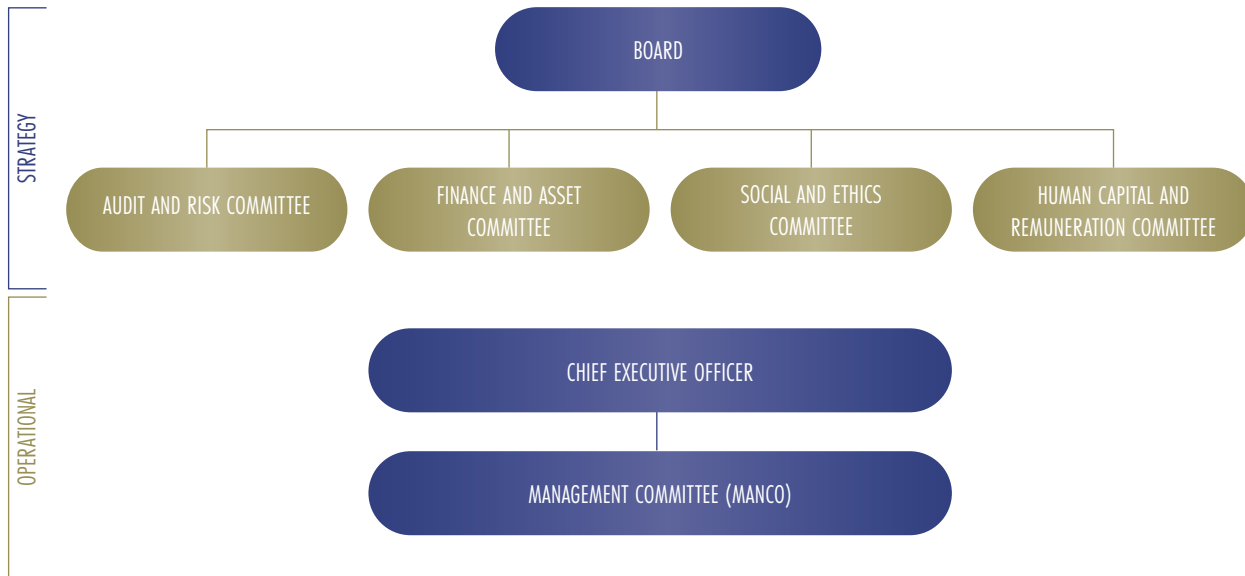


Figure 17: The GMA's governance structure

3.1 BOARD COMPOSITION

According to Section 9 (2)(b) of the GMA Act, the Board comprises a maximum of nine (9) non-executive members from wide-ranging backgrounds and with varying industry and professional experience. The CEO is an ex officio member of the Board. The roles and responsibilities of the Board Chairperson and the CEO are formalised and separated as clearly defined in the Board Charter. The separation of responsibilities ensures a balance of authority and power, with no one person having unrestricted decision-making powers.

The Board's term of office is three (3) years as governed by the GMA Act. The GMA Act makes provision for the re-election of existing members of the Board, provided that the members of the Board do not serve for more than two consecutive terms.

The Deputy Chairperson, who is an independent non-executive member, leads the Board in the absence of the Chairperson and also leads discussions and decision-making on matters where the Chairperson has a conflict of interest.

The Board retains effective control through a clear governance structure including four (4) Board Committees to assist it in discharging its duties. The Board also delegates some of its duties to the CEO, who is assisted by MANCO. The CEO is responsible for leading the implementation and execution of the approved strategy, policies, as well as the day-to-day operations of the GMA. The Former CEO's contract ended on 31 January 2024 and the recruitment process for the new CEO was concluded during September 2023. The MEC announced the appointment of the new CEO effective from 01 February 2024 on 22 September 2023. The appointment of the former COO as a new CEO brought continuity and also reduced the complexity of the handover process. The handover process between the former CEO and the new CEO (CEO Designate) from October 2023 to 31 January 2024 was considered and noted by Board at its meeting held in November 2023.

The Board is also supported by advisors who are nominated by their respective organisations and appointed by the MEC. The Board Advisors guide the Board regarding the views and policies of their respective organisations. The Board Advisors are not members of the Board and therefore are not entitled to vote at the Board meetings. Board Advisors may be appointed to serve on Board Committees. The term of office of the Board Advisors is aligned with that of the Board. The term of office of the Former Board Advisors ended 31 December 2023.

The following new Board Advisors were appointed by the MEC effective 01 January 2024 to 31 December 2026:

- a) Ms Ulrike Britton - National Treasury.
- b) Mr Riaz Shaik - Gauteng Provincial Treasury.
- c) Mr Ratshilumela Mashamba - Gauteng Department of Roads and Transport.

The nomination and appointment of the following Board Advisors is under way:

- a) National Department of Transport.
- b) South African Local Government Association.

The composition of the new Board support the promotion of the diversity of its membership for effective governance and good decision making. Board diversity is shown in the figure below:

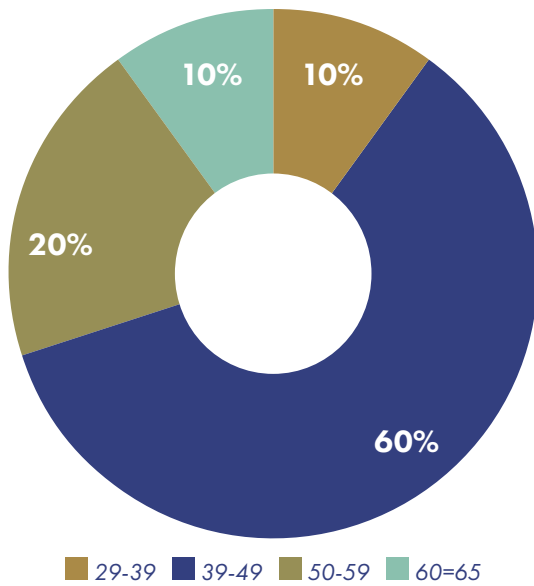


Figure 18: Board age diversity

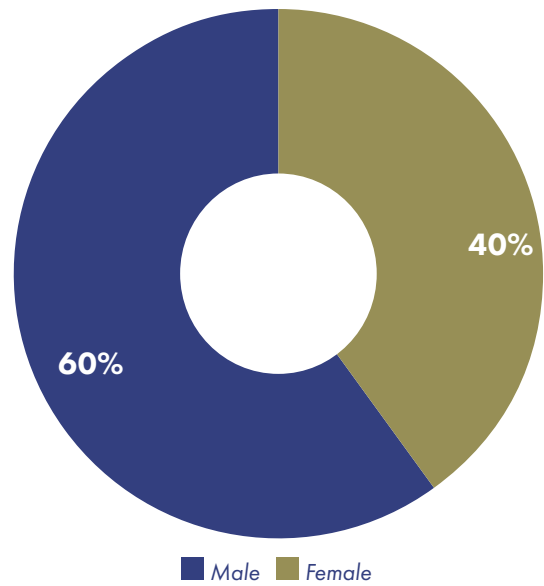


Figure 19: Board gender diversity

3.2 TERM OF OFFICE OF THE BOARD, BOARD COMMITTEES AND BOARD ADVISORS

The term of office of the former Board, Board Committees and Board Advisors ended on 31 December 2023 and during September 2023, the new Board and Board Advisors were appointed, effective 1 January 2024. In order to facilitate the smooth transition and share knowledge acquired, the former Board commenced the handover process after the appointment of the new members of the Board in September 2023 with the following activities:

Invitation of the new members of the Board and new Board Advisors to the following sessions:

- Hybrid GMA Strategic Planning Board Lekgotla and Risk Assessment Workshop held from 26 to 27 September 2023.
- Third Quarter Meetings of the Board Committees during October and November 2023 held via Microsoft Teams as observers.
- Distribution of the Information Pack which included all GMA key documents, Strategic Plan and Annual Performance Plan as well as Corporate Governance documents related to the Board Processes during October 2023.

The former Board prepared a Handover Report which was a high-level summary focusing on the following areas:

- Corporate Governance Structures/arrangements.
- Strategic Opportunities.
- Strategic Challenges.
- Critical actions required to enhance the opportunities and to address the challenges.
- Status of the GMA's Strategic Projects.

The GMA Board Handover Report was approved by the Board at the meeting held on 23 November 2023 and handed over to the Chairperson of the new Board. The MEC and the Head of the Department of Roads and Transport attended the meeting.



**“EXCELLENCE IN GOVERNANCE,
OVERSIGHT AND FINANCIAL
MANAGEMENT REMAINED
AT HIGH LEVELS SET FOR THE
AGENCY.”**

3.3. THE GMA BOARD

The GMA Board is responsible for the strategic direction and control of the Agency and brings independent, informed and effective judgement to bear on material decisions reserved for the Board. It sets the tone for ethical and effective leadership.



The corresponding colour bar denotes the Chairperson of the committee

3.3.1. Brief profiles of the former members of the Board whose term ended 31 December 2023



MR MOGOPODI MOKOENA (60)

Chairperson and independent non-executive member

(Re-appointed: 1 January 2021 to 31 December 2023)

B Com, B Com Hons (Local Government Accounting)

- **Board Committee membership:** GMA Finance and Asset and Human Capital and Remuneration
- **Other directorships:** United Manganese of Kalahari (Pty) Ltd, Chancellor House Holdings, and Clinix Health Group (Pty) Ltd
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA)
- **Skills, expertise and experience:** Financial Management and Auditing, Public Financial Management, Infrastructure and Urban Development and Trade and Investment



MS LUNGILE MTIYA (49)

Deputy Chairperson and independent non-executive member

(Appointed: 1 January 2021 to 31 December 2023)

Diploma in Human Resources, B Tech in Human Resources, B Com Hons in Employment Relations and Labour Law, Masters in Employment Relations and Labour Law

- **GMA Board Committee membership:** Chairperson of Human Capital and Remuneration Committee and member of the Social and Ethics Committee
- **Other directorships:** SODEXO Southern Africa (Pty) Ltd and South African National Energy Development Institute (SANEDI)
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA), SA Society for Labour Law (SASLAW) and South African Board for People Practices (SABPP)
- **Skills, expertise and experience:** Human Resources, Labour Relations, Mediation, Conciliation, Arbitration and Facilitation



MR WILLIAM DACHS (54)

Chief Executive Officer

(Re-appointed: 1 February 2023 and ended 31 January 2024)

Pr Eng, BSc (Civil Eng), B Juris, LLB

- **GMA Board Committee membership:** Member of Finance and Asset Committee as well as Social and Ethics Committee
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA), Engineering Council of South Africa
- **Skills, expertise and experience:** Public Private Partnerships and Infrastructure Finance, Rail Engineering and Management, Legal and Compliance, Finance and Risk Management and Transport Planning



MR ABEL MAWELA (63)

Independent non-executive member

(Re-appointed: 1 January 2021 to 31 December 2023)

B Com, B Com Hons, MBA

- **GMA Board Committee membership:** Chairperson of Audit and Risk Committee and member of Social and Ethics Committee
- **Other directorships:** Accelerate Property Fund Limited and Molodi Finance and Investments
- **Professional memberships:** Chartered Institute of Government Finance, Audit and Risk Officers (CIGFARO), and the Institute of Directors in Southern Africa (IoDSA)
- **Skills, expertise and experience:** Financial Management, Auditing, Corporate Governance and Supply Chain Management



MR DONOVAN NADISON (59)

Independent non-executive member

(Re-appointed: 1 January 2021 to 31 December 2023)

Bachelor of Art in Social Work with Honours, Master of Arts in Social Work. He also completed a non-degree programme at Indiana University as a PhD Fulbright Scholar

- **Board Committee membership:** Chairperson of Social and Ethics Committee, Member of the Human Capital and Remuneration Committee
- **Other directorships:** New Africa Business Investments (Pty) Ltd, New Africa Consulting cc, Industrial Development Cooperation of South Africa Limited (Independent: Partnership Programme Support Committee; Presidential IDC Social Enterprise Fund)
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA)
- **Skills, expertise and experience:** Management consultant and expert in the following areas: Knowledge Management, learning and development; Private Public Partnerships; Aeronautical meteorological services; Regulatory systems; Renewable energy and Social economy



MR SAKI ZAMXAKA (45)

Independent non-executive member

(Appointed: 1 January 2021 to 31 December 2023)

Bachelor of Economics Honours, Diploma Programme in International Education

- **GMA Board Committee membership:** Finance and Asset Committee and Audit and Risk Committee
- **Other directorships:** CEO of Gauteng Enterprise Propeller (GEP) and Mithasa Consulting
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA)
- **Skills, expertise and experience:** Investment, Public Management, Stakeholder Management and Corporate Governance



MS PULI MOLOTO-STOFILE (69)

Independent non-executive member

(Re-appointed: 1 January 2021 to 31 December 2023)

MBA, LLB and B Proc

- **GMA Board Committee membership:** Human Capital and Remuneration Committee and Social and Ethics Committee
- **Other directorships:** Member: Financial Services Tribunal & The Financial Intelligence Centre Appeal Board; Chairman: Moloto Stofile Inc & Bontle Buhle Trading Enterprises (Pty) Ltd; Executive Director: Buzz-in-Legal Corporate Services (Pty) Ltd and Buzz-in-Legal Mentoring and Training NPC; Non-Executive Director: Rorisang Basadi Investment Holding (Pty) Ltd
- **Professional memberships:** Law Society of the Northern Provinces (LSNP); Institute of Directors in Southern Africa (IoDSA); Arbitration Foundation of SA (AFSA)
- **Skills, expertise and experience:** Commercial Law, Corporate Law, Labour Law, Commercial Litigation, Corporate Governance, Regulatory and Compliance and Mediation and Arbitration



DR PRITTIISH DALA (41)

Independent nonexecutive member

(Re-appointed: 1 January 2021 to 31 December 2023)

PhD (Information Technology), Masters (Information Technology), BSc Hons (Computer Science), Bachelor of Information Technology, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001 (LA ISO 27001), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Ethical Hacker (CEH) and Computer Hacking Forensic Investigator (CHFI)

- **GMA Board Committee membership:** Chairperson of the Finance and Asset Committee, Social and Ethics Committee, and the Audit and Risk Committee
- **Other directorships:** Exponential Enterprises, Durban Marine Theme Park (uShaka) and the Road Traffic Infringement Agency
- **Professional memberships:** Information Systems Audit and Control Association (ISACA), International Information Systems Security Certification Consortium (ISC²), Institute of Directors South Africa (IoDSA) and EC Council
- **Skills, expertise and experience:** Information Technology, Cyber Security, Privacy, Project Governance and Management, Information Technology Audit, Internal Auditing, Risk Management, Corporate and ICT Governance, Strategy, Compliance, Forensics and Research



MS REBONE MABUSELA-JONGA (46)

Independent non-executive member

(Appointed: 1 January 2021 to 31 December 2023)

B Com, B Com Hons, CA (SA), EMBA London and New York

- **GMA Board Committee membership:** Finance and Asset Committee and Audit and Risk Committee
- **Other directorship:** Athari Advisory Group, Athari Capital, South Africa and UK
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA) and SA Institute of Chartered Accountants (SAICA)
- **Skills, expertise and experience:** Public Private Partnerships (PPP), Project and Structured Finance, Financial Analysis, Financial Modelling, Infrastructure Advisory (specialising in the Transport sector), Accounting, Audit, Private Equity, Investment Banking Services including Mergers and Acquisitions, Corporate Restructurings, Capital Raising, Equity and Debt Restructuring in the U.S, UK, as well as across Sub-Saharan Africa, including in Nigeria, Ghana, Kenya, Uganda, Tanzania, Zambia, Zimbabwe, Botswana and South Africa

4.3.2. Brief profiles of the new members of the Board effective 01 January 2024



PROFESSOR MFANELO NTSOBI (54)

Chairperson and Independent Non-Executive Member

(Appointed: 01 January 2024 to 31 December 2026)

Bachelor of Military Science, Bachelor of Public Administration Honours, Masters in Administration, PhD in the Management of Technology and Innovation

- **Other Directorships:** CEO and Executive Director at Sci-Bono Discovery Centre, Chairperson of the Ethics Committee and Institutional Review at the Global Centre for Academic Qualitative Research, Associate Research Professor at South Valley University in Zambia.
- **Professional Memberships:** Institute of Directors in Southern Africa (IoDSA), Member of the Council of the Southern African Association of Science and Technology Centres (SAASTEC)
- **Skills, Expertise and Experience:** Education and Criminal Justice System, Corporate Governance, Planning and Development, Transport particularly Aviation, Trade Union and Labour Relations, Mediation and Arbitration, Strategy and Operations Management, Research Management, Policy Development and Analysis, Security and Political Risk Analysis, Communication Strategy.



MS MALEBO MATOLONG (48)

Deputy Chairperson and Independent Non-Executive Member

(Appointed: 01 January 2024 to 31 December 2026)

Qualifications Pr Eng, Certified Director®, BSc (Civil Engineering), BEng Honours (Transportation Engineering), Master of Project Management (Leadership), Master of Business Administration

- **Board Committee Membership:** GMA Finance and Asset and Human Capital and Remuneration.
- **Other Directorships:** Magalies Water Board, Sefako Makgatho Health Sciences University
- **Independent Committee Roles:** National Department of Transport Audit Committee
- **Professional Memberships:** Institute of Directors in Southern Africa (IoDSA), Engineering Council of South Africa (ECSA)
- **Skills, Expertise and Experience:** Transportation Engineering and Implementation; Programme and Project Management; Business Process Re-engineering; Corporate Governance



MS MAMELA LUTHULI (47)

Independent non-executive member

(Appointed: 1 January 2024 to 31 December 2026)

National Diploma in Public Management; Management Development Programme Mastering Strategy; Master's in Business Administration; VPAL Cybersecurity: Managing Risk in the Information

- **GMA Board Committee membership:** Chairperson of the Social and Ethics and Member of the Audit and Risk as well as Social and Ethics
- **Other directorships:** Board member Tap Sosa, Board member Female Founders Initiative Middle East and Africa, Advisory Board member CSIR Defense and Security
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA)
- **Skills, expertise and experience:** Cyber security; Innovative IT solutions and Internet of Things (IOT); R&D



MR TSHEPO KGOBE (49)

Chief Executive Officer

(Appointed: 1 February 2024 to 31 December 2026)

BSc (Civil Engineering)

- **GMA Board Committee membership:** Member of the Finance and Asset as well as the Social and Ethics
- **Other directorships:**
- **Professional memberships:** Project Management Institute (PMI), Institute of Directors Southern Africa (IoDSA) and SA Institute of Civil Engineers (SAICE)
- **Skills, expertise and experience:** Project Management; Business development, Broad-Based Black Economic Empowerment (B-BBEE), Transformation, Project management, Corporate Social Investment and Supplier Development



BAFANA SIBISI (62)

Independent non-executive member

(Appointed: 1 January 2024)

Master's in Business Administration (MBA), B.Tech in Architectural Technology, Strategic Leadership in Development Management, Civil Engineering Water Resources Management Managing Dam Designs and Hydraulic Structures, Certificate in Rough Diamonds Evaluation, Computer Aided Designs (CAD), Municipal Performance Management Training Programme, Certificate in Human Settlements (SAHF)

- **Board Committee membership:** GMA Audit and Risk and Human Capital and Remuneration
- **Other directorships:** MD of DGSD Consulting Engineers, GCEO of Africawise Developments (Pty)Ltd, Board Member of Atteridgeville Senior Citizens Care for the Aged (ASCCA), Executive Chairperson of TUT School of Business and Society (TSB) alumni Chapter
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA), SAIAT, SBTACO, SACAP
- **Skills, expertise and experience:** Architecture, Civil Engineering, Housing and Human Settlements, Programme and Project Management, Executive Leadership Development Management, Business Administration and Statistics, Economics, Change Management, Strategic Management, Human Resource Management and Financial Management, Managerial Finance, Management of Technology and Research, International Management, Operational Management and Marketing Management



MS LUNGILE MTIYA (49)

Independent non-executive member

(Re-appointed: 1 January 2024 to 31 December 2026)

Diploma in Human Resources, B Tech in Human Resources, B Com Hons in Employment Relations and Labour Law, Masters in Employment Relations and Labour Law

- **GMA Board Committee membership:** Member of the Finance and Asset Committee, Human Capital and Remuneration Committee and Social and Ethics Committee
- **Other directorships:** SODEXO Southern Africa (Pty) Ltd and South African National Energy Development Institute (SANEDI)
- **Professional memberships:** Institute of Directors in Southern Africa (IoDSA), SA Society for Labour Law (SASLAW) and South African Board for People Practices (SABPP)
- **Skills, expertise and experience:** Human Resources, Labour Relations, Mediation, Conciliation, Arbitration and Facilitation



MR DESMOND GOLDING (53)

Independent Non-Executive Member

(Appointed: 01 January 2024 to 31 December 2026)

Masters of Law (Banking and Finance), Masters of Global Relations, Finance for Senior Executive, Oxford University Advanced Management and Leadership Programme

- **GMA Board Committee Membership:** Chairperson of the Finance and Asset Committee and Member of the Audit and Risk Committee as well as Social and Ethics Committee.
- **Other Directorships:** Managing Director of Khabran Investments, Chairperson of the Risk Management Committee of the Department of Infrastructure Development, Chairperson of the Panel of Experts on Mega Infrastructure Projects in the North-West Province,
- **Professional Memberships:** Institute of Directors in Southern Africa (IoDSA), Institute of Risk Management South Africa (IRMSA)
- **Skills, Expertise and Experience:** Finance, Transaction Advisory, Financial Modelling, Investment Banking, Risk Management, Financial Law, Project Finance, Deal Structuring, Business Strategy, Corporate Governance, Capital Raising, Economics and Economic Research.



ADVOCATE KGOTSO MAJA (34)

Independent Non-Executive Member

(Appointed: 01 January 2024 to 31 December 2026)

LLB

- **GMA Board Committee Membership:** Chairperson of the Human Capital and Remuneration Committee and Member of the Audit and Risk Committee as well as Social and Ethics Committee.
- **Other Directorships:** Chairperson of the Gauteng Growth and Development Agency Board, Deputy Chairperson of the Legal Aid Board of South Africa and Chairperson of the Legal Services Committee, Member of the Gauteng Liquor Board and Member of the Legal Committee.
- **Professional Memberships:** Institute of Directors in Southern Africa (IoDSA), Legal Practice Council.
- **Skills, Expertise and Experience:** Human Capital and Labour Relations, B-BBEE and Transformation, Socio-Economic Development and Sustainability, Public-Private Partnerships, Corporate Governance, Audit and Risk Management, Legal and Compliance, Marketing and Branding, Strategic Partnerships and Social Facilitation.



MR BONGISIZWE MPONDO (49)

Independent Non-Executive Member

(Appointed: 01 January 2024 to 31 December 2026)

BSc Hons in Town and Regional Planning

- **Board Committee Membership:** Chairperson of the GMA Audit and Risk Committee, Committee Member of the Finance and Asset, Social and Ethics as well as Human Capital and Remuneration.
- **Other Directorships:** Board Member of the East London Industrial Development Zone (IDZ) Chairperson of SIU Committee, Chairperson of the Finance Committee and Member of the Operation and Risk Committee, Founder and MD of SAFIRI, Founder and Director of InnateSafiri.
- **Professional Memberships:** Institute of Directors in Southern Africa (IoDSA)
- **Skills, Expertise and Experience:** Infrastructure & Property Development, Land Use Management, Project Management and Transportation Planning, Business Strategy Development & Execution, Corporate Governance, Business Turn Around & Growth Strategies.

3.4 BOARD ADVISORS



RIAZ SHEIK (48)

Board Advisor

(Appointed: 01 January 2024)

Master's Degree in Public Management, B-Tech Honours in Public Management, National Diploma in Public Management, International AMDP Certificate in Public Private Partnerships, Certificate in Project Management, Certificate in Financial Management and Certificate in Contract Management

- **GMA Board Committee Membership:** Member of the Finance and Asset Committee.
- **Other Directorships:** Head (Director) of the Gauteng Treasury PPP Unit.
- **Professional Memberships:**
- **Skills, Expertise and Experience:** Programme and Project Management, Monitoring and Evaluation, Procurement and Supply Chain, Budgeting and Governance



ULRIKE BRITTON (42)

Board Advisor

(Appointed: 01 January 2024)

Bachelor of Business Science, Economics (Honours)

- **GMA Board Committee Membership :** Member of Audit and Risk Committee, Finance and Asset Committee
- **Other Directorship:** N/A
- **Professional memberships:** N/A
- **Skills, Expertise and Experience :** Public Financial Management, Governance, Infrastructure Financing and Urban Development and Network Infrastructure Policy, Subsidy Design, Multi-year Fiscal Planning, Intergovernmental Fiscal Relations, Policy Analysis and the Review and Evaluation of Spending.

3.5. BOARD POLICIES

Table 25 below highlights key policies governing the activities of the Board.

Table 25: Key policies governing activities of the Board

Appointment of the Board	The GMA Board is appointed by the MEC in accordance with section 10 of the GMA Act No. 5 of 2006, as amended. The GMA has developed a Framework for the Recruitment and Selection of Board members and Board Committees. This Framework provides guidance to the MEC and the Board in discharging their role and responsibility in the appointment of members of the Board, Board Committees and the CEO, in line with the GMA Act, PFMA and King IV. The new Board was appointed effective 01 January 2024 to 31 December 2026. The new CEO was appointed effective 01 February 2024.
Board induction	<p>Board Induction was held from 18 to 19 January 2024. It continued with a Board Workshop held from 15 to 16 February 2024.</p> <p>Prior to the site visit on the Gautrain System, Members of the Board, Advisors and Management attended a compulsory training conducted by Bombela Operating Company. The site visit on the Gautrain System was conducted from 13 to 15 March 2024 to the following areas:</p> <ol style="list-style-type: none"> Gautrain Stations. Operation Control Centre. Train Maintenance Workshop. Tunnel and Underground Stations. Pretoria Bus Depot.
Business Code of Conduct and Ethics	<p>The Code presents a proactive strategy to foster strong governance, and accountable and responsible conduct among Board members. The Code is structured in two parts, namely Ethical Principles and Conduct Principles.</p> <p>Ethical Principles: Offer Board members guidance for making decisions and behaving in alignment with values. These principles are integral to upholding the core values of the GMA. They serve as a crucial compass for Board members, guiding them towards effective and ethical performance in their daily responsibilities.</p> <p>Conduct Principles: These principles encapsulate the duties and responsibilities of members of the Board. They cover various aspects, such as handling conflicts of interest, directorial roles, employment engagements, acceptance of gifts, involvement in political activities, and disclosure of confidential information, among others.</p>
Remuneration of the Board	<p>In terms of the GMA Act, the remuneration of the members of the Board is determined by the Executive Authority, in consultation with the Gauteng MEC of Finance. The structure of the remuneration is based on the following:</p> <ul style="list-style-type: none"> Board Fees for the preparation and attendance of meetings, workshops, and events called by the MEC and others arranged by the GMA. The Board fees are paid in accordance with the National Treasury Guidelines. A monthly retainer paid due to the nature and activities of the Gautrain Project. Reimbursement for travelling and other related expenses incurred while attending meetings, workshops, and events, in line with GMA policies and SARS travel rates. <p>Details of Board remuneration for the 2023/24 financial year are disclosed in the Annual Financial Statements.</p>

3.6. BOARD'S FOCUS AREAS AND ACHIEVEMENTS DURING THE 2023/24 FINANCIAL YEAR

The Board is satisfied that it has fulfilled its responsibilities in accordance with its Charter. Key focus areas for the 2023/24 financial year included:

- GMA Strategic Plan for the 2024/25 to 2026/27 Financial Years.
- Annual Performance Plan for the 2024/25 Financial Year.
- Policies and Key Documents for the 2024/25 Financial Year.
- Report on the Recruitment and Appointment of the new CEO.
- Report on the Recruitment and Appointment of the new Board.
- Mandates delegated to the GMA by the MEC e.g. Smart Drivers Licensing Testing Centres.
- GMA Audit Strategy and the Engagement Letter for the year ending 31 March 2024.
- GMA Board Handover Report.

- Expansion of the GMA Mandate.
- Post-2026 Gautrain Project.
- GMA Commercial initiatives.
- Gauteng Rapid Rail Integrated Network Extensions.
- Close out of the current Concession Agreement.
- Integration of the Gautrain System with other Public Transport Systems.
- Service Level Agreement between the GMA and the Transport Authority for Gauteng.
- Service Level Agreement between the GMA and the Gauteng Department of Roads and Transport

3.7. BOARD PROCESSES

The table below highlights Board processes that are critical for the effectiveness and efficiency of the Board.

Table 26: Board processes

<p>Delegation of Authority</p>	<p>The Delegation of Authority Framework is a cornerstone document within the governance structure of the GMA, delineating the extent of decision-making powers across various levels of the organisation. The Framework outlines the delegation processes, responsibilities, and accountabilities, ensuring a clear hierarchy of authority and accountability within the organisation. The Framework also establishes boundaries and guidelines for delegating tasks, assigning decision-making responsibilities, and maintaining Board oversight to guarantee effective implementation of organisational objectives.</p> <p>The Delegation of Authority Framework is reviewed annually to ensure that it is still relevant and applicable to the GMA’s environment. The Framework is also reviewed to align it with the GMA Board Charter, Board Committees’ Terms of References, key documents and policies. The Delegation of Authority Framework for the 2023/24 financial year was approved by the Board on 21 September 2023.</p>
<p>Conflict of interest</p>	<p>All members of the Board are in line with the Business Code of Conduct and Ethics for members of the Board, required to declare any actual or potential conflict of interest and sign the Confidentiality and Declaration of Conflict-of-Interest Forms prior to their appointment and thereafter annually, or whenever significant changes arise. Copies of the declarations are made available to the MEC. All Board Members, Board Advisors including new Board Members and Advisors completed their Annual Declaration of Interests for the 2023/24 Financial Year and there were no areas of concern.</p> <p>Also, at the beginning of all Board and Board Committees meetings, all members of the Board are required to declare any actual or potential conflict of interest in respect of agenda items. The declarations are then deliberated and where an actual conflict of interest exists, the member is recused from the discussions on that agenda item. The Corporate Governance and Ethics Business Unit keep registers for annual declarations and all declarations made at Board and Board Committees meetings.</p>
<p>Board Training and Development</p>	<p>Continuous training and skills development remain crucial for effective governance and successful performance of the Board. The Board Training and Development Plan for the 2023/24 Financial Year was approved by Board on 25 May 2023. The implementation of the Board Training and Development Plan is monitored by the Human Capital and Remuneration Committee on a quarterly basis. Board Members attended the following training and development initiatives:</p> <ol style="list-style-type: none"> a) Crossrail Learning Legacy – Completing the Elizabeth Line. b) Governance of Ethics. c) Technology Governance. d) Detecting Deception in the Boardroom and Beyond course. e) Finance insight for non-Fin Directors. f) Social and Ethics Committees. g) Behavioural Intelligence for Directors Part 1 and 2. h) Improving Governance in the Public Sector- Identifying Pitfalls and Solutions. i) Mastering Board Leadership. j) Being a Director Part 1 to 5. <p>In addition to the Board Training and Development Initiatives, Board Members are also kept abreast of changes in legislative requirements, risks, governance and changes in the external environment within which the GMA is operating as well as issues related to the GMA, public transport, rail and corporate governance.</p>

Action Plan from the Evaluation of the Performance of the Board and Board Committees	<p>Performance Evaluation of the Board, Board Committees and Individual Board Members is conducted every two years. The Institute of Directors in South Africa (IoDSA) was appointed to facilitate the Performance Evaluation of the Board, Board Committees and Individual Board Members for the 2021/22 Financial Year.</p> <p>The Action Plan was developed to address areas of concern emanating from the Evaluation and 100% of the activities in the Action Plan have been achieved. The next Evaluation of the Performance of the Board and Board Committees will be conducted during the 2024/25 Financial Year.</p>
Board and Board Committees Meetings and Events	<p>The Board and Board Committees develop a Board Plan and Work Plans annually to facilitate effective meetings and ensure that agenda items are aligned with the Board Charter and Terms of Reference of Board Committees. Some of the Meetings and events were held physically and virtually during the 2023/24 Financial Year.</p> <p>Some Members of the Senior and Executive Management are invited to the Board and Board Committee Meetings, either by a standing invitation or on an ad-hoc basis, to provide information and give highlights in their areas of responsibilities.</p>

3.8. FORMER BOARD, BOARD COMMITTEES AND BOARD ADVISORS' MEMBERSHIP AND ATTENDANCE OF MEETINGS UNTIL 31 DECEMBER 2024

Table 27: Former Board, Board Committees and Board Advisors attendance

BOARD, BOARD COMMITTEES AND BOARD ADVISORS' MEMBERSHIP AND ATTENDANCE					
BOARD MEMBERS		BOARD COMMITTEES' MEMBERSHIP			
	Board	Audit and Risk Committee	Finance and Asset Committee	Human Capital and Remuneration Committee	Social and Ethics Committee
Mr Mogopodi Mokoena Chairperson	5/5		3/3	4/4	
Ms Lungile Mtiya Deputy Chairperson	4/5			4/4	3/3
Mr William Dachs* CEO	6/6		3/3		3/3
Ms Puli Moloto-Stofile	5/5			4/4	3/3
Mr Abel Mawela	5/5	3/3			3/3
Mr Donovan Nadison	5/5			4/4	3/3
Dr Prittish Dala	5/5	3/3	3/3		3/3
Ms Rebone Mabusela-Jonga	5/5	3/3	3/3		
Mr Saki Zamxaka	5/5	2/3	2/3		
BOARD ADVISORS					
Mr Jan-David de Villiers National Department of Transport**	1/4		0/3		
Ms Tryfina Mokele Gauteng Provincial Treasury**	2/4	1/3			
Ms Malebo Ndamase Gauteng Department of Roads and Transport**	1/4		0/3		

* Mr William Dachs also attended the Board Meeting held on 19 January 2024 since his term of office ended January 2024.

** Board Advisors were not invited to the urgent meeting of the Board with the MEC, where the Report on the recruitment of the CEO was discussed.

In addition to the above, the Finance and Asset Committee as well as the Audit and Risk Committee held two joint meetings during May and July 2023 to review the Annual Financial Statements, Performance Information Reports and the Integrated Annual Report.

The Board held its two-day Strategic Planning Board Lekgotla and the Risk Assessment Workshop from 26 to 27 September 2023. New Board members also attended the Workshop.

3.9. NEW BOARD, BOARD COMMITTEES AND BOARD ADVISORS' MEMBERSHIP AND ATTENDANCE OF MEETINGS FROM 1 JANUARY 2024

Table 28: New Board, Board Committees and Board Advisors' membership

BOARD, BOARD COMMITTEES AND BOARD ADVISORS' MEMBERSHIP AND ATTENDANCE					
BOARD MEMBERS		BOARD COMMITTEES' MEMBERSHIP			
	Board	Audit and Risk Committee	Finance and Asset Committee	Human Capital and Remuneration Committee	Social and Ethics Committee
Prof Mfanelo Ntsobi – Chairperson	3/3				
Ms Malebo Matolong – Deputy Chairperson	3/3		2/2	2/2	
Mr Tshepo Kgobe – CEO	3/3		2/2		1/1
Ms Mamela Luthuli	3/3	1/1		2/2	1/1
Mr Desmond Golding	3/3	1/1	2/2		1/1
Ms Lungile Mtiya	3/3		2/2	2/2	1/1
Adv. Kgotso Maja	3/3	1/1		2/2	1/1
Mr Bafana Sibisi	3/3	1/1		2/2	
Mr Bongisizwe Mpondo	3/3	1/1	2/2	2/2	1/1
Ms Tebogo Seale*	0/3	0/1	0/2		

* Ms Tebogo Seale resigned from the GMA Board effective 31 March 2024

In additions to the above meetings, the new Board and Advisors held a two-day Board Induction from 18 to 19 January 2024 which was followed by a two-day Workshop from 15 to 16 February 2024. The site visit on the Gautrain System for the new Board and Advisors was conducted from 13 to 15 March 2024.

3.10. BOARD COMMITTEES

Members of Board Committees are appointed by the Board in line with the GMA Act and the Framework for the Recruitment and Selection of Board and Board Committee Members. The term of office of the Board Committee members is aligned with that of the Board. All Board Committees are chaired by non-executive members of the Board. The Chairpersons of all Board Committees are members of the Social and Ethics Committee, to promote effective collaboration and coordination among Board Committees. The new Board Committee Members were appointed by the new Board to the various Board Committees at the meeting held on 19 March 2024.

The Terms of Reference of the Board Committees are reviewed annually to enhance their effective functioning. The implementation of the Board Committees' Terms of References was monitored through the Board Committees' annual work plans on a quarterly basis.

3.11. AUDIT AND RISK COMMITTEE REPORT

Refer to the report of the Audit and Risk Committee in the Annual Financial Statements for more details regarding the activities of the Audit and Risk Committee.



3.12. FINANCE AND ASSET COMMITTEE REPORT

The Finance and Asset Committee (FAC) is constituted as a Board Committee in accordance with section 19 of the GMA Act and a minimum of three (3) Committee members make the Committee's composition.

The COO, CFO, CAE and senior executive managers responsible for Technical Services and Corporate Services Business Units, as well as other heads of business units, have standing invitations to all FAC meetings to provide the necessary information and inputs in their areas of responsibility.

3.12.1. Committee's focus areas and achievements during the 2023/24 financial year

3.12.1.1. Reviewed the following matters for recommendation to the Board:

- Policies and key documents;
- Reports on the Post-2026 Gautrain Project;
- Reports on the Close Out of the Current Concession Agreement.
- Reports on the feasibility study of the Gauteng Rapid Rail Network Extensions;
- Reports on commercial initiatives;

- Report on the management of the finances of the Gautrain Project and the financial securities provided by the Concessionaire.
- GMA Budget Reprioritisation.
- Proposal to expand the GMA Mandate.
- Quarterly performance and performance information reports;
- Reports on Gauteng Province's Construction All Risks (CAR) insurance claim;
- Reports on Reports on the implementation of the GMA Integrated Security Strategy.
- Reports on the integration of the Gautrain System with other public transport systems.

3.12.1.2. Reviewed and approved quarterly reports on the following key matters:

- Concessionaire's Performance Monitoring System (PMS) and patronage reports;
- Consolidated finance reports;
- Asset management and asset maintenance reports;
- Supply chain management reports;
- Reports on the implementation of the GMA Integrated Security Strategy;
- Portfolio management office reports;
- System asset and maintenance reports;
- Facilities management reports; and
- Gautrain capacity challenge reports.

The FAC is satisfied that it has performed its duties in accordance with its approved Terms of Reference for the 2023/24 financial year.



Mr. Desmond Golding
FAC Chairperson

3.13. SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee (SEC) is constituted in terms of Section 72 and Regulation 43 of the Companies Act 71 of 2008, as amended. Section 19 of the GMA Act, King IV and the GMA Board Charter.

The SEC provides oversight over the management of ethics and assists the Board to ensure that the ethics of the GMA is managed in a way that supports the establishment of an ethical culture. The SEC also has the responsibility to draw matters within its mandate to the attention of the Board and the MEC as required. Members of MANCO have a standing invitation to all SEC meetings to provide the necessary information and inputs in their areas of responsibility.

3.13.1. Committee's focus areas and achievements during the 2023/24 financial year

3.13.1.1. Reviewed policies and key documents and recommended to the Board for approval.

3.13.1.2. Reviewed, monitored and/or approved quarterly reports on the following matters:

- Integrated Ethics Management reports.
- Integrated Communications and Marketing reports which included sections on the Stakeholder Management activities.
- Social Investment Programme reports.
- Health, Safety and Environment report.
- Achievement of B-BBEE targets.
- HC quarterly reports.
- Reports on Legal Compliance and Litigation.
- Risks and Opportunity Registers

The SEC is satisfied that it has performed its duties in accordance with its approved Terms of Reference for the 2023/24 financial year.



Ms. Mamela Luthuli
SEC Chairperson





3.14. HUMAN CAPITAL AND REMUNERATION COMMITTEE REPORT

The Human Capital and Remuneration Committee (HCRC) is constituted as a Board Committee in accordance with section 19 of the GMA Act and a minimum of three (3) Committee Members is required.

HCRC assist Board in the discharge of its duty to oversee the development and review of appropriate human capital policies and the implementation of strategies that provide the GMA with the capacity to achieve its short, medium and long term objectives.

The CEO, COO and Senior Executive Manager responsible for Corporate Services have standing invitations to all HCRC meetings to provide the necessary information and inputs in their areas of responsibility.

3.14.1. Committee's focus areas and achievements during the 2023/24 financial year

3.14.1.1. Reviewed and recommended the following documents to the Board for approval:

- Policies and key documents.
- Proposed bonus payments for the 2023/24 financial year, annual salary increases and pay scale for the 2024/25 financial year.
- Reports on knowledge management.
- Board Training and Development Plan.
- Report on the Recruitment and Appointment of the new CEO.
- GMA's organisational reforms to support its future direction.

3.14.1.2. Reviewed, monitored and approved quarterly reports on the following matters:

- Human capital.
- Implementation of the Board Training and Development Plan.
- Implementation of HC programmes.

The HCRC is satisfied that it has performed its duties in accordance with its approved Terms of Reference for the 2023/24 financial year.

Adv. Kgotso Maja
HCRC: Chairperson

3.15. KEY FOCUS AREAS OF THE BOARD AND BOARD COMMITTEES FOR THE 2023/24 FINANCIAL YEAR

Some of the future focus areas of the Board and Board Committees will be:

- Amendments to the GMA Act.
- Reclassification of the GMA in terms of the PFMA.
- Macro Organisational Structure.
- Post-2026 Gautrain Project.
- Close out of the current Concession Agreement.
- Implementation of the Commercial initiatives.
- Development and implementation of Sustainability Strategies.
- Gauteng Rapid Rail Integrated Network Extensions.
- Increase Gautrain ridership.
- Digitisation and automation of business processes.
- Risk and Opportunities.

4. INTERNAL AUDIT

Internal Audit is an independent business unit that reports, administratively, to the CEO and, functionally, to the Audit and Risk Committee (ARC), as provided for in the PFMA. ARC approves a risk-based three-year rolling strategic internal audit plan, inclusive of a one-year operational plan at the beginning of each financial year.

The Internal Audit's mandate supports the overall GMA strategy and ensures the achievement of objectives by providing high-quality assurance, advisory and relevant business insight and foresight as an integral part of its activities. Through execution and completion of the approved Internal Audit Plan, Internal Audit:

- Provides an independent assessment/evaluation of the GMA governance, risk management and controls processes which Management and the Board have implemented to attain the GMA purpose of: "Transforming spaces, people and the economy through mobility".
- Ensures that the GMA strategic objective of providing assurance that compliance with internal controls in all business units is achieved.

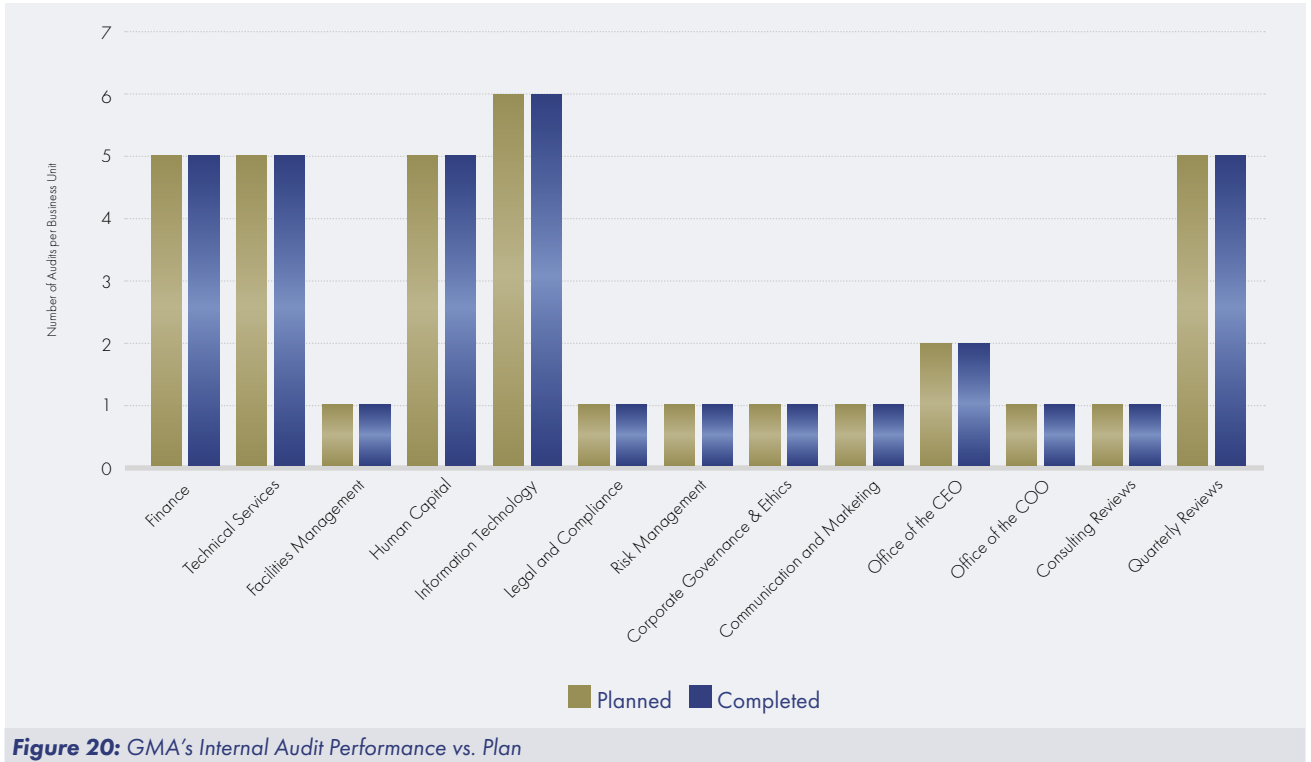


4.1 PERFORMANCE DURING THE PERIOD UNDER REVIEW

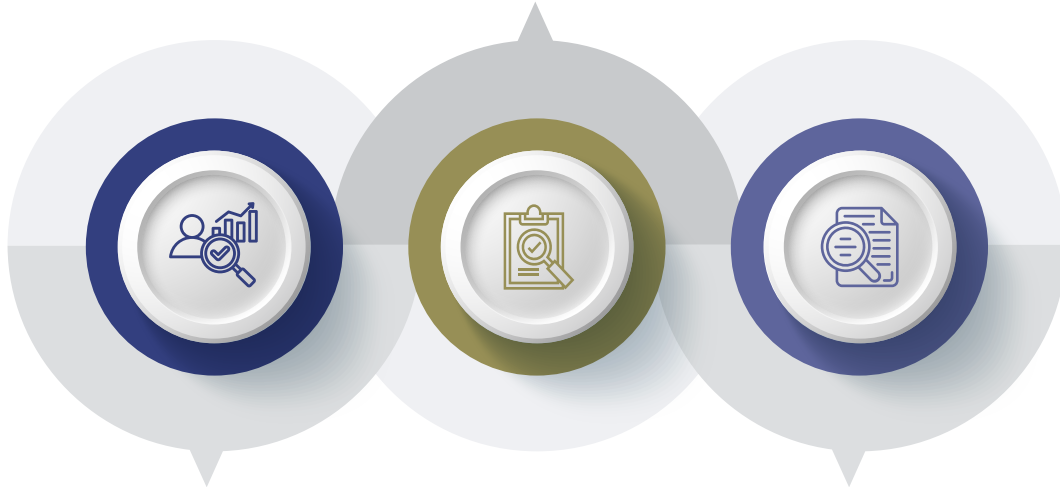
- Key Control Dashboard in compliance with the PFMA
Internal Audit conducted quarterly reviews of the GMA Management's assessments of the stakeholder Key Control Dashboard, highlighting compliance with PFMA requirements in areas of leadership, financial and performance, and governance.
- Progress against the approved Internal Audit Plan
Internal Audit submitted to the Audit and Risk Committee the quarterly consolidated Internal Audit Report detailing the progress against, and significant amendments to, the approved annual Internal Audit Plan.

All thirty-seven (37) auditable areas were completed as per the approved Internal Audit Operational Plan for the 2023/2024 financial year. The Internal Audit Plan covered auditable areas that spanned across the following business units: Office of the CEO, Office of the COO, Commercial Management, Enterprise Project Management, Technical Services, Finance, Information and Communication Technology, Communication and Marketing, Corporate Services, Corporate Governance and Ethics, Compliance and Legal Services, and Risk Management as indicated in figure 19 below.

In addition, Internal Audit completed all reported whistleblowing and Management-requested (consulting) reviews.



The overall Internal Audit outcome is that the system of internal controls, governance and risk management within the GMA is working as intended.



Internal Audit complies with the International Standards for Professional Practice of Internal Auditing as issued by the Institute of Internal Auditors (IIA).

Auditor-General considers and places reliance on the work of Internal Audit for External Audit purpose.

4.2. VALUE CREATED



4.3. FUTURE FOCUS

To address the GMA strategic outcome of enhancing the management of the Concession Agreement through entrenching an environment of strong corporate governance and legal compliance, Internal Audit will:

- Implement the Strategic Internal Audit Plan for 2025 to 2027, which includes the 2024/2025 Operational Plan, and covers all high-risk areas that may impede the achievement of the GMA strategic and operational objectives.
- Ensure continuous employment of the intellectual, financial, human and social, and relationship capitals to identify synergies to leverage and enhance audit processes and ensure operational efficiency, sustainability, resilience, and add value to stakeholders.

5. UPHOLDING AN ETHICAL CULTURE

The Board is cognisant of its responsibility to manage the ethics of the GMA in such a manner that it contributes to the establishment of an ethical culture. The Board also accepts that ethical leadership is a strategic imperative and an enabler of good performance, adequate and effective control, good reputation/legitimacy and an ethical culture. Consequently, the GMA has a zero-tolerance stance on unethical conduct and has dedicated substantial resources to the management of ethics across the organisation.

Managing and maintaining ethical standards assist in improving reputation and building a relationship of trust with stakeholders. It promotes an ethical culture and enhances employee morale, which has a direct impact on employee productivity, the organisation’s sustainability and performance. Failure to manage ethics may result in an organisational culture that promotes unethical behaviour, unethical practices such as fraud, corruption, theft, unfair labour practices, anti-competitive behaviour and non-compliance with the laws and regulations.



Figure 21: Impact of managing ethics

The Board assumes the responsibility of setting direction on how ethics must be managed in the organisation and has delegated the responsibility of implementing the Ethics Management Strategy and Programmes to the Corporate Governance and Ethics Business Unit. The Board sets the tone for maintaining the highest ethical standards and has developed a principle-based Business Code of Conduct and Ethics to guide its conduct and decision-making processes.

Ethical leadership is regarded as a priority and forms an integral part of the Board’s approach to sound corporate governance practices. It influences how the GMA conducts its business.

5.1. ETHICS MANAGEMENT PROGRAMME

The Board, with the help of the Social and Ethics Committee, oversees organisational ethics based on the mandate of the Committee’s terms of reference. The Social and Ethics Committee monitors the development and implementation of the ethics management programmes.

The Corporate Governance and Ethics Business Unit regularly evaluates the ethics performance of the GMA through external independent surveys, trend analysis assessments, along with information obtained from internal and external fraud and corruption incidents. The outcomes of the assessments are used to identify ethics risks, which are then managed as part of the day-to-day risk management interventions. The information is also used in the development of the annual Training and Awareness Plan to ensure that the interventions are relevant to the GMA environment.

5.1.1. Ethics codes, related policies and key documents

The Board has approved the following ethics-related codes and policies to ensure the GMA maintains the highest level of ethical standards across the organisation:

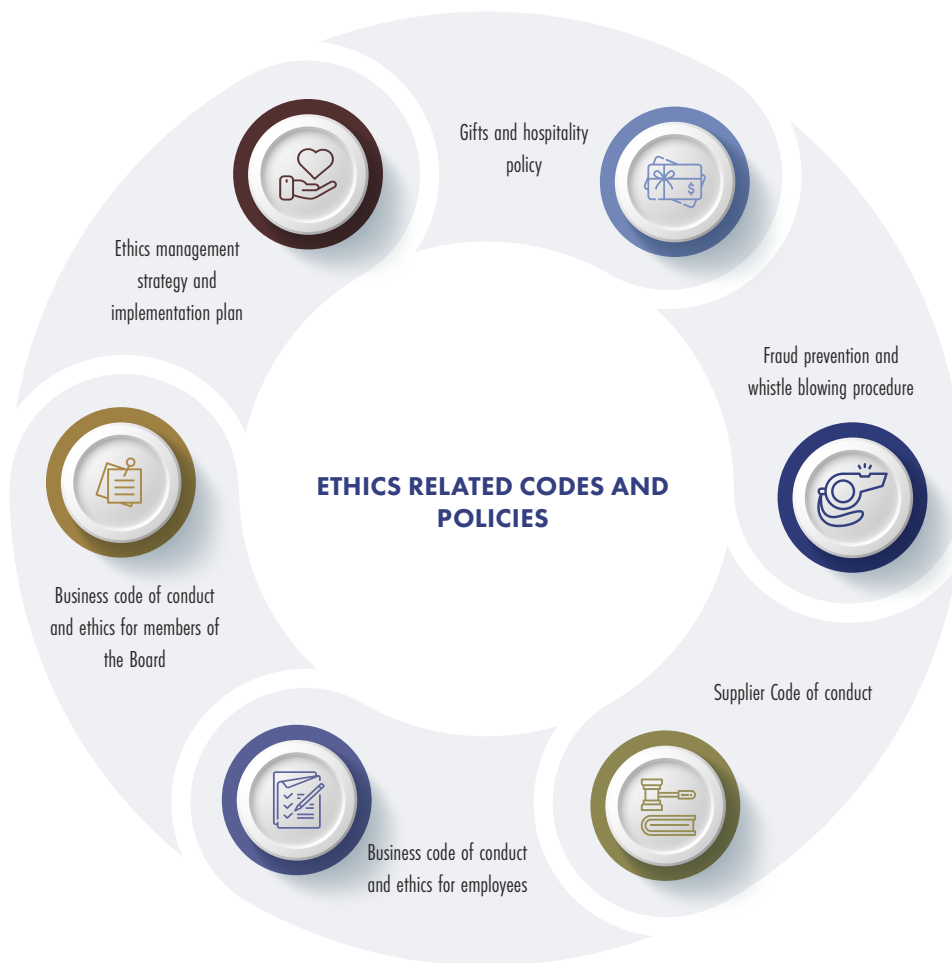


Figure 22: Ethics-related codes and policies

Non-compliance with the codes is addressed through the GMA’s Board Charter, Disciplinary Code and Procedures for employees, as well as the applicable Supply Chain Management Procedures.

5.1.2. Institutionalisation of ethics

5.1.2.1. Ethics training and awareness interventions

A key component of the implementation of the Ethics Management Strategy is continuous training and awareness sessions. Ethics training and awareness sessions promote Ethics Talk, enhance employees’ awareness of the impact of unethical behaviour on individuals and organisations, and support ethical decision-making, as well as the establishment of an ethical culture.

Regular, practical and tailored training for all employees is a critical element to enhance the ethics maturity, as well as to create and maintain an ethical culture. The Ethics Training and Awareness Plan for the 2023/24 financial year was approved by MANCO on 6 July 2023. Ethics training and awareness sessions are compulsory for all employees and provide guidance on how to implement ethical principles, outline employee responsibilities in terms of the ethics-related codes and policies, provide guidelines for acceptable behaviour (including the declarations of interests, gifts and hospitality management), and outline the duty to report any suspected breaches of the ethics-related codes and policies, as well as other transgressions of GMA policies.

Refer to Figure 23 – below for training and awareness initiatives conducted during the 2023/24 financial year.



Figure 23: Ethics training and awareness initiatives for the 2023/24 financial year

The training and awareness interventions have contributed to improved ethical compliance i.e., declaration of interest, declaration of gifts, etc., and improved employee awareness of ethics, as evidenced by the number of employees seeking guidance and interacting with the Ethics Management Office.

The implementation of the ethics strategy during the 2023/24 financial year will further support the maintenance and enhancement of the GMA’s ethical culture.

5.1.2.2. Fraud and corruption

Addressing fraud and corruption requires a comprehensive approach focusing on detection, prevention and redress, underpinned by a strong collaboration between all stakeholders. Preventing fraud should be the primary aim of an organisation’s fraud plan as it requires fewer resources with more benefits, compared to an approach based on detection and recovery. Prevention of fraud also contributes to the establishment of an ethical culture in the organisation.

The GMA subscribes to the principles of clean governance and zero tolerance for corruption, fraud, misconduct, theft, dishonesty, and unethical conduct. The GMA’s Fraud Prevention and Whistleblowing Policy and Procedure, which govern the fraud prevention programme of the GMA, forms part of the ethics training and awareness programme, to ensure that employees are empowered to prevent, detect and report unethical incidents.

Fraud hotline

The fraud hotline is a critical ethics management tool to identify gaps in the organisation’s management processes and internal controls, and identify incidents of fraud, corruption, as well as other unethical behaviour. The GMA’s fraud hotline is managed by an external service provider.

All incidents reported through the fraud hotline are investigated by Internal Audit and referred to the external service provider for a detailed investigation where required. Reports on fraud and corruption incidents, fraud and corruption investigations, as well as fraud prevention interventions are presented to the Social and Ethics Committee, as well as the Audit and Risk Committee on a quarterly basis.

Two incidents were reported during the period under review. The incidents were investigated and one constituted a grievance which could better be resolved by management through the relevant GMA policies and procedures and the whistleblower was appropriately advised. The allegations related to the other incident were unsubstantiated.

5.1.2.3. Management of conflict of interest

Conflict of interest is an ethical risk and failure to manage it can have negative consequences for organisations and individuals involved. Loss of public trust, reputational damage and erosion of employee morale, are some of the consequences of improper management of the conflict of interest. The effectiveness and integrity of the organisation’s decision-making processes may also be impacted negatively.

The GMA has put in place the following processes and procedures to manage conflict and/or potential conflict of interest matters. Refer to figure below.

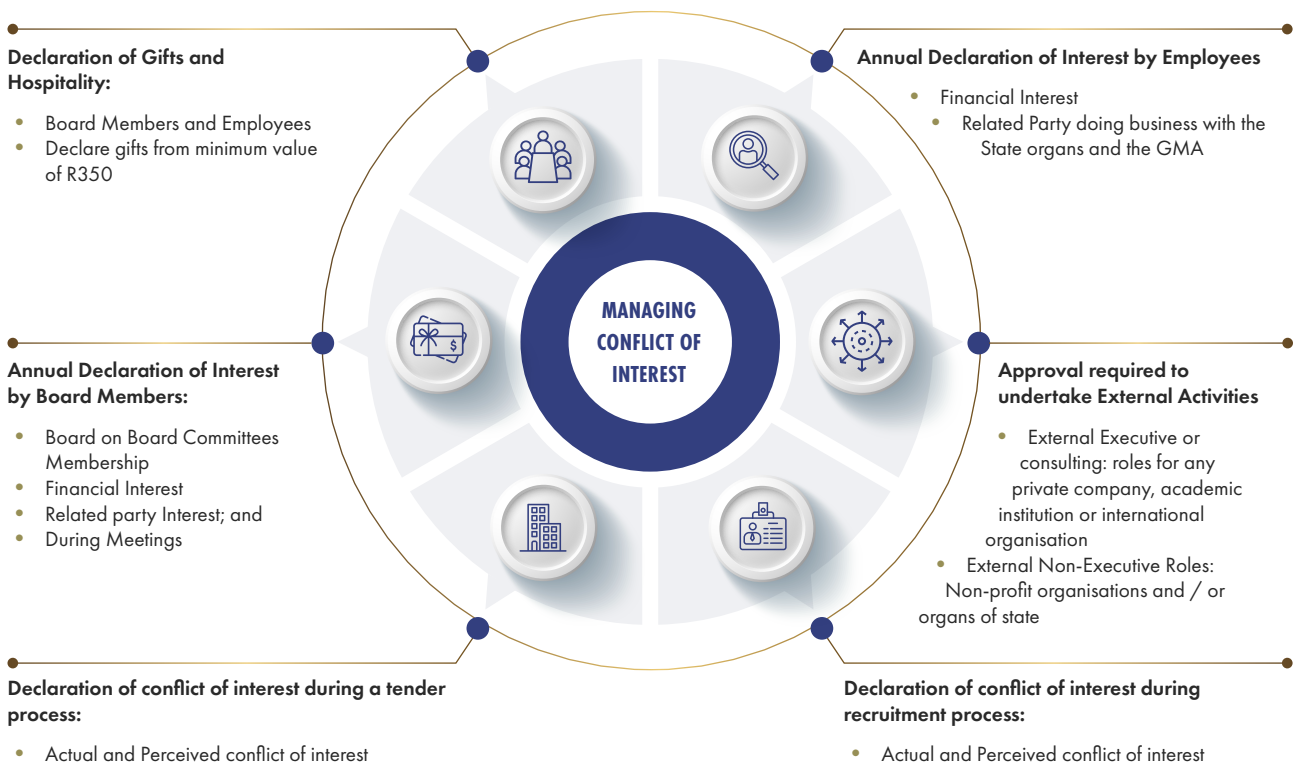


Figure 24: Management of conflict of interest

5.1.2.4. Declaration of gifts

The GMA has developed a Gift and Hospitality Policy to ensure that the line between corruption and acceptable practice is clearly understood and that the potential for abuse is minimised. The Policy provides guidance on the management of gifts received from third parties. The GMA has put in place measures to manage corporate gifts and mitigate related risks.

The Policy requires that all gifts, benefits, and hospitality with an estimated value of R350 and above should be declared in the Gift and Hospitality Register. These declarations are analysed to ensure compliance with the Policy and to identify potential associated risks. The GMA continuously monitors compliance with the Gift and Hospitality Policy, as well as trends in respect of gifts declared.

Managing the conflict-of-interest risks associated with corporate gifting is critical as organisations risk the loss of public trust, corruption and the erosion of an ethical culture. The third and fourth quarters usually see an increase in the number and value of gifts/hospitality offered to employees by third parties because they fall in line with the festive season. The Gift and Hospitality Register is analysed quarterly to monitor compliance with the Gift and Hospitality Policy, and to also identify trends as well as risk areas.

Employees at the Driving License Testing Centres (DLTCs) and in the Supply Chain Management Business Unit are prohibited from accepting gifts of any kind, due to the nature of their work.

6. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The GMA's reporting in terms of Section 13(G)(1) of the Broad-Based Black Economic Empowerment Act No. 53 of 2003, as amended by Act No. 46 of 2013.

Name of sphere of Government/ Public Entity/ Organ of State:	Gautrain Management Agency
Registration number (if applicable):	Not Applicable
Physical address:	44 Grand Central Boulevard, Midrand 1685
Type of Sphere of Government/ Public Entity/ Organ of State:	Schedule 3C
Organisation industry / sector	Transport

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Relevant answer	Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	Yes	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing and implementing a preferential procurement policy	Yes	If Yes, please attach Preferential Procurement Policy as well as the compliance report of implementation thereof in the Annual Report
Determining qualification criteria for the sale of state-owned enterprises	No	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Developing criteria for entering into partnerships with the private sector	Yes	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment	Yes	If Yes, please attach Qualification Criteria as well as the compliance report of implementation thereof in the Annual Report

7. SUPPLY CHAIN MANAGEMENT

7.1. PROCUREMENT BY OTHER MEANS

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
Commercial support and other related services as may be necessary for the review and management of current commercial disputes pertaining to the Gautrain Rapid Rail Link System Project	Infra Commercial Services (Pty) Ltd	Limited bidding	GMASGPO1412005	2 000 000
Transport Management Centre (TMC) Software as a Service (SaaS) licence renewal and related support services on behalf of GDRT.	Hatch Africa (Pty) Ltd	Limited bidding	GMASGPO1408002	2 245 812
Employee wellness	Discovery Health	Limited bidding	GMASGPO1409003	6 532 840
Total				10 778 652

7.2. CONTRACT VARIATIONS AND EXPANSIONS ABOVE THRESHOLD

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 (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
NO CONTRACT VARIATIONS OR EXPANSIONS ABOVE THRESHOLD						
Total						





“BY INVESTING IN ITS PEOPLE, THE GMA IS LIKELY TO SEE A POSITIVE IMPACT ON ITS PERFORMANCE AND SUSTAINABILITY.”

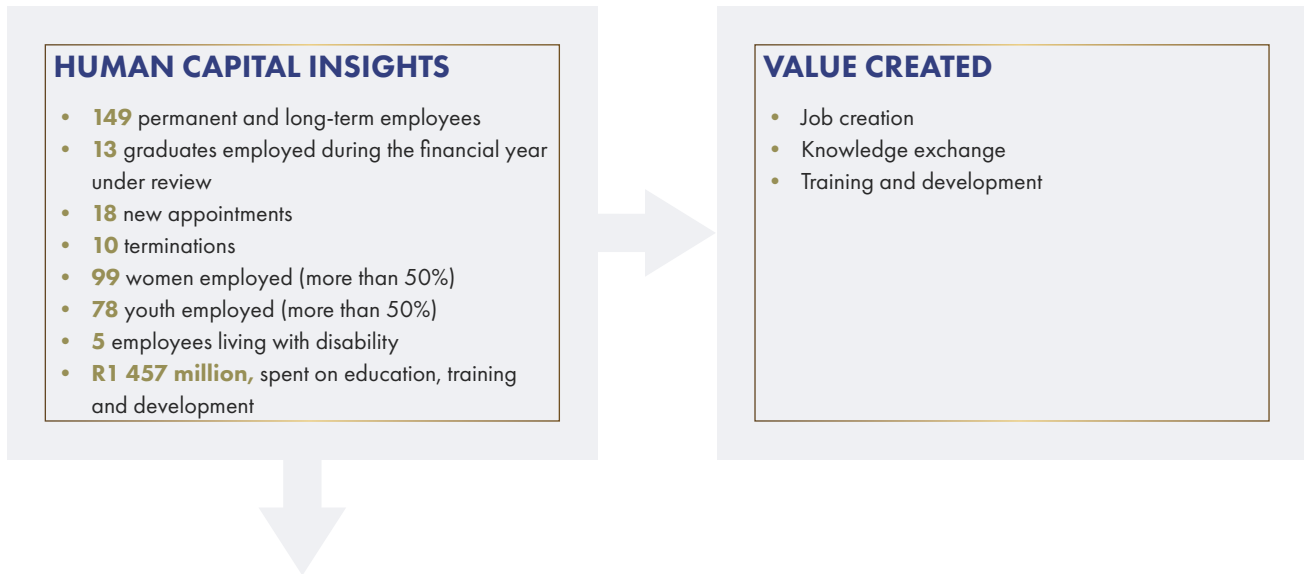


E

HUMAN CAPITAL

HUMAN CAPITAL

Human Capital is a pivotal element in the success and growth of any organisation, and the GMA's recognition of its workforce, as a core component of its human capital, is commendable. The emphasis on employee development and nurturing a supportive culture not only enhances individual performance, but also contributes significantly to the collective success of the Agency. By investing in its people, the GMA is likely to see a positive impact on its performance and sustainability in the long term. This approach aligns with modern organisational strategies that view employees as valuable assets whose growth parallels that of the business itself.



KEY FACTORS IMPACTING THE GMA'S HUMAN CAPITAL

Associated key risks	The strategic response
<ul style="list-style-type: none"> High turnover/attrition risk 	<ul style="list-style-type: none"> Employee wellness programmes that prioritise overall mental and physical wellbeing of employees. Total reward strategy that focuses on the retention of high calibre employees.
<ul style="list-style-type: none"> Development impact risk 	<ul style="list-style-type: none"> Transformed and skilled staff complement.
<ul style="list-style-type: none"> Reputational risk 	<ul style="list-style-type: none"> Culture interventions that focus on employee wellbeing.
<ul style="list-style-type: none"> Sustainability risk 	<ul style="list-style-type: none"> Culture that embraces diversity and inclusion.



The GMA currently has a functional structure, which is reflective of the project environment in which it operates

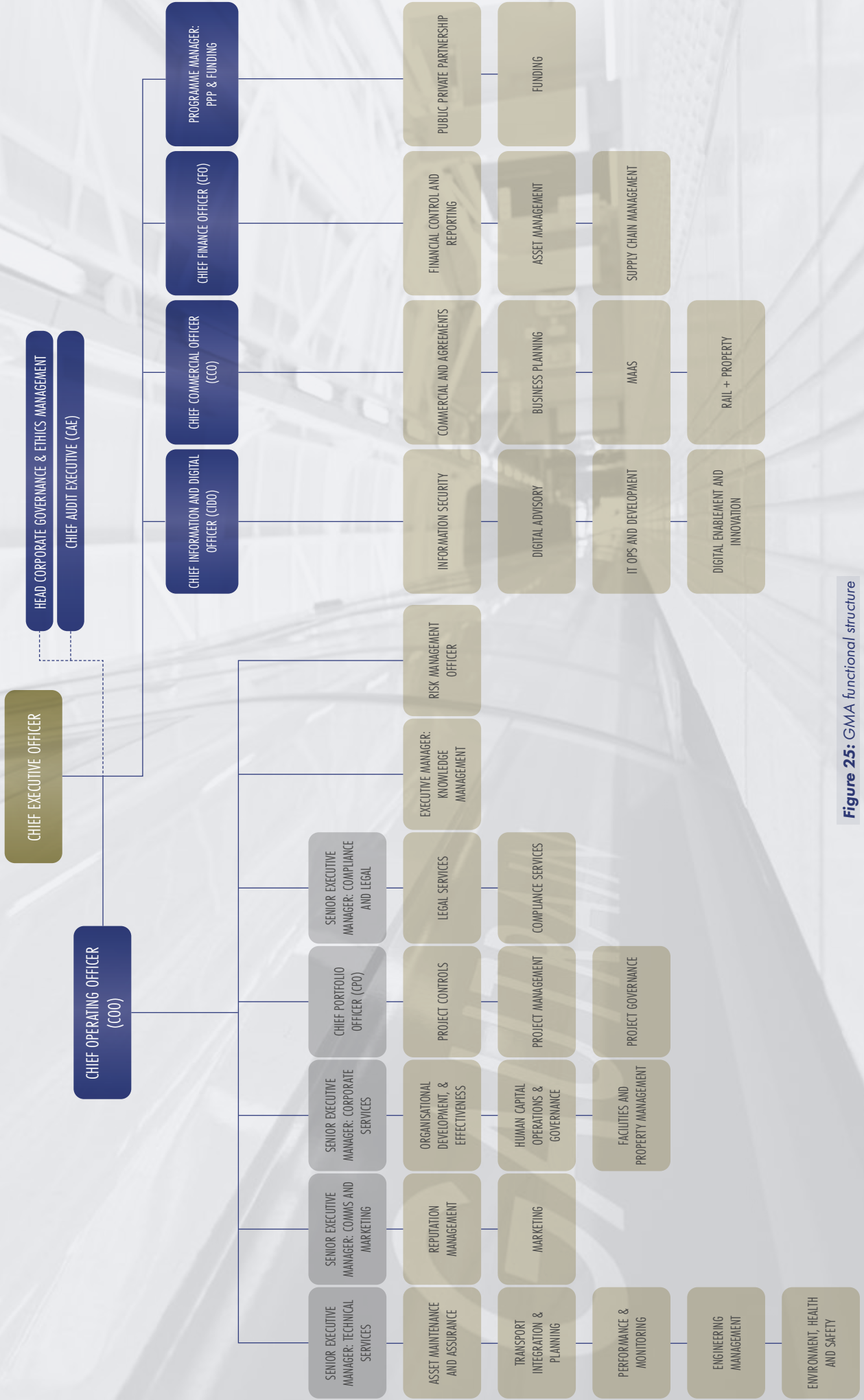


Figure 25: GMA functional structure

GOVERNANCE OVERSIGHT

The governance of human capital is a critical aspect of the GMA, which the Board has delegated to the Human Capital and Remuneration Committee (HCRC) in line with the Board Charter. The delegation of oversight to the HCRC, ensures focused attention on the development and implementation of human capital policies and strategies.

1. PERFORMANCE DURING THE PERIOD UNDER REVIEW

1.1. EMPLOYEE OVERVIEW

The GMA's workforce composition at the end of the financial year presents a diverse group, consisting of 136 full-time employees, inclusive of 5 employees living with disability and 13 graduates. This inclusive employment approach reflects the organisation's commitment to creating opportunities for a variety of talent pools. Additionally, the employment of 18 new employees within the year, despite the departure of 10, indicates a dynamic and evolving workforce.

1.2. KEY INITIATIVES IN HUMAN CAPITAL MANAGEMENT

a) MyWellbeing Programme

The MyWellbeing Programme's initiatives for the year under review have demonstrated a robust commitment to fostering employee wellness. With the Case Management pillar at the forefront, the programme adeptly managed seventeen cases, addressing critical challenges such as work-related stress and prolonged illness. The integration of psychotherapy treatments, occupational therapy assessments, and referrals to specialised wellness programmes, coupled with monthly wellness check-ins, has reinforced the Agency's dedication to its employees' health and wellbeing.

Furthermore, the MyWellbeing Programme's diverse range of activities, including the commemoration of Women's Day and Men's Workshop, thus contributes to the enhancement of overall wellbeing. The Mental Health Awareness campaign and the Executive Wellness initiative further highlight a proactive approach to tackling prevalent health issues. The initiatives are a continuation of investment in holistic wellbeing strategies and living up to the GMA core value of Caring.

b) Learning and development

The strategic approach to skills development within the GMA has demonstrated a commitment to compliance and growth that aligns with the Skills Development Act. The successful registration with the Transport Education and Training Authority marks a significant milestone in this journey, which ensures not only adherence to legislative requirements but also positions the GMA to benefit from financial grants that support the cultivation of a robust organisational learning culture.

The structured engagement with graduates reflects a dedication to nurturing talent and fostering a supportive environment for professional development. The exposure to diverse programmes such as Financial Management, Mental Health, and Self-Awareness, facilitated by Discovery, further enriches the graduates' experience, equipping them with essential skills for both personal and professional realms.

The ongoing Competency Framework Assessment, with consultations nearing completion across most business units, is indicative of a strategic focus on competency development. The continuous process of Learning Path Development and Content Curation, adapting to emerging trends and programmes, exemplifies a dynamic approach to learning and development within GMA.

These initiatives are aimed at empowering employees and fostering a culture of continuous learning and improvement.

c) Leadership Development Programme

In the 2022/23 financial year, the GMA implemented the Leadership Development Programme with senior management. The programme is supported by two business schools to provide development courses to senior management. During the year under review, a closeout report and certificates were received from the Gordon Institute of Business Science (GIBS). This is a significant milestone for the GMA which paves the way for future endeavours and shows continued growth and development.

d) Top Employer certification

The GMA's renewal of its membership with the Top Employer Institute for an additional three years is a demonstration of the commitment to maintaining high standards in employee conditions and workplace practices. This demonstrates the Agency's dedication to excellence and its active role within the Top Employer community.



2. HUMAN CAPITAL STATISTICS

Table 29: Personnel cost by programme/activity/objective

Programme/ activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a % of total expenditure (R'000)	Number of employees	Average personnel cost per employee (R'000)
Project expenditure	2 481 372				
GMA expenditure	450 662	239 658	53%	136	676
Total	2 932 035	239 658	8.2%	136	676

Table 30: Personnel cost by salary band

Level	Personnel expenditure (R'000)	% of personnel expenditure to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Top management	21 764	10%	2	10 882
Senior management	77 253	32%	22	3 511
Professional qualified	93 599	39%	60	1 560
Skilled	38 442	15%	41	938
Semi-skilled	7 086	3%	4	1 772
Unskilled	1 515	1%	7	216
TOTAL	239 658	100%	136	1 762

Table 31: Equity target and employment equity status: Male

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	2	1	0	0	0	1	0	1
Senior management	9	2	1	1	1	1	1	1
Professional qualified	27	39	2	2	1	1	0	3
Skilled	13	20	0	1	2	2	0	3
Semi-skilled	2	2	0	1	0	1	0	0
Unskilled	1	2	0	0	0	0	0	0
TOTAL	54	66	3	5	4	6	1	8

Table 32: Equity target and employment equity status: Female

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	0	0	0	0	0	0
Senior management	6	3	0	1	0	1	1	1
Professional qualified	30	31	0	1	1	2	2	4
Skilled	25	13	1	2	0	1	3	4
Semi-skilled	2	2	0	1	0	0	0	0
Unskilled	6	1	0	1	0	1	0	0
TOTAL	69	51	1	6	1	5	6	9

Table 33: Equity target and employment equity status: Employees living with disability

Levels	EMPLOYEES LIVING WITH DISABILITY			
	Male		Female	
	Current	Target	Current	Target
Top management	0	1	0	0
Senior management	1	0	1	0
Professional qualified	0	0	1	0
Skilled	1	1	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	2	0
TOTAL	2	2	3	2

Table 34: Number of employees vs approved posts

Programme/activity/objective	2022/2023 Number of employees (31 March 2023)	2023/2024 Approved posts (1 April 2023)	2023/2024 Number of employees (31 March 2024)	2023/2024 Vacancies	% of vacancies
Top management	3	3	2	1	1%
Senior management	21	21	22	1	1%
Professional qualified	56	73	60	13	8%
Skilled	41	46	41	5	3%
Semi-skilled	3	4	4	0	0%
Unskilled	7	7	7	0	0%
TOTAL	131	156	136	20	13%

Table 35: Employment changes

Salary band	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top management	3	0	1	2
Senior management	21	1	0	22
Professional qualified	56	6	2	60
Skilled	41	4	4	41
Semi-skilled	3	1	0	4
Unskilled	7	0	0	7
Total	131	12	7	136

Table 36: Performance rewards

Programme/activity/objective	Performance rewards (R'000)	Personnel expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top management	4 908	21 764	23%
Senior management	14 326	77 253	19%
Professional qualified	11 383	93 599	12%
Skilled	3 648	38 442	9%
Semi-skilled	170	7 086	2%
Unskilled	166	1 515	11%
TOTAL	34 601	239 658	14%

Table 37: Employment and vacancies

Programme/activity/objective	2022/2023 Number of Employees	2022/2023 Approved posts	2022/2023 Number of employees	2022/2023 Vacancies	% of vacancies
CEO's Office	3	3	2	1	33%
Commercial Management	9	9	9	0	0%
Communication and Marketing	14	14	14	0	0%
Compliance and Legal	6	7	4	3	43%
COO's Office	4	4	3	1	25%
Corporate Governance	5	5	4	1	20%
Corporate Services	20	24	21	3	13%
Finance	14	17	16	1	6%
Information and Communication Technology	11	22	19	3	14%
Internal Audit	7	8	7	1	13%
Knowledge Management	6	6	6	0	0%
Enterprise Portfolio Management Office (EPMO)	4	7	5	2	29%
Technical Services	28	30	26	4	15%
Total	131	156	136	20	12.8%

Table 38: Training costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee (R'000)
CEO's Office	12 200	41	0,3%	1	41
Commercial Management	17 298	137	0,8%	5	27
Communication and Marketing	16 477	43	0,3%	6	7
Compliance and Legal	10 173	17	0,2%	1	17
COO's Office	8 588	-	0,0%	0	0
Corporate Governance	6 449	64	1,0%	5	0
Corporate Services	17 406	106	0,6%	4	27
Finance	21 780	231	1,1%	5	46
Information and Communication Technology	16 305	-	0,0%	0	0
Internal Audit	10 930	223	2,0%	5	45
Knowledge Management	7 696	-	0,0%	0	0
Portfolio Management	7 419	47	0,6%	3	16
Technical Services	33 602	106	0,3%	8	13
Total	186 324	1 013	7,2%	43	24

Table 39: Reason for leaving

Reason	Number	% of total number of staff leaving
Death	0	0%
Resignation	8	89%
Dismissal	0	0%
Retirement	1	11%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	9	100%

Table 40: Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0



F

ANNUAL FINANCIAL STATEMENTS

GAUTRAIN MANAGEMENT AGENCY

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ABBREVIATIONS

CA	Concession Agreement
DRT	Gauteng Department of Roads and Transport
DLTC	Grade F Driving Licence Testing Centre
IFM	Intergrated Fare Management
GMA	Gautrain Management Agency
GRAP	Generally Recognised Accounting Practice
MEC	Member of the Executive Council
MTEF	Medium Term Expenditure Framework
MVL	Motor Vechle Licence
OCD 1	Operational Commencement Date Phase 1
OCD 2	Operational Commencement Date Phase 2
PAYE	Pay As You Earn Tax
PDP	Proffesional Drivers licence
PFMA	Public Finance Management Act (Act 1 of 1999), as amended
PPPFA	Preferential Procurement Policy Framework Act (Act 5 of 2000)
PRA	Performance Reserve Account
Project	Gautrain Rapid Rail Link Project
PST	Provincial Support Team (Transaction Advisors to the Gautrain Project)
SED	Socio-Economic Development
SIP	Social Investment Programme
System	Gautrain Rapid Rail Link System
TRAC-SA	Technology Research Activity Centre of South Africa
TISH	Townships, Informal Settlements and Hostels



ADMINISTRATIVE INFORMATION

Domicile	Republic of South Africa	
Nature of Principal Activities	<p>The Gautrain Management Agency (GMA) is a Schedule 3C Provincial Public Entity, in terms of the Public Finance Management Act (Act 1 of 1999), as amended (PFMA), reporting to the Member of the Executive Council (MEC) of the Gauteng Department of Roads and Transport.</p> <p>The mandate of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project through the implementation of the Concession Agreement (CA) between the Gauteng Provincial Government and Bombela Concession Company (Pty) Ltd (The Concessionaire).</p> <p>The vision of the GMA is to provide an integrated, innovative and efficient public transport system that promotes sustainable socio-economic growth in South Africa.</p>	
Board Members	Prof M Ntsohi	Appointed as Chairperson from 01 January 2024 to 31 December 2026
	Ms M Matolong	Appointed as Deputy Chairperson from 01 January 2024 to 31 December 2026
	Mr D Golding	Appointed from 01 January 2024 to 31 December 2026
	Ms M Luthuli	Appointed on 01 January 2024 to 31 December 2026
	Mr B Mpondo	Appointed on 01 January 2024 to 31 December 2026
	Adv K Maja	Appointed from 01 January 2024 to 31 December 2026
	Mr B Sibisi	Appointed from 01 January 2024 to 31 December 2026
	Ms L Mtiya	Appointed from 01 January 2021 and as Deputy Chairperson from 01 June 2021 to 31 December 2023 and reappointed from 01 January 2024 to 31 December 2026
	Ms T Seale	Appointed from 01 January 2024 to 31 March 2024
	Mr T Kgobe	Chief Executive Officer - Appointed from 01 February 2024 to 31 January 2027
	Mr M Mokoena	Appointed as Chairperson from 01 January 2018 to 31 December 2020 and reappointed from 01 January 2021 to 31 December 2023
	Ms P Moloto- Stofile	Appointed as Deputy Chairperson from 01 January 2018 to 31 December 2020 and reappointed from 01 January 2021 to 31 December 2023
	Dr P Dala	Appointed from 01 January 2018 to 31 December 2020 and reappointed from 01 January 2021 to 31 December 2023
	Ms Tebogo Seale	Appointed on 1 January 2018 to 31 December 2020 and reappointed from 01 January 2021 to 31 December 2023
	Mr D Nadison	Appointed on 1 January 2018 to 31 December 2020 and reappointed from 01 January 2021 to 31 December 2023
	Mr S Zamxaka	Appointed on 01 January 2021 to 31 December 2023
	Ms R Mabusela-Jonga	Appointed on 01 January 2021 to 31 December 2023
	Mr W Dachs	Chief Executive Officer - Appointed from 01 February 2020 to 31 January 2023 and reappointed from 01 February 2023 to 31 January 2024

Postal Address P O Box 1266 Kelvin 2054 South Africa	Physical Address 44 Grand Central Boulevard Grand Central ext. 1 Midrand 1685 South Africa	
Chairperson	Prof M Ntsobi (01 January 2024 to 31 December 2026)	
Chief Executive Officer	Mr.W. Dachs (01 April to 31 January 2024) Mr T Kgobe (01 February 2024 to 31 January 2027)	
Chief Financial Officer	Mr. P Mabena	
Head of Corporate Governance and Ethics	Ms. T Marumo	
Banker	Absa Bank Limited	
Auditor	Auditor-General of South Africa	
Contact Information	Telephone No.	+27 11 086 3500
	Website:	www.gautrain.co.za
	E-mail:	info@gautrain.co.za



STATEMENT OF RESPONSIBILITY BY THE MEMBERS OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2024

The GMA Board is responsible for the preparation of the annual financial statements.

The annual financial statements conform with Generally Recognised Accounting Practices (GRAP) and the reporting requirements of the Public Finance Management Act (Act 1 of 1999), as amended (PFMA) and fairly present the state of affairs of the GMA as at the end of the financial year and the results of its operations and cash flows for the period under review.

It is the responsibility of the independent auditors to report on the fair presentation of the annual financial statements.

INTERNAL AND ACCOUNTING CONTROLS

The GMA Board is ultimately responsible for the internal controls of the GMA. Management enables the Board Members to meet these responsibilities.

In order for the GMA Board to discharge its responsibilities, management has developed and maintained a risk management policy and adequate, effective and efficient internal controls.

The internal controls are designed to provide reasonable assurance on the integrity and reliability of the annual financial statements of the GMA and to adequately safeguard, verify and maintain accountability for funds and assets.

Management and the Audit and Risk Committee of the Board have implemented a risk management policy and regularly review the risk register and mitigating internal controls. These are monitored and improved or amended as the GMA's operating conditions change.

Internal controls include a comprehensive budgeting and reporting system operating within strict deadlines, the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

As part of strengthening the internal controls, the GMA has an Internal Audit function which comprises seven personnel. Under the direction of the Chief Audit Executive, the Internal Audit team conducted the audit reviews in accordance with the plan as approved by the Audit and Risk Committee. The Internal Audit plan was prepared in consultation with management and, Audit and Risk Committee. The plan was shared with the Auditor-General.

Based on the information and explanations provided by management and the internal auditors, the GMA Board is of the opinion that the internal financial controls are adequate, effective and efficient and that the financial records may be relied upon for preparing the annual financial statements in accordance with GRAP and to maintain sound

accountability for the GMA's assets and liabilities. Nothing has come to the attention of the GMA Board to indicate that a breakdown in the functioning of these controls, resulting in material loss to the GMA, has occurred during the year and up to the date of this report.

GOING CONCERN

The use of the going concern basis of accounting is appropriate because at the date of approval of the annual financial statements, the GMA Board do not believe that there are any material uncertainties related to events or conditions that may cast significant doubt about the ability of the GMA to continue to operate as a going concern.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Board consists of five non-executive members, all of whom are Board Members. The committee meets at least four times per annum. The committee ensures effective communication between the Board, internal audit and the Auditor-General. The Auditor-General and the internal audit have independent access to the Audit and Risk Committee.

The Audit and Risk Committee operates within an approved terms of reference and has discharged its responsibilities for the year, in compliance with its terms of reference.

ANNUAL FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with accounting policies as set out in the Notes to the Annual Financial Statements and are supported by judgements, estimates and assumptions in compliance with GRAP.

The annual financial statements for the year ending 31 March 2024 set out on pages 142 to 191 were approved on 31 May 2024 by the Board and signed on its behalf by the Chairperson of the Board and the Chief Executive Officer of the Gautrain Management Agency.



PROF M NTSOBI

GMA: BOARD CHAIRPERSON



MR T KGOBE

GMA: CHIEF EXECUTIVE OFFICER

AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

1. INTRODUCTION

The GMA Audit and Risk Committee ("the Committee") is a statutory committee of the Board, duly constituted in terms of Section 19 of the GMA Act and Section 77 of the PFMA.

The Committee hereby presents its report for the financial year ended 31 March 2024, as required by Section 37 of the GMA Act, Treasury Regulation 27.1 and King IV.

2. COMPOSITION OF THE COMMITTEE

The Committee comprised four independent non-executive members and was supported by one Board Advisor from the Gauteng Provincial Treasury. Members of the Committee have adequate knowledge and skills to carry out the mandate of the Committee. The Committee Members' experience and qualifications can be found under the section titled "Brief Profiles of Members of the Board".

The term of office of the Committee and the Board Advisor was aligned with the term of office of the Board. The Board and the Committees served their three-year term of office which ended on 31 December 2023.

The new Board was appointed for a three-year term effective 1 January 2024. The Board appointed six new independent non-executive members to the Committee supported by two Board Advisors from the National Treasury and the Gauteng Provincial Treasury. The CEO, CFO, COO, CAE, CIDO, Risk Management Officer, some of the senior executive managers and the external auditors have a standing invitation to all meetings of the Committee. The external and internal auditors were afforded the opportunity to meet Committee members separately. The composition of the former and new Committees and the attendance of meetings are depicted in the tables below:

Table 1: Composition of the former Committee and attendance of meetings

COMPOSITION OF THE FORMER COMMITTEE AND ATTENDANCE OF MEETINGS			
	Member	Position	Attendance of meetings
1 April 2021 to 31 December 2023	Mr Abel Mawela	Chairperson Independent non-executive	5 out of 5
	Dr Prittish Dala	Committee member Independent non-executive	5 out of 5
	Ms Rebone Mabusela-Jonga	Committee member Independent non-executive	5 out of 5
	Mr Saki Zamxaka	Committee member Independent non-executive	5 out of 5
	Ms Tryfina Mokele	Board Advisor (Gauteng Provincial Treasury)	3 out of 5

Table 2: Composition of the new Committee and attendance of meetings

COMPOSITION OF THE NEW COMMITTEE AND ATTENDANCE OF MEETINGS			
	Member	Position	Attendance of Meetings
1 January 2024 to 31 March 2024	Mr Bongisizwe Mpondo	Chairperson Independent non-executive	1 out of 1
	Ms Mamela Luthuli	Committee member Independent non-executive	1 out of 1
	Mr Desmond Golding	Committee member Independent non-executive	1 out of 1
	Ms Lungile Mtiya	Committee member Independent non-executive	1 out of 1
	Ms Tebogo Seale*	Committee member Independent non-executive	0 out of 1
	Ms Ulrike Britton**	Board Advisor (National Treasury)	0 out of 1
	Mr Riaz Sheik**	Board Advisor (Gauteng Provincial Treasury)	0 out of 1

* Appointed 1 January 2024 and resigned effective 31 March 2024

** Appointed by the Board to the Committee on 19 March 2024

3. ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee operates within a formal set of Terms of Reference which are reviewed and approved by the Board annually. The Committee's Terms of Reference for the 2023/24 financial year were reviewed, and no changes were made. The role and responsibilities of the Committee include statutory duties in line with the PFMA. The Board has also assigned additional responsibilities to the Committee in accordance with King IV, including oversight of risk governance, technology and information governance, as well as compliance governance.

During the 2023/24 financial year, the Committee focused on the following areas:

3.1 ANNUAL FINANCIAL STATEMENTS

The Committee considered the appropriateness and accuracy of the annual financial statements. The Committee also considered the appropriateness of accounting policies and practices, the clarity of disclosures, compliance with financial reporting standards, and other relevant financial and governance reporting requirements.

3.2 INTERNAL CONTROL, COMPLIANCE, BUSINESS CONTINUITY AND GOVERNANCE

The Committee reviewed the effectiveness of systems for internal control and financial reporting, and considered major findings of internal investigations into control weaknesses, fraud or misconduct and management's responses. The Committee received regular reports on these matters.

The Committee reviewed reports on the compliance dashboard, legal and regulatory compliance reports, and information and technology reports, including cyber security, digital transformation, implementation of the ICT strategy, ICT projects, business continuity, etc. The Committee is satisfied with the ICT control environment. The implementation principles and recommendations from the King IV Report were also considered.

The Committee monitored the effectiveness of the internal control environment by reviewing reports from Internal Audit, Management and the External Auditor. It also ensured the quality of financial reporting through the examination of the financial statements submitted to the Committee.

3.3 RISK MANAGEMENT

The Committee reviewed the GMA's strategic risks and their impact on achieving the GMA's strategy, assessing the adequacy of controls and the combined assurance provided over identified risks. The GMA's Risk Management Maturity for the 2023/24 financial year was measured at 89%, compared to 88% for the 2022/23 financial year.

3.4 EXTERNAL AUDIT FUNCTION

The Auditor-General South Africa is the external auditor for the GMA. The Committee is responsible for the oversight of the external auditor. The Committee approved the audit strategy and audit fees. The Committee reviewed the findings and recommendations as reported in the 2023/24 Management Letter and considered the audit response plan to the findings. The Committee is satisfied with the independence and effectiveness of the external audit function.

3.5 INTERNAL AUDIT FUNCTION

The Committee considered the independence and evaluated the effectiveness of the internal audit function, assessed the internal audit team, approved the risk-based Internal Audit Plan, and recommended the Internal Audit Charter to the Board for approval. The Committee reviewed the co-operation and co-ordination between the internal audit and external audit functions to avoid unnecessary duplication.

3.6 FINANCE FUNCTION

The Committee assessed the expertise, resources and experience of the Finance function in line with King IV. The Committee is satisfied that the Finance function possesses the appropriate expertise, resources and experience.

The Committee is satisfied that it has fulfilled its statutory requirements as set out in the PFMA, the GMA Act, King IV and the Terms of Reference for the 2023/24 financial year.

4. PERFORMANCE EVALUATION OF THE COMMITTEE

The performance evaluation of the Board and Board Committees is in line with King IV, and is conducted every two years. The Institute of Directors in South Africa (IoDSA) was appointed to facilitate the performance evaluation of the Board and Board Committees for the 2021/22 financial year. The Committee received an overall score of 4.8 out of 5 and no recommendations were made by the facilitator.

The next performance evaluation of the Committee will be conducted during the 2024/25 financial year.

5. FUTURE FOCUS AREAS

The Committee's focus areas for the next reporting period includes:

- 5.1 Continue to assure the integrity of the GMA's annual financial statements and the accounting policies.
- 5.2 Enhance the GMA's risk maturity.
- 5.3 Continue to review, among others, the internal audit function, risk management, compliance and IT control environment.
- 5.4 Review risk and opportunity registers, including a disruption risk register.
- 5.5 Review risks and opportunities associated with the following strategic projects and mandates from the MEC:
 - i) Post-2026 Gautrain Project
 - ii) Close-out of the Concession Agreement
 - iii) Gauteng Rapid Rail Integrated Network Extensions Project
 - iv) Expansion of the GMA Mandate
 - v) Commercialisation

6. CONCLUSION

The Committee concurs and accepts the conclusions and the unqualified audit opinion of the Auditor-General on the annual financial statements for the year ended 31 March 2024.



MR BONGISIZWE MPONDO

CHAIRPERSON: GMA AUDIT AND RISK COMMITTEE

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2024

The Members of the Board have pleasure in presenting their report for the year ended 31 MARCH 2024

GENERAL REVIEW

The GMA has been established in terms of the GMA Act, (Act 5 of 2006), as amended and listed under Schedule 3C of the Public Finance Management Act (Act 1 of 1999), as amended (PFMA), as a Provincial Public Entity and has been operational since 1 January 2009. The overall objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project through the implementation of the Concession Agreement (CA) between the Gauteng Provincial Government and Bombela Concession Company (Pty) Ltd (The Concessionaire).

FINANCIAL OVERVIEW

The financial overview of the GMA is comprehensively disclosed in the annual financial statements.

FINANCIAL RESULTS

The summary of the financial results of the GMA for the year ended 31 MARCH 2024 is detailed in the table below.

Table 3:

SUMMARY OF FINANCIAL RESULTS (R'000)	2024	2023
Total income	426,933	409,191
Total expenditure excluding depreciation and amortisation	466,308	376,764
Total expenditure	1,455,408	1,408,230
Net surplus/ (loss) for the year	(1,028,475)	(999,039)
Net surplus/ (loss) for the year excluding depreciation and amortisation	(39,375)	32,427
Total assets	24,257,293	25,302,269
Total liabilities	1,247,780	1,264,280

GOING CONCERN

The Board has considered all the facts and has reason to believe that the GMA will continue to operate as a going concern in the year ahead.

APPRECIATION

The Board wishes to express its appreciation to all parties who participated and assisted during the year under review, and especially the following:

- i. The Gauteng Provincial Government, MEC Ms Kedibone Diale-Tlabela and the Gauteng Department of Roads and Transport;
- ii. The GMA staff and the Board members for their dedication and commitment;
- iii. Professional Bodies who rendered services to the Board and GMA;
- iv. The media fraternity;
- v. The public in general; and
- vi. The African Union of Public Transport (UATP)

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE GAUTRAIN MANAGEMENT AGENCY

FOR THE YEAR ENDED 31 MARCH 2024

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Gautrain Management Agency set out on pages 142 to 191, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts 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 the Gautrain Management Agency as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) 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.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

LITIGATION AND CONTINGENCIES

7. With reference to note 23.4 to the financial statements, the public entity is defendant in land dispute claims raised by property owners on the valuation of their expropriated land. The ultimate outcome of these matters could not be presently determined and no provision for any of liability that may result was made in the financial statements.

COMMITMENTS

Patronage guarantee

8. With reference to notes 10.2 and 23.1 to the financial statements, the public entity in terms of the concession agreement, pays the operator, Bombela Concession Company, a patronage guarantee should actual revenue collected be below the minimum required total revenue as specified in the concession agreement. During the 2023-24 financial year, the public entity paid the operator R2 790 443 000 (2022-23: R2 371 508 000) in the form of a patronage guarantee due to the actual revenue and ridership being significantly below the minimum required total revenue projections.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the 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.
10. 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

11. 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.

12. 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 pages 140 - 141, forms part of my auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

13. 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 material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
14. I selected the following material performance indicators related to Outcome 1: To ensure a reliable, efficient, affordable and sustainable rail service through maintaining a high level of excellence in all performance related matters presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
- Average number of quarterly rail passengers (annualised)
 - Number of activities undertaken in accordance with the Marketing Plan
 - Average number of quarterly bus passengers (annualised)
 - Identify and implement possible capacity system improvements and interventions on the existing Gautrain network
 - Number of monitoring events by the GMA of the Concessionaire on all capacity increase obligations set by the CA or by Variation Notice
15. I evaluated the reported performance information for the selected material performance indicators 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.
16. 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
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
18. I did not identify any material findings on the reported performance information for the selected indicators.

REPORT ON COMPLIANCE WITH LEGISLATION

19. 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.
20. 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.
21. 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.
22. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

23. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in outcome presented in the annual performance report that have been specifically reported on in this auditor's report.
24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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.
25. 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 material indicators in the scoped-in outcome presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this 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

27. 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.
28. I did not identify any significant deficiencies in internal control.

Johannesburg
31 July 2024



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 SCEPTICISM

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 material performance indicators 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 a 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); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(4)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a) 16A6.2(b); Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; Regulation 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
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 Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
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(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Paragraph 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Paragraph 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Paragraph 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024 R '000	2023 R '000
ASSETS			
Current assets			
		914,408	1,015,616
Cash and cash equivalents	2	893,665	982,913
Receivables (Exchange transactions)	3.1	20,743	32,703
Non-current assets			
		23,342,884	24,286,653
Property, plant and equipment	4	23,336,565	24,280,479
Heritage assets	5	3,295	3,295
Intangible assets	6	1	1
Receivables (Exchange transactions)	3.2	3,023	2,878
TOTAL ASSETS		24,257,293	25,302,269
LIABILITIES			
Current liabilities			
		1,159,476	1,183,448
Payables (Exchange transactions)	7	339,534	286,651
Finance lease liability	8	1,068	1,134
Obligations arising from restricted SIP funds	9	20,735	20,166
Obligations arising from restricted Project funds	10	553,338	804,292
Other liabilities (Exchange transactions)	13	239,367	65,772
Provisions	11	5,433	5,433
Non-Current Liabilities			
		88,304	80,833
Finance lease liability	8	427	299
Obligations arising from restricted Concessionaire funds	12	87,877	80,534
TOTAL LIABILITIES		1,247,780	1,264,280
Accumulated surplus/(Deficit)		23,009,513	24,037,989
TOTAL NET ASSETS AND LAIBILITIES		24,257,293	25,302,26

STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2024

		2024 R '000	2023 R '000
REVENUE			
Revenue from non-exchange transactions	14.	302,332	336,846
Government grants		302,332	336,846
Revenue from exchange transactions	15.	124,601	72,345
Finance income		60,269	50,543
Licences and Permits		23,981	17,345
Other income		40,351	4,458
TOTAL REVENUE		426,933	409,191
EXPENDITURE			
Board and committee member remuneration	16.	2,357	1,801
Employee costs	17 & 18	240,032	194,679
Depreciation	19.	989,100	1,031,466
Finance costs	25.	164	154
GMA Operational expenditure	20.0	209,061	169,563
DLTC Expenses	20.1	14,693	10,568
NET SURPLUS/ (DEFICIT) FOR THE YEAR		(1,028,475)	(999,039)

STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED 31 MARCH 2024

	Accumulated Surplus/ (Deficit) R '000	Total Amount R '000
Balance as at 31 March 2023	24,037,988	24,037,988
Net surplus/ (loss) for the year	(1,028,475)	(1,028,475)
Balance as at 31 MARCH 2024	23,009,513	23,009,513

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Notes	2024 R '000	2023 R '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2,851,256	2,918,589
Grant income		2,506,958	2,657,566
Interest received		77,951	53,627
Operating period penalty income		210	1,376
Net Performance Reserve account receipts		4,186	5,343
Other income		93,434	200,556
Other Income (DRT)		144,879	-
Insurance claim GMA		23,638	121
Payments		(2,933,868)	(2,926,165)
Project expenditure		(2,510,988)	(2,550,449)
Board and committee member remuneration		(2,295)	(1,389)
Employee and related costs		(227,992)	(188,210)
External audit fees		(3,850)	(3,494)
SIP expenditure		(1,221)	(290)
Operating expenditure		(187,521)	(182,333)
Net cash from operating activities	21.	(82,612)	(7,576)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(5,031)	(12,218)
Acquisition of intangible assets		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(1,605)	(1,066)
Net increase(Decrease) in cash and cash equivalents		(89,248)	(20,860)
Cash and cash equivalents at beginning of the year		982,912	1,003,774
Cash and cash equivalents at end of the year		893,665	982,912

Included in the Cash Flow Statement is the GMA operational revenue and expenditure per Statement of Financial Performance and restricted revenue and expenditure per note 9, 10 & 12 on a cash basis.

GAUTRAIN MANAGEMENT AGENCY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Note: The GMA adopted a cash basis of accounting for the preparation of the approved budget, whilst the financial statements are prepared on an accrual basis of accounting.

	APPROVED BUDGET 2023 / 24 R '000	REVISED BUDGET 2023 / 24 R '000	ACTUAL AMOUNTS ON A COMPARABLE BASIS 2023 / 24 R '000	FUNDS FROM PRIOR PERIOD AND OTHER INCOME 2023 / 24 R '000	DIFFERENCE BETWEEN REVISED BUDGET, FUNDS FROM PRIOR PERIOD AND ACTUAL AMOUNTS 2023 / 24 R '000
Final budget appropriation	2,506,958	3,520,970	3,520,970	972,590	-
Approved budget	2,506,958	2,506,958	2,506,958	-	-
Funds from previous year	-	6,255	6,255	6,255	-
Other income - RUF & Other	-	957,939	957,939	916,517	-
Other income - DLTC	-	33,436	33,436	33,436	-
Other Income - (Interest income, PLTC, Sales & rental)	-	16,382	16,382	16,382	-
Payments	2,506,958	2,506,958	2,932,035	447,034	21,957
Project expenditure	2,136,307	2,136,307	2,481,373	348,286	3,220
Construction costs	-	-	-	-	-
Land costs	-	-	-	-	-
Operating payment/ Patronage guarantee	2,001,179	2,001,179	2,349,465	348,286	(0)
Operating period variations	87,822	87,822	100,496	-	(12,673)
System improvements	47,306	47,306	31,412	-	15,894
Operating and support costs	370,651	370,651	450,662	98,748	18,737
DLTC - Expenditure	-	-	-	15,936	15,936
Operating expenditure	303,470	303,470	334,697	4,373	(26,853)
GMA capex costs	3,150	3,150	5,031	-	(1,881)
Specialised technical services	41,788	41,788	71,120	33,677	4,344
Legal and additional commercial costs	19,349	19,349	36,882	44,761	27,229
Independent monitor costs	2,894	2,894	2,933	-	(39)
Net receipts/ Budget surplus	-	-	-	447,034*	21,957

22.

* R 447,0 million was spent from funds from the previous year and other income for Patronage Guarantee and other expenses in the current year.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.1 PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS**GENERAL INFORMATION**

The GMA has been established in terms of the GMA Act, (Act 5 of 2006), as amended and listed under Schedule 3C of the Public Finance Management Act (Act 1 of 1999), as amended (PFMA), as a Provincial Public Entity and has been operational since 1 January 2009. The overall objective of the GMA is to manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project through the implementation of the Concession Agreement (CA) between the Gauteng Provincial Government and Bombela Concession Company (Pty) Ltd (The Concessionaire).

BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the prescribed standards of Generally Recognised Accounting Practice (GRAP), including any directives, interpretations and guidelines issued by the Accounting Standards Board (ASB), and in accordance with the PFMA. The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below. Assets, liabilities, revenues and expenses have not been off-set except where off-setting is required or permitted by a Standard of GRAP. The accounting policies have been applied consistently in all material aspects, unless otherwise indicated. The details of any changes are explained in the relevant policy notes.

Additional information has been disclosed to enhance the usefulness of the annual financial statements and to comply with the relevant legislative requirements of the PFMA.

The Cash Flow Statement is prepared on the direct cost method.

USE OF ESTIMATES AND SIGNIFICANT JUDGEMENTS

The preparation of the annual financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions in the process of applying the accounting policies and in reporting assets, liabilities, income and expenses. These judgements, estimates and assumptions affect the amounts represented in the annual financial statements and related disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future financial periods affected.

Significant areas of estimation, complexity and critical judgements in applying accounting policies that have a material effect on the amounts recognised or disclosed in the annual financial statements are:

- **Capitalisation of the Gautrain System assets (GRAP 17, 31 & 103)**

The Concession Agreement is entered between the Gauteng Provincial Government and Bombela Concession Company (Pty) Ltd and establishes a Public-Private Partnership. Bombela Concession Company (Pty) Ltd has a mandate to operate and maintain the Gautrain System during the operational phase of the Concession Agreement using the Gautrain System assets. These assets must be returned to the GMA in a predetermined condition at the end of the Concession Agreement. Complexity and critical accounting judgement is used in applying the recognition criteria of an asset, when capitalising and componentising the Gautrain System assets.

- **Infrastructure assets (GRAP 17, 31 & 103)**

The infrastructure components' fair value was determined by allocating the total cost to the components using bench mark engineering principles to ensure a fair and accurate cost distribution based on a depreciable replacement value. The total cost of infrastructure assets was determined using actual payments made during the construction of the Gautrain System assets. The cost was adjusted by construction indices until the take-on date of receiving the assets.

The condition of the asset components was assessed upon transfer to determine if an impairment event existed which may affect the transfer value. The evaluation is of a subjective nature and thus it was performed by an expert in the rail industry.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.1 Presentation of the Annual Financial Statements (continued)

The estimated useful lives and residual values are reviewed, taking cognisance of the forecasted commercial and economic realities and benchmarking of accounting treatments in the specific industries where these assets are used.

- **Land and servitudes (GRAP 17, 31 & 103)**

GMA only has the right of use of the land acquired to enable construction and to operate the system. The ownership of the land resides with the Gauteng Provincial Government. Management applied significant judgement and estimation to measure the right of use. Land acquired to enable construction of the infrastructure assets is carried at a nominal value.

Management applied significant judgement and estimation to measure servitudes. Servitudes are recognised by the GMA at a nominal value of R1 per servitude.

- **Useful lives and residual values (GRAP 17, 31 & 103)**

Significant judgement is used in estimating the period over which an asset is expected to be available for use by the GMA and its residual value. 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, expected future use and the entity's expectations about the 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.

Residual values for Busses are estimated at 10% of their total cost.

- **Provisions (GRAP 19)**

The amount recognised as a provision is the present value of the best estimate of the expenditure required to settle the present obligation at balance sheet date.

- **Impairment of receivables (GRAP 104)**

Significant judgement is used in estimating the impairment of receivables based on past payment history, risk profile, credit reputation and market information.

- **Segment reporting (GRAP 18)**

Significant judgement is used in identifying service and geographical segments of the GMA.

PRESENTATION CURRENCY

The annual financial statements are presented in South African Rand (ZAR), which is the GMA's functional currency. All financial information presented in South African Rand has been rounded to the nearest thousand, (R'000).

Transactions in currencies other than the GMA's reporting currency are initially recorded at the exchange rate applicable on the date of the transactions. Gains and losses arising from the settlement of such transactions are recognised in the Statement of Financial Performance, or disclosed in the disclosure notes to the annual financial statements if they relate to ring-fenced Project activities.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling on the date of the Statement of Financial Position. Unrealised differences on monetary assets and liabilities are recognised in the Statement of Financial Performance in the period occurred.

Any foreign exchange variance incurred during the year relating exclusively to Schedule 12 Milestones (Schedule of General Milestones and Key Milestones), as defined in the Concession Agreement, certified for payment are recognised in the Statement of Financial Position at year end as an asset or liability, and are disclosed in the disclosure notes to the annual financial statements.

COMPARATIVE INFORMATION

- **Current year comparatives (Budget)**

Budget information in accordance with GRAP 1 and 24, has been provided in these annual financial statements.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.1 Presentation of the Annual Financial Statements *(continued)*

- **Prior year comparatives**

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

GOING CONCERN ASSUMPTION

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

1.2 PROPERTY, PLANT AND EQUIPMENT**RECOGNITION & MEASUREMENT**

The policies for property, plant and equipment is applicable to property, plant and equipment managed by the Concessionaire under the Concession Agreement.

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

- It is probable that future economic benefits associated with the item will flow to the GMA; and
- The cost of the item can be reliably measured.

All items of property, plant and equipment that qualify for recognition as assets are measured at 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 acquisition.

Costs for acquired assets include:

- The items purchase price, including import duties and non-refundable taxes, after deducting any trade discounts and rebates;
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner as intended by management;
- The initial estimates of the costs of dismantling and removing the item and restoring the site on which it is located, for which the GMA incurs this obligation either when the item is acquired or as a consequence of having used the item during a particular period.

The cost of self-constructed assets is determined using the same principles as those applied for an acquired asset and includes the cost of materials, direct labour and other resources incurred in constructing the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and an initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of related equipment is included in the cost of the related equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life. Property, plant and equipment is depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and depreciated separately.

Items of capital work-in-progress are measured at cost less impairment losses. The cost of capital work-in-progress assets includes costs of material, direct labour and any other costs directly attributable to bringing the asset to a condition where it is ready for its intended use. Capital work-in-progress is ready for its intended use once a hand over certificate is issued, and at this point capital work-in-progress is recognised as an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the GMA and the cost of the item can be reliably measured.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.2 PROPERTY, PLANT AND EQUIPMENT *(continued)*

All other costs such as day-to-day servicing and small parts are treated as repairs and maintenance and are expensed to the Statement of Financial Performance during the financial period in which they are incurred.

The depreciation charge for each period is recognised in the Statement of Financial Performance unless it is included in the carrying amount of another asset.

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

Item	Average useful life
Gautrain System assets	
• Land	Infinite
• Infrastructure assets	5-100 years
• Plant and equipment	10-35 years
• Rolling stock	35 years
• Buses	15 years
• Commercial Assets	30 years
GMA Assets	
• Motor vehicles	5-8 years
• Office equipment	5-12 years
• Computer equipment	3-9 years
• Furniture & fittings	5-12 years
• Lease improvements	Over the period of the lease
• Lease assets	Over the period of the lease

Leasehold improvements on premises occupied under operating leases are written off over their expected useful lives or, where shorter, the term of the lease.

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The useful lives of assets are based on management's estimation.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the Statement of Financial Performance when the item is derecognised.

IMPAIRMENT

The GMA assesses at each reporting date whether there is indication that any item of property, plant and equipment may be impaired. If such an indication exists, the GMA estimates the recoverable service amount of the asset. In assessing whether there is any indication that an asset may be impaired, the GMA considers both external and internal sources of information.

The recoverable service amount is the higher of the asset's fair value less costs to sell, and its value in use. Value in use is the present value of the asset's remaining service potential. If either of these amounts exceeds the asset's carrying value, the asset is not impaired, and it is not necessary to determine the other amount.

If the asset's carrying value exceeds its recoverable service amount, the asset is impaired. The carrying amount of the asset is then reduced to its recoverable service amount and this reduction is the impairment loss which is charged as an expense to the Statement of Financial Performance.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.2 PROPERTY, PLANT AND EQUIPMENT *(continued)***REVERSAL OF IMPAIRMENT**

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

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for an asset is recognised immediately in the Statement of Financial Performance.

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

DERECOGNITION

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised in the Statement of Financial Performance when the item is derecognised.

1.3 HERITAGE ASSETS

Heritage assets are culturally significant resources. Heritage assets are measured at cost. Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

After recognition as an asset, a class of heritage assets shall be carried at its cost less any accumulated impairment losses.

A heritage asset shall not be depreciated but GMA shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, GMA shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

1.4 INTANGIBLE ASSETS**INITIAL RECOGNITION & MEASUREMENT**

Intangible assets are classified as non-monetary assets without physical substance and are only recognised when:

- It is probable that future economic benefits or service potential associated with the asset will flow to the GMA; and
- The cost or fair value of the asset can be reliably measured.

For those intangible assets with a definite useful life:

- Amortisation is recognised in the Statement of Financial Performance and is calculated on a straight line basis over the estimated useful life of each part of the intangible asset;
- Amortisation is determined from the date the intangible asset is available for use.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by GMA for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Initial expenditure incurred is recognised and capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure is recognised in the Statement of Financial Performance as an expense when it is incurred.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.4 INTANGIBLE ASSETS *(continued)*

All intangible assets of the GMA have been capitalised on the basis of the costs incurred in order to acquire and bring the assets into use.

SUBSEQUENT EXPENDITURE

Subsequent expenditure on capitalised intangible assets is recognised and capitalised only when the costs incurred increase the future economic benefits embodied in the specific asset to which it relates.

All other subsequent expenditure is recognised in the Statement of Financial Performance as an expense when it is incurred.

AMORTISATION

All items of intangible assets are measured at historic cost less accumulated amortisation and accumulated impairment losses.

The range of estimated useful lives are as follows:

Gautrain System assets	
• Servitudes	Infinite
GMA assets	
• Computer software	2-8 years
• Computer licenses	Over the period of the license

Amortisation methods and useful lives are reassessed annually and adjusted if necessary at the end of each reporting period.

Amortisation is recognised in the Statement of Financial Performance on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use.

IMPAIRMENT

Intangible assets are tested annually for impairment by comparing the carrying amount with the recoverable service amount of the intangible asset.

If the intangible asset's carrying value exceeds its recoverable service amount, the intangible asset is impaired. The carrying amount of the asset must be reduced to its recoverable service amount, and this reduction is the impairment loss which is charged as an expense to the Statement of Financial Performance.

REVERSAL OF IMPAIRMENT

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

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for an asset is recognised immediately in the Statement of Financial Performance.

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.4 INTANGIBLE ASSETS *(continued)***DERECOGNITION:**

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use.

The gain or loss arising from the derecognition of an intangible asset is determined by comparing the proceeds from disposal with the carrying amount of the intangible asset, and is recognised in the Statement of Financial Performance when the item is derecognised.

1.5 PROVISIONS AND OTHER LIABILITIES

A provision is a liability of uncertain timing or amount.

Provisions are recognised as liabilities when the GMA has a present legal or constructive obligation as a result of a past event, for which 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 amount of the obligation.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date. The best estimate is determined by management's judgement, supplemented by experience of similar transactions and in some instances reports from independent experts.

1.6 OBLIGATIONS ARISING FROM RESTRICTED FUNDS

Liabilities are present obligations of the GMA arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits or service potential.

OBLIGATIONS ARISING FROM RESTRICTED PROJECT FUNDS

Financial transactions relating directly to the Project do not impact on the Statement of Financial Performance. Government funding received for the project is ring-fenced and applied solely to Project expenditure incurred. This is due to the fact that the GMA cannot benefit from these funds in pursuit of its objectives. Financial transactions relating to the project are disclosed in the notes to the annual financial statements under 'Obligations arising from restricted project funds'.

All government funding received for the project is requested from Gauteng Provincial Treasury based on management's best estimate of Project disbursements to be incurred for the period. To the extent that funding received is in excess of project expenditure actually incurred for the year under review, it is classified as income received in advance of obligations yet to be incurred and recognised in the Statement of Financial Position as a liability.

OBLIGATIONS ARISING FROM RESTRICTED SIP FUNDS

Over the duration of the Development Period, until the contractual Anticipated Completion Date of Phase 2 (March 2011), the Concessionaire made a series of Social Investment Programme (SIP) contributions to the SIP Fund Account held by the GMA, thereby fulfilling its SIP obligations in terms of amended SED 07, Schedule 22 of the Concession Agreement. These funds have been earmarked for social investment spend by the GMA on projects approved by the Gautrain Political Committee, with an additional focus on funds for education in the science and engineering fields.

OBLIGATIONS ARISING FROM RESTRICTED PERFORMANCE RESERVE ACCOUNT (PRA) FUNDS

The Performance Reserve account (PRA) is funded by the Concessionaire. This account has become fully operational after OCD 2. The purpose of this account is to provide a funding mechanism for performance deductions (penalties) imposed on the Concessionaire for performance below the pre-defined performance measures specified in the Concession Agreement.

After OCD 2, the Concessionaire has paid all actual total revenue earned into the account until the prescribed balance was reached. All funds in excess of the prescribed balance are withdrawn by the Concessionaire, through the issue of an invoice to the GMA for payment of the excess amount. Only the prescribed balance is maintained in the PRA for the monthly withdrawal by the GMA of performance deductions imposed on the Concessionaire after OCD 2. The funds in this account are ring-fenced, as no other payments from or to the PRA are allowed, except as permitted by and in accordance with the Concession Agreement and as summarised above.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.6 OBLIGATIONS ARISING FROM RESTRICTED FUNDS *(continued)***OBLIGATIONS ARISING FROM RESTRICTED INSURANCE PROCEEDS ACCOUNT**

The Insurance Proceeds account is used for the receipt of insurance proceeds to the Concessionaire as a result of successful insurance claims for damages to the Gautrain System assets pursuant to Schedule 18 of the Concession Agreement. The insurance claims are then paid to the Concessionaire from this account after deducting GMA's share of the insurance claim. These funds are restricted, as no other payments from or to the Insurance Proceeds account are allowed, except as permitted by and in accordance with the Concession Agreement.

1.7 FINANCE LEASES**RECOGNITION**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the GMA through the lease agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

MEASUREMENT

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured at initial recognition at the lower of the fair value of the assets and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

DERECOGNITION

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

1.8 COLLABORATION PROJECT FUNDS

The GMA approached the Development Bank of Southern Africa to render support to the GMA to strengthen its expertise in financial structuring, transport economics and planning as well as demand and financial model review.

The Development Bank of Southern Africa has opened a dedicated interest bearing bank account in this regard. The bank account is funded by both parties in terms of the agreement and the funds are utilised to procure expert service providers. Unutilised funds at year end are recognised in the Statement of Financial Position.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.9 CONTINGENCIES AND COMMITMENTS

The GMA does not recognise a contingent liability. A contingent liability is disclosed in the notes to the annual financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

A contingent liability is:

- A possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the GMA; or
- A present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits; or service potential will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Transactions are classified as commitments where the GMA commits itself to future transactions.

1.10 REVENUE (Non-Exchange Transactions)**GOVERNMENT GRANTS**

Government grants comprise gross inflows of economic benefits, and are recognised as revenue when it is probable that future economic benefits will flow to the GMA and the fair value of those benefits can be reliably measured. Grants are recognised when there is reasonable assurance that they will be received, or when there is legal obligation for the grant to be paid and only to the extent that the GMA has complied with any of the stipulations or conditions, if any, attached to the grant. The GMA receives its grant from the Provincial Revenue Fund.

The portion of grant funding received, over which the GMA exercises control and discretion, or from which the GMA benefits in the pursuit of its objectives in managing the Concession Agreement and overseeing its operations, is recognised as revenue in the Statement of Financial Performance in the same period in which the GMA qualifies to receive the grant.

1.11 REVENUE (Exchange Transactions)

Revenue from exchange transactions is recognised on the accrual basis of accounting when it is probable that future economic benefits will flow to the GMA and those benefits can be reliably measured.

FINANCE INCOME

Finance income is recognised as it accrues, in the Statement of Financial Performance on a time proportionate basis using the effective interest rate method.

Finance income comprises of interest income on funds invested.

OTHER INCOME

Other income is recognised on the accrual basis when it is probable that future economic benefits will flow to the GMA and these benefits can be reliably measured.

1.12 FINANCE EXPENSES

All finance costs are recognised in the Statement of Financial Performance using the effective interest rate method.

1.13 EMPLOYEE BENEFITS**SHORT-TERM EMPLOYEE BENEFITS**

Short-term employee benefits are benefits that are to be paid by the GMA within 12 months after the reporting date and are presented on an undiscounted basis. Short-term employee benefits in the GMA include salaries, pension contributions, bonuses and short-term compensated absences such as paid annual leave and paid sick leave.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.13 EMPLOYEE BENEFITS *(continued)***RECOGNITION AND MEASUREMENT**

When an employee has rendered services to the GMA during the reporting period, the GMA 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 GMA recognises the excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund to the GMA; and
- As an expense in the Statement of Financial Performance.

SHORT-TERM COMPENSATED ABSENCES

- Accumulating compensated absences e.g. annual leave, are those that are carried forward and can be used in future periods if the current period's entitlement is not used in full. The GMA recognises the expected cost of such absences when employees render services that increases their entitlement to future compensated absences. Accumulated compensated absences are vesting, in that employees are entitled to a cash payment for unused leave entitlement on leaving the GMA.

The GMA measures the expected cost of accumulating compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

- Non-accumulating compensated absences e.g. sick leave, do not carry forward, they lapse if the current reporting period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the GMA. The GMA recognises no liability or expense until the time of the absence, because employee service does not increase the amount of the benefit.

BONUS, INCENTIVE AND PERFORMANCE RELATED PAYMENTS

- The GMA recognises a liability and an expense for the expected cost of bonus, incentive and performance related payments when it has a present legal or constructive obligation to make such payments as a result of past events; and a reliable estimate of the obligation can be made.

POST EMPLOYMENT BENEFITS: DEFINED CONTRIBUTION PLAN**RECOGNITION AND MEASUREMENT**

When an employee has rendered services to the GMA during a reporting period, the GMA shall recognise 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 reporting date, the GMA shall recognise 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 in the Statement of Financial Performance.

1.14 OPERATING LEASES

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

Lease payments under an operating lease shall be recognised as an expense in the Statement of Financial Performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease payments.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.14 OPERATING LEASES *(continued)*

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the entity's right to the underlying cash flows expire or the entity no longer expects economic benefits to flow from the operating lease asset.

1.15 IRREGULAR EXPENDITURE

Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention of, or not in accordance with the GMA Supply Chain Management Policy, the PFMA, the National Treasury Regulations, the PPPFA, State Tender Board Act or any other applicable legislation providing for procurement procedures. Such expenditure is accounted for in the Statement of Financial Performance. Where recoverable and not condoned by the relevant authority, it is treated as an asset until it is recovered or written off as irrecoverable.

1.16 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is defined as expenditure that was made in vain and would have been avoided had reasonable care been exercised. Such expenditure is accounted for as expenditure in the Statement of Financial Performance and where recoverable treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

1.17 TAXES AND LEVIES

The GMA accounts for PAYE tax, deducted from employee salaries and paid over to SARS. If any other taxes or levies are required by law, then these will be collected on behalf of the government or other party in an agency capacity and would not be accounted for as revenue in the annual financial statements of the GMA.

1.18 TAXATION

The GMA's income is exempt from taxation in terms of Section 10 (1)(cA) of the Income Tax Act.

1.19 RELATED PARTIES

A related party to the GMA is a person or entity with the ability to control or jointly control the GMA, or exercise significant influence over the GMA and vice versa, or an entity that is subject to common control, or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the GMA, but is not in control over those policies. A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

An entity that is a member of the Gauteng Provincial Government and is under common control of the Gauteng Provincial Legislature is related to the GMA. However, only transactions and balances of the same GMA will be disclosed.

In respect of entities, other government entities or appointed members of the government, only transactions and balances under the Executive Authority of the MEC of Gauteng Department of Roads and Transport are disclosed. The Gauteng Department of Roads and Transport, and its entities have been identified as entities of the same GMA.

In respect of persons, a member of management of the GMA, is regarded as a related party of the GMA. Management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the GMA, including all members of the governing body of the GMA, key advisors of the governing body with the authority and responsibility for planning, directing and controlling the activities of the GMA, and the senior management team of the GMA, including the Chief Executive Officer.

If the GMA has been party to any related party transactions during the reporting period covered by the annual financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, in order to enable users to understand the potential effect of the relationship on the financial statements. Only transactions not at arm's length are disclosed and materiality is considered in terms of the disclosure of these transactions.

The GMA shall disclose the remuneration of management per person and in aggregate, for each class of management.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.19 RELATED PARTIES *(continued)***1.20 SUBSEQUENT EVENTS**

Events after the reporting date are those events both favourable and unfavourable that occur between the reporting date and the date when the annual financial statements are authorised for issue, and are treated as follows:

- The GMA shall adjust the amounts recognised in its annual financial statements to reflect adjusting events after the reporting date for those events that provide evidence of conditions that existed at the reporting date, and
- The GMA shall not adjust the amounts recognised in its annual financial statements to reflect non-adjusting events after the reporting date for those events that are indicative of conditions that arose after the reporting date.

1.21 BUDGET INFORMATION

The GMA includes an additional financial statement on comparison of budget amounts and actual amounts arising from the execution of the Budget in its annual financial statements, together with disclosure of the reasons for material differences between the approved budget, final budget and actual amounts. This reporting disclosure assists the GMA to discharge its accountability obligations and enhances the transparency of the annual financial statements, by demonstrating compliance with the approved budget for the financial year, for which the GMA is held publicly accountable.

The Statement of Comparison of Budget and Actual Amounts presents separately, for each level of governance oversight, the approved and final budget amounts and the actual amounts on a comparable basis to the budget. The budget adopts a cash basis of accounting, whilst the annual financial statements are prepared on the accrual basis of accounting. In order to assist users in understanding the application of the budget, the GMA includes a separate reconciliation of actual amounts on a comparable basis to the budget, to the actual amounts in the annual financial statements (net surplus in the Statement of Financial Performance). The GMA is committed to expend funds and operate within the limits of its approved budget allocation.

1.22 SEGMENT REPORTING

A segment is an activity of the GMA that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity as well as in assessing its performance and for which separate financial information is available.

The GMA shall report separately information about each segment that has been identified.

1.23 FINANCIAL INSTRUMENTS

Financial instruments comprise cash and cash equivalents, other receivables, liabilities (accruals) and other payables.

INITIAL RECOGNITION

The GMA recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the GMA becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

GMA classifies a financial instrument, or its component parts, on initial recognition as a financial liability, a financial asset or residual interest in accordance with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset and a residual interest.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

INITIAL MEASUREMENT

When a financial instrument is recognised, the GMA measures it initially at its fair value plus, in the case of a 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.23 FINANCIAL INSTRUMENTS *(continued)***SUBSEQUENT MEASUREMENT**

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; and
- Financial instruments at cost.

DERECOGNITION

A financial asset is derecognised at trade date, when:

- The cash flows from the asset expire, are settled or waived;
 - a. Significant risks and rewards are transferred to another party; or
 - b. Despite having retained significant risks and rewards, the GMA has transferred control of the asset to another entity.
- A financial liability is derecognised when the obligation has ceased. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

GAINS AND LOSSES

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in Statement of Financial Performance.

OFFSETTING

The GMA does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

IMPAIRMENT

All financial assets measured at amortised cost, fair value or cost, are subject to an impairment review. The GMA 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 HELD AT AMORTISED COST:

The GMA first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the GMA determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

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 i.e. the effective interest rate computed at initial recognition. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised as an expense in the Statement of Financial Performance.

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 (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall 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 the reversal is recognised in the Statement of Financial Performance.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.23 FINANCIAL INSTRUMENTS *(continued)***FINANCIAL ASSETS HELD 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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recognised at fair value.

Cash and cash equivalents comprise cash at the bank including deposits held at call with banks. These are short-term, highly liquid investments, readily convertible into known amounts of cash, held with registered banking institutions, 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 at the bank including deposits held on call with banks.

RECEIVABLES

Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

A provision for impairment of receivables is made when there is objective evidence that the GMA will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of any debtor, probability that the debtor will be bankrupt or under financial administration, and default or delinquency in payments, are considered indicators that the receivable is impaired, and that a provision should be raised.

The provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted using the effective interest rate and is recognised in the Statement of Financial Performance. Uncollectable debts are written off against the provision. Subsequent recoveries of amounts previously written off are recognised in the Statement of Financial Performance.

PAYABLES

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

1.24 FINANCIAL RISK MANAGEMENT

The entities activities expose it to the following risks:

- Credit risk;
- Liquidity risk; and
- Market risk.

The GMA Board has overall responsibility for the establishment and oversight of the GMA's Risk Management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the GMA's risk management policies. The Committee reports regularly to the Board on its activities. The GMA's risk management policies and systems are established to identify and analyse the risks faced by the GMA, 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 GMA's activities. The GMA has a fundamental objective in maintaining a disciplined and constructive control environment in which all appointed officials understand their roles and obligations in relation to the GMA's overall risk management framework, policy, systems and processes.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.24 FINANCIAL RISK MANAGEMENT *(continued)*

This policy presents information about the GMA's exposure to each of the above risks, the GMA's objectives, policies and processes for measuring and managing risk and the GMA's management of capital, assets and liabilities. Further quantitative disclosures are included in the Notes to the annual financial statements.

(A) CREDIT RISK

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as committed transactions. Banks and financial institutions with an acceptable independent rating are accepted.

(i) Deposits

The GMA limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable independent credit rating. Management does not expect any counterparty to fail to meet its obligations with regards to the GMA deposits.

(B) LIQUIDITY RISK

Cash flow forecasting is performed on a monthly basis. This rolling forecast is monitored for liquidity requirements to ensure the GMA has sufficient cash to meet the Project's monthly financial obligations as they fall due. Surplus cash held is invested in an interest bearing current account.

(C) MARKET RISK

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The GMA ensures that it reviews its cash management strategies to ensure finance income is maximised.

(i) Foreign Exchange Risks

In terms of the Schedule 12 Milestone payments, the GMA is not exposed to any foreign exchange risk, as National Treasury has accepted full responsibility for foreign exchange variances that the Gautrain Project is exposed to on the translation effect of the foreign denominated components, Euro and Pound, of payments certified.

(ii) Price Risks

The GMA does not hold equity security and is therefore not exposed to equity security price risk. The GMA is also not exposed to any commodity price risk.

(iii) Interest Rate Risks

As the GMA has no significant interest-bearing assets, the GMA's income and operating cash flows are substantially independent of changes in market interest rates.

1.25 ACCOUNTING BY PRINCIPALS AND AGENTS (GRAP 109)**(a) Identification whether an entity is a principal or an agent**

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).

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

(b) Binding arrangement

The GMA 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1.25 ACCOUNTING BY PRINCIPALS AND AGENTS (GRAP 109) (continued)**(c) Assessing which entity benefits from the transactions with third parties**

When the GMA 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 GMA concludes that it is not the agent, then it is the principal in the transactions. The GMA is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- (1) It does not have the power to determine the significant terms and conditions of the transaction.
- (2) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (3) It is not exposed to variability in the results of the transaction. Where the GMA 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 GMA applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the GMA is an agent.

(d) Recognition

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

1.26 NEW STANDARDS AND INTERPRETATIONS**(A) Early adoption of Standards and Interpretations: Approved but not effective in the current year**

None

(B) New Standards and Interpretations: Approved but not effective in the current year

The impact of this is currently being assessed by management.

Standards of GRAP	Details of the amendment to the Standards and the anticipated impact thereof	Financial Period
GRAP 1: Presentation on Financial Statements	The new standard amendments prescribe what events or conditions may management consider when assessing going concern and material uncertainties The impact of this is currently being assessed by management.	No effective date
GRAP 103: Heritage Assets	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Heritage Assets.	No effective date
GRAP 104: Financial Instruments	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing financial instruments.	No effective date
GRAP 105: Transfer of Functions Between Entities Under Common Control	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Transfer of Functions Between Entities Under Common Control.	No effective date
GRAP 106: Transfer of Functions Between Entities Not Under Common Control	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Transfer of Functions Between Entities Not Under Common Control.	No effective date
GRAP 107: Mergers	The new standard amendments prescribe the principles for recognising, measuring, presenting and disclosing Mergers.	No effective date

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. CASH AND CASH EQUIVALENTS**2. CASH AND CASH EQUIVALENTS**

	2024 R '000	2023 R '000
Bank - Current account	785,777	882,791
Social Investment Programme funds	20,673	20,130
Performance Reserve Account funds	86,786	79,594
Insurance Proceeds account	429	398
TOTAL	893,665	982,913

Cash and cash equivalents consists of all cash balances of the GMA's various bank accounts held with Absa Bank Limited.

There are restrictions on the SIP Funds Account, Performance Reserve Account Funds and the Insurance Proceeds Account Funds. Please refer to 1.6 in the accounting policy for more detail.

3. RECEIVABLES (EXCHANGE TRANSACTIONS)**3.1 RECEIVABLES (EXCHANGE TRANSACTIONS) - CURRENT ASSETS**

	2024 R '000	2023 R '000
Accrued income	5,394	15,654
Accrued interest income	3,730	13,667
Accrued interest income - SIP funds	146	108
Accrued bus savings	368	1,041
Accrued interest on bus savings	1,149	839
Other receivables	11,515	12,679
TAG receivable	8,360	7,273
DRT receivable	119	2,211
G-Fleet receivable	1,430	-
DLTC Receivable	94	211
Collaboration project funds - DBSA	1,512	2,985
Prepayments	1,852	1,898
Operating expenditure	1,852	1,898
Operating lease		
Operating lease	1,983	2,471
TOTAL	20,743	32,703

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. CASH AND CASH EQUIVALENTS**3.1 Receivables (Exchange Transactions) - Current assets** *(continued)***Operating lease**

Reconciliation - Movement during the year:

Opening balance

Movement

Closing Balance

	2024 R '000	2023 R '000
	2,471	231
	(488)	2,241
Closing Balance	1,983	2,471

Refer to note 23 on details of the operating lease.

3.2 RECEIVABLES (EXCHANGE TRANSACTIONS) - NON-CURRENT ASSETS

Deposit

Rental deposit

Interest accrued on rental deposit

TOTAL

	2024 R '000	2023 R '000
	3,023	2,878
	2,173	2,173
	850	705
TOTAL	3,023	2,878

4. PROPERTY, PLANT AND EQUIPMENT

Gautrain system assets

GMA assets

	2024 R '000	2023 R '000
	23,319,211	24,263,873
	17,354	16,607
	23,336,565	24,280,479

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

4. PROPERTY, PLANT AND EQUIPMENT (continued)**4.1 Gautrain System assets****4.1 GAUTRAIN SYSTEM ASSETS**

	2024			2023		
	R'000 Cost/ Valuation	R'000 Accumulated depreciation	R'000 Carrying value	R'000 Cost/ Valuation	R'000 Accumulated depreciation	R'000 Carrying value
Land	4,379	-	4,379	4,379	-	4,379
Infrastructure assets	30,405,848	10,368,535	20,037,313	30,367,511	9,560,719	20,806,792
Plant and equipment	434,025	212,735	221,290	434,025	193,656	240,369
Rolling stock	4,017,464	1,285,952	2,731,512	4,017,464	1,168,149	2,849,315
Buses	441,366	123,957	317,409	441,366	85,896	355,470
Commercial Assets	7,742	435	7,307	7,742	194	7,548
	35,310,824	11,991,614	23,319,211	35,272,487	11,008,614	24,263,873
*Included in Infrastructure assets is WIP	92,881	-	92,881	61,391	-	61,391

	Opening balance	Additions	Capitalisation	Write-off	Depreciation	Closing balance
Reconciliation - 2024						
Land	4,379	-	-	-	-	4,379
Infrastructure assets	20,806,791	36,925	(1,750)	-	808,158	19,944,433
Plant and equipment	240,371	-	4	-	19,078	221,289
Rolling stock	2,849,314	-	(2)	-	117,803	2,731,512
Buses	355,470	3,538	633	2,623	38,345	317,409
Commercial Assets	7,548	-	-	-	241	7,307
Carrying value - 2024	24,263,873	40,463	301	2,623	983,624	23,319,211
*Included in Infrastructure assets is WIP	61,391	31,490	2	-	-	92,883

	Opening balance	Additions	Capitalisation	Write-off	Depreciation	Closing balance
Reconciliation - 2023						
Land	4,379	-	-	-	-	4,379
Infrastructure assets	21,662,399	4,135	(7,742)	-	852,001	20,806,791
Plant and equipment	259,836	-	-	-	19,465	240,371
Rolling stock	2,969,398	-	-	-	120,084	2,849,314
Busses	249,617	135,522	-	-	29,669	355,470
Commercial Assets	-	-	7,742	-	194	7,548
Carrying value - 2023	25,145,628	139,657	-	-	1,021,413	24,263,873
*Included in Infrastructure assets is WIP	64,998	4,135	(7,742)	-	-	61,391

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

4. PROPERTY, PLANT AND EQUIPMENT (continued)**4.1 Gautrain System assets** (continued)

The GMA has received the approval of the Executive Authority: MEC for the Gauteng Department of Roads and Transport, for the transfer of the Gautrain System assets to the GMA, effective 1 July 2013, in accordance with the Public Finance Management Act, Section 42 and the Gautrain Management Agency Act, Section 31.

GMA only has the right to use the land acquired to enable construction and operate the Gautrain System. GMA cannot dispose of the land nor can it use the land for any other purpose other than operating the Gautrain System. The ownership of the land resides with the Gauteng Provincial Government. Land is thus recognised at a nominal value of R1 per square meter.

As per the CA, the Concessionaire must replace the Dedicated Feeder and Distribution Services (Busses) that are 10 years or older. In line with this, the Concessionaire managed to change 118 Busses and is currently in the process of refurbishing the remaining 7 Busses.

*Work in progress constitutes Infrastructure Assets only.

4.2 GMA ASSETS

SUMMARY	2024			2023		
	R'000	R'000	R'000	R'000	R'000	R'000
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Office equipment	4,742	3,532	1,210	4,531	3,272	1,259
Computer equipment	27,623	18,336	9,287	24,247	15,596	8,651
Furniture & fittings	9,139	4,173	4,966	8,258	2,762	5,496
Leasehold improvements	15,767	15,579	188	15,309	15,309	-
Leased office equipment	2,598	1,204	1,394	2,260	1,059	1,201
Drone	311	-	311	-	-	-
TOTAL	60,180	42,824	17,354	55,552	38,945	16,607

Reconciliation - 2024	Opening balance	Additions	Capitalised	Write-off	Depreciation	Closing balance
Office equipment	1,260	209	(5)	-	255	1,209
Computer equipment	8,650	3,156	105	86	2,537	9,288
Furniture & fittings	5,496	843	25	-	1,398	4,966
Leasehold improvements	-	188	-	-	8	180
Leased office equipment	1,201	1,587	16	127	1,277	1,400
Drone	-	311	-	-	-	311
Carrying value - 2024	16,607	6,293	141	213	5,474	17,354

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

4. PROPERTY, PLANT AND EQUIPMENT (continued)**4.2 GMA assets (continued)**

	Opening balance	Additions	Capitalised	Write-off	Depreciation	Closing balance
Reconciliation - 2023						
Motor vehicles	99		-		99	-
Office equipment	851	690		1	280	1,260
Computer equipment	2,455	9,836	-	1,325	2,315	8,650
Furniture & fittings	4,402	4,005	-	1,662	1,249	5,496
Leasehold improvements	5,020	-	32		5,052	-
Leased office equipment	983	1,585	-	310	1,057	1,201
Carrying value - 2023	13,810	16,115	32	3,298	10,053	16,607

The terms of the leased office equipment is disclosed in note 8. All other GMA assets are owned by the GMA and are not secured.

5. HERITAGE ASSETS**5.1 GAUTRAIN SYSTEM ASSETS**

	2024			2023		
	R'000 Cost/ Valuation	R'000 Accumulated depreciation	R'000 Carrying value	R'000 Cost/ Valuation	R'000 Accumulated depreciation	R'000 Carrying value
Infrastructure heritage asset	3,295	-	3,295	3295	-	3,295
	3,295	-	3,295	3295	-	3,295

	Opening balance	Transfers	Disposals	Write-off	Depreciation	Closing balance
Reconciliation - 2024						
Infrastructure heritage asset	3,295	-	-	-	-	3,295
Carrying value - 2024	3,295	-	-	-	-	3,295

	Opening balance	Transfers	Disposals	Write-off	Depreciation	Closing balance
Reconciliation - 2023						
Infrastructure Heritage Asset	3,295	-	-	-	-	3,295
Carrying value - 2023	3,295	-	-	-	-	3,295

The fair value of the heritage asset approximates the carrying value of the heritage asset. The heritage asset comprises of an old shed at the Pretoria Station which is in a good condition. The shed has been painted and converted to a bus terminal for the station.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

6. INTANGIBLE ASSETS**6.1 Gautrain System assets****6. INTANGIBLE ASSETS**

Gautrain system assets

	2024 R '000	2023 R '000
	1	1
	1	1

6.1 GAUTRAIN SYSTEM ASSETS

	2024			2023		
	R'000 Cost/ Valuation	R'000 Accumulated depreciation	R'000 Carrying value	R'000 Cost/ Valuation	R'000 Accumulated depreciation	R'000 Carrying value
SUMMARY						
Servitudes	1	-	1	1	-	1
TOTAL	1	-	1	-	-	1

	Opening balance	Additions/ Transfers	Disposals	Write-off	Depreciation	Closing balance
Reconciliation - 2024						
Servitudes	1	-	-	-	-	1
Carrying value - 2024	1	-	-	-	-	1

	Opening balance	Additions/ Transfers	Disposals	Write-off	Depreciation	Closing balance
Reconciliation - 2023						
Servitudes	1	-	-	-	-	1
Carrying value - 2023	1	-	-	-	-	1

Gauteng Department of Roads and Transport has transferred the use of 795 servitudes to the GMA which are recognised at a nominal value of R 1 per servitude. These servitudes will not be depreciated as they have an indefinite useful life.

7. PAYABLES (EXCHANGE TRANSACTIONS)**7.1 PAYABLES (EXCHANGE TRANSACTIONS) - CURRENT LIABILITIES****Accrued payables**

Accrued project expenditure

TISH receipts

Accrued operational expenditure

Other payables

Accrued leave, Pension and bonus expenditure

DLTC Accrued leave

TOTAL

	2024 R '000	2023 R '000
	286,420	245,684
	264,725	230,714
	2,475	-
	19,220	14,970
	53,114	40,967
	52,936	40,738
	178	229
TOTAL	339,534	286,651

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

8. FINANCE LEASE LIABILITY**8. FINANCE LEASE LIABILITY**

Amounts payable under finance leases - 2024

Within one year

Within two to five years

TOTAL FINANCE LEASE LIABILITY

Less: Amount due for settlement within 12 months (current portion)

TOTAL NON-CURRENT LEASE LIABILITY

	2024		
	R'000	R'000	R'000
	Minimum lease payment	Future finance charges	Present value of minimum lease payments
Within one year	957	112	1,068
Within two to five years	408	19	427
TOTAL FINANCE LEASE LIABILITY	1,364	131	1,495
Less: Amount due for settlement within 12 months (current portion)	(957)	(112)	(1,068)
TOTAL NON-CURRENT LEASE LIABILITY	408	19	427

The lease term varied between 1 and 2 years and the average effective borrowing rate applied is 11,75%. Interest rates are not fixed. All leases have fixed repayment terms.

Amounts payable under finance leases - 2023

Within one year

Within two to five years

TOTAL FINANCE LEASE LIABILITY

Less: Amount due for settlement within 12 months (current portion)

TOTAL NON-CURRENT LEASE LIABILITY

	2023		
	R'000	R'000	R'000
	Minimum lease payment	Future finance charges	Present value of minimum lease payments
Within one year	1,046	88	1,134
Within two to five years	287	11	298
TOTAL FINANCE LEASE LIABILITY	1,333	100	1,433
Less: Amount due for settlement within 12 months (current portion)	(1,046)	(88)	(1,134)
TOTAL NON-CURRENT LEASE LIABILITY	287	11	299

The average lease term is 2 years and the average effective borrowing rate is 11.25% (linked to prime interest rate). All leases have fixed repayment terms.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

9. OBLIGATIONS ARISING FROM RESTRICTED SIP FUNDS**9. OBLIGATIONS ARISING FROM RESTRICTED SIP FUNDS**

	2024 R '000	2023 R '000
Social Investment Programme Fund (SIP)	20,735	20,166
TOTAL	20,735	20,166
Reconciliation - Movement during the year: <i>(Includes all accrued income and expenditure)</i>		
Obligation at the beginning of the year	20,166	19,340
Add: Interest income	1,762	1,057
Less: Expenditure	(1,193)	(231)
Obligation at the end of the year	20,735	20,166

10. OBLIGATIONS ARISING FROM RESTRICTED PROJECT FUNDS

	2024 R '000	2023 R '000
Provincial Grants:		
MTEF Equitable Share	369,840	642,856
Private Sector		
Private Sector	183,498	161,436
TOTAL	553,338	804,292
Reconciliation of movement during the year:		
Obligation at the beginning of the year	804,292	745,028
Add: Project Funds received during the year - capital	2,622,511	2,530,658
Less: Project Expenditure paid during the year - capital	(2,873,464)	(2,471,394)
Obligation at the end of the year	553,338	804,292

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

10. OBLIGATIONS ARISING FROM RESTRICTED PROJECT FUNDS *(continued)***10.1 PROJECT FUNDS RECEIVED DURING THE YEAR**

	2024 R '000	2023 R '000
10.1 PROJECT FUNDS RECEIVED DURING THE YEAR		
Project income earned (includes all accrued income)		
Public Sector	2,136,307	2,312,589
MTEF Equitable Shares	2,136,307	2,312,589
Private sector	486,205	218,070
Performance deductions	210	814
Rental income	1,446	1,339
Interest on bus savings	13,202	8,131
Bus savings	8,860	12,120
Interest on RUF	44,601	-
RUF Revenue	417,886	195,666
Total	2,622,511	2,530,659

	2024 R '000	2023 R '000
10.2 PROJECT EXPENDITURE INCURRED DURING THE YEAR		
Project expenditure incurred (includes all accrued expenditure)		
Operating period variation costs	36,439	40,416
System improvements & repairs	46,582	59,470
Patronage guarantee cost	2,790,443	2,371,508
Total	2,873,464	2,471,394

	2024 R '000	2023 R '000
10.3 ANALYSIS OF THE MOVEMENT DURING THE YEAR		
Provincial - MTEF Equitable Share		
Obligation at the beginning of the year	126,708	283,360
Add: Current year receipts	2,136,307	2,312,589
Less: Project expenditure	(2,871,808)	(2,469,241)
	(608,793)	126,708

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

10. OBLIGATIONS ARISING FROM RESTRICTED PROJECT FUNDS *(continued)***10.3 Analysis of the movement during the year** *(continued)*

	2024 R '000	2023 R '000
Other Private Sector Income		
Add: Obligation at the beginning of the year	221,436	201,185
Add: Performance deductions	210	814
Add: Rental income	1,446	1,339
Add: Interest on bus savings	13,202	8,131
Add: Interest on RUF	44,601	-
Add: Bus savings	8,860	12,120
Less: Project expenditure	(1,656)	(2,153)
	288,099	221,436

11. PROVISIONS

	2024 R '000	2023 R '000
Land provision	5,433	5,433
TOTAL	5,433	5,433

Provisions are raised due to the degree of estimation used to measure the obligations. The outflow of resources are expected to be within 12 months.

Land provision**Reconciliation - Movement during the year:**

Opening balance	5,433	12,606
Less: Provision utilised	-	(7,173)
Closing balance	5,433	5,433

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

12. OBLIGATIONS ARISING FROM RESTRICTED CONCESSIONAIRE FUNDS**12. OBLIGATIONS ARISING FROM RESTRICTED CONCESSIONAIRE FUNDS**

	2024 R '000	2023 R '000
Obligations arising from:		
• Restricted Performance Reserve Account funds	87,445	80,133
• Restricted Insurance Proceeds funds	432	401
	87,877	80,534
Obligations arising from restricted Performance Reserve Account funds <i>(Includes all accrued income and expenditure)</i>		
Restricted Performance Reserve account	87,445	80,133
TOTAL	87,445	80,133

The Performance Reserve account is funded by the Concessionaire. The balance to be maintained in the account is calculated in terms of the Concession Agreement. These funds are ring-fenced and restricted, as no other payments from or to the Performance Reserve account are allowed, except as permitted by and in accordance with the Concession Agreement. The purpose of this account is to provide a funding mechanism for performance deductions (penalties) imposed on the Concessionaire for performance below performance measures specified in the Concession Agreement.

Obligations arising from Restricted Insurance Proceeds funds

Restricted Insurance Proceeds account	432	401
TOTAL	432	401
Reconciliation - Movement during the year: <i>(Includes all accrued income and expenditure)</i>		
Obligation at the beginning of the year	401	380
Add: Interest income	31	21
Obligation at the end of the year	432	401

The Insurance Proceeds account is used for the receipt of insurance proceeds to the Concessionaire as a result of successful insurance claims from the Gautrain System assets pursuant to Schedule 18 of the Concession Agreement. These funds are restricted.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

13. OTHER LIABILITIES (EXCHANGE TRANSACTIONS)**13. OTHER LIABILITIES (EXCHANGE TRANSACTIONS)**

	2024 R '000	2023 R '000
Other liabilities (Exchange Transactions) - Current liability		
Rental deposit payable	130	130
IFM Project Funds	84,477	60,693
DLTC Payables/AARTO	1,224	939
DLTC Payables/Dept	8,803	4,011
DRT Payables	144,734	-
	239,367	65,772
Other liabilities (Exchange Transactions) - Current liability		
Rental deposit payable		
Reconciliation - Movement during the year:		
Opening balance	130	130
Closing balance	130	130
The lease deposit is current as it is payable in the 12 months.		
Other Project related liability		
Reconciliation - Movement during the year:		
Opening balance	-	6,347
Movement during the year		(6,347)
Closing balance	-	-

The other project related liability arises as a result of the Concession Agreement over the life of the project. These amounts are ring fenced in the Project Call Account and will be used by GMA for the Gautrain related projects.

14. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	2024 R '000	2023 R '000
MTEF funding	302,332	336,846
Sub Total		
TOTAL	302,332	336,846

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

15. REVENUE FROM EXCHANGE TRANSACTIONS**15. REVENUE FROM EXCHANGE TRANSACTIONS**

	2024 R '000	2023 R '000
Finance income	60,269	50,543
Other income	40,351	4,458
Insurance claim GMA	23,638	125
Management support & Other Income	16,711	3,942
Proceeds on sale of Assets	2	391
DLTC Licences and Permits	23,981	17,345
Drivers Licences	17,377	13,378
Drivers Licences Permit	3,682	2,538
Magement fee/Traffic fines	232	257
PDP Permits & other income	2,470	1,172
PDP MVL	219	-
TOTAL	124,601	72,345

GMA entered into agreement with Departement of Roads and Transport to assist in clearing the backlog of Driving licence renewal and Professional driving permits for a period of 11 months and also extended the contract to include Township Infomal Settlement and Hostels, unless otherwise terminated or extended in accordance of this Agreement. The GMA has been appointed as agent to render the above-mentioned Grade F Driving Testing Centre.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

16. BOARD MEMBERS AND OTHER COMMITTEE MEMBERS' REMUNERATION**16. BOARD MEMBERS AND OTHER COMMITTEE MEMBERS' REMUNERATION**

	2024			
	R '000			
	Retention fees	Board fees	Other expenses	Total remuneration
Board member remuneration - 2024				
Names of Board members				
Mr M Mokoena (Chairperson)	135	154	1	290
Ms P Moloto-Stofile	68	105	1	173
Mr A Mawela	69	108	2	179
Mr D Nadison	68	112	6	185
Dr P Dala	78	135	-	212
Ms R Mabusela-Jonga	78	113	2	192
Ms L Mtiya	90	193	3	286
Prof. MP Ntsohi	45	77	4	125
Mrs YM Matolong	23	91	4	118
Adv KG Maja	23	73	3	99
Mr IB Sibisi	23	72	4	99
Mr B Mpondo	23	87	3	112
Mr DK Golding	23	71	2	96
Ms M Luthuli	23	67	2	91
TOTAL	764	1,456	37	2,258

	2024		
	R '000		
	Attendance fees	Other expenses	Total remuneration
Audit & Risk Committee remuneration			
Names of Audit & Risk Committee members			
Mr A Mawela	26	-	26
Dr P Dala	18	-	18
Ms R Mabusela-Jonga	17	-	17
Adv KG Maja	8		8
Mr IB Sibisi	8		8
Mr B Mpondo	8		8
Mr DK Golding	8		8
Ms M Luthuli	8		8
TOTAL	99	-	99

TOTAL BOARD MEMBERS' AND OTHER COMMITTEE MEMBERS' REMUNERATION - 2023**2,357**

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

16. BOARD MEMBERS AND OTHER COMMITTEE MEMBERS' REMUNERATION *(continued)*

	2023			
	R '000			
	Retention fees	Board fees	Other expenses	Total remuneration
Board member remuneration - 2023				
Names of Board members				
Mr M Mokoena (Chairperson)	180	168	2	350
Ms P Moloto-Stofile	90	121	-	211
Mr A Mawela	104	105	2	211
Mr D Nadison	90	139	2	230
Dr P Dala	112	162	1	275
Ms L Mtiya (Deputy Chairperson)	90	121	1	212
Ms R Mabusela-Jonga	103	110	3	216
TOTAL	769	926	11	1,706
Audit & Risk Committee remuneration				
Names of Audit & Risk Committee members				
Mr A Mawela		50	-	50
Dr P Dala		21	-	21
Ms R Mabusela-Jonga		25	-	25
TOTAL		96	-	96
TOTAL BOARD MEMBERS' AND OTHER COMMITTEE MEMBERS' REMUNERATION - 2022				1,802

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

17. EXECUTIVE MANAGEMENT REMUNERATION**17. EXECUTIVE MANAGEMENT REMUNERATION**

		2024 R '000					
		Basic salary	Company contributions	Bonus	Acting Allowances	Lump sums	Total remuneration
Mr W Dachs	CEO (Apr 23-Jan 24)	5,331	669	1,973	-	-	7,973
Mr T Kgobe	COO (Apr 23-Jan 24)	3,721	502	1,687	-	-	5,909
Mr T Kgobe	CEO (Feb 24-Mar24)	1,066	138	-	-	-	1,205
Mr R.Pillay	CCO	3,032	433	849	-	-	4,314
Mr P Mabena	CFO	4,037	551	1,448	-	-	6,036
Mr N Magoai	SEM: Legal	2,947	423	923	-	-	4,292
Dr. B Jensen Vorster	SEM: Communications & Marketing (Apr 23)	240	33	874	-	-	1,146
Ms P Yende	SEM: Corporate Services	2,724	369	840	-	-	3,933
Miss NF Lugisani	Chief Information & Digital Officer	3,323	451	1,086	-	-	4,860
Mr.S.Mabaso	SEM: Technical Services	3,250	459	785	-	-	4,494
Mr RA Modise	SEM: Communications & Marketing (May 23 -Mar 24)	2,063	313	-	-	-	2,376
TOTAL		31,733	4,341	10,464	-	-	46,538

Bonuses are paid in arrears, thus the amounts disclosed above related to bonuses paid for the prior financial period.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

17. EXECUTIVE MANAGEMENT REMUNERATION (continued)

		2023 R '000					
		Basic salary	Company contributions	Bonus	Allowances	Lump sums	Total remuneration
Mr W Dachs	CEO	4,959	635	1,888	-	-	7,482
Mr T Kgobe	COO	4,208	553	1,399	48	-	6,207
Mr R.Pillay	CCO	2,535	364	741	-	-	3,640
Mr P Mabena	CFO	3,755	493	1,312	-	-	5,560
Mr N Magoi	SEM: Legal	2,531	364	792	-	-	3,688
Dr. B Jensen Vorster	SEM: Communications & Marketing	2,741	382	811	-	-	3,934
Ms P Yende	SEM: Corporate Services	2,213	303	761	-	-	3,277
Mrs. NF Lugisani	Acting SEM: Chief Information and Digital Officer	3,063	417	896	74	-	4,450
Mr.S.Mabaso	Acting SEM: Technical	2,567	358	518	143	-	3,586
TOTAL		28,572	3,869	9,118	265	-	41,823

Bonuses are paid in arrears, thus the amounts disclosed above related to bonuses paid for the prior financial period.

18. EMPLOYEE COSTS

	2024 R '000	2023 R '000
Salaries, bonuses and allowances	208,650	170,379
Increase/(Decrease) in leave accrual	2,230	1,163
Increase/(Decrease) in Bonus accrual	9,984	-
Leave paid	766	421
Provident fund contributions & Subsidy	16,193	13,159
Employer contributions	2,209	1,969
TOTAL	240,032	194,679

19. DEPRECIATION AND AMORTISATION COSTS

	2024 R '000	2023 R '000
Depreciation	989,100	1,031,466
Gautrain system assets	983,626	1,021,413
GMA assets	5,474	10,053
TOTAL	989,100	1,031,466

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

20. GMA OPERATIONAL EXPENDITURE**20. GMA OPERATIONAL EXPENDITURE**

	2024 R '000	2023 R '000
Project support consultants - Transaction advisors	15,102	9,609
Technical costs, communication & public relations & land procurement	3,811	3,537
Commercial costs	11,291	6,072
Independent monitor costs	2,889	2,510
Independent socio-economic monitor costs	2,889	2,510
Travel, accommodation, entertainment & subsistence	669	1,307
Recruitment costs	1,924	1,356
Employee wellness	465	335
Loss of assets due to write-offs, donations & theft	2,836	-
Training & membership fees	8,051	2,522
Maintenance costs	252	302
Audit fees	3,601	3,703
Marketing and communication initiatives	21,605	21,099
Consultant costs	102,765	80,910
Building rent and utilities	17,426	18,727
Office running costs	5,623	2,699
Insurance costs	2,857	2,479
IT related costs	20,104	20,508
Corporate affairs	618	626
GYM Expenses	779	870
Knowledge Management	1,495	-
TOTAL	209,061	169,563

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

20. GMA OPERATIONAL EXPENDITURE *(continued)***20.1 DLTC EXPENDITURE****20.1 DLTC EXPENDITURE**

DLTC Expenses

	2024 R '000	2023 R '000
Bank Charges	813	514
Licences Card orders	6,021	4,635
Paycost - Emp - Salaries	4,929	3,426
Employee- Training	309	171
Stationery	831	425
Comms - Exhibitions	31	297
Recruitment cost	130	371
Utilities	330	11
Paycost - Emp - Overtime	589	418
Paycost - General reimbursement	64	33
Paycost - Leave pay	(40)	233
Paycost - Emp - CC UIF	48	35
Storage Fees	55	-
Cleaning	87	-
Consultants	495	-
	14,693	10,568

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

21. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS**21. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS**

	2024 R '000	2023 R '000
Net Deficit per the Statement of Financial Performance	(1,028,475)	(999,039)
Adjusted for:		
Amortisation	-	-
Depreciation	989,100	1,031,466
Increase in provisions relating to employee cost (leave accrual)	2,230	1,163
Increase in provisions relating to employee cost (Bonus accrual)	9,984	7,588
Items shown separately on the face of cash flow statement	(473,002)	(210,417)
GMA RUF REVENUE	(417,886)	(195,666)
PRO Interest income - Project	(44,601)	(479)
PRO Other income - Performance	(210)	(814)
PRO Other income - Bus savings	(8,860)	(12,120)
PRO Other income - Rental Inco	(1,446)	(1,339)
Other non-cash items related to assets:	422,237	62,541
Write-off of assets, donations, profit/loss on sale of assets	(1,201)	3,298
Funds from previous year	426,724	55,342
Finance costs	164	154
Lease and other movement/Assets addition	(3,451)	3,747
Increase/(Decrease) in current liabilities	(23,972)	96,809
Increase/(Decrease) in non-current liabilities	7,471	4,177
(Increase)/Decrease in receivables	11,814	(1,864)
Net cash inflows from operating activities	(82,612)	(7,576)

Included in the Cash Flow Statement is the GMA operational revenue and expenditure per Statement of Financial Performance and restricted revenue and expenditure per note 9, 10 & 12 on a cash basis.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

22. RECONCILIATION OF THE BUDGET TO ACTUAL AMOUNTS IN THE STATEMENT OF FINANCIAL PERFORMANCE**22. RECONCILIATION OF THE BUDGET TO ACTUAL AMOUNTS IN THE STATEMENT OF FINANCIAL PERFORMANCE**

	2024 R '000
Net Deficit per the Statement of Financial Performance	(1,028,475)
Base adjusted for:	
Amortisation	-
Depreciation	989,100
Other non-cash items related to assets:	422,072
Write-off of assets, donations, profit/loss on sale of assets	(1,201)
Funds from previous year	426,724
Lease and other movement/Assets addition	(3,451)
Increase/(decrease) in current liabilities	(23,972)
Increase in non-current liabilities	7,471
(Increase)/Decrease in receivables	11,814
Cash flows from operating activities	378,011
Net cash from investing activities	(5,031)
Acquisition of property, plant and equipment	(5,031)
Acquisition of intangible assets	-
Net cash from financing activities	(1,495)
Finance lease payments	(1,495)
Net increase in cash and cash equivalents	(89,248)

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

22. RECONCILIATION OF THE BUDGET TO ACTUAL AMOUNTS IN THE STATEMENT OF FINANCIAL PERFORMANCE *(continued)*

	2023 R '000
Other items not included in the budget:	301,097
Interest income	77,951
Security budget	9,209
Bus savings received	9,533
Net SIP fund expenditure	(3,270)
Net Performance Reserve account receipts	4,186
Other Income	203,377
Insurance income & Proceeds on sale of Assets	111
Net Surplus/ (deficit) before Project Funds from previous period	301,097
Less: Funds from previous period	(279,141)
Net Receipts	21,956

The period covered by the approved budget is the same as the period covered by the financial statements. The GMA adopted a cash basis of accounting for the preparation of the approved budget, whilst the financial statements are prepared on an accrual basis of accounting.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

23. CONTINGENCIES AND COMMITMENTS**23.1 COMMITMENTS****23. CONTINGENCIES AND COMMITMENTS****23.1 COMMITMENTS**

At year end the commitments relating to development expenditure were mainly due to land expenditure for land proclaimed and expropriated for the railway reserve, and variations. These expenses are raised as a liability presented in note 10 - obligations arising from restricted project funds, and in note 11 - provisions.

Patronage Guarantee

Patronage Guarantee is paid monthly to the Concessionaire. The amount paid is the difference between Minimum Required Total Revenue (the yearly income required by the Concessionaire to cover all its annualised costs and is set in the Concession Agreement) and the Actual Total Revenue (the actual revenue collected in the operations of the system as defined in the Concession Agreement). It is foreseen that the Patronage Guarantee will be paid for the next 12 months. GMA's expect the PG to grow at CPI given that growth has now stabilised and the MRTR increases at a rate above inflation. The Patronage Guarantee payment for the 2023-24 financial year is disclosed in note 10. GMA had planned to transport 7 574 490 rail passengers and 2 203 055 bus passengers. GMA have managed to transport 7 902 488 rail passengers and 2 581 465 bus passengers by year end. The Patronage Guarantee exposure is capped as per the Concession Agreement (Minimum Required Total Revenue less the Concessionaire Demand Forecast).

	Contract End date	2024 R '000	2023 R '000
Contractual commitments			
Information technology goods & services	2024	7,312	16,590
General consultants	2024	17,559	2,263
Technical consultants	Time Driven	72,392	164,279
Communication & marketing initiatives	2024	36,793	9,791
Capital commitments			
Capital Variations Commitments		52,870	52,330
		186,927	245,254

23.2 OPERATING LEASE COMMITMENTS:

Total future minimum lease payments due:

- within one year
- within two to five years

	2024 R '000	2023 R '000
	15,758	25,213
	9,455	9,455
	6,303	15,758
	15,758	25,213

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

23. CONTINGENCIES AND COMMITMENTS *(continued)***23.1 COMMITMENTS** *(continued)*

The GMA entered into a seven year office lease agreement, which commenced on 1 April 2013 and terminates on 31 March 2021, and provides for an escalation of rental of 8.5% per annum. Further additional office space was acquired from the 1 December 2018 and terminates on 30 November 2022, and provides for an annual escalation of 8 % over the period of the lease. The lease was amended from 01 August 2020 and terminates on 31 July 2023 and provides for an annual escalation between 8% and 9% over the period of the lease. Further more this lease was extended for a period of three years commencing from 01 December 2022 ending 30 November 2025 and provides for an annual escalation of 7,5 % over the remaining period. The cost of the lease is straight-lined over the period of the lease.

23.3 OPERATING LEASE COMMITMENTS:

Leases expense

	2024 R'000	2023 R'000
Leases expense	779	870

The GMA entered into a five year Gym lease agreement, which commenced in November 2018 , is subject to annual review and provides no escalation .

23.4 LITIGATION AND CONTINGENCIES**Insurance Claim (Zurich Insurance Company – Formerly SA Eagle Insurance Company)**

Province has submitted a claim in the South Gauteng High Court against Zurich SA (Pty) Ltd for the physical damage caused to the tunnel (Construction All Risk) between Marlboro portal and Rosebank station during construction. The matter was heard from October 2019 and finalised on 17 November 2020. Judgment, on the merits, was granted in favour of the Province, on 02 March 2021. Zurich was subsequently granted leave to appeal, on 15 June 2021. The appeal was heard on 16 August 2022, in the Supreme Court of Appeal, and judgment, in favour of the Province, was delivered on 28 September 2022. The Province has since recovered from Zurich, in respect of the costs incurred in the Supreme Court of Appeal process and in respect of the High Court process. The process to recover the quantum, on behalf of the Province, is currently underway and pleadings are almost closed.

Land Cost Disputes

This relates to land disputes raised by the property owners on the valuation of their expropriated properties. An estimate of R38,2 million has been claimed. These claims are dependent on the dates and outcome of court cases, therefore a provision has not been raised.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

24. RELATED PARTY TRANSACTIONS

24. RELATED PARTY TRANSACTIONS

Non-executive Board Members and Board Committee Members:

The total value of remuneration of the Non-Executive Board Members including the Audit and Risk Committee Members are disclosed in note 16. The GMA did not enter into any other transactions with Non-Executive Board Members including the Audit and Risk Committee Members.

Executive management:

The total value of remuneration of executive management is disclosed in note 17. The GMA did not enter into any other transactions with executive management.

Gauteng Provincial Government

An entity is a member of the Gauteng Provincial Government and is under common control of the Gauteng Provincial Legislature is related to the GMA. However, only transactions and balances of the same economic entity will be disclosed.

In respect of entities, other government entities or appointed members of the government, only transactions and balances under the Executive Authority of the MEC of Gauteng Department of Roads and Transport are disclosed. The Gauteng Department of Roads and Transport, and its entities have been identified as entities of the same economic entity.

Entities under the Executive Authority: MEC of the Gauteng Department of Roads and Transport:

The GMA entered into financial transactions with Transport Authority of Gauteng (TAG) and G-fleet under the Executive Authority of the MEC of the Gauteng Department of Roads and Transport. The detail transaction is disclosed under note 3.1 'other receivables'.

The GMA entered into agreement with Gauteng Department of Roads and Transport to assist in clearing backlog of Driving Licence renewal and Professional driving permits. The detail transaction is disclosed under note number 15.

Gauteng Department of Roads and Transport

The GMA provided project management capacity to assist the Department with its capital expenditure programme in the prior year. These transactions were at arm's length.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The GMA's financial instruments consist mainly of cash and cash equivalents, other receivables and other payables. The bank deposits and bank balances, receivables and payables approximate their fair value due to the short term nature of these instruments.

The fair values together with the carrying amounts have been determined by using available market information and are presented in the Statement of Financial Position as detailed below.

	2024 R '000	2023 R '000
Financial assets - at carrying value		
Cash and cash equivalents	893,665	982,913
Accrued income	5,394	15,654
Other receivables	11,515	12,679
Rental Deposit	3,023	2,878
TOTAL	913,597	1,014,124
Financial liabilities - at carrying value		
Payables	286,420	245,684
Finance lease liability	1,495	1,433
Other liabilities	239,367	63,302
Obligations arising from restricted SIP funds	20,735	20,166
Obligations arising from restricted Project funds	553,338	804,292
Obligations arising from restricted Concessionaire funds	87,877	80,534
TOTAL	1,189,233	1,215,411
Fair value of financial instruments:		
Financial assets at fair value:		
Cash and cash equivalents	893,665	982,913
Accrued income	5,394	15,654
Other receivables	11,515	12,679
Rental Deposit	3,023	2,878
TOTAL	913,597	1,014,124
Financial liabilities held at fair value:		
Payables	286,420	245,684
Finance lease liability	1,495	1,433
Other liabilities	239,367	63,302
Obligations arising from restricted SIP funds	20,735	20,166
Obligations arising from restricted Project funds	553,338	804,292
Obligations arising from restricted Concessionaire funds	87,877	80,534
TOTAL	1,189,233	1,215,411

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

The revenue and expenses that are included the Statement of Financial Performance are detailed below per category of financial instrument:

Income from Cash and Cash Equivalents

Finance Income

Expenses from Finance Lease Liability

Finance Costs

TOTAL

	2024 R '000	2023 R '000
Finance Income	60,269	50,543
Finance Costs	(164)	(154)
TOTAL	60,105	50,389

Financial Instruments

Potential concentrations of credit risk consist mainly of cash and cash equivalents, trade receivables and other receivables. Banks and financial institutions with an acceptable independent rating are accepted. Other receivables consist of accrued interest and prepayments, upon which credit risk is limited as interest is receivable from banks with an acceptable independent rating and prepayments are minimal.

At 31 MARCH 2024, the GMA did not consider there to be any significant concentration of credit risk which had not been insured or adequately provided for.

Fair Value of Financial Instruments

The carrying amounts of the following financial instruments, approximate their fair value due to the fact that these instruments are predominantly short term nature.

- Cash and cash equivalent bank balances with commercial interest rates.
- Short term receivables - due to the short term nature of GMA's receivables, amortised cost approximates its fair value.
- Long term receivables bear interest at a rate that approximates market rates.
- Other payables - are subject to normal trade credit terms and short payment cycles. The cost of other payables approximates its fair value.
-

No financial instrument is carried at an amount in excess of its fair value.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**Market risk sensitivity analysis**

The sensitivity of the finance income to changes in interest rates are illustrated below. Management has estimated that a 200 basis points increase/ decrease represents a reasonable possible change in the risk variable.

Interest rate increase of 200 basis points
Interest rate decrease of 200 basis points

2024 R '000	
Accumulated Surplus	Net Assets
14,175	14,175
-14,175	(14,175)

Qualification

The sensitivity analysis is based on market conditions at reporting date and may vary at the time that any actual market movement occurs.

26. B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

27. SUBSEQUENT EVENTS

None

28. GOING CONCERN

On 31 MARCH 2024 the GMA Board has every reason to believe that the GMA has adequate resources in place to continue in operation for the foreseeable future. GMA is a Provincial Schedule 3C entity and its funded by the budget allocations from the Gauteng Province. The entity has been allocated a budget of R2,3 billion for the 2024/25 financial year. The budget is sufficient to ensure that GMA is able to meet all its obligations for the 2024/25 financial year.

Gauteng Province and Gauteng Treasury have funds allocated for the GMA through the MTEF Budget process as part of their budget/ commitments to ensure the existence and running of the Gautrain Project up until the end of the Concession Agreement in 2026.

These commitments have a positive impact on the annual financial statements and confirms that the GMA does not intend to liquidate the entity or to cease operations and remains a going concern and its mandate has not change.

29. SEGMENT REPORTING

GMA has one economic activity that generates service potential, whose results are regularly reviewed by management to make decisions about resources to be allocated and for which financial information is available. GMA has a single service segment as well as a geographical segment.



ANNEXURE A:

REPORT ON GMA'S KING IV APPLICATION AND
DISCLOSURE FOR THE 2023/24 FINANCIAL YEAR

1. INTRODUCTION

The Gautrain Management Agency (GMA) adopted the King IV Code with effect from 1 April 2017. The Board supported the application of the King IV Principles and the Recommended Practices in a manner focused on the achievement of the four corporate governance outcomes i.e., ethical culture, good performance, effective control and legitimacy. The Supplement for State-Owned Entities was used as a guide on how the King IV Code should be interpreted and applied in the GMA.

The Report on the GMA's King IV Application and Disclosure highlights key focus areas, and actions taken to monitor the effectiveness of the King IV Principles and their outcomes. The planned future focus areas are highlighted in the Integrated Annual Report. Cross-referencing of this Report to the Integrated Annual Report was used to avoid duplication.

This Report was prepared in accordance with the King IV Report on Corporate Governance in South Africa 2016.

2. KING IV APPLICATION AND DISCLOSURE

The GMA continued to apply and maintain the principles of the King IV Report. An update on the GMA's King IV Application and Disclosure for the 2023/24 financial year is contained below.

KING PRINCIPLES	APPLICATION AND EXPLANATION
PRINCIPLE 1: LEADERSHIP The Board leads ethically and effectively.	<p>The GMA Business Code of Conduct and Ethics for Board Members, which includes the management of the conflict interests, is revised annually to align it with corporate governance leading practices. Board Members complete their annual declaration of interest annually or whenever their status changes.</p> <p>Board Members completed their annual declaration of interests for the 2023/24 financial year and no areas of concern were identified.</p> <p>The Board also monitored the implementation of the Action Plan that emanated from the Performance Evaluation of the Board, Board Committees and individual Board Members conducted during the 2021/22 financial year.</p> <p>All items in the Action Plan for the 2021/22 Financial Year have been addressed. The next performance evaluation of the Board and Board Committees as well as individual Board Members will be conducted during the 4th Quarter of the 2024/25 Financial Year.</p>

KING PRINCIPLES	APPLICATION AND EXPLANATION
<p>PRINCIPLE 2: ORGANISATIONAL ETHICS</p> <p>The Board governs the ethics of the GMA in a way that supports the establishment of the ethical culture.</p>	<p>The Board is responsible for steering and setting the strategic direction for ethics in the GMA, delegates the implementation and execution to management and oversees ethics performance through the Social and Ethics Committee.</p> <p>The focus areas during the reporting period included:</p> <ul style="list-style-type: none"> • The Ethics Management Strategy was launched during the Fraud Awareness Week in November 2023. The Ethics Champion and the Ethics Ambassadors were appointed as part of the implementation of the Ethics Management Plan. • The GMA has business codes for members of the Board, employees and suppliers. These ethics codes and the related policies, e.g. GMA Fraud Prevention and Whistle Blowing Policy, Gift and Hospitality Policy, etc., are reviewed annually and approved by the Board. • Employee training on the ethics codes and related policies continued during the reporting period. The Ethics Training and Awareness Plan for the 2023/24 financial year was developed, taking into consideration the approved GMA Ethics Management Strategy and Ethics risks identified from various surveys conducted across the organisation. All employees are required to complete a Policy Acknowledgement Form annually, confirming that they have read and understood the relevant policies and key documents. <p>The GMA commemorated the Global Ethics Day on 6 October 2023 by issuing the 6th Issue of the Ethics in Action Newsletter. The theme of the newsletter was “Ethics Empowered”. The Global Ethics Day provides an opportunity for organisations to reflect on how ethical standards can be maintained.</p> <p>The GMA also commemorated the International Fraud Awareness Week from 12 to 18 November 2023 with the GMA Fraud Prevention and Ethics Awareness Campaign. The Campaign was aimed at promoting fraud and ethics awareness, creating platforms for employees to engage in matters related to fraud and fraud prevention, as well as promoting the integrity of the GMA’s Fraud Hotline.</p> <ul style="list-style-type: none"> • The GMA has an independent Fraud Hotline and quarterly reports received are considered by the Audit and Risk Committee, as well as the Social and Ethics Committee. • The GMA arranged and conducted Molao Chatz initiatives which are intended to educate the GMA employees on and sensitise them to topical legal issues. In addition, a number of newsletters related to legislative and case law developments were issued dealing with relevant court cases that could have an impact on the GMA. • The GMA Organisational Culture and Value Charter, which outlines the behaviours that define the organisation’s values and align with its strategic objectives and brand, has been approved. The GMA’s Core Values and Value Statements were communicated to all employees and socialised to ensure shared beliefs. • As part of embedding the GMA’s core values, the following initiatives were employed: (1) Display of the core values on TV screens at the office; (2) Core values are attached to the internal e-mail signatures; (3) Pledging which is done once a year to allow the employees to pledge their commitment to upholding the value principles; and (4) Included the core values in the Performance Management Programme to encourage a change of behaviour aligned with the newly defined organisational culture. The GMA’s core values are also highlighted in all employees’ engagements, as part of embedding a culture aligned to the values. • Quarterly Integrated Ethics Management Reports are presented to the Social and Ethics Committee.

KING PRINCIPLES**APPLICATION AND EXPLANATION****PRINCIPLE 3: RESPONSIBLE CORPORATE CITIZEN**

The Board ensures the GMA is and is seen to be a responsible citizen.

The Board is responsible for corporate citizenship by setting the direction for how it should be approached and addressed.

The Board, through the Social and Ethics Committee, oversees and monitors the consequences of the GMA's activities and outputs, as well as their effect on its status as a responsible corporate citizen. Key elements include:

Workplace:

- The GMA recognises the importance of an Employee Value Proposition (EVP) as instrumental in attracting and engaging employees, as well as fostering the retention of top talent.
- The GMA implemented the following initiatives: Learning and Development Programme, Leadership Development, Reward and Recognition, Employee Well-being, as well as organisational culture.
- Furthermore, as part of employee engagement initiatives, the GMA conducted a climate survey to assess the level of employee engagement for the 2022/23 financial year. The results were presented during this reporting period.

More details are in the Integrated Annual Report.

Safety, Health, Environment

- The GMA and the Concessionaire have taken measures to ensure safety, health, environment, and quality (SHEQ) compliance. The first-line emergency responder service has been contracted to mitigate potential risks identified during emergency drills. This responder service is a specialised tactical firefighting service provider with the primary purpose of undertaking evacuation procedures to ensure that no harm or loss of life occurs in the event of a major system incident. They also provide initial firefighting capabilities before handing over to local emergency services.

Gautrain's environmental compliance is managed through the Record of Decision (RoD) and the Operations & Maintenance Environmental Management Programme (O&M EMPR) issued by the Gauteng Department of Agriculture and Rural Development (GDARD). An Independent Environmental Consultant (IEC) conducts monthly, quarterly, and annual inspections, including environmental audits, to verify compliance with RoD and O&M EMPR. Gautrain obtained 97% environmental compliance, indicating continuous improvement from previous years.

To manage sinkholes, the GMA and the concessionaire have implemented a Dolomite Management Forum. The Gautrain Dolomite Risk Management Strategy includes the installation of additional boreholes in the dolomitic area to increase water level monitoring points for early detection of any geohazard formation.

The GMA implemented an Integrated Management System (IMS) based on ISO 45001, 14001, and 9001 management systems. The GMA is undergoing an ISO certification process to improve overall performance, sustainable environmental, health and safety initiatives, and customer satisfaction.

The GMA developed a Sustainability Policy to incorporate Environmental, Social, and Governance (ESG) principles into every aspect of the organisation. The Policy embraces the United Nations (SDG) goals to achieve sustainability. Building on this policy, the GMA will develop a Sustainability Plan outlining objectives and targets for ESG and Sustainability.

KING PRINCIPLES	APPLICATION AND EXPLANATION
<p>PRINCIPLE 3: RESPONSIBLE CORPORATE CITIZEN</p> <p>The Board ensures the GMA is and is seen to be a responsible citizen.</p>	<p>Economy</p> <ul style="list-style-type: none"> The Gautrain Project adopted an innovative process that translates the Government’s Socio-Economic Development (SED) objectives into measurable performance indicators. These are embedded into contractual obligations to ensure the Concessionaire’s commitment is fostered. <p>The Concessionaire embraced SED objectives and ensured credible achievements. SED obligations for the reporting period are included in this Integrated Annual Report.</p> <p>B-BBEE procurement spending relates to discretionary goods and services procured by the GMA. The Social and Ethics Committee monitors the GMA’s B-BBEE compliance. The GMA achieved the B-BBEE targets for businesses owned by women and youth during the period under review but targets for people living with disabilities remained a challenge. The GMA will continue to investigate ways to improve its performance in this area.</p> <p>Society</p> <ul style="list-style-type: none"> The GMA’s Social Investment Programme (SIP) focuses on education, community care, environment and township economy. The GMA has conducted a socio-economic research study to understand the community of Alexandra, enabling the GMA to consider value creation in the area and possible shared value projects to be implemented. The GMA continued with the Employee Volunteering Programme, allowing staff to share their time, skills and, where possible, donations to support beneficiaries in need. These efforts included mentoring, skills and job sharing, as well as donations of winter clothing and stationery for the youth. <p>Details of the key focus areas during this reporting period, as well as the planned future areas, can be found in the main Integrated Report.</p>
<p>PRINCIPLE 4: STRATEGY AND PERFORMANCE</p> <p>The Board appreciates that the GMA’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development, are all inseparable from the value creation process.</p>	<p>The Board is responsible for the GMA’s performance and thus approves the GMA’s Strategy and assigns the implementation of the Strategy to Management.</p> <p>The Board monitors the GMA’s performance through Quarterly Performance and Performance Information Reports submitted to the MEC and the Gauteng Provincial Legislature.</p> <p>The CEO’s Quarterly Outlook Reports focus on key matters that need to be brought to the attention of the Board and Board Committees between quarterly meetings.</p>
<p>PRINCIPLE 5: REPORTING</p> <p>The Board ensures that reports issued by the GMA enable stakeholders to make informed assessments of the GMA’s performance.</p>	<p>The GMA follows the National Treasury guidelines, the Revised Framework issued by the Department of Planning, Monitoring and Evaluation and the corporate governance leading practice on annual reporting.</p> <p>The GMA’s Annual Financial Statements were prepared following the prescribed standards of Generally Recognised Accounting Practice (GRAP), including directives and guidelines issued by the Accounting Standards Board (ASB) and the Public Finance Management Act (PFMA).</p> <p>During this reporting period, the GMA’s Integrated Annual Report continues to detail how the six capitals utilised by the GMA are creating value for the organisation and its stakeholders.</p> <p>Details can be found in the Integrated Annual Report.</p>
<p>PRINCIPLE 6: PRIMARY ROLE AND RESPONSIBILITIES OF THE BOARD</p> <p>The Board serves as the focal point and custodian of corporate governance in the GMA.</p>	<p>The Board fulfils its leadership role by steering the GMA and establishing its strategic direction. It approves policies and plans that aligns with this direction, oversees and monitors their implementation by Management and ensures accountability for the GMA’s performance through reporting and disclosure.</p> <p>The Board’s role and responsibilities are articulated in the Board Charter. Both the Board Charter and the Terms of Reference for Board Committees are reviewed annually to ensure alignment with leading corporate governance practices and are approved by the Board.</p> <p>For more information, refer to the Corporate Governance and Ethics Management Report included in the Integrated Annual Report.</p>

KING PRINCIPLES	APPLICATION AND EXPLANATION
<p>PRINCIPLE 7: COMPOSITION OF THE BOARD</p> <p>The Board is composed of members with a mix of knowledge, skills, experience, diversity and independence to effectively and objectively fulfill its governance role and responsibilities.</p>	<p>According to the GMA Act, the appointment of the Board is the responsibility of the MEC. As a result, the Board does not have a Nomination Committee to assist with its appointment. Instead, the GMA has established a Framework for the Recruitment and Selection of the Board, Board Committees, and the CEO.</p> <p>The Framework enhances transparency and formalises the appointment process of the Board, Board Committees, and the CEO. The Framework encourages the Board to collaborate with the MEC throughout this process, although final approval rests with the MEC in consultation with the Gauteng Executive Council.</p> <p>Refer to the Corporate Governance and Ethics Report for full disclosure regarding the composition of the Board and the role and responsibilities of the Chairperson, Deputy Chairperson and the CEO.</p>
<p>PRINCIPLE 8: COMMITTEES OF THE BOARD</p> <p>The Board ensures that its delegation arrangements within its structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.</p>	<p>In discharging its duties, the Board is empowered to delegate some of its responsibilities to Board Committees and the CEO through the delegation of authority framework and the Committees' Terms of Reference, while maintaining ultimate accountability.</p> <p>The Board Charter outlines the matters reserved for the Board and those delegated to Board Committees. The Board reviews and considers the recommendations and reports from these Committees.</p> <p>For a complete disclosure regarding the Board Committees, please refer to the Corporate Governance Report and Ethics Management Report.</p>
<p>PRINCIPLE 9: EVALUATION OF THE PERFORMANCE OF THE BOARD</p> <p>The Board ensures that the evaluation of its own performance and that of its Committees, Chairpersons, and individual members, supports ongoing improvements in performance and effectiveness.</p>	<p>The Performance Evaluations of the Board, Board Committees and individual Board Members are conducted every two years.</p> <p>The last Performance Evaluation was conducted during the 2021 /22 financial year. During the period under review, the Action Plan resulting from the Performance Evaluation, was completed.</p>
<p>PRINCIPLE 10: APPOINTMENT AND DELEGATION TO MANAGEMENT</p> <p>The Board ensures that the appointments and delegations to management contribute to clear role definitions and the effective exercise of authority and responsibilities.</p>	<p>The Delegation of Authority Framework (DoA) defines the levels of authority and the required approvals for decision-making. The DoA is reviewed and approved by the Board annually or as needed.</p>

KING PRINCIPLES	APPLICATION AND EXPLANATION
<p>PRINCIPLE 11: RISK GOVERNANCE</p> <p>The Board governs risk in a manner that supports the GMA in setting and achieving its strategic objectives.</p>	<p>The GMA's risk governance addresses both opportunities and associated risks, as along with their impact on achieving the GMA's objectives.</p> <p>The Board oversees risk management and has delegated this function to the Audit and Risk Committee. Management is responsible for implementing and executing effective risk management.</p> <p>Some of the key focus areas during the reporting period were as follows:</p> <ul style="list-style-type: none"> • Establishing the approach to risk governance, including considering opportunities and risks in the development of strategy. • Treating risk as an integral part of decision-making and adherence to duties. • Overseeing the risk management, which includes assessing risks and opportunities through a 360-degree analysis in accordance with King IV, evaluating the use of the six capitals, achieving objectives, assessing resource dependencies, and monitoring and reporting on risk responses. • Identifying, mitigation and monitoring of emerging risks. • Monitoring and reporting of Strategic and Tolerance Dashboards. • Revising the Gautrain System Disruption Register. • Migrating active project risk registers, managed by the Project Management Office (PMO), to the Highbond platform. • Improving the risk maturity of the organisation from 88% to 89%. • Include ethics in performance management processes via the GMA values. • Implement risk awareness initiatives. • Develop the GMA Sustainability Policy. • Align the risk management processes with ISO standards. • Develop new strategic and operational risk registers e.g. Post-2026, Commercial, Close Out of the Concession Agreement, etc. • Expanding the PMO risk management process to other business units. <p>Full disclosure on Risk Management can be found in the Integrated Annual Report.</p>
<p>PRINCIPLE 12: TECHNOLOGY AND INFORMATION GOVERNANCE</p> <p>The Board governs technology and information to support the GMA in setting and achieving its strategic objectives.</p>	<p>The Board, through the Audit and Risk Committee, oversees the governance of technology and information and management of associated risks, to enable the achievement of the GMA's strategic objectives. The operational responsibility for governing of technology and information has been delegated to Management.</p> <p>In essence, the oversight addresses ICT governance (strategic alignment, risk management, resource management, performance management), ICT Compliance, ICT Assurance, Cyber Security and Critical ICT Projects.</p> <p>The ICT strategy aims to transform the GMA into a digital workforce and leverage data to become a data-driven organisation. During the reporting period, ICT continued its efforts to digitally transform the GMA into a mobile, agile, innovative, data-driven, and secure workforce. A key component of the ICT strategy is to enhance organisational processes, practices, and systems to improve ICT governance and risk management, reduce environmental impact, maximise financial value, boost overall workforce efficiency, and use data to drive strategy.</p> <p>The implementation of the digital and data strategies is still underway. These strategies aim to utilise data to gain a competitive advantage, improve customer experience and add value to the GMA and its customers, using data and analytics. The data strategy also focuses on data governance to ensure data is correctly managed and protected.</p> <p>Arrangements for technology and information governance are fully disclosed in the Integrated Annual Report.</p>

KING PRINCIPLES	APPLICATION AND EXPLANATION
<p>PRINCIPLE 13: COMPLIANCE GOVERNANCE</p> <p>The Board governs compliance with applicable laws and adopts non-binding rules, codes and standards to support the GMA in setting and achieving its strategic objectives.</p>	<p>The GMA has approved a number of prescripts, including, but not limited to, the Legal Compliance Policy, Legal Compliance Framework and Legal Compliance Strategy.</p> <p>During the reporting period, compliance monitoring, and audits, as well as gap analysis of specific legislation impacting the GMA and its operations continued.</p> <p>Full disclosure on Compliance and Legal Services can be found in the Integrated Annual Report.</p>
<p>PRINCIPLE 14: REMUNERATION GOVERNANCE</p> <p>The Board ensures that the GMA's remuneration practices are fair, responsible and transparent, aiming to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	<p>The Board holds ultimate responsibility for the governance of remuneration, with some elements delegated to the Human Resource and Remuneration Committee (HCRC). Performance-based remuneration is one of the cornerstones of the GMA's Reward and Remuneration Philosophy.</p> <p>The Reward and Remuneration Philosophy is supported by sound remuneration management and governance principles, which are promoted throughout the GMA in order to ensure consistent application.</p> <p>The GMA Reward and Remuneration Policy is reviewed and approved by the Board. The Policy is designed to achieve the following objectives:</p> <ul style="list-style-type: none"> • To attract, motivate, reward, and retain human capital. • To ensure that high levels of performance are recognised and rewarded. • To promote and align the achievement of strategic objectives within the organisation's risk appetite. • To ensure that a competitive remuneration package is offered to employees. • To ensure that a performance culture is institutionalised. • To promote positive outcomes. • To promote an ethical culture and responsible corporate citizenship. <p>The HCRC has the overriding authority on the use of discretionary payments made under exceptional circumstances. Overview of the GMA Reward and Remuneration Policy is as follows:</p> <ul style="list-style-type: none"> • Annual review of the Policy to align it with market principles. • Approved remuneration structures include the basic salary, performance bonuses/incentive schemes and other related benefits. • Regular salary benchmarking is conducted to ensure that remuneration aligns with market-related salaries. • All employees, regardless of race or gender, performing the same or similar job at the same or similar level of performance in the organisation, receive the same or similar levels of remuneration, as determined in the approved Reward and Remuneration Policy and PayScale, as well as the equal pay principle. • Performance bonuses/incentives are linked to performance and value creation that are within the control of Management. • Performance measures are clearly defined and measured over the short, medium, and long term. <p>The remuneration of the Board and Senior Executive Management is disclosed in the Annual Financial Statements included in the Integrated Annual Report.</p>
<p>PRINCIPLE 15: ASSURANCE</p> <p>The Board ensures that assurance services and functions enable an effective control environment, supporting the integrity of information for internal decision-making and the GMA's external reports.</p>	<p>The Board has delegated the arrangements for assurance services to the Audit and Risk Committee. The Audit and Risk Committee provides oversight of the internal control environment and the integrity of information and reports for better decision-making.</p> <p>The GMA's Internal Audit provides assurance in conformance with the Institute of Internal Auditors (IIA) Standards and contributes to the effectiveness of governance, risk management and control processes. The Internal Audit Plan is completed and was approved by the Audit and Risk Committee.</p> <p>Reviews of governance, risk management, and controls by assurance providers to enhance the practice of combined assurance, were implemented and reported to the Audit and Risk Committee.</p> <p>Arrangements for assurance are fully disclosed in the Audit and Risk Committee's report contained in the Annual Financial Statements.</p>

KING PRINCIPLES	APPLICATION AND EXPLANATION
<p>PRINCIPLE 16: STAKEHOLDER RELATIONSHIPS</p> <p>In the execution of its governance role and responsibilities, the Board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the GMA over time.</p>	<p>Governance of the GMA and Gautrain stakeholder relationships is the responsibility of the Board, assisted by the Social and Ethics Committee.</p> <p>The Board has delegated to Management the responsibility for implementing and executing stakeholder relationship management. During the reporting period, the Social and Ethics Committee provided oversight on the following key matters:</p> <ul style="list-style-type: none"> • Research of stakeholders’ opinions on the Gautrain brand to leverage and mitigate relationships. • Classification of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs and outcomes of the GMA. Although stakeholder management is important to the GMA, the proposed Gauteng Rapid Rail Network Extensions and Post-2026 Gautrain and beyond will further emphasise the importance of stakeholder relations and increase related activities within the GMA. • Management of stakeholder risk, as part of organisation-wide risk management. • Formal mechanisms for communication with stakeholders to identify their interests, concerns and expectations. • Actions taken to measure the quality of material stakeholder relationships and appropriate responses to address the gaps. <p>More details on stakeholder relationships, achievements and future focus areas can be found in the Integrated Annual Report.</p>
<p>PRINCIPLE 17: RESPONSIBILITIES OF INSTITUTIONAL INVESTORS</p> <p>The Board of an institutional investor organisation should ensure that responsible investment practices are upheld to promote good governance and create value in the companies in which it invests.</p>	<p>The GMA was established by the Gauteng Provincial Government in terms of the GMA Act and listed as a Public Entity in Schedule 3 (c) of the Public Finance Management Act.</p> <p>The GMA uses the Supplement for State-Owned Entities as a guide in the interpretation and application of the King IV Code.</p> <p>Principle 17 is therefore not applicable to the GMA.</p>

3. CONCLUSION

The application of good governance, as recommended by King IV, was progressing well, and the Board was satisfied. Through the Audit and Risk Committee, the Board will continue to monitor the identified gaps and make enhancements where necessary.



**“LONG-TERM FINANCIAL
PERFORMANCE DEPENDS ON
THE EFFICIENT AND PRODUCTIVE
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RELATIONSHIP, AND NATURAL
CAPITALS.”**



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