



riigikontroll
National Audit Office of Estonia

Establishment of the Transport Administration and its results

Has the Transport Administration achieved the objectives set at the merger of the Civil Aviation Authority, the Road Administration and the Maritime Administration?

Report of the National Audit Office to the
Riigikogu
Tallinn, 10 February 2025

Summary of audit results

Did you know that...

on 1 July 2023, the Transport Administration was transferred from the Ministry of Economic Affairs and Communications to the Ministry of Climate.

The National Audit Office has made audit recommendations to the Ministry of Climate that took the functions over from the Ministry of Economic Affairs and Communications.

Several objectives were set for the Transport Administration when it was established, but only a few of them were formulated in a way that makes it possible to assess their achievement unambiguously – most of the objectives lacked measurable criteria, including deadlines. The lack of data on the baseline of 2020 or of consistent measurement results to compare with the baseline also make assessing the achievement of several goals more difficult.

The initial objectives of the merger covered by the audit, the assessment of their measurability and the status of their achievement are summarised in Table 1 and in more detail in Annex A.

Table 1. Assessment of the National Audit Office of the achievement of the objectives of the merger as of 2023

Objective that has not been achieved, but progress has been made	Objective where progress has been made, but achievement cannot be unambiguously assessed	Achieved objective	Achievement of objective is not realistic or comparable to the level of 2020
<ul style="list-style-type: none">• Save €0.35–0.4 million per year in management and labour costs;• save €1.5–2 million in labour costs over five years;• reduce the share of support staff by 10%;• achieve a 10–11% share of support staff among total staff;• cover the expected cost of the merger, which is €1.4 million, by reducing the support staff.	<ul style="list-style-type: none">• Reduce the labour costs of managers;• align existing information systems;• optimise office space.	<ul style="list-style-type: none">• Achieve an up to 12.5% share of managers among staff;• optimise the number of vehicles and management costs.	<ul style="list-style-type: none">• Create an implementing agency that organises road, aviation, maritime, rail and public transport, which will implement policies and projects across the transport sector;• bring the budget under a single management, providing greater flexibility to fund innovative solutions and set priorities at the level of the administration to ensure the development of the sector as a whole;• improve the quality of public services.

Source: National Audit Office on the basis of the memoranda and additional materials of the cabinet meetings of the Government of the Republic, the presentation made by the Minister of Economy and Infrastructure to the Riigikogu, explanatory memoranda and materials of legislative acts

Main observations:

Public servant means an official appointed to an office of public authority or an employee working under an employment contract who only works in support of the exercise of public authority.

A distinction between support staff and public servants engaged in the principal activities is made in the audit.

Source: subsections 7 (2) and (4) of the Civil Service Act

Space usage efficiency – the office space is divided by the number of full-time employees (excluding employees working remotely) using the space (m²/full-time employees).

Office space is net space with office functions (offices and the rest area, meeting rooms, corridors, service rooms for servicing them). Excluded are, for example, the garage in the same building, the basement, large auditoriums, laboratories, server rooms.

The best practice in the state is 15–18 m² of office space per full-time employee.

Source: Principles of the Real Estate Policy of the State (2021), explanations of the Ministry of Finance

- Neither the Ministry of Climate nor the Transport Administration has an overview of the achievement of the objectives set for the merger of the three agencies. The Ministry of Climate has no interest in identifying the benefits achieved with the establishment of the Transport Administration.
- The analysis of the National Audit Office revealed that the objectives of saving on management and labor costs have mostly been achieved during the period 2020–2023:
 - the cost of managing passenger cars and the labour costs of support **staff** and managers have decreased from ca €8.366 million to ca €8.232 million, i.e. 1.6%;
 - the number of vehicles, buildings, support staff and managers has decreased.
- No further reduction in the number of support staff is foreseen after the new tasks assigned to the Transport Administration, unless the tasks can be digitised. The information systems of the three agencies have been integrated in support services, but not in principal services. The building management costs of the Transport Administration (after deduction of the impact of changes in consumer prices) have increased by 11.8%. The Administration has office buildings in its use which **could be used more efficiently**.
- The merger of the agencies was supposed to improve the quality, including accessibility, of public services in the transport sector, but it is not possible to assess whether this objective has been achieved, as the merger process did not set indicators or baselines for assessing the quality of the public services provided by the Transport Administration. The Transport Administration has adopted two mandatory public service quality indicators across the agency, but has not systematically measured them.
- The Transport Administration has also not compared whether the quality of services has improved after the merger of the agencies when compared to 2020, as it does not know what the service quality indicators were in 2020 and what methodology was used to assess them.
- The Transport Administration has not yet centrally collected information on potential problems in service delivery and the measures taken to improve services. Also, the Transport Administration had not centrally agreed for the period 2021–2023 on how to consolidate the improvement actions that emerged from customer feedback and improve services.
- According to the European Union Aviation Safety Agency (EASA), the number of aviation specialists at the Transport Administration is not sufficient to carry out aviation oversight tasks. The problem of a shortage of aviation specialists, which emerged already before the

establishment of the Transport Administration, has not yet been solved. However, this may limit the ability of the Estonian aviation sector to grow and airlines to offer their services on the international market. The Transport Administration currently has a plan for recruiting aviation staff for the period 2024–2028, but its implementation depends on the Transport Administration's budget and is not yet certain in 2025–2028.

Direct public service means a service provided to a citizen or a company at their request and through any communication channel, to allow the person or entity to fulfil an obligation or exercise a right arising from law.

An example of a direct public service is the service of granting the right to drive a motor vehicle (see also Annex D).

Source: Subsection 2 (2) of Government of the Republic Regulation No 88 "Fundamentals of Organisation of Services and Information Management"

Recommendations of the National Audit Office to the Director General of the Transport Administration:

- carry out a real property analysis in the Administration and make a proposal to the minister responsible for the area of government to reduce the office space of the Administration, taking into account the optimal usage of space deemed to be the best practice in the state.
- establish indicators characterizing each specific service in addition to the existing indicators for assessing the quality of **direct public services**.

Response of the Director General of the Transport Administration: the Director General responded that, to cope with the shortage of budgetary funds and taking into account the best practice of optimal usage of office space in the state, the Transport Administration plans to submit a proposal to the minister for the optimisation of buildings in August 2025 at the latest.

The Director General pointed out that due to the high volume of individual services, the Transport Administration switched to product-based service management in 2024, i.e. service bundles were created. Service bundles, or products, have also been assigned indicators that clearly characterise these bundles, and there are more of them than just the number of times services have been provided and customer satisfaction, and they can be monitored to assess the need for improvement activities.

