

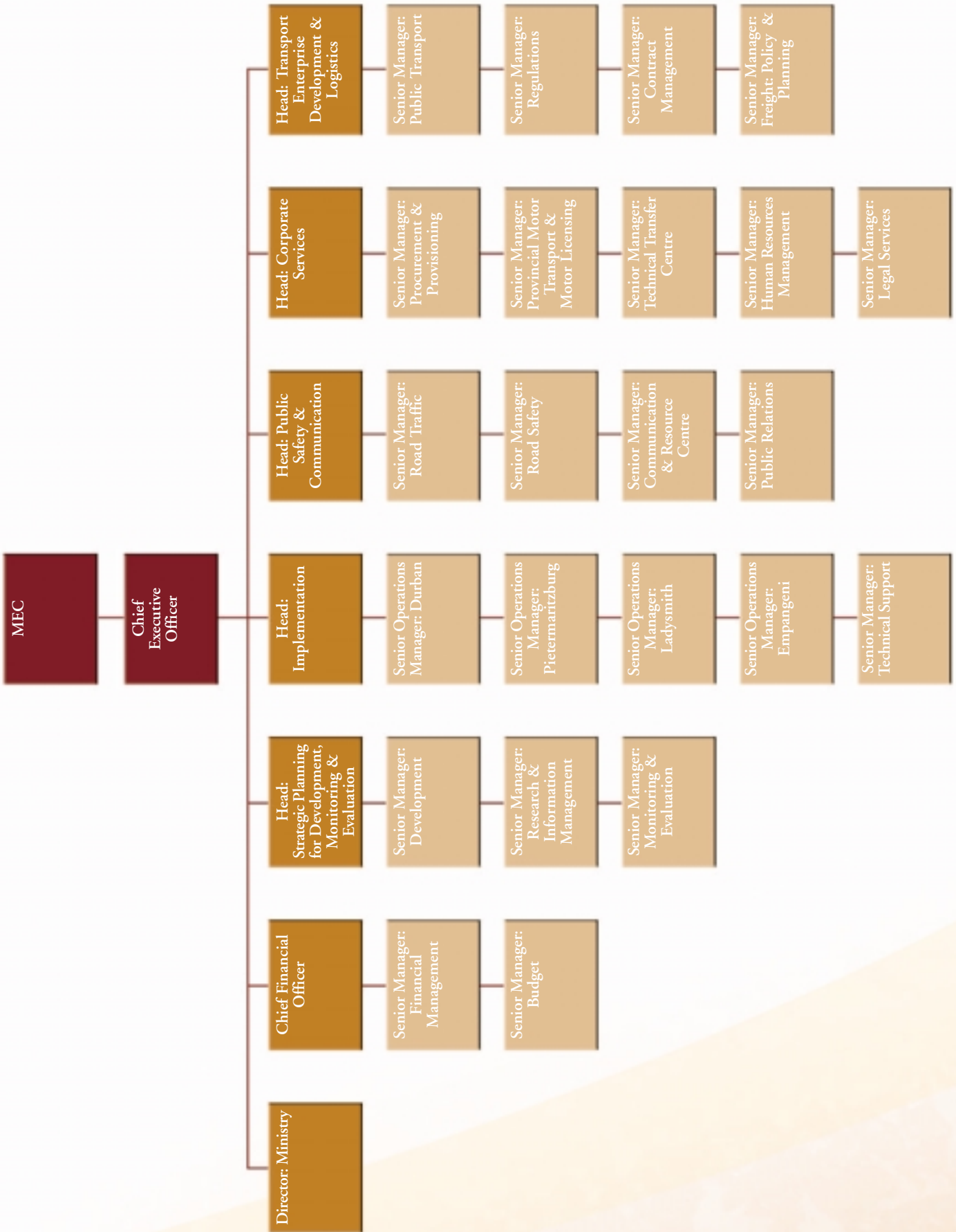


KWAZULU-NATAL
DEPARTMENT OF TRANSPORT
Annual Report 2002

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ORGANOGRAM



DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



STRATEGIC VISION

Part 1

STRATEGIC VISION

VISION

The KwaZulu-Natal Department of Transport's vision is:

"PROSPERITY THROUGH MOBILITY".

This means that all activities of the Department and the manner in which the Department delivers services to communities will increase the wealth and quality of life to all citizens of the province.

MISSION STATEMENT

"We will provide the public with an integrated and accessible road and public transport infrastructure, promote road and public transport safety and ensure that, in delivering on our mandate, we meet the development needs of our province.

We will promote transparent and accountable government, plan in accordance with the needs of our customers, and ensure effective, efficient and transparent delivery of services through appropriate involvement of the public and through regular and accurate reporting."

STRATEGIC OBJECTIVES

The strategic objectives of the department are as follows:

- Improving and ensuring road and public transport safety;
- Developing the people, the economy and the infrastructure of KwaZulu-Natal;
- Institutionalising public participation and strengthening democratic governance;
- Facilitating rural development, reducing poverty and inequality and ensuring an infrastructure balance;
- Facilitating the growth and development of the road construction industry in KwaZulu-Natal, so as to be fully representative of the demographic profile of the province; and
- Ensuring financial accountability, value based resource management and development of integrated management systems.

CORE FUNCTIONS

Turning the vision of the department into reality can only be achieved by focusing the attention and energy of all employees and relevant stakeholders on the performance of core functions. The core functions are:

- **Road Transportation**
The planning and provision of urban and rural public transport facilities, conducting transport studies, the control of road transportation, provision of transport planning frameworks and the management of public transport services and public road network.
- **Road Traffic**
The registration and licensing of vehicles and drivers, the regulation of traffic on public roads, the maintenance and provision of visible road traffic signs and the implementation of road safety campaigns and awareness programmes.

To effectively perform these core functions, to deliver and provide services to the public, the department needs, technical and /or professional support in the following areas:

- Human Resources Management and Development
- Financial Management
- Communication
- Monitoring and Evaluation

LEGISLATIVE MANDATE

The KwaZulu-Natal Department of Transport is responsible for the management and operation of the transportation system in KwaZulu-Natal. This includes:

- the construction, upgrading, maintenance and control of the provincial road network;
- the regulation, subsidisation and overall control of public transport operations;
- the registration and licensing of vehicles and drivers;
- the regulation of traffic on provincial roads;
- road safety; and
- the management of the provincial vehicle fleet.

This responsibility is mandated in terms of the following Acts:

- The Constitution
- The KZN Provincial Minibus Act
- The KZN Provincial Roads Act
- The Administrative Adjudication of Road Traffic Offences Act
- The Cross Border Act
- The National Road Traffic Act
- The KZN Procurement Act
- The KZN Road Traffic Act
- The National Land Transport Transitions Act
- The National Roads Act
- The Preferential Procurement Policy Framework Act
- The Public Finance Management Act
- The Public Service Act

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANQO WELUKUTHATHA



Mr S'bu Ndebele
Minister of Transport
KwaZulu-Natal

REPORT OF THE EXECUTIVE AUTHORITY

Part 2

REPORT OF THE EXECUTIVE AUTHORITY

The year 2001/2002 has proved to be a turbulent year in the World economy and in particular the transport sector. The events of 11 September 2001 had a dramatic impact on transport insurance costs and the price of fuel. In addition the exacerbated slowdown in the economy of the United States of America contributed to a deterioration in the World economy.

Although the South African economy weathered the global storm well, the shift from labour absorptive industries such as mining and agriculture to manufacturing and tourism has resulted in a continued loss of employment opportunities in the formal economy. Consequently a recent report by Statistics South Africa calculated that one million jobs were lost between February 2001 and September 2001. Here it is important to appreciate that not only is our economy shedding jobs but that our economic growth rate is not creating sufficient new job opportunities to absorb new market entrants. Factually, only 5 to 7 percent of matriculants who pass matric will be absorbed by our formal economy.

Structural unemployment in South Africa, which has deepened over the past decade, is a condition that is most severely felt in those provinces that have a large rural population. Therefore, we as government must now confront a situation in which the majority of our citizens are considered poor, and living below the minimum living level. Living in poverty leaves a permanent mark even on those who manage to survive.

The KwaZulu-Natal Department of Transport has a deserved reputation for designing programmes and utilising budgets to ensure that previously disenfranchised communities gain a more credible stake in our economy. We have always championed the view that economic disadvantage occurs within the context of social disadvantage. We have accordingly developed economic empowerment and targeted procurement programmes within the wider development context of integration, renewal, job creation, poverty alleviation, gender, training and skills transfer. We have always championed the view that, as long as the majority of our citizens are poor, our hard won democratic freedom will be meaningless.

Annual reports provide a valuable opportunity for review. For government departments in South Africa this review must necessarily go beyond reporting on progress made by government as a regulatory body and service provider to include our contribution to the creation of a more representative economy.

Our Annual Report will focus, therefore, on the extent to which the transport portfolio has been used to:

- accelerate the transformation of KwaZulu-Natal society,
- contribute towards the creation of the wealth of our province and our country but particularly within poor communities,
- redistribute opportunities within the transport sector,
- address the priority needs of stakeholders and build the capacity of impoverished communities to engage the KwaZulu-Natal Department of Transport effectively.

Our Annual Report will draw heavily on the findings of an independent social impact assessment of our Roads for Rural Development programme and our Road to Wealth and Job Creation Initiative. This study was conducted by Afridata Research in conjunction with Research International. Further, the Southern African Labour and Development Research Unit (SALDRU), University of Cape Town, has conducted an independent review of our Zibambele programme (a poverty alleviation programme focussing on women headed households).

Both of these studies provide irrefutable evidence to demonstrate that improved access through the Roads for Rural Development programme and the injection of cash into impoverished communities through the Road to Wealth and Job Creation Initiative are starting to bear fruit both for the contractors concerned and for the market economy of the province.

Although the programmes associated with the Road to Wealth and Job Creation Initiative are relatively new, we now have irrefutable evidence that we have created sustainable opportunities which are sufficiently significant to begin absorbing a rural labour force that has been increasingly marginalized by the productivity requirements of the global market economy. The findings on our Vukuzakhe (the staged emerging contractor programme) and Zibambele

programmes endorse that the KwaZulu-Natal Department of Transport is on track in delivering sustainable solutions to rural poverty, rural unemployment and entrepreneurial development which stimulate rural economic growth by creating a more favourable investment environment, increasing local disposable income and reducing geographic poverty gaps.

This is particularly pleasing in as much as the studies were conducted prior to the implementation of the African Renaissance Road Upgrading Programme, which has undoubtedly geared up wealth creation in beneficiary communities. Increasingly, Local Government has been pushed into the front line of government's war on poverty. Our African Renaissance Road Upgrading Programme is specifically designed to enhance co-operation between all three spheres of government in the interests of efficient and effective service delivery.

We have also made considerable progress in regulating the taxi industry and in reorienting its economic interests towards greater diversification. This will undoubtedly make the taxi industry more economically viable as it would no longer be wholly dependent on fares and routes. The Provincial Taxi Council is now fully operational and we look forward to a fruitful relationship with them to ensure both safe and affordable public transport and the growth of the taxi industry in KwaZulu-Natal.

The KwaZulu-Natal Department of Transport has pioneered many innovative strategies in its endeavour to create a safe road environment through the annual reduction of road crashes. The Department is well known for its dedicated commitment to adopting a Zero Tolerance enforcement programme together with a community education and awareness campaign. Our Zero Tolerance enforcement programme is administered by the KwaZulu-Natal Road Traffic Inspectorate (RTI) while community awareness and education is effected through our Road Safety Directorate.

The KwaZulu-Natal Department of Transport has met with senior personnel from the South African Police Services, the South African National Defence Force and the Director of Public Prosecutions in KwaZulu-Natal to discuss ways of ending the violence on provincial and national roads. We are now considering the establishment of dedicated traffic courts in co-operation with the Public Prosecutor's office. This is expected to streamline the adjudication of traffic offences and give teeth to our Zero Tolerance campaign. The RTI are to be congratulated on their continued commitment to eradicate fraud in the issuing of drivers licences and vehicle roadworthy certificates, as well as the dramatic reduction of overloading of vehicles on heavily trafficked national and provincial routes.

Although road crashes and road fatalities are still high, they are nonetheless decreasing. It is clear that our combined Zero Tolerance and Asiphephe programmes are having the desired effect. Our efforts to educate the community at large have been boosted by the establishment of Community Road Safety Councils in rural and disadvantaged urban communities. The commitment to outsource critical Community Road Safety Awareness work to Zibambele-like contracts at the local level will undoubtedly enhance the status of Road Safety Awareness campaigns in local communities. Not only will this create much needed employment, it will also spread the gospel that road safety is everyone's business.

The progress made this year has been very considerable despite the fact that the transport sector was badly affected by the slowdown in the World economy and by the tragic events of 11 September 2001. We are, I believe, making progress on all fronts and are playing a critical role in the transformation of KwaZulu-Natal.

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



Dr Kwazi Mbanjwa
Head of Department

REPORT OF THE HEAD OF DEPARTMENT

Part 3

REPORT OF THE HEAD OF DEPARTMENT

SECTION 1: INTRODUCTION

In many ways, for the KwaZulu-Natal Department of Transport, the year 2001/2002 was a period of review and consolidation. Our Roads for Rural Development programme and our Road to Wealth and Job Creation Initiative have been subjected to independent assessment to verify whether or not our budget votes have the desired and planned for socioeconomic impact. The findings of Afridata Research, in conjunction with Research International and the independent assessment of Zibambele by the Southern African Labour and Development Research Unit (SALDRU), have proved invaluable in refining our approach to service delivery. It is now our intention to subject all KwaZulu-Natal Department of Transport programmes to independent evaluation.

It is, we believe, critical to assess our progress in managing the transport portfolio towards the realisation of a fully representative transport and construction sector in KwaZulu-Natal. We realise only too well the enormity of the task ahead given the fact that the GINI co-efficient* for the construction industry indicates that it is the second most unequal sector, after agriculture, in South Africa. (* a universal measurement for equality)

The first litmus test for any public service department concerns the percentage of budget that is spent on personnel relative to the budget spent on actual services to the public. The public service has been under pressure to both downsize – that is reduce the overall numbers of staff employed – and, simultaneously, right size – that is to ensure that the staff employed are properly deployed and adequately skilled to ensure an efficient and effective service delivery of core functions in accordance with the government of the day's social contract with its citizens.

It is a matter of public record that since 1994 the KwaZulu-Natal Department of Transport has systematically reduced its number of establishment posts to ensure that a higher proportion of our budget is spent on actual services to the public. It gives me pleasure to report that the proportion of the transport budget spent on personnel in the 2001/2002 financial year was only 25,9%. Our performance in this regard compares very favourably with other provincial departments.

However we have not just reduced our overhead costs, we have made tremendous progress in restructuring and right-sizing the KwaZulu-Natal Department of Transport. This is reflected in our organogram (page 1). Considerable progress has also been made in developing the skills of our staff so that they can achieve higher levels of productivity in service to the public. Our skills development programme extends from Adult Basic Education (ABE) to the work of our Technical Training Centre which is now under the management of our T² programme. Over the past three years 291 technical students from the beneficiary communities affected by the African Renaissance Road Upgrading Programme (ARRUP) have applied to the KwaZulu-Natal Department of Transport for placement. Although the majority of these students are drawn from the Durban Unicity, Pietermaritzburg and Newcastle it is pleasing to note that deep rural areas such as Nkandla (9 students), Nongoma (9 students), Ongoye (24 students) and St Faiths (24 students) are well represented. ARRUP will now provide internship opportunities for technical students. It is anticipated that this will assist the Department in its drive to recruit appropriately skilled technical staff.

The passing of the KwaZulu-Natal Provincial Roads Act (Act 4 of 2001) provided the new legal framework that governs the construction and maintenance of the provincial road network in KwaZulu-Natal. Three key components that can be identified from this comprehensive Act are as follows:

- It is the only legal framework governing the construction and maintenance of the provincial road network in KwaZulu-Natal,
- It creates provision for a balanced road network in the province and recognises rural community access roads as part of the provincial road network,
- It makes provision for public participation in declaring an equitable and balanced road network that meets the mobility needs of all our population and, at the same time, facilitates growth and development of the road construction industry to reflect our demographic profile better.

The passing of the Act has therefore consolidated the many gains that have been made by the KwaZulu-Natal Department of Transport over the past few years and that have fundamentally transformed our service delivery of road upgrading and maintenance systems. Indeed, our growing organisational capacity to implement policy effectively and

efficiently is largely founded upon the creation of established channels of communication that connect the Department to the regions, Rural Road Transport Forums, Vukuzakhe associations and contractors and Zibambele contractors in a systematic and reciprocal manner.

Further, the introduction of Medium Term Expenditure Frameworks (MTEF) has enabled the Department to undertake several large road upgrading projects which will be financed over several years. These projects come under the banner of our African Renaissance Road Upgrading Programme (ARRUP).

All ARRUP projects have been designed to fast track the normalisation of the road construction industry in KwaZulu-Natal by creating opportunities for emerging and well established contractors as well as newly established and well established consultants. Further, all ARRUP projects have been designed to create maximum local opportunities. These include the supply of materials and considerable progress has been made in designing contracts to ensure that the maximum rand value circulates locally and does not leak out to large urban centres.

The KwaZulu-Natal Department of Transport is increasingly committed to a planning process that builds the relationship between integrated transport planning and integrated development planning. We are committed, as a Department, to promoting participatory democracy and co-operative good governance. Once again, this commitment has been formalised on ARRUP projects through the establishment of Project Liaison Committees which are fully representative of all major stakeholders and have been identified by beneficiary communities themselves. These include amaKhosi and Local Government.

ARRUP projects can become an important vehicle to achieve co-operative governance and integrated rural development. Most projects are designed to last at least three years. In effect this means a concentration of technical personnel and plant in rural communities that can be cost efficiently utilised to plan and implement a new dispensation that goes beyond the delivery of road infrastructure. The upgrading of major transport corridors is expected to catalyse a more diversified local economy with new investment opportunities in:

- Agriculture
- Tourism
- Transport
- Construction
- Small industries
- Trade

Such opportunities will be identified through the Department's work with Project Liaison Committees and the Department is expected to play a key role in facilitating the social and economic development of beneficiary communities. Other than local economic development investments, communities are expected to benefit from improved access to government programmes and services, improved access to investors and donors and an increased capacity to manage their own development.

Our stage advancement emerging contractor programme, Vukuzakhe, received a significant boost through the formation of Vukuzakhe Associations across the province and the commitment by the Construction Education and Training Authority (CETA) to pilot 100 CETA learnerships under our Vukuzakhe programme. Our intention with CETA is not so much to train individual contractors but to provide systematically for the development of their business enterprises by giving them access to other learnership opportunities offered by the training authorities established under the Sector Education and Training Authority (SETA) programme which was recently launched by the passing of the Skills Development Act. This will ensure a more holistic approach to the development of Vukuzakhe enterprises and will guarantee their ability to compete and further develop in the market place.

The Department targeted the awarding of 10 000 Zibambele road maintenance contracts for 2001/2002. In all 9 856 contracts were awarded. This is a remarkable achievement given the fact that the Department also committed itself to developing systems to organise Zibambele contractors into savings clubs so as to facilitate the cost efficient supervision and training of contractors. A constitution for these savings clubs has been prepared in consultation with Zibambele

REPORT OF THE HEAD OF DEPARTMENT

contractors. There is evidence in support of the fact that several Zibambele contractors have moved beyond the stage of simply being employed and have, themselves, invested in enterprise developments and become employers. Clearly the organisation of Zibambele contractors into savings clubs will strengthen their role in rural enterprise development and will provide the institutional framework to create wealth amongst the poorest of the poor.

In October 2001 the Department initiated an extensive independent analysis of our Roads for Rural Development programme and Road to Wealth and Job Creation Initiative. The study paid particular attention to the Zibambele and Vukuzakhe programmes and was designed to measure the impact of these programmes on the lives of those who had been awarded contracts, their families and the communities in which they work and live. The results of the study are presented in this Annual Report under the Development Directorate. They do provide irrefutable hard evidence to substantiate our claim in the Road to Wealth and Job Creation Initiative that it is possible to put our rural economy on a labour absorptive growth path and to transform a nation of job seekers into a nation of job creators. In the context of job losses in our formal economy the performance of Vukuzakhe contractors in creating new jobs is nothing short of phenomenal.

Equally worthy of special mention is the performance of Zibambele both as a cost efficient road maintenance system and as an effective poverty alleviation programme. The SALDRU finding that, in 2001/2002, 73 cents of every rand within the programme accrued to Zibambele contractors compares very favourably with that of the National Economic Forum (1992 – 1998) which achieved 48 cents in the rand. The performance of Zibambele is even more remarkable given the fact that it is a young programme. SALDRU calculates that with economies of scale in 2002/2003 the awarding of 14 000 Zibambele contracts will result in 83 cents in every rand spent accruing to contractors. This will place Zibambele among the top poverty alleviation programmes internationally.

Our performance has not gone unnoticed. The National Department of Transport note in their Annual Report 2001 that they are: "currently developing a programme aimed at spreading the lessons of the KwaZulu-Natal Department of Transport's Zibambele and emerging entrepreneur models to the other provinces, providing them with assistance in carrying out systematic rural road audits and establishing the required structures for community participation and efficient administration".

It is common cause that the vast majority of KwaZulu-Natal's citizens are dependent on public transport to meet their daily mobility needs. The minibus taxi industry is undoubtedly the most critical pillar of our public transport sector in that it accounts for some 65% of the daily transport needs of the KwaZulu-Natal public. We are all aware that the spatial planning that took place during apartheid as separate development resulted in communities having to travel long distances to workplaces and points of economic production. Such communities are vulnerable to increases in public transport costs. The inherited focus from the past government on bus and rail subsidies results in only some 35% of the commuting public being subsidised.

The democratisation process within the taxi industry has been completed. Of the 252 taxi associations in KwaZulu-Natal, 247 have been referred to the Local Road Transportation Board and new route based licences have been processed.

On 24 April 2001 a fully representative Provincial Taxi Council was elected. We are committed, as the KwaZulu-Natal Department of Transport, to going beyond the regulation of the taxi industry to facilitating its growth and development in such a way that it can diversify its investment and income interests. This will include a review of the public transport subsidy system. The fact that the taxi industry is 99% owned and managed by Black South Africans makes it a critical pillar of any Black economic empowerment strategy, especially a strategy directed towards the empowerment of ordinary citizens.

Road safety remains a priority concern for the KwaZulu-Natal Department of Transport, which is nationally and internationally known for its Zero Tolerance, and Asiphephe programmes.

Violence on our roads takes many forms. These include road crashes, road rage, hijackings and taxi and public transport conflicts that often resemble open warfare. So prevalent are these acts of violence that it has become almost impossible to meet any South African whose life has not been traumatised by one or more acts of road related

violence. The KwaZulu-Natal Department of Transport has developed a comprehensive road safety strategy within a clear understanding that the many forms of violence on our roads are only sustained by a network of greed, corruption and patronage. I am referring here to the fraudulent issuing of licences and permits and the circumvention of procurement procedures and tender regulations. Further, we realise that a wide range of criminal activities succeed because criminals have access to transport. We have therefore launched a co-operative governance initiative with the SAPS, Public Prosecutors office, SANDF, Durban Metro and the Pietermaritzburg Municipality to fight crime. We are also in the process of establishing a Public Transport Enforcement Unit which will deal with public security on our roads. The unit will include an Investigative Unit, Flying Squad and Security Unit within the RTI structures to assist in the prosecution, conviction and imprisonment of perpetrators of road violence, fraud and corruption. It will have capacity to respond timeously to conflict situations and diffuse them before they get out of hand.

It would be remiss of me, as Head of Department, were I not to draw attention to the fact that "doing development" through the KwaZulu-Natal Department of Transport is not unlike trying to drive a motorcar with one foot on the accelerator and other foot firmly on the brake. The community demand for transport services and our innovative programmes is overwhelming. The budgets that we have been allocated are hopelessly inadequate, hence we calculate that the Department is under budgeted by 46% against its road upgrading and maintenance programme. Here it is important to appreciate that roads are designed to have a specific life span, usually 15 to 20 years. Many of our roads were built prior to 1988 under the budget regime linked to a dedicated fuel levy. These roads are nearing the end of their life span and many face premature collapse because of high growth in traffic levels, especially heavy duty vehicles.

KwaZulu-Natal is a gateway province for the rest of South Africa. The ports of Durban and Richards Bay handle some 78% of South Africa's cargo tonnage and account for 80% of the value of exports and imports on the current balance of payments. KwaZulu-Natal's national road network is disproportionately tolled within our province relative to all other provinces in South Africa. High toll fees make it attractive for heavy duty vehicles to use the provincial road network, which is not tolled, in preference to the heavily tolled national roads. We have introduced dedicated enforcement programmes against vehicle overloading, as this is a major cause of road deterioration. In 2001/2002 our Road Traffic Inspectorate (RTI) weighed 147 113 vehicles at our various weighbridges and laid 12 496 charges for overloading.

It must be emphasised that the 12% of vehicles found to be overloaded compares very favourably with the national average as it is estimated that more than 25% of all vehicles travelling on South Africa's roads are overloaded. We are, as a Department, doing well in our battle to conserve our road network. However, without a significant increase in the transport budget we will only succeed in delaying the inevitable. Our undisputed role as a gateway province to the rest of South Africa is in jeopardy.



SECTION 2: MINISTRY



Director: Ministry
Rev Themba Vundla

DIRECTORATE: MINISTRY

The office of the Minister exists to:

- support the MEC in achieving his goals and objectives while upholding the principles of accountability to stakeholders, and
- build the profile and enhance the image of the MEC vis à vis the Department.

Minister Ndebele is the longest serving MEC for Transport in the country. He has been intimately involved in the development of many of the KwaZulu-Natal Department of Transport's pioneering programmes such as Asiphephe, Zibambele, Vukuzakhe, the African Renaissance Roads upgrading programme, Taxi Cities and Taxi Co-operatives. Many of these cutting edge programmes are now being adopted at a national level and by other provincial departments. This has placed an additional demand on Ministry staff who are required to organise and host a busy schedule of field visits and presentations.

Minister Ndebele is a strong advocate of participatory democracy and believes in keeping the public well informed, taking their concerns into consideration in how the department prioritises the delivery of public services. Minister Ndebele's commitment to people centred development brings him into daily contact with community leaders and stakeholders in rural development, public transport, road safety, business, religious denominations, academics and the person in the street. Here it is important to emphasise that the public engages Minister Ndebele not only in his capacity as MEC for Transport but also as leader of the ANC in KwaZulu-Natal's coalition government. As such Minister Ndebele's public commitments extend beyond the Transport portfolio to include all spheres of development in KwaZulu-Natal.

A noteworthy achievement this financial year was the improved working relationship between the Ministry, the Department and the Transport Portfolio Committee. A highlight in this regard was the two-day workshop, held in July 2001, which dealt with a historical perspective of portfolio challenges, current programmes and future directions.

The office of the MEC for Transport in KwaZulu-Natal plays a critical support role in meeting the challenges of Minister Ndebele's demanding diary. We are required to research a wide range of interests, liaise with the media, consult with the public and provide comfort to victims of road related violence.

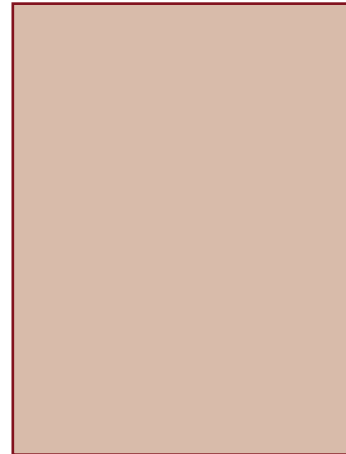
SECTION 3: FINANCIAL SERVICES



**Head: Financial Services
Mr Roger Govender**



**Senior Manager:
Financial Management
Mr Wayne Evans**



**Senior Manager: Budget
(vacant)**

CHIEF DIRECTORATE: FINANCIAL SERVICES

OPERATING ENVIRONMENT

The Department operated in an environment that was affected by an adverse rand/dollar rate, globalisation, skills shortage and a declining availability of natural gravels. The Department and indeed the construction industry in South Africa is reliant on imported plant and heavy equipment. The sharp decline of the rand against the dollar and other major currencies increased the price of the replacement plant and spares beyond that budgeted for. So also did the price of diesel and petrol. Construction and maintenance units, as well as Road Traffic Inspectorate patrol vehicles, experienced considerable difficulties in meeting their planned outputs in terms of budgets allocated.

The reserves of good natural gravels in KwaZulu-Natal are inadequate to meet the regravelling needs of the provincial gravel road network. Inefficiencies associated with the use of inferior gravels, together with haulage costs associated with appropriate but uneconomic gravel resources, now make it economically sound for the Department to consider low cost blacktop surfacing of sections of the gravel road network that accommodates only 200 vehicles per day. Currently, only roads that carry in excess of 500 vehicles per day are under consideration for blacktop surfacing.

REPORT OF THE HEAD OF DEPARTMENT

EXPENDITURE FOR THE YEAR

The actual vs budgeted expenditure per programme for the financial year ended 31 March 2002 is listed below :

| Programme | Description | Budget | Actual Expenditure | Savings (Excess) |
|---------------------------------|--|------------------|--------------------|------------------|
| Administration | Overall management of the Department | 88,656 | 76,387 | 12,269 |
| Roads | Planning, design, construction & road maintenance | 839,258 | 851,096 | (11,838) |
| Road Traffic | Regulation of road traffic, law enforcement, road safety & motor licensing | 159,929 | 158,550 | 1,379 |
| Public Transport | Planning & regulation of public transport | 16,670 | 19,704 | (3,034) |
| Auxiliary & Associated Services | Radio communication and motor transport for the Department | 8,677 | 9,088 | (411) |
| Special Functions | | - | 2,281 | (2,281) |
| Statutory Allocations | | 526 | 526 | - |
| | TOTAL | 1,113,716 | 1,117,632 | (3,916) |

REVENUE

The main revenue sources for the Department include registration and licensing of motor vehicles and income from Road Traffic infringements. This accounts for some 95% of the total revenue collected by the Department. Tariffs levied are governed by the Road Traffic Act.

Actual Revenue collected by the Department for the Financial Year was R405,539,000.

UTILISATION OF DONOR FUNDS

No donor funds were received for the year ending 31 March 2002

PUBLIC ENTITIES

There are two Public Entities listed on Schedule 3 of the Public Finance Management Act that report to the KwaZulu-Natal Minister of Transport:

- KwaZulu-Natal Public Transport Licensing Board (Formerly the KwaZulu-Natal Local Roads Transportation Board).

The Public Transport Licensing Board was established by the Road Transportation Act, 1977 (Act 74 of 1977) with the main objective of receiving applications for the granting of Road Transportation Permits.

- KwaZulu-Natal Taxi Council (Formerly KwaZulu-Natal Taxi Task Team).

The KwaZulu-Natal Taxi Council is a democratically elected Council established to replace the KwaZulu-Natal Taxi Task Team.

OTHER ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE

During the 2001/2 Financial Year transfer payments totalling R600,000 were made for the following purposes:

- Fencing Subsidies: Payments are made to adjacent landowners on Provincial Main Roads for the maintenance and upkeep of fencing to prevent livestock from entering the road thereby improving Road Safety.
- Local Municipalities: Maintenance of Provincial Roads that traverse built up areas with the Local Municipality.
- Local Roads: Paid to various organisations and farmers for maintenance of certain local roads.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

The Department made no financial contribution to Umthombo Investments (Pty) Ltd this year and has discontinued all funding to this body.

NEW / PROPOSED ACTIVITIES

During the financial year the Department took responsibility for the Major and Minor works, this budget was previously controlled by the Provincial Department of Works.

PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The following financial management improvements were implemented during the financial year:

- finalisation of the timetable for the phased implementation of the Public Finance Management Act,
- the appointment of the Chief Financial Officer as the chairman of the Tender Award Committee,
- the implementation of a Monthly Management Accounts Reporting model as prescribed by Provincial Treasury. This model fulfils the financial reporting requirements of the accounting officer in terms of Public Finance Management Act,
- performance based budgeting and reporting by Responsibility Managers and co-ordinated by Directorate Monitoring and Evaluation,
- risk assessment workshops were held to identify high-risk areas,
- the appointment of a budget committee to review business plans for each directorate, and
- finalisation of the Finance Services component of the Department and appointment of appropriate financial staff.

REPORT OF THE HEAD OF DEPARTMENT

SECTION 4: CORPORATE SERVICES



Head: Corporate Services
Ms Vicky Cunliffe



Senior Manager:
Motor Transport & Motor Licensing
Mr Nazir Ally



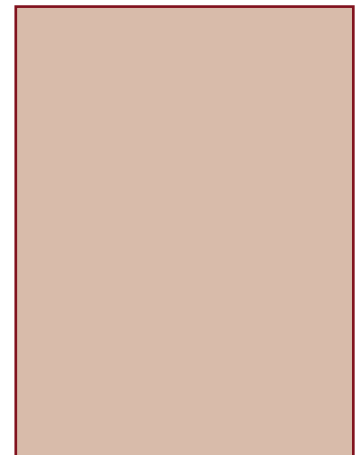
Senior Manager:
Technology Transfer Centre
Dr Simon Oloo



Senior Manager:
**Procurement &
Provisioning**
(vacant)



Senior Manager:
Resources Management
(vacant)



Senior Manager:
Legal Services
(vacant)

CHIEF DIRECTORATE: CORPORATE SERVICES**OVERVIEW**

Many of the successes and innovations in improving the quality of life of our people have been possible through the strong foundation provided by the Chief Directorate: Corporate Services. This is a relatively new Chief Directorate that incorporates the administrative components of the KwaZulu-Natal Department of Transport.

Corporate Services is quite renowned for its "CAN DO" attitude. Many government innovations have come out of Corporate Services, including the following:

- aggressive affirmative procurement procedures including the appointment, last year, of a customer liaison person, who is fluent in both English and Zulu, to act as an intermediary between the Department and its SMME service providers. This has contributed tremendously to the public's understanding of the procurement process,
- ongoing management fast tracking, and mentorship with 30 managers having been put through a University of Durban-Westville Management Development Diploma course. This is the fourth year that the Department has run a management development programme and this year the Department produced the top student for the year, and
- new marketing initiatives for Personalised Number Plates in the Motor Licensing Bureau (MLB) and a leadership in vehicle licensing and registration throughout Southern Africa.

This financial year Corporate Services created a new sub-directorate: Management Advisory Services to oversee:

- compliance with the Public Service Regulations concerning mandatory job evaluations of all vacant posts and for posts from level 9,
- the establishment of a Departmental Job Evaluation panel in compliance with the Provincial Job Evaluation Policy as approved by MEXCO,
- carrying out investigations on software and hardware requirements in the light of Information Technology being devolved to SITA with effect from 15 February 2002, and
- conducting ad hoc investigations into requests for the creation/abolition of posts and providing advice to management and senior management on establishment matters.

The sub-directorate: Management Advisory Services will ensure an equitable and correct grading of posts and appropriate IT programmes to track performance.

Corporate Services continues to provide an ABET programme for staff and is on target to meet the goals set by the Legislature. The current ABET programme caters for 40 classes with approximately 15 learners per class. A comprehensive audit of literacy levels throughout the Department has been completed and Corporate Services is committed to expanding the programme to 90 classes next year.

Since the inception of the programme 395 learners have graduated to further education and training levels.

DIRECTORATE: PROVINCIAL MOTOR TRANSPORT (PMT)

The Provincial Motor Transport (PMT) Directorate is responsible for the overall governing and monitoring of all official vehicles in the province.

PMT's mission is:

"To ensure value for money by facilitating the transport needs of government departments operating in the Province of KwaZulu-Natal".

REPORT OF THE HEAD OF DEPARTMENT

The past year has seen a significant improvement in the service delivery of PMT as a result of new initiatives and systems being implemented.

HIGHLIGHTS OF 2001/2002 FINANCIAL YEAR

- Fraud detection and monitoring has become an essential component of PMT's activities. The scale and nature of a fleet driven by so many different people have necessitated the implementation of strong detective reporting systems via the fleet management service provider. With the systems in place, exception reports such as weekend fill-ups, tank overfills and high-velocity transactions quickly alert PMT personnel and transport officers in user departments of potential abuse and fraudulent transactions. These transactions are immediately checked with the various user department staff.
- The Road Traffic Inspectorate regularly stops official vehicles to assess whether officials driving these cars possess trip authorities. All officials driving state-owned vehicles are required to be in possession of a trip authority. The trip authority states the details of the driver, i.e. name, ID number, department, the date of the journey, the start and end points of the journey, details of passengers to be transported and authorising signatures from the responsibility manager, supervisor and transport officer. Should the official not be authorised to be on a specific route or the driver not have a trip authority, the vehicle is impounded immediately.
- The Fraud Awareness Campaigns conducted by PMT together with RTI during the 2001/2002 financial year resulted in 241 vehicles being impounded across the Province. The most significant reasons for impounding vehicles was that the drivers were not in possession of trip authorities, unauthorised passengers were being transported and drivers were under the influence of alcohol.
- In line with the monitoring of the fleet and strict control of government assets, PMT has facilitated significant changes with regard to the appearance of the fleet. The fleet of official vehicles is highly visible in the "golden-yellow" colour. And in addition each vehicle must have decals stating the name of the department to which it belongs.
- Another project has been the introduction of red "KZN" number plates that are clearly visible for the public to identify official vehicles, including the irregular use of these vehicles. The toll free number, 0800 002 375, through which the public reports abuse of official vehicles, enables the Department to inform user Departments of cases of abuse.
- The implementation of the new vehicle replacement policy will result in the age of the fleet improving from the current average of seven years, to the industry norm of two or three years within the next three to five years.
- A Departmental Transport Officer's Forum has been established. Departmental Transport Officers from all departments meet monthly to ensure that common problems relating to the fleet management service provider are addressed and resolved. Sharing of information has contributed to a significant improvement in the communication between PMT and its client-departments.
- PMT has also ensured that all its users are familiar with the policies that govern the operation of official vehicles by introducing a comprehensive and user friendly drivers handbook and training modules in both English and Zulu.

PMT, together with the Department of Finance and the fleet management service provider, have introduced a direct billing system through which all costs are now allocated directly to the respective cost centres. This has improved the efficiency of the cost allocation significantly as this new system only takes a day to process transactions.

- PMT has also managed to establish a vehicle asset register that is way ahead of those existing in other provinces. In February/March each year PMT conducts a physical verification of the fleet with the aim of locating abandoned vehicles and correcting vehicle details, and ultimately to provide each department with a comprehensive report on the condition and utilisation of their respective fleet.
- PMT has a strong Black Economic Empowerment focus regarding its procurement processes with SMME's receiving 80% of vehicle repair work.
- PMT and the fleet management service provider provide close guidance, full support and monitoring to the SMME contractors. Various funding mechanisms are being considered so as to assist with financing.
- A further advance from PMT is that negotiations are presently in progress with the University of Natal – Pietermaritzburg for the introduction of a Fleet Management Diploma. The primary aim of this Diploma is to equip Departmental Transport Officers with the theoretical knowledge to operate and maintain a vehicle fleet.
- As a result of the significant improvement in the vehicle procurement system at PMT, 867 new vehicles were ordered during the 2001/2002 financial year as compared to 624 during the 2000/2001 financial year.

THE TRAFFIC CAMERA OFFICE

The Traffic Camera Office was established in February 2000 as part of the Arrive Alive/Asiphephe campaign to reduce the carnage on the roads of KwaZulu-Natal. The main function of the office is to provide for the efficient and effective administration and processing of speed timing offences. The Traffic Camera Office operates with a total staff compliment of 41 made up of 3 staff seconded from the Motor licensing Bureau, 8 Permanent staff and 30 temporary staff.

The Traffic Camera Office makes use of TRAFMAN (Traffic Management) a Windows based computer system. This system consists of 8 modules, of which 3 are functional in KwaZulu-Natal and are managed by the Traffic Camera Office's System Administrator and Help Desk.



The Traffic Camera Office is responsible for the administration and processing of speeding violations captured on camera by our RTI colleagues throughout KwaZulu-Natal. In the 2001/2002 financial year a total of 180 730 violations were received from RTI and in turn processed by the Traffic Camera Office. The entire process involves the reading of wet film, capturing of the details of the violation onto TRAFMAN and the printing and posting out of notices. Those notices not paid within a 60-day period are followed up with summonses and warrants of arrests where applicable. The Traffic Camera Office not only prints these summonses and warrants but also oversees the services of 16 bailiffs. At present the Bailiffs on contract to the Traffic Camera Office have a success rate of 40%, one of the highest in the country. The Traffic Camera Office

also prints court rolls and court control documents required by the courts. The staff at the Traffic Camera Office are so dedicated to bringing the speeding offenders to justice that of the 29 courts used by the Traffic Camera Office, 22 have their court rolls and documents not only printed by the Traffic Camera Office, but also prepared by them in order to ensure that these cases go to trial. These 29 courts are visited weekly by the Traffic Camera Office staff, are spread geographically from Nqutu in the north of KwaZulu-Natal to Izingolweni in the south. For this reason, the Traffic Camera Office acquired two additional vehicles to ensure that their agreements to visit the courts on a weekly basis are met.

REPORT OF THE HEAD OF DEPARTMENT

The Traffic Camera Office not only prints and posts out the fine notices, it also receipts payments made for fines both by its cash counter and postal sections. A total of R6,19 million in revenue was collected by the Traffic Camera Office for the 2001/2002 financial year with an additional R514 979-00 collected by the courts for payments made on summonses issued by the Traffic Camera Office.

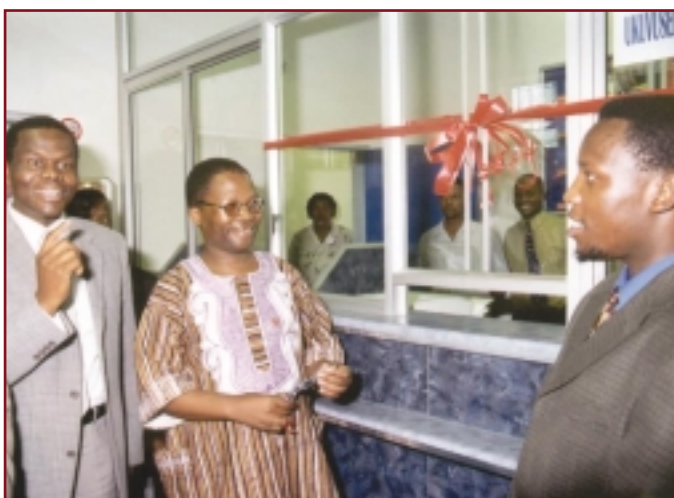
The Office has a call centre that deals with both telephonic and written enquiries from the public as well as supplying information regarding fines issued. The Traffic Camera Office staff dealt with a total of 15 840 phone calls and 7 800 written queries in the 2001/2002 financial year. Further the office has a fully functional Help Desk that provides a professional service to the 22 RTI sites that utilise the TRAFMAN system. Assistance is provided in the registering and logging of calls with both the hardware and software service providers/consultants, as well as assisting with the training of all RTI officers and clerical staff in KwaZulu-Natal.

During the course of the 2001/2002 financial year the Traffic Camera Office acquired 3 REMCOM units and software. This is the second module of TRAFMAN to be initiated by the Traffic Camera Office. The primary function of this equipment is to access the TRAFMAN database from a remote roadside via a cellphone connection and print summonses and warrants that are then served to the offender on site. During the course of this year a total of 18 operations were held with 30 087 Identity Documents/drivers licence being scanned and a total of 578 summonses were issued with a monetary value R123 455 of which R37 785, or 37% has been paid. In April 2001, the office oversaw the rollout of the 3rd module of TRAFMAN, namely the Weighbridge module at the Pinetown RTI site. The Traffic Camera Office provided staff to operate the system for the first month and then assisted with the training of the 75 RTI officers who now operate the system.

THE MOTOR LICENSING BUREAU

The Motor Licensing Bureau's in Pietermaritzburg, Durban, Pinetown, Newcastle and Ulundi collectively have a staff establishment of 237 consisting of 205 filled posts and 32 vacant posts. The 67 Registering Authority agents contracted to the Motor Licensing Bureau for the registration and licensing function throughout KwaZulu-Natal also collectively represent a staff compliment of about 700. The Motor Licensing Bureau undertakes agency support for the latter mentioned Registering Authority staff, and, in addition, also undertakes the conducting of regular inspections at these offices situated throughout KwaZulu-Natal.

The Bureau currently controls 67 Registering Authority agents situated throughout the province consisting of 37 Local Authorities; 1 Magistrates Office; 6 Provincial Licensing Offices and 23 Post Offices (11 Post Office outlets perform the full function and 12 perform the renewal of motor vehicle licensing function. The latest post offices opened were Nongoma and KwaNgwanase).



Furthermore, owing to the high levels of fraud and corruption encountered at the Umhlanga and Verulam Registering Authorities and the geographic location of the Durban and Umbilo Motor Licensing offices, the Bureau has identified a critical need to open up three additional provincial licensing offices in the Umhlanga, Verulam and Chatsworth areas. The latter will not only curb the high level of fraud and corruption encountered, but will also greatly enhance service delivery, by creating greater access to the Department's services. The opening of these additional outlets will be in terms of the current legislation, which empowers the Minister of Transport to identify and declare registering authorities. To cater for the opening of the proposed 3 additional registration and licensing outlets in the

Durban Metropolitan area, approximately R2.9 million is required, as a once-off to implement this proposal during the forthcoming 3 year period, with the personnel costs reoccurring each year at an estimated amount of 2.2 million.

Also as a result of continual financial irregularities at the Nongoma TLC, the Minister of Transport has approved the withdrawal of the motor vehicle registration and licensing function from this office. In an effort to ensure a continuity of the service to the Nongoma motoring public, the South African Post Office has agreed to perform the licence renewal function at the Nongoma Post Office with effect from 1 April 2002. Further, the Ulundi Motor Licensing Bureau are performing the full registration and licensing function for 'NND' (Nongoma) vehicles. The Nongoma motoring public was not required to change their licence mark; hence the "NND" licence mark was retained.

To further ensure value for money, the Bureau has rather secured its presence on the National Department of Transport's tender committee for the adjudication of the NaTIS maintenance contracts i.e. software and hardware. A senior member of staff from the Motor Licensing Bureau has been appointed as a member of this committee, to award this contract that costs KwaZulu-Natal alone approximately R3.5 million per annum. The National Department of Transport concluded the new contract on 1 February 2002.

Revenue control and the monitoring thereof takes place on a monthly basis and the Bureau's revenue collected for 2001/2002 was R 341 446 062-00, including the sale of 3 063 Personalised Licence Numbers, whose revenue amounted to R4 695 579-00.



The Motor Licensing Bureau was allocated a budget of R39 641 251-00 for the 2001/2002 financial year, of which R14 906 895-00 is for Personnel related expenditure and the balance of R24 734 356-00 is for operational costs. This Budget represents 12% of the actual revenue collected or R8 of revenue for every R1 spent collecting revenue.

The Motor Licensing Bureau continues to be the pace setters with regards to the sale of Personalised Licence Numbers, which was introduced in 1997, with the Eastern and Western Cape following in 1999, Gauteng Province in 2000. All these Provinces visited KwaZulu-Natal, and with the assistance of the dynamic Choice Numbers team, duplicated the procedures utilised by KwaZulu-Natal.

The Bureau did again win the prestigious silver Batho Pele award i.e. the PriceWaterhouse Coopers Premiers Good Governance Award, and achieved the second highest accolade in this respect. The National Department of Transport has given the KwaZulu-Natal Motor Licensing Bureau a 95% rating for the administration of the NaTIS in this province and in this regard the Province has earned the highest rating nationally.

PROCUREMENT

There have been many changes in procurement legislation in 2001 / 2002 with the new KwaZulu-Natal Procurement Act being promulgated as well as the accompanying regulations. One of the major changes is the revision of the points system. This will have a major impact on the Treasury database. The approval of delegations of authority pertaining to procurement will give considerably more autonomy to Accounting Officers by taking the existing amounts that may be authorised within Departments for the purchase of goods and services that may be authorised within Departments for the purchase of goods and services from R250 000 to R1 000 000. This is undoubtedly a move towards more economic methods of procurement and will allow the Department to achieve its core objectives, better and faster service delivery to the public in terms of approved business plans.

Procurement is responsible for unbundling all outsourced contracts to ensure that previously disenfranchised groups receive a fair share of Departmental work.

TECHNOLOGY TRANSFER (T²) CENTRE

The T² Centre was established to provide for the effective transfer of "best practice" technology in the transport industry to meet the current developmental needs of KwaZulu-Natal.

The T² Centre was originally established as part of a joint co-operation agreement between the United States Federal Highways Administration (FHWA) and the KwaZulu-Natal Department of Transport. It is one of the three T² Centres in the country with linkages to other similar centres in the SADC region and the rest of the world.

Highlights of the Centre's activities in the 2001/2002 financial year include:

- Initial planning and consultations with stakeholders and future users in the Department on the need to establish a provincial quarry and gravel source database. It is proposed that this is called the "Road Material Sources Management System" (RMSMS). The proposed database will record private, expropriated and commercial material source location and ownership details, and provide material type, quantity and possible usage information. This should lead to improved and more efficient use of dwindling material sources particularly in areas where there is a severe shortage of suitable gravel and pavement layer materials.
- a draft low cost river crossing guideline document has been researched and prepared for the Department's Field Managers. This guideline document will be used as a training and design resource for field staff involved in the design and construction of low level structures. Low level structures are routinely constructed on access roads where economic considerations favour them over more costly high level bridges. This document is being developed particularly to cover the provision of:
 - low cost, low level structures, and
 - low cost pedestrian structures, where currently no guideline or design parameters exist,
- a draft Protocol for Gravel Roads has been researched and prepared. This document is a comprehensive source of information for all aspects of gravel roads from gravel material location and testing to design and surfacing alternatives. It will be an invaluable guideline document for the training of all field staff. It explains how to manage a gravel road network properly, and how to apply a consistent protocol for gravel roads in the future,
- a draft Estimating Protocol Document has been researched and prepared. This document is a comprehensive source of information on all aspects of project estimation. It will assist substantially with setting uniform standards for future project estimation exercises for business plans. This document will be used to assist in training of field staff as a guideline document showing how to estimate the costs of projects properly. This will ensure the compilation of consistent Departmental estimates and business plans for funding allocation,

Other activities undertaken by the Technology Transfer Centre include:

- Involvement in internal and external programmes aimed at enhancing learner interest and abilities in mathematics and science. It is anticipated that this will counteract the current poor standard of these subjects in the previously disadvantaged community schooling systems. These programmes assist in preparing previously disadvantaged learners for careers in the scientific, technology and engineering fields,
- Mentorship of young engineers and technicians within the Department provides experiential training for pupil technicians between their S3 and S4 years of study at the three Engineering Technikons in KwaZulu-Natal, and
- Liaison with other T² centres in South Africa, the SADC and the United States of America, to source and effectively transfer "Best Practice" transport industry technology to meet the current developmental needs of KwaZulu-Natal.

SECTION 5: STRATEGIC PLANNING FOR DEVELOPMENT,
MONITORING AND EVALUATION



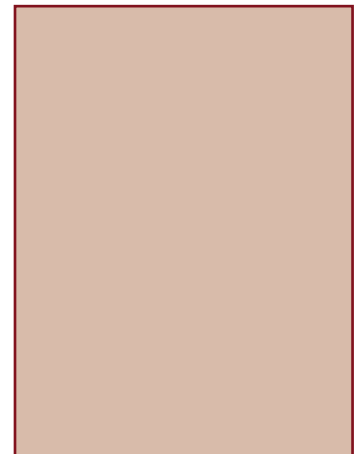
**Head: Strategic Planning for Development Monitoring and Evaluation
Mr James Mlawu**



**Senior Manager:
Development
Ms Jabu Bhengu**



**Senior Manager:
Monitoring & Evaluation
Mr Francois Mostert**



**Senior Manager:
Research & Information
Management
(vacant)**

INTRODUCTION

The restructured KwaZulu-Natal Department of Transport is based on the customer / client / contractor model. The introduction of an internal client / contractor relationship within the KwaZulu-Natal Department of Transport has created a matrix management system with clear lines of responsibility and accountability.

The Chief Directorate: Strategic Planning for Development, Monitoring and Evaluation is responsible for developing a standard format for business plans to assist responsibility managers to cost inputs against outputs that are set against clear development goals and outcomes which are consistent with the Provincial Growth and Development Strategy. The KwaZulu-Natal Department of Transport's business plans must now detail, on a project by project basis, how development goals will be achieved within the context of government's mandate of equity, the enhancement of democracy and the social and economic empowerment of disadvantaged populations and communities in all aspects of transport planning.

REPORT OF THE HEAD OF DEPARTMENT

Considerable progress has been made in ensuring that all responsibility managers, within the KwaZulu-Natal Department of Transport, now perform the core functions of the Department and, in the process,:

- facilitate social and economic integration to reverse the spatial planning legacy associated with separate development,
- redistribute services to achieve equity,
- promote social and economic development,
- consult communities and stakeholders on an ongoing basis,
- create new sustainable jobs,
- create economic opportunities for new market entrants,
- facilitate the transfer of skills,
- alleviate poverty.

KwaZulu-Natal Department of Transport business plans are expected to incorporate clear prioritisation methodologies that are both scientifically robust and transparent and which allow the Department to defend its priority lists in circumstances where social need overwhelmingly exceeds financial resources.

A major achievement in 2001/2002 was the involvement of Rural Road Transport Forums, and their stakeholder constituencies, in the prioritisation of projects to maintain, upgrade and develop our provincial road network. This ensured that all road infrastructure investments were recorded on a project by project basis and that they were anchored in the communities that they serve. As such, progress in implementing business plans can now be monitored on a project by project basis both by the Department and by the communities whose interests these projects are meant to serve. In as much as 74,8% of the KwaZulu-Natal Department of Transport budget is allocated towards roads, it is a considerable achievement to be able to report that three quarters of the Department's entire budget allocation has been through a thorough consultation process with community stakeholders who have contributed in developing a programme of well defined priority projects. We know, and community leadership knows, precisely which roads will be upgraded, what new constructions will be initiated, the maintenance regime within regions and how work will be programmed.

Responsibility managers can now be held accountable for managing their core functions in terms of an input based to output based budgeting process with well defined measurable targets.

The KwaZulu-Natal Department of Transport held its sixth Annual Summit in Pietermaritzburg on 8 May 2001. The summit was attended by over 3 000 people representing both rural and urban communities from throughout KwaZulu-Natal. Among the guests were over 130 traditional leaders. The theme of the summit was "Empowering Communities for Prosperity".

The Chief Director: Strategic Planning for Development, Monitoring and Evaluation is also Chairman of the African Renaissance Road Upgrading Programme. He has the Directorate: Development and the Directorate: Monitoring and Evaluation to assist him in his functions.

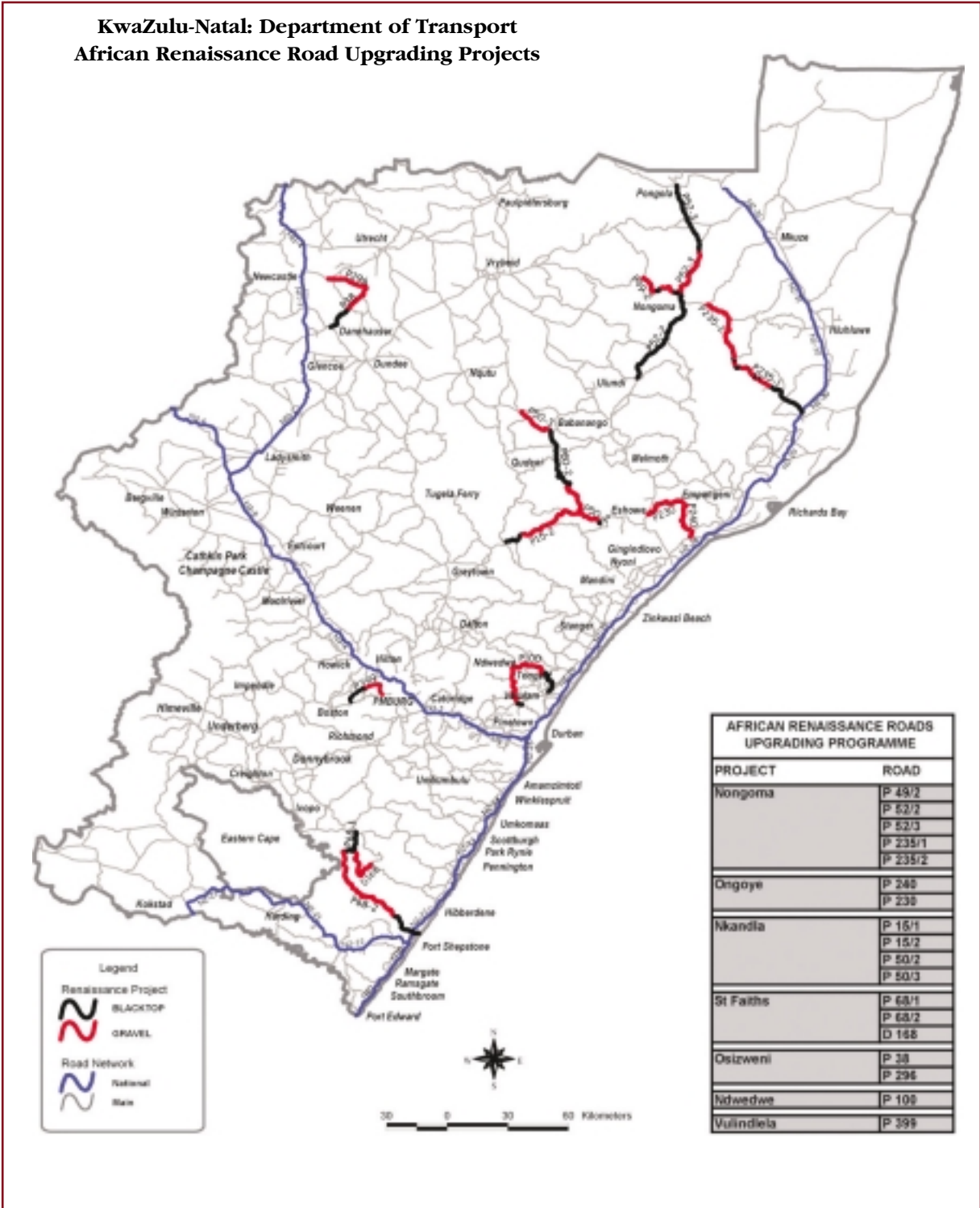
AFRICAN RENAISSANCE ROAD UPGRADING PROGRAMME

In announcing the KwaZulu-Natal Department of Transport's African Renaissance Road Upgrading Programme (ARRUP) Minister Ndebele, our MEC for Transport, noted:

"Central to the lasting eradication of poverty is the creation of a growing business sector that creates sustainable jobs which, in turn, increases the productivity of our country. The small business sector must reflect economic empowerment of ordinary citizens and not just the upper echelons of society."

And at the turning of the sod at the first ARRUP project, Minister Ndebele continued:

"Our constitution, our mandate to govern and our African Renaissance are based on the principles of participatory democracy and that government uses its budgets, and devises innovative investment strategies, to secure equity and the abolition of poverty in a transparent and accountable manner..... This is a non negotiable. If our budgets are not reaching grassroots communities and making a real tangible difference in the lives of poor people – who are our majority citizens and our majority voters – then we, as government, will have failed in the mandate we have been given by the people of South Africa."



He added, "Our African Renaissance Road Upgrading Programme is about the upgrading and blacktopping of major corridors throughout the Province of KwaZulu-Natal. Our African Renaissance Road Upgrading Programme is about constructing those transport corridors that will breathe new life into the economy of our province..... (To unlock) a massive but undeveloped potential to create new jobs, new business opportunities and to diversify the region's economy so that our children need not have to leave home to find work."

ARRUP is by far the boldest roads development initiative yet undertaken by the KwaZulu-Natal Department of Transport and the investment of R720 million over 5 years is possibly the biggest capital investment in rural

REPORT OF THE HEAD OF DEPARTMENT

infrastructure ever made by a provincial department. Its development goals are such that they cannot possibly be achieved by the Department acting alone. All ARRUP projects are not only designed within a methodology that brings together all the KwaZulu-Natal Department of Transport core functions in an integrated transport planning exercise with communities, they are designed within the context of promoting co-operative good governance.

The ARRUP projects are expected to bring about a complex of changes to the lives of beneficiary communities. These include:

- a more competitive transportation market in which the benefits from savings in transport costs are passed on;
- a diversified local economy with new investment opportunities in: Agriculture, Tourism, Transport, Construction, Small Industries and Trade;
- better access to health, education, extension services, banks, etc.;
- an improved range of public facilities which are motivated on the basis of cost savings associated with available plant and professionals on site;
- improved access to government programmes;
- improved access to investors;
- improved access to donors;
- an improved capacity to manage community and local economic development initiatives with community participation;
- an improved capacity to manage diverse business ventures with maximum community participation; and
- an increased standard of living in rural areas in relation to the standard of living in nearby urban areas. This will reduce rural / urban migration.

The KwaZulu-Natal Department of Transport expects that the ARRUP projects will be managed in their construction phase to:

- normalise the construction industry;
- increase local work opportunities;
- create opportunities for local suppliers;
- create opportunities for Vukuzakhe contractors;
- upgrade local assets;
- create a safe road environment;
- enhance the Department's reputation as an innovative service provider; and
- enhance the Department's reputation for promoting participatory democracy.

Having laid the foundations for ARRUP in the 2001/2002 financial year, the Department is confident that it will construct 47 km of blacktop roads, create 46 000 person days of employment and award 148 contracts to emerging contractors in the following year.

Contract documents relating to ARRUP projects are drawn up to promote the growth of an integrated and fully representative road construction industry. The first contracts on the ARRUP programme were awarded in October 2001 for the upgrading and surfacing of the road between Mtubatuba and Hlabisa that passes through the Hluhluwe Mfolozi Park. For the construction of this 26 km section of road, eight contracts have been awarded with a total value of R67 million. Of these contracts, two have been awarded to established contractors and six to emerging contractors. The emerging contractors will be responsible for the construction of a bridge, five culverts and 16 km of blacktop road.

An interesting feature of this project is that all the stone aggregate will be sourced locally. A newly established quarry at Ngebeza just north of Hlabisa will blast and crush 330 000 ton of rock to be used in the layer works and concrete works.

This R16 million contract is the largest quarrying contract ever awarded by the Department. At the end of the contract the community will inherit a valuable asset, namely a working quarry with the potential to also produce downstream products also e.g. pre-cast concrete products.

Construction has also started on the road from Nkandla to Fort Louis where four emerging contractors are working on the upgrading of structures and surfacing of 17 km of road.

All ARRUP projects are now well advanced in the design phase; and some projects are already under construction. Thirteen joint ventures between well established and recently established civil engineering consulting firms have been contracted to oversee the design and supervision phases of the projects. The bottom line of each joint venture is to build on the capacity of newly established firms. Indeed, many of the contracts have been awarded in such a way that the recently established civil engineering consultants lead the joint venture agreement. The net result of bringing together old and new civil engineering consultants has been the creation of a remarkably innovative think tank.

It is already clear that the harnessing of civil engineering capacities in this way has resulted in project designs that extend the normal parameters of road design in South Africa to bring a focus on the renewal of communities through the unprecedented creation of community assets and opportunities. Thus, for example, site offices are being identified and established with a view to their future use value to communities. These include:

- identifying abandoned buildings, e.g. shops, clinics and missions, which could be renovated as site offices and later used as public facilities;
- identifying derelict buildings that have been destroyed by political violence and renovate these to act as site offices and symbols of the future as well as the past;
- identifying the building needs of other government authorities and erect site offices in accordance with their design requirements and negotiate with them to take over the site offices for their own use; and
- establishing attractive and appropriate accommodation facilities that can be transferred to local communities to promote eco-tourism, community centres, housing for the aged and HIV/AIDS orphans.

Other novel design initiatives include the:

- use of spoil materials to construct school and other playing fields;
- removal of alien plants within road reserves and replanting with indigenous trees and shrubs as part of a road beautification programme;
- establishment of locally owned and managed indigenous plant nurseries;
- establishment of small dams and boreholes to provide water during construction which can also be used by communities for both human and animal consumption;
- establishment of local quarries that can be used to promote small industries locally such as block making, paving, tombstones and the supply of crushed stone; and
- construction of bus and taxi shelters using local materials.

These design principles for ARRUP roads are already being implemented. Here it is important to emphasise that neither Departmental personnel nor consultants work in isolation of community stakeholders. Project Liaison Committees, which are representative of all major stakeholders including AmaKhosi and Local Government, are formed to oversee and contribute their knowledge to the successful implementation of projects. PLC's have been established and are playing an active role in the design and implementation of the Hlabisa, Nkandla, St Faiths, Osizweni, Ndwedwe and Vulindlela projects.

ARRUP projects have become an important vehicle to realise the objectives of co-operative governance and integrated rural development. Most projects are designed to last at least three to four years. In effect this means a concentration of civil engineering professionals, contractors and plant, in rural communities, that can be cost efficiently utilised to plan and implement a new dispensation that goes beyond the delivery of road infrastructure.

Further, the fact that ARRUP projects are all multi-year projects creates a unique environment for the training of Vukuzakhe contractors and technicians. The Department has forged a strong partnership with CETA and, together, we are confident that a new day has dawned for Black economic empowerment in the construction industry. ARRUP will be used to intern S3 and S4 technicians who require two periods of six months practical training before they are allowed to graduate. The names and contact details of local technicians who have applied to the Department over the

REPORT OF THE HEAD OF DEPARTMENT

past three years have been forwarded to project managers. A profile of local technicians from communities that stand to benefit from ARRUP projects is:

| | |
|------------|------------|
| Ndwedwe | 130 |
| Nkandla | 9 |
| Nongoma | 9 |
| Ongoye | 24 |
| Osizweni | 39 |
| St Faiths | 24 |
| Vulindlela | 56 |
| Total | <u>291</u> |

The upgrading of gravel roads to blacktop does involve considerable expenditure on materials which could benefit local merchants were they sufficiently well informed and organised to supply. The PLC's are assisting with the registration of local suppliers. ARRUP projects have provided an opportunity for local merchants and traders to interact with the Department as though they were a "chamber of business". This augurs well for the circulation of new cash in beneficiary communities. Properly managed, the local supply of materials for ARRUP projects could make a significant impact on regional and sub-regional poverty gaps.

DIRECTORATE: DEVELOPMENT

Historically the Directorate: Development grew out of the Sub-Directorate: Community Access Roads. The Directorate: Development was therefore allocated a budget for local roads part of which is used to enhance public participation in the Directorate's and the Department's programmes. This has been achieved through the establishment of clear communication channels with the Rural Road Transport Forums and the running of capacity building workshops for the social empowerment of the forums.

The Directorate has developed and incubated programmes aimed at achieving economic empowerment of poor and mainly rural communities. Current programmes include the Staged Advanced Emerging Contractor Programme (Vukuzakhe) and the nationally acclaimed Zibambele Programme. These programmes are the Department's contribution to the transformation of both the construction industry and the economy of KwaZulu-Natal.

The restructuring of the KwaZulu-Natal Department of Transport on a customer / client / contractor basis and the Department's commitment to develop a balanced road network gave the Directorate: Development the critical role of supporting the Head of Department's client role. The Directorate: Development is responsible for researching and developing policy directives that inform integrated development, enhance democratic governance, promote equity and secure the social and economic empowerment of disadvantaged communities.

Both the Roads for Rural Development programme and the Road to Wealth and Job Creation initiative were pioneered by the Directorate: Development. In October 2001 the Directorate initiated an extensive evaluation and review of the progress made by its various programmes, paying particular attention to Zibambele and Vukuzakhe. The study was commissioned to Afridata Research and Research International and was designed to measure the impact of these programmes on the lives of those who had been awarded contracts of one sort or another, their families and the communities in which they work and live.

A stratified random sample of 3 023 people was selected as being representative of the broader rural community in the province. Within this sample:

- one third of respondents were chosen because they lived close to roads where Zibambele and Vukuzakhe contractors were working;
- one third were chosen because they lived somewhat further from these sites; and
- one third were chosen precisely because they resided so far from such roads that they might plausibly never have heard of either programme.

A further 252 Zibambele contractors and 206 Vukuzakhe contractors were interviewed using snowball sampling techniques. Given the homogeneous nature of both groups of contractors, that is the fact that their circumstances do not differ markedly from one part of the province to another, these sample sizes were calculated to be statistically representative of their respective universes and thus they allow us to generalise our findings with a considerable degree of certainty and reliability.

The detailed findings of this social impact study are reported under their respective sub-directorates. However it is pertinent to note that, despite the lack of visual advertising, such as signboards identifying projects with the Department, the Department nevertheless does enjoy considerable visibility in rural communities. So much so that Zibambele scored the highest points in terms of rural awareness of organisations and programmes. While the Department is to be applauded in this regard, it is perhaps disturbing that rural awareness of Zibambele is almost double that of awareness of HIV/AIDS programmes. Certainly a case can be made in support of the view that Integrated Transport Planning can form the backbone of Integrated Development Planning. In this regard it is noteworthy that very high scores were obtained for the performance of all programmes in terms of improved road and service accessibility and communities' positive understanding of government.

The social impact study does provide irrefutable evidence that the Roads for Rural Development programme and the Road to Wealth and Job Creation initiative are having a positive impact on the daily lives of rural communities. Not only has there been a dramatic improvement in rural mobility and community access to services, we now have sufficient evidence to demonstrate that the injection of cash into impoverished communities, through the Vukuzakhe and Zibambele programmes, is starting to bear fruit both for the contractors concerned, their families, their communities and the market economy of the province.

There is evidence that a small, but significant, increase in spending on consumer durables has taken place in the rural areas over the past few years. It is possible to extrapolate from the survey results that some of the spending on consumer durables and semi-durables can be attributed to incomes newly derived from the Zibambele and Vukuzakhe programmes. Not only are a growing number of people in the rural areas purchasing goods and services never before acquired, they are paying cash for these items. In as much as a high percentage of goods and services are purchased locally, there has been a sustained new cash injection into stagnant rural economies.

The Directorate: Development also commissioned the Southern African Labour and Development Research Unit (SALDRU), under Professor Francis Wilson at the University of Cape Town, to undertake an independent review of the cost effectiveness and impact of Zibambele. While the results of this ongoing evaluation are reported on under the Zibambele sub-directorate, it is appropriate to thank Professor Wilson and Ms Anna McCord, who conducted the research, not only for the professional rigour that they brought to the programme but also for their tireless enthusiasm. They have become ambassadors for Zibambele.

RURAL ROAD TRANSPORT FORUMS

Rural Road Transport Forums receive ongoing training in a programme that has been specifically designed to build their capacity to engage the KwaZulu-Natal Department of Transport in an informed and orderly way and, at the same time, act as a resource to their communities. The programme is designed in modular form and covers the members' three year term of office. Each module is made up of three workshops and each workshop builds on the previous workshop.

MODULE 1: Developing Good Governance in Communities.

Outcomes of the module are:

- participants will understand and be able to put into practice democratic procedures;
- participants will understand how to develop accountability to the KwaZulu-Natal Department of Transport, their communities and the sectors that they represent;
- participants will understand the Rural Road Transport Forum Constitution and expected code of conduct.

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MODULE 2: Effective and Efficient Meetings.

Outcomes of the module are:

- participants will understand how to conduct effective and efficient meetings;
- participants will understand the need for proactive participation in committee meetings;
- participants will understand how to make and implement decisions in committee meetings;
- participants will be able to plan, conduct and record a range of meetings to achieve development goals. These include Rural Road Transport Forum committee meetings, community meetings, ad hoc work related meetings, one-on-one meetings / interviews and learning group meetings;
- participants will also learn the additional skills of conflict resolution, problem solving, presentation and communication.

MODULE 3: Development Planning.

Outcomes of the module are:

- participants will understand how to draw up business plans;
- participants will understand budgets and cash flows;
- participants will understand how to justify their method of prioritisation;
- participants will understand how to do a needs assessment of the community,;
- participants will understand how to monitor and implement business plans.

In 2001/2002 the Department took a giant step forward in the development of regional business plans by consulting with forums concerning the prioritisation of projects on all road programmes. This development has made a significant contribution in creating increased opportunities at the community level in that programmes which were previously confined to local roads have now been geared up to include the entire Provincial Road Network.

The following findings from the social impact study bear testimony to the fact that the Roads for Rural Development programme is beginning to have a positive impact on community life in rural KwaZulu-Natal. The responses do draw attention to the need for the Department to give more attention to integrated transport planning. This will be corrected in our 2002/2003 business plan.

Rating of roads in area – Strongly Agree / Agree (sample 3 023)

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|--|-------|-----------|-----------|-----|--------|
| There are good transport services available to you and your neighbours | 32% | 31% | 34% | 30% | 34% |
| The roads allow better access to medical care now compared with 5 years ago | 45% | 41% | 46% | 45% | 49% |
| The roads allow access to a bigger variety of stores | 51% | 45% | 53% | 53% | 56% |
| The roads make it easier to get children to school now compared with 5 years ago | 46% | 41% | 46% | 49% | 53% |
| Transport is cheaper now so I have more money to spend on other things | 8% | 5% | 9% | 9% | 11% |
| I have a better idea of what the government and KZN DOT are doing for my area | 24% | 22% | 22% | 24% | 27% |
| I have a say in the construction of the road | 35% | 42% | 29% | 33% | 32% |

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|---|-------|-----------|-----------|-----|--------|
| It is easier to communicate with people in other areas / communities because of the roads | 49% | 41% | 55% | 51% | 54% |
| The way the roads are looked after now shows us that the government cares about us | 36% | 34% | 38% | 31% | 38% |
| The roads have made travelling much safer now compared with 5 years ago | 44% | 39% | 47% | 44% | 49% |
| DISAGREE. Crime has increased because it's now easier for criminals to get into and out of the area | 33% | 35% | 30% | 36% | 32% |
| DISAGREE. Taxis have become more dangerous now because it is easier for them to speed on the roads | 41% | 45% | 36% | 42% | 38% |

VUKUZAKHE

The Sub-Directorate: Emerging Contractors (SMME) and Job Creation is responsible for developing the policies, procedures and training programmes to secure a sustainable and viable emerging business sector in KwaZulu-Natal. The programme has focussed on using contract ZNT373T to promote a Four Staged Advancement Programme available to emerging contractors who are registered on the KwaZulu-Natal Department of Transport’s database.



The main thrust of the programme has been:

- the unbundling of contracts to cater for all sectors of the road construction and maintenance industry;
- the restructuring of contracts to secure collective participation by emerging contractors and established contractors within large contracts;
- maximising job creation;
- managing the emerging contractor database; and
- the establishment of Vukuzakhe Associations.

The Vukuzakhe programme is expected to address the structural constraints that restrict the growth, development and transformation of the construction industry in KwaZulu-Natal. The Department has started to address the training needs of emerging contractors by assisting them in 2001/2002 to form associations. The establishment of Vukuzakhe Associations will enable the KwaZulu-Natal Department of Transport to conduct its relationship with this sector in a more cost efficient way and in a manner that will result in social and economic empowerment.



It is clear from the social impact study that the majority of Vukuzakhe contractors do appreciate the requirements of the Staged Advancement system. It is also clear that the programme is highly valued by both the community at large and the contractors involved. The following responses by contractors bear testimony to this:

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Responses by Vukuzakhe contractors – Strongly Agree / Agree (sample 206)

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|--|-------|-----------|-----------|------|--------|
| The Vukuzakhe programme is helping black people get better jobs | 91% | 93% | 98% | 86% | 76% |
| The Vukuzakhe programme helps the area to develop | 98% | 97% | 98% | 100% | 100% |
| The Vukuzakhe programme has techniques that help the area advance | 97% | 94% | 98% | 100% | 100% |
| The Vukuzakhe programme works with and helps the local community | 97% | 95% | 98% | 100% | 100% |
| The Vukuzakhe programme is well known for assisting education | 39% | 35% | 52% | 29% | 34% |
| The Vukuzakhe programme provides equal opportunities for all | 64% | 59% | 67% | 86% | 55% |
| The Vukuzakhe programme exploits its workers and treats them badly | 12% | 10% | 7% | 10% | 31% |
| The Vukuzakhe programme assists many small businesses to develop by giving them work | 88% | 89% | 84% | 95% | 86% |
| The Vukuzakhe programme assists job creation by creating small businesses | 91% | 92% | 88% | 95% | 93% |
| The Vukuzakhe programme is always there when I need them | 68% | 59% | 76% | 76% | 76% |
| The Vukuzakhe programme pays me on time | 58% | 42% | 81% | 57% | 66% |
| The Vukuzakhe programme allows the community to participate in upgrading this area | 96% | 94% | 100% | 95% | 93% |
| The Vukuzakhe programme helps people to understand how the government works | 93% | 89% | 100% | 86% | 97% |
| The Vukuzakhe programme allows us to gain the knowledge and skills necessary to run our own businesses | 80% | 72% | 93% | 76% | 79% |
| The Vukuzakhe programme has improved the standard of living of people in this area | 95% | 92% | 100% | 95% | 93% |

Vukuzakhe contractors are strongly supportive of the role of the Rural Road Transport Forums and the way the programme is administered as well as the Department's use of consultants.

Responses by Vukuzakhe contractors concerning Rural Road Transport Forums (RRTFs)

– Strongly Agree / Agree (sample 206)

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|---|-------|-----------|-----------|-----|--------|
| The RRTFs help the community to understand the workings of the government | 59% | 45% | 79% | 52% | 72% |
| The RRTFs help develop leadership skills | 35% | 23% | 53% | 33% | 41% |
| The RRTFs keep the community informed about contracts in the area | 60% | 46% | 79% | 52% | 72% |
| The RRTFs ensure transparency when awarding contracts in this area | 50% | 37% | 76% | 57% | 38% |
| The RRTFs are good at advising the KwaZulu-Natal Department of Transport on the needs and priorities of roads in the area | 68% | 51% | 84% | 76% | 86% |
| The RRTFs are efficient in finding contractors in the area who can be involved in the construction of roads | 54% | 35% | 76% | 62% | 72% |

Responses by Vukuzakhe contractors concerning the administration of the programme

– Strongly Agree / Agree (sample 206)

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|--|-------|-----------|-----------|-----|--------|
| Completion of tender documents is NOT too difficult | 23% | 13% | 22% | 43% | 41% |
| I am given enough time to tender for a contract | 60% | 53% | 64% | 81% | 59% |
| I DO NOT wait too long to hear if my tender is successful | 8% | 7% | 12% | - | 7% |
| The requirements for getting a contract are NOT too strict | 35% | 35% | 28% | 38% | 48% |
| The tender process is fair | 69% | 61% | 79% | 76% | 69% |
| The programme has helped create jobs for more people | 95% | 93% | 97% | 95% | 97% |
| I know that the KwaZulu-Natal Department of Transport supports me | 96% | 94% | 98% | 100 | 93% |
| The programme has equipped me with the skills and knowledge necessary to run my business | 84% | 79% | 91% | 95% | 83% |
| The programme has improved community life by employing local labourers | 97% | 97% | 98% | 95% | 97% |

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Responses by Vukuzakhe contractors concerning supports provided by civil engineering consultants
 – Strongly Agree / Agree (sample 206)

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|---|-------|-----------|-----------|-----|--------|
| The consultant I deal with really helps me to do my contract very well | 69% | 66% | 74% | 90% | 55% |
| The consultant gives me a lot of help in running my business | 63% | 63% | 67% | 62% | 52% |
| The consultant is always available when I need him and helps me with all my queries | 63% | 61% | 67% | 71% | 52% |
| The consultant lets me run my business my way and does not interfere in matters that do not concern him | 79% | 79% | 83% | 81% | 72% |
| The consultant deals with me as a businessman and partner and not just as one of his labourers | 76% | 74% | 78% | 81% | 76% |
| The consultant shows no racist tendencies | 67% | 64% | 66% | 71% | 79% |

One of the most striking achievements of the Vukuzakhe programme is the ability of contractors to create sustainable employment opportunities. Statistics showing the extent of unemployment in South Africa are notoriously unreliable. In part this relates to the inadequacy of data showing the extent and growth of informal sector employment.

A recent report by Statistics South Africa calculated that one million jobs were lost between February 2001 and September 2001. They reported that our expanded unemployment rate is 41,5%. This includes discouraged job seekers who want to work but who have given up looking for employment. The official unemployment rate is reported to be 29,5% with KwaZulu-Natal registering a rate of 33,5%. The official unemployment rate measures only those jobless who are not only willing to work but who have actively looked for work within four weeks of the unemployment survey.

Many economists attribute the loss of employment opportunities to decades of economic mismanagement during apartheid which have come home to roost as South Africa takes its place in the global economy. This is well illustrated by the number of jobs lost in the motor manufacturing sector where South Africa has performed well on international markets. Between 1994 and 1999 some 296 000 jobs in motor manufacturing were lost, partially through the industry's drive to become more competitive at an international level.

In this context, the performance of Vukuzakhe contractors in creating new jobs is nothing short of phenomenal. The social impact study indicates that in March 2002 the 206 Vukuzakhe contractors in the sample employed some 2 500 people. It is possible therefore to extrapolate from the sample and conclude that the total number of contractors currently provide paid work to approximately 17 500 people. The sample further indicates that most Vukuzakhe contractors employ people from the districts in which their contracts are awarded. In this way local work opportunities have been created in rural communities.

The results of the social impact study indicate that, while there are many corrections and refinements to be made, by and large the Vukuzakhe programme is achieving what it was established to achieve. We are confident therefore that with the organisation of contractors into associations, together with the full implementation of the African Renaissance Road Upgrading Programme, solid building blocks are in place to take the programme boldly forward.

ZIBAMBELE



Zibambele is the KwaZulu-Natal Department of Transport’s flagship poverty alleviation programme. Zibambele is a form of labour intensive road maintenance in which a household is contracted to maintain a specific length of road. The winning of the coveted Impumelelo award in 2000 as the most innovative programme focusing on the reduction of poverty and the improvement in the quality of life of the poor has propelled Zibambele into the national and international spotlight. It was therefore considered important to verify independently whether or not the programme was achieving what it set out to do.

Zibambele was designed as a cost efficient rural road maintenance system which could provide sustainable contract opportunities to destitute families, particularly women headed households. Preliminary results from SALDRU indicate that the Zibambele programme has indeed achieved its objectives. It is certainly a credit to all involved that a young programme like Zibambele has been rated as outperforming well resourced and well founded national and international poverty alleviation programmes.

The social impact study findings on Zibambele are beyond the Department’s expectations. The programme has allowed many heads of households to put food on their tables and to meet other pressing needs such as schooling and healthcare. However, it is clear that the benefits for the contractors are not only in monetary terms. They feel skilled, respected and dignified. They are full of hope for their futures and that of their children. It is appropriate that we let the social impact study findings speak for us and for Zibambele contractors.

Rating of the selection process for Zibambele

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|-------------------------|-------|-----------|-----------|-----|--------|
| Very Fair | 68% | 77% | 53% | 79% | 60% |
| Fair | 31% | 23% | 43% | 21% | 38% |
| Neither Fair nor Unfair | 2% | - | 4% | - | 2% |
| Unfair | - | - | - | - | - |

Life has changed because of the Zibambele programme

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|-----|-------|-----------|-----------|-----|--------|
| Yes | 96% | 97% | 94% | 98% | 98% |
| No | 4% | 3% | 6% | 2% | 2% |

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Opinions and attitudes towards the Zibambele programme

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|---|-------|-----------|-----------|------|--------|
| Zibambele makes me feel part of the community | 97% | 94% | 99% | 100% | 100% |
| I am proud to work for Zibambele | 94% | 97% | 90% | 95% | 95% |
| I can now get / access credit like everyone else | 63% | 91% | 44% | 40% | 52% |
| The work I do for Zibambele is NOT important | 7% | 8% | 7% | 2% | 7% |
| I am respected by my family | 95% | 98% | 91% | 98% | 93% |
| I can now talk as a woman / man | 75% | 93% | 59% | 67% | 64% |
| I am no longer dependent on money earned by my husband / wife / family | 61% | 83% | 46% | 45% | 50% |
| People respect the work that I do for Zibambele | 78% | 87% | 65% | 74% | 83% |
| I am embarrassed to work for Zibambele | 1% | - | 3% | - | - |
| The Zibambele programme has improved my quality of life | 82% | 96% | 62% | 86% | 76% |
| Zibambele shows that the government cares about me and my community | 91% | 97% | 90% | 86% | 83% |
| I am grateful for Zibambele because it has given me a job | 92% | 97% | 85% | 93% | 88% |
| By working for Zibambele I have a say in the construction / building of roads | 87% | 92% | 79% | 90% | 81% |

One of the most pleasing results of the survey was the way Zibambele contractors feel themselves affirmed as having and being in control of their future despite the fact that they do not, for the most part, expect to earn an income outside of Zibambele.

Statement association with life today – STRONGLY DISAGREE / DISAGREE

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|--|-------|-----------|-----------|-----|--------|
| Poor people will always be poor | 67% | 66% | 63% | 74% | 69% |
| Nothing I can do will make my life better | 67% | 65% | 68% | 67% | 71% |
| I will always be poor | 71% | 66% | 76% | 71% | 76% |
| I do not expect to have a better quality of life in the future | 83% | 86% | 75% | 81% | 90% |
| My children will never have a good education | 51% | 55% | 38% | 55% | 57% |

| | TOTAL | EMPANGENI | LADYSMITH | PMB | DURBAN |
|--|-------|-----------|-----------|-----|--------|
| I will never be able to influence government | 58% | 48% | 65% | 69% | 57% |
| I cannot choose where I want to get a sick child treated | 47% | 46% | 40% | 48% | 60% |
| I cannot choose which school to send my child to | 46% | 44% | 38% | 48% | 62% |
| I cannot be involved in upgrading / improving the area in which I live | 73% | 72% | 72% | 74% | 79% |
| Zibambele is the only way I will ever earn money | 10% | 14% | 4% | 7% | 10% |
| I cannot choose where I go to shop | 51% | 60% | 34% | 52% | 55% |

In 2001/2002 a total of 9 856 Zibambele contracts were awarded out of the 10 000 that were targeted. Manuals have been developed to guide the further implementation of the programme and to train KwaZulu-Natal Department of Transport staff in their supervision responsibilities.

A constitution has been compiled in consultation with Zibambele contractors to guide their organisation into savings clubs. Indications from the social impact study are that Zibambele contractors are enthusiastic about joining savings clubs – only 2% of contractors surveyed indicated that they would be unlikely to join.

DIRECTORATE: MONITORING AND EVALUATION

Monitoring and Evaluation is a newly established Directorate, specifically established to assist the Department in monitoring performance and to develop appropriate evaluation criteria to measure the impact of various programmes and plans on the target audiences. This directorate further promotes the ethos of Good Governance in the Department.

The concept of Mission Directed Work Teams has been piloted in the Pietermaritzburg Region and has achieved outstanding results. One of the teams increased its productivity output in excess of 100%. The introduction of the Mission Directed Work Team Productivity and Management Programme in the Department puts the Department on a par with leading large companies in South Africa and internationally.

In order to monitor output by all the components in the Department effectively, a measuring instrument has to be put in place which will allow for the measurement of various diverse outputs.

The programme "Mission Directed Work Teams" provided such a tool which has the following characteristics:

- **Measurement takes place at the lowest possible level typically at foreman level.**
- **Measurement is done against specific measurable items only i.e. only items which can be measured specifically are catered for.**
- **Measurement is against specific set targets.**

The output targets are set by each foreman in conjunction with the regional director and in this way lower level staff members take ownership of their outputs. At monthly intervals, results achieved by all teams are presented to the regional director who then compiles these into a single report to the Directorate: Monitoring and Evaluation to reflect his service delivery for that month. At any time during the month line function managers and staff from Monitoring and Evaluation can visit a team to check the recorded measurements against the actuals in the field as field managers usually measure and record their outputs on a daily basis.

Business plans are submitted to the Chief Directorate: Strategic Planning for Development, Monitoring and Evaluation approximately eight (8) months before the commencement of a financial year. These business plans are scrutinised by the Directorate: Monitoring and Evaluation in order to extract from them the specific services to be delivered by

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each component in the Department. These outputs are then compiled showing annual target quantities for reporting on by each component within the Department.

Although the monthly service delivery reports focus on outputs, overall or macro expenditure per item is also recorded in order to determine unit rates for comparison with private sector agencies and the performance of other Government Departments. Annually an evaluation exercise is conducted to advise management regarding the relative performance of the Department in relation to industry norms and standards.

All components within the Department develop their own specific policies to guide staff in the correct implementation of procedures. These policies are reviewed by the Directorate: Monitoring and Evaluation in order to ensure their compliance with national norms and standards as well as to eliminate duplication or contradictions within policies.

During field inspections staff of this Directorate do inspect work procedures to ensure compliance with these policies.

SECTION 6: IMPLEMENTATION



**Head: Implementation
Mr Chris Hlabisa**



**Senior Operations
Manager: Empangeni
Mr Dumisani Ximba**



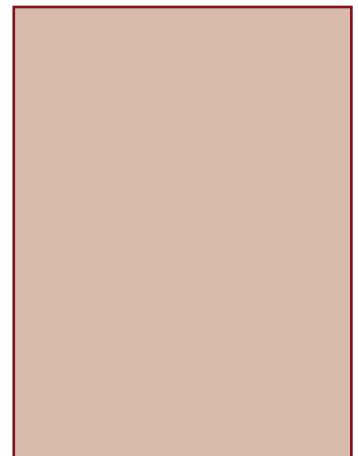
**Senior Operations
Manager: Pietermaritzburg
Mr Howard Bennett**



**Senior Operations
Manager: Ladysmith
Mr Siphwe Majola**



**Senior Operations
Manager: Durban
Mr Rob Tarboton**



**Senior Manager:
Technical Support
(vacant)**

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INTRODUCTION

The Chief Directorate: Roads and Transportation was further restructured at the beginning of 2002 as Chief Directorate: Implementation.

The Chief Directorate: Implementation's core functions are:

- road construction, maintenance and repairs;
- public and road transportation;
- road traffic;
- road safety;
- good governance.

Furthermore, the newly created Regional Directors posts in Durban, Empangeni, Ladysmith and Pietermaritzburg have been successful in both meeting local demands and implementing regional programmes.

NOTABLE ACHIEVEMENTS - LADYSMITH



Maintenance :

The Maintenance Program was built on last year's initiatives of outsourcing work to emerging contractors. This financial year saw 135 of the 238 outsourced opportunities going to emerging contractors. In addition gravelling, road-marking, road signing, guardrail, road patching and grass cutting contracts in excess of the Business Plan were completed.

New ground was broken in the awarding of seven road-marking contracts to emerging contractors. They were assisted in purchasing the appropriate plant and through training and mentoring, were all able to complete their contracts on time and to specification. The

Region also broke new ground in letting contracts for "specialist works" such as bridge handrail replacement to local emerging contractors.

Construction:

The Department's units 3 and 4 constructed 36km of new major provincial roads. Both formal and emerging contractors augmented these forces.

Emerging contractors worked side by side with departmental forces to achieve a cost effective, high standard finish on Main Road 359 near Tholeni. The Department completed the layer works while local emerging contractors, supervised by the Department, completed the pipe culverts. On the job training ensured excellent performance.

Zimbabwe:

The initial target of 1 750 Zimbabwe Contractors was adjusted to 2 600 and this was attained near the end of the financial year (the final figure being 2 612). A notable achievement was that a majority of Zimbabwe Contractors were paid through PERSAL. Notable advances achieved this year were the deployment of Zimbabwe Contractors on less trafficked blacktop roads where they focussed on the vital work of clearing road verges and protecting road signs against fire damage. All Zimbabwe Contractors were trained in the rudiments of traffic safety.

NOTABLE ACHIEVEMENTS - PIETERMARITZBURG

Mission Directed Work Teams:

The Pietermaritzburg Region has piloted the Mission Directed Work Teams (MDWT) in the Public Service. This is essentially part of the 2nd phase of the Department's Good Governance Programme. Our aim is to create a work

climate characterised by teamwork, participation and continuous development of the staff consistent with the concept of the One-Stop Shop.

The region's success story in terms of implementing the Mission Directed Work Team system is the Construction Unit situated in Merrivale. The construction manager saw the MDWT system as a way to improve productivity, improve morale and reduce the threat of privatisation.

The Unit has shown remarkable improved production figures over the period 1 March 2001 to 30 September 2001. While still not competitive with the private sector, the unit has targeted private sector norms in terms of quality, speed and cost, and is working towards achieving them. The system has provided the Unit with a tool to identify shortcomings and take remedial action. In the past the Unit was unable to track production outputs and related costs accurately. The introduction of a workable costing system has allowed teams at the lowest level to measure their outputs and costs daily. They are therefore in a point to identify and rectify problems immediately. The programme also assists the teams in becoming more responsible by allowing them to measure their outputs and display them visually on charts.

The implementation of the MDWT system has resulted in the Unit's depot becoming a neat, well-presented, safe and efficient environment that is aesthetically pleasing to both employees and customers. The Unit's staff members have developed pride in their surroundings and the depot's store yard resembles that of any world-class organisation.

The Unit has become a model for the department. The construction manager has been appointed as the regional champion, to assist with training and implementation in all other work components. All divisions namely the Motor Licensing Bureau, Road Traffic Inspectorate, Fleet Services, Mechanical and Roads have made visits to the Unit to get ideas on how to adapt the system to meet their particular needs. The Unit's manager has assisted the Ladysmith region, which has recently adopted the system, in ironing out minor problems experienced in implementation.

The Unit, through their hard work, has been through the learning curve, and as such is able to make it less painful for others.

High-ranking officials from other departments, including the Office of the Premier and private sector enterprises including the Pietermaritzburg Chamber of Commerce, have visited the Unit in order to see the system in operation.

NOTABLE ACHIEVEMENTS - DURBAN

Adopt-A-Highway - Roadside Verge Maintenance:

Because of a lack of funding for maintaining a highly trafficked and coastal vegetation road reserve, the Durban Region has initiated an "Adopt-a-Highway" project.

This project entails the KZN-DOT entering into an agreement with a contractor or a local non-profit organisation, such as a conservancy, to erect advertising signs at one-kilometre intervals. The income the contractor or conservancy derives from this advertisement is used for grass cutting, removal of noxious weed, litter collection and drain clearing – using emerging contractors at no cost to the KwaZulu-Natal Department of Transport.

To date, numerous conservancies have shown interest in this initiative. At present there are 4 projects up and running – the most successful being the Kloof Conservancy along Main Road 1 (M13), between Pinetown and Hillcrest.

Refurbishment Programme:

The Department undertook an intensive refurbishment programme of its large earthmoving equipment. Articulated dump trucks, dozers and graders were targeted for refurbishment due to the high cost of replacement and the quality of the equipment.



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The programme cost R3.1 million and included the refurbishment of 3 articulated dump trucks (Bell Equipment), 3 graders (Caterpillar Equipment) and 1 dozer (Caterpillar Equipment).

Overall, this programme has had a tremendous moral boosting effect on confidence of mechanical staff as well as the Head Office personnel. Staff interpret the plant refurbishment programme as a commitment to the future of their jobs as well as a commitment to provide them with good tools to do their work efficiently.

Major Project Status Report – M82:

The roadworks include Pavement repairs on M82 (for heavy rutting, shoving of asphalt and general severe deterioration of pavement), comprise approximately 3km on the Eastbound carriageway and approximately 1,6km on the Westbound carriageway. The road was previously constructed using stabilised sub base, asphalt base and asphalt surfacing. The work now being done is:

- milling and replacing asphalt layers to various depths;
- continuously reinforcing concrete pavement inlay;
- asphalt surfacing - (SMA); and
- road marking.

Since work is under traffic, accommodation of traffic is a major component of this contract on this heavily used and busy main road. It has been carried out with utmost safety in mind. Various options have been utilised to maintain smooth traffic flow and minimum time delays but with safety as a prime consideration. It is quite a challenge to satisfy both these requirements.



It is a requirement of the contract to keep at least one lane open in each direction on the freeway and one on the interchange ramps during construction of concrete in-lay work. Work is currently in place on the 2nd last section of the R.C. layer and concurrently on the SMA sections. The project is progressing well and as planned.

Further rehabilitation work on the M 82 is in the planning phase.

Mpisi River Bridge – D881 – New Infrastructure:

This project comprises a new bridge on road D881, over the Western Channel of the Mpisi River. It is situated 100m from the existing bridge over the other side of the river and approximately 20 km, on a gravel road, from the junction (near Maphumulo) of D881 with P20-2 (R74) between Stanger and Kranskop.

The bridge is in the form of a five span, continuously reinforced concrete slab on wall type piers with solid abutments and splayed wing-walls. The spans are 6,5 m long, overall deck width of 6,8m, piers and abutments are approximately 5,5m high.

The foundation is done on a boulder layer or bedrock approximately 1m below the riverbed level. Roadworks for the approach, scour protection and gravelling etc. will also be carried out. This project will greatly enhance access and mobility for the surrounding community as the area is well populated. Heavy flooding of the Mpisi River has caused extensive road damage in the past. The building of a new bridge over the Mpisi River will alleviate that problem.

NOTABLE ACHIEVEMENTS - EMPANGENI

P522 link road between Jozini and Phalendaba:

During the 2001 / 2002 financial year, the Empangeni region benefited from an allocation of over R20 million to repair damage caused by the year 2000 floods.



The Department was able to carry out extensive rehabilitation works on the P522, between Jozini and Phalendaba. P522 is a vital economic road in Northern KwaZulu-Natal, which had seriously deteriorated over the last 3 to 4 years and which has become almost impassable for vehicular transportation. The rehabilitation of this vital link was a major boost to both tourism and trade in the area.

Extensive regravelling works were also carried out, mainly in Ubombo and Ingwavuma, where flood damage had been the most severe.

Table 1: Provincial Road Network – Summary Of Achievements

| ACTIVITY | UNIT | EMP | LSM | PMB | DBN | TOTAL |
|-----------------------------|------|-----|-----|-----|-----|-------|
| Construction of Local Roads | Km | 206 | 197 | 56 | 107 | 566 |
| Causeways Constructed | No. | 41 | 27 | 14 | 21 | 103 |
| New Bridges / Box Culverts | No. | 0 | 1 | 1 | 0 | 2 |
| Upgrade to Surfaced Roads | Km | 0 | 36 | 15 | 0 | 51 |
| Road Rehabilitation | Km | 85 | 79 | 46 | 16 | 226 |
| Road Safety Improvements | No. | 16 | 28 | 26 | 20 | 90 |
| Regravelling | Km | 203 | 76 | 280 | 22 | 581 |
| Reseals | Km | 120 | 174 | 53 | 5 | 352 |

Table 2: Plant Availability - Overall

| Plant Availability | Target % | Actual % |
|-------------------------|----------|----------|
| Graders | 85 | 76 |
| Dozers | 85 | 78 |
| Front-End Loaders | 85 | 81 |
| Articulated Dump Trucks | 82.5 | 74 |
| Excavators | 85 | 83 |

Table 3: Socioeconomic Outputs

| | |
|-----------|---|
| 103,190 | People Provided With New Access |
| 102 | Schools Provided With New Access |
| 46 | Clinics Provided With New Access |
| 673 | Emerging Contractors Contracted |
| 1,166,440 | People Days Of Work Created |
| 9,856 | Routine Maintenance Contract Opportunities for Zibambebe Households |

Table 4: SMME Opportunities – Summary Of Contracts By Stage

| Region | Stage 1 | Stage 2 | Stage 3 | Stage 4 | Total |
|------------------|------------|------------|-----------|-----------|------------|
| Empangeni | 172 | 37 | 29 | 10 | 248 |
| Ladysmith | 149 | 57 | 30 | 2 | 238 |
| Pietermaritzburg | 61 | 25 | 10 | 6 | 102 |
| Durban | 106 | 19 | 13 | 0 | 138 |
| TOTAL | 488 | 138 | 82 | 18 | 726 |

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Table 5: Zibambele Contracts Per Region

| | |
|-----------------------------|--------------|
| Region 1 : Empangeni | 4,129 |
| Region 2 : Ladysmith | 2,612 |
| Region 3 : Pietermaritzburg | 1,506 |
| Region 4 : Durban | 1,609 |
| Totals | 9,856 |

Table 6: Summaries Of The Number Of Projects Per Basket For Each Region

| Region | Local Roads | Causeways | Gravelling | Total |
|------------------|-------------|------------|------------|------------|
| Empangeni | 122 | 43 | 40 | 205 |
| Ladysmith | 82 | 27 | 18 | 127 |
| Pietermaritzburg | 40 | 22 | 0 | 62 |
| Durban | 67 | 24 | 11 | 102 |
| Totals | 311 | 116 | 69 | 496 |

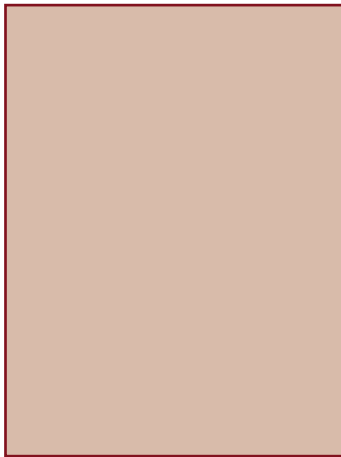
Table 7: Final Output for the Year

| Region | No. of KM CAR Constructed | No. of KM Gravelled Regravelled | No. of KM Bladed | No. of Causeways Completed |
|------------------|---------------------------------|---------------------------------------|---------------------|----------------------------------|
| Empangeni | 206 | 203 | 18,600 | 41 |
| Ladysmith | 197 | 76 | 8,800 | 27 |
| Pietermaritzburg | 56 | 280 | 7,418 | 14 |
| Durban | 107 | 22 | 18,600 | 21 |
| TOTALS | 566 | 581 | 53,418 | 103 |

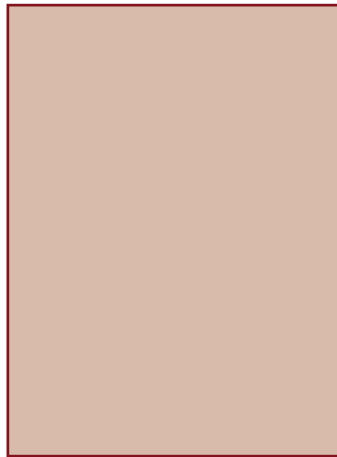
SECTION 7: TRANSPORT ENTERPRISE DEVELOPMENT AND LOGISTICS



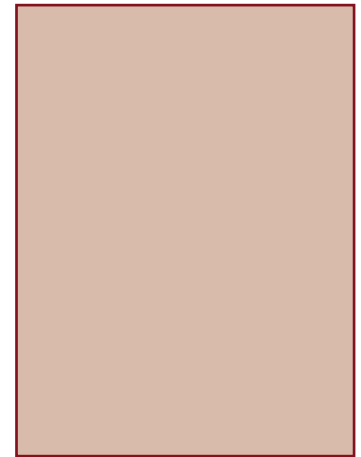
**Head: Transport Enterprise Development
and Logistics
Mr George Mahlalela**



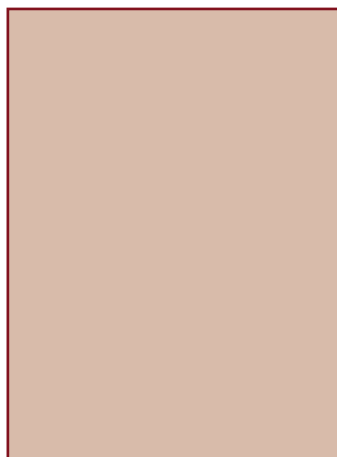
**Senior Manager:
Public Transport
(vacant)**



**Senior Manager:
Regulations
(vacant)**



**Senior Manager:
Contract Management
(vacant)**



**Senior Manager:
Freight, Policy & Planning
(vacant)**

REPORT OF THE HEAD OF DEPARTMENT

The Chief Directorate: Transport Enterprise, Development and Logistics aims to:

- provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers;
- improve levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.

Key Objectives are:

- consolidation of the Taxi process;
- providing access to bus services through the provision and management of bus contracts;
- development of commuter facing urban and rural transportation plans;
- reform of public transport institutions; and
- developing effective regulations for both taxis and busses.

ACHIEVEMENTS OF THE CHIEF DIRECTORATE IN THE 2001/2002 FINANCIAL YEAR INCLUDE:

- Completion of the formalisation process of the taxi industry through the registration of all taxi associations, members, vehicles and routes. A database has been consolidated and completed. Seventy percent of the registered vehicles have been issued with new route-based licences;
 - 249 taxi Associations have registered (the number has been reduced by the fact that all bakkie associations have been filed separately from minibus taxi associations, and the Ngoni Taxi Association has been ruled out because they do not qualify.
 - 14 785 operators have been provisionally registered.
 - 21 790 vehicles have been provisionally registered.
 - 199 taxi associations have been referred to the board with recommendation for the granting of permits to their members.
- Completing the conversion of bus contracts to tendered contracts except in Durban. Durban Transport is the subject of a restructuring plan since it is a municipally-owned bus operation. The tendered contract system has introduced better services and efficiencies within the system;



| BUS COMPANY | CONTRACT NUMBER | CONTRACT TYPE |
|--------------------------|-----------------|---------------|
| Darnal Motors | ZNT 1169 | Tendered |
| Durban Transport | | Interim |
| Impendle Bus Service | ZNT 1181 | Tendered |
| KZT Bus Services | ZNT 1158 - 1159 | Tendered |
| Break through inv. | ZNT 1135/1136 | Tendered |
| Mkuze Bus Service | ZNT 1129 | Tendered |
| Sizanani Mazulu TSPT | ZNT 1137 | Tendered |
| Extraprops 230 (Pty) LTD | ZNT 1178 - 1180 | Tendered |
| Emondlo Bus Service | ZNT 1123 | Tendered |
| Marinpine Transport | | Interim |

| BUS COMPANY | CONTRACT NUMBER | CONTRACT TYPE |
|---------------------|-----------------|---------------|
| Midlands Bus | ZNT 1124 | Tendered |
| Nondweni Bus | ZNT 1125 | Tendered |
| South Coast | | Interim |
| Maphumulo Mail | ZNT 1170 | Tendered |
| Combined TSTP | ZNT 1101 - 1104 | Tendered |
| Washesha Bus | ZNT 1163 | Tendered |
| Transnat Coachlines | ZNT 1122 | Tendered |
| Ronnies | ZNT 1164 /117 | Tendered |
| Duzi Bus | ZNT 1138 | Tendered |
| FAB Omnibus | ZNT 1139 | Tendered |
| Ithalente Bus | ZNT 1160 | Tendered |
| KZT Country Cruiser | ZNT 1161 | Tendered |
| Combined Transport | ZNT 1162 | Tendered |
| Alton Coachlines | ZNT 1176 /1177 | Tendered |
| Bonnies | ZNT 1175 | Tendered |
| Ikhwezi | ZNT 1174 | Tendered |
| Puma Bus | ZNT 1173 | Tendered |
| Ulundi | ZNT 1172 | Tendered |
| Transnat Coachlines | ZNT 1165 - 1167 | Tendered |

- The Provincial Land Transport Framework sets the basis for the development of integrated Transport Plans in all municipalities. This will be incorporated into the PLTF. Key focus areas for road freight are:
 - control of the transportation of dangerous goods;
 - potential for SME's in road freight transport;
 - development of freight distribution services in rural areas;
 - the need to improve control of vehicle condition;
 - improved control of drivers;
 - the need to control the parking of vehicles on roads; and
 - the need for better control of overloading.

- Completing a study of the establishment of a Metropolitan Transport Authority, in co-operation with eThekweni Metropolitan Council. This will ensure intermodal planning and operational integration within the metropolitan area;
 - The Act sets out possible forms of transport authority and the functions which the authority is required to perform. In 1999 the National Department of Transport, the then Durban Metropolitan Area, now the eThekweni Municipality and the KwaZulu-Natal Department of Transport initiated a pilot project to investigate the establishment and the implications of setting up a Transport Authority in the Durban metropolitan Area (now the eThekweni Municipality). The overall aim of the project was to make recommendations to the Durban Metropolitan Council on whether it should establish a transport Authority, its structure and functions, and their implications.

- Completing a similar study in the Pietermaritzburg area with a view that during the next financial year, a feasibility report will be completed on a local Transport Authority.

REPORT OF THE HEAD OF DEPARTMENT

SECTION 8: PUBLIC SAFETY AND COMMUNICATIONS



**Head: Public Safety and Communications
Mr Thabang Chiloane**



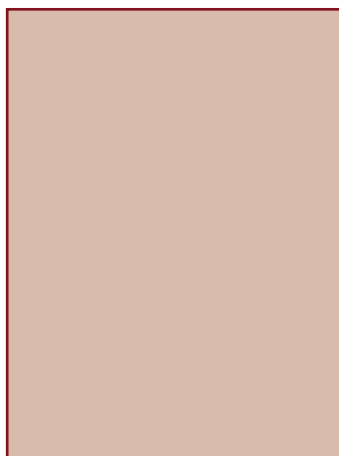
**Senior Manager:
Road Traffic
Mr John Schnell**



**Senior Manager:
Road Safety
Ms Thoko Mabaso**



**Senior Manager:
Communications &
Resource Centre (acting)
Mr Sathish Jaggernath**



**Senior Manager:
Public Relations
(vacant)**

INTRODUCTION

This Chief Directorate: Public Safety and Communications is a new Chief Directorate and still needs construction and restructuring. Through this Chief Directorate the Department is able to communicate internally and to the broader community. The Chief Directorate is also responsible for ensuring a safer road environment in the province.

Communication is the thread that ties together every aspect of the Department's work. The Department will only succeed in achieving a safe road environment when all people in this country acknowledge that road safety is their business and not just the responsibility of government. In order to communicate and educate communities, the Road Safety Directorate established 32 Community Road Safety Councils (CRSC) in predominantly rural and previously disadvantaged areas. The Directorate has backed up the efforts of the CRSC's with Road Safety Engineering ensuring that communities get professional assistance in making roads in their areas safer. For the CRSC's to be effective they require access to relevant information and training. Information is made available on a regular basis and a training programme is in place. Our education programme has been extended to schools and industry. All this work has required co-ordination with national government and other structures in the provinces, including enforcement agencies. To ensure that we remain champions of "best practice" the Directorate is engaged in ongoing researching and evaluating of the road safety programme.

While road safety communicates mostly with a public, the Directorate Communication is required to ensure that all stakeholders, including the media, are properly informed. The activities of the Communications Directorate have focussed on improving the Departments' communication with all stakeholders. This has been accomplished by engaging the media, and by marketing, promoting and advertising the work of the Department. For example, our publication Igalelo is published, on a monthly basis, in one of the regional newspapers. A media monitoring and research component has been established in order that the Department is kept informed about what the public and the media have to say about it. Speech writing, a crucial function for the Department, is a function executed by the Communication's Directorate.

It is anticipated that the establishment of the Chief Directorate will strengthen the Department's service delivery.

DIRECTORATE: COMMUNICATIONS & RESOURCE CENTRE

INTRODUCTION

The core function of the Communications Directorate is to implement a cohesive and systematic communications programme towards establishing and maintaining goodwill and understanding between the Department and the various communities and stakeholders it serves.

The objectives of the Directorate are:

- supporting the Department in all its activities and endeavours;
- developing a positive image of the Department;
- ensuring a felt presence of the Department among stakeholders and the wider public;
- communicating both internally and externally in a manner that is professional and consistent with the Department's policies and principles; and
- developing and maintaining effective channels of communication, co-ordination and dissemination of information both internally and externally.

INTERNAL COMMUNICATIONS

A functional component of the Directorate is to establish an effective and efficient flow of Departmental information through monthly newsletters, intranet system and special bulletins. The departmental newsletter, entitled Translife, provided an opportunity for various sub-directorates to enjoy exposure for their activities. In this way, internal publicity was generated for various programmes and activities such as the Minister's engagements, Zibambele, AIDS/HIV workshops, Impumelelo Awards, management workshops, the Asiphephe campaign, RTI, staff achievements, and organisational development. A proposal was submitted for the establishment of an intranet facility,

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and once this is in operation, this electronic medium and written publications will be used for the dissemination of internal news. In addition, newspaper clippings are provided to the Minister and Departmental senior managers on a regular basis.

PUBLIC RELATIONS

The public relations function was performed in conjunction with the Ministry, and all staff were engaged at various times in assisting at and/or participating in Ministerial/Departmental functions and engagements. Among the highlights were: the opening of various roads by the Minister, the opening of schools, the various holiday road safety launches by the Minister, and the Minister's meetings with various stakeholders. Events were co-ordinated by the directorate, and media conferences were held. Among the promotional campaigns the Department was involved in were the launch of KWANATACO, the national DOT's launch of the National Taxi Council, and the work of the Alexander Commission into Taxi Violence. The Department enjoys a very good relationship with community-based organisations, commerce and industry, other government departments and the media. The directorate's staff attended meetings convened by the Communications Directorates of the National Department of Transport and of the KwaZulu-Natal Premier's office.

MEDIA LIAISON

Media statements and alerts relating to public safety, roads, corporate services, public transport, as well as of a miscellaneous nature, were issued. Among the issues covered were the holiday road safety ASIPHEPHE campaign launches, taxi violence, launch of KWANATACO, victims of road accidents, prayer rallies, the motor licensing bureau, and the various zero tolerance campaigns. Together with these, the directorate prepared media statements for specific directorates as and when these were requested. The Department's flagship campaigns such as VUKUZAKHE, ARRUP, and ZIBAMBELE, received media exposure. During the period under review the Minister and the Department received coverage from the SABC, e-TV, and the various national, local and community-based newspapers.

MARKETING, PROMOTIONS AND ADVERTISING

An innovation for the Department was its penetration into community-based newspapers. Hitherto, the Department was receiving scant publicity from this quarter, but the placing of promotional advertisements within these newspapers opened up opportunities for greater coverage within publications that reach specific target markets. The major advantage of this is that these newspapers are distributed free, and that those who cannot afford to buy the commercial newspapers were able to receive news of the Department's activities. One of them, viz., Taxi, now carries a masthead of the minister's picture in all its editions.

PUBLICATIONS

In May 2001, an 8-page special supplement of the work of the Minister and the Department was published in the Sunday Tribune. The key focus areas were, the Department's initiative in introducing rural modes of transport, for example, through the cargo tricycle project, the Department's Annual Summit, Zibambele, the taxi industry, road safety, and RTI. Following on the success of this publication, it was decided to cater for Zulu-language readers, and negotiations were held with Ilanga to carry a monthly supplementary insert of Igalelo. 11 issues were published, and this is a continuing project, with the supplements henceforth being carried by the newly-launched Isolezwe and an English translation thereof in the Daily News.

RESEARCH, MONITORING AND SPEECH WRITING

The Communications Directorate undertook research and translation services in respect of the various directorates, and provided a news-clipping distribution service as well as a translation service.

The Directorate's activities are closely linked to the Department's various development initiatives, as the various media releases, speeches, promotional campaigns, and public relations initiatives help serve as a window to the Department's work.

DIRECTORATE: ROAD SAFETY

Latest statistics demonstrate that fatalities in the Province dropped from 1,770 in the year 2000, to 1,450 in 2001 (DOT Transport Engineering Sub-Directorate). This is a considerable reduction in fatalities and substantially better than national figures. Although this is a very encouraging result, each death is a tragedy, and we must do much more to reduce road carnage. The saving of lives is a core function of the Department of Transport, and the Road Safety Directorate is the prime facilitator of this function, together with the Road Traffic Inspectorate.

Efforts of the Directorate are concentrated around the internationally accepted strategic focus areas: education of children and adults (especially those in "at risk" areas); public awareness programmes to support enforcement, concentrating primarily on speed, alcohol abuse and wearing of seat belts; engineering of hazardous locations and evaluation of results and research to ensure effective planning and implementation, contextual to our actual environment.

COMMUNITY ROAD SAFETY COUNCILS

In order to facilitate people centred development thirty two (32) Community Road Safety Councils have been established, mainly in rural and previously disadvantaged areas. Training has taken place in these communities on identification of black spots, good governance, democratic management and formulation of business plans and other skills necessary to obtain full involvement. All road safety programmes are worked in conjunction with the Community Road Safety Councils. Council members assist in taking the programmes to the community, thereby ensuring that we have wider coverage throughout the Province.

ENGINEERING

The establishment of Community Road Safety Councils has enabled communities to take ownership of road safety. The Councils have identified more than 100 hazardous locations for low-cost engineering remediation. Ninety of these sites have been evaluated and approved for improvement, and plans have been passed to the regions for implementation.

The Transport Engineering Sub-Directorate is also responsible for collection, input and analysis of all accident data. During the year 80325 Officer Accident report forms have been received. All of the records have been transferred via our interface to NATIS. The National Department of Transport has informed all provinces that we are the most successful Accident Data Centre in the country.

EDUCATION AND PUBLIC AWARENESS

The Community Road Safety Councils have also been involved in public awareness projects for communities, especially in the area of pedestrian behaviour, and have held meetings throughout the province to encourage more responsible use of the roads by this "at risk" group.

To solve the pedestrian problem in KwaZulu-Natal we implemented the Pedestrian Management Plan in three identified high pedestrian incident areas namely; Nongoma, Shakaskraal to Groutville and Nottingham Road. Mass communication was also undertaken to convey the pedestrian safety message. The campaign included radio advertisements, adverts on taxi's, buses, billboards and dustbins. Commuta FM aired the message at railway stations and in-house videos were shown at Post offices, Hyperamas and Home Affairs offices. Posters and pamphlets with the same messages were also distributed.

More than 125 schools participate in Scholar Patrol activities, enabling learners to take responsibility for their own safety. Other programmes in junior schools are Child in Traffic, and Safe Routes to School. Community Road Safety Councils have been trained to assist with these projects. All schools in the province are invited to participate in the Participatory Education Techniques (PET) competition which takes place annually. Sixteen schools participated in the finals. Prince Myayiza and Amaphisi High schools were the winners in the rural category and in the urban category,

REPORT OF THE HEAD OF DEPARTMENT

Indonsa High and Trenance Park Secondary were the winners. Winning schools were each presented with a computer and printer while Trenance Park received sporting equipment in place of a computer.

A special programme for youth is also in place, and a sports competition highlights road safety issues for the thousands of participants and their families. The need for safe road usage is encouraged through the sporting activities. Church projects brought the religious community on board to raise awareness through prayer days and other events where church leaders can make a difference. The Driver Training Programme targets adults, especially taxi drivers and drivers of heavy vehicles. The province participated successfully in the National Department of Transport Taxi Driver of the Year competition, and a team of heavy-duty drivers represented our province nationally in the finals. Peak holiday projects are undertaken in the form of alcohol awareness programmes, rest stops on all major routes, awareness programmes for HIV / Aids Day and long distance taxi driver awareness programmes.



RESEARCH AND EVALUATION

Research and Evaluation continues to play an important role in Road Safety. Projects on Daytime Running Lights, (Edendale Road) Scholar Patrols and Golden Hour emergency response times have been undertaken at the specific request of the Department. The University of Natal Interdisciplinary Accident Research Centre is working on more than 20 projects, all of which will materially affect our ability to reduce road carnage in ways that are practical and can be implemented. An internal evaluation of road safety initiatives, measuring success against the recognised issues identified at the start of Asiphephe, was done at the end of the period.

CO-ORDINATION

An important aspect of road safety management is co-ordination with other stakeholders, and the Directorate is represented on several other bodies including the eThekweni Road Safety Technical Committee and Arrive Alive. Participation in Arrive Alive gives us an extra R5 million annually, which is spent on education and communication, enforcement and engineering. Involvement with other stakeholders enables us to share our success with others, and also to learn from other projects and initiatives.

ENFORCEMENT

Most of the activities undertaken by this section are largely focussed on education followed by enforcement to encourage road users to comply with road rules. The essential goal is to ensure that road safety messages make a significant impact towards the improvement of road use skills, and the creation of a more responsible road traffic culture in KwaZulu-Natal. Five Drager Breathalyzers were purchased and handed on loan to the SAPS collision unit.

Asiphephe alcohol road blocks, and selective enforcement operations were conducted throughout the province on a fairly large scale generating much media coverage and public attention. The operations were carried out by the KwaZulu-Natal Road Traffic Inspectorate and various local traffic authorities, supported by the South African Police Services.

DIRECTORATE: ROAD TRAFFIC INSPECTORATE (RTI)

INTRODUCTION

The primary functions of the Road Traffic Inspectorate are in the areas of enforcement and regulation. As part of these functions we contribute towards legislative changes and amendments. Some of our proposals have come about as a result of our interface with the Victoria Police exchange teams, the assessment processes and the Road to Safety Strategy 2001-2005.



SPECIFIC BUDGET AREAS

The Road Traffic Inspectorate Traffic Training College received R182, 581-88 for the 2001/2002 financial year for courses held as follows:

| Course | No. of Rti & Municipal Officers | Passed | Failed |
|---|---------------------------------|--------|--------|
| Traffic Officers | 64 | 56 | 8 |
| Examiner of Vehicles | 14 | 14 | 0 |
| Examiner of Drivers | 35 | 34 | 1 |
| Examiner for Learners | 7 | 7 | 0 |
| Drager SAPS | 18 | 15 | 3 |
| Orthorator (Eye Test) | 3 | 3 | 0 |
| Management Review | 18 | 15 | 3 |
| Identification of Unroadworthy Vehicles | 55 | 37 | 18 |
| Fire-arm (CZ759 mm Parabelum) | 82 | 54 | 28 |
| Fire-arm (Winchester 12 gauge shotgun) | 62 | 30 | 32 |
| Speedtiming: Truvelo Combi | 29 | 22 | 7 |
| Speedtiming: Prolaser MK II | 63 | 52 | 11 |
| Speedtiming: Prolaser MK III | 24 | 21 | 3 |
| Speedtiming: Ultralyte | 24 | 21 | 3 |

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DRIVERS' LICENCE CONVERSIONS: CREDIT CARD FORMAT

In March 1998 a new driving licence was introduced to conform with the requirements of the Southern African Development Community (SADC) protocols. The credit card format driving licences also resulted in the introduction of harmonised driving licence codes for the various classes of motor vehicles. These classifications also conform with the SADC protocols. The conversion process was scheduled over a five-year period, commencing in March 1998 for those holders of driving licences born in June, successive conversion periods were set aside in order to manage the process. Simultaneously all new applicants for driving licences who passed the prescribed K53 test were issued with credit card format licences.

Further, first time applicants for Professional Driving Licences (PrDP) were, upon application also issued with credit card type licences, as were applicants who renewed their PrDPs. The conversion process is now drawing to a close and persons who are the holders of drivers licences who were born in May have until the end of August 2002 to convert, where after there will be a period of time until February 2003 for the final conversion of problematic licences. Those who have not yet converted according to the widely advertised schedule will be required to pay a fixed scale of penalties and are encouraged to apply for the conversion of their licenses as soon as possible.

Initially we were informed that about 660 000 driving licences were to be converted in KwaZulu-Natal. With the final merging of the Home Affairs data and that on NaTIS this figure was revised to 929,812. Province wide 689,138 conversions have been completed to date. Of these 427,427 have been carried out at Provincial Test Centres (Rossburgh is the second busiest centre in the country after Johannesburg).

The provincial test centres operated by the Road Traffic Inspectorate have, in pursuit of the Good Governance principles, offered a conversion service on Saturday mornings to accommodate public demand. This service has been well supported. The credit card format driving licence is tamper proof with various security features, which make fraud impossible. Due to its size the card can be carried on drivers person in compliance with the Traffic Act. In due course it will be possible to scan the card and so link the driver to other vehicles and outstanding offences. The move to credit card type licences has removed from circulation fraudulent driving licences and permits which were previously in circulation thus improving the overall road safety environment.

Activity (Data for the 2001/2002 financial year)

| TYPE | PASSED | FAILED | FAILED TO ARRIVE | ISSUED/RENEWED |
|---------------------|--------|--------|------------------|----------------|
| Driver's Licences | 23,091 | 18,675 | 1,690 | n/a |
| Learner's Licences | 28,358 | 19,673 | 1,367 | n/a |
| PRDP's | 46,772 | n/a | n/a | n/a |
| Instructors Permits | n/a | n/a | n/a | 164 |

Total Income Received for Road Races and Events on Public Roads (2001/2002)

| | |
|--------------------------|-----------|
| NUMBER OF RACES / EVENTS | 230 |
| Application Fees | R 12,240 |
| Escorted Events | R 150,500 |
| Income | R 162,740 |

SPECIAL PROJECTS

KwaZulu-Natal, Road Traffic Inspectorate, Deliverables (2001 / 2002)

| OFFENCE | TARGETS | ACTUAL |
|-----------------------------|-----------|-----------|
| Vehicles Weighed | 120,000 | 172,503 |
| Drivers Licence Conversions | 100,000 | 98, 761 |
| Drivers Licence Checks | 100,000 | 544,523 |
| Breath Tests | 200,000 | 216,509 |
| Vehicles Screened Speed | 7,500,000 | 5,433,498 |
| Booze Bus Operations | 300 | 212 |
| Seat Belt Checks | 160,000 | 538,437 |
| Roadside Safety Checks | 50,000 | 331,269 |

OVERLOADING OF FREIGHT VEHICLES

Due to the fact that this Directorate was faced with insufficient officers to combat overloading offences effectively, the Departments agreement with SANRA, where an additional 54 funded posts were created in order to render 24 hour overloading enforcement on the N3 Corridor (N11), has been extended for another year. In conclusion the year of 2001 saw many changes. With our limited budget and demand for better services, the RTI as a whole met the challenges and delivered the goods.

It is estimated that at least 25 per cent of all heavy vehicles travelling on South African roads are overloaded. However, weigh-in-motion statistics have shown that this figure is approximately 12 percent in KwaZulu-Natal. This is because of the province's dedication to overloading control. During 2001, 147 113 vehicles were weighed in the province compared with 138 367 during 2000 and 72 640 during 1999.

Research has shown that overloaded heavy vehicles are responsible for approximately 60 percent of the damage to the road network, and in South Africa this represents at least R750 million per annum. During 1998, a strategy for vehicle overloading control was formulated for the KwaZulu-Natal Department of Transport by the CSIR. As part of the study a more detailed estimate was done on the damage caused by the overloaded portion of overloaded vehicles on the N2 and N3 national routes in KwaZulu-Natal. According to the 1998 figures the cost of road damage amounts to approximately R40 million per annum on these two routes alone. The cost of accidents involving heavy overloaded vehicles was also considered in the strategy report. It is conservatively estimated that an additional R30 million per annum can be saved in the province as a result of a reduction in accidents involving heavy vehicles by introducing increased enforcement on the main routes.

The first phase of the strategy has been implemented on the N3 corridor with the Traffic Control Centres at Westmead, Mkondeni and Midway running on a 24 hour basis and Ladysmith, Newcastle and Greytown working either 16 or 8 hour daily shifts. The South African National Roads Agency Limited is contributing to the funding of this project. It should be noted that the introduction of this phase of the overall strategy has had a major impact on weighing activities during the past two years.

During 2001 the new Windows version of the weighing module was implemented at a number of the more active weigh stations. Although the MS-DOS version of the system is still adequate for the purpose, it was recognized that

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there is a need to move to the Windows environment to keep up with advances in technology. The remaining weigh stations in the province will be upgraded during 2002. The new version has resulted in an improvement in the efficiency of vehicle weighing, particularly in the case of legal vehicles that are sent for static weighing. This improvement has obvious benefits for the transport industry.

GENERAL WEIGHING STATISTICS

During 2001 a total of 147 113 vehicles were weighed. This figure represents an increase of 8, 746 vehicles (6%) compared with 2000. The number of overloaded vehicles in terms of the legal limit was 42 291 (29%) compared with 46 883 (34%) in 2000. The number of vehicles charged was 12 496 (8%) compared with 18 117 (13%) vehicles charged in 2000. Thus, although the number of vehicles weighed increased by 6 percent from 2000 to 2001, the number of vehicles overloaded decreased by 5 per cent and the number charged also decreased by 5 percent. The numbers of vehicles weighed, overloaded and charged per month during 2001 are shown in Table 1.

Table 1: Numbers of vehicles weighed, overloaded and charged in KwaZulu-Natal: 1998 to 2001

| Year | Vehicles Weighed | Vehicles Overloaded (total) | Vehicles Charged (total) | Vehicles Overloaded (Reg 240) | Vehicles Overloaded (Reg 241) | Vehicles Overloaded (Reg 237) | % Overloaded |
|------|------------------|-----------------------------|--------------------------|-------------------------------|-------------------------------|-------------------------------|--------------|
| 1988 | 27,284 | 7,323 | 7,139 | 7,071 | 874 | - | 27 |
| 1989 | 15,950 | 8,102 | 6,820 | 7,985 | 976 | - | 51 |
| 1990 | 15,472 | 9,280 | 7,085 | 9,126 | 1,336 | - | 60 |
| 1991 | 31,725 | 16,195 | 11,927 | 15,663 | 3,356 | - | 51 |
| 1992 | 33,108 | 13,897 | 10,057 | 13,722 | 1,309 | - | 42 |
| 1993 | 47,395 | 17,673 | 12,175 | 17,651 | 312 | - | 37 |
| 1994 | 39,230 | 13,643 | 6,803 | 13,579 | 1,620 | - | 35 |
| 1995 | 36,238 | 12,655 | 6,705 | 12,565 | 2,581 | - | 35 |
| 1996 | 50,969 | 14,295 | 9,191 | 12,735 | 415 | 4,507 | 28 |
| 1997 | 46,071 | 13,785 | 8,911 | 11,854 | 438 | 6,167 | 30 |
| 1998 | 33,312 | 14,313 | 8,045 | 11,898 | 240 | 6,435 | 43 |
| 1999 | 72,640 | 25,819 | 10,690 | 20,811 | 409 | 11,394 | 36 |
| 2000 | 138,367 | 46,883 | 18,117 | 36,837 | 709 | 20,958 | 34 |
| 2001 | 147,113 | 42,291 | 12,496 | 30,763 | 177 | 21,311 | 29 |

THE TERM "CHARGED" REFERS TO VEHICLES THAT EXCEED THE 5 PERCENT TOLERANCE (A PROSECUTION GUIDELINE) APPLIED TO ALL THE MASS LIMITS. IF THE MASS OF AN AXLE / AXLE UNIT / VEHICLE EXCEEDS ONE OF THE LEGAL LIMITS, THE VEHICLE IS OVERLOADED, BUT ONLY IF THE 5 PERCENT TOLERANCE LIMIT IS EXCEEDED, IS THE DRIVER/OPERATOR PROSECUTED

Although through the percentage of overloaded vehicles decreased by 15 percent from 2002 to 2001 (in terms of the number of vehicles weighed), the percentage of vehicles charged decreased by 38 percent, indicating a significant increase in the number of loaded vehicles operating within the 5 percent tolerance.

Table2: Comparison of vehicle weighing statistics: 1999 to 2001

| | 1999 | 2000 | 2001 | %change 2000 to 2001 |
|---------------------------|--------|---------|---------|----------------------|
| No of vehicles weighed | 72,640 | 138,367 | 147,113 | +6 |
| No of vehicles overloaded | 25,819 | 46,883 | 42,291 | -10 |
| Percentage overloaded | 36 | 34 | 29 | -15 |
| No of vehicles charged | 10,690 | 18,117 | 12,496 | -31 |
| Percentage charged | 15 | 13 | 8 | -38 |

ADMINISTRATIVE ADJUDICATION OF ROAD TRAFFIC OFFENCES (AARTO) AND THE ROAD TRAFFIC MANAGEMENT CORPORATION

This legislation was first introduced in 1998 and was amended in 1999 and again in April 2000 when draft regulations were published to support the functioning of the Act. The legislation is in the domain of the National Department of Transport supported by a shareholders committee consisting of the nine provincial Ministers for transport and traffic control.

The elements of the Road Traffic Management Corporation are Administrative Adjudication of Road Traffic Offences and the Infringement Agency as well as a much needed Points Demerit System (PDS) which will involve automatic driving licence suspension periods, or cancellation in serious cases, for chronic repeat traffic offenders. Such suspension or endorsements will be carried out on a regular basis as demerit points are accumulated against a set scale in respect of offences and will be an inescapable consequence even if the accused does not appear before court or make representations or pay any fines or penalties imposed through AARTO.

It is anticipated that this long overdue process will bring about a new appreciation of the privilege of holding a valid, unendorsed driving licence and will promote self discipline amongst most drivers, including professional drivers. Recently the Chief Executive Officer of the Road Traffic Management Corporation was appointed to steer the rapid implementation of these legislative processes. In the Australian example from the State of Victoria, as elsewhere in the world, it was the inescapable consequences of sanctions after detection that finally brought the road safety enforcement message home in a powerful and non negotiable way.

DEDICATED TRAFFIC COURTS

On 10 January 2002 the Head of the Department, Dr. K.B. Mbanjwa, met with senior personnel from the Road Traffic Inspectorate, the South African Police Services, the South African National Defence Force and the Director of Public Prosecutions in KwaZulu-Natal to discuss violence on our roads and security on provincial and national routes.

The question of dedicated traffic courts has been raised on a number of occasions and although such courts do exist in some metropolitan areas, they deal mainly with by laws and are still subject to numerous staff changes which does not lead to the development of professional expertise in traffic related matters. This in turn leads to an indifferent disposal of traffic cases with postponements, remands and plea bargains on overcrowded court rolls.

Further, the public is generally disinclined to honour traffic prosecutions and only pay admissions of guilt after reminders or once Warrants of Arrest have been issued by the courts. This process places a huge administrative burden on the court staff and the various traffic authorities. The move towards dedicated traffic courts with specialised staff from the prosecutor's office will streamline the adjudication of traffic offences. To this end the Department has undertaken to consider funding the establishment of selected traffic courts and to sponsor the training of additional personnel to manage such courts. The success of specialised traffic courts is already evident in the operation of various roadside courts on major routes in KwaZulu-Natal during peak holiday periods. These courts have been established at the roadside at the following locations:

- N3 Bergville Interchange
 - N3 Cato Ridge Interchange
 - N2 Umdloti at RTI
 - N2 Park Rynie at RTI
-
- A number of serious offenders have been brought directly to the court within minutes of apprehension at the roadside, where their cases are heard by a Magistrate and are presented by a Prosecutor.
 - This Easter weekend all four mobile courts operated at critical periods and a wide range of cases were heard and disposed of.
 - The highest speed recorded was 215 kmph on the N2 near Park Rynie where the driver of a BMW 525 motor car was fined R20 000 for speed and R3 000 for failing to stop for a traffic officer in an attempt to evade apprehension.

REPORT OF THE HEAD OF DEPARTMENT

- The Department will continue to liaise with the Department of Justice and Provincial Director of Public Prosecutions on the expansion of roadside courts to other areas as well as the establishment of more specialised traffic courts throughout KwaZulu-Natal.

MINI BOOZE BUS

On 27th June 2002 the Mini Booze Bus was launched which will be utilised by the Special Operations Group as a support function to breath testing and also to promote conspicuity at high profile locations, in particular at Regional and Special Operations level.

REPORTING MECHANISMS

There are a number of reporting mechanisms in place in this Directorate, namely:

- The deliverables are reported monthly and are monitored by the Commander Operations in the RTI head office.
- Ad hoc deliverables are also reported seasonally and at peak holiday periods, long weekends and special events.
- Every Monday, Regions report on activities for the preceding 48 hours in a standardised format, which includes accidents.
- Mikros S.A. traffic reports are used to count traffic volumes, measure the 85 percentile and to monitor heavy truck movements and changes in pattern. This is done monthly and ad hoc.
- The Mikros / CSIR partnership produces monthly overloading reports for all weigh-bridges and in detail on the N3 / N11 corridor in terms of our agreement with SANRA. The CSIR also reports annually on all weigh-bridge activities and provides comparative data for corresponding data.
- Financial trends, expenditure and commitments are frequently monitored through the FMS system and expenditure reports are also produced on an ad hoc basis.
- The pool vehicle fleet is managed by First Auto Fleet and expenditure is a regional responsibility but with a central overview.
- Expenditure limitations are in place to control expenditure in particular in respect of motor vehicles.
- The RTI annual report highlights prosecutions and performances in respect of hours worked, overtime, charges per hour and kilometres travelled as well as accident statistics.
- A quarterly Regional Commanders meeting is held, COMSTAT, where prosecution trends (deliverables) are measured and monitored.



DEPARTMENT OF TRANSPORT
KWAZULO-NATAL
UMNYANQO WELUKUTHA



TRANSFORMATION AND HUMAN RESOURCES

Part 4

TRANSFORMATION AND HUMAN RESOURCES

Professional support in the form of technical, financial, communication and information technology and personnel services constitute the backbone of an organisation's capacity to deliver public goods and services effectively. The Human Resources Directorate is the engine behind this repertoire of strengths.

The Human Resources Directorate achieves this by:

- creating and maintaining the Department's establishment records (clear database and accessible Human Resources Information System);
- evaluating jobs and advising Management;
- developing and implementing the Departmental Human Resources Plan according to the Department's staffing requirements and Employment Equity Act;
- developing, disseminating, implementing, monitoring and evaluating all Departmental Human Resources Management Policies;
- developing and implementing the Department's Employment Equity Plan and report on progress;
- developing and implementing the Department's Skills Development Plan, assist with career pathing and ensuring that the Department's workforce is well developed and competent in order to make a meaningful contribution towards the achievement of the Department's vision and mission;
- ensuring sound Labour Relations, a service delivery oriented culture and work ethic;
- developing, marketing and implementing an effective Performance Management System in the Department.
- managing all service benefits and ensuring well managed service terminations or exits.

As at 31st March 2002 the Department of Transport had 7 329 approved positions in the establishment. Of these 4 567 or 62,4% were filled resulting in a vacancy rate of 37,6% mostly in administration (41% vacancies) and roads (42% vacancies).

Four programmes make up the establishments' works:

| | |
|-------------------|--|
| Administration: | 593 established posts 347 filled; |
| Roads: | 5 651 established posts 3 190 filled; |
| Road Traffic: | 1 056 established posts 929 filled; |
| Public Transport: | 29 established posts 26 filled. |

Tables 1 through 11 show the various staff and expenditure movements that have occurred in the financial year 2001/2002.

The total amount of approved funds for the 2001 / 2002 financial year was R1,113,716.

Five programmes summarised below are:

- Administration
- Roads
- Road Traffic
- Public Transport, and
- Auxiliary and Associated Services

1. SERVICE DELIVERY

Table 1 – Report against outputs and service delivery indicators

| Original Targets set in the Medium-Term Expenditure Estimate | | | Report Against Targets |
|--|---|-----------------------------|------------------------|
| Sub-programme | Outputs | Service Delivery Indicators | Status |
| Community Access Roads | Construction Of Local Access Roads | 575 km | 566km |
| | Causeways Constructed | 90 no. | 103 no. |
| | Zibambele Contractors | 10,000 no. | 9,856 no. |
| Construction | New Bridges / Box Culverts | 2 no. | 2 no. |
| | Upgrade To Surfaced Roads | 45 km | 51 km |
| Maintenance | Road Rehabilitation | 230 km | 201km |
| | Re-Gravelling | 500 km | 581 km |
| | Reseals | 350 km | 352 km |
| Law Enforcement | Vehicles Weighed | 120,000 | 172,503 |
| | Drivers Licence Conversions | 100,000 | 98,761 |
| | Drivers Licence Checks | 300,000 | 544,523 |
| | Breath Tests | 200,000 | 216,509 |
| | Vehicles Screened Speed | 4,500,000 | 4,333,498 |
| | Booze Bus Operations | 250 | 212 |
| | Seat Belt Checks | 260,000 | 538,437 |
| | Roadside Safety Checks | 200,000 | 331,269 |
| Road Safety Education | Population Exposed To Road Safety Interactions | 7,000,000 | 7,338,980 |
| | Campaigns for Drivers | 15 | 16 |
| | Campaigns for Commuters | 10 | 11 |
| | Community Road Safety Councils | 34 | 32 |
| | Technical Interventions | 4 | 4 |
| Transport Engineering | Monitor Accident Trends In Provincial Area – Reduction In Fatal Accidents By % | 5% | 18% |
| | Focus On High Accident Locations – Reduce The Number Of Hazardous Locations On The Road | 50 | 90 |
| | Accident Statistics - Counts | 10 | 14 |

2. EXPENDITURE

Since 1994 the KwaZulu-Natal Department of Transport has systematically reduced its number of establishment posts to ensure that a higher proportion of our budget is spent on actual services to the public. The proportion of the Transport budget spent on Personnel in the 2001/2002 financial year was 26,45%. Due to the restructuring process during 2002/2003 the proportion of the Transport budget spent on Personnel will rise to 27%.

TRANSFORMATION AND HUMAN RESOURCES

Table 2.1 – Personnel costs by programme, 2001/02

| Programme | Total Expenditure (R'000) | Personnel Expenditure (R'000) | Administrative Expenditure (R'000) | Professional and Special Services (R'000) | Personnel cost as a percent of total expenditure | Average personnel cost per employee (R'000) |
|-----------------------------------|---------------------------|-------------------------------|------------------------------------|---|--|---|
| Administration | 76,387 | 31,976 | 10,327 | 20,306 | 42% | 93.67 |
| Roads | 851,096 | 177,216 | 25,120 | 531,427 | 21% | 55.56 |
| Road Traffic | 158,550 | 76,888 | 18,127 | 48,901 | 48% | 82.76 |
| Public Transport | 19,704 | 2,739 | 2,387 | 14,139 | 14% | 105.35 |
| Auxiliary and Associated Services | 9,088 | - | - | 1,759 | - | - |
| Special Functions | 2,281 | - | - | - | - | - |
| Statutory payments | 526 | 526 | - | - | 100% | 526 |
| TOTAL | 1,117,632 | 289,345 | 55,961 | 616,576 | 26% | |

Table 2.2 – Personnel costs by salary level, 2001/02

| Salary levels | Personnel Expenditure (R'000) | Personnel costs as a % of total expenditure (R'000) |
|---------------------------|-------------------------------|---|
| Salary levels 1-2 | 79,953 | 7% |
| Salary levels 3-5 | 77,187 | 7% |
| Salary levels 6-8 | 103,474 | 9% |
| Salary levels 9-12 | 22,415 | 2% |
| Senior Management Service | 6,316 | 1% |
| TOTAL | 289,345 | 26% |

Table 2.3 – Overtime, Allowances, and benefits by programme, 2001/02

| Programme | Overtime | | Allowances | | Benefits | |
|-----------------------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|
| | Amount (R'000) | % of personnel costs | Amount (R'000) | % of personnel costs | Amount (R'000) | % of personnel costs |
| Administration | 233 | 0.08% | 5,673 | 1.96% | 5,317 | 1.84% |
| Roads | 1,405 | 0.49% | 24,616 | 8.51% | 26,012 | 8.99% |
| Road Traffic | 10,259 | 3.55% | 10,468 | 3.62% | 13,488 | 4.66% |
| Public Transport | - | - | 978 | 0.34% | 450 | 0.16% |
| Auxiliary and Associated Services | - | - | - | - | - | - |
| TOTAL | 11,897 | 4.11% | 41,735 | 14.42% | 45,267 | 15.64% |

Table 2.4 – Overtime, Allowances, and benefits by salary level, 2001/02

| Salary level | Overtime | | Allowances | | Benefits | |
|---------------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|
| | Amount (R'000) | % of personnel costs | Amount (R'000) | % of personnel costs | Amount (R'000) | % of personnel costs |
| Salary levels 1-2 | 971 | 0.34% | 9,323 | 3.22% | 10,420 | 3.60% |
| Salary levels 3-5 | 4,878 | 1.69% | 8,407 | 2.91% | 12,651 | 4.37% |
| Salary levels 6-8 | 5,711 | 1.97% | 15,978 | 5.52% | 18,512 | 6.41% |
| Salary levels 9-12 | 337 | 0.12% | 5,987 | 2.07% | 3,011 | 1.04% |
| Senior Management Service | - | - | 2,040 | 0.71% | 673 | 0.23% |
| TOTAL | 11,897 | 4.11% | 41,735 | 14.42% | 45,267 | 15.65% |

3. EMPLOYMENT AND VACANCIES

Table 3.1 – Approved establishment by programme

| Programme | Approved Establishment | | Medium-term establishment estimate | |
|------------------|------------------------|---------------|------------------------------------|---------------|
| | 1 April 2001 | 31 March 2002 | 31 March 2003 | 31 March 2004 |
| Administration | 605 | 593 | | |
| Roads | 5,665 | 5,651 | | |
| Road Traffic | 1,026 | 1,056 | | |
| Public Transport | 29 | 29 | | |
| TOTAL | 7,525 | 7,329 | | |

Table 3.2 – Employment and vacancies by programme, 31 March 2002

| Programme | Establishment | Number of employees | Vacancy Rate | Additional to the establishment |
|------------------|---------------|---------------------|---------------|---------------------------------|
| Administration | 593 | 347 | 41.48% | 1 |
| Roads | 5,651 | 3,274 | 42.06% | 17 |
| Road Traffic | 1,056 | 929 | 12.03% | 0 |
| Public Transport | 29 | 26 | 10.34% | 0 |
| TOTAL | 7,329 | 4,576 | 37.56% | 18 |

Table 3.3 – Employment and vacancies by salary band, 31 March 2002

| Salary Band | Establishment | Number of employees | Vacancy Rate | Additional to the establishment |
|---------------------------|---------------|---------------------|---------------|---------------------------------|
| Salary levels 1-2 | 3,958 | 2,020 | 48.96% | 0 |
| Salary levels 3-5 | 2,019 | 1,455 | 27.93% | 17 |
| Salary levels 6-8 | 1,198 | 989 | 17.45% | 1 |
| Salary levels 9-12 | 130 | 93 | 28.46% | 0 |
| Senior Management Service | 24 | 19 | 20.83% | 0 |
| TOTAL | 7,329 | 4,576 | 37.56% | 18 |

Table 3.4 – Employment and vacancies by critical occupation, March 2002

| Critical occupations | Establishment | Number of employees | Vacancy Rate | Additional to the establishment |
|----------------------|---------------|---------------------|--------------|---------------------------------|
| N/A | | | | |
| TOTAL | | | | |

The Department has not identified any positions critical to its functioning.

4. JOB EVALUATION

Table 4.1 – Job Evaluation, 1 April 2001 to 31 March 2002

| | Establishment | Number of Jobs Evaluated | Post Upgraded | | Posts downgraded | |
|-------------------------------|---------------|--------------------------|---------------|--------------|------------------|--------------|
| | | | Number | % of total | Number | % of total |
| Salary levels 1-2 | 3,958 | 0 | - | - | - | - |
| Salary levels 3-5 | 2,019 | 4 | - | - | - | - |
| Salary levels 6-8 | 1,198 | 39 | 6 | 0.50% | 1 | 0.08% |
| Salary levels 9-12 (#) | 130 | 9 | 1 | 0.77% | - | - |
| Senior Management Service (*) | 24 | 5 | - | - | - | - |
| TOTAL | 7,329 | 57 | 7 | 0.10% | 1 | 0.01% |

Table 4.2 – Profile of employees absorbed in an upgraded post, 1 April 2001 to 31 March 2002

| Total number of employees absorbed in an upgraded post | | | | |
|--|---------|-------|----------|-------|
| Beneficiaries | African | Asian | Coloured | White |
| Female | 2 | 2 | 1 | 1 |
| Male | - | - | - | 1 |
| Employees with a disability | - | - | - | - |

Table 4.3 – Remuneration levels that exceeded the grade determined by job evaluation, 1 April 2001 to 31 March 2002 (in terms of PSR V, C.3)

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|--|---------------------|----------------------|--------------------|---|
| Chief Auxiliary Services Officer | 1 | 5 | 6 | Post currently exists at salary level 6 with an incumbent in the post. The post may be re-designed in light of the evaluation results |
| Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2001/ 02 | | | | 1 |
| Percentage of total employment | | | | 0.02% |

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

| Total number of employees whose remuneration levels exceed the grade determined by job evaluation | | | | |
|---|---------|-------|----------|-------|
| Beneficiaries | African | Asian | Coloured | White |
| Female | - | - | - | 1 |
| Male | - | - | - | - |
| Employees with a disability | - | - | - | - |

5. EMPLOYMENT CHANGES

Table 5.1 – Appointments, promotions, and terminations, 1 April 2001 to 31 March 2002

| | Employees, 1 April 2001 | Appointments and transfer | Promotions | Terminations and transfers | Net % change |
|-----------------------------|----------------------------|------------------------------|------------|-------------------------------|-----------------|
| African | | | | | |
| Male | 3,138 | 83 | 97 | 208 | -3.98% |
| Female | 429 | 61 | 40 | 25 | 8.39% |
| Asian | | | | | |
| Male | 224 | 10 | 16 | 13 | -1.34% |
| Female | 168 | 11 | 20 | 7 | 2.38% |
| Coloured | | | | | |
| Male | 78 | 6 | 6 | 2 | 5.13% |
| Female | 51 | 1 | 6 | 2 | -1.96% |
| White | | | | | |
| Male | 381 | 6 | 23 | 35 | -7.61% |
| Female | 298 | 11 | 24 | 14 | -1.01% |
| TOTAL | 4,767 | 189 | 232 | 306 | -2.45% |
| Employees with a disability | 6 | - | - | - | 0.00% |

Table 5.2 – Annual turnover rates by salary band

| Salary Band | Appointments and transfer | Terminations and transfers | Turnover rate |
|---------------|---------------------------|----------------------------|---------------|
| Levels 1-2 | 19 | 117 | -4.85% |
| Levels 3-5 | 146 | 132 | -1.03% |
| Levels 6-8 | 20 | 56 | -3.64% |
| Levels 9-12 | 1 | 1 | 0.00% |
| SMS | 3 | 1 | 10.53% |
| TOTALS | 189 | 306 | -2.56% |

Table 5.3 – Annual turnover rates by critical occupation

| Occupation: | Appointments and transfer | Terminations and transfers | Turnover rate |
|---------------|---------------------------|----------------------------|---------------|
| N/A | | | |
| TOTALS | | | |

Table 5.4 – Reasons why staff are leaving the department

| Termination Type | Number | Per 1 000 employees |
|---------------------------------|--------|---------------------|
| Death | 92 | 20.10 |
| Resignation | 59 | 12.89 |
| Expiry of contract | 51 | 11.15 |
| Dismissal – operational changes | - | - |
| Dismissal – misconduct | 17 | 3.72 |
| Dismissal – inefficiency | - | - |
| Discharged due to ill-health | 25 | 5.46 |
| Retirement | 58 | 12.67 |
| Other | 4 | 0.88 |

6. AFFIRMATIVE ACTION

The Department has established an Employment Equity Committee, which deals with all issues relating to Employment Equity. This Committee has developed an Employment Equity Implementation Programme as well as the draft Employment Equity Plan that will be ratified by the various bargaining structures this year.

The Employment Equity Plan will include measures to redress numeric under representivity. The Skills Development Plan will also be used to achieve our numeric targets.

Table 6.1 – Progress made with respect to affirmative action, 2001/02 [Employees at levels below the SMS]

| | Progress – 2001/02 | | | | Medium-Term targets (if any) | | |
|-----------------------------|--------------------|------------------------------|--------------------------------|---------------|------------------------------|------------|------------|
| | 1 April 2001 | Target set for 31 March 2002 | Actual number at 31 March 2002 | Variance | March 2003 | March 2004 | March 2005 |
| African | | | | | | | |
| Male | 3,130 | | 2,923 | -6.61% | | | |
| Female | 427 | | 464 | 8.67% | | | |
| Asian | | | | | | | |
| Male | 223 | | 223 | 0.00% | | | |
| Female | 168 | | 173 | 2.98% | | | |
| Coloured | | | | | | | |
| Male | 78 | | 76 | -2.56% | | | |
| Female | 51 | | 49 | -3.92% | | | |
| White | | | | | | | |
| Male | 377 | | 352 | -6.63% | | | |
| Female | 297 | | 297 | 0.00% | | | |
| TOTAL | 4,751 | | 4,557 | -4.08% | | | |
| Employees with a disability | 6 | | 6 | 0% | | | |

It should be noted that due to the fact that the Employment Equity Plan has not yet been approved and that the restructuring process is not yet complete, no affirmative action targets have been set.

Table 6.2 – Progress made with respect to affirmative action, Senior Management Service, 2001/02

| | Progress – 2001/02 | | | | Medium-Term targets (if any) | | |
|-----------------------------|--------------------|------------------------------|--------------------------------|---------------|------------------------------|------------|------------|
| | 1 April 2001 | Target set for 31 March 2002 | Actual number at 31 March 2002 | Variance | March 2003 | March 2004 | March 2005 |
| African | | | | | | | |
| Male | 8 | | 10 | 25.00% | | | |
| Female | 2 | | 2 | 0.00% | | | |
| Asian | | | | | | | |
| Male | 1 | | 1 | 0.00% | | | |
| Female | - | | - | 0.00% | | | |
| Coloured | | | | | | | |
| Male | - | | - | 0.00% | | | |
| Female | - | | - | 0.00% | | | |
| White | | | | | | | |
| Male | 4 | | 5 | 25.00% | | | |
| Female | 1 | | 1 | 0.00% | | | |
| TOTAL | 16 | | 19 | 18.75% | | | |
| Employees with a disability | - | | - | 0.00% | | | |

Table 6.3 – Progress made with respect to affirmative action, Department, 2001/02

| | Progress – 2001/02 | | | | Medium-Term targets (if any) | | |
|-----------------------------|--------------------|------------------------------|--------------------------------|---------------|------------------------------|------------|------------|
| | 1 April 2001 | Target set for 31 March 2002 | Actual number at 31 March 2002 | Variance | March 2003 | March 2004 | March 2005 |
| African | | | | | | | |
| Male | 3,138 | | 2,933 | -6.53% | | | |
| Female | 429 | | 466 | 8.62% | | | |
| Asian | | | | | | | |
| Male | 224 | | 224 | 0.00% | | | |
| Female | 168 | | 173 | 2.98% | | | |
| Coloured | | | | | | | |
| Male | 78 | | 76 | -2.56% | | | |
| Female | 51 | | 49 | -3.92% | | | |
| White | | | | | | | |
| Male | 381 | | 357 | -6.30% | | | |
| Female | 298 | | 298 | 0.00% | | | |
| TOTAL | 4,767 | | 4,576 | -4.01% | | | |
| Employees with a disability | 6 | | 6 | 0.00% | | | |

7. PERFORMANCE REWARDS

Table 7.1 – Performance Rewards by race, gender, and disability, 1 April 2001 to 31 March 2002

| | Beneficiary Profile | | | Cost | |
|-----------------------------|-------------------------|---------------------|-------------------------|--------------|-----------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Per capita cost |
| African | | | | | |
| Male | 154 | 2,933 | 5.25% | 463 | 3,009 |
| Female | 47 | 466 | 10.09% | 152 | 3,238 |
| Asian | | | | | |
| Male | 38 | 224 | 16.96% | 216 | 5,677 |
| Female | 49 | 173 | 28.32% | 313 | 6,391 |
| Coloured | | | | | |
| Male | 6 | 76 | 7.89% | 25 | 4,176 |
| Female | 13 | 49 | 26.53% | 55 | 4,252 |
| White | | | | | |
| Male | 81 | 357 | 22.69% | 695 | 8,582 |
| Female | 90 | 298 | 30.20% | 535 | 5,941 |
| TOTAL | 478 | 4,576 | 10.45% | 2,454 | 5,135 |
| Employees with a disability | - | 6 | - | - | - |

Table 7.2 – Performance Rewards by salary level, 1 April 2001 to 31 March 2002

| Salary Level | Beneficiary Profile | | | Cost | |
|---------------------------|-------------------------|---------------------|-------------------------|--------------|-----------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Per capita cost |
| Levels 1-2 | 80 | 2,020 | 3.96% | 105 | 1,317 |
| Levels 3-5 | 163 | 1,455 | 11.20% | 452 | 2,774 |
| Levels 6-8 | 199 | 989 | 20.12% | 1,318 | 6,623 |
| Levels 9-12 | 36 | 93 | 38.71% | 579 | 16,081 |
| Senior Management Service | - | 19 | 0.00% | - | - |
| TOTAL | 478 | 4576 | 10.45% | 2,454 | 5,135 |

Table 7.3 – Performance Rewards by critical occupations, 1 April 2001 to 31 March 2002

| Critical Occupations | Beneficiary Profile | | | Cost | |
|----------------------|-------------------------|---------------------|-------------------------|--------------|-----------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Per capita cost |
| N/A | | | | | |
| TOTAL | | | | | |

8. FOREIGN WORKERS

Table 8.1 – Foreign Workers, 1 April 2001 to 31 March 2002

| BY GRADE (SALARY BAND) | 1 April 2001 | | 31 March 2002 | | Change | |
|--------------------------------------|--------------|-------------|---------------|-------------|----------|-------------|
| | Number | % of total | Number | % of total | Number | % change |
| Salary levels 1-2 | - | - | - | - | - | - |
| Salary levels 3-5 | 1 | 25% | 2 | 33,37% | 1 | 50% |
| Salary levels 6-8 | 1 | 25% | 2 | 33.33% | 1 | 50% |
| Salary levels 9-12 | 1 | 25% | 1 | 16.67% | - | 0% |
| Senior Management Service | 1 | 25% | 1 | 16.67% | - | 0% |
| BY MAJOR OCCUPATION | | | | | | |
| Director | 1 | 25% | 1 | 16.67% | - | 0% |
| Deputy Chief Engineer | 1 | 25% | 1 | 16.67% | - | 0% |
| Assistant Engineer | - | 25% | 1 | 16.67% | - | 50% |
| Senior Administration Clerk II | 1 | 25% | 1 | 16.67% | - | 0% |
| Student Industrial Technician | - | - | 1 | 16.67% | 1 | 50% |
| Driver Grade II | 1 | 25% | 1 | 16.67% | - | 0% |
| TOTAL | 4 | 100% | 6 | 100% | 1 | 100% |

9. SICK LEAVE

Table 9.1 – Sick leave, 1 April 2001 to 31 March 2002

| GRADE (SALARY BAND) | Total days taken | Per cent certification | Number of Employees using sick leave | % of total employees using sick leave | Average per employee | Estimated Cost (R'000) |
|------------------------|---------------------|---------------------------|---|--|----------------------------|------------------------------|
| Levels 1-2 | 7,340 | 100% | 905 | 33.64% | 8.11 | 806 |
| Levels 3-5 | 7,541 | 100% | 893 | 33.20% | 8.44 | 1,097 |
| Levels 6-8 | 7,246 | 100% | 817 | 30.37% | 8.87 | 1,806 |
| Levels 9-12 | 427 | 100% | 66 | 2.45% | 6.47 | 233 |
| SMS | 35 | 100% | 9 | 0.33% | 3.89 | 37 |
| TOTAL | 22,589 | - | 2,690 | - | 8.40 | 3,982 |

It should be noted that if an official is absent on sick leave for more than three days they are required to submit a medical certificate.

TRANSFORMATION AND HUMAN RESOURCES

Table 9.2 – Disability leave (temporary and permanent), 1 April 2001 to 31 March 2002

| GRADE (SALARY BAND) | Total days taken | Per cent certification | Number of Employees using disability leave | % of total employees using disability leave | Average per employee | Estimated Cost (R'000) |
|---------------------|------------------|------------------------|--|---|----------------------|------------------------|
| Levels 1-2 | 508 | 100% | 28 | 1,39% | 18.14 | 793 |
| Levels 3-5 | 147 | 100% | 21 | 1,44% | 7.00 | 146 |
| Levels 6-8 | 532 | 100% | 28 | 2,83% | 19.00 | 2,920 |
| Levels 9-12 | 152 | 100% | 2 | 2,15% | 76.00 | 72 |
| SMS | - | - | - | - | - | - |
| TOTAL | 1,339 | 100% | 79 | | 16.95 | 3,860 |

Table 9.3 – Annual Leave, 1 April 2001 to 31 March 2002

| GRADE (SALARY BAND) | Total days taken | Number of Employees in grade | Average per employee |
|---------------------|------------------|------------------------------|----------------------|
| Levels 1-2 | 61,374 | 2,020 | 30.38 |
| Levels 3-5 | 33,775 | 1,455 | 23.21 |
| Levels 6-8 | 25,281 | 989 | 25.56 |
| Levels 9-12 | 2,424 | 93 | 26.06 |
| Levels 13-14 | 240 | 16 | 15.00 |
| Levels 15-16 | 20 | 3 | 6.67 |
| TOTAL | 123,144 | 4,576 | 26.90 |

It should be noted that those officials who fall under the category salary unclassified are employees appointed on contract and placed on personal notches.

Table 9.4 – Leave payouts

| REASON | Total Amount (R'000) | Number of Employees | Average per employee |
|--|----------------------|---------------------|----------------------|
| Non-utilisation of leave for current cycle | 52 | 34 | 1,526.41 |
| Leave accrued before 30 June 2001 | 3 | 192 | 13.95 |
| TOTAL | 55 | 226 | 241.49 |

10. LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the department.

Table 10.1 – Collective agreements, 1 April 2001 to 31 March 2002

| Subject Matter | Date |
|--|------------------|
| Policy for the issue of Cellphones in the department | 27 February 2002 |
| Camp Allowance (#) | 24 April 2001 |
| Official use of Government owned motor vehicles (#) | 24 April 2001 |
| Terms of employment for Employees engaged in Monetary Transactions (#) | 24 April 2001 |
| Total number of collective agreements | 4 |

All collective agreements marked (#) have been submitted to the General Public Service Sectoral Bargaining Council for ratification during the period 1 April 2001 to 31 March 2002 and to date have not as yet been ratified.

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 10.2 – Misconduct and discipline

| Outcomes of disciplinary hearings | Number | % of total |
|-----------------------------------|------------|------------|
| Verbal warning | 170 | 50.90% |
| Written warning | 108 | 32,34% |
| Final written warning | 30 | 8.98% |
| Not guilty | 1 | 0,30% |
| Case withdrawn | 5 | 1,50% |
| Dismissal | 17 | 5.09% |
| Demotion | 3 | 0,90% |
| TOTAL | 334 | - |

11. SKILLS DEVELOPMENT

During 2001 the Department appointed a Skills Development Facilitator who is responsible for the development of the Skills Development Plan. The Plan was submitted to the Public Service Education Training Authority (PSETA) on 14 March 2001 and to Construction Education Training Authority (CETA) on 05 September 2001. As a result of restructuring in the Department the skills plan has been slow in effective implementation. In order to bring about the effective implementation of the Skills Plan, the Department will need to appoint and train trainers, assessors, moderators, module writers and quality controllers according to SAQA.

The Skills Development Levy has been paid to CETA. The amount of R189 930,10 was deposited in the CETA's bank account on 08/01/2002. This levy payment is the administrative cost in order for the SETA's to be able to assist with the training of officials according to SAQA.

Due to the restructuring there is no Human Resources Development component within the Department and it is envisaged that the new structure will make provision for the developmental functions as well as Skills Development activities. However, the Human Resources Development Committee is being utilised for any Skills Development matters.

In addition the Department has 5 Standard Generating Bodies (SGBs),

- Mechanical,
- Engineering,
- Road Traffic Inspectorate,
- Motor Licensing Bureau, and
- Administration.

TRANSFORMATION AND HUMAN RESOURCES

Table 11.1 – Skills development by salary band, 1 April 2001 to 31 March 2002

| Grade (Salary Band) | Internal Training | | External Training | | Expenditure | |
|------------------------|--------------------------|---------------------------|--------------------------|---------------------------|---------------------------|----------------------|
| | Training day equivalents | Average days per employee | Training day equivalents | Average days per employee | Total expenditure (R'000) | Average per employee |
| Levels 1-2 | 1,693 | 0.37 | 15 | 0.00 | 32 | 7.18 |
| Levels 3-5 | 2,002 | 0.44 | 1,478 | 0.32 | 541 | 118.35 |
| Levels 6-8 | 303 | 0.07 | 1,145 | 0.25 | 140 | 30.73 |
| Levels 9-12 | 46 | 0.01 | 63 | 0.01 | 11 | 2.46 |
| SMS | 7 | 0.36% | | 0.00 | 5 | 1.31 |
| TOTAL | 4,051 | 0.89 | 2,701 | 0.51 | 729 | 160.04 |

Table 11.2 – Skills development by race, gender, and disability, 1 April 2001 to 31 March 2002

| Grade (Salary Band) | Internal Training | | External Training | | Expenditure | |
|-----------------------------|--------------------------|---------------------------|--------------------------|---------------------------|---------------------------|----------------------|
| | Training day equivalents | Average days per employee | Training day equivalents | Average days per employee | Total expenditure (R'000) | Average per employee |
| African | | | | | | |
| Male | 4,895 | 1.07 | 898 | 0.20 | 106 | 23.29 |
| Female | 367 | 0.08 | 181 | 0.04 | 43 | 9.48 |
| Asian | | | | | | |
| Male | 933 | 0.20 | 225 | 0.05 | 34 | 7.47 |
| Female | 4 | 0.00 | 333 | 0.07 | 13 | 3.02 |
| Coloured | | | | | | |
| Male | 1,171 | 0.26 | 542 | 0.12 | 21 | 4.66 |
| Female | 10 | 0.00 | 111 | 0.02 | 5 | 1.12 |
| White | | | | | | |
| Male | 633 | 0.14 | 784 | 0.17 | 66 | 14.54 |
| Female | 159 | 0.03 | 508 | 0.11 | 35 | 7.74 |
| TOTAL | 8,174 | 1.79 | 3,582 | 0.78 | 323 | 71.32 |
| Employees with a disability | - | - | - | - | - | - |

Table 11.3 – Skills development by type of training, 1 April 2001 to 31 March 2002

| Type of training | Training | | | Expenditure | | |
|--------------------------|-------------------------|--------------------------|-------------------------|-------------|---------------------------|-------------------------|
| | Number of beneficiaries | Training day equivalents | Average days per person | % of total | Total expenditure (R'000) | Average per beneficiary |
| Internal training | 1,014 | 5 | 0.0011 | 0.01% | 368 | 363.84 |
| Formal training | 161 | 5 | 0.0011 | 0.01% | 57 | 358.19 |
| Computer training | 49 | 5 | 0.0011 | 0.01% | 57 | 1,175.20 |
| Management development | 11 | 2,640 | 0.58 | 2.89% | 154 | 14,000.00 |
| Office-based training | 67 | 3 | 0.0007 | 0.00% | 7 | 112.46 |
| Policy-specific training | 35 | 5 | 0.0011 | 0.01% | 519 | 14,829.66 |
| ABET | 349 | 88,560 | 19.35 | - | 750 | 2,149.00 |
| Other | 4 | | | | | |
| TOTAL | 1,690 | 91,223 | 19.94 | - | 1,912 | 1,132.99 |

Table 11.4 – Total expenditure on skills development by programme, 2001/02

| Programme | Expenditure – 2001/02 | | | Medium-term expenditure estimates | | |
|------------------|-----------------------|--------------------|------------|-----------------------------------|----------|----------|
| | Original estimate | Actual expenditure | Variance | 2002/ 03 | 2003/ 04 | 2004/ 05 |
| Administration | 2,373 | 2,292 | 81 | | | |
| Roads | 2,727 | 2,274 | 453 | | | |
| Road Traffic | 769 | 584 | 185 | | | |
| Public Transport | 50 | 191 | (141) | | | |
| TOTAL | 5,919 | 5,341 | 578 | | | |

Table 11.5 – Bursaries granted by salary level, 1 April 2001 to 31 March 2002

| Salary Level | Beneficiary Profile | | | Cost | |
|---------------------------|-------------------------|------------------------------------|---------------------------|--------------|-----------------|
| | Number of beneficiaries | Number of employees in salary band | % of total in salary band | Cost (R'000) | Per capita cost |
| Levels 1-2 | 7 | 2,020 | 0.35% | 13 | 1,876 |
| Levels 3-5 | 70 | 1,455 | 4.81% | 79 | 1,133 |
| Levels 6-8 | 69 | 989 | 6.98% | 75 | 1,074 |
| Levels 9-12 | 1 | 93 | 1.08% | 1 | 1,495 |
| Senior Management Service | - | 19 | 0.00% | - | - |
| TOTAL | 147 | 4,576 | 3.21% | 168 | 1,143 |

Table 11.6 – Bursaries granted by race, gender and disability, 1 April 2001 to 31 March 2002

| | Beneficiary Profile | | | Cost | |
|-----------------------------|-------------------------|------------------------------------|---------------------------|--------------|-----------------|
| | Number of beneficiaries | Number of employees in salary band | % of total in salary band | Cost (R'000) | Per capita cost |
| African | | | | | |
| Male | 37 | 2,933 | 1.26% | 20 | 535 |
| Female | 39 | 466 | 8.37% | 43 | 1,097 |
| Asian | | | | | |
| Male | 15 | 224 | 6.70% | 16 | 1,054 |
| Female | 29 | 173 | 16.76% | 40 | 1,380 |
| Coloured | | | | | |
| Male | 1 | 76 | 1.32% | 2 | 2,000 |
| Female | 8 | 49 | 16.33% | 2 | 260 |
| White | | | | | |
| Male | 12 | 357 | 3.36% | 34 | 2,855 |
| Female | 6 | 298 | 2.01% | 11 | 1,880 |
| TOTAL | 147 | 4,576 | 3.21% | 168 | 1,143 |
| Employees with a disability | - | 6 | - | - | - |

12. INJURY ON DUTY

TABLE 12.1 – Injury on duty, 1 April 2001 to 31 March 2002

| Nature of injury on duty | Number | % of total |
|---------------------------------------|------------|------------|
| Required basic medical attention only | 101 | 96,19% |
| Temporary Total Disablement | 2 | 1,90% |
| Permanent Disablement | 0 | % |
| Fatal | 2 | 1,90% |
| TOTAL | 105 | |

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



REPORT OF THE AUDIT COMMITTEE

Part 5

REPORT OF THE AUDIT COMMITTEE

In compliance with the Treasury Regulation 3.1.13 read in conjunction with the Public Finance Management Act, the Audit Committee hereby submits this report covering the fiscal year 2001/2002.

The responsibility to implement sound systems of internal control, risk management and governance lies with the management of this department. Our responsibility is to review such systems for adequate design and effective operation and issue assurance and guidance to management on how to effect improvements.

This report serves to communicate our overall impression of the systems of internal control and management employed by this department during the period under review. This duty is being carried out in terms of the Treasury Regulations.

SCOPE

The Audit Committee acts as a source of advice to the Head of Department and its functions are discharged by utilizing the services of the Internal Audit Unit. Its key responsibilities are to:

- Assess and comment on the Department's corporate governance, including its systems of internal control incorporating the internal audit function and risk management processes.
- Review and comment on the adequacy and reliability of financial information provided to management and other users of such information.
- Assess the Department's compliance with the legal and regulatory provisions.

The Audit Committee, supported by the Internal Audit Unit, is a vital element in helping the department in meeting its corporate governance objectives. It provides advice and support to:

- Head of Department – about the Department's effectiveness and efficiency
- Senior Management – about the risks that threaten the achievement of their objectives, and their internal control systems designed to mitigate risks.

During the 2001/2002 fiscal year, the Audit Committee, through the Internal Audit Unit, conducted a wide range of audits and investigations as outlined in the Unit's Annual Audit Report. The Committee, in its first full year of functionality undertook to gain an understanding of the processes and functions undertaken by this Department. A risk assessment exercise was undertaken during the current year. The final risk assessment report led to the development of a Three Year Rolling Strategic Plan as well as an Annual Audit Plan for the Department. The audit plans focused on the more critical areas that required corrective action.

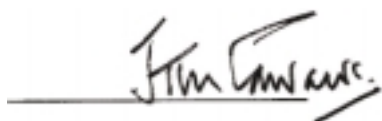
In particular, the Internal Audit Unit undertook:

- 2 compliance and business improvement audits,

In addition, the Internal Audit Unit developed the Department's fraud prevention and ethical awareness strategies.

OPINION

It is our view, as the Audit Committee, from the reports submitted for our attention and the recommendations made by the Internal Audit Unit that improvements in the systems of internal control, risk management and corporate governance are still necessary and that improvements are being undertaken by the management of the Department of Transport and are to be reviewed by the Internal Audit Unit.



Mr JTM Edwards
Chairperson of the Audit Committee
15 August 2002

Other Audit Committee Members:
Mr BP Campbell
Adv BS Khuzwayo
Mr R Morar
Mr DSD Shabalala
Adv RK Sizani
Prof RW Green-Thompson

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



REPORT OF THE AUDITOR GENERAL

Part 6



REPORT OF THE AUDITOR GENERAL TO MEMBERS OF THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 12 - DEPARTMENT OF TRANSPORT FOR THE YEAR ENDED 31 MARCH 2002

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 108 to 130, for the year ended 31 March 2002 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with the Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. QUALIFICATION

3.1 Claims recoverable from the National Department of Transport

Included under receivables, and as recorded in Note 14.1 to the financial statements, is an amount of R30 959 603 owing from the National Department of Transport, the recoverability of which is considered doubtful. This expenditure is in respect of the following:-

- a) Claims recoverable from the National Department of Transport, amounting to R24 491 064, for expenditure incurred between 1995 and 1999 on the maintenance of national roads. These amounts were transferred from Provincial Treasury in the prior year. Discussions regarding the recovery of this amount are ongoing and no finality regarding the recovery of this amount has been reached.
- b) Expenditure amounting to R6 468 539, was incurred on taxi special projects initiated by the National Department of Transport for which no funding was subsequently received. This amount should be written off to expenditure.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matter referred to in subparagraph 3.1, the financial statements fairly present, in all material respects, the financial position of the Department of Transport at 31 March 2002, and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice.

5. EMPHASIS OF MATTER

Without further qualifying the audit opinion expressed above, attention is drawn to the following matters:

5.1 Matters affecting the financial statements

5.1.1 Outstanding debtors

a) Staff debtors

The department has numerous staff debtor accounts outstanding at year-end amounting to R1 946 000. Certain reconciliations were only prepared for audit purposes at year-end. The listed reconciling items contained insufficient detail to determine the recoverability of these debts.

b) Amounts owed by other departments

Reconciliations or confirmations, from the respective departments accepting the liability for expenditure incurred on their behalf for the hiring and purchasing of vehicles, were not provided for audit purposes. Furthermore R3 549 472 of the balance owing relates to expenditure incurred during the period 1995 to 1999. Significant doubt is therefore created as to the recoverability of these debts owing by other departments.

The above is in contravention of Treasury Regulation 11.2.1 issued in terms of the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended, which requires the accounting officer to take effective and appropriate steps to collect money due to the department, including maintaining proper accounts and records of all debtors.

5.2 Matters not affecting the financial statements

5.2.1 Overall control environment

The following is a summary of the more significant audit observations raised during the course of the audit which indicates a lack of control in these areas:

5.2.1.1 Motor Licensing Bureau Reconciliations

It was noted that although the reconciliations of the daily and monthly post office agency receipts are reconciled to the National Traffic Information System (NATIS), it is not effectively reconciled to the actual payments received from the South African Post Office. I was therefore unable to determine the completeness of the revenue received from the post offices. This matter was reported upon in the prior year and steps are now being taken to rectify the shortcomings.

This is in contravention of Treasury Regulation 7.2.1 issued in terms of the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended, which requires the accounting officer to manage revenue effectively and efficiently by developing and implementing appropriate processes for the identification, collection, safeguarding, recording and reconciliation of information about revenue.

5.2.1.2 Reconciliation of face value forms

Following our review of the control over face value forms at the Road Traffic Inspectorate (RTI) offices, it was noted that although registers for the face value forms are maintained, a daily reconciliation of the face value forms issued to actual receipts for the day is not performed.

This is in contravention of Treasury Regulation 7.2.1 issued in terms of the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended, which requires the accounting officer to manage revenue effectively and efficiently by developing and implementing appropriate processes for the identification, collection, safeguarding, recording and reconciliation of information about revenue.

5.2.1.3 Loss Control

Based on a sample of eighty cases selected for testing, thirty six (45%) of the cases selected were finalised more than three years after the date of occurrence. The delay in finalising cases should be addressed in an attempt to increase the level of recovery arising from thefts and losses.

5.2.1.4 Asset management

During the course of the audit, ten of the department's outlying offices were visited with a view to determine the extent of control exercised over the management of plant and vehicles. The controls were found to be inadequate and the most significant findings in this regard are summarised as follows:-

- In many instances asset register records maintained by the head office do not agree with the records maintained at the regions.
- Assets appearing on the head office records could not be physically verified at the regions due to assets being transferred without the records being timeously updated.
- Furthermore, the department does not perform an asset reconciliation reconciling purchases and disposals as recorded on the Financial Management System (FMS) to the subsidiary asset registers. A number of instances were noted where assets purchased and disposed off as recorded on FMS were not recorded on the asset registers.

5.2.2 Computer assisted audit technique exceptions

Computer assisted audit techniques were applied to the data downloaded from the Motor Licensing Bureau NATIS system. The following is a summary of the observations raised in this regard:

- 26 records were identified with duplicate registration numbers.
- 137 614 records were identified where the registration number field was not completed.
- 108 006 records were identified with invalid engine numbers.
- 20 144 records were identified with duplicate engine numbers.
- 43 records were identified where the chassis numbers were considered to be invalid due to the field either not containing any data or containing invalid characters.
- 46 436 records were identified with duplicate chassis numbers.
- 10 619 records were identified where the engine numbers, chassis numbers and motor vehicle state code were the same, however the registration numbers of the vehicles were different.
- 603 records were identified where the characters recorded on the identity number field were invalid.
- 16 records were identified with duplicate system generated identity numbers.

The majority of the above errors have resulted when the data was initially transferred to the NATIS system. The department has consulted with the National Department of Transport, who controls the NATIS system, to assist them in rectifying the errors. The assistance from the National Department of Transport is still awaited.

5.2.3 Unauthorised Expenditure

The total actual expenditure of the department exceeded the total budgeted expenditure by R1 635 000. Furthermore, the actual expenditure exceeded the budgeted expenditure by R15 283 000 for programmes 2, 4 and 5. This is reported as unauthorised expenditure in Note 12.2 to the financial statements.

This overspending on the vote and the main divisions within the vote is in contravention with section 39(2)(a) of the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended which requires the accounting officer to take effective and appropriate steps to prevent any overspending of the vote or the main divisions within the vote.

6. APPRECIATION

The assistance rendered by the staff of the Department of Transport during the audit is sincerely appreciated.



B.R. WHEELER
for AUDITOR GENERAL
PIETERMARITZBURG
27/07/2002



REPORT OF THE AUDITOR GENERAL TO MEMBERS OF THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD FOR THE YEAR ENDED 31 MARCH 2002

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 135 to 142 for the year ended 31 March 2002 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996), read with sections 3 and 5 of the Auditor General Act, 1995 (Act No.12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. UNQUALIFIED AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the KwaZulu-Natal Public Transport Licensing Board at 31 March 2002, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended.

4. APPRECIATION

The assistance rendered by the officials of the KwaZulu-Natal Public Transport Licensing Board during the audit is sincerely appreciated.

for AUDITOR GENERAL
PIETERMARITZBURG
29/07/2002



REPORT OF THE AUDITOR GENERAL TO MEMBERS OF THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE KWAZULU-NATAL TAXI COUNCIL FOR THE YEAR ENDED 31 MARCH 2002

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 147 to 151 for the year ended 31 March 2002 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996), read with sections 3 and 5 of the Auditor General Act, 1995 (Act No.12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

3. UNQUALIFIED AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the KwaZulu-Natal Taxi Council at 31 March 2002, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No.1 of 1999), as amended.

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matter:

4.1 Matters not affecting the financial statements

4.1.1 Members allowances

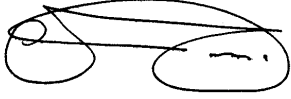
During our audit of members allowances the following control weaknesses were noted:-

- Members claim forms are not stamped as "paid" or "processed" to prevent possible duplicate payments.
- Furthermore, claim forms are not dated at the time of approval. I was therefore unable to determine if the claim forms were approved prior to payment being made.

REPORT OF THE AUDITOR GENERAL

5. APPRECIATION

The assistance rendered by the officials of the KwaZulu-Natal Taxi Council during the audit is sincerely appreciated.



for AUDITOR GENERAL
PIETERMARITZBURG
29/07/2002

REPUBLIC OF MALAYSIA
MINISTRY OF FINANCE
BERSEKUTU MELAKSANAKAN TRANSFORMASI



FINANCIAL STATEMENTS

Part 7

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002

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FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2002.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The KwaZulu-Natal Department of Transport is responsible for the management and operation of the transportation system in KwaZulu-Natal. This includes:

- The construction, upgrading, maintenance and control of the provincial road network;
- The regulation, subsidization and overall control of public transport operations;
- The registration and licensing of vehicles and drivers;
- The regulation of traffic on provincial roads;
- Road safety; and
- The management of the provincial vehicle fleet.

This responsibility is mandated in terms of the following Acts:

- KZN Provincial Minibus Taxi Act
- KZN Provincial Roads Act
- Administrative Adjudication of Road Traffic Offences Act
- Cross-border Act
- National Road Traffic Act
- KZN Procurement Act
- KZN Road Traffic Act
- National Land Transport Transitions Act
- National Roads Act
- Preferential Procurement Policy Framework Act
- Public Finance Management Act

VISION

The KwaZulu-Natal Department of Transport's vision is **"PROSPERITY THROUGH MOBILITY"**.

This means that all the activities of the department and the manner in which the department delivers services to communities will increase the wealth and quality of life of all the citizens of the province.

MISSION STATEMENT

We will provide the public with an integrated and accessible road and public transport infrastructure, promote road and public transport safety and ensure that, in delivering on our mandate, we meet the developmental needs of our province.

We will promote transparent and accountable government, plan in accordance with the needs of our customers, and ensure effective, efficient and transparent delivery of services through the appropriate involvement of the public and through regular and accurate reporting.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

STRATEGIC OBJECTIVES

The strategic objectives of the department are as follows:

- Developing the people, the economy and the infrastructure of KwaZulu-Natal;
- Improving and ensuring road and public transport safety;
- Institutionalising public participation and strengthening democratic governance;
- Facilitating rural development, reducing poverty and inequality by ensuring an infrastructure balance;
- Facilitating the growth and development of the road construction industry in KwaZulu-Natal, so as to be fully representative of the demographic profile of the province; and
- Ensuring financial accountability, value based resource management and development of integrated management systems.

INITIATIVES FOR ATTAINING OBJECTIVES

A number of initiatives are in place that will ultimately guide the department to attaining its stated goals and targets.

- ***Integrated management initiative***
To ensure policy correlation within the business units and linking budget spending to actual delivery and performance standards.
- ***Road infrastructural development and maintenance initiative***
Commit the department to the Provincial Growth and Development Strategy, to implement maintenance programmes and provide access roads to communities to unlock economic potential and to promote community development.
- ***Effective communication and information resource initiative***
To review and upgrade the systems currently used by the department and to establish and build appropriate systems interfaces, to develop appropriate business plans on a project basis in consultation with the community and local government. To develop a communication plan based on the established service standards.
- ***Integrated road safety initiative***
Facilitate road safety campaigns and measures and to develop policy in consultation with all relevant authorities charged with the responsibility for road safety structures. To encourage participation of all in road safety initiatives and awareness programmes.
- ***Drive towards good governance***
Encourage professional approach to work methods and procedures, enhance fairness in regard to the handling of personnel matters and other related matters, promote respect for individual integrity and the protection of departmental integrity in line with the Batho Pele principals. To provide cost efficient services by professionally skilling staff with reference to the skills need audit, and in conjunction with the CETA and “community partners”.

OPERATING ENVIRONMENT

The Department operated in an environment that was affected by an adverse rand/dollar exchange rate, globalisation, skills shortage and a declining availability of natural gravels.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

The Department and indeed the construction industry in South Africa is reliant on imported plant and heavy equipment. The sharp decline of the rand against the dollar and other major currencies increased the price of the replacement plant and spares beyond that budgeted for. Further, the Department is a heavy user of diesel and petrol. The price of diesel and petrol escalated sharply with the decline in the rand/dollar exchange rate. Construction and maintenance units, as well as Road Traffic Inspectorate patrol vehicles, experienced considerable difficulties in meeting their planned outputs in terms of budgets allocated.

The reserves of good natural gravels in KwaZulu-Natal are inadequate to meet the regravelling needs of the provincial gravel road network. The inefficiencies associated with the use of the inferior gravels, together with the haulage costs associated with appropriate but uneconomic gravel resources, now make it economically sound for the department to consider low cost blacktop surfacing of sections of the gravel road network that accommodated only 200 vehicles per day. Currently, only roads that carry in excess of 500 vehicles per day are under consideration for blacktop surface.

2. SERVICE RENDERED BY THE DEPARTMENT

2.1 CORE FUNCTIONS

Turning the vision of the Department into a reality can only be achieved by focusing the attention and energy of all employees and relevant stakeholders on the performance of core functions that are to produce results. The core functions of the department are:

- **Road construction, reconstruction, maintenance & repair**

The construction of new roads, maintenance of existing roads and the repair of damaged roads.

- **Road Transportation**

The planning and provision of urban and rural public transport facilities, conducting transport studies, the control of road transportation, provision of transport planning frameworks and the management of public transport services and the public road network.

- **Road Traffic**

The registration and licensing of vehicles and drivers, the regulation of traffic on public roads, the maintenance and provision of visible road traffic signs and the implementation of road safety campaigns and awareness programmes.

To effectively perform these core functions and to effectively deliver and provide services to the public, the department needs technical and/ or professional support in the following areas:

- Human Resource Management and Development
- Financial Management
- Communication
- Monitoring and Evaluation

2.2 TARIFF POLICY

The main revenue sources for the department include the registration and licensing of motor vehicles and fines income from Road Traffic infringements. This accounts for some 95% of the total revenue collected by the department and the tariff levied are governed by the Road Traffic Act.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

2.3 FREE SERVICES

No free services were rendered by the Department.

3. UNDER/OVER SPENDING**3.1 PROGRAMME 1: ADMINISTRATION**

The purpose of this programme is to conduct the overall management of the department. The aim of this programme is to ensure policy correlation within the business units, and link budget spending to actual delivery and performance standards. There are two sub-programmes contained within this programme:

- Minister – Policy formulation by the Minister and the department's management, and
- Administration – Organising the department, managing its personnel and financial administration, determining working methods and procedures and exercising control and rendering administrative services.

The savings of R12, 269 million were mainly due to the alterations to the Head Office building complex, incorporating the department's Technology Transfer Centre, not commencing during the financial year, due to unforeseen technical specification and architectural problems.

3.2 PROGRAMME 2: ROADS

The purpose of this programme is to conduct the overall management and administration of roads in the Province of KwaZulu-Natal. The programme is aimed at determining the need for infrastructure, implementing maintenance and promoting community development and eco-tourism.

This programme consists of six sub-programmes, namely:

- Technical Support Services;
- Construction;
- Community Access Roads;
- Maintenance;
- Subsidies; and
- Mechanical.

The objectives of these six sub-programmes are:

- The planning and designing of provincial roads;
- The departmental/contractual construction of provincial roads;
- The provision of access roads to rural communities;
- The departmental/contractual maintenance of provincial roads;
- Assistance in respect of the fencing of main roads;
- The elimination of high frequency accident spots in urban areas;
- Assistance to local authorities in respect of the maintenance of main roads, and traffic signals on provincial roads within local authorities; and
- The repair and preventative maintenance of departmental plant and equipment.

The over-expenditure of R11, 838 million was mainly due to the adverse Rand/Dollar exchange rate during the year, which affected the cost of hired plant and the fuel price. The programme performance targets for the year were not adversely affected by the adverse exchange rate.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

3.3 PROGRAMME 3: ROAD TRAFFIC

The purpose of this programme is to regulate road traffic. The department's integrated road safety programme is aimed at facilitating road safety campaigns and measures, developing policy in consultation with all relevant authorities charged with the responsibility for road safety structures, and encouraging participation of all in road safety initiatives and awareness programmes. This programme consists of five sub-programmes:

- Transport Engineering;
- Law Enforcement;
- Vehicle Registration; and Licensing;
- Road Safety Education; and
- Grants-in-aid.

The services rendered by these sub-programmes are as follows:

- To render technical services relating to mass measuring bridges, and to conduct analysis and re-engineering of hazardous locations;
- To conduct road traffic law enforcement;
- To register and licence vehicles; and
- To develop road safety educational programmes and train educators in traffic safety.

The under-expenditure of R1, 379 million was mainly attributable to the non-filling of vacant posts in the Chief Directorate: Public Safety and Communication, pending the finalisation of the structure of this component, and consequential vacancies in the Road Traffic Inspectorate. The expenditure in the Law Enforcement sub-programme was adversely affected by the dramatic increases in the fuel price during the financial year, this however did not materially affect the performance of this activity.

3.4 PROGRAMME 4: PUBLIC TRANSPORT

The purpose of this programme is the planning and regulation of public transport, the monitoring of bus subsidy contracts and payments.

The over expenditure of R3,034 million, was mainly due to the extension of the Taxi Commission, appointed by the Provincial Cabinet during the 2000/1 financial year, to investigate the violence in the taxi industry. The Department is currently awaiting the final report from this commission.

3.5 PROGRAMME 5: AUXILIARY and ASSOCIATED SERVICES

This programme is for the rendering of auxiliary services and services associated with the Department of Transport. The following three sub-programmes are contained therein:

- Radio Communication Services;
- Standard Stock Account; and
- Provincial Motor Transport.

The services rendered by these sub-programmes are the:

- Provision and maintenance of radio communication services;
- Capital augmentation; and
- The purchase of vehicles for departmental use.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

4. CAPACITY CONSTRAINTS

The shortage of technically qualified manpower especially at senior levels continues to constraint the ability of the department to deliver on its mandate. A number of engineering and technician positions have remained unfilled for years. This has not only hampered service delivery in the affected areas, but has also resulted in an over-reliance on consultants.

To alleviate this situation in the medium to long term, the department is actively involved in nurturing prospective technical employees by providing scholarships to civil engineering students attending both universities and technikons, implementing mentorship programs for young technical graduates and encouraging study in technical fields by supporting high school programs that stimulate interest in maths and science.

The shortage of maintenance plant and equipment is another factor that impacts negatively on service delivery. Years of under investment on new equipment has resulted in an aging fleet of plant that requires large sums of money to maintain but whose availability is generally low. In many districts plant operators do not have plant to operate for a number of months in each year, compromising the effectiveness of maintenance operations.

Outsourcing of maintenance operations and hiring of plant has alleviated some of the department's own lack of plant. However there is a general shortage of plant in KwaZulu-Natal. Plant hire charges levied to emerging contractors, are very high. The Department in conjunction with Provincial Treasury and the private sector are evaluating various options to address the problem.

5. UTILISATION OF DONOR FUNDS

No donor funds were received for year ending 31 March 2002.

6. PUBLIC ENTITIES

There are two Public Entities listed on Schedule 3 of the Public Finance Management Act that report to the KwaZulu-Natal Minister of Transport.

6.1 KwaZulu-Natal Public Transport Licensing Board (Formerly the KwaZulu-Natal Local Roads Transportation Board)

The Public Transport Licensing Board was established by the Road Transportation Act, 1977 (Act 74 of 1977) with the main objective of receiving applications for the granting of Road Transportation permits. The office consists of two sub-components being:

- Officials, responsible for the administrative functions of the Public Transport Licensing Board; and
- Board members responsible for the adjudication of public transport permits.

The Public Transport Licensing Board is currently dealing with permits as required under the legalisation and legitimization processes required by the National and Provincial Department of Transport.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

Financial Arrangements

The financial and administration costs are undertaken by the Department of Transport officials. All payments for services rendered by the Board are made by the Department of Transport.

6.2 KwaZulu-Natal Taxi Council (Formerly KwaZulu-Natal Taxi Task Team)

A democratically elected Provincial Taxi Council has been established to replace KwaZulu-Natal Taxi Task Team. The main objectives of the committee are to achieve the following:

- To shape the taxi industry into an economically viable and reliable public transport.
- To facilitate the diversification of the taxi industry into other business sectors.
- To serve as a consultative structure and a collective voice of the taxi industry in this dealings with government and other institutions.
- To support the Department of Transport in achieving its goals of formalising and restructuring of the taxi industry.

Financial Arrangements

The financial and administration costs are undertaken by the Department of Transport officials. All payments for services rendered by the Board are made by the Department of Transport.

7. OTHER ORGANIZATIONS TO WHERE TRANSFER PAYMENTS HAVE BEEN MADE

Transfer payments are made for the following purposes:

- **Fencing Subsidies:** Payments are made to adjacent landowners on Provincial Main Roads for maintenance and upkeep of fencing to prevent livestock from entering the road thereby improving Road Safety.
- **Local Municipalities:** Maintenance of Provincial Roads that traverse built up areas with the Local Municipality
- **Local Roads:** Paid to various organizations and farmers for maintenance of certain local roads.

8. PUBLIC PRIVATE PARTNERSHIP

No Public Private Partnerships have been entered into by the Department during the financial year under review.

9. CORPORATE GOVERNANCE ARRANGEMENTS

Given the KwaZulu-Natal Department of Transport's commitment to participatory democracy and people centred development, it was logical to restructure the Department on a customer/client/contractor model. Customer needs are prioritised both through our own structures such as Rural Road Transport Forums, Community Road Safety Councils, Emerging Contractor Associations and Commuter Associations and through our commitment to enhance co-operative government between all spheres of government. The client role reflects the vision of the Department to secure the objectives of equity, enhancement of democracy and the social and economic empowerment of disadvantaged populations and communities in all aspects of transport planning. The contractor role, on the other hand, is essentially to act as the implementing agent of the Department's vision. It does not have a policy-making responsibility as we have separated out policy (client role) and implementation (contractor role) in the best interests of transparency and accountability.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

The introduction of an internal client/contractor relationship within KwaZulu-Natal Department of Transport has created a matrix management system with clear lines of responsibility and accountability. It has also been instrumental in making the change from an input based to an output based budgeting process with measurable targets. Indeed, one of the most pleasing advances made during this financial year has been the involvement of our Rural Road Transport Forums, which includes representation from the district councils, in the prioritisation of work on our provincial road network and not just on local or community access roads. In as much as 74,8% of our entire KwaZulu-Natal Department of Transport budget is allocated towards roads, it is a considerable achievement to report confidently that we know precisely - and the public knows precisely - how 74,8% of our budget will be spent. We know and they know what roads will be upgraded, what new construction will be initiated and how roads will be maintained. We know and they know what work will be done by Departmental construction and maintenance units and what work will be outsourced to established and emerging contractors. The business plans for the road projects and the community road safety programmes have, in the 2002/3 financial year been extended to include the IDP managers.

9.1 RISK MANAGEMENT

In terms of section 27.2.1 of the Treasury Regulations, read in conjunction with Sections 51(1)(a)(ii) and 76(4)(b) and (e) of the PFMA, the department together with the Provincial Internal Audit Unit, produced a risk assessment report. This report is being used by the Department to determine the material risks to which it is exposed and to establish a strategy for managing those risks. The strategy is being used to direct the internal audit effort and priority, and the skills required to manage these risks.

9.2 FRAUD PREVENTION

In terms of section 3.2.2 of the Treasury Regulations, the department has developed a fraud prevention plan.

9.3 PROVINCIAL INTERNAL AUDIT

The Provincial Cabinet resolved that the Internal Audit function would be centralised under the control of Provincial Audit Committee. Various meetings were held during the financial year with the Internal Audit Unit to discuss the audit requirements of the department and to implement the recommendation made by them.

10. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The department made no financial contribution and has discontinued all funding to Umthombo Investments (Pty) Ltd and the Minister of Transport has resolved to make no further financial contributions to this entity.

11. NEW/PROPOSED ACTIVITIES

During the financial year the department took responsibility for the Major and Minor works undertaken within the Department of Transport. This budget was previously controlled by the Provincial Department of Works.

12. EVENTS SUBSEQUENT TO THE ACCOUNTING DATE

Several large capital projects in the Eastern Cape and the neighbouring countries, especially Mozambique have resulted in a shortage of plant available in the province for use on Road Construction and Maintenance, this situation is expected to worsen during the financial year.

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

This shortage together with the fluctuating Rand/Dollar exchange rate and the abnormal increase in fuel costs will result in higher than anticipated road construction and maintenance costs. As a result of these fluctuations it will be difficult to predict the precise effects on the “value for money” outputs of the departments.

13. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The following financial management improvements initiations were implemented during the financial year: -

- Finalisation of the timetable for the phased implementation of the Public Finance Management Act.
- The appointment of the Chief Financial Officer as the chairman of the Tender Award Committee.
- The implementation of Monthly Management Accounts Reporting model as prescribed by Provincial Treasury. This model fulfils the financial reporting requirements of the accounting officer in terms of Public Finance Management Act.
- Performance based budgeting and reporting by Responsibility Manager and co-ordinated by Directorate Monitoring and Evaluation.
- Risk assessment workshops were held to identify high-risk areas.
- The appointment of a budget committee to review business plans for each directorate. Finalisation of Finance component of the department and appointment of appropriate financial staff.

APPROVAL

The attached annual financial statements have been approved by the accounting officer.



DR K.B. MBANJWA
HEAD: TRANSPORT
31 MAY 2002

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 March 2002.

The financial statements have been, unless otherwise indicated, prepared in accordance with the following policies, which have been applied consistently in all material respects. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) and the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act, as well as the Division of Revenue Act, Act 1 of 2001.

1. Basis of preparation

The financial statements have been prepared on the cash basis of accounting except where stated otherwise. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. This basis of accounting measures financial results for a period as the difference between cash receipts and cash payments.

2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the adjustment estimate. Interest received is recognised upon receipt of the funds, and no accrual is made for interest receivable from the last receipt date to the end of the reporting period. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund.

3. Expenditure

Capital and current expenditure is recognised in the income statement when the payment is made.

4. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party, authorised by Parliament, or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act ,
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement until such expenditure is not condoned by the KwaZulu-Natal Central Procurement Committee, at which point it is treated as a current asset until it is recovered from a third party.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

5. Debt write-off policy

Debts are written off when identified as irrecoverable. The value of debts considered to be irrecoverable but not yet written off are disclosed as a note to the financial statements. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement.

6. Assets

Physical assets (fixed assets, moveable assets and inventories) are written off in full when they are paid for and are accounted for as expenditure in the income statement. The value of assets are not accounted for on the balance sheet.

7. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

8. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the National Revenue Fund or another party.

9. Recoverable Revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as and when the repayment is received.

10. Investments

Investments held by the department are disclosed as a note to the financial statements. These payments are not recognised in the balance sheet as an asset as the financial statements are prepared on the cash basis of accounting.

11. Subsequent payments

Payments made after the accounting date that relates to goods and services received before or on the accounting date are disclosed as a note to the financial statements. These payments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

12. Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

13. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

14. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

INCOME STATEMENT for the year ended 31 March 2002

| | Notes | 2002 R'000 | 2001 R'000 |
|--|-------|------------------|------------------|
| REVENUE | | | |
| Voted funds | | 1,113,716 | 935,007 |
| Conditional grants | 1 | 96,485 | 112,473 |
| Portion of Equitable Share | | 1,016,705 | 822,047 |
| Statutory appropriation | 2 | 526 | 487 |
| Non voted funds | | 405,539 | 386,736 |
| Sales of goods and services | 3 | 364,959 | 359,087 |
| Other receipts | 4 | 40,580 | 27,649 |
| TOTAL REVENUE | | <u>1,519,255</u> | <u>1,321,743</u> |
| EXPENDITURE | | | |
| Personnel | 5 | 289,345 | 273,950 |
| Administrative expenditure | | 56,099 | 52,288 |
| Inventories | | 67,748 | 58,744 |
| Equipment | 6 | 65,707 | 51,686 |
| Land and buildings | 7 | 18,307 | 2,762 |
| Professional and special services | 8 | 616,576 | 458,268 |
| Transfer payments | 9 | 600 | 5,189 |
| Miscellaneous | 10 | 969 | 2,962 |
| Special functions: authorised losses | 11 | 2,281 | 2,196 |
| TOTAL EXPENDITURE | | <u>1,117,632</u> | <u>908,045</u> |
| NET SURPLUS/(DEFICIT) | | 401,623 | 413,698 |
| Add back unauthorised, irregular, and fruitless & wasteful expenditure disallowed | 12.2 | 15,283 | - |
| NET SURPLUS/(DEFICIT) FOR THE YEAR | | <u>416,906</u> | <u>413,698</u> |
| ANALYSIS OF NET SURPLUS/(DEFICIT) FOR THE PERIOD | | | |
| Voted funds to be surrendered to Revenue Fund | 17 | 11,367 | 26,962 |
| Revenue to be surrendered to Revenue Fund | 18 | 405,539 | 386,736 |
| | | <u>416,906</u> | <u>413,698</u> |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

BALANCE SHEET as at 31 March 2002

| | Notes | 2002 R'000 | 2001 R'000 |
|---|-------|---------------|---------------|
| ASSETS | | | |
| Current assets | | 74,497 | 60,819 |
| Unauthorised, irregular, fruitless and wasteful expenditure | 12 | 19,328 | 2,450 |
| Cash and cash equivalents | 13 | 173 | 171 |
| Receivables | 14 | 51,864 | 55,667 |
| Inventories | 15 | 3,132 | 2,531 |
| Total assets | | <u>74,497</u> | <u>60,819</u> |
| LIABILITIES | | | |
| Current liabilities | | 74,497 | 60,819 |
| Voted funds to be surrendered | 17 | - | - |
| Revenue to be surrendered | 18 | - | - |
| Payables | 19 | 2,882 | 9,496 |
| Provincial Treasury | 16 | 71,615 | 51,323 |
| Total liabilities | | <u>74,497</u> | <u>60,819</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

CASH FLOW STATEMENT for the year ended 31 March 2002

| | Notes | 2002 R'000 | 2001 R'000 |
|---|-------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash flow generated by operating activities | 21 | 953,752 | 772,332 |
| Cash generated (utilised) to (increase)/ decrease working capital | 22 | (20,290) | (32,657) |
| Voted funds surrendered | 17 | (11,367) | (26,962) |
| Revenue funds surrendered | 18 | (405,539) | (386,736) |
| Net cash flow available from operating activities | | <u>516,556</u> | <u>325,977</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| | | (536,846) | (358,634) |
| Purchase of equipment | 21 | (61,779) | (48,119) |
| Purchase of land and building | 21 | (12,061) | (2,721) |
| Capital expenditure - professional and special services | 21 | (480,076) | (316,784) |
| Capital expenditure - miscellaneous expenditure | 21 | (1) | (1,088) |
| Proceeds from sale of equipment | 21 | 12,245 | 8,556 |
| Proceeds from sale of inventory | 21 | 4,826 | 1,522 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | <u>(20,290)</u> | <u>(32,657)</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | | <u>(51,152)</u> | <u>(18,495)</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 23 | <u><u>(71,442)</u></u> | <u><u>(51,152)</u></u> |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002

1. Conditional grants

| Received from | Purpose | 2002 | 2002 | 2002 |
|---|---------------------------|---------------|---------------|--------------|
| | | R'000 | R'000 | R'000 |
| | | Total | Actual | Variance |
| | | Allocation | Expenditure | over/(under) |
| National Treasury | Provincial infrastructure | 68,179 | 68,179 | - |
| National Treasury | Flood disaster | 26,962 | 26,962 | - |
| Own Funds (as a result of partial roll-over of funds from the prior financial year) | Flood disaster | 1,344 | 1,344 | - |
| TOTAL | | 96,485 | 96,485 | - |

| Received from | Purpose | 2001 | 2001 | 2001 |
|--|---------------------------|----------------|---------------|---------------|
| | | R'000 | R'000 | R'000 |
| | | Total | Actual | Variance |
| | | Allocation | Expenditure | over/(under) |
| National Treasury | Provincial infrastructure | 45,442 | 45,442 | - |
| Own Funds (as a result of underspending in prior financial year) | Provincial infrastructure | 6,400 | 6,400 | - |
| National Treasury | Flood disaster | 60,631 | 32,325 | 28,306 |
| TOTAL | | 112,473 | 84,167 | 28,306 |

An application was made for the roll-over of unspent Road Maintenance conditional grant funds as at 31 March 2001. A roll-over of R26 962 was granted leaving a balance of R1 344 to be funded by the Department.

| | 2002 | 2001 |
|--------------|-------|-------|
| | R'000 | R'000 |
| Notes | | |

2. Statutory Appropriation

Appropriation for remuneration and other payments to Executive Authority and Legislature not under the control of the department.

| | | |
|--|-----|-----|
| | 526 | 487 |
|--|-----|-----|

3. Sales of goods and services

| | | |
|-------------------------------------|----------------|----------------|
| Abnormal load permits | 2,626 | 6,387 |
| Board and lodging | 206 | 213 |
| Registration, tuition and exam fees | 228 | 128 |
| Road traffic act | 361,899 | 352,359 |
| TOTAL | 364,959 | 359,087 |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|--|---------------|---------------|
| | Notes | |
| 4. Other receipts | | |
| Domestic services | 614 | 635 |
| Fines and forfeiture | 16,947 | 11,477 |
| Interest on receivables | 236 | 378 |
| Loss control | 3,817 | 2,402 |
| Other | 529 | 370 |
| Proceeds from sale of equipment | 12,245 | 8,556 |
| Proceeds from sale of land, buildings and structures | 177 | 375 |
| Proceeds from sale of inventory | 4,826 | 1,522 |
| Refunds previous year | 105 | 39 |
| Rental of property | 798 | 687 |
| Salaries overpaid previous financial year | 19 | 57 |
| Study loans | 77 | 33 |
| Subsidised motor scheme and subsidised transport | 189 | 1,116 |
| Transport of officers | 1 | 2 |
| | <u>40,580</u> | <u>27,649</u> |

No gifts, donations and sponsorships were received by the department during the period under review.

No gifts, donations and sponsorships were received in kind by the department during the period under review.

5. Personnel

| | | |
|--|----------------|----------------|
| Appropriation to Executive and Legislature | 526 | 487 |
| Basic salary costs | 198,295 | 189,443 |
| Pension contributions | 29,465 | 27,933 |
| Medical aid contributions | 14,083 | 12,641 |
| Other salary related costs | 46,976 | 43,446 |
| | <u>289,345</u> | <u>273,950</u> |
| Average number of employees | <u>4,639</u> | <u>4,727</u> |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|--|---------------|---------------|
| | Notes | |
| 6. Equipment | | |
| Current (Rentals, maintenance and sundry) | 3,928 | 3,567 |
| - Rentals | 3,703 | 3,517 |
| - Sundry | 225 | 50 |
| Capital | 61,779 | 48,119 |
| - Computer equipment | 5,733 | 7,425 |
| - Furniture and office equipment | 3,672 | 2,870 |
| - Mechanical plant (purchased & hired for use on construction projects) | 37,030 | 25,043 |
| - Other sundry equipment | 937 | 743 |
| - Road traffic equipment | 4,105 | 3,189 |
| - Transport (official vehicles) | 10,302 | 8,849 |
| | <u>65,707</u> | <u>51,686</u> |
| 7. Land and buildings | | |
| Current expenditure | 6,246 | 41 |
| - Maintenance | 1,237 | 40 |
| - Leasehold improvements | - | - |
| - Rental | 5,009 | 1 |
| Capital expenditure | 12,061 | 2,721 |
| - Land | 755 | 189 |
| - Dwellings | - | 2,150 |
| - Non-residential buildings | 9,948 | 382 |
| - Other structures | 1,358 | - |
| | <u>18,307</u> | <u>2,762</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 Current | 2002 R'000 Capital | Notes | 2002 R'000 | 2001 R'000 |
|---|--------------------------|--------------------------|-------|----------------|----------------|
| 8. Professional and special services | | | | | |
| Auditors' remuneration | 1,238 | - | | 1,238 | - |
| Contractors | 45,276 | 427,551 | | 472,827 | 345,674 |
| Consultants and advisory services | 79,558 | 37,479 | | 117,037 | 83,338 |
| Commissions and committees | 593 | 2,996 | | 3,589 | 12,261 |
| Computer services | 5,296 | 7,681 | | 12,977 | 8,991 |
| Other | 4,539 | 4,369 | | 8,908 | 8,004 |
| | <u>136,500</u> | <u>480,076</u> | | <u>616,576</u> | <u>458,268</u> |

9. Transfer payments

Transferee and purpose

Other transfers

| | | | | | |
|-------------------|------------|----------|--|------------|--------------|
| - Subsidies | 600 | - | | 600 | 922 |
| - Public entities | - | - | | - | 4,267 |
| | <u>600</u> | <u>-</u> | | <u>600</u> | <u>5,189</u> |

Included in the Standard Item expenditure stated above are the following amounts which were paid on behalf of the two public entities:

| | | | | | |
|-------------------------------------|--------------|----------|--|--------------|--|
| - Personnel | 1,069 | - | | 1,069 | |
| - Administrative | 852 | - | | 852 | |
| - Inventory | 81 | - | | 81 | |
| - Equipment | 199 | - | | 199 | |
| - Professional and special services | 2,205 | - | | 2,205 | |
| | <u>4,406</u> | <u>-</u> | | <u>4,406</u> | |

10. Miscellaneous

| | | | | | |
|--|------------|----------|------|------------|--------------|
| Claims against the State | 348 | - | | 348 | 471 |
| Gifts, donations and sponsorship made | 109 | - | 10.1 | 109 | 4 |
| Levies: Drivers application fees | 399 | - | | 399 | 328 |
| Remissions, refunds and payments made as an act of grace | 104 | - | 10.2 | 104 | 58 |
| Stabilisation fund | 8 | 1 | | 9 | 2,101 |
| | <u>968</u> | <u>1</u> | | <u>969</u> | <u>2,962</u> |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 Current | 2002 R'000 Capital | Notes | 2002 R'000 | 2001 R'000 |
|---|--------------------------|--------------------------|-------|---------------|---------------|
| 10.1 Gifts, donations and sponsorship paid in cash and kind by the department (items expensed during the current year) | | | | | |
| <i>Nature and purpose</i> | | | | | |
| Gifts for overseas conference | - | - | | - | 4 |
| Computers purchased for Bhekzizwe | | | | | |
| HP School resource centre | 81 | - | | 81 | - |
| Kwanaloga sponsorship | 28 | - | | 28 | - |
| | <u>109</u> | <u>-</u> | | <u>109</u> | <u>4</u> |

10.2 Remissions, refunds and payments made as an act of grace

Nature and purpose

| | | | | | |
|---|------------|----------|--|------------|-----------|
| Losses incurred by emerging contractor due to unseasonal flooding | 100 | - | | 100 | - |
| Interest on late pension payout | - | - | | - | 52 |
| Other | 4 | - | | 4 | 6 |
| | <u>104</u> | <u>-</u> | | <u>104</u> | <u>58</u> |

11. Special functions : authorised losses

| | | | | | |
|-----------------------------------|--------------|----------|------|--------------|--------------|
| Debts written off | 175 | - | 11.1 | 175 | 101 |
| Other material losses written off | 2,106 | - | 11.2 | 2,106 | 2,095 |
| | <u>2,281</u> | <u>-</u> | | <u>2,281</u> | <u>2,196</u> |

11.1 Debts written off

Nature

| | | | | | |
|-------------------------------|------------|----------|--|------------|------------|
| Breach of contract | 9 | - | | 9 | - |
| Bursary and study loan | - | - | | - | 19 |
| Other staff related write-off | 75 | - | | 75 | 38 |
| Salary overpayments | 66 | - | | 66 | 40 |
| Tax debt | 25 | - | | 25 | 4 |
| | <u>175</u> | <u>-</u> | | <u>175</u> | <u>101</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2002 R'000 | 2002 R'000 | 2001 R'000 |
|---|---------------|---------------|---------------|---------------|
| | Current | Capital | Notes | |
| 11.2 Other material losses written off in income statement in current period | | | | |
| <i>Nature</i> | | | | |
| Firearms | 6 | - | 6 | 3 |
| Land and buildings | 1 | - | 1 | 15 |
| Miscellaneous | 11 | - | 11 | 5 |
| Removal | 38 | - | 38 | 37 |
| Supplies and equipment deficits | 201 | - | 201 | 110 |
| Vehicle collisions and damages | 1,340 | - | 1,340 | 1,653 |
| Vehicle theft | 509 | - | 509 | 272 |
| | 2,106 | - | 2,106 | 2,095 |
| 12. Unauthorised irregular, fruitless and wasteful expenditure | | | | |
| Unauthorised expenditure current year | | | 12.2 | 15,283 |
| Thefts and losses awaiting approval | | | 12.3 | 4,045 |
| | | | | 19,328 |
| | | | | 2,450 |
| 12.1 Reconciliation of movement in account balance | | | | |
| Opening balance | | | | 2,450 |
| Transfer from income statement | | | | 15,283 |
| Transfer to receivables for recovery | | | | 1,595 |
| | | | | 19,328 |
| Closing balance | | | | 2,450 |
| 12.2 Unauthorised expenditure, current year | | | | |
| <i>Incident</i> | | | | |
| Overspending of Programme 2: Roads | | | | 11,838 |
| Overspending of Programme 4: Public Transportation | | | | 3,034 |
| Overspending of Programme 5: Auxiliary and Associated Services | | | | 411 |
| | | | | 15,283 |
| | | | | - |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Notes | 2002 R'000 | 2001 R'000 |
|--|-------|---------------|---------------|
| 12.3 Thefts and losses awaiting approval | | | |
| <i>Case type</i> | | | |
| Vehicle collisions and damage | | 2,036 | 1,993 |
| Vehicle thefts and losses | | 334 | 2 |
| Supplies and equipment losses | | 256 | 147 |
| Claims by the State | | 1,154 | 214 |
| Other | | 265 | 94 |
| | | 4,045 | 2,450 |
| 13. Cash and cash equivalents | | | |
| Cash on hand | | | |
| - Official Imprest and petty cash | | 173 | 171 |
| | | 173 | 171 |
| 14. Receivables - current | | | |
| Amounts owing by other departments | 20.2 | 49,623 | 52,913 |
| Staff debtors | 14.3 | 1,946 | 1,961 |
| Other debtors | 14.4 | 295 | 793 |
| | 14.2 | 51,864 | 55,667 |
| 14.1 Amounts of R30,960 million (2001: R32,859 million) included above may not be recoverable, but have not been written off in the income statement. | | | |
| 14.2 Age analysis - receivables current | | | |
| Less than one year | | 19,105 | 15,003 |
| One to two years (List material amounts) | | 969 | 4,021 |
| More than two years (List material amounts) | | | |
| - Amount due from National Department of Transport for the maintenance of national roads | | 24,491 | 24,491 |
| - Amount due from National Department of Transport for national projects implemented | | 6,469 | 8,368 |
| - Other - debtor debts | | 830 | 624 |
| | | 51,864 | 52,507 |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|---|---------------|---------------|
| Notes | | |
| 14.3 Staff debtors | | |
| Contract Breach: Study | 92 | 57 |
| Debt : BOC 100% Housing | 37 | 191 |
| Debt Control Bursary | (11) | - |
| Debt Control Persal Other | 250 | 282 |
| Debt Control State Guarantee | (3) | (1) |
| Debt Control Tax Debt | 58 | 42 |
| Debt Control Telephone | (8) | - |
| Debt Control Vehicle Accident | (9) | - |
| Debt: Employee Miscellaneous | 309 | 901 |
| Debts : Personal | 137 | 199 |
| Debtor Debt (new debtor system) | 967 | - |
| Deduction Disallowance Accounts | 28 | 24 |
| Housing Guarantee Payment | 291 | 148 |
| Other Staff Debts | - | 11 |
| Pension Receipts | (756) | (296) |
| Persal Disallowance Control : Current | 21 | 28 |
| Persal Disallowance Control : Previous | (27) | (1) |
| S&T Control Account | 182 | 135 |
| Salary Reversal Control Account | 388 | 241 |
| | 1,946 | 1,961 |
| 14.4 Other debtors | | |
| Abnormal Load Permits | 4 | 342 |
| Dishonoured Cheques | 198 | 95 |
| Inter Responsibility Clearing Account | 1 | 342 |
| Receipts Suspense | 89 | - |
| Subsidised Transport Insurance | 2 | 2 |
| Suppliers Disallowance Control | 1 | - |
| Transport KZNPA | - | 12 |
| | 295 | 793 |
| 15. Inventories | | |
| Value of inventories on hand | 6,993 | 5,181 |
| (Profit) / Loss on stores issues for the year | 41 | 1,252 |
| less: Capital funds from Provincial Treasury | (3,902) | (3,902) |
| Stock - Transport | 3,132 | 2,531 |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Notes | 2002 R'000 | 2001 R'000 |
|--|-----------------------------------|---------------|---------------|
| 16. Provincial Treasury | | | |
| This balance represents the department's portion of the centrally controlled accounts. | | 71,615 | 51,323 |
| 17. Voted funds to be surrendered | | | |
| Opening balance | | - | - |
| Transfer from income statement | | 11,367 | 26,962 |
| Paid during the year | | (11,367) | (26,962) |
| Closing balance | | - | - |
| 18. Revenue to be surrendered | | | |
| Opening balance | | - | - |
| Transfer from income statement for revenue to be surrendered | | 405,539 | 386,736 |
| Paid during the year | | (405,539) | (386,736) |
| Closing balance | | - | - |
| 19. Payables - current | | | |
| Amounts owing to other departments | 20.3 | 291 | 4,222 |
| Advances received | 19.1 | 2,272 | 3,792 |
| Other payables | 19.2 | 319 | 1,482 |
| | | 2,882 | 9,496 |
| 19.1 Advances received | | | |
| <i>From</i> | <i>Purpose</i> | | |
| National Department of Transport | National overloading control fund | 1,748 | 3,160 |
| National Department of Transport | Arrive Alive | 524 | 632 |
| | | 2,272 | 3,792 |
| 19.2 Other payables | | | |
| Abnormal Load Permit Deposits | | 319 | 1,451 |
| Receipts suspense | | - | 31 |
| | | 319 | 1,482 |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|---|---------------|---------------|
| | <i>Notes</i> | |
| 20. Transactions with other departments | | |
| 20.1 Receipts | | |
| <p>Included in the department's revenue, are amounts received for the payment of motor vehicle registration and licensing fees, received from other departments. This revenue which would be reflected in the other department's financial statements as expenditure should be eliminated on preparation of the provincial consolidated financial statements.</p> | | |
| Motor vehicle licences and registrations paid by other Provincial Departments | 4,589 | |
| 20.2 Owing by other Departments | | |
| <i>Name of department</i> | | |
| Central Statistical Services | 4 | - |
| Commission for Administration | 28 | 28 |
| Dept of Agriculture | 14 | 919 |
| Dept of Correctional Services | 1,631 | - |
| Dept of Environment Affairs | 5 | 45 |
| Dept of Finance | 655 | 656 |
| Dept of Foreign Affairs | 4 | - |
| Dept of Home Affairs | 310 | 315 |
| Dept of Justice | 600 | - |
| Dept of Local Govt and National Housing | 3 | - |
| Dept of Manpower | 75 | 56 |
| Dept of Mineral and Energy Affairs | 16 | - |
| Dept of National Education | - | 53 |
| Dept of National Health and Population Dev | 98 | 128 |
| Dept of National Transport Bus Subsidies | 1,769 | 15,215 |
| Dept of National Transport Maintenance of national roads | 24,491 | 24,491 |
| Dept of National Transport NaTIS maintenance | 4,434 | - |
| Dept of National Transport Removals | 1,288 | 310 |
| Dept of National Transport National projects implemented | 6,469 | 8,368 |
| Dept of National Transport SANRA | 1,135 | 562 |
| Dept of National Transport Other | 60 | 1,139 |
| Dept of Public Works | 377 | 217 |
| Dept of Regional and Land Affairs | 47 | 68 |
| Dept of Trade and Industry | 4 | - |
| Dept of Water Affairs and Forestry | 123 | 122 |
| Durban Metropolitan Council Road construction on Main Road 5 | 5,000 | - |
| Gauteng Provincial Administration | 19 | 19 |
| Office of the State President | 72 | 72 |
| Other | - | 23 |
| PVB Undertaking and Privatisation | 44 | 43 |
| SA Communication Services | 2 | 28 |
| Provincial Parliament | 781 | - |
| South African Police Services | 43 | 18 |
| Western Cape Prov. Admin | 22 | 18 |
| | 49,623 | 52,913 |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 | 2001 R'000 |
|---|---------------|---------------|
| Notes | | |
| 20.3 Owing to other Department | | |
| <i>Name of department</i> | | |
| Department of Justice | - | 315 |
| Art Cult Science & Tech | 235 | 430 |
| Dept of Correctional Services | - | 3,477 |
| Department of National Education | 56 | - |
| | 291 | 4,222 |
| 21. Net cash flow generated by operating activities | | |
| Net surplus as per Income Statement | 416,906 | 413,698 |
| Adjusted for items separately disclosed | 536,846 | 358,634 |
| Proceeds from sale of equipment | 4 (12,245) | (8,556) |
| Proceeds from sale of inventory | 4 (4,826) | (1,522) |
| Purchase of equipment | 6 61,779 | 48,119 |
| Purchase of land and buildings | 7 12,061 | 2,721 |
| Capital expenditure - professional and special services | 8 480,076 | 316,784 |
| Capital expenditure - miscellaneous expenditure | 10 1 | 1,088 |
| Net cash flow generated by operating activities | 953,752 | 772,332 |
| 22. Cash generated (utilised) to (increase)/decrease working capital | | |
| (Increase) / decrease in irregular expenditure | (16,878) | (195) |
| (Increase) / decrease in receivables - current | 3,803 | (35,078) |
| (Increase) / decrease in inventories | (601) | (535) |
| Increase /(decrease) in payables | (6,614) | 3,151 |
| | (20,290) | (32,657) |
| 23. Cash and cash equivalents ends of period | | |
| Cash and cash equivalents | 173 | 171 |
| Provincial Treasury (If an Asset) | - | - |
| Provincial Treasury (If a Liability) | (71,615) | (51,323) |
| | (71,442) | (51,152) |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | 2002 R'000 Current | 2002 R'000 Capital | 2002 R'000 Notes | 2001 R'000 |
|--|--------------------------|--------------------------|------------------------|---------------|
| 24 Subsequent payments not recognised in income statement | | | | |
| 24.1 Listed by standard item | | | | |
| Personnel | | | 36 | 1 |
| Administration | | | 602 | 695 |
| Stores and Livestock | | | 34 | 31 |
| Equipment | | | 498 | 23 |
| Professional and special services | | | 914 | 322 |
| Miscellaneous | | | 1 | - |
| | | | <u>2,085</u> | <u>1,072</u> |
| 24.2 Listed by programme level | | | | |
| Programme 1: Administration | | | 374 | 394 |
| Programme 2: Roads | | | 501 | 243 |
| Programme 3: Road Traffic | | | 1,122 | 414 |
| Programme 4: Public Transportation | | | 88 | 21 |
| | | | <u>2,085</u> | <u>1,072</u> |

25. Commitments

| | | | |
|---------------------------------|--------------|---------------|---------------|
| Approved and contracted | 1,606 | 6,462 | 8,068 |
| Approved but not yet contracted | - | 22,500 | 22,500 |
| | <u>1,606</u> | <u>28,962</u> | <u>30,568</u> |

The commitments "approved but not contracted" for excludes any amounts approved by the Department of Works, as it was found that the information making up these amounts was not reliable.

Information not provided for the previous year as it was not a reporting requirement.

26. Lease commitments

| | Property |
|------------------------------------|------------|
| Payable within 1 year | 108 |
| Payable between 1 year and 5 years | 539 |
| | <u>647</u> |

Information not provided for the previous year as it was not a reporting requirement.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Notes | 2002 R'000 | 2001 R'000 |
|---|-------|---------------|---------------|
| 27. Short term employees benefits | | | |
| Leave entitlement | | 65,692 | |
| Thirteenth cheque | | 8,967 | |
| | | <u>74,659</u> | |
| Information not provided for the previous year as it was not a reporting requirement. | | | |
| 28. Contingent liabilities | | | |
| Motor vehicle guarantees | 28.1 | 192 | 379 |
| Housing loan guarantees | 28.2 | 3,716 | 3,962 |
| Claims | 28.3 | 5,759 | 8,183 |
| | | <u>9,667</u> | <u>12,524</u> |
| 28.1 Motor vehicle guarantees | | | |
| Stannic | | 192 | 379 |
| | | <u>192</u> | <u>379</u> |
| 28.2 Housing loan guarantees | | | |
| ABSA Bank Limited | | 1,046 | 1,094 |
| BOE Bank Limited | | 551 | 648 |
| Cash Bank | | 16 | 16 |
| FBC Fidelity Bank Limited | | 30 | 30 |
| FNB a division of Firststrand Bank Limited | | 518 | 533 |
| Ithala Limited | | 7 | 7 |
| Nedbank Limited | | 85 | 108 |
| Permanent Bank a division of Nedcor Bank Limited | | 611 | 602 |
| Saambou Bank Limited | | 381 | 444 |
| Standard Bank of Southern Africa Limited | | 471 | 480 |
| | | <u>3,716</u> | <u>3,962</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | | 2002 | 2001 |
|---------------------------|---|--------------|--------------|
| | | R'000 | R'000 |
| | Notes | | |
| 28.3 Claims | | | |
| <i>Claimant</i> | <i>Reason</i> | | |
| Mr R. Caine | Accident due to sinkhole in the road | 1,600 | 1,600 |
| Messers Keel and O'Connor | Accident due to sinkhole in the road | 1,368 | 1,368 |
| Mr D. Nell | Accident due to cow on the Old Main Road | - | 614 |
| Woodhead, Bigby & Irving | Overtaken vehicle due to construction on the road | - | 500 |
| Other | Various | 2,791 | 4,101 |
| | | 5,759 | 8,183 |

29. Controlled entities

Related parties exist between the Department and the two public entities reporting to the Department, namely the KwaZulu-Natal Public Transport Licensing Board and the KwaZulu-Natal Taxi Council.

All purchasing and selling transactions with related parties are concluded at arm's length.

30. Related party transactions

All transactions with related parties are concluded on an arm's length basis on terms and conditions reasonably expected from the Department.

31. Key management personnel

Remuneration

The aggregate remuneration of the key management of the department 7,171

The number of individuals receiving remuneration within this category 19

Information not provided for the previous year as it was not a reporting requirement.

Other remuneration and compensation provided to key management

The total amount of all other remuneration and compensation provided to key management during the reporting period showing separately the aggregate amounts provided to:

| | |
|-----------------------------------|-----|
| - Minister | 55 |
| - Head: Transport | - |
| - Other members of key management | 307 |
| | 362 |

Loans that are not widely available (and/or widely known) to persons outside the key management

No loans, which are not widely available, were advanced to key management during the financial year.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

APPROPRIATION STATEMENT for the year ended 31 March 2002

| | 2002 | | | | 2001 | | | |
|--------------------------------------|---------------------------|-------------------|------------------------|---------------|--------------------|-------------------|------------------------|-------------|
| | Adjustment estimate R'000 | Expenditure R'000 | Savings (Excess) R'000 | % | Amount Voted R'000 | Expenditure R'000 | Savings (Excess) R'000 | % |
| PROGRAMMES | | | | | | | | |
| 1. Administration | 88,656 | 76,387 | 12,269 | 14% | 66,500 | 66,500 | - | 0% |
| 2. Roads | 839,258 | 851,096 | (11,838) | (1%) | 682,845 | 654,539 | 28,306 | 4% |
| 3. Road Traffic | 159,929 | 158,550 | 1,379 | 1% | 157,103 | 156,247 | 856 | 1% |
| 4. Public Transportation | 16,670 | 19,704 | (3,034) | (18%) | 17,914 | 17,914 | - | 0% |
| 5. Auxiliary and Associated Services | 8,677 | 9,088 | (411) | (5%) | 10,158 | 10,158 | - | 0% |
| Special Functions | - | 2,281 | (2,281) | 100% | - | 2,200 | (2,200) | 100% |
| Statutory Allocation | 526 | 526 | - | 0% | 487 | 487 | - | 0% |
| TOTAL EXPENDITURE | 1,113,716 | 1,117,632 | (3,916) | (0.4%) | 935,007 | 908,045 | 26,962 | 2.9% |

ECONOMIC CLASSIFICATION

| | | | | | | | | |
|-------------------------------|------------------|------------------|----------------|---------------|----------------|----------------|---------------|-------------|
| Current | 354,907 | 351,864 | 3,043 | 1% | 339,688 | 370,397 | (30,709) | (9%) |
| Personnel | 172,900 | 149,057 | 23,843 | 14% | 160,635 | 154,258 | 6,377 | 4% |
| Transfer payments | 1,400 | 600 | 800 | 57% | 1,276 | 922 | 354 | 28% |
| Other | 180,607 | 202,207 | (21,600) | (12%) | 177,777 | 215,217 | (37,440) | (21%) |
| Capital | 758,809 | 765,768 | (6,959) | (1%) | 595,319 | 537,648 | 57,671 | 10% |
| Personnel | 121,703 | 140,288 | (18,585) | (15%) | 125,478 | 121,360 | 4,118 | 3% |
| Acquisition of capital assets | 637,106 | 625,480 | 11,626 | 2% | 469,841 | 416,288 | 53,553 | 11% |
| TOTAL EXPENDITURE | 1,113,716 | 1,117,632 | (3,916) | (0.4%) | 935,007 | 908,045 | 26,962 | 2.9% |

STANDARD ITEMS

| | | | | | | | | |
|-----------------------------------|------------------|------------------|----------------|---------------|----------------|----------------|---------------|-------------|
| Personnel | 294,603 | 288,819 | 5,784 | 2% | 284,881 | 273,463 | 11,418 | 4% |
| Administrative | 63,133 | 56,099 | 7,034 | 11% | 50,821 | 52,288 | (1,467) | (3%) |
| Inventories | 67,313 | 67,748 | (435) | (1%) | 50,442 | 58,744 | (8,302) | (16%) |
| Equipment | 58,034 | 65,707 | (7,673) | (13%) | 68,410 | 51,686 | 16,724 | 24% |
| Land and buildings | 32,550 | 18,307 | 14,243 | 44% | 5,129 | 2,762 | 2,367 | 46% |
| Professional and special services | 594,944 | 616,576 | (21,632) | (4%) | 465,867 | 458,268 | 7,599 | 2% |
| Transfer payments | 1,400 | 600 | 800 | 57% | 3,588 | 5,189 | (1,601) | (45%) |
| Miscellaneous | 1,213 | 3,250 | (2,037) | (168%) | 5,382 | 5,158 | 224 | 4% |
| Statutory allocation | 526 | 526 | - | 0% | 487 | 487 | - | 0% |
| TOTAL EXPENDITURE | 1,113,716 | 1,117,632 | (3,916) | (0.4%) | 935,007 | 908,045 | 26,962 | 2.9% |

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2002

Explanation of material variances

1.1 Programme 1: Administration

The savings were mainly due to the alterations to the Head Office building complex not commencing during the financial year, due to unforeseen technical specification and architectural problems.

Programme 2: Roads

The over-expenditure was due to the adverse Rand / Dollar exchange rate during the year which affected the cost of hired plant and the fuel price.

Programme 3: Road Traffic

The under-expenditure is due to the non-filling of vacant posts in the Chief Directorate: Public Safety and Communication, pending the finalisation of the structure of this component, and the consequential vacancies in the Road Traffic Inspectorate.

Programme 4: Public Transport

The over-expenditure was mainly due to the extension of the Taxi Commission, appointed by the Provincial Cabinet during the 2000/1 financial year, to investigate the violence in the taxi industry. The commission's appointment was extended into the 2001/2 financial year and the department is currently awaiting a final report from the commission.

Programme 5: Auxiliary and Associated Services

The over-expenditure was due to the additional radio communication needs of the road traffic inspectorate.

1.2 Per standard item:

Personnel

The under-expenditure was due to the moratorium placed on the filling of vacant posts during the early part of the year, as a result of the restructuring of the department's middle and lower management.

Administrative expenditure

The lower than expected expenditure was as a result of the unfilled posts during the early parts of the year, as mentioned under Personnel.

Inventories

The expenditure on inventories was as per the budget expectation.

Equipment

As a result of the adverse Rand / Dollar exchange rate, plant and vehicle costs were higher than were budgeted for.

Land and buildings

The under-expenditure relates to the alterations to the Head Office complex which did not commence during the financial year due to unforeseen technical specification problems.

Professional and special services

The over-expenditure relates to the increased fuel and other costs incurred due to the effect of the adverse Rand / Dollar exchange rate on the department's suppliers.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT

Transfer payments

The under-expenditure on transfer payments relates to the move by the department to reduce the amount of transfer payments made.

Miscellaneous

The over-expenditure relates to the thefts and losses approved during the year, this expenditure is not budgeted for, as it is purely a book entry.

| | Actual 2002 R'000 | Actual 2001 R'000 |
|--|----------------------------------|----------------------------------|
| 2. Reconciliation of appropriation statement to income statement: | | |
| Total revenue per income statement | 1,519,255 | 1,321,743 |
| Less: Non voted funds | (405,539) | (386,736) |
| Less: Local and foreign aid assistance (including RDP funds) | - | - |
| | <hr/> | <hr/> |
| Amount voted per appropriation statement | <u>1,113,716</u> | <u>935,007</u> |
| Total expenditure per income statement | 1,117,632 | 908,045 |
| Less: Amount spent on local and foreign aid assistance (including RDP funds) | - | - |
| | <hr/> | <hr/> |
| Total expenditure per appropriation statement | <u>1,117,632</u> | <u>908,045</u> |

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



FINANCIAL STATEMENTS

ANNEXURE A

Part 7

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002

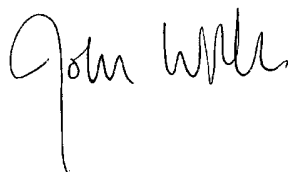
| | |
|---------------------------|---|
| COMMITTEE | Mr G.J.N. Meyer Mr I.E. Patel (appointed 1 January 2002) Mr J. Wills (Chairman) (appointed 1 January 2002) Mr W. Kuboni (appointed 1 January 2002) Mr Z.C. Ngidi (appointed 1 January 2002) Mr F.E. Hlatshwayo (not re-appointed) Mr A.M. Shaikh (not re-appointed) Mr R.J. Draper (not re-appointed) Mr V.I. Khoza (not re-appointed) |
| NATURE OF BUSINESS | Regulate, formalise, restructure and legalise minibus taxi services |
| AUDITORS | Auditor General |
| REGISTERED OFFICE | 3rd Floor, Commercial City Commercial Road DURBAN 4001 |

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| Balance Sheet (Statement of Financial Position) | 137 |
| Cash Flow Statement | 138 |
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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statement have been approved by the committee on 31 May 2002.

Signed on behalf of the committee by:



J Wills (Chairman)

FINANCIAL STATEMENTS

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

INCOME STATEMENT for the year ended 31 March 2002 (Statement of Financial Performance)

| | NOTE | 2002 R | 2001 R |
|---|------|------------------|------------------|
| INCOME | | 2,420,768 | 2,291,746 |
| Funds received from Department of Transport | | 2,179,685 | 2,179,486 |
| Receipts in respect of permits issued | | 241,083 | 112,260 |
| EXPENSES | | 2,050,245 | 2,151,032 |
| Personnel expenditure | 2 | 1,068,820 | 1,181,617 |
| Administrative expenditure | 3 | 203,218 | 253,396 |
| Inventory | 4 | 72,481 | 81,821 |
| Equipment | 5 | 65,287 | 33,976 |
| Professional and special services | 6 | 640,439 | 588,262 |
| Miscellaneous | 7 | - | 11,960 |
| Net Surplus before transfer to Provincial Revenue Fund | | 370,523 | 140,714 |
| Transfer of income to Provincial Revenue Fund | 8 | (241,083) | (112,260) |
| NET SURPLUS FOR THE YEAR | | 129,440 | 28,454 |

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2002

| | Retained Surplus 2002 R | Retained Surplus 2001 R |
|------------------------------|--|--|
| Balance at beginning of year | 28,454 | - |
| Net Surplus for the year | 129,440 | 28,454 |
| Balance at end of year | <u>157,894</u> | <u>28,454</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

BALANCE SHEET at 31 March 2002 (Statement of Financial Position)

| | Note | 2002 R | 2001 R |
|-------------------------------------|------|----------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Equipment | 9 | 157,894 | 28,454 |
| Current assets | | | |
| Accounts receivable | 10 | 19,123 | 15,708 |
| Total Assets | | <u>177,017</u> | <u>44,162</u> |
| EQUITY and LIABILITIES | | | |
| Equity | | | |
| Retained surplus | | 157,894 | 28,454 |
| Current liabilities | | | |
| Accounts payable | 11 | 19,123 | 15,708 |
| Total Equity and Liabilities | | <u>177,017</u> | <u>44,162</u> |

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

CASH FLOW STATEMENT for the year ended 31 March 2002

| | 2002 | 2001 |
|---|-------------|-------------|
| Note | R | R |
| CASH FLOWS FROM OPERATING ACTIVITIES | 172,681 | 37,388 |
| Cash paid to suppliers and employees | (2,007,004) | (2,142,098) |
| Transfer payments received | 2,420,768 | 2,291,746 |
| Transfer to Provincial Revenue Fund | (241,083) | (112,260) |
| Movement on receivables and payables | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | (172,681) | (37,388) |
| Purchase of equipment | (172,681) | (37,388) |
| Net increase / (decrease) in cash and cash equivalents | - | - |
| Cash and cash equivalents at beginning of period | - | - |
| Cash and cash equivalents at end of period | - | - |

FINANCIAL STATEMENTS

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

1. **Basis of accounting**

The financial statements have been, unless otherwise indicated, prepared on the historical cost basis in accordance with the under mentioned policies which have been applied consistently in all material respects.

1.1 ***Underlying assumptions***

The financial statements have been prepared on the accrual basis of accounting except where stated otherwise. Under the accrual basis of accounting transactions and other events are recognised as and when they occur.

However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by the Act).

The financial statements have been prepared on the historical cost basis and reliance is placed upon the fact that the Entity is a going concern.

1.2 ***Revenue***

Revenue comprises transfer payments received from the Department of Transport and income received from the issue of permits and is recognised in the period which the transaction giving rise to the revenue occurs.

1.3 ***Expenditure***

Expenditure includes both current and capital expenditure and these are recognised when incurred.

1.4 ***Equipment***

Equipment is capitalised when it is purchased and is depreciated on the straight line basis over its estimated useful life at the following annual rates :

| | |
|------------------------|---------|
| Computer Equipment | - 33.3% |
| Furniture and Fittings | - 15% |

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Note | 2002 R | 2001 R |
|--------------------------------------|------|-----------|-----------|
| 2. Personnel | | | |
| <i>Description</i> | | | |
| Basic Salary Costs | | 759,455 | 852,258 |
| Pension Contributions | | 122,239 | 127,884 |
| Medical Aid Contributions | | 82,444 | 71,422 |
| Other salary related costs | | 104,682 | 130,054 |
| | | 1,068,820 | 1,181,617 |
| 3. Administrative Expenditure | | | |
| <i>Description</i> | | | |
| Subsistence | | 4,802 | 2,168 |
| Travel | | - | 80,717 |
| Private Transport | | 95,951 | 6,495 |
| Public Transport | | 13,755 | 27,381 |
| Transport KZNPA | | 9,708 | 22,918 |
| Telephone | | 38,874 | 89,361 |
| Postage | | 13,182 | 18,700 |
| Advertisements | | 7,941 | - |
| Regional Council Levies | | 4,485 | 4,289 |
| Training | | 14,520 | 1,367 |
| | | 203,218 | 253,396 |
| 4. Inventory | | | |
| <i>Description</i> | | | |
| Stationery | | 22,242 | 15,139 |
| Publications | | 39,914 | 55,672 |
| Maintenance Material and Parts | | 2,056 | 1,410 |
| Other Consumables | | 8,269 | 9,600 |
| | | 72,481 | 81,821 |

FINANCIAL STATEMENTS

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

| | Note | 2002 R | 2001 R |
|--|------|-----------|-----------|
| 5. Equipment | | | |
| <i>Description</i> | | | |
| Audio Visual Equipment | | - | 941 |
| Hire : Other Equipment | | 20,416 | 24,101 |
| Consumables | | 1,630 | - |
| Depreciation - Computer Equipment | | 40,817 | 7,076 |
| Depreciation - Furniture and Fittings | | 2,424 | 1,858 |
| | | 65,287 | 33,976 |
| 6. Professional and special services | | | |
| <i>Description</i> | | | |
| Consultants and advisory services | | 292,267 | 163,884 |
| Board and committee members | | 328,172 | 424,378 |
| Other | | 20,000 | - |
| | | 640,439 | 588,262 |
| 7. Miscellaneous | | | |
| <i>Description</i> | | | |
| Stabilisation fund [Terminates after 2001] | | - | 11,960 |
| 8. Income transferable to Provincial Revenue Fund | | | |
| <i>Description</i> | | | |
| Receipts in respect of permits issued | | 241,083 | 112,260 |

KWAZULU-NATAL PUBLIC TRANSPORT LICENSING BOARD

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002 (continued)

9. Equipment

| Description | Cost | Accumulated Depreciation | Book Value 2002 | Book Value 2001 |
|------------------------|---------|-----------------------------|--------------------|--------------------|
| Furniture and fittings | 16,160 | (4,282) | 11,878 | 14,302 |
| Computer equipment | 193,909 | (47,893) | 146,016 | 14,152 |
| | 210,069 | (52,175) | 157,894 | 28,454 |

Made up as follows:

| | Book Value at beg. of year | Additions | Depreciation | Book Value at end of year |
|------------------------|-------------------------------|-----------|--------------|------------------------------|
| 2002 | | | | |
| Furniture and fittings | 14,302 | - | (2,424) | 11,878 |
| Computer equipment | 14,152 | 172,681 | (40,817) | 146,016 |
| | 28,454 | 172,681 | (43,241) | 157,894 |
| 2001 | | | | |
| Furniture and fittings | - | 16,160 | (1,858) | 14,302 |
| Computer equipment | - | 21,228 | (7,076) | 14,152 |
| | - | 37,388 | (8,934) | 28,454 |

| | 2002 R | 2001 R |
|--------------------------------|-----------|-----------|
| 10. Accounts Receivable | | |
| Department of Transport | 19,123 | 15,708 |
| 11. Accounts Payable | | |
| Various suppliers | 19,123 | 15,708 |

DEPARTMENT OF TRANSPORT
KWAZULU-NATAL
UMNYANGO WEZOKUTHUTHA



FINANCIAL STATEMENTS

ANNEXURE B

Part 7

KWAZULU-NATAL TAXI COUNCIL

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2002

| | | |
|------------------|--|--|
| COMMITTEE | MJ Lekokotla SG Manyathi LT Mtumi T Ndabana BC Ngiba (Chairman) VL Gumede SO Kubheka AM Mzelemu M E Mkhize MJ Mthiyane (appointed 1 April 2001) A Sangweni (appointed 1 April 2001) BB Zondi (appointed 1 April 2001) MC Cele (appointed 1 April 2001) HR Majola (appointed 1 April 2001) PE Gumede (appointed 1 April 2001) BV Molefe (appointed 1 April 2001) | MP Ndimande (not re-appointed) ME Ndlozi (not re-appointed) BJD Ntombela (not re-appointed) AS Dube (not re-appointed) ML Nxumalo (not re-appointed) G Ngwenya (not re-appointed) SN Chili (not re-appointed) TN Alwar (not re-appointed) BP Cele (not re-appointed) S Dladla (not re-appointed) TJ Gumbi (not re-appointed) JR Hlela (not re-appointed) GJ Mabaso (not re-appointed) NN Mkhize (not re-appointed) M Mvelase (not re-appointed) |
|------------------|--|--|

NATURE OF BUSINESS Control and monitor the affairs of the taxi industry

AUDITORS Auditor General

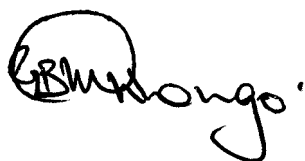
REGISTERED OFFICE 8 Arbuckle Road
DURBAN
4000

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| Cash Flow Statement | 149 |
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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been approved by the committee on 31 May 2002.

Signed on behalf of the committee by:



B.G. Mhlongo
General Manager

FINANCIAL STATEMENTS

KWAZULU-NATAL TAXI COUNCIL

INCOME STATEMENT for the year ended 31 March 2002 (Statement of Financial Performance)

| | NOTE | 2002 R | 2001 R |
|---|------|------------------|------------------|
| INCOME | | 2,384,725 | 2,129,399 |
| Funds received from the Department of Transport | | 2,384,725 | 2,129,399 |
| EXPENSES | | 2,384,725 | 2,129,399 |
| Administrative expenditure | 2 | 656,519 | 206,139 |
| Inventory | 3 | 1,729 | 4,395 |
| Equipment | 4 | 224 | - |
| Professional and special services | 5 | 1,726,255 | 1,918,865 |
| NET SURPLUS / (DEFICIT) FOR THE YEAR | | - | - |

KWAZULU-NATAL TAXI COUNCIL

BALANCE SHEET at 31 March 2002
(Statement of Financial Position)

| | Note | 2002 R | 2001 R |
|----------------------------|-------------|-------------------------|-------------------------|
| ASSETS | | | |
| Current assets | | | |
| Accounts receivable | 6 | 180,563 | 26,034 |
| Total Assets | | <u>180,563</u> | <u>26,034</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 7 | 180,563 | 26,034 |
| Total Liabilities | | <u>180,563</u> | <u>26,034</u> |

FINANCIAL STATEMENTS

KWAZULU-NATAL TAXI COUNCIL

CASH FLOW STATEMENT for the year ended 31 March 2002

| | 2002 | 2001 |
|---|-------------|-------------|
| | R | R |
| CASH FLOWS FROM OPERATING ACTIVITIES | - | - |
| Cash paid to suppliers and employees | (2,384,725) | (2,129,399) |
| Funds received from the Department of Transport | 2,384,725 | 2,129,399 |
| Movement on receivables and payables | - | - |
| Net increase / (decrease) in cash and cash equivalents | - | - |
| Cash and cash equivalents at beginning of period | - | - |
| Cash and cash equivalents at end of period | - | - |

KWAZULU-NATAL TAXI COUNCIL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

1. Basis of accounting

The financial statements have been, unless otherwise indicated, prepared on the historical cost basis in accordance with the under mentioned policies which have been applied consistently in all material respects.

1.1 Underlying assumptions

The financial statements have been prepared on the accrual basis of accounting except where stated otherwise. Under the accrual basis of accounting transactions and other events are recognised as and when they occur.

However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999, as amended by the Act.

The financial statements have been prepared on the historical cost basis and reliance is placed upon the fact that the Entity is a going concern.

1.2 Revenue

Revenue comprises transfer payments received from the Department of Transport and is recognised in the period in which the transaction giving rise to the revenue occurs.

1.3 Expenditure

Expenditure includes both current and capital expenditure and these are recognised when incurred.

| | 2002 | 2001 |
|--------------------------------------|---------|---------|
| | R | R |
| 2. Administrative expenditure | | |
| <i>Description</i> | | |
| Subsistence and Transport | 509,440 | 205,244 |
| Telephone repairs | - | 895 |
| Private motor transport | 4,850 | - |
| Departmental entertainment | 9,130 | - |
| RSC Levies | 2,491 | - |
| Training courses/ seminars | 130,608 | - |
| | 656,519 | 206,139 |

3. Inventory

Description

| | | |
|------------|-------|-------|
| Stationery | 1,729 | 4,395 |
|------------|-------|-------|

FINANCIAL STATEMENTS

KWAZULU-NATAL TAXI COUNCIL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

| | 2002 | 2001 |
|---|------------------|------------------|
| | R | R |
| 4 Equipment | | |
| <i>Description</i> | | |
| Hire: Other Equipment | <u>222</u> | <u>-</u> |
| 5. Professional and special services | | |
| <i>Description</i> | | |
| Consultants and advisory services | 898,830 | 1,702,599 |
| Other - Security | - | 216,266 |
| Board and committee members | 827,425 | - |
| | <u>1,726,255</u> | <u>1,918,865</u> |
| 6. Accounts receivable | | |
| Department of Transport | <u>180,563</u> | <u>26,034</u> |
| 7. Accounts payable | | |
| Various suppliers | <u>180,563</u> | <u>26,034</u> |