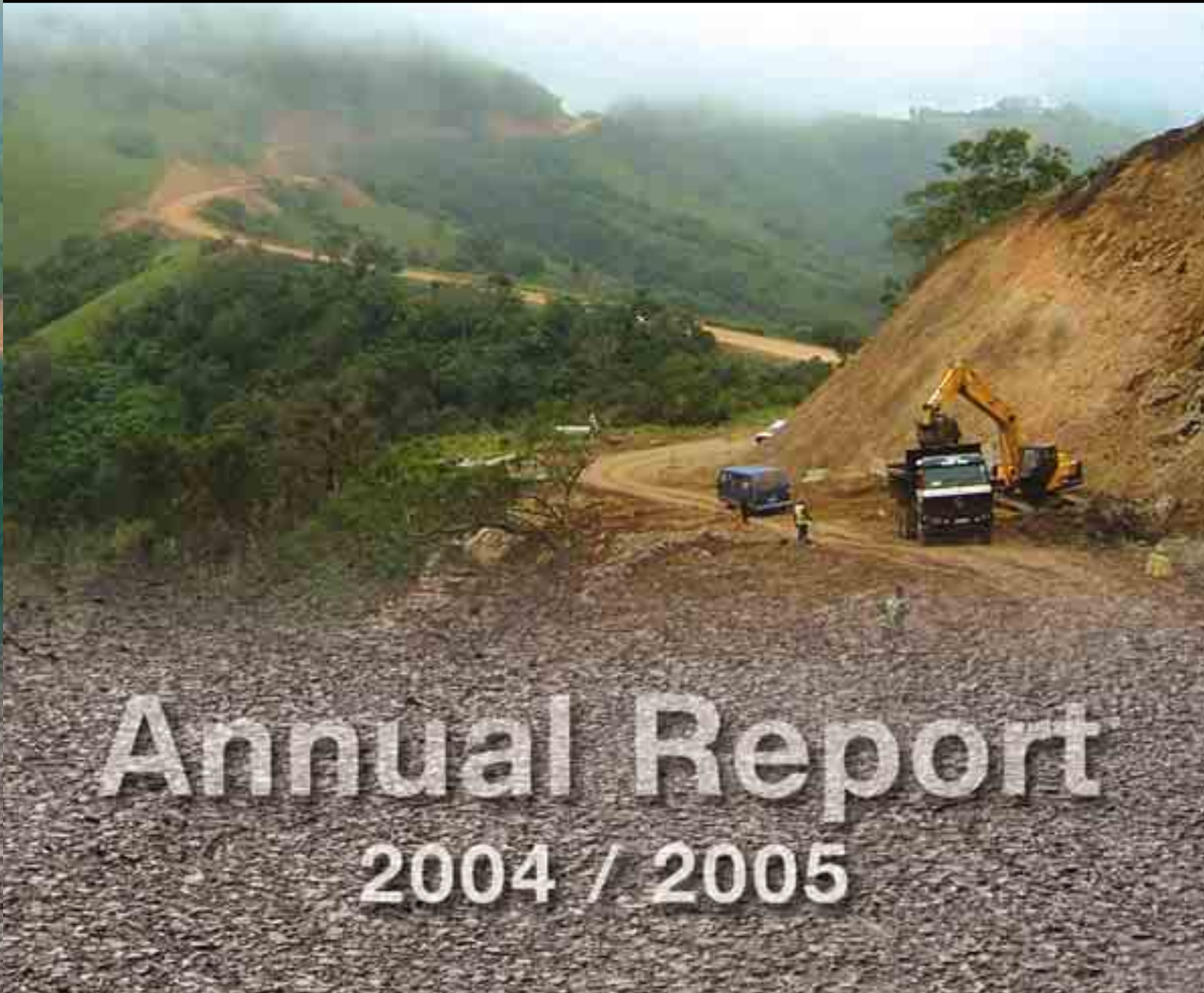




KwaZulu-Natal Department of Transport



*prosperity through mobility*



# Annual Report

## 2004 / 2005

# Moving Forward Prosperously

## Forward

A corporate identity is more than just a design image. It is an organisation's unique character and a combination of its reputation, name, and organizational culture. It encapsulates the motto: "the way we do things around here". A corporate identity has the purpose of graphically differentiating an organization or product in a way that is unique, appropriate and relevant.

The KwaZulu-Natal Department of Transport's corporate identity reflects the dynamic nature and innovative credo of the organization.

The Department prides itself as one of the leading lights in the field of effective service delivery to the people of KwaZulu-Natal and the new South Africa. The identity reflects the values and vision of the Department.

It projects our creative and progressive manner in which we deliver the direly needed services to our communities.



*prosperity through mobility*



## Kwazulu-Natal Department of Transport

### The Zig-Zag partition

This alludes to the Majestic Drakensburg Mountains, which are green in summer and snow capped in winter.

### The Strelitzia flower

This flower has long been associated with the Province as a floral emblem and represents the natural beauty of the Province.

### The Dove Tailed Bordure

(the green on which the Lion and Wildebeest are standing) Indicates the interlinking and interdependence of the inhabitants of the Province.

### The White Star

Represents the star signalling the birth of Christ (Vasco da Gama, the early Portuguese explorer, named the coastal region Natalia on Christmas Day in 1497) (Natal=Birth).

### The Lion Supporter

It plays an important role in African (Zulu) Culture. His Majesty the King is referred to as the Ingonyama (Lion). The Lion also represents an important feature of the State Emblems of India as well as in the British Royal Arms. The Lion Supporter is therefore a unifying Heraldic Component.

### The Black Wildebeest Supporter

This supporter is associated in a Heraldic Context with the former Province of Natal. Together the Lion and Wildebeest represent the coming together of the former KwaZulu and the former Natal and the unity of all the people of the Province (Zulu, Indian and White).

### The Hemispherical Zulu Hut

It rests on the point of the Shield. Such a hut could form an appropriate head for the Provincial Mace thus linking the Provincial Coat of Arms and the Provincial Mace.

### The Cross Assegai and Knob Kierie (Iwisa)

These are symbols of authority and are placed behind the shield.

### The motto

Masisukume Sakhe translated to English means 'Let us Stand Up and Build'.

### The Head ring (Isicoco)

This is a symbol of wisdom and of good standing in the community.

### For more copies contact the library

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ORGANOGRAM



Part 1



ORGANOGRAM



**Minister Bheki Cele**  
KwaZulu-Natal MEC  
for Transport, Community Safety &  
Liaison



**Dr. Kwazi Mbanjwa**  
Head of Department



**Mr. Roger Govender**  
Chief Financial Officer



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



**Mr. Gavyn Wirth**  
Manager:  
Supply Chain Management



**Ms. Bathandwa Nogwanya**  
Manager:  
Financial Accounting &  
Reporting



**Ms. Vicky Cunliffe**  
Senior General Manager  
Corporate Services



**Ms. Kamintha Gounder**  
Manager:  
Corporate Support Services



**Adv. Simo Chamane**  
Manager:  
Legal Services



**Ms. Cindy Zwane**  
Manager:  
Human Resource  
Management



**Ms. Thembi Nzuzza**  
Manager:  
Labour Relations



**Ms. Sue Grobbelaar**  
Manager:  
Motor Transport Services



**Dr. Simon Oloo**  
Manager:  
Technology Transfer



**Ms. S'thandiwe Duze**  
Manager:  
Office of the MEC

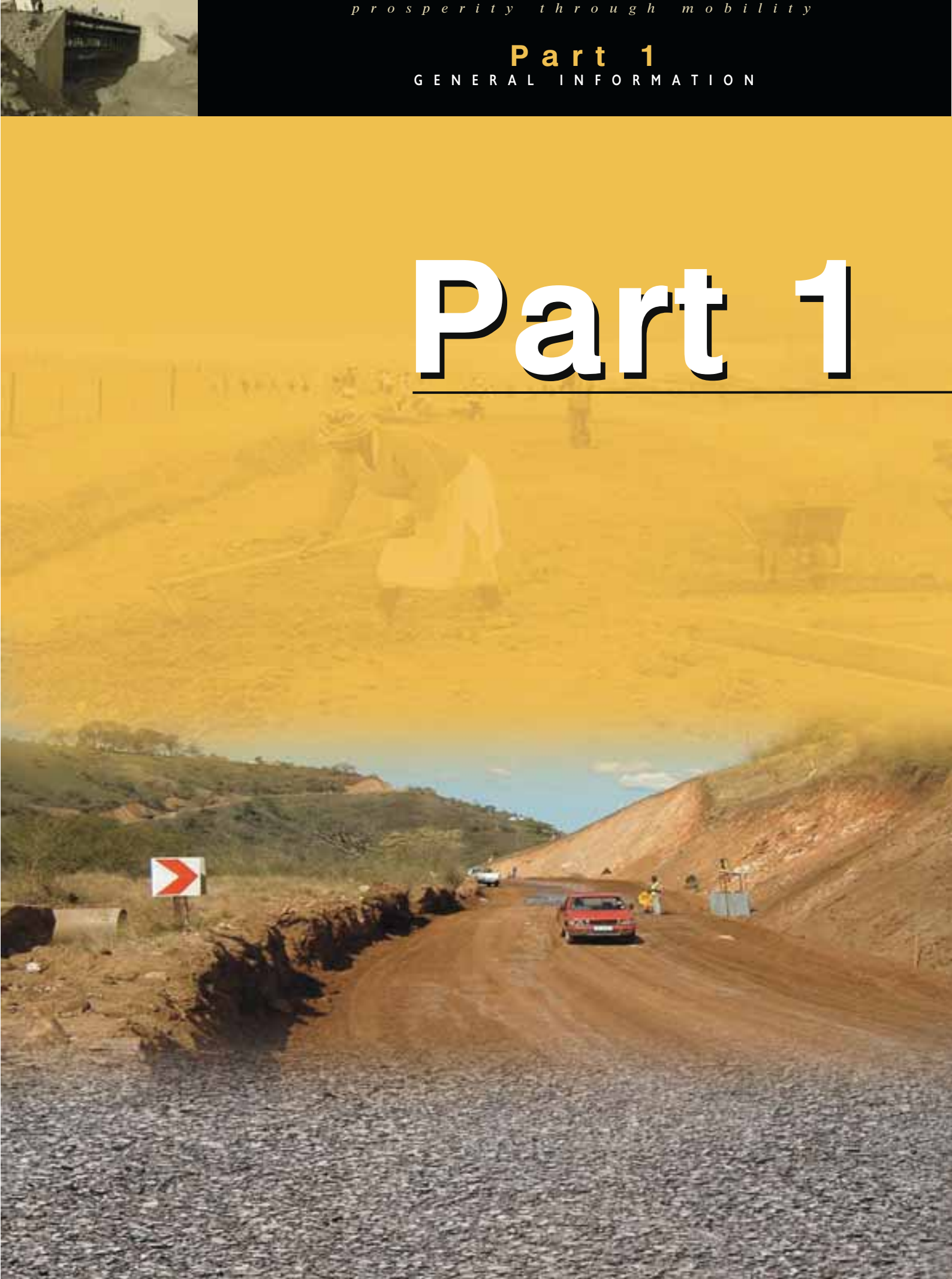


Part 1

# Part 1

GENERAL INFORMATION

# Part 1



# Part 1

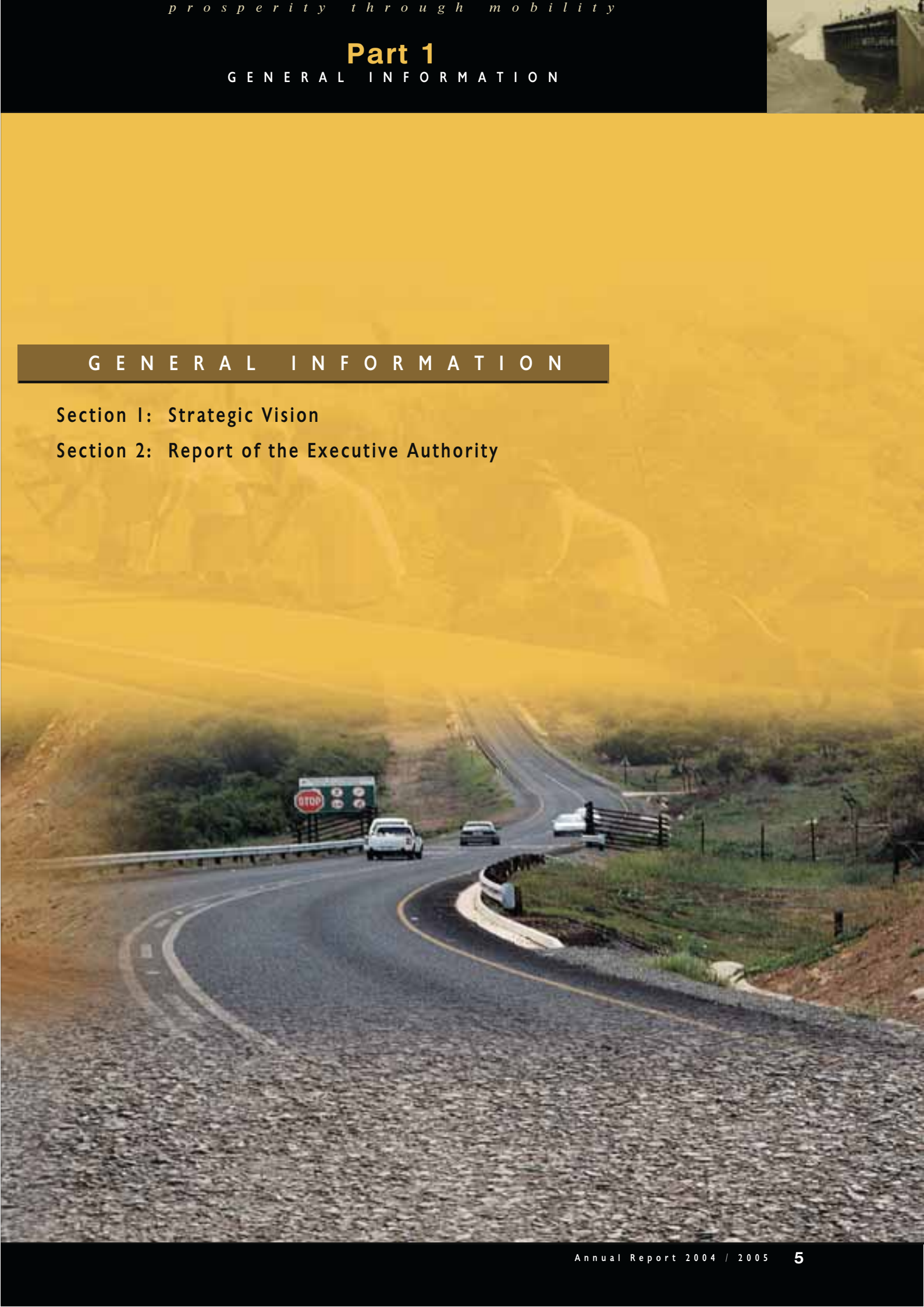
## GENERAL INFORMATION



## GENERAL INFORMATION

**Section 1: Strategic Vision**

**Section 2: Report of the Executive Authority**



## Part 1

### GENERAL INFORMATION

## SECTION: 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 of all the citizens of the Province.

### MISSION STATEMENT

The mission statement of the KwaZulu-Natal Department of Transport is:

We will provide the public with a safe, integrated, regulated, affordable and accessible transportation system, and ensure that, in delivering on our mandate, we meet the developmental needs of our Province.

### AND

We will promote a 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.

### VALUES

- Teamwork
- Integrity
- Transparency
- Equity and fairness
- Mutual Trust and respect
- Customer service
- Courtesy and commitment



# Part 1

## GENERAL INFORMATION

### STRATEGIC VISION

## LEGISLATIVE MANDATE AND CORE FUNCTIONS

### LEGISLATIVE MANDATE

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

- The construction, upgrading, maintenance and control of the provincial road network;
- The regulation, management and overall control of public and freight transport operations;
- The registration and licensing of vehicles and drivers;
- The regulation of traffic;
- The implementation of Road Safety Campaigns and awareness programmes; and
- The management of the provincial vehicle fleet.

This responsibility is mandated in terms of the following Acts:

#### **KwaZulu-Natal Provincial Minibus Taxi Act (Act 4, 1998)**

This legislation mandates the Department within the province of KwaZulu-Natal to enact and implement regulatory mechanisms for the formalization of the minibus taxi industry.

This Provincial Act provides an enabling framework for the Provincial Department of Transport to legalise and regulate the minibus industry within the province, and accordingly, deals with the institutionalisation of mechanisms such as taxi associations, allocation of taxi routes, dispute resolution mechanisms, etc.

#### **KwaZulu-Natal Provincial Roads Act (Act 4, 2001)**

This Act provides for the transformation, restructuring, establishment and control of the KwaZulu-Natal provincial road network.

The legislation provides a framework to develop and implement provincial road policy, norms and standards, to provide for optimum road safety standards, efficient and cost effective management of the provincial road network assets, and the provision and development of equitable road access to all communities within the province, including previously disadvantaged communities, to provide for transparency in the development and implementation of provincial road network policies and practices and to provide for all matters connected therewith.

#### **KwaZulu-Natal Procurement Act (Act 3, 2001)**

This Provincial Act mandates the Department to procure goods and services in terms of processes and procedures that meet the requirements set by the Act. Policy guidelines and practice notes are issued by Provincial Treasury to assist the Department in this regard.



Part 1

# Part 1

## GENERAL INFORMATION

### STRATEGIC VISION

#### KZN Road Traffic Act (Act 7, 1997)

This piece of legislation enacted by the Provincial Legislature in 1997 (Act no. 7 of 1997) mandates the Department (MEC) to make determinations in respect of traffic and licensing matters, where these are within provincial competence.

#### Other Relevant Acts:

- Preferential Procurement Policy Framework Act (Act 5, 2000)
- Public Finance Management Act (Act 1, 1999)
- Cross-border Act (Act 4, 1998)
- National Road Traffic Act (Act 93, 1996)
- Road Traffic Act (Act 29, 1989)
- National Land Transport Transition Act (Act 22, 2000)
- Broad-Based Black Economic Empowerment Act (Act 53, 2003)
- The Construction Industry Development Board Act (Act 38, 2000)

#### 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 are:

##### Road Infrastructure

To construct and maintain a balanced road network that complies with the Provincial Growth and Development Strategy.

##### Public and Freight Transport

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.

##### Support Functions

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;
- Procurement; and
- Legal services.

# Part 1

## GENERAL INFORMATION

### REPORT OF THE EXECUTIVE AUTHORITY



**Mr. Bheki Cele**  
*KwaZulu-Natal MEC*  
*Transport, Community Safety & Liaison*



Part 1

**Part 1**

## G E N E R A L   I N F O R M A T I O N

## REPORT OF THE EXECUTIVE AUTHORITY

The 2004/2005 financial year marked my first term of office as the executing authority for this Department. It is during this financial year that we championed our cause of defending the weak in all our activities at Transport. It is indeed a pleasure to report that this view echoes accolades across the Department.

In accordance with our championed cause the Department continually embarks its efforts on being an innovative service provider and creator of sustainable opportunities among the poor. The extent to which we have succeeded in ensuring that previously disenfranchised communities gain a more credible stake in our economy is readily evident from our general procurement performance and specifically evidenced through programmes such as Vukuzakhe, Zibambele, public transport subsidies and taxi industry empowerment.

Indeed, it is pleasing to report that the National Minister of Transport, the Honourable Mr Jeff Radebe, and his Director General of Transport, Ms Mpume Mpofu, have committed all Provincial Departments of Transport to incorporate the Zibambele programme within their portfolios. Our Zibambele programme has also been identified by the National Department of Public Works as "best practice". The National Department of Public Works intends rolling out Zibambele to all Provinces and Municipalities as part of the Expanded Public Works Programme. It therefore gives me particular pleasure to note that our own Zibambele programme is on track to reach a target of 40 000 households contracted by 2009. It is anticipated that the Zibambele Savings Clubs will play a significant role in the establishment of a rural co-operative movement and in securing a better dispensation for women in the agricultural sector.

The fact that 75,3% of the Department's budget is allocated towards the upgrading and maintenance of road infrastructure is strongly indicative of how seriously we take our mandated development goal to provide a balanced road network that meets the mobility needs of all the KwaZulu-Natal citizens, which further supports our National Growth and Development Strategy to provide a logistics platform for South Africa's global trade.

However, as noted, despite significant budget increases over the MTEF period, the budget allocated to road infrastructure is inadequate to meet the road network and mobility needs of all our citizens. This was well illustrated during the 2004 elections when 444 kilometres of access roads had to be upgraded to enable voters to reach polling stations. Further, our budget does not allow us to respond to all emergency situations and natural disasters without first having to motivate for additional funding. This is well evidenced by the recent flood damage to road infrastructure in this Province.

The winter of 2004 was unusually hot and dry resulting in many areas of the Province experiencing severe drought conditions. The drought was partially broken in early December when major storms occurred in many parts of the Province. The Department was inundated with calls for assistance to repair damaged roads and river crossings. The worst affected areas were uMzinyathi and uThukela. It is estimated that the cost to repair damaged roads is in the order of R256m. Our memorandum to Cabinet in this regard resulted in additional funding of only R35m. It is obvious that if the shortfall in funding is to be met out of our MTEF maintenance budget, then this will result in other essential maintenance work being postponed.

Annual floods also highlight the importance of building pedestrian bridges to provide all weather river crossings that make rural schools, clinics, police stations, heritage sites and other community facilities more accessible. Pedestrian bridges are also required to eliminate those hazardous locations where pedestrians are endangered through their need to cross high volume, high speed roads in built up areas. The Department is committed to a programme to construct pedestrian bridges as this will extend community access to essential public facilities.

## Part 1

### GENERAL INFORMATION

#### REPORT OF THE EXECUTIVE AUTHORITY

Our contribution to the revised Provincial Growth and Development Strategy highlighted the integral role of transport. It is self evident that no Province or Country can develop its full potential without an adequate transportation system. In South Africa, it is therefore imperative, to invest in transport infrastructure to overcome both our apartheid legacy of separate development and our international trade isolation.

Investments in transport infrastructure must necessarily be coupled with investments into a safe, sustainable, affordable and comfortable public transport system. To this end, we must be mindful of the fact that 60% of all commuter traffic in South Africa is carried by the minibus taxi industry which increasingly operates with an aging fleet and is not subsidised. The balance of commuters are carried by subsidised rail and a bus system whose subsidised routes are often still aligned with the needs of industry rather than with the needs of commuters, particularly poor commuters.

For many years now we have campaigned to create a safe road environment for all road users in KwaZulu-Natal. It has been scientifically verified that by and large most road collisions (80%) are caused by human error. The term human error does, in fact, include a failure by road users to observe the rule of law on our roads.

On 13 December 2004 we launched our new slogan which is "From Zero Tolerance to 100% Compliance". This is an extension of the original slogan "Zero Tolerance in KwaZulu-Natal". The intent of the new slogan is to ensure that when the rules of the road are not obeyed our law enforcement agencies act decisively. It is a slogan that says that, as Government, we have the capacity to enforce our laws.

The Department is committed to managing the roll out of the Expanded Public Works Programme for KwaZulu-Natal. This will involve working with all Provincial and Municipal Departments to develop joint programmes between spheres of government. Here it is worth reiterating that our own Zibambele programme has been identified as "best practice" by the National Expanded Public Works Programme. It is now our intention to consolidate and expand the share that the poor have in the economy of KwaZulu-Natal as the Province embarks on many major infrastructure projects, including the Dube Trade Port and the upgrading of the Gauteng / KwaZulu-Natal transport corridor, as we prepare for Soccer World Cup 2010.



Part 1

## Part 2

REPORT OF THE HEAD OF TRANSPORT

# Part 2



## Part 2

### REPORT OF THE HEAD OF TRANSPORT



### REPORT OF THE HEAD OF TRANSPORT

**Section 1: Introduction**

**Section 2: Programme 1: Administration**

**Section 3: Programme 2: Road Infrastructure**

**Section 4: Programme 3: Public Transport**

**Section 5: Programme 4: Traffic Management**

**Section 6: Programme 5: Community Based Programmes**



## Part 2

REPORT OF THE HEAD OF TRANSPORT

### REPORT OF THE HEAD OF DEPARTMENT



*Dr. Kwazi Mbanjwa*  
*Head of Transport*

Part 2



## Part 2

### REPORT OF THE HEAD OF TRANSPORT

## SECTION: 1 INTRODUCTION

The financial year 2004/05 has been characterised by a strong drive by our Provincial Cabinet and MEC for Transport, Community Safety and Liaison, Mr Bheki Cele, to deliver on their mandate in the first year of the electoral term. This resulted in an intensified effort by all in the Department to fast track our key delivery programmes.

The Department's vision "Prosperity Through Mobility" is at the core of everything we do. The greatest challenge facing the Department since 1994 has been the need to remedy road network inequalities that arose out of the apartheid government's policy of separate development, while at the same time maintaining the primary road network at an appropriate level. Years of inadequate funding for road infrastructure has led the Department to consciously choose to fund a road development programme that minimises the further deterioration of the primary road network while maximising the allocations to provide isolated rural communities with much needed access.

During the 2004/05 financial year, the Department contributed to the revised Provincial Growth and Development Strategy (PGDS) during the year, and continued to highlight the integral role of Transport with regard to the various sectors targeted for key development initiatives in the Province. These include the tourism and agricultural sector, trade and industry, spatial development initiatives and urban renewal strategy and integrated sustainable rural development programmes. In this regard the Department has improved communication and collaboration between itself and other Provincial Departments in order to leverage investments in the community

To this end, the Department has systematically restructured its organisation to now provide an effective, professional and consultative service to all stakeholders but particularly to those previously most disadvantaged. We are finalising our Integrated Human Resource Development Strategy which will effectively align the demand and supply factors concerning the professional skills now required within the transportation, civil engineering and construction sectors. We have adopted a Youth Empowerment programme which focuses on providing practical and experiential training for S3 students as well as accommodating learnerships.

The Department is fully committed to the provision of a balanced road network that is equitable, sustainable, in line with the Provincial Growth and Development Strategy and will maximise social and economic development where it is currently most needed. We are committed, in the process of developing a more balanced road network, to creating work and entrepreneurial opportunities for the marginalised and vulnerable in our economy.

It is for this reason that we have developed dedicated programmes such as Zibambele and Vukuzakhe and have also adopted labour based methodologies which today receive critical acclaim from both beneficiary communities and National Government. Such initiatives are critical to the successful implementation of the Expanded Public Works Programme as well as to the objective of re-skilling our nation through SETA. Our Annual Report highlights the fact that over the past eleven years, we have built solid foundations on which to expand our programmes so as to take advantage of the aggressive transport infrastructure investment environment associated with Soccer World Cup 2010.

The regulation of the minibus taxi industry is an ongoing process. This includes the nationally driven Taxi Recapitalisation Programme as well as many provincially driven initiatives designed to diversify the economic base of the taxi industry. Taxi cities, taxi co-operatives and taxi enterprises are all set to benefit from Government's initiative to subsidise all modes of public transport. Despite



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### INTRODUCTION

a reoccurrence of “taxi violence” the Department is committed to ensuring that the taxi industry in KwaZulu-Natal takes its rightful place as the most critical pillar of the Province’s Intermodal Public Transport System. Our Operation Shanela and our Public Transport Enforcement Unit have made a commendable contribution towards the normalisation of the taxi industry in KwaZulu-Natal and in ensuring that the commuting public are safe. There have undoubtedly been disappointments and setbacks but together with the Provincial Taxi Council, the Taxi Registrar and the Taxi Tribunal we are making progress.

The Department is committed to provide a safe road environment through the regulation of traffic on public roads, law enforcement, the implementation of Road Safety campaigns and awareness programmes and the registration and licensing of vehicles and drivers. Reduction of road fatalities and combating driver licence fraud and corruption are challenges faced with regard to ensuring the safety of the citizens of the Province.

KwaZulu-Natal is indisputably the Gateway Province to the South African economy. This status will be further enhanced by the development of the Dube Trade Port and the relocation of Durban International Airport to La Mercy. While the beneficial impact from the movement of high volumes of freight on the provincial economy is enormous, it does accelerate the deterioration of our provincial road network. This reality has not yet been fully factored into the allocation of our budget.

Our road engineers have been ringing alarm bells for several years now. Roads are designed to carry particular volumes of traffic and are usually built – under such traffic conditions – to have a life of some twenty years providing an appropriate routine and periodic maintenance regime is followed. Many of our Provincial Roads have reached or are nearing the end of their lifespan. In some instances, unplanned heavy volumes of traffic have caused roads to fail prematurely. We have, as a Department, succeeded in holding back the tide but have now reached a crises stage which requires a commitment to much higher order budgets.

Transport, the world over is seen as a catalyst for change and improved service delivery. Sustainable economic growth and development is not possible unless it is supported by appropriate transport infrastructure. While the recent positive growth rate in the provincial economy is welcomed it will, together with Soccer World Cup 2010, undoubtedly place our provincial road network under stress. A road network under stress will result in increased road collisions and public frustration.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### INTRODUCTION

## MANAGEMENT



**Front row from left to right:** Mr. Chris Hlabisa, Mr. Roger Govender, Ms. Vicky Cunliffe, Dr. Kwazi Mbanjwa, Mr. James Mlawu, Mr. George Mahlalela

**Middle row from left to right:** Ms. Glen Xaba, Ms. S'thandiwe Duze, Ms. Bathandwa Nogwanya, Ms. Cindy Zwane, Ms. Thoko Mabaso, Ms. Sue Grobbelaar, Ms. Kamintha Gounder, Ms. Thembi Nzuza

**Second back row from left to right:** Mr. John Kapueja, Mr. Mawande Jubasi, Mr. Mossie Mostert, Mr. Athol Moore, Mr. Chris Stretch, Adv. Simo Chamane, Mr. Wayne Evans, Mr. John Schnell, Mr. Bongsi Gcaba, Mr. Wally Bennett

**Back row from left to right:** Mr. S'bu Gumbi, Mr. Simphiwe Nkosi, Mr. Gavyn Wirth, Mr. Dumisani Ximba, Dr. Simon Oloo, Mr. Pat Dorkin, Mr. Logan Maistry, Mr. Rob Tarboton, Mr. Sipiwe Majola

**Insert:** Mr. Sinethemba Mngqibisa



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### INTRODUCTION

## OFFICE OF THE MEC



**Ms. S'thandiwe Duze**  
*Manager:*  
*Office of the MEC*

#### Role of the Office of the MEC

The primary role of the Office of the MEC is to support the MEC in executing his functions as per his legislative and policy mandates. Furthermore, the office of the MEC is mandated to co-ordinate the activities of the Office of the MEC. The Office of the MEC performs the liaison function with various offices of political office bearers. This includes the Office of the Premier, the Office of the National Minister of Transport, the Legislatures including the National Council of Provinces, other Offices of MEC's in the country as a whole, local government leadership, etc.

Communication, both internal and external, is the heart of the Office of the MEC. This is intended to inform, convey, clarify decisions, and engage in dialogue on any relevant matters in the Department as well as with the Department's external stakeholders.

The Office of the MEC is the first point of contact within the Department for the community at large.

Whilst the Office of the MEC is part and parcel of the Department, the political environment of the Province and the Country as a whole, has a direct influence on how it functions.

In supporting the MEC to execute his mandates, the Office of the MEC thrives to ensure that the MEC is accountable to Cabinet, to the Legislature, and the community at large.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### INTRODUCTION

## CHIEF DIRECTORATE: FINANCIAL SERVICES



**Mr Roger Govender**  
*Chief Financial Officer*



**Mr. Gavyn Wirth**  
*Manager:  
Supply Chain Management*



**Ms. Bathandwa Nogwanya**  
*Manager:  
Financial Accounting &  
Reporting*



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

The legislative mandate which underpins the strategic goals for the Office of the Chief Financial Officer is clearly defined in the Public Finance Management Act (PFMA) and Treasury Regulations which directly influence the financial management operating environment in the KwaZulu-Natal Department of Transport.

Financial Services' mission is to provide the Department with efficient and effective support in the utilisation of government resources by the preparation, execution and monitoring of budgets; to provide guidance on the utilisation of allocated funds; report on budgets to Provincial Treasury; ensure compliance to policies, legislation, regulations and delegations; manage the administrative and logistical support for procurement processes and plan, execute, and monitor financial reforms.

In respect of expenditure monitoring, the control, close monitoring and analysis of the Department's monthly expenditure reports assisted in timeously identifying areas of potential over spending, resulting in the Department remaining within its allocated budgets.

Transforming from Procurement to Supply Chain Management, a project that was spearheaded by Provincial Treasury, has been a challenge during the year under review.

In terms of the Public Finance Management Act, the Asset Management HardCat toolkit was implemented, making available a current asset record according to categories. This involved the introduction of a computerised asset system and an asset count has been conducted. This project is anticipated to be completed during the 2005/06 financial year.

Financial Services continues to identify areas of improvement in terms of financial management, valuing teamwork, sound planning and enthusiasm and strives to continually improve the quality, accuracy and reliability of the Department's service delivery.



Part 2

# Part 2

## REPORT OF THE HEAD OF TRANSPORT

### INTRODUCTION

# CHIEF DIRECTORATE: CORPORATE SERVICES



**Ms. Vicky Cunliffe**  
Senior General Manager  
Corporate Services



**Adv. Simo Chamane**  
Manager:  
Legal Services



**Ms. Kamintha Gounder**  
Manager:  
Corporate Support Services



**Ms. Cindy Zwane**  
Manager:  
Human Resource  
Management



**Ms. Thembi Nzuza**  
Manager:  
Labour Relations



**Ms. Sue Grobbelaar**  
Manager:  
Motor Transport  
Services



**Dr. Simon Oloo**  
Manager:  
Technology Transfer

#### Overview

The Chief Directorate: Corporate Services is responsible for the provision of effective support services to the KwaZulu-Natal Department of Transport. The Chief Directorate provides guidance and a clear way through bureaucratic processes, by providing support with Human Resources, Skills Development, Legal Services, Labour Relations, etc. The Chief Directorate also controls the provincial vehicle fleet and provides a licensing function to the Province of KwaZulu-Natal.

#### Legal Services

Legal Services is responsible for the provision of legal services in terms of legislation and mandates which govern the functioning of the Department.

#### Corporate Support Services

Corporate Support Services is responsible for ensuring the optimisation of information technology as a key departmental resource, all departmental real estate related issues, and the provision of an office service function at Head Office.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### INTRODUCTION

##### Labour Relations

The function of this component is to facilitate harmonious employer / employee relations.

##### Motor Transport Services

The Motor Transport Services Directorate consists of the Provincial Motor Transport Component and Motor Vehicle Administration (previously Motor Licensing Bureau) including the Traffic Camera Office. This Directorate is responsible for the execution of the motor transport, vehicle and drivers licencing, and traffic offence administration functions.

##### Technology Transfer Centre

The Technology Transfer Centre is a Directorate that is responsible for technical research, best practices, and the effective transfer of skills and technology.

##### Human Resource Management

The role of the Human Resource Management (HRM) Directorate is to manage the human resources of the Department to the benefit of both the Department and its human capital. This Directorate has been faced with many challenges during the 2004/05 financial year. Some of these challenges resulted from the restructuring process and changes within the Department that impacted on this Directorate's operations. For example, the staffing demands in the various Directorates, substantially increased the workload of the recruitment and selection component. Thus, HRM is responsible for ensuring sound employment relations within the Department.



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### INTRODUCTION

## CHIEF DIRECTORATE: STRATEGIC PLANNING



**Mr. James Mlawu**  
General Manager:  
Strategic Planning



**Mr. Athol Moore**  
Manager:  
Policy & Planning



**Ms. Glen Xaba**  
Acting Manager:  
Development



**Mr. Bongzi Gcaba**  
Manager:  
Economic Empowerment



**Mr. Pat Dorkin**  
Manager:  
Monitoring & Evaluation

The mandate of the Chief Directorate: Strategic Planning is to ensure the development and implementation of the strategic objectives of the Department through outputs that are set against clear development goals and outcomes which are consistent with the Provincial Growth and Development Strategy. This Chief Directorate leads departmental programmes, facilitates development, monitors delivery and ensures value for money.

The Chief Directorate's role of "client" includes the responsibility to undertake research to improve service delivery, research and develop policy directives that inform integrated development, enhance democratic governance, promote equity and secure the social and Broad Based Black Economic Empowerment of disadvantaged populations and communities in all programmes of the Department.

The performance of the Department is monitored and reviewed to ensure efficiency, value for money, transparency and compliance to the strategic objectives of the organization.

The Chief Directorate: Strategic Planning has the following Directorates:

- Policy and Planning;
- Development;
- Economic Empowerment; and
- Monitoring and Evaluation.

The Chief Directorate is also responsible for driving new and innovative programmes in the Department and managing the Department's delivery. The following departmental projects are managed through this office:-

- African Renaissance Roads Upgrading Programme (ARRUP);
- Extended Public Works Programme (EPWP); and
- Public Private Partnership (PPP) for sourcing Engineering Plant.



## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### INTRODUCTION

##### Directorate: Policy and Planning

The Policy and Planning Directorate ensures the strategic co-ordination and integration of planning and policy within the Department and between the Department and other stakeholders. The Directorate consists of two sub-directorates, namely:

- Policy; and
- Planning

The Policy Sub-directorate is responsible for co-ordinating, guiding and assisting in the development of new policies, as well as reviewing existing policies within the Department. The Sub-directorate ensures policies comply with legislation and that policies support the strategic goals and objectives of the Department.

The Planning Sub-directorate is responsible for co-ordinating, guiding and undertaking integrated planning within the Department. The Sub-directorate ensures departmental planning supports the strategic goals and objectives of the Department and is integrated across all programmes of the Department and with other spheres of Government.

##### Directorate: Development

The purpose of the Directorate is to initiate, develop and sustain empowerment programmes that are responsive to community needs, promote participatory democracy and accelerate transformation. The mandate of this Directorate is carried out within the three following sub-directorates:

- Community Liaison;
- Social Development; and
- Pilot Programmes.

##### Directorate: Economic Empowerment

The purpose of the Directorate is to facilitate the development of a sustainable and viable emerging business sector in KwaZulu-Natal through Black Economic Empowerment (BEE). The Directorate's mission is to identify, create and develop sustainable economic empowerment strategies, which are supported by appropriate procurement policies, training and other programmes designed to remove barriers to entry and performance.

The priorities of the Directorate are :-

- Overall enterprise development training including organisational, business, mentorship;
- Develop BEE policies and manage support systems;
- Develop and manage BEE databases; and
- Assist in the implementation of Pilot Programmes.



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##### Directorate: Monitoring and Evaluation

The Monitoring and Evaluation Directorate is responsible for monitoring performance and developing suitable evaluation tools to measure the impact of all departmental programmes and plans on targeted audiences, and to ensure that the desired outcomes of the departmental goals are achieved.

This is done by performing the following functions:-

- Monitor the execution of operational plans;
- Undertake research and report on the value added by measures contained in the business plans;
- Review compliance to standard and the relevance of such standards to the operations of the Department;
- Facilitate customer and stakeholder feedback processes focused on continuously improving the level of service delivery;
- Monitor and report on the content, quality and value of monthly and quarterly financial reports in relation to overall departmental service delivery objectives; and
- Evaluate the effectiveness and applicability of policy as applied to developmental initiatives and advise on areas of improvement.

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## CHIEF DIRECTORATE: IMPLEMENTATION



**Mr. Chris Hlabisa**  
General Manager  
Implementation



**Mr. Wally Bennett**  
Manager:  
Pietermaritzburg Region



**Mr. Siphwe Majola**  
Manager:  
Durban Region



**Mr. Simphiwe Nkosi**  
Manager:  
Ladysmith Region



**Mr. Dumisani Xaba**  
Manager:  
Empangeni Region



**Mr. Mossie Mostert**  
Manager:  
Technical Support



**Mr. Rob Tarboton**  
Manager:  
Road Infrastructure  
Development & Management

The Chief Directorate: Implementation is responsible for implementation of the departmental programmes which are mainly providing a safe, balanced and equitable Provincial road network through the construction, maintenance and repair of the provincial roads and bridges; ensuring a safe road environment through law enforcement, and ensuring Good Governance, Licencing of vehicles, etc.

The Head Office components of the Chief Directorate provide managerial and technical support services to the Regions, other components within the Department, other Departments and the public on an ongoing basis. In addition, construction of selected major road projects that have been identified as strategic routes is managed within this component.

The Head Office component is structured as follows:

#### **Directorate: Road Infrastructure Development and Management**

This Directorate is responsible for: Traffic Engineering & Geometric Design; Structural Design and Road Information & Survey Services.



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### REPORT OF THE HEAD OF TRANSPORT

## INTRODUCTION

### Traffic Engineering and Geometric Design

The Traffic Engineering and Geometric Design component is responsible for the following:

- Traffic impact studies approval;
- Design approvals – geometric designs and accesses;
- Expropriation plans;
- Development application approvals;
- Sign-posting management; and
- Traffic signals and roundabout approval.

### Structural Design

The Structural Design component is responsible for the following:

- Check and approve structural design; and
- Update manuals on new technology for bridge design.

### Road Information and Survey Services

This component is responsible for the following:

- Declarations and Registration of Public Right of Ways (PROW's);
- GIS and Mapping;
- Aerial Survey;
- Contract & Cadastral Survey;
- Project Programming & Progress Records;
- Project Information Management System; and
- Implementation Reports.

### DIRECTORATE: IMPLEMENTATION

This Directorate is responsible for the following:

### Training and Mentoring of In-House Staff

Very few experienced engineers and technicians are available within the regions for the design, supervision and operation of our expanding road network. A number of vacant posts for engineers and technicians were advertised and filled with newly qualified applicants during the year and these individuals are being further trained and skilled for their tasks through various training mediums such as:

- Train the Trainer Programme;
- Regional Assistance Programme;

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- In-House training sessions;
- Civil engineering courses and seminars held by the South African Institution for Civil Engineers and related bodies; and
- Service Excellence the Batho Pele way.

#### Manuals and Guidelines

The Department has a large number of technical manuals and guidelines for use as a reference by departmental staff and consultants. There is an ongoing need to update and improve these manuals and guidelines. Task teams that include subject experts were established during the year under review for the updating and upgrading of these documents.

#### Contract Administration Support

Contract administration support has also been a priority during the reporting period to achieve the following:

- Standard unit rates for construction purposes;
- Compilation and management of annual supply contracts; and
- Supervision of construction projects in the field.

#### Mechanical Support

Mechanical support is provided to the departmental regions through preparation of technical specifications and management of contracts for the supply of construction equipment and plant. Procedure manuals are prepared and training for mechanical field staff is provided on an ongoing basis.

#### Materials and Pavement Design

Prior to and during construction of a major road, a full design is prepared for the earthworks, foundation and surfacing layers, taking the properties of the materials to be utilised into consideration. These designs are assessed and approved by the Materials and Pavement Design Section who also provide specialist advice, training and support where required.

The actual implementation of the programmes takes place through the departmental regional offices situated in Empangeni, Ladysmith, Pietermaritzburg and Durban. In order to bring these services closer to the public in a co-ordinated manner, twelve (12) one-stop-shop offices were established in all District Council boundaries throughout the province and are managed by the Cost Centre Managers.



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These Cost Centres are located as per the table below:

Empangeni Region	DC 26	Vryheid Ulundi
	DC 27	Hluhluwe
	DC 28	Eshowe
Ladysmith Region	DC 23	Estcourt
	DC 24	Dundee
	DC 25	Newcastle
Pietermaritzburg Region	DC 22	Mountain Rise
	DC 43	Ixopo
Durban Region	DC 21	Port Shepstone
	Metro	Merebank
	DC 29	Stanger

The Department is pleased to report that gender equity within the Chief Directorate is being fast tracked in all middle management positions, but it is acknowledged that there is still more room for improvement.

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## CHIEF DIRECTORATE: PUBLIC & FREIGHT TRANSPORT



**Mr. George Mahlalela**  
General Manager:  
Public & Freight Transport



**Mr. S'bu Gumbi**  
Manager:  
Policy & Planning



**Mr. Chris Stretch**  
Manager:  
Contract Management



**Mr. Sinethemba Mngqibisa**  
Manager:  
Freight Transport

Over the past ten years, managing Public Transport has been a crisis that was inherited from the past. Thus, creating building blocks for a sustained programme has been the focus. The mentioned crisis was due to the following:

- The Public Transport System was driven by operation dictating the terms of engagement;
- Lack of community ownership;
- Serious under-investment in the system; and
- Weak management and regulated systems at provincial and municipal levels.

Accordingly, a platform for the restructuring of the public transport system has been finalised at national and provincial levels. The challenge is to streamline the Department's structures and systems in order to implement the following programmes.

- The National Taxi Recapitalisation Programme.
- Projects emanating from Public Transport Plans; and
- The integration of taxi operations into the Public Transport Subsidy System.
- Re-alignment of municipalities and public entities such as the KwaZulu Natal Taxi Council, Omutha Association, to be able to deliver on their mandate has also become imperative.

The following programmes should be considered to effectively regulate and build the capacity of the licencing board:



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- Beefing up Human Resources;
- Improving Systems and Management Processes; and
- Improved Communication with Public Transport Stake Holders.

Finally, implementation of the 2010 Action Plan and Taxi Recapitalisation serves as a base for integration of the systems.

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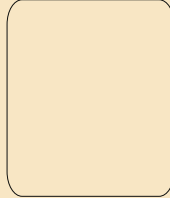


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### REPORT OF THE HEAD OF TRANSPORT

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## CHIEF DIRECTORATE: PUBLIC SAFETY & COMMUNICATION



**(Vacant)**  
**General Manager:**  
*Public Safety & Communication*



**Mr. Mawande Jubasi**  
*Manager:*  
*Media Liaison & Public Relations*



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



**Mr. Logan Maistry**  
*Acting Manager:*  
*Communication Support*



**Mr. John Schnell**  
*Manager:*  
*Road Traffic Inspectorate*

#### Public Safety

The Constitutional devolution of responsibility for traffic control and traffic policing to the nine provinces yokes this Department with the responsibility for the provision and co-ordination of such services, and functions with other spheres of Government not only within KwaZulu-Natal, but also with those Provinces such as the Eastern Cape and Free State, with whom we share common borders.

As the Department moves from "Zero Tolerance" to "One Hundred Percent Compliance" it is important to note that apart from engineering resources, the Department is fully committed to deploy road safety educational resources, followed by enforcement resources spearheaded by the Road Traffic Inspectorate and Public Transport Enforcement Unit to ensure 100% compliance.

One of the challenges identified is improved levels of safety services including public passenger vehicle safety and expansion of road safety programmes to rural areas.

A CSIR study into the Department's Road Traffic Inspectorate Officer Allocation Model is nearly complete and has quantified the Department's officer needs for KwaZulu-Natal. This is the first study of its kind undertaken in South Africa.

Road Safety Education, in many forms, continues to interact with role players at various levels including children in school, junior pedestrians, adult pedestrians, Omela eKhaya and continued positive interaction with Community Road Safety Councils.



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In an endeavour to strive towards a successful incident free 2010 Soccer World Cup, more road safety and enforcement activities will be undertaken. to ensure a safe transport environment for all our people and visitors to South Africa for 2010 and beyond. To this end the Department has established partnerships with other departments and local government, in respect of its road safety programmes.

#### Communication and Media Liaison and Public Relations

Government, which is based on transparency and openness, has a responsibility to inform. This is entrenched in Clause 32 of South Africa's democratic Constitution as follows:

"(1) Everyone has the right to access to:

- (a) any information held by the State; and
- (b) any information that is held by another person and that is required for the exercise or protection of any rights."

"National legislation must be enacted to give effect to this right, and may provide reasonable measures to alleviate the administrative and financial burdens on the state".

Communication is essential to the process of transformation towards reconstructing and developing our country. The RDP framework for an informed society states:

"(O)pen debate and transparency in Government and Society are crucial elements of reconstruction and development. This requires an Information Policy that guarantees active exchange of information and opinion among all members of society.... (N)ew Information Policy must aim at facilitating exchange of information within and among communities and between the democratic Government and society as a two-way process."

Among the key objectives for operationalisation identified by the RDP are the following in respect of communication:

- active exchange of information;
- facilitating exchange of information;
- development of democratic media;
- unbundling of media monopolies;
- training of media personnel;
- broadening the Freedom of Information Act; and
- strengthening the information arms of the various ministries.

Communication features prominently as a strategic objective of the KwaZulu-Natal Department of Transport because of the realisation that an effective and efficient communication strategy is critically important to the overall success of the entire Department. It is based on the simple premise that an essential feature of democratic governance is "The right to know".

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### REPORT OF THE HEAD OF TRANSPORT

## SECTION 2: PROGRAMME 1: ADMINISTRATION

### Sub-programme 1.1: Office of the MEC

The beginning of the 2004/05 financial year marked the first term of Mr B. H. Cele as MEC for Transport, Community Safety and Liaison. Essentially, a challenge for the Office of the MEC has been to support the executing authority to fulfill his mandate and social contract with the citizens of KwaZulu-Natal. The all round performance of the Department has contributed to the establishment of synergies to optimise professionalism and utilisation of scarce resources.

The mandate of the Office of the MEC is:

- to support the MEC in realising his vision;
- to support the MEC in achieving the goals and objectives of the Department with commitment to the ethos of Batho Pele; and
- to build the profile and enhance the image of the MEC and the Department.

The MEC is a strong advocate of poverty alleviation and has pioneered the theme "defending the weak" through the Department's programmes. A noteworthy achievement by the Office of the MEC during the 2004/05 financial year has been effective communication and co-ordination of departmental projects. That is evident in the improved relationship with all stakeholders of the Department, including the public at large. The Office of the MEC also played an outstanding support role in meeting the demanding challenges, including visibility and accessibility of the MEC to all economic sectors of the province. The MEC's hands-on-approach is endorsed by his visibility at departmental functions, launches, scenes of accidents, visiting road accident victims, bereaved families and communities. This has undoubtedly borne testimony to his passion for "defending the weak".

Among the many achievements of the Office of the MEC is the "100% Compliance and Catching Crime on the Freeway" departmental slogans which demonstrate the Department's commitment to safe public roads.

The Department never compromises on the safety of commuters. Hence, the MEC and his office actively participated in cross cutting matters during the year under review.

The Office of the MEC acknowledges with appreciation the hard work and dedication demonstrated by the Head of Department, Dr. Kwazi Mbanjwa and the many committed departmental staff members. This team continued to support the MEC and his office to fulfill his social contract with the citizens of the province.

### Sub-Programme 1.2: Corporate Support

The main purpose of this sub-programme is to provide an effective and integrated support service to the Department. Thus, the sub-programme caters for Human Resource Management and Policy and Planning Services.



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#### PROGRAMME 1: ADMINISTRATION

##### Human Resource Management

The National Skills Development Strategy is an integrated skills development system which promotes economic and social development through focusing on education, training and employment.

The Department is committed to skills development of its employees in order to achieve higher productivity and competency levels by improving access to training and education. Hence, the Department has established a Human Resource Development Sub-directorate to facilitate training and development programmes.

In response to scarce skills as a challenge, the Department awards bursaries to in-service and prospective employees. During the 2004/05 financial year, the Department awarded bursaries to a number of candidates to study Civil and Mechanical Engineering. In return for receiving financial assistance, the successful graduate(s) renders his/her services to the Department in order to pay off the bursary monies received on a year to year basis, whilst following a structured training programme.

In compliance with legislation, the Department registered with the Construction Sector Education and Training Authority (CETA) and affiliated to the Public Sector Education and Training Authority (PSETA). The Department also established a partnership with the CETA to assist with the development and implementation of the Workplace Skills Plan and Learnerships.

Competency gaps were identified within the organisation and a Workplace Skills Plan for the forthcoming financial year has been developed accordingly. Reports on training have also been submitted to CETA and PSETA.

##### Mentorship

The Department continued to provide practical training opportunities to third year technikon students to enable them to complete their studies. During the 2004/05 financial year, the Department's Training Centre provided mentorship to five (5) assistant engineers .

##### Adult Basic Education And Training (ABET)

The Department is committed to improving literacy within the organization. During the year under review, a total number of 1018 employees participated in the ABET programme. These training sessions are facilitated by qualified educators. Seventeen (17) learning centres were registered with the Independent Examination Board (IEB). To this end, three hundred and seventeen (317) learners registered and wrote examinations.

The Department celebrates International Literacy Week annually to give learners an opportunity to display what they have learnt through various activities such as stage plays, poetry, reading, etc.

During the past financial year, various celebration ceremonies were held for departmental staff members. The following pictures capture learner's enjoying themselves during these celebrations.

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## REPORT OF THE HEAD OF TRANSPORT

### PROGRAMME 1: ADMINISTRATION



*Employees celebrating literacy*



*Employees enjoying celebrations of literacy by displaying a stage play*

#### Employment Equity

The Department has also been sensitive to employment equity. It has focused more on training and development of employees from previously disadvantaged groups.

The Government has set targets for designated groups within the Public Service at Senior Management Service (SMS) level. It requires that 75% of employees at this level are black, 30% of employees to be women, and 2% disabled. To this end, the Department has 68.75% non-designated employees and approximately 25% women at this level. The representivity of designated groups from salary level nine (9) upwards has risen from 56,76% in 2003/04 financial year to 69,72% in 2004/05 financial year, and the representivity of non-designated groups over the same period has decreased from 43,24% in 2003/04 to 30,28% in the 2004/05 financial year. There



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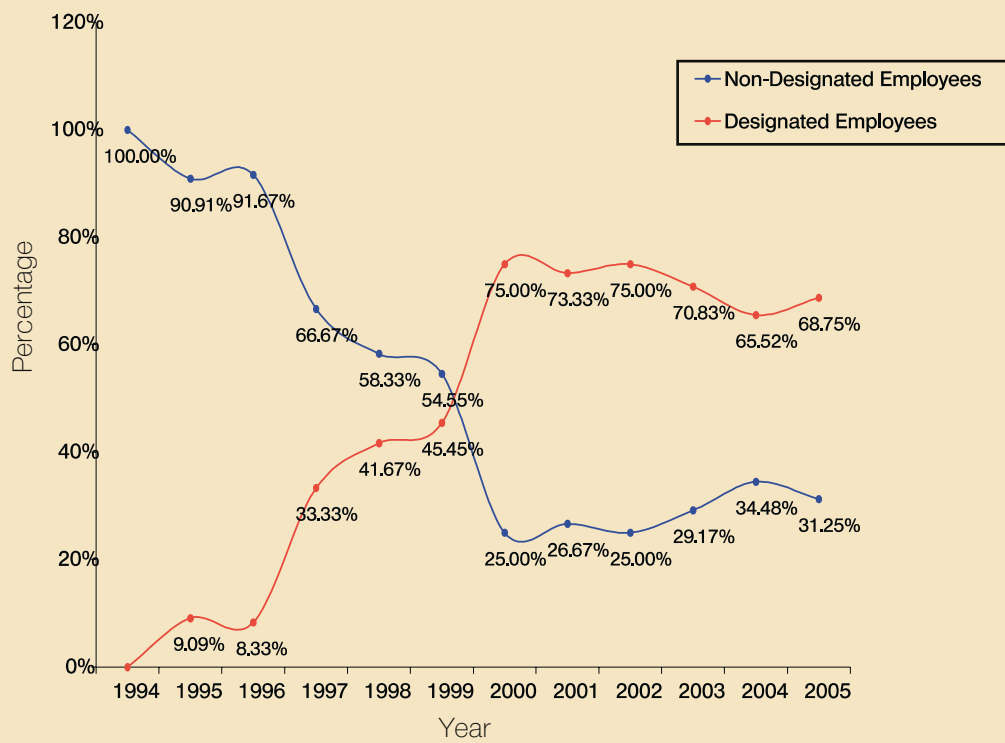
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### PROGRAMME 1: ADMINISTRATION

has been a 50% increase in the representivity of designated groups in the Department at these levels since 1994 and an equivalent decrease in the representivity of non-designated groups at these levels for the same period. Below is a graphical presentation of statistics in respect of representivity from 1994/95 financial year to the time of reporting.

**Comparison between Designated and Non-Designated Employees of the Senior Management Service**

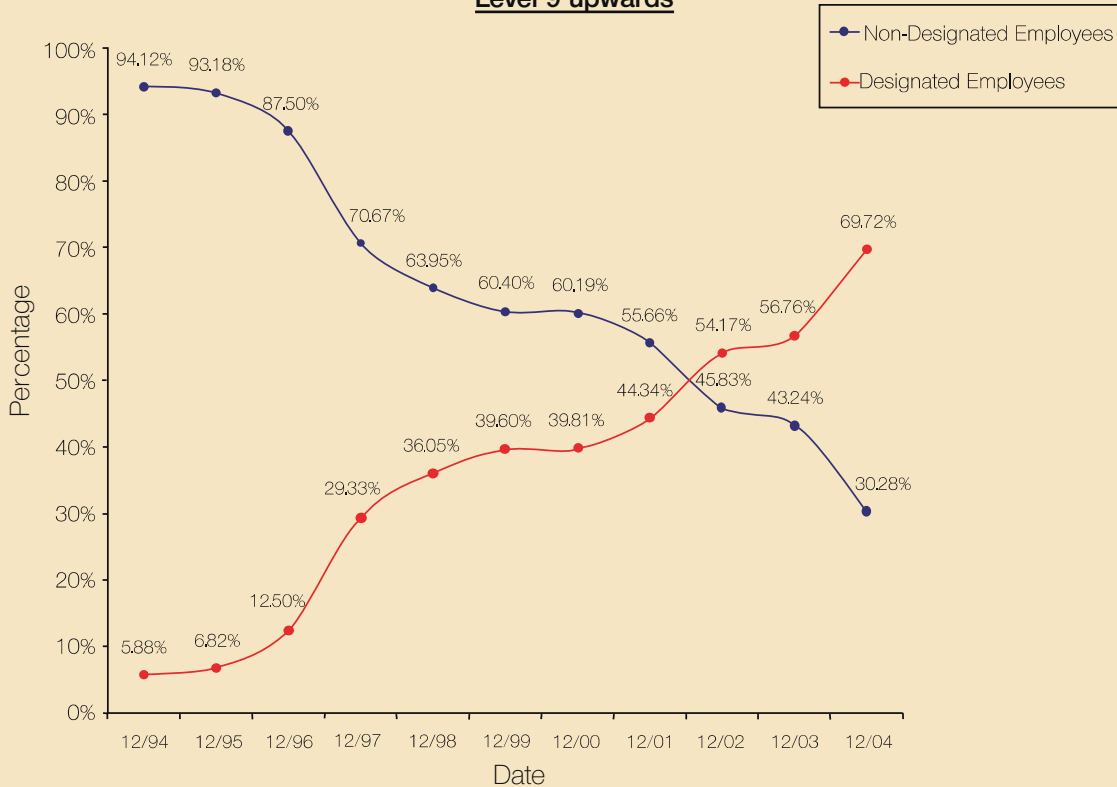


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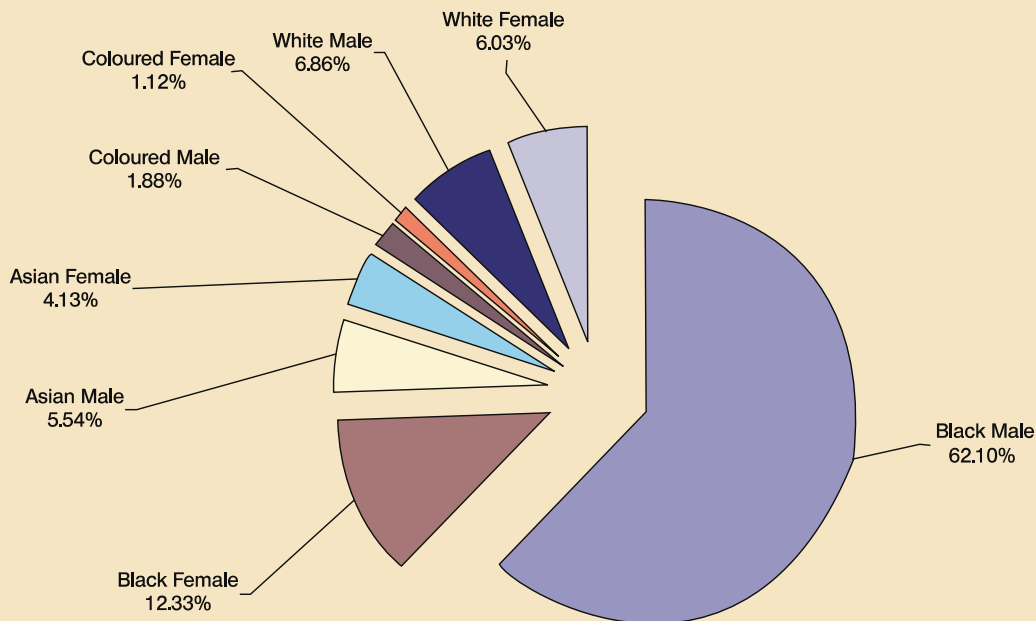
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### PROGRAMME 1: ADMINISTRATION

**Department of Transport**  
**Comparison between Designated and Non-Designated Employees from Salary Level 9 upwards**



**Department of Transport**  
**Representivity Statistics as at 01 March 2005**



The Department submitted its last report on Employment Equity to the Department of Labour in compliance with the Act. An audit that was conducted by the Premier's Office on Human Resource Policies and Procedures revealed that the Department has complied with all legislative requirements.



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### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

The following table demonstrates a summary of filled and vacant posts during the 2004/05 financial year.

**Table: Summary of Filled and Vacant Posts**

Staff Categories	Number			Average Annual change
	2002/03	2003/04	2004/05	
Total staff complement	4333	4102	4094	(2.8%)
Number of professional and managerial posts	190	264	361	38%
Number of professional and managerial posts filled	119	159	236	41%
Number of excess staff				

#### Employee Assistance Programme

An Employee Assistance Programme (EAP) is a work-site based programme designed to assist in the identification and resolution of productivity problems associated with employees impaired by personal concerns, but not limited to: health, marital, family, financial, alcohol, drugs, HIV and Aids, legal, emotional, stress or other personal concerns which may adversely affect employee job satisfaction.

As the definition states, the EAP of a given department is to provide a service to ensure the well-being of employees thus increasing work productivity, improving job satisfaction and reducing absenteeism. The success of such a programme relies on the trust and confidentiality of the service and on the needs of the employees that have been identified. During the past financial year, there has been an increase in the utilisation of EAP and various projects and interventions have been undertaken. The following projects are a few among the many that had been implemented successfully by the Department.

#### HIV/Aids Education and Awareness Road Show

A nine (9) day Road Show was conducted throughout the Department. The purpose of the Road Show was to create an awareness of the side effects of taking medical treatment in the incorrect manner. The message was also conveyed through an Industrial Stage Play entitled, "Your Life-Your Choice" which was staged by a private company. The play focused on the advantages of a positive attitude and positive mindset on the part of the infected person.

Dr. Colleen Coetzee, a private medical practitioner and HIV specialist conducted a presentation on the Medical Model of HIV and AIDS. The presentation gave employees an insight into the virus and its effects. A wellness package provided by the Department to infected employees that disclosed their status, was also advertised.

#### Alcohol and Substance Abuse Workshop

A five (5) day workshop on Education and Awareness of Alcohol and Substance Abuse was conducted in each Departmental Region. It has been established that more interventions on alcohol and substance abuse needed to be made.



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### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

##### 16 Days of Activism of No Violence against Women and Children

The Department has an annual plan to commemorate Human Rights Day. During the 2004/05 financial year, the following initiatives were undertaken by the Department.

##### Domestic Violence Workshops

Workshops on non-violence against women were facilitated and attended by all interested departmental officials. The issues discussed included Women and Child Abuse, as well as HIV/AIDS and Alcohol Abuse. The Domestic Violence Act, Identification of Domestic Violence, Forms of Domestic Violence, Assistance Available, etc., were among the issues discussed.

The Department also hosted a function for female employees to acknowledge women as valuable citizens of the country. MEC B. H. Cele, Deputy Mayor Zanele Hlatshwayo, and other dignitaries were among the attendees.

##### World Aids Day

To commemorate World Aids Day, departmental staff held a competition on displays at regional level.

The Department also hosted an awareness campaign on alcohol and substance abuse for children. The workshop was attended mostly by children of employees.



*Stage demonstration for children during presentation*

##### Wellness Clinic

A wellness clinic was held for departmental employees by a professional medical doctor. This clinic was a success and some employees volunteered to be tested for diseases including HIV/AIDS. This resulted in a number of HIV infected officials being placed on the departmental wellness programme that has been established through the Employee Assistance Programme. It is thus evident that the Department has continued to ensure a healthy workforce.



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### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

##### Labour Relations

A departmental strategic plan has been developed for Labour Relations which focuses among other issues, on the strengths and weaknesses of existing processes. Departmental Labour Relations Services were accordingly streamlined to ensure multi-skilling of staff in order to provide an efficient and effective support service to the employer as well as employees, and for speedy, amicable solutions to matters of common interest.

##### Office Services

The Department continued to be engaged in research and development of Service Delivery Strategies. During the past financial year, Security Controls were upgraded and two (2) surveillance cameras installed at Head Office.

The departmental main Registry Services also continued to provide an effective support service.

##### Real Estate

Real Estate is responsible for the acquisition of land and property for road construction, as well as office use. Essentially, the Department identifies and assesses the land before engaging in negotiations with the owners on acquisition and compensation.

Negotiations on Compensation and Notices of Expropriation were served to the respective owners within the set time frames.

The following table represents land that had been acquired during the reporting period:

**Table: Expropriated Land**

Road no.	Property Description	Date of Expropriation	Extent (Hectres)
1. P398-2	Port. 1 of Erf 55 no. 1568	21 June 2004	1,6062 Ha
2. P398-2	Rem of Erf 54 no. 1568	21 June 2004	1,4020 Ha
3. P398-2	Port. 26 of Erf 54 No. 1568	21 June 2004	0,1037 Ha
4. P398-2	Rem of Port. 1 of Erf 51 Grant No. 1565	27 Nov 2004	6,0835 Ha
5. P398-2	Rem of Port. 2 of Lot 51 Grant No. 1565	27 Nov 2004	0,4159 Ha
6. P398-2	Port. 3 of Erf 51 Grant No. 1565	27 Nov 2004	0,3030 Ha
7. P398-2	Rem of Port. 25 of Erf 52 Grant No. 1565	27 Nov 2004	2,7367 Ha
8. P398-2	Port. 4 of Erf 51 Grant No. 1565	27 Nov 2004	0,0945 Ha
9. P398-2	The Farm Zimbali West No. 17744	27 Nov 2004	10,6846 Ha
10. P398-2	Rem of Erf 325 Port Zimbali	10 Jan 2005	0,4544 Ha

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#### PROGRAMME 1: ADMINISTRATION

Due to Government's commitment to provide poor communities with low cost housing, there has been an influx in the development of rural areas (farm land) into townships.

This has resulted in a significant increase in the number of requests for Certificates of Non-affected required by attorneys and relevant government departments who are registering these townships.

The Department has also successfully vested some of its owned property land to the KwaZulu-Natal Provincial Administration and more land is envisaged to be vested during the forthcoming financial year.

The Department has also successfully transferred some property land that has been acquired for national road purposes to the National Roads Agency.

The Department also assisted the public, municipalities and various government institutions regarding general property queries. During the past year, three hundred and thirteen (313) general queries had been successfully dealt with.

The Department also dealt with numerous surplus land disposal cases and anticipate an increase in sales during the forthcoming financial year. Numerous properties earmarked for future road purposes and surplus properties to road requirements are being leased to the public.

The appointment of the Manager: Corporate Support Services, Deputy Manager: Real Estate and Corporate Support, Assistant Manager: Auxiliary Services and Assistant Manager: Real Estate, further shows the commitment of the Department to achieve service excellence.

#### Information Technology

The following highlights outstanding progress that has been made in respect of Information Technology during the 2004/05 financial year.

#### Systems Development

An interim Contract Management System which has borne some fruit already, has been developed. The system has also been tested on the database for plant hire.

The server upgrade has been finalised, new applications purchased, and numerous cabling and infra-structure development projects undertaken during the 2004/05 financial year.

The following projects were also undertaken:

- An investigation into the Project Management System;
- An Integrated Document Management System, including Metro File for the Taxi Regulatory Authority and the issuing of permits;
- Improvement of Call Centre Operation; and
- Internal Technical Security has been increased and improved.



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### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

The following projects had been planned:

- Enterprise Content Management System;
- Implementation of a Virtual Private Network;
- Project Management System; and
- Departmental Project Office.

#### Good Governance

During the past financial year, the Department achieved its service delivery targets and a number of administrative and technical posts were filled to ensure efficient service delivery.

A programme to train newly recruited technical staff, "Train the Trainer" was also launched. The aim of this programme is to train certain members of staff, who can, in turn, train other technical staff on basic skills of road construction and maintenance.

Members of staff in the regions have also been well trained on the principles of Batho Pele through the Department's Mission Directed Work Teams Programme. The primary aim of the programme is to develop staff to maximise their production, deliver a world class service and add value to the Department's vision.

As a result of this programme, the output on road construction and maintenance has increased and downtime of plant and machinery has decreased. Performance has been measured by quality, time, cost, innovation, supplier performance, customer satisfaction, etc. Thus, improved service delivery and outcomes has become an integral part of the organisational culture.

This is evident from the number of awards that were presented to the Department at the annual Premier's Good Governance Awards Ceremony. It is pleasing to mention that among the awards received by the Department, was an award to have the most teams in the final ten contenders since the inception of the programme in 2000. The Department also received the following awards:

- Silver Award presented to: Durban Regional Manager's Office.
- Silver Award presented to: Road Traffic Inspectorate - Durban Region.
- Bronze Award presented to: Regional Cost Centre - Durban Region.
- Bronze Award presented to: Regional Cost Centre (Stanger) - Durban Region.
- Best Practice Award presented to: Department of Transport for registering most teams since the inception of the programme in 2000.
- Best Practice Award presented to: Department of Transport for promoting a Culture of Service Excellence in Performance Management in the following programmes – Mission Directed Work Teams Programme, Zibambele Contractor Programme and the Vukuzakhe Contractor Development Programme.

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### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

##### Legal Services

The Department, as an organ of State, requires legal representation concerning the rights and defence of its actions.

The high level and calibre of officials operating within the realm and scope of the Department require that the legal services offered, be of a high standard and competitive. The Department's Legal Services have dealt with a number of accident claims, disputes, and labour issues ranging from Litigation to Criminal Matters.

The Department has dealt with a total of one hundred and seventy eight (178) cases in respect of loss or debt related matters and of these eleven (11) were finalised.

There are seven (7) ongoing Labour Court matters and six (6) Arbitrations currently being addressed.

##### Strategic Planning:

##### Policy Development

Policy development is facilitated through a Departmental Policy Committee involving managers mandated by the Department's Management Committee to:

- develop guidelines for policy formulation and review;
- review existing policies;
- identify the need for new policies;
- ascertain and mitigate the financial and other impacts of policy proposals;
- approve and monitor implementation strategies of developed policies;
- ensure consultation occurs with relevant stakeholders in the development of policies; and
- ensure policies promote the goals of Government and the Department.

One of the challenges for the Policy Committee has been to integrate structured and legislated policy development processes, such as Labour Relations processes, into a departmental Policy process.

During the past financial year, the committee reviewed nineteen (19) policy proposals. The following policies were finalised:

- Engineering Plant Policy – ensuring uniform and cost effective management and disposal of engineering plant.
- Black Economic Empowerment Policy – providing requirements and targets for broad based BEE.



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### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

- Policy on the Remuneration of Engineering Consultants – a guideline to ensure uniform remuneration standards for engineering consultants.
- Cell Phone Policy – ensure uniform, cost effective and efficient systems to manage the allocation and use of departmental cellular phones.
- Provincial Land Transport Framework – a framework providing guidance to all spheres of Government on provincial land transport policies.

In order to improve accessibility of policies, an Electronic Policy Database has been developed on the Departmental Intranet.

##### Planning

A departmental Annual Strategic Planning Conference was held to align departmental programmes and agree on strategic and measurable objectives for strategic and annual performance plans for the 2005/06 financial year. Five (5) year Strategic and Annual Performance Plans were also compiled in consultation with stakeholders.

Departmental operational plans had been developed in order to ensure consistency with the Department's strategic goals and objectives and promote good governance.

The Department actively participated in the development of an Integrated Development Plan to ensure alignment of cross cutting issues such as plans, programmes and objectives between municipal and departmental levels.

A consultation workshop on the draft Provincial Growth and Development Strategy was also held with relevant stakeholders in the transport sector, including communities.

A Provincial Road Infrastructure Plan to update "The Road to Wealth and Job creation" document that was compiled in 1999, has been drafted. It is envisaged that extensive consultation with communities and municipalities will be undertaken in the forthcoming financial year.

##### Sub-Programme 1.3: Programme Support Office

##### Financial Management

The Department continues to identify areas of improvement in terms of financial management, valuing teamwork, sound planning and enthusiasm. Hence, there has been continuous improvement of quality, accuracy and reliability of the Department's financial management.

The Department has committed itself to fiscal and budgetary reform aimed at promoting budgetary transparency and improving financial management. Compliance with all relevant Financial Statutes and Regulations has been one of the focus areas in financial management.

A new economic reporting format and Standard Chart of Accounts has improved transparency and comprehensiveness of budgets. Thus, the overall quality of budgeting and financial management has improved in the Department.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

##### Loss/Debt Control

The Department's Loss Control and Debt Division facilitates the process of honoring or repudiating claims, recovering or writing off losses incurred by the Department.

During the 2004/05 financial year, more emphasis has been placed on improving communication between the relevant parties. Accordingly, all in-service debts have been timeously recovered during the year under review.

##### Payments

In respect of expenditure monitoring, the control, close monitoring and analysis of the Department's Monthly Expenditure Reports has ensured identification of areas with potential to over spend. Accordingly, the Department remained within its allocated budget during the financial year under review.

The Department also processes its own payments for services received and controls its imprest and banking accounts. Below, is a table that indicates key expenditure indicators.

**Table: Key Expenditure Indicators**

Category of expenditure	Percentages or Rands (000's)			Average Annual change
	2002	2003	2004	
Personnel expenditure as % of total expenditure	26%	22.3%	25.8%	0.1 %
Expenditure on maintenance of buildings as a % of total expenditure	0.2%	0.1%	0.65%	0.2%
Expenditure on maintenance of road infrastructure as a % of total expenditure	33.8%	39.4%	39.9%	3.1 %

##### Revenue

The Department prides itself in improving measurements of Revenue Collection during the past financial year. As a consequence, the departmental revenue increased during the financial year under review. The following table demonstrates good performance on revenue during the past financial year.



## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

Table: Departmental Revenue

Departmental Revenue R'000	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from Target
<b>Current revenue</b>	<b>529 132</b>	<b>466 397</b>	<b>611 781</b>	<b>31.1%</b>
Tax revenue	496 951	440 000	520 216	18,2%
Non-tax revenue	32 181	26 397	91 565	246,8%
<b>Capital revenue</b>	<b>35 527</b>	<b>3 250</b>	<b>2 430</b>	<b>25.2%</b>
Sales of capital assets	32 264	3 250	2 014	38,0%
Financial transactions	3 263		416	
<b>Departmental revenue</b>	<b>564 659</b>	<b>469 647</b>	<b>614 211</b>	<b>30.8%</b>

Table: Departmental Own Revenue

Departmental Own Revenue R'000	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from Target
Motor Vehicle Licence Tax	496 951	440 000	520 216	18,2%
Fines, Penalties	23 352	21 000	21 611	2,9%
<b>TOTAL</b>	<b>520 303</b>	<b>461 000</b>	<b>541 827</b>	<b>17,5%</b>

Note: Revenue for 2003/04 financial year has been restated in the 2004/05 financial year, to account for a prior year adjustment. The result of the restatement is an R8 442m decrease in revenue in 2003/04 financial year.

#### Payroll/Voucher Control

The Department has provided a good service to its customers in respect of terminations of service. Control measures have also been improved to ensure accuracy of pay points.

#### Procurement

The following table depicts the approximate rand value of contracts that were awarded during the 2004/05 financial year.

Table: Rand Value of Contracts Awarded

Contracts awarded	Value R'000	% Awarded
Departmental Contracts awarded (in terms of delegations of authority)	461 309	45%
Central Provincial Committee contracts awarded (based on recommendation by Departmental TAC)	566 924	55%
<b>Total</b>	<b>1 028 233</b>	<b>100%</b>



## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

The following diagram and tables provide more information on contracts that had been awarded during 2004/05 financial year.

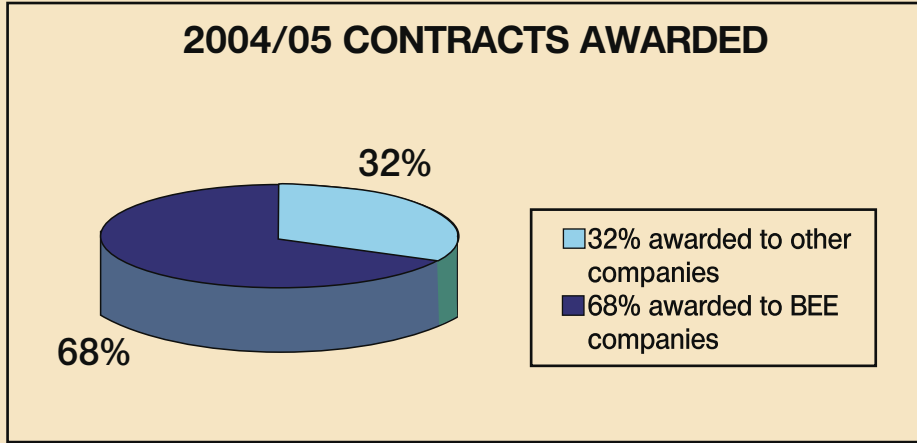


Table: Procurement

Companies	OTHER	BEE	Total
Road Building, Transportation and RTI	210 346 932	522 941 605	733 288 537
Other/Admin/General Equipment	30 453 955	22 706 754	53 160 709
Mechanical	77 821 977	149 786 327	227 608 304
Land & Building	7 783 767	112 145	7 895 912
Cleaning	000	1 359 777	1 359 777
Security	000	4 920 329	4 920 329
<b>Total</b>	<b>326 406 631</b>	<b>701 826 937</b>	<b>1 028 233 568</b>
<b>%</b>	<b>32%</b>	<b>68%</b>	<b>100%</b>



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

**Table: SMME/BEE AWARDS**

Encouragement of SMME Business	2001/02	2002/03	2003/04	2004/05
Number of contracts to SMME's	14909	17145	18345	24503
Total value of contracts to SMME's	321 m	464 m	705 m	530 m
% of total contracts to SMME's by value	41%	56%	63%	58%
Encouragement of BEE business				
Number of contracts to BEE	12585	13969	15226	24469
Total value of contracts to BEE	298 m	406 m	649 m	702 m
% of total contracts to BEE by value	38%	49%	58%	68%

#### Tender Award Committee

The Department's Tender Award Committee (TAC) has convened all its weekly meetings to ensure that contracts are awarded timeously. The Department has complied with legislation in awarding of contracts and has achieved its objectives in terms of Black Economic Empowerment.

#### Implementation of Supply Chain Management

There has been a challenge to shift from the Procurement System to Supply Chain Management (SCM) System during the year under review. The project has been led by Provincial Treasury. The aim is to transform the procurement and provisioning processes to an Integrated Supply Chain Management Process.

Accordingly, the Department has developed a strategy to facilitate the implementation process. In addition, the departmental structure has been reviewed to address capacity and lines of reporting that would ensure successful implementation of the system.

Although a departmental training programme has been formulated, roll out of training programmes is pending implementation of the system. However, during the financial year under review, key departmental personnel and management have attended a three (3) week intensive training on the fundamentals and effective implementation of SCM. The Department is confident and ready to implement SCM in the forthcoming financial year. Further training courses have also been planned to commence at the beginning of the 2005/06 financial year.

#### Financial Accounting and Reporting

The Financial Accounting and Reporting Directorate implements policies and procedures that are compliant with relevant legislation and generally accepted accounting practice. In doing so, best financial practice is achieved in the Department which results in reliable and accurate information being communicated to all users.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 1: ADMINISTRATION

##### Asset Management

To ensure compliance with the PFMA, among other projects, Asset Management has been prioritised during the past financial year. Hence, fixed asset planning, reporting and monitoring of assets during their useful life have become fundamental to effective management of the Department's business. Accordingly, the Department in conjunction with Provincial Treasury has implemented an electronic tool, HARDCAT, to manage and account for departmental assets.

To this end, departmental assets have been counted, tagged and captured on the electronic system. Proper training has also been co-ordinated for departmental officials who are responsible for asset management and control and a roll out of the system is envisaged to be completed in the forthcoming financial year.

##### Annual Financial Statements

The Annual Financial Statements for 2004/05 were prepared on an Excel template that was designed by National Treasury. This was the first time that this template was used and the Department was one of the few Departments that did not require the use of consultants. Furthermore, constructive input was given, by the Financial Accounting and Reporting staff, to National and Provincial Treasury on the shortcomings of the template, which resulted in several amendments being made to this document.

##### Year End Audit

This Directorate was responsible for the management and facilitation of the 2004/05 year end audit. Detailed audit files were prepared to aid the audit process.

During the audit several issues came to light, the most alarming of which was that the Auditor General had raised a total of 115 informal queries for the entire Department. Action plans are being put in place to improve the overall control environment in the Department thereby reducing the audit risk.

##### Internal Compliance

Internal Compliance has been established to ensure 100% compliance with administrative and financial procedures as well as to identify, investigate and report fraudulent activities.

During the 2004/05 financial year, the majority of vacant posts that existed within the internal compliance section were filled and most of the staff were subjected to extensive training.

Accordingly, all offices within the Department were inspected and reports on the status quo were issued.



Part 2

**Part 2**

## R E P O R T   O F   T H E   H E A D   O F   T R A N S P O R T

## SECTION 3: PROGRAMME 2: ROAD INFRASTRUCTURE

### Sub-programme 2.1 Programme Support Office

#### Public Private Partnership (PPP) for Sourcing Engineering Plant

Consequent to difficulties experienced by Vukuzakhe Contractors when hiring engineering plant, the Department identified a need to establish a Public Private Partnership for the hiring of engineering plants by Vukuzakhe Contractors at reasonable rates. To mention one problem, the exorbitant plant hire rates charged to Vukuzakhe Contractors increased the cost of road construction. As a result, strategies to address the situation and provide support to the emergence of Broad Based Black Economic Empowerment (BBBEE) Construction Companies who do not have ready access to engineering plants, were developed.

A feasibility study of a PPP was conducted and a document submitted to Provincial Treasury for approval. The second phase will be the roll out during the 2005/06 financial year, once approval has been obtained.

#### Technology Transfer Centre

The Department's Technology Training centre was actively involved during the 2004/05 financial year in re-alignment of the organisational structure in response to changes in customer training needs. The centre also relocated from the Pietermaritzburg Region to new offices at Head Office.

The renovations at the Technology Transfer Centre which were undertaken during the 2004/05 financial year created a conducive environment that provides standard facilities including :-

- a modern materials testing laboratory;
- a mechanical workshop for training mechanical apprentices;
- four (4) modern equipped training rooms;
- a refurbished theatre;
- two (2) computer training rooms equipped with approximately 30 desk tops;
- a documentation centre; and
- a modern boardroom.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

The centre now has adequate facilities to conduct training sessions and workshops for the Department.



*Reception area of the Centre*



*Computer Training room of the Centre*



*The Centre's Laboratory*

#### Technical Training

The Centre approached the relevant authorities with a request to obtain South African Qualification Authority (SAQA) accreditation. Although, there had been delays in the process, significant progress has been made towards the accreditation of facilitators and compilation of essential documentation.



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## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

The following tables indicate a summary of the courses that were conducted during the 2004/05 financial year and statistics of trainees who attended the courses.

<b>Table: Driver and Operator Training</b>		
<b>Course Name</b>	<b>Internal/External</b>	<b>No. of Trainees</b>
Brush Cutter and Chainsaw	Internal	45
Certificate of Competency	Internal	148
Driver Refresher Training	Internal	77
Dangerous Goods	Internal	51
Driver Training Code 10	Internal	37
Driver Training Code 8	Internal	37
Emergency Stop & Steering System	Internal	32
Truck Mounted Crane	Internal	6
Forklift Refresher Training	Internal	27
Forklift Training	Internal	10
Grader Training	Internal	118
Operator Training	Internal	26
<b>TOTAL NUMBER TRAINED</b>		<b>614</b>

<b>Table: Miscellaneous Courses</b>		
<b>Course Name</b>	<b>Internal/External</b>	<b>No. of Trainees</b>
Accident Report Workshop	Internal	25
Anti-hijacking Course	External	20
Facilitator Training	External	32
First Aid Level 1	External	32
Fire Fighting	Internal	15
Health & Safety Rep Training	External	28
Interpretation of Engineering Drawings	Internal	11
Introduction to SADC Guidelines for Low Volume Sealed Roads	External	38
Safety Training	Internal	26
M.D.W.T. Training	Internal	18
Radiation Course	External	6
Road Signs Manufacture Standards	External	151
The Role of Unit Standards in Skills Development	Internal	62
SAMTRAC	External	2
SHE	External	1
SHEPP	External	1
Transportation Services and Infrastructure	External	1
<b>TOTAL NUMBER TRAINED</b>		<b>469</b>

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

Table: Mechanical Training		
Course Name	Internal/External	No. of Trainees
Basic Arc Welding	External	12
Bell Maintenance	External	6
Bell Grader Training	External	5
Oxygen Acetylene Welding	External	19
Toyota Maintenance	External	7
Volvo Grader Training	External	9
Wear Check Level 3	External	12
<b>TOTAL NUMBER TRAINED</b>		<b>70</b>

Table: Construction & Maintenance Training		
Course Name	Internal/External	No. of Trainees
Betterment Training	Internal	21
Bituminous Products in Practice: Introductory Course	External	39
Blacktop Patching	Internal	28
Blading	Internal	6
Concrete Durability Course	External	3
Construction and Application of Hot Mix Asphalt	External	22
Construction and Application of Surfacing Seals	External	19
Design of Surfacing Seals	External	17
Gravel Processing	Internal	9
Labour Intensive Road Construction	External	20
Pavement Design	External	4
Pipe Installation	Internal	4
<b>TOTAL NUMBER TRAINED</b>		<b>192</b>

Table: Management Training		
Course Name	Internal/External	No. of Trainees
Contract Management Course	Internal	55
Effective Management & Leadership	External	21
Fleet Management Workshop	External	1
Presentation Skills Workshop	Internal	55
Project Management	External	7
<b>TOTAL NUMBER TRAINED</b>		<b>139</b>



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**Part 2**

## R E P O R T   O F   T H E   H E A D   O F   T R A N S P O R T

**PROGRAMME 2: ROAD INFRASTRUCTURE****Sub-Programme 2.2: Planning****Research & Liaison**

The Department's active participation in Technology Research and Liaison was marked by its involvement in the following committees:

- Technical Committee for Conference for Asphalt Paving in South Africa (CAPSA) 2004.
- The negotiation and signing of a memorandum of understanding with the Asphalt Academy for collaboration in conducting of asphalt related courses.
- Accelerated Pavement Testing Steering Committee.
- Asphalt Academy Advisory Board.
- Centre for Industrial and Scientific Research (CSIR) Research Advisory Committee.
- Materials and Pavement Management Sub-committees of Committee of Transport Officials (COTO).

The Department was also nominated to host the 2<sup>nd</sup> Africa T<sup>2</sup> Conference that will be held in September 2005.

A project planning manual to assist cost centre and regional managers in project planning has also been compiled.

**Laboratory & Field Testing**

There was no testing of materials that were conducted during the financial year under review due to renovations of the Centre. However, the following crucial activities were conducted:

- Bitumen Tanker Calibration Bay was completed for use by the Asphalt Industry. The Department will, during the next financial year, provide a calibrating service to asphalt contractors at a nominal fee to ensure that spray tankers meet the required standards.
- New Linear Displacement Integrator (LDI) equipment and necessary software was also purchased.
- An automatic Dynamic Cone Penetrometre (DCP) apparatus which is an equipment to measure stiffness of pavement layers for re-habilitation design has also been purchased (it should be noted that this equipment is the first to be delivered in the country).
- The Geotechnical Laboratory has been fully equipped to carry out geotechnical tests that could previously be carried out only at universities.



## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

##### Infrastructure Management Systems

The following initiatives have been undertaken by the Department:

- Modification and adaptation of DTIMS (software programme that undertakes deterioration analysis over the life cycle of a road for comparison and prioritisation) Pavement Management System.
- Modification and adaptation of DTIMS Gravel Road Management System.
- Visual inspection of 16 000 kilometres of gravel road and first production of unpaved roads maintenance needs and consequence Analysis Report.
- First production of paved roads maintenance needs and consequence Analysis Report in DTIMS.
- Traffic Counting Strategy Document have been compiled.
- Emerging contractors/businesses have been appointed to carry out manual traffic counts and expansion of traffic classification categories to include taxis and buses.
- Specification for the quarry database for users have been completed and SITA have been appointed to develop the system.
- Inspection reports on bridges have been issued.

##### Sub-Programme 2.3: Design

The planning process for upgrading of existing roads or construction of new facilities involves participation by local stakeholders. Accordingly, Rural Road Transport Forums assist the Department in prioritising proposed projects.

Likewise, input standards and safety requirements of new projects and road upgrading projects are sourced from the Community Road Safety Councils.



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## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

##### Sub-Programme 2.4: Construction

##### New Infrastructure

##### Blacktop Roads

A total of 73 kilometres of new blacktop road was completed during the 2004/05 financial year under various construction programmes. These projects were in essence an improvement and upgrading of existing gravel roads to blacktop standard. The process was also partly an improvement of road alignment and upgrading of river crossing structures.



*Road P26: Before Construction*



*Road P26: After Construction*

##### New Gravel Roads

Local Roads: During the 2004/05 financial year, a total of 430 kilometres of local roads were constructed. This brings the total length of local roads in rural areas, to date, to in excess of 3900 kilometres.

Sivulindlela Local Road, which provides access to facilities such as pension payout points, tribal court, community hall, clinic, two (2) primary schools and a high school, is one of the access roads that were constructed during 2004/05 financial year.



*Section of Sivulindlela Local Road*

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

Pictured below is Road A1594 which was also constructed by a Stage 2 Vukuzakhe Contractor, and local labour used was 48 person days. This road services community access to KwaXulu Primary School and a pension pay point.



*Road A1594*

Another new local road constructed during the 2004/05 financial year is Madonela Road. This road is located under the Umhlabuyalingana RRTF and Local Municipality. It also forms a major link between Manaba communities, Manaba Clinic, Madonela Clinic, Manaba Tribal Court, three local schools, pension paypoint and small business sites to R22 Spatial Development Initiatives. The road links Mbazwana, Hluhluwe and the N2.

The contract was awarded to a 100% black -manufacturing company which hired local labour.



*Madonela Road*



## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

Nyokeni Road under Hlabisa RRTF in the BIG 5 local municipality, which forms a major link between Mngobokazi communities, schools, pension paypoint and small business sites, was also constructed.



*Nyokeni Road*

#### Labour Based and Labour Intensive Programmes

This programme was initiated as a response to an urgent need to create job opportunities and address shortage of skills in the province. The programme promotes the utilisation of labour intensive methods of construction to maximize job opportunities.

This programme is in line with Government's Expanded Public Works Programme, which seeks to alleviate poverty and increase job opportunities by providing unemployed people the opportunity to earn an income, gain work experience and provide on the job training and skills development.

It is a well known fact that unemployment and poverty is prevalent amongst rural women and youth. Therefore, Municipalities with poverty levels between 60 and 80% were targeted for the fourteen (14) labour intensive projects listed in the following table. Construction of approximately 77 kilometres of gravel roads was undertaken in 2004/05 financial year. To date, 53,4 kilometres has been completed, with the remainder of the work scheduled to finish in 2005/06 financial year.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

The following table reflects the lists of projects and the pictures demonstrate some examples of active participation of communities in the project:

**Table: Labour Based Projects**

Project	Area	RRTF	Road Length	Allocated Budget
Nhlabamkhosi/Ngwebini Roads	Babanango	Mahlabathini	6.5	R 1 950 000
Mkhonjeni Road	Jozini	Jozini	5	R 1 250 000
Nthuthuko Road	Inanda	Durban Metro	3.8	R 1 900 000
Chibini/A3811 Roads	Ndwedwe	Ndwedwe	6.75	R 2 000 000
Mnxangala Road	Nquthu	Nquthu	9.5	R 1 375 000
Nsimbini Road	Msinga	Msinga	4.9	R 1 625 000
Mnamatha Road	Maphumulo	Maphumulo	6.9	R 1 690 000
Road A1529	Nkandla	Nkandla	10.5	R 325 000
Road L170	Ezingolweni	Ezingolweni	1.6	R 775 000
Thwabala Road	Okhahlamba	Bergville	2.8	R 1 250 000
Road D168	St Faiths	Umzumbe	5	R 1 972 000
Manhlanhla	Nongoma	Nongoma	5*	R 540 000
Trustfeeds/Isibonelo Roads	Swayimane	Umshwati	4*	R 420 000
Inkonjeni Road	Empangeni	Ongoye	5	R 590 000



*Community workers preparing a drain for headwall at Mkhonjeni Road (Jozini RRTF)*



# Part 2

## REPORT OF THE HEAD OF TRANSPORT

### PROGRAMME 2: ROAD INFRASTRUCTURE



*Community workers digging a trench for causeway at Mnxangala Road (Nquthu RRTF)*



*Community workers opening up side drains at Mkonjeni Road (Jozini RRTF)*

The picture below is Thwabala Road, which has been constructed by means of labour intensive construction methods. The project commenced in October 2004 and will be completed in the 2005/06 financial year. Currently, one hundred and fifty three (153) people are employed in this project of which 61% are youth. Training is also provided to participants.



*Thwabala Road during construction*



*Completed portion of Thwabala Road*

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## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

Community participation was the basis of the programme. Each project consisted of a Steering Committee, made up of representatives from the RRTF, Traditional Authority, Public Transport, Local Government, women and youth sectors. The Steering Committees dealt with recruitment of labour, ensured consultation with communities, as well as transparency and fairness of the process.

Labour was recruited in line with poverty-alleviation considerations, where preference was given to households with no source of income. Youth and women with some leadership potential, were specifically targeted for supervisory positions.

A total of 3 053 job opportunities were created in local communities, of which 53% were women, and 62% youth.

As part of Youth Empowerment, forty two (42) S3 civil engineering students were employed as project managers on sites. They were contracted for twelve (12) months as part of their experiential training required by technikons to qualify academically.

In support of training and skills development, the workers were trained on technical and life skills. Technical training was offered by CETA through an accredited trainer, which focused on construction activities such as laying of pipes, headwalls construction, brick making, first aid and safety. Training on life skills which was funded by the Department of Labour, focused on HIV/AIDS and basic business skills.

#### Bridges and Causeways

Bridges: Eleven (11) new bridges with a span greater than 2 metres were constructed during the year instead of the targeted 6 units.



*D1000 Bridge: During Construction*



*D1000 Bridge: Complete*



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

The construction of the Umsunduzi River Bridge No.3111 on Road A5265 commenced on 30<sup>th</sup> June 2004. The bridge consists of 4 spans, 65 metres long and 6.625 metres high, continuous with pre-cast reinforced concrete beams, single lane with foot walk. As at 31<sup>st</sup> March 2004, 80% of the work was complete.



*Umsunduzi River Bridge During Construction*

Causeways: A total of fifty seven (57) out of the fifty eight (58) causeways earmarked for the year were completed, with the balance still in progress, due to delays as a result of the rainy summer weather conditions.



*Doornkop Causeway During Construction*

A causeway in Utrecht that was collapsing and dangerous to scholars and teachers was identified as first (1<sup>st</sup>) priority by the Utrecht Rural Road Transport Forum. The causeway was completed during the 2004/05 financial year by a stage 1b contractor.



# Part 2

## REPORT OF THE HEAD OF TRANSPORT



### PROGRAMME 2: ROAD INFRASTRUCTURE

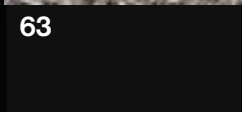


*Pitout Causeway DC25 in Utrecht during Construction*

Another contract in Umshwati, illustrated by the following pictures, was awarded to another stage 1(b) contractor.



*Gojini Stream Crossing*



*Gojini Stream Crossing*

Part 2

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### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE



*Siphandule Causeway in Pongola during construction*

Another causeway situated at Siqabazini along P522/2 under the uMhlabuyalinga RRTF was constructed. The structure is serving the community of Mnywanini and Siqabazini to access community services such as schools, a clinic and a vegetable market.



*Mnywanini Causeway*

**Pedestrian Bridges:** Two (2) pedestrian bridges were constructed to provide an all weather crossing to the communities it serves.

#### **Black Mfolozi Suspension Pedestrian Bridge**

During December 2003 the KwaZulu-Natal Department of Transport undertook to provide an all weather crossing over the Black Mfolozi River.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

Accordingly, a continuous, three span, suspension bridge consisting of steel frame supporting a plate walkway was designed. Owing to the specialised nature of a suspension bridge, the contract was awarded to an established contractor and construction commenced during February 2004.

However, wherever practically possible, local labour was recruited with the assistance of the Local Rural Road Transport Forum. Approximately, eight hundred and twenty five (825) person-days of local labour were utilised.

The project was completed during April 2004. The final structure is now a landmark in the area. Previously the community was isolated.



*Black Mfolozi Pedestrian Bridge*

#### Eshowe Pedestrian Bridge

Another pedestrian bridge was completed during August 2004 across Main Road P47/4 in Eshowe. The bridge serves as an access walkway for communities to the town of Eshowe.

The contract was awarded to a stage 3 contractor, who recruited local labour. This bridge provides a safe crossing for school children and has become an eye-catching landmark in the area.



*Eshowe Pedestrian Bridge*



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

##### Road Upgrading

Good progress was made with the provision of agricultural link roads in rural areas serving nodes of agricultural activity and potential agricultural nodes.

During the 2004/05 financial year, twenty (20) kilometres of roads were surfaced and a total of sixty-two (62) kilometres of tracks were upgraded to well engineered gravel road standard.

This programme ensures access is provided for agricultural purposes and to local people.

Below are pictures of Road D1820 which is an agricultural road project in the Nongoma area. The road also serves the Nyokeni Royal Palace.



*Road D1820: Before Construction*



*Road D1820: After Construction*

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 2: ROAD INFRASTRUCTURE

Main Road P236 from Mkhuze Town through the beautiful mountains of Ubombo, linking Ubombo Town and Bethesda Hospital to Jozini Dam and agricultural land in Makhathini flats, was upgraded in the 2004/05 financial year. Nine (9) kilometres of the road have been upgraded from gravel to blacktop from Mkhuze to Ubombo Town during the past financial year.



*Portion of upgraded P 236*

#### African Renaissance Roads Upgrading Programme

The African Renaissance Roads Upgrading Programme (ARRUP) currently comprises the upgrading of eight major rural road transport corridors and one urban transport corridor. Collectively, the ARRUP projects provide strong evidence to support the view that the KwaZulu-Natal Department of Transport is making significant progress towards bridging the gap between our first and second economies.

An efficient and effective transport system is considered a necessary condition for economic growth and development. It is common cause that a major legacy of the apartheid and separate development era is that our democratic Government inherited a situation in which the majority of rural communities, as well as some urban and peri-urban communities, did not have adequate access to transport facilities. Their physical isolation also resulted in their social and economic isolation from the rest of South Africa. It is this isolation that has led President Thabo Mbeki to coin the concept of a "second" economy.

The budgets allocated in support of ARRUP are large and, in all likelihood, represent the largest capital expenditure to stimulate rural economic and social development made by any Provincial Government in South Africa. Certainly, the magnitude of investments made into ARRUP projects, which traverse communities with deep rooted poverty, undoubtedly are the largest capital investment made by Government within beneficiary communities.

As such, all ARRUP projects are expected to result in the integration of complex changes both to the construction industry of KwaZulu-Natal and to the lives of beneficiary communities. ARRUP is expected to renew beneficiary communities in that a minimum target of 70% of total budget allocations is directed towards broad based black economic empowerment, including the support of local suppliers, entrepreneurs and work seekers. ARRUP is also expected to kick start stagnant rural economies by dramatically reducing local transport overheads and accessing communities to a new dispensation in investments concerning the agricultural, tourism and transport sectors.



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## Part 2

### R E P O R T   O F   T H E   H E A D   O F   T R A N S P O R T

#### PROGRAMME 2: ROAD INFRASTRUCTURE

It is pleasing to report that all ARRUP projects are on line to achieve a 70% budget allocation towards securing broad based black economic empowerment. Indeed, some projects have achieved 100%. Thus, for example, the Ndwedwe Project has, since inception, spent its entire budget on broad based black economic empowerment objectives to achieve:

- twenty two (22) kilometres of road design and supervision undertaken by HDI Professional Engineers;
- eight (8) kilometres of road constructed in its entirety by Vukuzakhe emerging contractors;
- materials to the value of R 200,000 was procured from local suppliers; and
- three hundred and thirteen (313) local labour opportunities created.

As investments into ARRUP projects increase, so too, does the ability of the programme to unlock the economic potential of rural communities and their natural resources. The Department has identified the land, agricultural, water and other development potentials that exist in “development corridors” around all ARRUP projects. This Department’s immediate objective is to target a five (5) kilometre radius “development corridor” for concentrated development initiatives.

Thus, for example, in the Nongoma Project comprising the upgrading of main roads 235, 49 and 52, the following initiatives have been implemented or are planned under the “development corridor” approach to integrated and sustainable rural development.

The following local water resources are being developed and offset against an alternative budget of R9, 75 million required to haul water from the Umfolosi River:

- A weir, complete with fish ladder for environmental purposes, has been constructed on the Matshanyama River. This has already stimulated the development of two community gardens, a concrete block factory and a new site for community recreation and laundry purposes.
- A 7, 5 metre high dam wall across the Nzimane River with a storage capacity of approximately 50 000 m<sup>3</sup> has been planned. This will provide adequate storage for Hlabisa Town and allow for its expansion.
- Three (3) boreholes have been sited, drilled and test pumped. Major underground water resources have been identified which will be used to establish a range of agricultural projects including stock dams and irrigated gardens.

The small rural town of Hlabisa has been beautified with new sidewalks, paved areas and public transport facilities.

The introduction of “development corridors” has only been achieved through the co-operation of provincial and local government with the community at large. Increasingly, ARRUP “development corridors” are resulting in a wide range of government departments co-operating in planning and pooling their resources in the best interests of beneficiary communities. Corridor development promotes a more integrated response to the multi-dimensional and complex nature of poverty.

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#### PROGRAMME 2: ROAD INFRASTRUCTURE

Although ARRUP is still a very young programme, it is already clear that its innovative approach to road construction has contributed significantly to the social and economic empowerment of beneficiary communities. ARRUP is undoubtedly creating a bridge between the first and second economies in KwaZulu-Natal. It is anticipated that ARRUP policies, procedures and methodologies will provide a new framework and dispensation for road building in South Africa.

The following table represents the investments to date in the ARRUP programme.

**Table: ARRUP summary of expenditure to March 2005**

PROJ	ROAD NO.	DESCRIPTION	KM	EXPENDITURE	EXPENDITURE	EXPENDITURE	EXPENDITURE	EXPENDITURE	OUTPUTS TO DATE		
				2001/2002	2002/2003	2003/2004	2004/2005	TOTAL TO DATE	ROAD KM	STRUCTURES MAJOR	PERSON DAYS
Nkandla	P15/1&2	Washi River - Komo	25.6	0	1 614 872	5 223 391	15 175 223	22 013 486	4.2	1	24 714
Nkandla	P15-1&50/2	Ntonjani-Woshi River, Komo - Entumeni	21.5	0	0	0	406 389	406 389	0.0	0	0
Nkandla	P50/2	Komo - Nkandla Forest	23	0	405 213	904 5017	13 777 660	23 227 890	3.0	0	17 362
Nkandla	P50/3	Nkandla - Fort Louis	17.5	1 245 237	7 419 343	13 616 775	13 212 847	35 494 202	17.0	1	29 640
St Faiths	P68/1	Highflats - St Faiths	24	618 987	2 506 947	14 379 689	12 177 786	29 683 409	7.5	0	19 156
St Faiths	P68/2	St Faiths - Assisi	24.3	7 000 000	3 490 838	13 275 905	20 062 626	43 829 369	7.9	0	42 355
Ndwedwe	P100	Ndwedwe - Inanda	31.4	5 952 561	2 082 011	13 746 028	25 438 604	47 219 204	10.3	0	41 612
Nongoma	P235/1&2	Hlabisa - Nongoma	60	14 578 128	84 849 200	34 388 245	51 409 033	185 224 606	28.7	11	76 976
Nongoma	P49/2	Nongoma - Mkhuze River	29.6	0	0	0	4 266 536	4 266 536	0.0	0	1 122
Nongoma	P52/3	Nongoma - Ngome	27.7	0	0	287 856	332 483	620 339	0.0	0	0
Ongoye	P240	Obanjeni - KwaMaqwakazi	28.6	623 320	4 362 950	17 521 166	31 538 263	54 045 699	5.2	4	31 988
Ongoye	P230	Mandawe - KwaNeekwane	31	0	0	0	358 639	358 639	0.0	0	0
Osizweni	P296/38	Osizweni - P272	27.3	345 471	1 045 461	11 060 993	16 108 332	28 560 257	4.5	0	24 172
Vulindlela	P399	Nxamalala - Taylors Halt	12.8	427 909	1 025 278	10 480 874	12 959 659	24 893 720	1.5	2	15 532
<b>Total</b>				<b>30 791 613</b>	<b>108 802 113</b>	<b>143 025 939</b>	<b>217 224 080</b>	<b>499 843 745</b>	<b>89.8</b>	<b>19</b>	<b>324 629</b>

PROJ	ROAD NO.	DESCRIPTION	KM	EXPENDITURE	EXPENDITURE	EXPENDITURE	EXPENDITURE	EXPENDITURE	OUTPUTS TO DATE		
				2001/2002	2002/2003	2003/2004	2004/2005	TOTAL TO DATE	ROAD KM	STRUCTURES MAJOR	PERSON DAYS
Cabinet Projects	P577	Duff's Road - KwaDabeka	14	0	0	24 602 000	46 045 531	70 647 531	0.0	3	46 938
	P700	Ulundi - Richards Bay	89.6	0	0	23 400 000	32 654 253	56 054 253	14.0	3	30 217
<b>Total</b>			<b>103.6</b>	<b>0</b>	<b>0</b>	<b>48 002 000</b>	<b>78 699 784</b>	<b>126 701 784</b>	<b>14.0</b>	<b>6</b>	<b>77 155</b>

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#### PROGRAMME 2: ROAD INFRASTRUCTURE

The following pictures demonstrate part of a road that has been constructed under this project.



*P240 : Ongoye Link Road : Start of the Project KM 0,0*



*P240 : Ongoye Link Road : Km 0,7*

**Cabinet Projects:** Two major road construction projects, namely Main Road 577 from Duff's Road to Clermont and Main Roads 700 and 701, a new link between Ulundi and Empangeni had been supported by Provincial Cabinet. Good progress had been made on both projects.

#### **P577: Duff's Road to Kwa-Dabeka**

- Main Road 577 is a proposed high standard dual carriageway urban arterial extending from Duff's Road to Kwa-Dabeka, over a distance of 14 kilometres. Once completed it will provide an alternative east-west link between the greater Inanda, Ntuzuma, KwaMashu, Phoenix and Newlands residential areas and the Pinetown/ New Germany industrial and commercial complex. The arterial will cross the Mgeni River on a high-level viaduct.
- Construction of this four-lane urban arterial with signalised intersections commenced in April of the 2003/04 financial year and the project is expected to be completed during the 2008/09 financial year.
- The first five (5) kilometre section of P577 between Duff's Road and Inanda Road will be opened to traffic during the forthcoming financial year. This is scheduled to coincide with the opening of Nandi Drive between the N2 and P577, a project being funded by the eThekweni Municipality.



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#### PROGRAMME 2: ROAD INFRASTRUCTURE

##### Physical Progress

- Earthworks between Duff's Road and Inanda Road has been completed and the layer-works construction is in progress. The Vukuzakhe contractor has set up a casting yard on site and is manufacturing 100 kerbs a day which is within the set target.
- The soft earthworks on the 600 metre section of Inanda Road are also complete. This section required blasting. The blasted rock is being removed and stockpiled for use in the construction of rock toes in phase two (2). However, due to rocks, the project is delayed and is envisaged to be completed during the forthcoming financial year. Shortly, three (3) Stage 1 contractors will be commencing the ancillary works.



Construction of kerb and channel on P577

##### P 700 : Ulundi to Hluhluwe /Mfolozi Park

Main Road 700 is to be constructed in the following two phases:

- Phase 1: Description: Ulundi to Hluhluwe Mfolozi Park  
Length: 35 kilometres
- Phase 2: Description: Hluhluwe Mfolozi Park to Empangeni /Richards Bay  
Length: 55 kilometres

The construction on Phase One (1) began during the 2003/04 financial year and during the 2004/05 financial year, the following progress was made.

- The portion of road between kilometre three (3) and kilometre 14 (11 kilometres) has been surfaced resulting in the first 14 kilometres being surfaced. To date, some 75 000 m<sup>2</sup> of material has been moved.
- The two (2) bridges, namely Ntukwini and Mtonjaneni have been widened and two culverts constructed.
- 16 400 person days of work was created resulting in R1,1m going back to the community.



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#### PROGRAMME 2: ROAD INFRASTRUCTURE



*Umsimbiti Base Course Construction on site*



*Mpuze River Bridge Under Construction*



*Road P700 Nearing Final Completion*

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#### PROGRAMME 2: ROAD INFRASTRUCTURE



Completed section of Road P700

#### Road Outputs

Heavy summer rains caused extensive damages and delays in construction activities. However, the Department managed to meet most targets, and only an insignificant fraction of the total target could not be achieved.

Table: Construction of Road Infrastructure by Region

Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target	
				Unit	%
<b>Region 1: Empangeni</b>					
Highways (no of km)					
Surfaced roads (excluding highways) (no of km)	30	41	43	2	4.9
Gravel roads (no of km)	258	356	348	(8)	(2.2)
Unsurfaced dirt roads (no of km)					
Bridges with span > 2 metre (No.)	3	5	9	4	80
Pedestrian bridge (No.)					
Causeways (No.)	26	23	20	(3)	(13)
<b>Region 2: Ladysmith</b>					
Highways (no of km)					
Surfaced roads (excluding highways) (no of km)	2	3	3		
Gravel roads (no of km)	177	146	157	(11)	(7.5)
Unsurfaced dirt roads (no of km)					
Bridges with span > 2 metre (No.)		1	1		
Pedestrian bridge (No.)					
Causeways (No.)	6	12	14	2	16.7



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#### PROGRAMME 2: ROAD INFRASTRUCTURE

**Table: Construction of Road Infrastructure by Region**

Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target	
				Unit	%
<b>Region 3: Pietermaritzburg</b>					
Highways (no of km)					
Surfaced roads (excluding highways) (no of km)	20	2	6	4	300
Gravel roads (no of km)	109	59	61	2	3.3
Unsurfaced dirt roads (no of km)					
Bridges with span > 2 metre (No.)	5	0	1		
Pedestrian bridge (No.)					
Causeways (No.)	16	9	9		
<b>Region 4: Durban</b>					
Highways (no of km)					
Surfaced roads (excluding highways) (no of km)	2	20	21	1	5
Gravel roads (no of km)	130	79	94	15	19
Unsurfaced dirt roads (no of km)					
Bridges with span > 2 metre (No.)	3				
Pedestrian bridge (No.)					
Causeways (No.)	14	14	14		
<b>Province</b>					
Highways (no of km)					
Surfaced roads (excluding highways) (no of km)	54	66	73	7	10.6
Gravel roads (no of km)	674	640	660	20	3.1
Unsurfaced dirt roads (no of km)					
Bridges with span > 2 metre (No.)	11	6	11	5	83.3
Pedestrian bridge (No.)		2	2		
Causeways (No.)	62	58	57	(1)	(1.7)

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#### PROGRAMME 2: ROAD INFRASTRUCTURE

##### Sub-Programme 2.5: Maintenance

##### Provincial Road Maintenance

Due to the ever increasing traffic volumes experienced on the province's road network, as well as general ageing of the existing road network, more funds and attention has been required to maintain roads to an acceptable standard. Notwithstanding the limited funds available for general road maintenance, the Department made achievements through its road maintenance programmes during the year under review.

##### Preventative Maintenance: Blacktop Road Resealing

All blacktop roads experience a drying out of the bitumen or tar used in the process after construction. The rate of deterioration depends mainly on the traffic volumes on the road as well as climatic conditions. Invariably, most blacktop roads need to be resealed by the time they are 8 – 10 years old. If this resealing is performed diligently, it controls the ageing of the road and prevents early rehabilitation. This programme is thus critical in preventative maintenance and needs to be funded adequately.

During the year under review, a total of 679 942m<sup>2</sup> (approximately 72 kilometres) of blacktop resealing had been performed.



*Road D173 Before Resealing*



*Road D173 After Resealing*



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#### PROGRAMME 2: ROAD INFRASTRUCTURE

##### Regravelling

Regravelling of rural roads is crucial. Access to services such as schools, clinics, medical facilities, etc, is severely hampered if roads are not regravelled. Due to scarce suitable gravel sources, the cost of regravelling has escalated. This is of particular concern in environmentally sensitive areas where opening of new quarries is not permitted. This results in long delays, long haul distances and as a consequence, less gravelling can be performed.

A total of 906 kilometres of road had been regravelled throughout the province. Although this is below the target, the Department has made considerable progress as a result of additional work performed to catch up with some of the backlog.

Included in the total kilometres of road is a 3,3 kilometre of gravel road, pictured below, which had been regravelled by a stage 2 contractor. A total of 480 person days of work was created to benefit commercial farmers, transporters of timber, communities to access schools, farms, industrial areas, and other linkages in this project.



*Road: P 309*

Another project of fourteen (14) kilometres had been undertaken in the Greytown area on D1639. This road is from Vukapansi to Washi River Road and connects a large community to a clinic and small local businesses.

The project commenced in May 2004 and heavy reshaping of the road for gravelling had been undertaken. Regardless of challenges such as heavy rocks and fencing that were encountered during construction, the project was completed during March 2005



*Road D1639 before reshaping of the road*

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#### PROGRAMME 2: ROAD INFRASTRUCTURE



*Road D1639 after reshaping of the road*

Road P444 pictured below from Nseleni to Ophande River in the uMhlabuyalingana RRTF serves as the main road in the Jozini Area, and was also regravelled. It connects lodges, schools, a clinic and game reserves that are along the road.



*Road P444*

#### Blacktop Road Rehabilitation

Due to financial constraints and a history of insufficient funds for blacktop rehabilitation, the Department had and still has, a backlog.

Despite the aforementioned, the Department performed well during the 2004/05 financial year. A total of 462 558m<sup>2</sup> (approximately 49 kilometres) of light rehabilitation and 438 546m<sup>2</sup> (approximately 46 kilometres) of heavy rehabilitation work was complete during the past financial year.

However, in light of the 2010 Soccer World Cup, this programme needs additional funding to ensure that the province's road network is capable of accommodating higher volumes of traffic, anticipated on the major road links. New blacktop roads which have been added to the network



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#### PROGRAMME 2: ROAD INFRASTRUCTURE

over the last ten years will also gradually require additional maintenance in the form of resealing and some rehabilitation work. Thus, additional funds will be required to cater for this additional demand.

Pictured below are parts of one of the roads that was rehabilitated during the past financial.



*P93 Verulam to Inanda Road and the N2 Interchange-Malandela Road*



*A portion of Mandela Road*

Rehabilitation of Road P82 had been challenging due to high traffic volumes. Thus, strategic site meetings to address safety of road users had to be given high priority. During 2004/05 financial year 1.6 kilometres of this road had been rehabilitated.

Various portions of Road P82, (Pinetown – Edwin Swales VC Drive) were also rehabilitated with concrete inlays as shown in the following pictures.



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#### PROGRAMME 2: ROAD INFRASTRUCTURE



*Sections of Road P82 During Rehabilitation*

#### **Routine Maintenance:**

Routine maintenance is performed along all provincial roads within the Province. The Department has successfully carried out the following activities in 2004/2005 financial year comprising of 107 826m<sup>2</sup> of blacktop patching and 79 009 kilometres of blading.

#### **Zibambele Road Maintenance Programme**

Zibambele, which means "doing it for ourselves", is a form of routine road maintenance using labour intensive methods in which a family or household is contracted by the KwaZulu-Natal Department of Transport to maintain a specific length of road on a part-time basis. The Zibambele programme specifically targets long-term unemployed persons in rural communities. In its initial phase the programme focused on those families that rural communities themselves identify as most destitute. It is a strongly gender affirmative programme in that, thus far, some 95% of all Zibambele contracts have been awarded to women headed households. This programme has managed to change the gender stereotypes by allowing women to play a role within the construction industry and maintenance of the KwaZulu-Natal rural road network, while creating opportunities for them to provide income for their families.

The contractors are expected to work a maximum of sixty (60) hours per month allowing adequate time for other activities. The duties performed include maintaining the road drainage system, ensuring good roadside visibility and maintaining the road surface in good condition. At the end of the 2004/05 financial year, 23 451 Zibambele contracts were awarded.



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### PROGRAMME 2: ROAD INFRASTRUCTURE



*Zimbabwe contractors clearing drains along D1133 known as (KwaNzokane Loop Road) in the Vulindlela RRTF area, Pietermaritzburg*



*Zimbabwe Road Workers Opening Up Drains*

A number of external evaluations had been conducted to investigate both the impact and effectiveness of the programme. The results of the evaluation conducted by SALDRU revealed that the programme offered a highly cost effective public works model regarding creation of employment and transferring resources to participants.

In November 2004, the programme was nominated for the Standard Bank CPIS Public Sector Innovations Awards which recognizes innovations by the public and private sector. The programme was the second runner up in the Public Sector: Service Partnerships Category. The investment into the Zimbabwe programme is listed in the following table.

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#### PROGRAMME 2: ROAD INFRASTRUCTURE

**Table: Zimbabwe Investments**

	Financial Years						Total
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	
Total Payments to Zimbabwe Contractors (R millions)	R10.0	R18.1	R42.0	R54.6	R66.6	R87.0	R278.3
No. Of Zimbabwe contractors (person years)	1 031	6 031	9 856	14 910	17 104	23 451	23 451
Length of roads maintained by contractors	1 186	3 920	6 406	9 692	11 118	15 423	15 423
Zimbabwe training budget (R millions)	R1	R1	R3	R3	R4	R3	R15
Monthly salary paid to Zimbabwe contractors	R250	R250	R334	R334	R350	R370	R370

#### Flood Damage:

Heavy rains in January and February 2005 caused substantial damage to local road structures. The flood damages were quite extensive, ranging from gravel that was washed away off roads, pipe culverts that were washed away, rock falls and mudslides, etc. Those damages severely affected access on the road; hence urgent repairs had to be undertaken.



*Damaged Mbhekani Structure*

#### Maintenance Outputs:

The following tables, show in summary, performance on road maintenance by the Department:



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### PROGRAMME 2: ROAD INFRASTRUCTURE

**Table: Maintenance Performance (2003/04 - 2004/05)**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Maintenance as % of Programme 2 budget	Percentage	50.7%		40.0%		
<b>Process</b>						
Projects started on schedule	Percentage			67%		
Projects started more than 3 months late	Percentage			11.5%		
% difference between actual and planned expenditures:	% deviation					
· 1st quarter				49%		
· 2nd quarter				61%		
· 3rd quarter				86%		
· 4th quarter				124%		
<b>Output</b>						
Light Rehabilitation	Number of km <sup>2</sup>	0.545524	0.550000	0.462558	(0.087442)	(15.9)
Heavy Rehabilitation	Number of km <sup>2</sup>	0.244471	0.330000	0.438546	0.108546	32.9
Reseal tarred roads	Number of km <sup>2</sup>	0.674098	0.750000	0.679942	(0.070058)	(9.3)
Perform blacktop patching	Number of km <sup>2</sup>	0.125401	0.090000	0.107826	0.017826	19.8
Blade Gravel Roads	Number of km <sup>2</sup>	79225	75000	79009	4009	5.3
Re-Gravel Roads	Number of km <sup>2</sup>	1 190	800	906	106	13.3
Blade unsurfaced dirt roads	Number of km <sup>2</sup>					
<b>Efficiency</b>						
Projects completed on schedule	Percentage			80%		
Projects completed more than 3 months later than scheduled	Percentage			10%		

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## SECTION 4 PROGRAMME 3: PUBLIC TRANSPORT

### Sub- Programme 3. 1: Planning

#### KwaZulu-Natal Freight Transport Policy:

The KwaZulu-Natal Department of Transport formulated a Provincial Freight Transport Policy to define the role of the province in the application of the National Freight Transport Policy. The policy provides strategic direction for the freight transportation industry and aims to facilitate socio-economic development in the province. It is a tool to ensure unity in vision and coordinated action amongst stakeholders at national, provincial, local and community levels. It also serves as a catalyst for developing future plans for the province, and stipulates key objectives for the development of a strategy and implementation thereof. It also proposes coordinative structures that foster the integrated approach required for the holistic development of the country.

The KwaZulu-Natal Freight Transport Policy mainly deals with broad issues affecting all modes of transport (i.e.) Road, Rail, Pipelines, Air & Maritime. The purpose is to retain and develop the freight transport system in KwaZulu-Natal; to address the needs of the province, the country and SADC region; to create sustainable freight transport systems through modal and inter-modal optimisation and to regulate and provide adequate facilities with supportive human resource development.

The Department also compiled the KwaZulu-Natal White Paper on Freight Transport within the ambit of the national and provincial strategic visions, and within the framework of the White Paper on National Transport Policy. The policy formulation process was an extensive exercise with consultation and participation by stakeholders. Public participation sessions were also held throughout the province.

The freight policy aims to achieve the following:

- the preservation of infrastructure;
- seamless intermodal operations;
- improved service to customers and users of the freight industry by reducing costs and improving reliability and timeous delivery to increase global competitiveness;
- optimised use of capacity and effective management of operations;
- job creation and establishment of SMME's, but not at the expense of competitiveness;
- reduced coordination between the various sectors and transport modes in the freight industry.
- the establishment of intermodal facilities;
- improved Port Congestion;
- enhanced Overloading Control;

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#### PROGRAMME 3: PUBLIC TRANSPORT

- improved Rail utilisation; and
- improved Law Enforcement Resources.

The policy was officially launched on 29<sup>th</sup> October 2004. The National Minister of Transport Honourable Jeff Radebe, the Provincial MEC for Transport, Community Safety and Liasion Honourable Bheki Cele, and the Mayor of Pietermaritzburg, His Worship Councillor Hloni Zondi were amongst the guest speakers.

##### **Integrated Freight Strategy:**

The Integrated Freight Transport Strategy is an action plan to expedite the efficient implementation of the Freight Transport Policy. The strategy clearly defines the KwaZulu-Natal Department of Transport's role in the provincial freight industry as well as the role and responsibilities in the national context. It attempts to address infrastructural needs, system inefficiencies and communication structures. The strategy describes the major freight transport challenges to the province and proposes strategic actions to address each identified issue.

Based on the strategy, an implementation programme scheduled to commence during the 2005/2006 financial year, was developed.

##### **Policy and Planning:**

In an endeavour to plan, develop and manage a transportation system that conforms to the mobility needs of the public, industry, Government and promote sustainable development, the following were achieved;

- constant development and reviewing of public transport policies and legislation;
- developing, coordinating and managing the provincial and municipal passenger transport plans to ensure an affordable, sustainable, safe and attractive public transport system; and
- the introduction and promotion of transport research special projects.

The Department prides itself in developing public transport policies and practical transport plans that will continue to ensure a better life for all the citizens of the province. Further achievements are highlighted in the following projects.

##### **Scholar Transport Operations**

The Department has been instrumental in creating scholar transport awareness campaigns which is intended to ensure that public transport operators, communities, schools and planning authorities fully understand the department's policies on scholar transport operations. The awareness campaigns were in the form of workshops, meetings, radio talk shows, pamphlet distribution, etc. The strategic document on scholar transport legitimisation and formalisation was completed and implemented.

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#### PROGRAMME 3: PUBLIC TRANSPORT

The following picture depicts learners transported by a light delivery van. This means of transportation presents a hazard to these children.



*Learners in a Light Delivery Van*

Accordingly, the Department successfully developed a good working relationship with the KwaZulu-Natal Department of Education to address crosscutting issues.

#### Passenger Planning:

There has been a significant change in Transport Policy since the beginning of the new dispensation which could be traced back to the following prescripts:

- The South African Constitution of 1996;
- Reconstruction and Development Plan (RDP);
- National Transport White Paper of 1996; and
- National Land Transport Transition Act (NLTTA), 22 of 2000.

In addition, the Department prepared Public Transport Plans (PTP) to incorporate the Operating Licence Strategy and Rationalisation Plan to minimise the cost of preparing legislated plans.

During the 2004/05 financial year, planning authorities developed their own transport planning processes. However, lack of adequate capacity coupled with misunderstanding of national guidelines were noted.

The following table indicates progress that had been achieved on legislated transport plans.



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#### PROGRAMME 3: PUBLIC TRANSPORT

**Table: Statutory Plans**

District Municipality/Metro	Status of Statutory Plans
DC 21- Ugu	Phase 1 and 2 of the Current Public Transport Records process were completed and the Final Draft is presently being evaluated.
DC 22- Umgungundlovu	The Current Public Transport Records and Public Transport Plan have been completed, and are currently in the approval process.
DC 23- Uthukela	Phase 1 and 2 of the Current Public Transport Records have been completed and the final draft is being evaluated.
DC 24- Umzinyathi	Phase 1 and 2 of the Current Public Transport Records process have been completed.
DC 25- Amajuba	Phase 1 and 2 of the Current Public Transport Records and Public Transport Plan have been completed and are currently in the approval process.
DC 26- Zululand	Phase 1 and 2 of the Current Public Transport Records process have been completed.
DC 27- Umkhanyakude	The Current Public Transport Records and the procurement phase for preparing the Public Transport Plan have been completed.
DC 28- Uthungulu	The Current Public Transport Records and Integrated Transport Plan have been completed and are currently in the approval process.
DC 29- Ilembe	Phase 1 and 2 of the Current Public Transport Records have been completed and the Public Transport Plan is in the final stage.
DC 43- Sisonke	Phase 1 and 2 of the Current Public Transport Records have been completed. Public Transport Plan is in the final stage.
eThekwini Municipality (Metro)	The Current Public Transport Records and Public Transport Plan have been completed. The Integrated Transport Plan is currently in the approval process.

#### Provincial Guidelines and Supportive Strategies for District Municipalities:

Based on a solid provincial framework, district municipalities started to develop their own planning processes. However, the Department continued to play a guiding and coordinating role by developing guidelines such as Provincial Operating Licence Framework (POLSF), and Cost Model and Provincial Land Transport Framework (PLTF). The POLST cost model is currently being piloted and evaluated within the uThungulu District Municipality. The PLTF had been submitted to the National Department of Transport for evaluation and approval.

In addition to the abovementioned strategies, the following supportive intervention on legislated transport plans had been made during the 2004/05 financial year.

#### Capacity Building and Public Participation:

District municipalities have an added responsibility to produce legislated transport plans. Therefore, there was a need for extensive consultation and capacity development within the district municipalities.



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The Department arranged with the University of Pretoria to facilitate a workshop on capacity building for transport planning at municipal and provincial government levels. All district municipalities were invited to the workshop.



*A Senior Departmental Official Issuing Certificates of Attendance to a Capacity Building Workshop*

The Department has also successfully supported planning authorities in establishing Public Transport Planning Forums. The forums comprise of communities, consultants, operators and municipal and provincial officials. Thus far, six (6) district municipalities have established forums and four (4) are in the process of establishing their forums.



*Amajuba District Municipality Public Transport Representatives Participating in a Workshop*



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##### Public Transport GIS Progress:

Conceptualisation of the Public Transport Geographic Information System (PTGIS) has been completed, and provincial facilities and a route coding system has been finalised. In terms of the PTGIS, a request was made to the service provider to develop a database and capture CPTR information into a GIS format. The map below indicates movement patterns within and outside the municipal boundaries. This is going to assist the private and public sector to make well informed decisions such as assisting the private sector in the identification of routes that hold potential investment opportunities for development, and the Department to identify which routes are worth subsidising.



*Sisonke District Municipality Movements Pattern: Information collected during Current Public Transport Records Surveys*

##### Flagship Projects Emanating from Planning Processes:

Planning exercises undertaken by the Department and relevant stakeholders resulted in joint identification and initiation of the Edendale-Northdale transportation corridor project by the Department and the Msunduzi Municipality. This project entails upgrading facilities and services along the corridor in support of improved public transport services. As at the end of 2004/05 financial year, the following progress had been made with regard to this project.

- upgrading and development of non-motorised transport infrastructure had commenced;
- upgrading and development of side walks and cycling facilities along the corridor had commenced; and
- retaining wall had been designed, surveyed and constructed.

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##### Reconstruction and Development Projects (RDP)

The Department commits bus contractors to social development by entering into agreements with service providers. Accordingly, several infrastructure projects were completed during the 2004/05 financial year. The classroom pictured here was constructed in Mkuze.



*Nsimbane Primary School*

The following picture depicts a classroom that had been renovated to an acceptable standard.



*Inkuthazeko Primary School*

##### Public Transport Subsidies:

The Department continued to implement public transport subsidies on an agency basis on behalf of the National Department of Transport. The Department has its own target procurement objectives on all contracts for public transport services to facilitate equity in the public transport sector. These are as follows:

- a minimum of 30% of all contracted services is targeted with a minimum of 50% HDI equity; and
- the remaining 70% of contracted services is targeted for companies with a minimum of 35% HDI equity.



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##### Administration, Monitoring and Control of Subsidised Transport Contracts:

The bus subsidy allocation from the National Department of Transport increased from R420 million in 2003/2004 to R452 million in the 2004/05 financial year. Subsidised passenger trips during the past financial year were 1 305 853, in number. Of these scheduled trips, 735 169 trips (56%) were monitored by monitoring firms contracted to the Department, to ensure that safe, reliable and affordable bus transport services were provided to communities.

During the year under review, new buses were acquired by subsidised bus operators resulting in capital investment of over R 130 million in public transport.

The table below indicates the number of new buses acquired by various operators.

**Table: Operators**

Operator	No Of New Buses
Remant / Alton	131
Impendle	2
Sizanani	4
<b>TOTAL</b>	<b>137</b>

##### Sub-Programme 3.2: Infrastructure

Driver fatigue is considered as one of the major causes of accidents, not just in the Province of KwaZulu-Natal, but in the global sphere as well. Drivers are often compelled to drive for long hours without stopping, due to lack of suitable truck stops. Presently, truckers are stopping at toll plazas, city streets, interchanges and vacant land, which leads to congestion, accidents, hijacking and thefts. Social threats such as HIV and alcoholism also manifest in these drivers. Law enforcement officers are hampered in their efforts to stop truckers from parking illegally due to limited appropriate facilities.

As a result of this, the KwaZulu-Natal Department of Transport commissioned a study to identify appropriate sites for the strategic location of truck stops on the road freight network. The study revealed the urgent need for truck stops in the following areas:

- Durban – within the port precinct,
- Richards Bay, and
- Pongola.

The Department in conjunction with the National Department of Transport and other stakeholders will source land for the construction of truck stops, and construction is envisaged to commence during the 2005/06 financial year. A costing model will be developed to ensure that these truck stops sustain themselves as going concerns in the future.

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The pictures below reflect congestion at truck stops.



*Truck Stop*



*Truck congestion at the Port*

#### Revival of the Rail Branch-Lines

Rail branch lines in the Province of KwaZulu-Natal form 1007 kilometres of network in length and traverses wide areas of the rural countryside of the province. However, these rail branch line operations are currently unsatisfactory and have deteriorated. These conditions contribute to gross under utilisation of these lines and overburdening of roads at a rate which causes concern to the Department.

The tonnage on the branch lines declined from 4 million tons in 1998 to 2.5 million tons in 2002. The loss of cargo was due to a modal shift from rail to road which consequently led to more heavy vehicles utilising roads, and hence accelerated deterioration of the road network, increased fatal accidents and congestion. Consequently, a strategy was urgently required to remedy the situation.



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*Containers Transported on Rail*

Accordingly, the Department conducted a study to identify a model that can be applied to revive branch lines and optimally split cargo between road and rail. This model was successfully developed and supported by National Department of Transport. The implementation process of the model had been initiated in the province's branch lines.

The Nkwalini Line to Empangeni had been selected as a pilot project. This line is scheduled to be upgraded to a safe operating level in the next financial year. The implementation of this project will involve local communities as labour intensive methods will be adopted.

#### Sub-Programme 3.3: Empowerment and Institutional Management

##### Business Skills Training

The road freight industry is currently dominated by well established operators due to high capital costs that restrict the entry of small transport operators into the industry.

The Department has identified a need to provide small transport operators with formal business training as a first (1<sup>st</sup>) phase to assist them with entry into the industry. The five (5) modules that were recommended are Business Management, Bookkeeping, Marketing Management, Costing and Pricing and Freight Policy. A total of one hundred and fifty one (151) people who represent ten (10) transport cooperatives in four (4) regions had been trained during the 2004/05 financial year.



*Trainees representing transport cooperatives*

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##### Co-operative Development Workshop

A need to organise transport operators into cooperatives was identified to penetrate the freight industry as required by the Broad Based Black Economic Empowerment Act. The Department in conjunction with the KwaZulu-Natal Department of Agriculture and Department of Finance and Economic Development, formed cooperatives. During the financial year under review ten (10) cooperatives were registered on the database. Cooperative Development Workshops were also facilitated.

##### Emerging Operator Support

Another intervention made was negotiation of transport contracts with manufacturing companies. Milling Logistics signed a five (5) year contract with an emerging transporter, Thula Projects to transport food to various destinations. The Department is in constant interaction with various manufacturing companies to negotiate more opportunities.



*Thula Transport being congratulated for a five year contract awarded by Milling Logistics*

##### Sub-Programme 3.4: Regulation and Control

##### Abnormal Loads

The permissible dimensions and masses of vehicles operating on public roads are limited by the Road Traffic Act and Regulations. Vehicles exceeding these permissible dimensions are required by law to obtain permits to travel on the road.

The largest load transported on road during the 2004/05 financial year was a C-3 splitter weighing 555 400 kilograms and 11,5 metres high, that had been manufactured in India. Moving that load required clearances from Telkom and Eskom, and all bridges to be crossed had to be checked. Telkom and Eskom provided staff to escort the convoy in order to lift lines and switch power off where necessary.



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The pictures below depict the largest load that had been transported on the provincial road during the 2004/05 financial year.



*C-3 Splitter*

Another part of the C-3 splitter known as the "top section" with a mass of 280 000 kilograms was also moved using two haulers, one in the front pulling, and the other behind pushing the load.



*Top section of C-3 Splitter*



*Converter*

The converter which weighed 491 510 kilograms with a height of 10,5 metres high was transported in January 2005.

Overall, 7197 permits for abnormal loads were issued by the Department during the 2004/05 financial year.

#### **KwaZulu-Natal Public Transport Bill and Regulations**

In line with one of the department's goals of a safe, affordable and sustainable public transport system, the Department developed a Public Transport Bill which was approved by the Provincial Cabinet. This Bill is the first of its kind in the country and will ensure integration of the transport modes, and address the existing instability within the public transport system.



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The Department also developed Regulations to ensure successful implementation of the Bill once promulgated.



*Distorted environment aimed to be addressed by the Public Transport Bill and Regulations*



*The Ideal Public Transport System after the promulgation of the Bill and Regulations.*

#### Public Transport Licensing Board

As at the end of the 2004/05 financial year, thirty-four (34) disputes, generally on routes had been registered with the Board. Twenty six (26) of registered cases were resolved by the end of financial year under review.

#### Regulatory Authority

The Department is rendering a support service to the Regulatory Authority which comprises of the Provincial Taxi Registrar, Assessors, Taxi Tribunal and the Public Transport Licensing Board. Listed below are the main objectives of the Regulatory Authority:

- To implement a framework for scholar transport.

Accordingly, the Department successfully developed a good working relationship with the KwaZulu-Natal Department of Education to address crosscutting issues.



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- To prioritise transportation of school children.

The Department prides itself in developing public transport policies that will continue to ensure a better life for all the citizens of the province.

- To develop a scholar transport programme in conjunction with the Department of Education.

The Department has been instrumental in scholar transport awareness campaigns to ensure that public transport operators, communities, schools and planning authorities fully understand the Department's policies on scholar transport operations.

The Department in conjunction with the KwaZulu-Natal Department of Education will be engaged in discussions with a view to formalising issues such as types of vehicles, transportation modes and funding.

- To implement a provincial scholar transport strategy.

A scholar transport strategy will be drafted in the forthcoming financial year.

- To implement a public transport conflict management framework.

A conflict management framework has been drafted and a final document will be completed once amendments to the Provincial Land Transport Act has been finalised.

- To register and facilitate licensing of operators.

A total of two hundred and thirty two (232) scholar transport operators have been registered and the Board is processing their licences.

#### Panel of Assessors

The role of the assessors is to contribute in a positive manner to the effective functioning of the Regulatory Authority, and in particular, that of the Provincial Taxi Registrar, as mandated. Listed below are the key responsibilities:

- To assess route contestations.

In the past financial year, twenty six (26) route contestations had been assessed and all the matters were resolved.

It is not unusual for associations to engage in acts of encroachment. Accordingly, the Department has, among other matters of conflict, resolved contestations on routes.

- To assist with the monitoring of elections and compliance with Association Constitutions

The Department has committed itself to assist with the forthcoming elections at Association level.

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- To assist with all registration matters.

The Department has made considerable in-roads into the registration and conflict resolution processes.

Owing to a need to reconcile all records and to provide a clear synopsis of the status quo, audits were undertaken into the governance structures of associations.

- To promote professionalism in the taxi industry.

Accordingly, the Department provided assistance to Associations to align their constitutions with the minimum standards. Professional guidance and advisory service to ensure compliance with the conditions of permits have been provided to Associations.

- To ensure compliance with Code of Conduct.

The Department has co-ordinated workshops to advise Taxi Associations to include a Code of Conduct in their Constitutions which will give the Associations powers to discipline their members.



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## SECTION 5: PROGRAMME 4: TRAFFIC MANAGEMENT

### Internal Communication

The Department promotes internal communication through publication of a monthly internal newsletter, Ezethu News as well as the Intranet site.



*Edition of Ezethu News*

Ezethu News is a monthly publication distributed to all internal staff. Ezethu News (which means Our Izindaba) provides a medium for regular communication with all departmental staff.

During the 2004/05 financial year, the format of Ezethu News was upgraded from newspaper to a glossy magazine, and a monthly electronic version is publicised on the Intranet site.

### Intranet (<http://home.kzntransport.gov.za>)



### Header of the Department's Intranet Site

The Intranet facility has been successfully used to disseminate internal news, in order to keep internal stakeholders, and particularly staff, informed about the department's activities, goals and achievements.

This site is updated on a weekly basis and staff members are constantly alerted of these updates via email.

During the year under review, a mini-revamp of the Intranet was undertaken and sources of information were re-categorised to maximise benefit to users. This created a pool of electronic information where users could access a variety of information source documents such as circulars, standardised forms, policies and procedures, legislation prescripts, manuals, media releases, speeches, reports, etc.

Features of the intranet include applications and systems, providing access to various systems such as searchable Resource Centre Catalogue, subsidised vehicle website, extensive links to related websites, advertisements, vacancy circulars, departmental photo album, and so on.

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##### External Communication

External communication mediums include an official monthly external departmental newsletter, Igalelo and the department's Internet website.



Igalelo is the official external newsletter of the Department and is produced monthly in both English and isiZulu. It aims at informing the wider public and external stakeholders about the department's activities, its goals and achievements. It is distributed throughout the province via independent distributors and local newspapers.

The services of Hlubi Distribution Company were procured for door-to-door distribution of Igalelo, mainly in rural areas to provide equitable access to departmental information.

##### Intranet (<http://www.kzntransport.gov.za>)



##### Header of the Department's Internet Site

The site has been regularly updated and to ensure repeat visits to the site, it has been featuring a new front-page each month. The following table presents statistics on site visits.

**Table: Listing Activity on the Internet Site**

Month	Requests	Pages	
Apr 2004	56074	11442	
May 2004	62436	11138	
Jun 2004	61137	12644	
Jul 2004	202091	29363	
Aug 2004	69672	12474	
Sep 2004	89625	16130	
Oct 2004	91993	19374	
Nov 2004	100519	21777	
Dec 2004	77996	17309	

The table above lists activities during each month on the Internet site with each unit representing 800 requests for pages or part, thereof. The month of July 2004 is shown to have received the most traffic to the site with 29 363 requests to the site for pages to be displayed.



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The most visited pages during 2004/05 are as follows;

Page/Section Visited	Number of Requests
Home Page	306 648
Electronic Reading Room	59 051
Vacancies	47 223
Motor Licensing	30 202
Media Releases	24 565
Supplier Information	22 521
Road Safety Education Web	17 057
Road Traffic	16 676
Corporate Information	15 464
Speeches	12 983
Road Safety	12 314
Programmes	9 962
Links	5 473
T <sup>2</sup>	5 300
Africa T <sup>2</sup> Conference	4 769

#### Research, Monitoring and Speech Writing

Ongoing research and media monitoring had been conducted and a total of thirty three (33) speeches had been produced. Translation services were also provided.

#### Resource Centre

The Department's Information Resource Centre serves mainly internal staff members, and to a lesser extent, members of staff from other provincial departments.

A number of collections were maintained in the Resource Centre, i.e. books, reports, journals, videos, full-text CD-ROM collections, as well as hard and electronic copies of legislation. An electronic legislation collection, consisting of various Butterworth's and Jutastat Electronic Legislation Libraries was made available via the local area network, while the Intranet serves as an electronic information repository of information sources, which included the electronic photograph collection.

During the 2004/05 financial year, the resource centre catalogued 1 551 information sources, both electronically and manually into the collection, and approximately seven hundred and sixty three (763) requests on information had been received. In response to such requests the Department issued 1 767 books/ articles/gazettes and/or legislation. A total of one hundred and eleven (111) hours were spent on researching and locating pertinent information in response to requests.

#### Desktop Publishing

To this end, the Department is setting up a fully functional Desktop Publishing (DTP) Section, based on both Microsoft and Apple Mac technology.

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assist in the layout of publications such as the Departmental Annual Report, Strategic Plan, Budget Speech, Performance Plan as well as advertisements. In the forthcoming financial year, DTP will also be fully responsible for the design and layout of departmental news letters, Igalelo and Ezethu News.

#### Publishing and Audio-Visual Services

The Department is in the process of establishing a publishing and audio-visual centre to compile and produce special supplements and provide video and photographic services for departmental events.

#### Achievements

The Department was selected as a finalist in the 2004/05 Annual GCIS Government Communicators' Awards in the PROVINCIAL/LOCAL UBUNGWCWETI AWARD category for editorial content, layout and design. The award ceremony was held on 3<sup>rd</sup> December 2004 at Gallagher Estate in Gauteng.

There were more than thirty (30) entrants from government departments and other organs of state. An independent panel, drawn from the South African National Editors Forum (SANEF), the National Community Radio Forum (NCRF), the National Association of Broadcasters (NAB) and the Chairperson of Parliament's Communications Portfolio Committee, adjudicated the entries.

Pictured below, is the handing over of the award to one of the Department's senior staff members.



*Dr Essop Pahad, Minister in the Presidency handing over the award at the Annual GCIS Communicators' Awards 2004*

Communication Support was judged on the production of the Department's internal newsletter, Ezethu News and external newsletter, Igalelo, as well as for the content of the Intranet and Internet sites. Both newsletters and websites received several accolades and commendations from various stakeholders, and the Internet website was voted as the most interactive and informative in terms of road safety information on SAFM. These initiatives have raised awareness of various programmes of the Department, such as Asiphephe, Operation Shanela, Zibambele, Vukuzakhe and many others, nationally. This has undoubtedly enhanced the public image of the MEC and the Department.



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*The Department's Communication Support Team*

#### Media Liaison and Public Relations

##### Media Liaison

The Department established and maintained a good working relationship with all the media companies, nationally, on behalf of the MEC and itself to ensure correct and positive coverage.

A schedule of the department's events had been circulated in time to the media which had also been invited to events. That was facilitated through press alerts and statements, and through the organisation of press conferences and briefings.

##### Media Statements and Press conferences

The Department's Media Liaison Section issued in excess of one hundred and ninety two (192) media statements for events that were held by the different Directorates in the Department. One hundred and twenty seven (127) statements on specific issues such as road safety, road fatalities statistics during Easter and Summer Holiday periods, etc., were issued. One hundred and thirty four (134) press conferences, special press conferences and twelve (12) press briefings in response to specific issues were held. Special press conferences included clampdown on the transportation of school children with light delivery vans, the closure of operations for the Mpumalanga and Pinetown Taxi Associations, disarmament campaign, etc.

All these efforts resulted in massive coverage for the Department. Reports from Media Monitoring SA, which monitors positive and negative media converge on behalf of the Department indicated that the Department was to this end, the second most mentioned/covered Department in the province. Media Tenor, an international company which gauges the media and public's response to messages sent out also indicated that the Department had received, both in quantity and quality, the most favourable media coverage in the province.

##### Public Relations

The Department organises and manages its talk-shows, "Transport Ibandla" on Ukhozi FM and "Straight Talk with Department of Transport" on P4 Radio. The purpose of the talk shows is to enhance access to and/or interaction with the department. During the year under review, listeners



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have grown in number and feedback on the Department's progress from listeners had been noted, constructively.

Some of the highlights include a joint show by the MEC, Head of Department and Provincial Commissioner of Police. Another joint show between the Department's MEC and National Minister of Transport, Honourable Minister Jeff Radebe was also hosted.

Out of fifty four (54) slots during the 2004/05 financial year, the MEC attended approximately 50% where crucial feedback from the public on service delivery and strategic direction of the Department had been received.

The Department had developed an internal programme to ensure that each Directorate interacts with the public through these talk shows.

The following stakeholders were also given an opportunity to present crosscutting matters at these talk shows.

- KWANATACO - presented the Taxi Recapitalisation Programme and improved relationship between the Department and Taxi Industry.
- SAPS Provincial Commissioner - presented relationship between the department's Road Traffic Inspectorate and the SAPS in fighting crime and joint operations.
- Metro Rail - presented rejuvenation and development of rail transport in the province.
- Cosatu and Business - presented role and commitment by workers and business in fighting road carnage.

The Department has also been committed to its events management through mass mobilisation, design and distribution of pamphlets and/or posters, loud-hailing, etc. The Department has also created designs and placements of all electronic and print media. These advertisements vary from events advertisements to creative advertising in both the electronic and print media to promote public awareness.

##### Sub-Programme 4.2: Safety Engineering

Effective management of the road environment depends on the efficient co-ordination of education, enforcement, engineering and evaluation of activities. Accordingly, the Department adopted an interactive approach with communities, whereby hazardous locations on local roads are identified by Community Road Safety Councils (CRSC's). The Department conducted training sessions for CRSC members on the processes involved. Eighty (80) members were trained on identification of hazardous locations during the 2004/2005 financial year. To this end, thirty (30) sites that had been identified by CRSC's had been remediated, and fifty (50) were being remediated.

##### Sub-Programme 4.3: Traffic Law Enforcement

The shortage of traffic officers was slightly alleviated during the 2004/05 financial year by recruiting and training an additional hundred (100) officers who had been deployed throughout the province.

It has been encouraging to note a significant decrease in fatalities and accidents over the Easter period. Visibility of officers during nights, public holidays and over week-ends also improved. Previously, officers had to work overtime duty to ensure visibility.



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The table below represents outputs for the past three (3) financial years of traffic management per region.

**Table: Resources for Traffic Management by Region**

Regions of Province	Number		
	2002/03	2003/04	2004/05
<b>Region 1 Empangeni</b>			
Traffic officers	117	68	85
Administrative staff	20	17	19
Highway patrol vehicles	54	56	55
<b>Region 2 Ladysmith</b>			
Traffic officers	79	67	97
Administrative staff	20	17	20
Highway patrol vehicles	73	57	61
<b>Region 3 Pietermaritzburg</b>			
Traffic officers	59	44	69
Administrative staff	17	16	17
Highway patrol vehicles	55	34	52
<b>Region 4 Durban</b>			
Traffic officers	150	150	144
Administrative staff	79	70	79
Highway patrol vehicles	99	101	90
<b>PTEU</b>			
Traffic officers	39	86	103
Administrative staff	-	6	6
Highway patrol vehicles	21	24	70
<b>Whole Province</b>			
Traffic officers	444	415	498
Administrative staff	136	126	141
Highway patrol vehicles	302	272	328

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The following tables indicate outcomes of traffic management per region.

**Table: Traffic Management Outcomes By Region**

Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Projected Target	
				Unit	%
<b>Region 1 Empangeni</b>					
Number of accidents reported	6 710	6 375	7 093	718	11%
Number of accidents involving mini-buses or buses	897	852	1 191	339	40%
Number of fatalities	266	253	193	(60)	(24%)
Number of serious injuries	1 295	1 230	968	(262)	(21%)
<b>Region 2 Ladysmith</b>					
Number of accidents reported	6 994	6 644	6 330	(314)	(5%)
Number of accidents involving mini-buses or buses	1 610	1 530	945	(585)	(38%)
Number of fatalities	341	324	192	(132)	(41%)
Number of serious injuries	1 131	1 074	679	(395)	(37%)
<b>Region 3 Pietermaritzburg</b>					
Number of accidents reported	11 487	10 913	12 406	1 493	14%
Number of accidents involving mini-buses or buses	2 992	2 842	419	(2 423)	(85%)
Number of fatalities	189	180	153	(27)	(15%)
Number of serious injuries	979	930	811	(119)	(13%)

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Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Projected Target	
				Unit	%
<b>Region 4 Durban</b>					
Number of accidents reported	56 231	53 419	46 027	(7 392)	14%
Number of accidents involving mini-buses or buses	17 254	16 391	15 651	(740)	(5%)
Number of fatalities	785	746	448	(298)	(40%)
Number of serious injuries	4 046	3 844	1 906	(1 938)	(50%)
<b>Whole Province</b>					
Number of accidents reported	81 422	77 351	71 856	(5 495)	(7%)
Number of accidents involving mini-buses or buses	22 753	21 615	18 206	(3 409)	(16%)
Number of fatalities	1 581	1 503	986	(517)	(34%)
Number of serious injuries	7 451	7 078	4 364	(2 714)	(38%)

**Table: Traffic Law Enforcement**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Number of traffic officials per km of surfaced road in province	Ratio	1:73	1:47	1:54	7	15%
Number of officers per highway patrol vehicle	Ratio	2:1,52	2:1	2:1	0	0%
<b>Process</b>						
Number of hours speed-traps operated		361 583	336 646	72 776	(263 870)	(78%)
Number of road blocks held	Actual number	579	315	9 820	9 505	97%

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Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Output</b>						
Number of unroad worthy vehicles impounded	Actual number	3522	3675	6208	2533	69%
Number of licences suspended	Actual number	84				
Number of licences confiscated	Actual number	3560				
<b>Quality</b>						
<b>Efficiency</b>						
Number of registered vehicles per traffic officer	Ratio	1:1,884	1:1,890	1:2,087	197	10%
Ratio of fines issued paid						
<b>Outcome</b>						
Number of accidents reported	Number	81 422	77 351	71 856	(5 495)	(7%)
Number of accidents involving mini-buses or buses	Number	22 753	21 615	18 206	(3 409)	(16%)
Number of fatalities	Number	1 581	1 503	986	( 517)	(34%)
Number of serious injuries	Number	7 451	7 078	4 364	(2 714)	(38%)

#### Operator Safety and Compliance

The Department has been challenged by prevalent taxi violence in the province. Accordingly, the Department's Public Transport Enforcement Unit Officers were deployed specifically to the affected areas throughout the year under review. The following table indicates performance of the unit during the 2004/05 financial year.

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Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Ratio of inspectors to registered public transport vehicles	Ratio			1:404		
<b>Process</b>						
Number of inspections conducted per 1000 vehicles registered in province	Number per 1000			592		
Number of complaints leading to inspections	Number			56		
<b>Output</b>						
Number of courses run by safety unit	Number					
Number of operator licences granted	Number			9316		
Number of operator licences withdrawn	Number			52		
<b>Quality</b>						
<b>Efficiency</b>						
<b>Outcome</b>						
Number of accidents involving public transport vehicles	Number	22 753	21 615	18 206	(3 409)	(16%)
Number of fatalities due to accidents involving public transport vehicles	Number	575	546	287	(259)	(47%)

#### Sub-Programme 4.4: Road Safety Education

##### Young Road User

The Young Road User Programme caters for road users that are in the foundation and intermediate phases of development (pre-school to senior primary). The purpose of the programme is to formally instill a culture of road safety at a critical level of a learner's development. This is achieved through educator workshops. Educators are equipped with the necessary skills and resource material to train the learners. The Young Road User Programme comprises of the following projects:

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##### Child in Traffic Project

The Child in Traffic Project aims to train pre- and primary school learners between the ages of 3 and 12 years on correct pedestrian behaviour. The secondary aim is to train educators and parents on how to use the training package to train learners on safe road usage. The training programme focuses on the limitations of the child in traffic and includes lessons to empower children with road safety knowledge and skills to ensure that they act confidently and safely in traffic. It comprises of nine practical lessons to overcome the limitations and the tenth lesson is used to evaluate the learner. During the financial year 2004/05, a total of nine hundred and fifty (950) schools were reached. This translates into a total number of 323 723 learners and 3 600 educators that were reached. One hundred and sixty (160) CRSC's were trained to assist with the implementation of this project.

The Child in Traffic Programme is also linked with the Opening Learning Systems Education Trust (OLSET) in partnership with the Department of Education to promote safe pedestrian behaviour from Grade R to Grade 3.

##### Umlazi Safer Communities Project

The Umlazi Safer Communities Project was initiated by BP Southern Africa (Pty) Ltd. It was officially handed over to Mangosuthu Technikon. After intense research involving all stakeholders within the project, with a strong participation from the local community, the Umlazi Safer Communities engaged in road safety education workshops with twenty two (22) junior and senior primary schools from the area. These educational workshops were conducted in collaboration with the Departments of Education and Transport under the Young Road User Programme. Eight thousand (8000) learners and sixty eight (68) educators were trained. The result of the training culminated in schools participating in various competitions for their efforts. The top three learners in each category of each grade were awarded prizes at a Road Safety Day held on 14<sup>th</sup> October 2004 at the Mangosuthu Technikon. Sponsorship was received from Cadbury, Clover SA and ABI in the form of sweets, juices and cool drinks.

##### Cato Crest Pedestrian Project

eThekweni Cato Crest Library in conjunction with the Department and Cato Manor CRSC undertook a road safety campaign for schools in the Cato Crest area during February and March 2005. This was a follow-up activity to reiterate the Child in Traffic Project, which was introduced to schools by members of the Cato Manor Community Road Safety Council. Cato Crest Primary, Cato Crest Pre-primary, Mayville Primary and Golden Future Pre-primary participated in the project.

##### Scholar Patrol

The Scholar Patrol Project targets learners who are most vulnerable when they are crossing a busy street to get to and from school. In some areas where the risk is considerably high, High Schools are involved. The project uses school learners to assist pedestrians in crossing the road to and from school. It is a project that is holistically managed with support from the Local Municipal Traffic Department, KwaZulu-Natal Department of Transport and the school. Learners are trained to operate the scholar patrol under the supervision of an educator. The project has one hundred and thirteen (113) operational scholar patrols which protects approximately 115 000 child pedestrians daily. Twelve (12) new schools (3 in Empangeni region, 7 in Ladysmith region and 2 in Durban region) registered for the service in the financial year 2004/05. A total number of one hundred and sixty (160) community road safety council members were trained to assist with the project.



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##### Junior Traffic Training Centres

The development of the Junior Traffic Training Centre is as a result of a need to make children conscious of traffic safety without exposing them to dangerous traffic situations. At this centre, the children have the opportunity to master correct traffic behaviour. Children often have difficulty in understanding the relationship between theory and practice due to their limited experience. The centre gives children the opportunity to practice their newly acquired skills gained in the classroom and on the grounds before they are exposed to real life situations.

The South African National Roads Agency in conjunction with the Spatial Development Initiative (SDI) undertook to build a community-based centre at Makhasa and Mangusi. The KwaZulu-Natal Department of Transport supplied equipment and material for the operation of the centres. Four (4) community centres (one in each region viz, Madadeni in Ladysmith Region, Sweetwaters in Pietermaritzburg Region, Gamalakhe in Durban Region and Hluhluwe in Empangeni Region) were built by the National Department of Transport. These centres are maintained by the Department. A Junior Traffic Training Centre which is open to all schools has also been established at the Msunduzi Municipality Traffic Department.

##### Student Driver Education

The Student Driver Education Project targets Grade 11 and 12 learners. It prepares high school learners to obtain their driving licences by assisting them in acquiring their learner's licence and undertaking driving lessons. The objectives of the project are to create an opportunity for every high school student to be trained in the K53 system of vehicle control, and to inculcate and develop proper skills when dealing with dangerous road conditions and circumstances. This is done in order to ensure that the future generation of drivers are road safety conscious.

A total number of one hundred and forty five (145) students participated in the project in the past financial year.

Over and above the funding allocated by the Department for this project, Transaid, a non-governmental organization funded by the Department of International Development and the British Transport Industry to address issues of transport management in South Africa, sponsored R100 000 towards the programme. A further forty (40) female students were provided an opportunity to participate in the programme.

##### Participatory Education Techniques

The Participatory Education Techniques Project targets high schools in the province. All interested schools are invited to identify road safety problems in their communities that they are willing to conduct research on. Learners are also guided on research and project management skills and allowed two (2) months to develop solution(s) to the identified problem(s). They then present their identified problem(s) and proposed solution(s) to a panel of judges. This project develops learner's research, project management and presentation skills, as well as the ability to think innovatively and creatively.

The provincial finals for the competition took place on 30<sup>th</sup> November and 1<sup>st</sup> and 2<sup>nd</sup> December 2004. Sixteen (16) schools comprising of one hundred and sixty (160) learners, sixteen (16) CRSC members, and sixteen (16) educators participated. The winning schools won prizes to the value of R10 000 each. The picture below shows learners and educators at a prize giving ceremony.



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*Prize Giving – Harding Secondary School 2004*

The following table indicates prizes that were won by participating schools.

**Table: Prizes For Education Techniques**

NAME OF SCHOOL	CATEGORY	COUNCIL	PRIZES TO THE VALUE OF R10 000 00
Harding Secondary	Urban	Izingolweni	1 x TV Set 1 x DVD (all OBE material is on DVD discs) 1x Color Printer 2 x fat cats (Mats used for high jump) 1 x Javelin
Mathubeszwe High	Rural	Maphumulo	1 x Fax Machine 1 x Computer 1 x Printer 1 x Gas Burner (School Feeding Scheme) 2 x big pots (School Feeding Scheme)
Zenzeleni High	Rural	Mbuyalingana	2 x Computers 2 x Printers 2 x Speakers for the computers
Luthuli High	Rural	Umzumbe	1 x Overhead Projector with screen 1 x Photocopier



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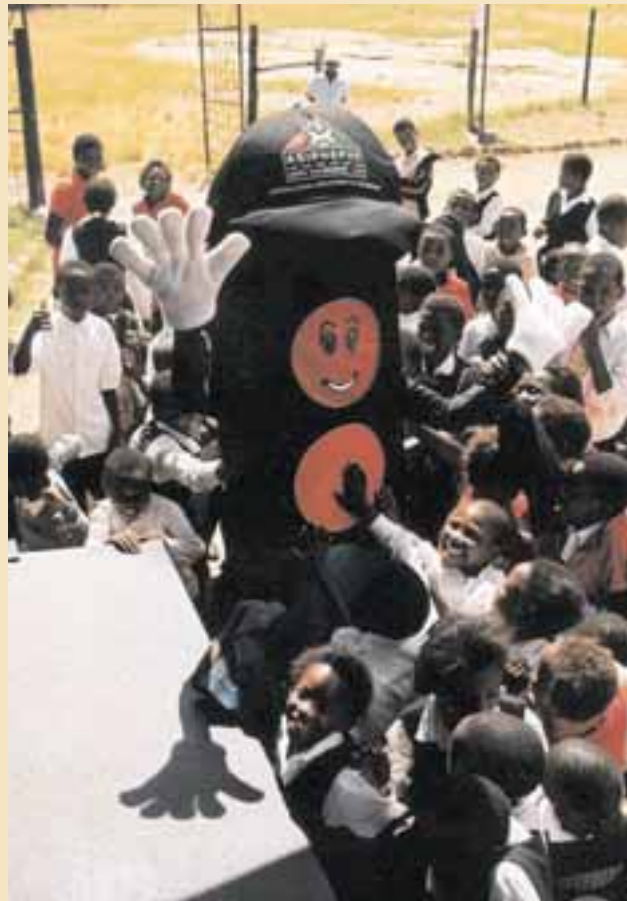
##### Primary School Pedestrian Programme

This project aims to reinforce road safety education via the medium of entertainment. Road Safety through entertainment allows learners to have a break from their normal classroom routine by providing an exciting, interactive and fun programme. Learners learn basic road safety rules in a fun way and activities include the following:

- Dance, Drama and Puppet shows for primary school learners;
- Asiphephe Club; and
- Holiday programme for libraries;

Each show is approximately 30 minutes long and is performed at the schools. This project was launched in October 2004.

##### Dance, Drama and Puppet shows for Primary Schools



This project was undertaken in Primary Schools throughout the province via the medium of road shows. The Asiphephe Road Safety Truck, which provides a mobile stage and sound effects, is used as a platform via the medium of dance to teach basic road safety rules. Research has shown that learners no longer relate to the current road safety mascot. This has resulted in the Department conceptualising a new road safety mascot called "Robbie the Robot" that is also used to educate learners on road safety issues. A total of 19 400 learners were reached during the past financial year.

Educators were also given Outcome Based Education (OBE) related resource material for their classrooms which outlines road safety promises that learners are expected to adhere to. Lower Primary Schools were also visited, shows were performed on the school premises and a total number of 7 900 learners were reached. The picture on the left reflects one of the shows that were held.

*Road Safety – Robbie the Robot Mascot Show*

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##### Asiphephe Road Safety Club

The Asiphephe Club for primary school children was launched in October 2004. The club is interactive in that Road Safety news, advice, road rules and activities are communicated to the members of the club on a monthly basis. Members are requested to complete activities, submit ideas on safer roads and participate in other activities of the club on a monthly basis. The membership for the club as at 31<sup>st</sup> March 2005 is 3056. The club has been well advertised and promoted.



*Asiphephe Club Promotional Items & Invitation*

##### Holiday Programmes for Libraries

Due to overwhelming support for the Primary School Pedestrian Project, it was decided to continue the project over the December Holiday period at libraries. A total number of thirteen (13) libraries were visited during the December Holiday Period reaching a total number of 5 300 learners.

##### School Crossing Patrol Service

The main aim of this service is to ensure that children cross the road safely and under supervision to and from school. The National Road Traffic Act 93 of 1996, Section 3 A (1) (e) refers to the School Crossing Patrol Officer as a reserve traffic warden.

In terms of existing legislation only a Municipal Authority can appoint a reserve traffic officer or warden to perform the school crossing patrol service. However, the Department has taken the initiative by entering into a Memorandum of Understanding with all interested Municipalities. The project commenced during January 2005. To date, thirty five (35) Municipalities have nominated schools and fifteen (15) schools are currently operating the service. Some municipalities are in the process of recruiting staff to provide the service.



*School Crossing Patrol Service – Mount Carmel Primary School – Howick*



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##### Adult Pedestrian

Pedestrians constitute the biggest contributing factor to road accidents in the country. The main aim of this project is to determine the knowledge, attitudes and behaviour of pedestrians in respect of road usage and alcohol consumption. The findings of this project assist in changing pedestrian attitudes towards drinking and walking and road usage; thus, encouraging pedestrians to be responsible for their behaviour. This was achieved through ongoing research, advertising, conducting Train the Trainer Instructor Courses and the Pedestrian Management Plan.

During the financial year 2004/05, one hundred and sixty five (165) trainers were trained on the programme. A total of six (6) workshops were held. Trainers were thereafter requested to complete presentations on their respective areas. The total number of adults reached in this programme is approximately 48 228 with nine hundred and four (904) presentations undertaken.

##### Community Outreach

The Department contributes to poverty alleviation by empowering community members with skills, such as good governance, conducting meetings, preparation of business plans and implementation and identification of hazardous locations. The trained community members are then able to be part of the CRSC's. These councils are the ears and eyes in the communities they serve which in turn assists the Department in prioritising road safety needs in these communities. Thus far, there are forty (40) CRSC's consisting of twenty (20) members per council. Each council operates on a three-year term.

The Department also supports the community when fatal road collisions occur in their area and facilitates the claim process between the victims of crashes and the Road Accident Fund. The Department is also developing an Assistance Plan for Accident Victims. This plan will not only focus on financial support for family members, but also consist of trauma counselling for accident survivors. In-roads have been made with the Provincial Department of Health and counselling for some accident victims has commenced. In cases of fatal collisions, the Department facilitates memorial services for accident victims.

##### Omela eKhaya

The Omela eKhaya Project is aimed at patrons of taverns. Patrons are made aware of the problems caused by drinking and driving, as well as drinking and walking. Patrons drinking at taverns are encouraged to rather drink at their homes. Tavern owners had also been encouraged to look after their patrons and take responsibility for patrons who drink excessively in their taverns. Various board games had been used to illustrate how a person's judgement is affected at various stages of intoxication. An educational video on pedestrian awareness is shown at the taverns. This increases awareness of patrons on the correct way to walk on roads. Omela eKhaya awareness days took place in the forty (40) road safety council areas.



*Omela eKhaya – Patrons at Tavern*

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##### Beach Festival

The Beach Festival targeted drivers, passengers and pedestrians at large, and road safety messages were conveyed through games, music and competitions. The festival was held during December 2004 and January 2005 and approximately 50 000 people attended.

##### Peak Period

This project is intensified during peak periods and includes long weekends, school holidays, focus days, Easter and the December/January holidays, and is targeted towards both holidaymakers and residents of the province. Activities during this period took place at rest stops on national and alternate routes, holiday destinations, taxi ranks and bus ranks. The themes that were reinforced during this period were the dangers of alcohol, speed, fatigue, overloading, the safe usage of seatbelts and the importance of vehicle fitness. During the year under review, eighty (80) peak period events were held throughout the province at taxi ranks and social gatherings.

##### Inter-faith Project

Churches and Religious Denominations are critical pillars of civil society in South Africa. The Department has therefore entered into a partnership with various religious bodies to promote road safety within their respective organisations. Mass prayer days were organised in the regions to pray for victims of and the prevention of road accidents during the holiday periods. Prayer days were held in Pietermaritzburg, Durban, Port Shepstone, Ladysmith and Empangeni. A total of 83 000 people attended these events.



*Musical Item during Prayer Session*

##### Billboards and Mass Media Advertising

Billboards and mass media advertising on road safety took place throughout the year with more emphasis during peak periods when traffic volumes increase. Billboards and mass media advertising support all road safety projects and reinforces the importance of being road safety wise. The predominant themes for the past financial year were "Cabanga-Think", "Stay Refreshed, Drink Water", "Omela eKhaya", and from "Zero Tolerance to 100% Compliance"



*X-mas Billboard*



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##### Enforcement Co-ordination

Road safety is a fundamental right of every road user. Safer roads in which road trauma is controlled in order to preserve the well being of individuals and communities, is a rewarding aspect of road safety. Previously, traffic law enforcement was carried out in a fragmented and often independent manner by the various law enforcement agencies in the province. Since the establishment of the KwaZulu-Natal Co-ordinating Traffic Committee, traffic policing has now become more community orientated and centers on a co-ordinated approach in dealing with traffic offenders.

Many road traffic incidents are caused by drivers who have been drinking. There is no doubt that law enforcement against drunk drivers has had a marked effect on driving habits, resulting in increased multi-disciplinary roadblocks funded by the Department. Thus, the use of cutting edge law enforcement technology is a critical tool to detect offenders. However, technology should never replace adequate human visible police presence.

The essential goal is to ensure that traffic law enforcement makes a significant impact towards the improvement and the creation of a more responsible road traffic culture in the Province of KwaZulu-Natal.

The following were achieved during 2004/05 financial year:

- Four (4) new-fixed camera sites have been constructed. The cameras are located on the N2 at Pinetown, Queensburgh and Winkelspruit. These cameras are operational 24 hours a day and are strategically located at high accident areas. Data captured by these cameras indicate a marked reduction of speed profiles and these areas have now become less hazardous for road crashes. The installation of these cameras are specifically aimed at speedsters who continue to break the law. Equipping traffic officers with new enforcement technology not only results in speedy prosecutions and increased traffic policing, but more importantly, it is central to enforcing the department's 100% compliance policy.



*Fixed Camera Site – N3*

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

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##### Holiday Period Launches

The 2004 festive season road safety plan was unveiled by the MEC at the Summer Holiday Launch that was held on the N2 at Umtentweni near Port Shepstone. This was followed by the 2005 Easter Holiday launch which took place at the Umvoti Toll Plaza near Groutville.



*MEC: Transport, Community Safety & Liaison, Mr. Bheki Cele, addressing Members of the Media at the Road Safety Easter Plan unveiling*

##### Mpimpa Call Centre

A total of 1 301 traffic related complaints were logged and attended to by the Mpimpa Call Centre consultants.



*Mpimpa Call Centre Operators*

Approximately 65% of complaints have been followed up with letters being sent out to alleged offenders with positive responses. The other 35% of complaints mostly concern the Taxi Industry.

##### Research and Evaluation

All road safety projects are based on scientifically researched data. This ensures that the Department remains within the scope of world best practice, programmes are implemented within set time frames and targets are set to assess the feasibility of the project.

Extensive research was conducted by the University of Natal Inter-disciplinary Accident Research Centre (UNIARC) on primary school children's attitude towards road safety. This also resulted in an audit of all primary schools in the province, which formed the basis for the Primary School Pedestrian Project.



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**Table: Road Safety Education**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Number of staff providing road safety education programmes at schools	Number	11	11	11		
Number of staff providing road safety education programmes to public transport operators	Number	8	8	8		
<b>Process</b>						
Schools involved in road safety education programmes	Percentage (Number)	950	1422	1422		
Number of courses run for public transport operators	Number (Informal education, no course)					
<b>Outcome</b>						
Number of pedestrians killed		633		660	27	
Number of children pedestrians killed		162		170	8	

#### Sub-Programme 4.5: Transport Administration and Licencing

The Department is totally committed not only to service delivery, but also to maintaining its reputation as being one of the highest revenue earners in the province. Compliance to Road Traffic Legislation is a priority. Ensuring the roadworthiness of vehicles also means safer public roads. These fulfil the Department's commitment to saving lives. Economic and social reform and Black Economic Empowerment are also high on the department's agenda.

The Department controls seventy one (71) Registering Authorities comprising seven (7) provincial Offices, thirty eight (38) Local Authority Offices and twenty six (26) Post Offices as well as the Traffic Camera Office and seventy two (72) Public and Private Vehicle Testing Stations.



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**Table: Transport Administration and licencing**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	% Deviation from Target	
					Unit	%
<b>Output</b>						
Number of vehicles registered and licenced	Number of vehicles registered and licenced	940 000	960 000	960 000		
<b>Quality</b>						
Number of licence fraud cases prosecuted	100%	20 cases finalised	184	180	4	2%
<b>Efficiency</b>						
% of licences paid on time	95%	94%	96%	96%		
Administration costs as % of total licence revenue	Budget Allocated	8%	10%	10%		
<b>Outcome</b>						
Legally licenced vehicles						

#### Devolution of Vehicle Registration and Licensing Agents

To this end, the Department has devolved the registration and licencing functions to sixty four (64) Registering Authorities consisting of twenty six (26) Post Offices and thirty eight (38) Local Authorities. Six (6) Provincial Offices also form part of the department's "One Stop Shops" in the regions.

#### Technical Compliance Inspections

During 2004/05 financial year, the Department had established a Technical Compliance Section which received a significant number of applications reflected in the following table.

**Table: Applications Received**

Nature of application	Quantity of applications
Special Classification	869
Tare Weight Changes	276
Motor Trade Numbers	40
Total	1 185

In addition to the above, three hundred and twenty seven (327) roadworthy certificates were investigated and 3 088 motor trade numbers were withdrawn.

In an endeavour to combat fraud and corruption, eleven (11) vehicle examiners registrations were cancelled, while four (4) vehicle examiners were suspended and twenty two (22) suspects were arrested. Of the twenty two, eight (8) had been convicted. Twelve (12) vehicles from a Transport Company were also seized. To this end, approximately R360 000 has been recovered in respect of outstanding licence fees due by the company in question.

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The Department in conjunction with the Special Investigation Unit recovered a total of R700 000 for tare weight fraud and the money is due to be handed over to the Department in due course.

##### Administration Compliance Inspections

The State Attorney's Office has been requested to recover a total of R1,2 million which the State has been defrauded by, by various Registering Authorities throughout KwaZulu-Natal. In addition, two (2) Agency Office staff members were charged both criminally and departmentally and had subsequently been dismissed.

##### Vehicle Testing Stations

There are forty seven (47) private Testing Stations and twenty (20) Municipal Testing Stations. During the financial year 2004/05, the Department won a high court case and one (1) private Testing Station had been deregistered.

South African Bureau of Standards (SABS) has also been requested to audit testing stations bi-annually. The team work between SABS and the Department had ensured proper regulation of the industry and compliance to Road Traffic Legislation.

Overall, the Department won all court cases (civil and criminal), thus achieving a 100% success rate.

##### Revenue Improvement Measures

In an effort to increase the provincial revenue base, the Department discovered that approximately R100m in respect of vehicle registration and licencing was outstanding. The Department is in the process of establishing a Debt Collection Section. However, to this end, the department had exceeded it's revenue target.

##### Personalised Licence Numbers

Sales of personalised licence numbers continued to exceed expectations. The sale of black on white personalised licence numbers to Taxi Industry also had a positive effect on revenue generated.

**Table: Revenue realized from the sale of Personalised Licence Numbers**

Financial year	Amount
2003/2004	R6, 1m
2004/2005	R8, 2m

The Department was the first to introduce personalised licence numbers in the country in 1997 and to this end, has realised R 36m in revenue.

##### Traffic Camera Office

The Department's Traffic Camera Office is responsible for the processing and administration of camera speed violations on the Trafman System, including the Remote Communication System (Remcom) which provides remote communication from Trafman at roadblocks, by identifying offenders with outstanding fines, summonses and warrants of arrest. These operations are conducted in conjunction with the Department's Road Traffic Inspectorate and Metros.

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During the period 2004/05 financial year, approximately 105 000 speeding violations, at a total value of R5m were captured, while the following Remcom activities were recorded:

**Table: Traffic Camera Operations**

Nature	Quantity	Amount
Driving licences scanned	3113	
Summons served	619	R 154 848
Warrants of arrests	82	R 45 150

#### Official Vehicle Procurement

In an endeavour to upgrade the existing provincial vehicle fleet, the Department managed to procure approximately 937 new provincial vehicles.

To ensure efficiency and enhanced service delivery, provincial Registering Authorities have been allowed to register and licence provincial vehicles. Thus, the turn around time including acquisition of a fleet management card and licence plates has been decreased by two (2) days. This has been implemented in line with the Department's One Stop Shop Concept.

#### Fleet Management

During November/December 2004, an annual physical vehicle verification of the provincial vehicle fleet was conducted and approximately 3500 vehicles were physically inspected and verified. A comprehensive report on the condition of each department's fleet was produced to enable informed decision making by departments on assessing the efficiency of their fleets.

The Department has ensured that 80% of the repairs and maintenance undertaken on provincial vehicles was allocated to Black Economic Empowerment (BEE) Companies, with special preference to black owned companies. By the end of the financial year under review, 53% of all repair and maintenance with a value of approximately R19,5m had been allocated to Previously Disadvantaged Individuals (PDI's). This constitutes an increase of 4% compared to 2003/04 financial year.

The following policies and procedures had been drafted and/or updated:

- Policy on Official Use of Government Owned Vehicles;
- General Transport Delegations of Authority; and
- Provincial Subsidised Vehicle Allocation Policy

The Department also facilitated a SAQA accredited Project Fleet Management Course that was conducted by the University of Pretoria for twenty five (25) Transport Officers across the user departments in the Province. The Department also held successful negotiations with the National Department of Transport for 100% bursaries for attendees.

#### Sub-Programme 4.6: Overload Control

It is estimated that at least 25% of all heavy vehicles travelling on South African roads are overloaded. However, statistics have shown that the rate of overloading is approximately 12% in KwaZulu-Natal.



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##### Overloading Control Strategy in KZN (Weighbridges)

During 2004/05 financial year, a total of 109 224 vehicles were weighed at the thirteen (13) operational provincial weighbridges. Of these, 25 719 (24%) were overloaded and 6 387 (6%) were charged. Of the total, 76 887 (72%) were weighed on the N3 corridor and 17 197 (22%) were found to be overloaded, while 3 714 (5%) were charged.

The number of vehicles weighed during 2004/05 represents an 8 % increase, compared to 101 248 vehicles weighed during the 2003/04, financial year. The number of vehicles overloaded decreased by 10% from 28 152 to 25 719 and the number of vehicles charged decreased by 13% from 7 104 during the 2003/04, financial year to 6 166 during 2004/05, financial year. However, there has been a significant decrease in the number of vehicles weighed in the province during the past two financial years. In the 2002/03 financial year, 187 960 vehicles were weighed and in 2003/04, 101 248 were weighed constituting a 40% decrease. In the 2004/05 financial year, there was a further 6% decrease in the number of vehicles weighed.

All provincial weighbridges were calibrated and / or tested and preventative maintenance was carried out on a quarterly basis. The total cost of tests, maintenance and repairs was R 1, 48m.

The highest overload was 29 400kg, whereas distribution of overloading changed, positively. Since 1996, there has been a sharp increase in the percentage of overloaded vehicles that are marginally overloaded by 0 to 2 tons and a general decrease in percentage of overloaded vehicles that are moderately or severely overloaded (more than 3 tons). This trend is also apparent in the increase in the percentage of overloaded vehicles that fall within the 5% tolerance. During 2004/05 financial year, this was 76%, whereas prior to 1990 it was less than 10%. This trend indicated that the 5% tolerance is being utilised by many operators to maximise vehicle payloads. These tolerances are presently under review and it has been recommended that the tolerance be reduced to 2%.

The Marburg weighbridge was upgraded to a 22m concrete multi-deck weighbridge. This is the first concrete deck weighbridge constructed for the Department and will be monitored to check whether it is more effective and requires less maintenance than the standard steel decks.



*Before: Marburg Weighbridge*



*After: Marburg Concrete Multi-deck*

The Mkondeni weighbridge was overhauled in October 2004 which entailed sandblasting all the rusted steel deck plates, all the steel beams and to sandblast and paint the 4 steel decks.

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Excellent monthly and annual overloading control reports are produced for the Department by the CSIR, which is used extensively to monitor overloading in the Province and to highlight the habitual transport offenders. The Chief Executive Officers of the most frequent offending companies had been given notices to refrain from the practice by the Department and SANRAL.

There has however been a continued decrease in the extent of overloading on the N3 corridor from 16% prior to March 2000 to between 10% to 12% during the past financial year. There has also been a continued improvement (reduction) in the degree of overloading in the Province. The following table represents output that had been achieved during the financial year under review.

**Table: Weigh Bridges**

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
Number of weigh bridges	Number	14	18	14	(4)	(22%)
New weigh bridges to be constructed	Number	5	3	0	(3)	(100%)
<b>Process</b>						
Hours weigh-bridges to be operated	Number	20471	27220	61048	33828	55%
Number of transport vehicles inspected	Number	101248	180000	109224	(70776)	(39%)
<b>Output</b>						
% of vehicles overloaded (i.e. over the 5% tolerance)	Percentage	6.2%	4.5%	6%	1.5%	33%
Number of vehicles impounded	Number	7104	8100	6387	(1713)	(21%)
<b>Quality</b>						
<b>Efficiency</b>						
Number of hours weighbridges operated as % of total hours in year	Percentage	2.5%	3%	6%	3%	100%
Number of vehicles inspected per hour	Number	4	4	2	(2)	(50%)
<b>Outcome</b>						



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

## SECTION 6: PROGRAMME 5: COMMUNITY BASED PROGRAMMES

### Sub-Programme 5.1: Community Development

#### Zibambele Savings Clubs:

A total of five hundred and eleven (511) savings clubs were established in the Province. The clubs had formed joint ventures in income-generating projects. Indeed, the clubs had enhanced the quality of lives of their communities, through partnerships with other Provincial Government Departments. Private sector partnerships are also envisaged in future.

The table below illustrates total savings per region.

**Table: Zibambele Savings Clubs**

REGION	TOTAL NO OF CLUBS	TOTAL SAVINGS
Empangeni	258	R 790 451
Ladysmith	140	R 195 905
Pietermaritzburg	80	R 259 611,40
Durban	96	R 202 977,88
<b>TOTAL</b>	<b>574</b>	<b>R 1 448 945 28</b>

Organising Zibambele contractors into savings clubs has been beneficial in group supervision, training and peer review. The savings clubs also served as a channel for reciprocal communication, between the contractors and the Department.

#### Rural Road Transport Forums

The KwaZulu-Natal Department of Transport continued to ensure proper communication and consultation during the planning process, prioritising allocation of budget and services at grassroots levels. The Rural Road Transport Forums (RRTFs) are structures that were established in 1996 to facilitate consultation between the Department and communities. The RRTF structures promote equal participation of women and youth in decision making. To this end, the Department had established thirty one (31) RRTFs. Twenty percent (20%) of membership is women and another twenty percent (20%) is youth. This has undoubtedly unlocked development in the concerned rural communities.

Monthly meetings and an annual general meeting to discuss community needs and report back on projects were held during 2004/05 financial year with the RRTFs.

#### Capacity building workshops:

The Department conducted three (3) capacity building training sessions for RRTFs during the year under review. Those workshops were also instrumental in building and strengthening the relationship amongst RRTF members, community members and the Department.

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES

The first (1<sup>st</sup>) workshop focused on organisational development of the structures with the aim to ensure understanding of the purpose and how the structures can be effectively managed to achieve the desired output. The second (2<sup>nd</sup>) workshop which was a joint venture between RRTFs and the Community Road Safety Councils (CRSC's) focused on development planning, thus prioritising community needs in terms of the MTEF budget cycle.

The last workshop was held to empower RRTFs with a broader insight of poverty and Government's responsiveness thereto.



*RRTF's members participate during Capacity Building Training Workshops*

#### Sub-Programme 5.2: Emerging Contractor Development

The Department made significant progress with emerging contractor development. More contractors came into the programme and existing contractors advanced to higher levels. Ongoing training was also offered to empower contractors. Although some bottle-necks were encountered during the year, such as the shortage of plant for construction sites, opportunities were created.

#### Formal Training:

The Department has entered into learnership agreements with one hundred (100) learners of which eighty seven (87) of them have enrolled for the Construction Contractor Learnership, NQF Level 2 qualification during 2004/05 financial year. These learners were offered an opportunity to work for experiential training and a selection from the learners for the Expanded Public Works Programme for 2005/06 financial year intake will be undertaken. The table below presents statistics of learnership.

**Table: Learnership Construction Contractor: NQF Level 2**

REGION	TOTAL	FEMALE	YOUTH
Region 1: Empangeni	17	8	13
Region 2: Ladysmith	24	10	14
Region 3: Pietermaritzburg	22	7	18
Region 4: Durban	24	11	16
<b>Total</b>	<b>87</b>	<b>36</b>	<b>61</b>
<b>Percentage</b>		<b>41%</b>	<b>70%</b>



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES

The current Construction Contractor Learnership qualification, NQF Level 2 has been reviewed and a new qualification, NQF Level 1 will be developed to benefit the Emerging Contractors. An assessment of the Contractor Training Programme with a view to obtain input to develop a training strategy for the forthcoming financial year had been conducted.

##### On-Site Mentorship:

The Department has appointed mentors to assist Emerging Contractors with on-site mentorship on construction projects. This Mentorship Programme is mainly to optimise productivity and ensure that best construction methodologies are adopted.

The Department is also managing the possible risk in order to maintain its performance standards.

Joint ventures and partnerships in respect of skills development and partnerships between emerging contractors and well-established firms have been established by the Department. This initiative has positively contributed to the formation of more voluntary joint ventures and tendering for open contracts.

##### Organisational Development:

Among other initiatives by the Department during 2004/05 financial year, capacity development of Vukuzakhe contractors has been given focus. The starting point was organising the Vukuzakhe Associations by coordinating registration of membership at a minimal fee. As at the end of 2004/05 financial year, there were 1 949 registered Vukuzakhe Association memberships.

The Department also reviewed the Vukuzakhe Programme to ensure effective participation and efficient business or financial management of the all Vukuzakhe Associations.

##### Empowerment:

In an endeavour to fulfill the department's mandate, a new plant hire contract, ZNT 2800T has been implemented during 2004/05 financial year. The table below shows a comparison of the impact on empowerment of Historically Disadvantaged Individuals (HDI's) between the new contract, ZNT 2800T and the previous ZNT 1110T. The new contract shows that a larger percentage of HDI's are participating on the plant hire contract as compared to the previous contract.

**Table: ZNT 2800T Versus ZNT 1110T/00T**

	ZNT2800T/2004T	ZNT1110T/00T
No. of Tenders received	108	102
No. of Tenders recommended for Acceptance.	91	74
Ownership of Tenderers -100% HDI	52.75 %	49.32 %
Ownership of Tenderers Female	36.26 %	16.22 %
SMME Status of Tenderers	87.91 %	50 %



## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES

##### Occupational Health and Safety:

The Department has compiled a Standard Safety File, Safety Specification and conducted a Generic Risk Assessment of its projects. The safety specifications have been incorporated into contract documentation to ensure awareness of Occupational Health and Safety requirements. This is also intended to assist the contractors with appropriate pricing of site safety in their tender offers. However, this has been implemented on a very small scale during the financial year under review. It is envisaged that the process will be rolled out on a larger scale in the forthcoming financial year.

The following picture shows one of the initiatives that had been implemented.



An artisan fitting the concrete shutters on a bridge as a minimum requirement for Site Safety.

##### Growth and Development of Vukuzakhe Contractors:

The following table indicates the Growth in the number of Vukuzakhe Contractors and their Stage Advancement.

**Table: Vukuzakhe Contractors**

Stage	No. of Contractors in each Stage	Contractors progressed to the next Stage
Stage 1	22883	121
Stage 2	292	33
Stage 3	109	4
Stage 4	31	0
<b>TOTAL</b>	<b>23 315</b>	<b>158</b>



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES

The Vukuzakhe Program has grown substantially over the last few years and the following table indicates investment to this end.

**Table: Vukuzakhe Investment**

ALL CONTRACTS (all Budgets in millions)	Financial Years							
	1998 /99	1999 /00	2000 /01	2001 /02	2002 /03	2003 /04	2004 /05	TOTAL
Total Budget Spent on Contracts					R 520.0	R 736.1	R 635.7	R 1 891.8
No. of Contracts - Stage 1	26	232	295	488	563	549	521	2 774
No. of Contracts - Stage 2	54	142	106	138	232	222	210	894
No. of Contracts - Stage 3	8	17	101	82	78	101	142	529
No. of Contracts - Stage 4	0	0	0	18	18	40	47	123
<b>ALL STAGES</b>	<b>88</b>	<b>391</b>	<b>502</b>	<b>726</b>	<b>891</b>	<b>912</b>	<b>920</b>	<b>4 320</b>
Value of Contracts - Stage 1	R 12.0	R 21.0	R 24.4	R 20.5	R 40.7	R 43.9	R 60.9	R 162.5
Value of Contracts - Stage 2	R 9.0	R 15.0	R 17.4	R 18.1	R 48.5	R 73.3	R 55.0	R 181.0
Value of Contracts - Stage 3	R 6.0	R 54.0	R 62.6	R 66.8	R 42.1	R 69.7	R 73.5	R 374.7
Value of Contracts - Stage 4	R 0.0	R 0.0	R 0.0	R 0.0	R 40.0	R 152.8	R 96.7	R 289.5
<b>Value of Contracts on all Stages</b>	<b>R 27.0</b>	<b>R 90.0</b>	<b>R 104.4</b>	<b>R 105.4</b>	<b>R 171.3</b>	<b>R 339.7</b>	<b>R 286.2</b>	<b>R 1 124.0</b>
Vukuzakhe Training budget	R 0.0	R 0.0	R 2.1	R 6.0	R 9.3	R 11.2	R 11.5	R 40.1
Employment Opportunities over 3 - 4 months	0	0	12 214	26 907	27 500	28 750	29 258	124 629
<b>Total Budget (incl. Supervision, Training &amp; Overheads)</b>	<b>R 49.0</b>	<b>R 123.5</b>	<b>R 151.6</b>	<b>R 171.9</b>	<b>R 251.6</b>	<b>R 413.3</b>	<b>R 359.0</b>	<b>R 1 519.9</b>

#### Black Economic Empowerment:

The Department also implemented a Black Economic Empowerment (BEE) Policy Framework. The policy framework sets transformation targets and progress measurement in the main areas of the BEE Scorecard.

In terms of the BEE Scorecard, the following were achieved:-

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES

**Table: BEE Scorecard Achievements**

BEE Core Component	Indicators of Empowerment	Proposed DOT Targets	Actual Achieved		
Employment Equity	Across Top 3 levels as indicated in the EEA2 report.	SMS Level (13-16) AF=11 All others should be nil.	AF=5		
	Black Women	SALARY LEVEL	AFRICAN FEMALE	SALARY LEVEL	AFRICAN FEMALE
		13-16	11	13-16	5
		11-12	38	11-12	18
		9-10	49	9-10	14
6- 8		404	6- 8	125	
1- 5	1099	1- 5	346		
PLWD	2% of people living with disabilities	11 People 6- male 5- female			
Youth1	As per the EE Act only				
Skills Development	Expenditure on Training as a proportion of total payroll (incl 1% Skills Levy & all associated costs)	As per SDA 1% of total payroll R 2 312 860.00	1.8% of total payroll R 4 123 913.93		

Likewise, the following table indicates Socio-economic Outputs that were achieved during 2004/05 financial year.

**Table: Demand for and Performance of Community Based Programmes by Region**

Magisterial Districts	Number of unemployed people				Community based programmes			
	Female	Male	Total	% of National Total	Number of Projects 2004/05	Number of person days employment created		
						Female	Male	Total
Region 1: Empangeni	164 110	128 103	292 213	4.3	5	26 302	22 162	48 464
Region 2: Ladysmith	139 055	117 015	256 070	3.8	3	14 876	8 418	23 294
Region 3: Pietermaritzburg	116 374	94 757	211 131	3.1	1	1 637	1 005	2 642
Region 4: Durban	407 580	356 222	763 802	11.2	5	12 236	14 104	26 340
TOTAL	827 119	696 097	1 523 216	22.4	14	55 051	45 689	100 740

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES

Table: Poverty Eradication: Zibambele

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
<b>Process</b>						
Number of Training Programmes		1	2	2		
<b>Output</b>						
Number of Employment Days created		1 536 672	1 890 432	1 946 640	56 208	30
% of Employment Days going to Youth				13.5		
% of Employment Days going to Females		93	95	95		
<b>Quality</b>						
Average daily wage paid		43.75	46.25	46.25		
<b>Efficiency</b>						
Cost per day employment created	48.78	48.2	51.35	48.88	(2.47)	(4.8)
Average daily wage as % of cost per employment day		90.8	90.0	94.6	4.6	5.1
<b>Outcome</b>						

Table: Poverty Eradication : Labour Based Construction

Measurable Objective	Performance Measure	Actual Outputs 2003/04	Target Outputs 2004/05	Actual Outputs 2004/05	Deviation from Target	
					Unit	%
<b>Input</b>						
<b>Process</b>						
Number of training programmes		1	1	1		
<b>Output</b>						
Number of Employment Days created		1 596	200 000	100 740	(99,26)	(49,6)
% of Employment Days going to Youth			70	62.1	(7.9)	(11.3)
% of Employment Days going to Females		57.9	70	52.9	(17.1)	(24.4)

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES

<b>Quality</b>						
Average daily wage paid		44	44	44		
<b>Efficiency</b>						
Cost per day employment created			125	114.97		
Average daily wage as % of cost per employment day			35.2	38.3	3.1	8.8
<b>Outcome</b>						

#### Expanded Public Works Programme:

The National Government launched the Expanded Public Works Programme (EPWP), using KwaZulu-Natal Department of Transport's initiated models, such as Zibambele, Vukuzakhe and Labour Based Construction Programmes which have been nationally classified as best practice.

The EPWP is a nationwide programme that involves re-orientation of public sector expenditure on goods and services to draw significant numbers of the unemployed into productive work, so that workers gain skills on the job and also increase their capacity to earn an income.

The EPWP is aimed at creating productive employment opportunities through intervention in four main sectors of the economy, namely; social, economic, infrastructure and environmental and cultural programmes.

Provincial Cabinet has nominated this Department to drive EPWP throughout the province. This Department is also responsible for co-ordinating the infrastructure sector of the EPWP. The project involves the development of a provincial EPWP framework and investigation of mechanisms to manage and extend the programme and monitoring of service delivery on the programme.

The Department co-ordinated the Launch of the KwaZulu-Natal EPWP which was held on 29<sup>th</sup> August 2004. The objectives of the programme are listed below:

- **Ability to earn an income:** To enhance the ability of workers to earn an income through either labour market or entrepreneurial activities.
- **Work experience:** To provide unemployed people with work experience.
- **Training and skills development:** To provide education, on the job training and skills development programmes to the workers.

In attendance at the launch, were the Deputy President and the Premier of KwaZulu-Natal. Some departmental Zibambele and Vukuzakhe projects were visited by dignitaries where they had an opportunity to interact with contractors and obtain insight into the impact of the programmes on the lives of poor people.



Part 2

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES



The Deputy President, KwaZulu-Natal Premier and other dignitaries socialise with Zibambele contractors during the launch of the KwaZulu-Natal Expanded Public Works Programme at Ndwedwe



A local woman employed as unskilled labour as part of the department's initiative of creating employment opportunities for women and youth, assisting the artisan with the construction of a

## Part 2

### REPORT OF THE HEAD OF TRANSPORT

#### PROGRAMME 5: COMMUNITY BASED PROGRAMMES

The table below presents outputs that had been achieved by the Department towards the EPWP targets:-

Departmental Total	Target 2004/05	Achieved 2004/05
EPWP Project Budget ( R '000)	318 129	259 124
Person days of Work	2 439 432	2 497 007
Number of Jobs Opportunities	34 515	35 101
Number of Youth Employed	5 600	10 122
Number of Women Employed	25 350	26 304
Number of People with Disabilities	0	1
Number of Learnerships	100	87

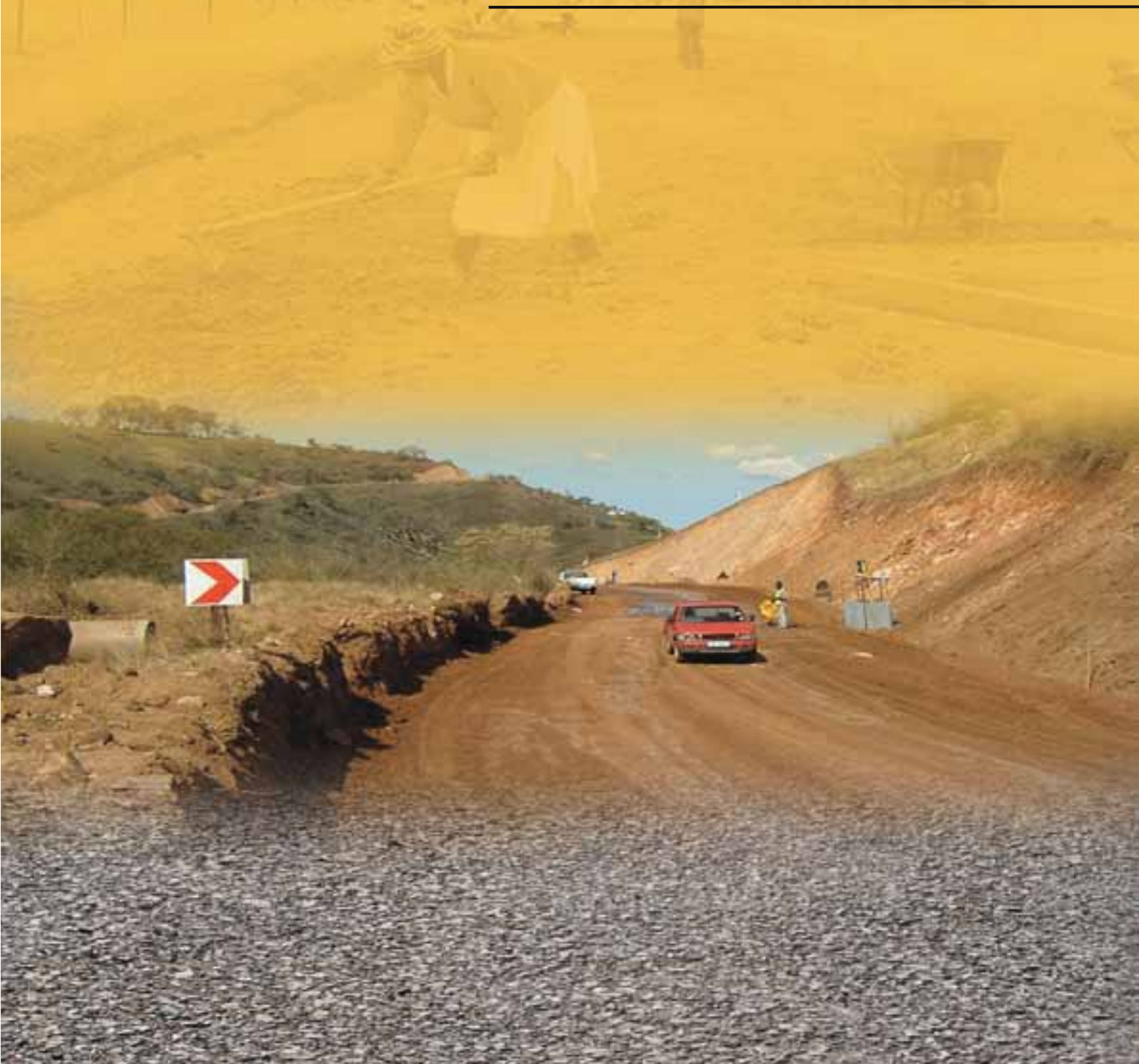


Part 2

# Part 3

REPORT OF THE AUDIT COMMITTEE

# Part 3



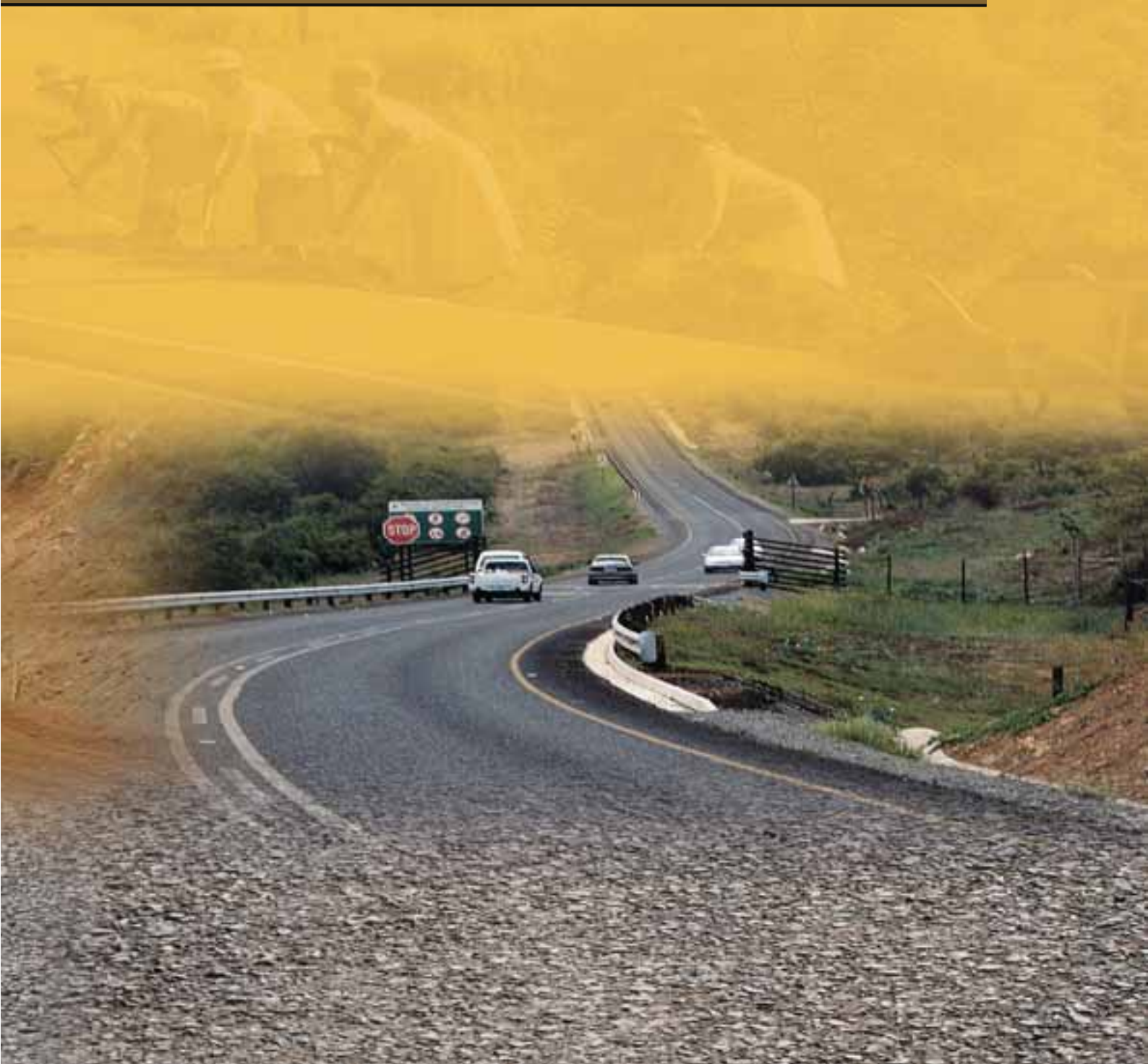




## Part 3

REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE



## Part 3

### REPORT OF THE AUDIT COMMITTEE

# REPORT OF THE AUDIT COMMITTEE ON VOTE 12 - TRANSPORT

We are pleased to present our report for the financial year ended 31 March 2005.

#### Audit Committee Members and Attendance:

The Audit Committee consists of the members listed hereunder and met 5 times as per its approved Terms of Reference.

Name of Member	Number of Meetings Attended
R Morar (Chairperson)	5
BP Campbell	5
BS Khuzwayo (Adv)	4
ADK Leisegang	5
DSD Shabalala	1
RK Sizani (Adv)	0
RW Green-Thompson (Prof)	3

#### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except as stated below.

#### The Effectiveness of Internal Control

We cannot comment on the systems of internal control as the Internal Audit Unit did not conduct any internal audit assignments during the year under review.

#### The quality of in year management and monthly / quarterly reports submitted in terms of the Treasury Regulations and the Division of Revenue Act

We cannot comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

## Part 3

### REPORT OF THE AUDIT COMMITTEE

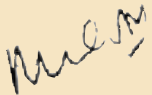
#### REPORT OF THE AUDIT COMMITTEE

##### Evaluation of Financial Statements

We have:

- Not reviewed the Audited Annual Financial Statements to be included in the annual report;
- Taken into consideration the Auditor-General's management letter and management response;
- Not reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

We concur and accept the conclusions of the Auditor-General on the Annual Financial Statements and are of the opinion that the Audited Annual Financial Statements be accepted and read together with the Report of the Auditor-General.



.....  
R MORAR: Chairperson  
On behalf of the Audit Committee

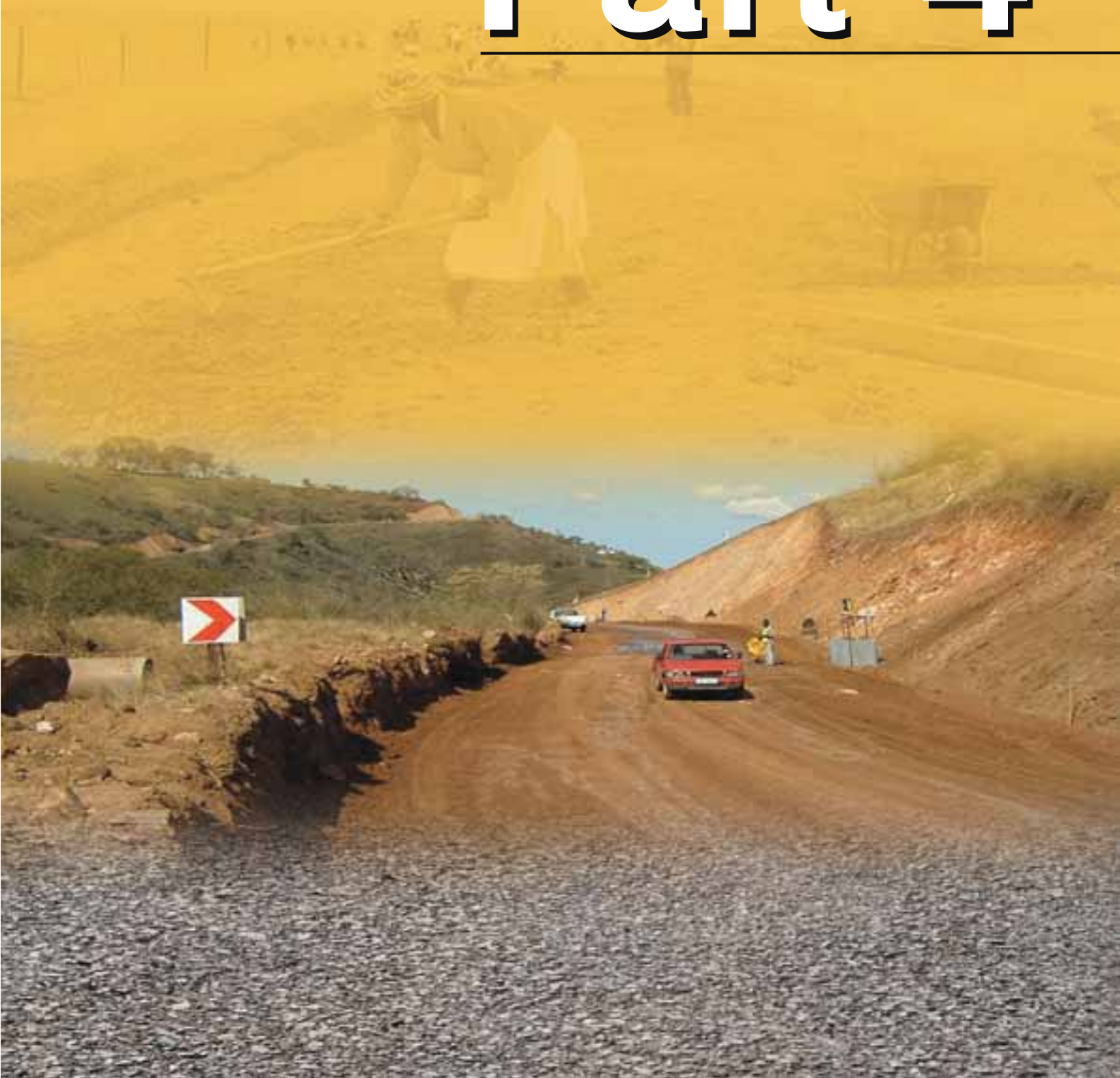
Date: 16/8/2005



# Part 4

ANNUAL FINANCIAL STATEMENTS

# Part 4



## Part 4

### ANNUAL FINANCIAL STATEMENTS



## ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements for KwaZulu-Natal Department of Transport

Annual Financial Statement for KwaZulu-Natal Taxi Council



# Part 4

## ANNUAL FINANCIAL STATEMENTS



## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### ANNUAL FINANCIAL STATEMENTS FOR KWAZULU-NATAL DEPARTMENT OF TRANSPORT FOR THE YEAR ENDED 31 MARCH 2005

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Part 4

**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S**

## **MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005 DEPARTMENT OF TRANSPORT**

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Province of KwaZulu-Natal, Republic of South Africa.

### **1. General Review of the State of Financial Affairs**

#### **Important Policy Decisions and Strategic Issues Facing the Department**

The Department is serious about improving the quality of lives of people through our vision "Prosperity through Mobility", which is achieved by access, mobility, safety, affordability and prosperity - a requirement that must be fulfilled for every individual and every community of this Province.

The Department's mandated development goal is to construct and maintain a balanced road network that meets the mobility needs of all the citizens of KwaZulu-Natal and which supports our nation and provincial growth and development objectives. The budget allocations for road infrastructure have meant the Department had to strike a balance between the need to maintain existing road networks inherited from previous structures within the country and to develop new strategic corridors and provide communities with access roads.

During the 2004/05 financial year, the Department in its continued commitment to growth and development provided an effective, professional and consultative service to those previously disadvantaged and has created numerous job opportunities and an enabling environment for all to acquire expertise, skills and experience, especially the small enterprise sector in the rural areas.

The Department has also adopted a data driven approach to prioritizing road investments that is both consultative and proactive.

Programmes such as Zibambele, Vukuzakhe and Labour Intensive Road Construction, together with SETA and CETA learnerships, support the principles of the Expanded Public Works Programme (EPWP). This programme provides for the creation of short term employment and skills training opportunities, stimulating the SMME sector and generating new opportunities for self employment through the expansion of community livelihood opportunities. The successful implementation of the Road to Wealth and Job Creation Initiative – especially Zibambele and Vukuzakhe Programmes has stimulated even greater public demand for roads.

The African Renaissance Road Upgrading Programme (ARRUP) has created a new awareness within rural KwaZulu-Natal of how the upgrading of major transport corridors from gravel to blacktop can kick-start stagnant economies and create new opportunities on an unprecedented scale. This programme has made extensive use of local labour and local suppliers.

The Department, in partnership with the Vukuzakhe Provincial Council and Vukuzakhe Associations has supported the Vukuzakhe Programme to ensure that the contractors emerge and enter the market place as successful and competitive contractors. To this end the Department is in the advanced stage of investigating the implementation of a Public Private Partnership (PPP) for the maintenance and supply of major plant (such as graders and bulldozers) to both the Department and Vukuzakhe emerging contractors. The PPP is aimed at alleviating problems faced by emerging contractors in getting access to affordable and reliable plant, as this affects their performance, profit margins and credit worthiness.



## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005

At the same time the Department is working closely with the eThekweni Municipality in planning their rural road network. The eThekweni Municipality has committed significant budgets to upgrade and develop its rural road network and has already adopted the Department's Zibambele and Vukuzakhe programmes.

The Department contributed to the revised PGDS during the year and continued to highlight the integral role of transport with regard to the various sectors targeted for key development initiatives in the province. These include the Tourism and Agricultural Sector, Trade and Industry, Spatial Development Initiatives and Urban Renewal Strategy and Integrated Sustainable Rural Development Programmes.

In line with PGDS, the Department has undertaken various programmes to achieve a balanced road network. To this end, the Department:

- Streamlined its capacity to respond to other sector demands for upgraded/new roads;
- Re-submitted to Treasury in 2003 an Implementation Plan outlining a strategy and budget requirement for conserving the existing road network over the new decade; and
- Contributed to the development of a National Road Infrastructure Strategic Framework for South Africa which is designed to secure appropriate budget levels to meet the road provision and maintenance needs of South Africa's road network.

The Department of Transport is in the process of finalizing its assessment of the payment of public transport subsidies in line with the White Paper on Transport and the National Land Transport Transition Act. The regulation of the Minibus Taxi Industry is an ongoing process which includes Taxi Recapitalisation and initiatives to diversify the economic base of the taxi industry through the establishment of Taxi Cities, Taxi Co-operatives and other enterprise developments and is currently preparing a strategy for the provincial implementation of the National Taxi Recapitalization Project.

In order to develop the Minibus Taxi Industry the Department enacted the KZN Interim Minibus Taxi Act, 1998 (Act No. 4 of 1998) which established a practical and enforceable regulatory framework to set standards and processes for the legitimization of taxi operations. The Act also ensured that members of the industry not complying with registration, licencing and permit requirements were excluded from the industry.

Projects such as Operation Shanela and the establishment of the Public Transport Enforcement Unit (PTEU) have already had a significant impact on the normalisation of the taxi industry in KwaZulu-Natal and will continue to operate as part of the Department's law enforcement operations. A Taxi Izimbizo was held during 2004 with leadership from both the taxi industry and enforcement agencies, with the aim of consolidating and diversifying the business interests of the taxi industry, disarming it and changing its mindset to ensure that the taxi industry in KwaZulu-Natal takes its rightful place as a critical pillar of the province's inter-modal transport system.

The Department of Transport is committed and challenged to build a People's Contract for a sustainable transport system that takes full cognizance of the fact that KwaZulu-Natal is the Gateway Province to South Africa's international trade. It is a national priority to develop an efficient freight system in support of a value added export economy. In light of this, the Department officially launched its White Paper on Freight Transport during October 2004. The White Paper deals with broad issues affecting all applicable modes of transport, in order to maintain and develop the freight transport system in KwaZulu-Natal.



Part 4

**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S****MANAGEMENT REPORT  
FOR THE YEAR ENDED 31 MARCH 2005**

The Department has embraced the growing awareness that transport corridors, especially freight transport corridors, are also transmission corridors for communicable diseases. The Department has now included a communication and education component in its programme to raise awareness of appropriate preventative measures for avoiding the transmission of communicable diseases such as HIV and AIDS and TB.

The need to develop an integrated human resource development strategy which effectively aligns the demand and supply factors of the skills required in the transport, construction and civil engineering sectors have been realized through the acceleration of the Department's commitment towards targeting the Youth Empowerment Programme. This programme focuses on providing practical and experiential training for S3 students, as well as accommodating learnerships by providing a minimum of one hundred and fifty (150) placement opportunities per annum. The Department has continued to intensify the involvement of the youth in its activities and to provide training and temporary work for the unemployed youth to carry out economic activities that will lead to social upliftment.

**Significant events**

- The National Minister of Transport, Minister Jeff Radebe together with the MEC opened Road D1566 at Qhudeneni in Nquthu;
- The MEC performed the official sod turning for the Pedestrian Bridge over the White uMfolozi River
- The official opening of one of the key African Renaissance Roads Upgrading Projects (ARRUP), Main Road P235 from Mtubatuba through Hlabisa and Nongoma to Vryheid;
- Opening of the Mpisi River Bridge in Maphumulo, near Stanger;
- The Department hosted an Interfaith Prayer Day for Road Safety which involved all religious leaders from different faiths;
- The Department hosted its Annual Report Back Summit in Pietermaritzburg;
- The Department officially launched a road safety partnership with the leaders of organised labour;
- Organisation and hosting of various Community Imbizo's to deal with subjects such as Taxi Violence, Community Safety and how the Department can improve its service delivery;
- 16 Days of Activism of Non-Violence Against Women;
- Summer Holiday Road Safety Plan;
- The graduation of the largest class of RTI Traffic Officers in the Province (96);

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### ANNUAL FINANCIAL STATEMENTS

## MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005

### Major Projects

### Project value

Nongoma African Renaissance Road Upgrading Project	R 455 million
Ongoye African Renaissance Road Upgrading Project	R 226 million
Nkandla African Renaissance Road Upgrading Project	R 253 million
St Faiths African Renaissance Road Upgrading Project	R 221 million
Osizweni African Renaissance Road Upgrading Project	R 95 million
Ndwedwe African Renaissance Road Upgrading Project	R 112 million
Vulindlela African Renaissance Road Upgrading Project	R 55 million
Duffs Road (P577) Cabinet Projects	R 520 million
Ulundi-Empangeni (P700)	R 373 million

### PROGRAMME 1: ADMINISTRATION

### SAVINGS R28 000

The expenditure in this programme was in line with the adjusted budget and the Department's expectations.

Within the Department's organizational environment the major challenge that exists is in regards to human resource constraints. The availability of sufficiently skilled professional and managerial staff in the marketplace willing to work for Government has meant that the Department has had to be innovative in ensuring that the professional and managerial skills required for delivery are available.

### PROGRAMME 2: ROAD INFRASTRUCTURE

### OVER EXPENDITURE R639 000

The budget of this programme was overspent as a result of the expenditure on the construction of roads for the IEC. This placed an enormous strain on the budget and the Department was forced to implement stringent controls to ensure that the over expenditure was minimised.

The challenge facing the Department since 1994 has been to remedy road network inequalities that arose out of the Apartheid Government Policy of separate development, while at the same time maintaining the primary road network at an appropriate level. Inadequate funding levels for road infrastructure created a condition whereby the Department consciously chose to fund a road programme that would minimize the further deterioration of the primary road network while at the same time maximize the allocations needed to provide isolated rural communities with appropriate access. At the same time a conscious decision was taken to promote a proper awareness of the importance of road investments for the development of South Africa's economy. Clearly funding is the single largest constraint to the Department's successful delivery on its objectives. In order to address this, the Department continues to motivate to Treasury for additional funding to improve the allocation of funds for the maintenance of the network to ensure optimal usage of the available funds.

### PROGRAMME 3: TRANSPORTATION

### SAVINGS R2 000

The expenditure in this programme was in line with the adjusted budget and the Department's expectations. The challenge facing the Department since 1997, when it was devolved this function from the National sphere, has been the normalization of an industry that had operated in a largely unplanned, unregulated and un-enforced environment characterized by often violent conflict between Government and operators and between operators themselves. The result of this is an industry which has an innate distrust of Government and each other. It often operates in an



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### ANNUAL FINANCIAL STATEMENTS

#### MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005

unsustainable manner and often does not look after the interests and needs of the travelling public. The Department faces the challenge of the negative impact freight transport has on the road network. The impact of this movement of freight on the provincial economy is enormous both in terms of income generated and damage done to the provincial road network. The challenge for the Department is to formulate a structured provincial approach to freight transport in order to reduce the negative impact of road freight overloading on the road system whilst promoting BEE and development in a deregulated industry.

The country's successful bid for the 2010 Soccer World Cup places a great challenge on the public transport sector. The need for an integrated, efficient and user friendly public transport service is vital for the success of the Soccer World Cup.

#### PROGRAMME 4: TRAFFIC MANAGEMENT

SAVINGS R225 000

The expenditure in this programme was in line with the adjusted budget and the Department's expectations. The challenge facing the Department in regards to traffic management is ensuring the safe and efficient operation of road network. With the recovery of the South African economy since 1994 and the deregulation of the road freight industry in the 1980s the growth of freight and passenger trips on the road network in the province has grown significantly. Although the growth of traffic has been less severe on the provincial road network there has been a marked increase in traffic over the last 5 years.

Clearly the challenge in ensuring a consistent and sustained decrease in accidents is developing an integrated engineering, enforcement and educational strategy on a province wide basis based on identified needs in a consultative and data driven manner.

#### PROGRAMME 5: COMMUNITY BASED PROGRAMME

SAVINGS R51 000

The expenditure in this programme was in line with the adjusted budget and the Department's expectations.

### 2. Services rendered by the Department

#### 2.1 List of Services

The services rendered by the Department are outlined in the programmes below:

#### 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.

This programme has been central in transforming the Department's approach to service delivery in order to bring about greater integration, efficiency, effectiveness and sustainability. The Public Finance Management Act governs the financial management and corporate support services of the Department.

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## MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005

In order to improve procurement of goods and services in the Department a supply chain management system is to be implemented. This will ensure that delays in the procurement process are minimized and that objectives of the Department in terms of procurement, such as Broad Based Black Economic Empowerment are attained.

### PROGRAMME 2: ROAD INFRASTRUCTURE

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 needs for development of infrastructure, implementing maintenance programmes and providing access roads for communities to unlock economic potential, and promote community development and eco-tourism.

The objectives of this programme are: -

- The planning and designing of provincial roads;
- The construction of provincial roads;
- The provision of access roads to rural communities;
- The departmental/contractual maintenance of provincial roads;
- The purchase, repair and preventative maintenance of departmental plant and equipment;
- Assistance in respect of the fencing of main roads;
- Assistance to local authorities in respect of the maintenance of main roads.

The policy of the Department since 1994 has been to remedy road network inequalities that arose out of the Apartheid Government Policy of separate development while at the same time maintaining the primary road network at an appropriate level.

In the report entitled "Implementation Plan for Conserving the Road Network" that was submitted to Treasury, the Department indicated that it required additional funding to address backlogs in the road network. This report had a two fold purpose, namely, securing a minimal equity road network and restoring the network to its true asset value by increasing the level of maintenance expenditure.

### PROGRAMME 3: TRANSPORTATION

The purpose of this programme is to plan, regulate, enforce and develop public transport and freight transport in order to ensure balanced, equitable, safe and sustainable public and freight transport services.

The main function of this programme includes the development of policies and plans for public and freight transport service and supporting infrastructure; the regulation of public and freight transport services; and the enforcement of legislation in respect of public transport.

The expenditure for this programme was in line with the adjusted budget and the Department's expectation.

### PROGRAMME 4: TRAFFIC MANAGEMENT

The purpose of this programme is to regulate traffic on all roads in the Province. The Department's integrated road safety programme is aimed at facilitating road safety campaigns and measures,



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**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S****MANAGEMENT REPORT  
FOR THE YEAR ENDED 31 MARCH 2005**

developing policy in consultation with all relevant authorities charged with the responsibility for road safety and encouraging participation of all in road safety initiatives and awareness programmes.

The services rendered by this programme are as follows:

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

The major constraint experienced by the Department is the enforcement of road traffic legislators. In order to improve the effective utilization of enforcement officers the Department is developing a Scientific Officer Deployment Model. This model will allocate enforcement officers according to identified priority enforcement areas and high incident locations.

**PROGRAMME 5: COMMUNITY BASED PROGRAMME**

This programme caters for the development of programmes designed to empower and transfer skills to historically disadvantaged communities, thereby facilitating the process of active participation in the economy of the country. These include the development and management of programmes such as Zibambele, Vukuzakhe, Labour Based and Labour Intensive Construction.

The Department's flagship road infrastructure programmes have overwhelming public support and impacts on the social and economic upliftment of resource poor communities. The Vukuzakhe emerging contractor programme has developed a growing reputation within rural communities as a source of hope for work.

In order to improve the performance of the Staged Advancement Programme the Department is partnering with CETA to provide learnerships to Vukuzakhe contractors. These include programmes to improve credit worthiness and the procurement of supplies and plant.

**2.2    Tariff Policy**

Motor vehicle licence fees in the province are lower than those levied in various other provinces and international best practice. In order to address this, the motor vehicle registration and licencing fees increase by a factor which takes into account the current inflation rate, increases in other provinces and the discrepancies to the rates charged by other provinces. These increases are approved by the MEC for Transport and the Provincial Treasury. This policy will continue until such time as motor vehicle licence fees are better aligned to other provinces and international best practice.

**2.3    Free Services**

None

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### ANNUAL FINANCIAL STATEMENTS

## MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005

### 2.4 Inventories

Value of Inventories on hand at year end is R10 695 221 and is made up as follows:

Fuel	R 5 000 000
Maintenance Material	R 3 078 085
Maintenance & Repairs	R 1 774 805
Others	R 842 331

### 3. Capacity Constraints

The historical performances and activities of the Department have led to an accumulation of learning over the years, leading the Department to recognise that there are two main factors that have extensive impact on delivery, and that influence the strategic Departmental outputs, namely:

- A budgetary allocation that is insufficient to deal with the infrastructure backlog and equitable transport infrastructure development; and
- The impact that HIV and AIDS has on the Department.

The greatest challenge facing the Department of Transport since 1994 has been the need to remedy road network inequalities that arose out of the Apartheid Government Policy of separate development, while at the same time maintaining the primary road network at an appropriate level. Inadequate funding levels for road infrastructure led the Department to consciously choose to fund a road programme that will minimise the further deterioration of the primary road network, while maximising the allocations needed to provide isolated rural communities with appropriate access. At the same time, a decision was taken to promote a proper awareness of the importance of road investments for the development of South Africa's economy.

To achieve this, since 1994, the Department has worked diligently to restructure its organisation and revolutionise the way it executes its mandate. The Department has committed itself to the provision of a balanced road network that is both equitable, sustainable, in line with the PGDS (Provincial Growth and Development Strategy), and will maximise social and economic development where it is currently needed most.

The impact of the movement of freight on the provincial economy is enormous, both in terms of income generated by the industry and damage done to the road network. This is compounded by the continued movement of freight transport from rail to road-based modes. The challenge is to formulate a structured provincial approach to freight transport in order to reduce the negative impact of road freight overloading on the road system, while promoting Black Economic Empowerment (BEE) and development in a deregulated industry. The need for a structured provincial approach to freight planning, regulation, enforcement and development is thus vital.

One of the major constraints facing the Department is the lack of appropriate information technology systems to assist the Department in making data driven decisions. The ability of the Department to develop appropriate strategies for the attainment of its objectives is greatly influenced by the availability of reliable and comprehensive data to inform strategic planning. Such information is currently inadequate, as is the ability of the Department to use the information that are available. In order to address this, the Department is developing systems and capacity for strategic planning and delivery management, and is working in partnership with the Provincial Treasury to improve infrastructure delivery management in the Department.



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FOR THE YEAR ENDED 31 MARCH 2005**

One of the major constraints is the lack of appropriate information technology systems to assist the Department in making data driven decisions. Specifically there is a need for integrated project management and financial management systems. In order to address this, the Department is developing systems and capacity for strategic planning and delivery management. The Department is working in partnership with Treasury in order to improve infrastructure delivery management within the Department.

**4. Utilisation of Donor funds**

No donor funds were received for the year ending 31 March 2005.

**5. Trading entities and public entities**

The KwaZulu-Natal Taxi Council listed on Schedule 3C of the Public Finance Management Act reports to the KwaZulu-Natal Minister of Transport.

**6. Organisations to whom transfer payments have been made**

Transfer Subsidies are made for the following purposes:

- The KZN Taxi Council
- The District Municipalities for the Regional Services Council (RSC) levies
- 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 hereby improving Road Safety.
- Municipalities: Maintenance of Provincial Roads that traverse built up areas with Local Municipalities.
- Local Roads: Paid to various organizations and farmers for maintenance of certain local roads.
- eThekweni Metropolitan Council: Contribution made to the eThekweni Transport Authority.

**7. Public Private Partnerships (PPP)**

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

The KwaZulu-Natal Department of Transport has completed a feasibility study and is awaiting Treasury approval to continue with the process to enter into a PPP for the provision of plant for the Department's internal use as well as for the use of emerging contractors participating in its Vukuzakhe program.

**8. Corporate Governance Arrangements**

The Department operates in compliance with the Constitution of the Republic of South Africa, the Public Finance Management Act, the Public Service Act and all other relevant legislation governing its operations.

**9. Discontinued activities**

No activities have been discontinued during the financial year under review.



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### ANNUAL FINANCIAL STATEMENTS

## MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005

### 10 New/proposed activities

No new activities were undertaken by the Department during the financial year under review.

### 11 Events after the reporting date

No significant events have occurred after the reporting date which will influence the interpretation of the results under review.

### 12 Performance information

The following are the key services delivered by the Department during the financial year under review:

#### Service delivery measures – Programme 2: Road Infrastructure

Outputs	Performance Measures	Performance targets	
		2004/05 Estimate	2004/05 Actual
<b>Surfaced Roads</b>			
1. Rehabilitation of surfaced roads	<ul style="list-style-type: none"> <li>No. of square metres: Light rehabilitation</li> <li>No. of square metres: Heavy rehabilitation</li> </ul>	550 000 330 000	462 558 438 546
2. Maintain surfaced roads	<ul style="list-style-type: none"> <li>No. of square metres: Tared roads resealed</li> <li>No. of square metres: Blacktop patching</li> </ul>	750 000 90 000	679 942 107 826
3. Upgrade to surfaced roads	<ul style="list-style-type: none"> <li>Kilometres upgraded: ARRUP roads</li> <li>Kilometres upgraded: P700 Ulundi-Richards Bay Road</li> <li>Kilometres upgraded: Agricultural roads</li> </ul>	41 10 15	42 11 20
<b>Gravel Roads</b>			
4. Construct local access roads	<ul style="list-style-type: none"> <li>Kilometres of gravel roads constructed</li> <li>Kilometres constructed IEC roads</li> </ul>	420 220	430 230
5. Maintain local roads - Zibambele	Kilometres maintained using Zibambele contractors	13 400	15 243
6. Maintain gravel roads	<ul style="list-style-type: none"> <li>Kilometres of road: blading</li> <li>Kilometres of road: regravelling</li> <li>Kilometres of road: betterment and gravelling</li> </ul>	75 000 420 380	79 009 431 475
<b>General</b>			
7. Construction of causeways and bridges	<ul style="list-style-type: none"> <li>Number of causeways constructed</li> <li>Number of bridges constructed</li> <li>Number of pedestrian bridges constructed</li> </ul>	58 6 2	57 11 2

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### MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005

#### Service delivery measures – Programme 3: Traffic Management

Outputs	Performance measures	Performance targets	
		2004/05 Estimate	2004/05 Actual
1. Provide a safe road environment through community outreach and development	• Number of awareness campaigns	22	42
	• Number of Community Road Safety Councils (CRSCs) trained	35	35
2. Overloading control enforcement	• Number of vehicles weighed	220 000	109 224
3. Promote safe use of public roads	• Number of vehicles timed for speed	6 000 000	6 058 884
	• Number of vehicles checked in road side checks	620 000	645 223
	• Number of kilometres patrolled	2 700 000	2 976 480

#### 13. SCOPA Resolutions

The following resolutions were made by the Standing Committee on Public Accounts with regard to the Auditor-General's report on the Departments 2003/04 financial statements.

##### SCOPA Resolution

##### Resolution 59/2004:

Documents not stamped "Paid"

##### Management Comment

- Training of departmental staff by the Internal Compliance section has been undertaken during the year to improve compliance to internal controls in the Department

##### Resolution 36/2004:

Irregular procurement practices at cost centres

- Training of departmental staff by the Internal Compliance section has been undertaken during the year to improve compliance to internal controls in the Department
- Appointment of Regional Financial Managers with an accounting qualification in each region to enhance financial management and internal controls in the regions
- Extensive training with regard to procurement regulations has been undertaken by the Procurement staff to improve procurement practices in the Department

##### Resolution 37/2004:

Weak control environment

- Training of departmental staff by the Internal Compliance section has been undertaken during the year to improve compliance to internal controls in the Department
- Appointment of Regional Financial Managers with an accounting qualification in each region to enhance financial management and internal controls in the regions

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### ANNUAL FINANCIAL STATEMENTS

#### MANAGEMENT REPORT FOR THE YEAR ENDED 31 MARCH 2005

- Extensive training with regard to procurement regulations has been undertaken by the Procurement staff to improve procurement practices in the Department
- Implementation and training on Provincial Practice Notes.
- The phased implementation of a Provincial Asset Management System in conjunction with the Provincial Treasury
- Appointment of Zibambebe supervisors in the regions to improve controls over these contractors
- The finalisation of the regional organisational structures and the appointment of additional administrative staff to improve organisational efficiency.


#### Resolution 104/2004

Unauthorised expenditure in the 2003/04 financial year

- The Standing Committee on Public Accounts has recommended that this unauthorised expenditure be approved.

#### Approval

The attached Annual Financial Statements have been approved by the Accounting Officer.



**Dr KB Mbanjwa**  
**HEAD: TRANSPORT**  
31 May 2005



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## Part 4

### A N N U A L   F I N A N C I A L   S T A T E M E N T S

## REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 12-DEPARTMENT OF TRANSPORT FOR THE YEAR ENDED 31 MARCH 2005

### 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 158 to 198 for the year ended 31 March 2005 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 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). 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 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.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

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

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### A N N U A L   F I N A N C I A L   S T A T E M E N T S

## REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 31 MARCH 2005

### 3. QUALIFICATION

#### 3.1 Asset management

##### a) Fixed assets

The Department does not have a proper asset management system in place for furniture and equipment to ensure the effective, economical and transparent use of the Department's assets. The Department's records did not permit the application of adequate alternative procedures.

Consequently, the existence and completeness of the Department's assets could not be verified.

##### b) Inventory

My audit of inventory revealed numerous shortcomings relating to the recording and control of stock, and the reconciliation of physical stock to the subsidiary stock records. Consequently the existence and completeness of inventory could not be verified.

The above is in contravention with Treasury Regulation 10.1, issued in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

### 4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Department of Transport at 31 March 2005 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the PFMA.

### 5. EMPHASIS OF MATTER

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

#### 5.1 Personnel expenditure

The department does not have a documented policy and procedure for the reconciliation of the total monthly salary expenditure as recorded on the Basic Accounting System (BAS) to PERSAL. An unexplained difference of R5 451 594 was noted between the amounts paid per PERSAL and the amounts recorded in the financial statements.



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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 31 MARCH 2005

#### 5.2 Prior year error

During the audit an error relating to the incorrect clearing of control accounts on the bank reconciliation was identified. An investigation revealed that departmental revenue had been materially overstated in the prior year. The effect of the adjustments processed on the comparative amounts in the financial statements was as follows:-

	R
Decrease revenue	8 442 790
Increase bank overdraft	8 442 790
Decrease departmental revenue to be surrendered to the revenue fund	8 442 790

#### 5.3 Financial management

During the audit various control weaknesses were identified and reported which indicate that the laid down routine controls were not adequately developed or monitored to ensure that it operated as designed at all Regional Offices and that the delegated responsibilities had been properly discharged.

#### 5.4 Provincial vehicle fleet

The Department conducted the annual physical verification of the provincial vehicle fleet in order to ensure that an accurate Provincial Vehicle Asset Register is maintained. This exercise was not successful due to the lack of co-operation from departments resulting in only 62 per cent of the Department's and 73 per cent of the provincial fleet being verified.

#### 5.5 Computer assisted audit technique exceptions

Computer assisted audit techniques were again applied this year to the data downloaded from the Motor Licencing Bureau's National Traffic information System (NATIS). Some progress in rectifying the errors identified in prior years has taken place during the year. A major area of concern is still the duplicate chassis numbers, which is currently the most important vehicle identification number.

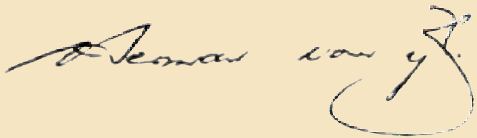
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### ANNUAL FINANCIAL STATEMENTS

#### REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 31 MARCH 2005

##### 6. APPRECIATION

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



**H van Zyl for Auditor-General**

**Pietermaritzburg**

**29 July 2005**



**AUDITOR - GENERAL**



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**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S****ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2005**

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice, have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

**1. Basis of preparation**

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting, transactions and other events are recognised when incurred and not when cash is received or paid.

**2. Revenue****Appropriated funds**

Voted funds are the amounts appropriated to a Department in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund, unless otherwise stated.

**Departmental revenue*****Tax revenue***

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

***Sale of goods and services other than capital assets***

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

***Fines, penalties and forfeits***

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.



**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S****ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2005*****Interest, dividends and rent on land***

Interest and dividends received are recognised upon receipt of the funds and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the Department and then transferred to the Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the Statement of Financial Performance on receipt of the funds.

***Sale of capital assets***

The proceeds from the sale of capital assets is recognised as Revenue in the Statement of Financial Performance on receipt of the funds.

***Financial transactions in assets and liabilities***

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is re-issued the payment is made from Revenue.

**3. Expenditure*****Compensation of employees***

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

***Short-term employee benefits***

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

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**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S****ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2005*****Long-term employee benefits and other post employment benefits******Termination benefits***

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

***Medical benefits***

The Department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the Department.

***Post employment retirement benefits***

The Department provides retirement benefits for certain of 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 the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the Department. Any potential liabilities are disclosed in the Annual Financial Statements of the Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

***Other employee benefits***

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

***Goods and services***

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

***Interest and rent on land***

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

***Financial transactions in assets and liabilities***

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending available to the Department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S****ACCOUNTING POLICIES*****Unauthorised expenditure***

Unauthorised expenditure, is defined as:

- 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.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

***Irregular expenditure***

Irregular expenditure, is defined as :

expenditure, other than unauthorised expenditure, incurred in contravention 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.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

***Fruitless and wasteful expenditure***

Fruitless and wasteful expenditure, is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

**4. Transfers and subsidies**

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

**5. Expenditure for capital assets**

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.



**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S****ACCOUNTING POLICIES****6. Investments**

Investments include; Investments in Associates; Joint ventures; Investments in controlled entities and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

**7. Receivables**

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

**8. Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**9. Payables**

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

**10. Lease commitments**

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

**11. Accruals**

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### ACCOUNTING POLICIES

Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

##### 12. Contingent liability

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the Statement of Financial Position, but the information is disclosed as part of the disclosure notes.

##### 13. Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

##### 14. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

##### 15. Recoverable revenue

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

##### 16. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the Department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.



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## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Appropriation per Programme							2003/04	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
<b>1. ADMINISTRATION</b>									
Current payment	87 416	(6 909)	-	80 507	81 975	(1 468)	101,8%	81 512	83 072
Transfers and subsidies	311	-	-	311	1 638	(1 327)	526,7%	249	-
Expenditure for capital assets	20 653	(5 000)	-	15 653	12 830	2 823	82,0%	21 550	3 441
<b>2. ROAD INFRASTRUCTURE</b>									
Current payment	310 425	-	12 000	322 425	363 309	(40 884)	112,7%	161 186	140 396
Transfers and subsidies	19 996	-	(12 000)	7 996	2 583	5 413	32,3%	5 179	855
Expenditure for capital assets	1 053 428	-	-	1 053 428	1 018 596	34 832	96,7%	1 011 272	1 038 257
<b>3. TRANSPORTATION</b>									
Current payment	24 825	-	-	24 825	24 931	(106)	100,4%	23 848	26 584
Transfers and subsidies	5 644	-	-	5 644	5 631	13	99,8%	5 363	5 300
Expenditure for capital assets	500	-	-	500	405	95	81,0%	-	-
<b>4. TRAFFIC MANAGEMENT</b>									
Current payment	233 051	6 909	-	239 960	237 612	2 348	99,0%	212 903	214 427
Transfers and subsidies	1 358	-	-	1 358	260	1 098	19,1%	303	-
Expenditure for capital assets	20 000	5 000	-	25 000	28 022	(3 022)	112,1%	5 456	16 707
<b>5. COMMUNITY BASED</b>									
Current payment	27 009	-	-	27 009	32 259	(5 250)	119,4%	31 956	24 533
Transfers and subsidies	31	-	-	31	32	(1)	103,2%	30	-
Expenditure for capital assets	5 000	-	-	5 000	(302)	5 302	(60%)	-	7 091
Current payment	-	-	-	-	481	(481)	0,0%	-	4 835
<b>Subtotal</b>	1 809 647	-	-	1 809 647	1 810 262	(615)	100,0%	1 560 807	1 565 498
<b>Statutory Appropriation</b>									
<b>Total</b>	1 809 647	-	-	1 809 647	1 810 262	(615)	100,0%	1 560 807	1 565 498
Departmental receipts				614 211				564 659	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				2 423 858				2 125 466	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					1 810 262				1 565 498

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### ANNUAL FINANCIAL STATEMENTS

#### APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Appropriation per Economic Classification							2003/04	
	2004/05							Final Appropriation R'000	Actual Payment R'000
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation		
<b>Current payments</b>									
Compensation to employees	342 286	-	-	342 286	367 959	(25 673)		216 772	226 400
Goods and services	340 440	-	12 000	352 440	372 107	(19 667)		294 633	261 894
Interest and rent on land	-	-	-	-	18	(18)		-	718
Financial transactions in assets and liabilities	-	-	-	-	481	(481)		-	4 835
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	19 746	-	(12 000)	7 746	1 408	6 338	18.2%	5 162	741
Departmental agencies & Accounts	5 764	-	-	5 764	6 498	(734)	112.7%	5 300	5 300
Public corporations & private enterprises	-	-	-	-	139	(139)	0.0%	-	-
Households	1 830	-	-	1 830	1 851	(21)	101.1%	520	114
Gifts and donations	-	-	-	-	249	(249)	0.0%	142	-
<b>Payment on capital assets</b>									
Buildings & other fixed structures	1 047 660	-	-	1 047 660	1 010 107	37 553	96.4%	996 190	1 024 111
Machinery & equipment	51 921	-	-	51 921	49 375	2 546	95.1%	42 088	41 385
Software & other intangible assets	-	-	-	-	70	(70)	0.0%	-	-
<b>Total</b>	<b>1 809 647</b>	<b>-</b>	<b>-</b>	<b>1 809 647</b>	<b>1 810 262</b>	<b>(615)</b>	<b>100.0%</b>	<b>1 560 807</b>	<b>1 565 498</b>

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## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT

Detail per programme 1 - ADMINISTRATION

for the year ended 31 March 2005

Programme per subprogramme	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
<b>1.1 OFFICE OF THE MEC</b>	3 563	-	-	<b>3 563</b>	3 439	124	96,5%	3 433	3 471
Current payment	-	-	-	-	29	(29)	0,0%	-	-
Transfers and subsidies	-	-	-	-	111	(111)	0,0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	-	-	-
<b>1.2 MANAGEMENT</b>	9 439	-	-	<b>9 439</b>	8 541	898	90,5%	8 340	14 020
Current payment	164	-	-	<b>164</b>	282	(118)	172,0%	142	-
Transfers and subsidies	-	-	-	-	737	(737)	0,0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	-	-	-
<b>1.3 CORPORATE SUPPORT</b>	59 364	(6 909)	-	<b>52 455</b>	52 987	(532)	101,0%	55 570	58 308
Current payment	7 743	(5 000)	-	<b>2 743</b>	882	(882)	0,0%	-	-
Transfers and subsidies	-	-	-	-	1 244	1 499	45,4%	8 206	1 366
Expenditure for capital assets	-	-	-	-	-	-	-	-	-
<b>1.4 PROGRAMME SUPPORT OFFICE</b>	15 050	-	-	<b>15 050</b>	17 008	(1 958)	113,0%	14 169	7 273
Current payment	147	-	-	<b>147</b>	445	(298)	302,7%	107	-
Transfers and subsidies	12 910	-	-	<b>12 910</b>	10 738	2 172	83,2%	13 344	2 075
Expenditure for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>108 380</b>	<b>(11 909)</b>	<b>-</b>	<b>96 471</b>	<b>96 443</b>	<b>28</b>	<b>100,0%</b>	<b>103 311</b>	<b>86 513</b>
Economic classification	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
<b>Current payments</b>	36 976	(5 181)	-	<b>31 795</b>	35 940	(4 145)	113,0%	43 780	31 475
Compensation to employees	50 440	(1 728)	-	<b>48 712</b>	46 017	2 695	94,5%	37 732	51 597
Goods and services	-	-	-	-	18	(18)	0,0%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers &amp; subsidies</b>	147	-	-	<b>147</b>	122	25	83,0%	107	-
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies & accounts	164	-	-	<b>164</b>	898	(734)	547,6%	-	-
Public corporations & private enterprises	-	-	-	-	138	(138)	0,0%	-	-
Households	-	-	-	-	262	(262)	0,0%	-	-
Gifts and donations	-	-	-	-	218	(218)	0,0%	142	-
<b>Payments for capital assets</b>	12 910	-	-	<b>12 910</b>	10 805	2 105	83,7%	13 344	2 075
Buildings & other fixed structures	7 743	(5 000)	-	<b>2 743</b>	2 025	718	73,8%	8 206	1 366
Machinery & equipment	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>108 380</b>	<b>(11 909)</b>	<b>-</b>	<b>96 471</b>	<b>96 443</b>	<b>28</b>	<b>100,0%</b>	<b>103 311</b>	<b>86 513</b>

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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT

Detail per programme 2 - ROAD INFRASTRUCTURE  
for the year ended 31 March 2005

Programme per subprogramme	2004/05				2003/04				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
<b>2.1 PROGRAMME SUPPORT OFFICE</b>	105 056	-	-	105 056	83 384	21 672	79.4%	31 351	22 998
Current payment	5 460	-	-	5 460	1 174	4 286	21.5%	859	-
Transfers and subsidies	-	-	-	-	24 839	(24 839)	0.0%	-	-
Expenditure for capital assets	29 643	-	-	29 643	7 222	22 421	24.4%	8 729	9 795
<b>2.2 PLANNING</b>	-	-	-	-	(1)	1	0.0%	-	-
Current payment	-	-	-	-	6 523	(6 523)	0.0%	13 565	16 107
Transfers and subsidies	-	-	-	-	-	-	0.0%	9 300	2 290
Expenditure for capital assets	9 766	-	-	9 766	13 215	(13 215)	0.0%	-	-
<b>2.3 DESIGN</b>	-	-	-	-	-	-	0.0%	-	-
Current payment	-	-	-	-	400	(400)	0.0%	-	1 361
Expenditure for capital assets	-	-	-	-	31	(31)	0.0%	-	-
<b>2.4 CONSTRUCTION</b>	641 327	-	-	641 327	693 078	(51 751)	108.1%	501 303	427 978
Current payment	165 960	-	12 000	177 960	272 116	(94 156)	152.9%	111 806	100 485
Transfers and subsidies	412 101	-	-	412 101	1 327	(1 327)	0.0%	-	-
Expenditure for capital assets	-	-	-	-	280 188	131 913	68.0%	496 404	594 172
<b>2.5 MAINTENANCE</b>	-	-	-	-	187	(187)	0%	-	3 467
Current payment	14 536	-	(12 000)	2 536	52	2 484	2.1%	4 320	855
Transfers and subsidies	-	-	-	-	753	(753)	0.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	-
<b>Total</b>	<b>1 383 849</b>	<b>-</b>	<b>-</b>	<b>1 383 849</b>	<b>1 384 488</b>	<b>(639)</b>	<b>100.0%</b>	<b>1 177 637</b>	<b>1 179 508</b>

Economic classification	2004/05				2003/04				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
<b>Current</b>	153 570	-	-	153 570	169 506	(15 936)	110.4%	50 537	77 403
Compensation to employees	156 855	-	12 000	168 855	193 801	(24 946)	114.8%	110 649	62 275
Goods and services	-	-	-	-	-	-	0.0%	-	718
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
<b>Transfers &amp; subsidies</b>	18 166	-	(12 000)	6 166	1 171	4 995	19.0%	4 659	741
Provinces & municipalities	-	-	-	-	-	-	0.0%	-	-
Public corporations & private enterprises	-	-	-	-	1	(1)	0.0%	-	-
Households	1 830	-	-	1 830	1 381	449	75.5%	520	114
Gifts and donations	-	-	-	-	31	(31)	0.0%	-	-
<b>Capital</b>	1 025 750	-	-	1 025 750	993 745	32 005	96.9%	982 846	1 013 091
Buildings & other fixed structures	27 678	-	-	27 678	24 789	2 889	89.6%	28 426	25 166
Machinery & equipment	-	-	-	-	-	-	0.0%	-	-
Software & other intangible assets	-	-	-	-	63	(63)	0.0%	-	-
<b>Total</b>	<b>1 383 849</b>	<b>-</b>	<b>-</b>	<b>1 383 849</b>	<b>1 384 488</b>	<b>(639)</b>	<b>100.0%</b>	<b>1 177 637</b>	<b>1 179 508</b>

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## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT Detail per programme 3 - TRANSPORTATION for the year ended 31 March 2005

Programme per subprogramme	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
<b>3.1 PROGRAMME SUPPORT OFFICE</b>	967	-	-	967	1 623	(656)	167.8%	764	2 000
Current payment	44	-	-	44	31	13	70.5%	63	-
Transfers and subsidies	-	-	-	-	29	(29)	0.0%	-	-
Expenditure for capital assets	18 122	-	-	18 122	13 702	4 420	75.6%	17 647	19 189
<b>3.2 PLANNING</b>	500	-	-	500	355	145	71.0%	-	-
Current payment	-	-	-	-	-	-	0.0%	5 437	5 395
Expenditure for capital assets	5 600	-	-	5 600	5 600	-	100.0%	5 300	5 300
<b>3.3 EMPOWERMENT AND INSTITUTIONAL MANAGEMENT</b>	5 736	-	-	5 736	9 606	(3 870)	167.5%	-	-
Current payment	-	-	-	-	21	(21)	0.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>30 969</b>	<b>-</b>	<b>-</b>	<b>30 969</b>	<b>30 967</b>	<b>2</b>	<b>100.0%</b>	<b>29 211</b>	<b>31 884</b>
Economic classification	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
<b>Current</b>	9 269	-	-	9 269	9 580	(311)	103.4%	5 556	5 049
Compensation to employees	15 556	-	-	15 556	15 351	205	98.7%	18 292	21 535
Goods and services	44	-	-	44	31	13	70.5%	63	-
<b>Transfers &amp; subsidies</b>	5 600	-	-	5 600	5 600	-	100.0%	5 300	5 300
Provinces & municipalities	-	-	-	-	42	(42)	0.0%	-	-
Dept agencies & accounts	-	-	-	-	360	140	72.0%	-	-
<b>Capital</b>	-	-	-	-	3	(3)	0.0%	-	-
Buildings & other fixed structures	500	-	-	500	360	140	72.0%	-	-
Machinery & equipment	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	3	(3)	0.0%	-	-
<b>Total</b>	<b>30 969</b>	<b>-</b>	<b>-</b>	<b>30 969</b>	<b>30 967</b>	<b>2</b>	<b>100.0%</b>	<b>29 211</b>	<b>31 884</b>

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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT

Detail per programme 4 - TRAFFIC MANAGEMENT

for the year ended 31 March 2005

Programme per subprogramme	2004/05					2003/04				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000	
<b>4.1 PROGRAMME SUPPORT OFFICE</b>										
Current payment	9 142	-	-	9 142	12 215	(3 073)	133,6%	9 697	4 384	
Transfers and subsidies	1 358	-	-	1 358	625	733	46,0%	303	-	
Expenditure for capital assets	-	-	-	-	188	(188)	0,0%	-	-	
<b>4.2 SAFETY ENGINEERING</b>										
Current payment	10 134	-	-	10 134	-	10 134	0,0%	9 651	3 390	
Expenditure for capital assets	5 000	-	-	5 000	3 570	1 430	71,4%	-	1 896	
<b>4.3 TRAFFIC LAW ENFORCEMENT</b>										
Current payment	123 881	-	-	123 881	137 802	(13 921)	111,2%	104 179	113 960	
Transfers and subsidies	-	-	-	-	(389)	389	0,0%	-	-	
Expenditure for capital assets	8 000	-	-	8 000	9 426	(1 426)	117,9%	2 573	8 755	
<b>4.4 ROAD SAFETY EDUCATION</b>										
Current payment	33 806	-	-	33 806	34 942	(1 136)	103,4%	36 958	31 605	
Expenditure for capital assets	5 000	-	-	5 000	5 317	(317)	106,3%	-	-	
<b>4.5 TRANSPORT ADMINISTRATION AND LICENCING</b>										
Current payment	55 828	6 909	-	62 737	50 610	12 127	80,7%	52 168	61 088	
Transfers and subsidies	-	-	-	-	24	(24)	0,0%	-	-	
Expenditure for capital assets	2 000	5 000	-	7 000	9 521	(2 521)	136,0%	2 883	6 066	
<b>4.6 OVERLOAD CONTROL</b>										
Current payment	260	-	-	260	2 043	(1 783)	785,8%	250	-	
<b>Total</b>	<b>254 409</b>	<b>11 909</b>	<b>-</b>	<b>266 318</b>	<b>265 894</b>	<b>424</b>	<b>99,8%</b>	<b>218 662</b>	<b>231 134</b>	
<b>Economic classification</b>										
<b>Current</b>										
Compensation to employees	132 751	5 181	-	137 932	144 507	(6 575)	104,8%	107 728	111 390	
Goods and services	100 300	1 728	-	102 028	93 105	8 923	91,3%	105 175	103 037	
<b>Transfers &amp; subsidies</b>										
Provinces & municipalities	1 358	-	-	1 358	52	1 306	3,8%	303	-	
Households	-	-	-	-	208	(208)	0,0%	-	-	
<b>Capital</b>										
Buildings & other fixed structures	5 000	-	-	5 000	5 875	(875)	117,5%	-	1 896	
Machinery & equipment	15 000	5 000	-	20 000	22 143	(2 143)	110,7%	5 456	14 811	
Software & other intangible assets	-	-	-	-	4	(4)	0,0%	-	-	
<b>Total</b>	<b>254 409</b>	<b>11 909</b>	<b>-</b>	<b>266 318</b>	<b>265 894</b>	<b>424</b>	<b>99,8%</b>	<b>218 662</b>	<b>231 134</b>	



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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT

Detail per programme 5 - COMMUNITY BASED PROGRAMME  
for the year ended 31 March 2005

Programme per subprogramme	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
<b>5.1 PROGRAMME SUPPORT OFFICE</b>	17 769	-	-	<b>17 769</b>	32 259	(14 490)	181,5%	22 426	21 050
Current payment	31	-	-	31	32	(1)	103,2%	30	-
Transfers and subsidies	-	-	-	-	(302)	302	0,0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	-	-	-
<b>5.2 COMMUNITY DEVELOPMENT</b>	2 000	-	-	<b>2 000</b>	-	2 000	0,0%	-	-
Current payment	-	-	-	-	-	-	-	-	-
<b>5.3 EMERGING CONTRACTOR DEVELOPMENT</b>	7 240	-	-	<b>7 240</b>	-	7 240	0,0%	9 530	3 488
Current payment	5 000	-	-	5 000	-	5 000	0,0%	-	7 091
Expenditure for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>32 040</b>	-	-	<b>32 040</b>	<b>31 989</b>	<b>51</b>	<b>99,8%</b>	<b>31 986</b>	<b>31 624</b>
Economic classification	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
<b>Current</b>	9 720	-	-	<b>9 720</b>	8 426	1 294	86,7%	9 171	1 083
Compensation to employees	17 289	-	-	17 289	23 833	(6 544)	137,9%	22 785	23 450
Goods and services	31	-	-	31	32	(1)	103,2%	30	-
<b>Transfers &amp; subsidies</b>	-	-	-	-	(360)	360	(90,0%)	-	7 049
Provinces & municipalities	4 000	-	-	4 000	58	3 942	5,8%	-	42
<b>Capital</b>	1 000	-	-	1 000	58	942	5,8%	-	42
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>32 040</b>	-	-	<b>32 040</b>	<b>31 989</b>	<b>51</b>	<b>99,8%</b>	<b>31 986</b>	<b>31 624</b>

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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### APPROPRIATION STATEMENT Detail per programme 6 - SPECIAL FUNCTIONS for the year ended 31 March 2005

Programme per subprogramme	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
6.1 Authorised Losses	-	-	-	-	481	(481)	0.0%	-	4 835
Current payment	-	-	-	-	481	(481)	0.0%	-	4 835
<b>Total</b>	-	-	-	-	<b>481</b>	<b>(481)</b>	<b>0.0%</b>	-	<b>4 835</b>
Economic classification	2004/05						2003/04		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation	Final Appropriation R'000	Actual Payment R'000
Current	-	-	-	-	481	(481)	0.0%	-	4 835
Financial transactions in assets and liabilities	-	-	-	-	481	(481)	0.0%	-	4 835
<b>Total</b>	-	-	-	-	<b>481</b>	<b>(481)</b>	<b>0.0%</b>	-	<b>4 835</b>



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## ANNUAL FINANCIAL STATEMENTS

### NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**  
Detail of these transactions can be viewed in Note 8 (Transfers and subsidies) and Annexure 1 (A-K) to the Annual Financial Statements.
2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**  
  
Detail of these transactions can be viewed in Note 1 (Annual Appropriation) to the Annual Financial Statements.
3. **Detail on financial transactions in assets and liabilities**  
Detail of these transactions per programme can be viewed in Note 6 (Details of special functions (theft and losses)) to the Annual Financial Statements.
4. **Explanations of material variances from Amounts Voted (after Virement):**

#### 4.1 Per programme:

	Voted Funds after virement R'000	Actual Expenditure R'000	R'000	%
ADMINISTRATION	96 471	96 443	28	0.03%
	No material variance			
ROAD INFRASTRUCTURE	1 383 849	1 384 488	(639)	(0.05%)
	Over-expenditure due to IEC roads constructed during March/April 2004, the over-expenditure was limited by holding back payments during March 2005.			
TRANSPORTATION	30 969	30 967	2	0.01%
	No material variance			
TRAFFIC MANAGEMENT	266 318	265 894	424	0.16%
	The saving in this programme was used to fund the over-expenditure in Programme 2: Road Infrastructure.			
COMMUNITY BASED PROGRAMME	32 040	31 989	51	0.16%
	No material variance			
SPECIAL FUNCTIONS	0	481	(481)	100.00%
	This relates to authorised losses which are not budgeted for.			

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

4.2 Per economic classification:	2004/05 R'000
<b>Current expenditure</b>	
Compensation of employees	(25 673)
Goods and services	(19 667)
Interest and rent on land	(18)
Financial transactions in assets and liabilities	(481)
<b>Transfers and subsidies</b>	
Provinces and municipalities	6 338
Departmental agencies and accounts	(734)
Public corporations and private enterprises	(139)
Households	(21)
<b>Payments for capital assets</b>	
Buildings and other fixed structures	37 553
Machinery and equipment	2 546
Software and other intangible assets	(70)



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## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000	2003/04 R'000
<b>REVENUE</b>			
Annual appropriation	1.	1 809 647	1 560 807
Departmental revenue	2.	614 211	564 659
<b>TOTAL REVENUE</b>		<b>2 423 858</b>	<b>2 125 466</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3.	367 959	226 400
Goods and services	4.	372 107	261 894
Interest and rent on land	5.	18	718
Financial transactions in assets and liabilities	6.	481	4 835
<b>Total current expenditure</b>		<b>740 565</b>	<b>493 847</b>
<b>Transfers and subsidies</b>	8.	10 145	6 155
<b>Expenditure for capital assets</b>			
Buildings and other fixed structures	9.	1 010 107	1 024 111
Machinery and Equipment	9.	49 375	41 385
Software and other intangible assets	9.	70	-
<b>Total expenditure for capital assets</b>		<b>1 059 552</b>	<b>1 065 496</b>
<b>TOTAL EXPENDITURE</b>		<b>1 810 262</b>	<b>1 565 498</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>613 596</b>	<b>559 968</b>
Add back unauthorised expenditure	7.	639	4 691
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>614 235</b>	<b>564 659</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted Funds to be surrendered to the Revenue Fund	13.	24	-
Departmental revenue to be surrendered to Revenue Fund	14.	614 211	564 659
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>614 235</b>	<b>564 659</b>



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### ANNUAL FINANCIAL STATEMENTS

#### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2005

	Note	2004/05 R'000	2003/04 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Unauthorised expenditure	7.	54 668	54 029
Cash and cash equivalents	10.	182	177
Prepayments and advances	11.	124	84
Receivables	12.	31 695	231 646
<b>TOTAL ASSETS</b>		<b>86 669</b>	<b>285 936</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	13.	24	-
Departmental revenue to be surrendered to the Revenue Fund	14.	(21 290)	10 998
Bank overdraft	15.	89 252	231 262
Payables	16.	18 171	43 422
<b>TOTAL LIABILITIES</b>		<b>86 157</b>	<b>285 682</b>
<b>NET ASSETS</b>		<b>512</b>	<b>254</b>
<b>Represented by:</b>			
Recoverable revenue		512	254
<b>TOTAL</b>		<b>512</b>	<b>254</b>

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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000	2003/04 R 000
<b>Recoverable revenue</b>			
Opening balance		254	-
Debts written off	6.4	(371)	(699)
Debts raised		629	953
Closing balance		<u>512</u>	<u>254</u>
<b>TOTAL</b>		<u><u>512</u></u>	<u><u>254</u></u>

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts		2 621 755
Annual appropriated funds received		1 809 647
Departmental revenue received		612 197
Net decrease in working capital		199 911
Surrendered to Revenue Fund		(646 499)
Current payments		(765 816)
Transfers and subsidies paid		(10 145)
<b>Net cash flow available from operating activities</b>	17.	<u>1 199 295</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital assets		(1 059 552)
Proceeds from sale of capital assets	2.	2014
<b>Net cash flows from investing activities</b>		<u>(1 057 538)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in loans received		258
<b>Net cash flows from financing activities</b>		<u>258</u>
Net increase in cash and cash equivalents		142 015
Cash and cash equivalents at beginning of year		(231 085)
<b>Cash and cash equivalents at end of year</b>		<u><u>(89 070)</u></u>

# Part 4

## ANNUAL FINANCIAL STATEMENTS

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### 1. Annual Appropriation

##### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)

	Final Appropriation 2004/05 R'000	Actual Funds Received 2004/05 R'000	Variance over/(under) 2004/05 R'000	Total Appropriation 2003/04 R'000
Administration	96 471	96 443	28	103 311
Road Infrastructure	1 383 849	1 384 488	(639)	1 177 637
Transportation	30 969	30 967	2	29 211
Traffic Management	266 318	265 894	424	218 662
Community Based Programme	32 040	31 989	51	31 986
Special Functions	-	481	(481)	-
<b>TOTAL</b>	<b>1 809 647</b>	<b>1 810 262</b>	<b>(615)</b>	<b>1 560 807</b>

##### 1.2 Conditional grants

	Note	2004/05 R'000	2003/04 R'000
Total grants received	ANNEXURE 1A	282 594	200 121

It should be noted that the Conditional Grants are included in the amounts per the Total Appropriation in Note 1.1

#### 2. Departmental revenue to be surrendered to revenue fund

Tax revenue	520 216	496 951
Sales of goods and services other than capital assets	68 916	8 479
Fines, penalties and forfeits	21 611	23 352
Interest, dividends and rent on land	1 038	350
Sales of capital assets	2 014	32 264
Financial transactions in assets and liabilities	21 416	3 263
<b>Total revenue collected</b>	<b>614 211</b>	<b>564 659</b>
<b>Departmental revenue collected</b>	<b>614 211</b>	<b>564 659</b>

The prior year Tax Revenue has been restated to adjust for revenue duplicated against the bank account in the prior accounting period.

##### 2.1 Financial transactions in assets and liabilities

###### Nature of loss recovered

Cheques written back	132	-
Material losses recovered	1 447	-
Other	(1 163)	3 263
	<b>416</b>	<b>3 263</b>

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### 3. Compensation of employees

	Note	2004/05 R'000	2003/04 R'000
<b>3.1 Salaries and wages</b>			
Basic salary		185 272	140 176
Performance award		4 181	2 195
Service Based		13 957	11 343
Compensative/circumstantial		30 275	22 698
Periodic payments		10 878	5 681
Other non-pensionable allowances		83 815	10 324
		<b>328 378</b>	<b>192 417</b>
<b>3.2 Social contributions</b>			
<b>3.2.1 Short term employee benefits</b>			
Pension		26 287	20 851
Medical		13 194	12 371
UIF		-	718
Bargain council		80	42
Insurance		20	1
		<b>39 581</b>	<b>33 983</b>
<b>Total compensation of employees</b>		<b>367 959</b>	<b>226 400</b>
Average number of employees		4 111	4 207
Capitalised Compensation of Employees not included above (per Note 9)		100 415	120 234
<b>Total compensation of employees</b>		<b>468 374</b>	<b>346 634</b>

#### 4. Goods and services

Advertising		15 905	5 971
Attendance fees (including registration fees)		837	-
Bank charges and card fees		-	22
Bursaries (employees)		1 117	566
Communication		14 346	14 745
Computer services		4 880	69
Commission		-	535
Consultants, contractors and special services		99 625	135 763
Courier and delivery services		131	2 432
Drivers licences and permits		68	412
Entertainment		2 587	1 598
External audit fees	4.1	1 654	1 427
Equipment less than R5 000		4 747	-
Freight service		63	97
Government motor transport		-	5 179
Inventory	4.2	43 339	28 005
Legal fees		3 683	1 128
Licence agency fees		-	9
Housing		-	5 312
Maintenance, repair and running costs		112 889	3 155
Medical services		242	-
Operating leases		10 204	10 966
Personnel agency fees		5 205	-
Photographic services		181	-
Plant flowers and other decorations		194	-
Printing and publications		3 663	2 509
Resettlement costs		1 553	2 340
Roadworthy tests		21	-
Subscriptions		256	7
Taking over of contractual obligations		9 774	-
Owned and leasehold property expenditure		10 481	5 773
Translations and transcriptions		22	-
Transport provided as part of the departmental activities		-	9 392
Travel and subsistence	4.3	19 564	18 610

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### ANNUAL FINANCIAL STATEMENTS

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000	2003/04 R'000
Venues and facilities		820	-
Protective, special clothing & uniforms		18	1 553
Training & staff development		4 038	4 319
		<b>372 107</b>	<b>261 894</b>
<b>4.1 External audit fees</b>			
Regulatory audits		1 186	1 427
Other audits		468	-
<b>Total external audit fees</b>		<b>1 654</b>	<b>1 427</b>
<b>4.2 Inventory</b>			
Domestic Consumables		3 096	3 885
Learning and teaching support material		168	-
Fuel, oil and gas		9 573	400
Laboratory consumables		651	-
Other consumables		160	-
Parts and other maintenance material		20 786	14 852
Stationery and Printing		8 896	8 868
Road construction and supplies		(1)	-
Medical Supplies		9	-
Weapons and armaments		1	-
<b>Total Inventory</b>		<b>43 339</b>	<b>28 005</b>
<b>4.3 Travel and subsistence</b>			
Local		19 438	18 560
Foreign		126	50
<b>Total travel and subsistence</b>		<b>19 564</b>	<b>18 610</b>
<b>5. Interest and rent on land</b>			
Rent on land		18	718
<b>Total interest and rent on land</b>		<b>18</b>	<b>718</b>
<b>6. Financial transactions in assets and liabilities</b>			
Other material losses written off	6.1	109	4 136
Debts written off	6.2	372	699
		<b>481</b>	<b>4 835</b>
<b>6.1 Other material losses written off in Statement of Financial Performance</b>			
Nature of losses			
Supplies and equipment deficits		-	329
Vehicle collisions and damages		109	2 135
Vehicle theft		-	1 168
Claims by the state		-	470
Miscellaneous		-	34
		<b>109</b>	<b>4 136</b>

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### ANNUAL FINANCIAL STATEMENTS

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000	2003/04 R'000
<b>6.2 Bad debts written-off</b>			
<b>Nature of debts written-off</b>			
Breach of contract		88	105
Salary overpayment		93	185
Tax debt		1	6
Other staff related write-off		190	403
		<b>372</b>	<b>699</b>
<b>6.3 Details of theft and losses</b>			
Supplies / equipment deficits		191	-
Vehicle collisions, damages and theft		1 454	-
Claims by the state		39	-
		<b>1 684</b>	<b>-</b>
<b>6.4 Recoverable revenue debts written-off</b>			
Breach of contract		(87)	(105)
Salary overpayment		(93)	(185)
Tax debt		(1)	(6)
Other staff related write-off		(190)	(403)
		<b>(371)</b>	<b>(699)</b>
<b>7. Unauthorised expenditure</b>			
<b>7.1 Reconciliation of unauthorised expenditure</b>			
Opening balance		54 029	49 338
Unauthorised expenditure – current year		639	4 691
Unauthorised expenditure awaiting authorisation		<b>54 668</b>	<b>54 029</b>
<b>7.2 Unauthorised expenditure</b>			
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		<b>Total</b>
2003/04	Overspending of programmes 3, 4 and authorised losses		4 691
2002/03	Authorised losses		30 838
Other	Overspending of programmes 1997/98/99 & 2001/02		18 500
			<b>54 029</b>
<b>8. Transfers and subsidies</b>	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
Provinces and municipalities	ANNEXURE 1C	1 408	741
Departmental agencies and accounts	ANNEXURE 1D	6 498	5 300
Public corporations and private enterprises	ANNEXURE 1F	139	-
Households	ANNEXURE 1I	1 851	114
Gifts and donations		249	-
		<b>10 145</b>	<b>6 155</b>
<b>9. Expenditure for capital assets</b>			
Buildings and other fixed structures	ANNEXURE 4	1 010 107	1 024 111
Machinery and equipment	ANNEXURE 4	49 375	41 385
Software and other intangible assets	ANNEXURE 5	70	-
<b>Total</b>		<b>1 059 552</b>	<b>1 065 496</b>
The following amount for Compensation of employees has been included in expenditure for capital assets		100 415	120 234

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### ANNUAL FINANCIAL STATEMENTS

#### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

10. Cash and cash equivalents	Note	2004/05 R'000	2003/04 R'000
Cash receipts		181	-
Disbursements		2	-
Cash on hand		(1)	177
		<b>182</b>	<b>177</b>

#### 11. Prepayments and advances

##### Description

Travel and subsistence

124	84
<b>124</b>	<b>84</b>

#### 12. Receivables

		Less than one year	One to three years	Older than three years		
Amounts owing by						
other entities	ANNEXURE 6	29 323	-	-	29 323	225 362
Staff debtors	12.1	1 378	741	102	2 221	5 679
Other debtors	12.2	151	-	-	151	605
		<b>30 852</b>	<b>741</b>	<b>102</b>	<b>31 695</b>	<b>231 646</b>

Amounts of R Nil (2004: R Nil) included above may not be recoverable, but has not been written off in the Statement of Financial Performance

#### 12.1 Staff debtors

Debtor Debt	1 800	1 183
Debt suspense	-	(3)
Tax debt	41	34
Thefts and losses awaiting approval	37	4 322
Salary Disallowance	68	16
Pension receipts	-	(55)
Salary income tax	275	-
Salary Reversal Control	-	191
Miscellaneous	-	(9)
	<b>2 221</b>	<b>5 679</b>

#### 12.2 Other debtors

Dishonoured cheques	44	347
Re-issued cheques	-	1
Subsidised transport insurance	1	2
Abnormal load payovers	-	4
First Auto	-	46
BAS Conversion account	-	198
Study loan deductions	-	1
Medical Aid deductions	2	6
Bargaining councils	95	-
Third party transactions	9	-
	<b>151</b>	<b>605</b>



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## ANNUAL FINANCIAL STATEMENTS

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	Note	2004/05 R'000	
<b>13. Voted Funds to be surrendered to the Revenue Fund</b>			
Transfer from Statement of Financial Performance		24	
Closing balance		<u>24</u>	
<b>14. Departmental revenue to be surrendered to revenue fund</b>			
Opening balance		10 998	-
Transfer from Statement of Financial Performance		614 211	564 659
Paid during the year		(646 499)	(553 661)
Closing balance		<u>(21 290)</u>	<u>10 998</u>
<b>15. Bank overdraft</b>			
Paymaster General Account		89 252	231 262
		<u>89 252</u>	<u>231 262</u>
The prior year Bank Overdraft has been restated to adjust for revenue duplicated in the prior accounting period.			
<b>16. Payables – current</b>			
<b>Description</b>		<b>2004/05</b>	<b>2003/04</b>
		<b>Total</b>	<b>Total</b>
		<b>R'000</b>	<b>R'000</b>
Amounts owing to other departments	ANNEXURE 7	-	40 801
Advances received	16.1	13 091	2 270
Other payables	16.2	-	351
		<u>13 091</u>	<u>43 422</u>
<b>16.1 Advances received</b>			
National Department of Transport		17 167	2 259
Other		240	-
National Department of Home Affairs		-	11
		<u>17 407</u>	<u>2 270</u>
<b>16.2 Other payables</b>			
<b>Description</b>			
Abnormal load permit deposits		-	22
Tax - Committee members and casual labour		-	4
Tax RSA		-	238
Tender deposits		1	-
Regional service council		98	-
Finance other institutions		1	-
Pension recoverable		170	-
Pension deductions		5	13
Persal ACB Recalls		237	74
		<u>512</u>	<u>351</u>



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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

17. Reconciliation of net cash flow from operating activities to surplus/(deficit)	Note	2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance		614 235
(Increase)/decrease in receivables – current		199 951
(Increase)/decrease in prepayments and advances		(40)
(Increase)/decrease in other current assets		(639)
Increase/(decrease) in payables – current		(25 251)
Proceeds from sale of equipment		(2 014)
Capital expenditure		1 059 552
<b>Net cash flow generated by operating activities</b>		<b><u>1 199 295</u></b>
18. Appropriated funds and departmental revenue surrendered		
Departmental revenue surrendered		(646 499)
		<b><u>(646 499)</u></b>

## Part 4

### ANNUAL FINANCIAL STATEMENTS

## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

		Note	2004/05 R'000	2003/04 R'000	
<b>19. Contingent liabilities</b>					
	Liable to	Nature			
	Housing loan guarantees	Employees	ANNEXURE 3	2 540	3 092
	Claims			13 868	7 541
	Other departments (unconfirmed balances)		ANNEXURE 7	2 175	-
	Capped Leave Commitments			66 804	65 835
				<u>85 387</u>	<u>76 468</u>
<b>20. Commitments</b>					
	<b>Current expenditure</b>				
	Approved and contracted			2 879	8 970
				<u>2 879</u>	<u>8 970</u>
	<b>Capital expenditure</b>				
	Approved and contracted			93 889	170 039
	Approved but not yet contracted			88 956	51 004
				<u>182 845</u>	<u>221 043</u>
	<b>Total Commitments</b>			<u>185 724</u>	<u>230 013</u>
<b>21. Accruals</b>			2004/05	2003/04	
	<b>By economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total R'000</b>	<b>Total R'000</b>
	Compensation of employees	425	-	425	623
	Goods and services	40 783	-	40 783	8 037
	Interest and rent on land	4	-	4	-
	Transfers and subsidies	315	-	315	-
	Buildings and other fixed structures	14 196	-	14 196	113 943
	Machinery and Equipment	14 433	-	14 433	-
	Software and other intangible assets	2	-	2	-
	Transactions in assets and liabilities	28 564	-	28 564	-
				<u>98 722</u>	<u>122 603</u>
	<b>Listed by programme level</b>				
	Administration			5 714	743
	Road Infrastructure			53 929	110 699
	Transportation			845	393
	Traffic Management			8 679	10 768
	Community Based Programme			991	-
	Assets and Liabilities			28 564	-
				<u>98 722</u>	<u>122 603</u>
	<b>Confirmed balances with other departments</b>		ANNEXURE 7	4	-
				<u>4</u>	<u>-</u>

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

22. Employee benefits	2004/05 R'000	2003/04 R'000
Leave entitlement	11 950	10 767
Thirteenth cheque	9 793	13 778
Performance awards	6 333	-
	<u>28 076</u>	<u>24 545</u>

#### 23. Related party transactions

No related party transactions were entered into, except those between government departments.

24. Senior management personnel	2004/05 R'000	2003/04 R'000
- The Minister, Deputy Ministers, Director-General	1 589	1 648
- Deputy Director Generals	1 505	1 406
- General Managers	2 025	1 690
- Other	11 591	9 983
	<u>16 710</u>	<u>14 727</u>

The number of individuals in this category 33 (2004: 31)

# Part 4

## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

**ANNEXURE 1 A  
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of Available funds spent	Division of Revenue Act R'000	Amount spent by departments R'000
Provincial Infrastructure Grant	282 594	-	-	282 594	282 594	282 594	100,0%	200 121	200 121
	<b>282 594</b>	<b>-</b>	<b>-</b>	<b>282 594</b>	<b>282 594</b>	<b>282 594</b>		<b>200 121</b>	<b>200 121</b>



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## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### ANNEXURE 1C STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2003/04	
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality	Division of Revenue Act R'000	
<b>Non-Conditional Grant - Regional Service Council Levy (RSCL)</b>											
Ethekewini DC21 Ugu District Municipality	153	-	-	153	189	123.5%	189	189	100.0%	-	-
DC22 uMgungundlovu District Municipality	53	-	-	53	66	124.5%	66	66	100.0%	-	-
DC23 Uthukela District Municipality	806	-	-	806	542	67.2%	542	542	100.0%	-	-
DC24 Urmziyathi District Municipality	81	-	-	81	144	177.8%	144	144	100.0%	-	-
DC25 Amajuba District Municipality	65	-	-	65	83	127.7%	83	83	100.0%	-	-
DC26 Zululand District Municipality	45	-	-	45	12	26.7%	12	12	100.0%	-	-
DC27 Umkhanyakude District Municipality	103	-	-	103	127	123.3%	127	127	100.0%	-	-
DC28 uThungulu District Municipality	42	-	-	42	52	123.8%	52	52	100.0%	-	-
DC29 Ilembe District Municipality	108	-	-	108	136	125.9%	136	136	100.0%	-	-
<b>Maintenance Subsidies</b>											
KZ211 Vukamehlo	185	-	-	185	-	-	-	-	-	29	12
KZ212 Umndoni	12	-	-	12	-	-	-	-	-	-	-

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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

**ANNEXURE 1C  
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (continued)**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2003/04 Division of Revenue Act R'000	
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality
KZ216 Hibiscus Coast	6	-	-	6	-	-	-	-	-	6
KZ241 Endumeni	41	-	-	41	-	-	-	-	-	39
KZ245 Umvoti	21	-	-	21	-	-	-	-	-	21
KZ253 Utrecht	35	-	-	35	-	-	-	-	-	35
KZ254 Dannhauser	8	-	-	8	-	-	-	-	-	8
KZ261 eDumbe	6	-	-	6	-	-	-	-	-	6
KZ263 Aboqulusi	39	-	-	39	-	-	-	-	-	-
KZ284 Umlalazi	20	-	-	20	-	-	-	-	-	20
KZ5a2 Kwa Sani	2	-	-	2	-	-	-	-	-	2
KZ5a3 Matatiele	11	-	-	11	-	-	-	-	-	11
KZ5a4 Kokstad	19	-	-	19	18	94,7%	18	18	100,0%	18
<b>Metropolitan Transport Authority</b>										
Ethekewini	12 000		(12 000)	1 100						2 000
KZ225 Msunduzi	1 100									-
Unallocated			4 750	4 750						-
	<b>14 996</b>	<b>-</b>	<b>(7 250)</b>	<b>7 746</b>	<b>1 408</b>		<b>1 408</b>	<b>1 408</b>		<b>2 207</b>



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# Part 4

## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### ANNEXURE 1D STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER			2003/04
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred	Final Appropriation Act R'000	
KZN Taxi Council	5 600	-	-	5 600	5 600	100.0%	5 300	
Compensation Commissioner	-	-	-	-	898	0.0%	-	
	<b>5 600</b>	<b>-</b>	<b>-</b>	<b>5 600</b>	<b>6 498</b>		<b>5 300</b>	



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## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

NAME OF PUBLIC CORPORATION /PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE				2003/04
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred	Capital R'000	Current R'000	Total Available R'000	
<b>Public Corporations</b>										
Claims against the State	-	-	-	-	15	-	-	15	-	
Subtotal	-	-	-	-	15	-	-	15	-	
<b>Private Enterprises</b>										
Claims against the State	-	-	-	-	123	-	-	123	-	
Non Life Insurance Premiums	-	-	-	-	1	-	-	1	-	
<b>Sub-Total</b>	-	-	-	-	124	-	-	124	-	
<b>TOTAL</b>	-	-	-	-	139	-	-	139	-	



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## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### ANNEXURE 11 STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION					EXPENDITURE		2003/04
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred	Final Appropriation Act R'000	
<b>Transfers</b>								
Claims against the State	-	-	-	-	32	-	-	-
Payments as Act of Grace	-	-	-	-	59	-	-	-
Retirement/severance/leave gratuity payments	-	-	-	-	1 680	100%	-	-
	-	-	-	-	1 771	-	-	-
<b>Subsidies</b>								
Fencing Subsidies	-	-	-	-	80	100%	-	-
	-	-	-	-	80	-	-	-
	-	-	-	-		-	-	-
<b>Total</b>	-	-	-	-	<b>1 851</b>	-	-	-

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## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

ANNEXURE 2A  
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO CONTROLLED/PUBLIC ENTITIES AS AT 31 MARCH 2005  
(Only Public and Private Entities)

Name of Public Entity	Nature of business	Relevant Act	Entity's PFMA Schedule type	% Held 04/05	% Held 03/04	Number of shares held		Cost of investment R'000		Profit/(Loss) for the year R'000		Are the losses guaranteed Yes/No
						2004/05	2003/04	2004/05	2003/04	2004/05	2003/04	
<b>Controlled entities</b>												
KwaZulu-Natal Taxi Council	Democratic representative body to regulate and monitor the affairs of the taxi industry	KwaZulu-Natal Interim Mibus Taxi Act 4 of 198	3C	-	-			-	-	181	217	No
<b>Subtotal</b>								-	-	181	217	
<b>Total</b>								-	-	181	217	

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## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

##### ANNEXURE 3 STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 - LOCAL

Guarantor institution	Guarantee in respect of:	Original Guaranteed capital amount R'000	Opening Balance 01/04/2004 R'000	Guarantees issued during the year R'000	Guarantees released during the year R'000	Guaranteed interest outstanding as at 31 March 2005 R'000	Closing Balance 31/03/2005 R'000	Realised losses i.r.o. claims paid out R'000
ABSA Bank Limited	Housing	4 159	975	62	260	-	777	-
BOE Bank Limited	Housing	80	16	-	-	-	16	-
Peoples Bank FBC Fidelity Limited	Housing	65	30	-	-	-	30	-
FNB a division of Firststrand Bank Limited	Housing	4 078	850	45	156	-	739	-
lthala Bank Limited	Housing	190	-	34	-	-	34	-
Nedbank Limited	Housing	1 051	193	13	59	-	147	-
Peoples Bank NBS	Housing	272	79	-	-	-	79	-
Old Mutual (Nedbank/Permanent Bank)	Housing	1 563	410	31	138	-	303	-
FNB - former Saambou Bank Limited	Housing	273	85	-	37	-	48	-
Standard Bank of South Africa Limited	Housing	1 886	454	46	133	-	367	-
<b>Total</b>		<b>13 617</b>	<b>3 092</b>	<b>231</b>	<b>783</b>	<b>-</b>	<b>2 540</b>	<b>-</b>

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## Part 4

### ANNUAL FINANCIAL STATEMENTS

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### ANNEXURE 4 PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Additions	Disposals	Transfers in	Transfers Out
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	1 010 107	-	-	-
Non-residential buildings	14 265			
Other structures (Infrastructure assets)	995 842			
<b>MACHINERY AND EQUIPMENT</b>	49 375	-	-	-
Computer equipment	6 455			
Furniture and office equipment	5 432			
Other machinery and equipment	22 467			
Transport assets	15 021			
<b>TOTAL</b>	<b>1 059 482</b>	-	-	-

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## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

##### ANNEXURE 4 (continued)

##### PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Additions	Disposals	Transfers in	Transfers Out
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	1 024 111	-	-	-
Non-residential buildings	16 383	-	-	-
Other structures (Infrastructure assets)	1 007 728	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	41 385	-	-	-
Computer equipment	4 989	-	-	-
Furniture and office equipment	2 397	-	-	-
Other machinery and equipment	30 078	-	-	-
Transport assets	3 921	-	-	-
<b>TOTAL</b>	<b>1 065 496</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### ANNEXURE 5

##### SOFTWARE AND OTHER INTANGIBLE ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Additions	Disposals	Transfers In	Transfers Out
	R'000	R'000	R'000	R'000
Computer software	70			
	70	-	-	-

## Part 4

### ANNUAL FINANCIAL STATEMENTS

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### ANNEXURE 6 INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance		Unconfirmed balance	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
<b>Department</b>				
<b>NATIONAL DEPARTMENTS</b>				
Correctional Services	-	-	17	-
Education	-	-	1	-
Government Employees Pension Fund	-	-	9	-
Government Communications	-	4	10	4
Home Affairs	-	6	102	2
Independent Complaints Commission	-	-	18	5
Judicial Inspectorate of Prisons	-	-	1	-
Justice	-	698	3 445	1 048
Labour	-	-	53	12
Land Affairs	-	-	26	7
Office of the President	-	-	21	-
Public Prosecution	-	-	9	-
Public Services Commission	-	-	1	-
SA Human Rights	-	-	5	-
Social Welfare	-	-	1	-
South African Police	-	-	14	-
Sport, Arts and Culture	-	-	1	-
Statistics South Africa	-	-	1	-
Transport	-	-	2	9
Transport - Bus subsidies	-	-	-	1 723
Water Affairs and Forestry	-	-	2	-
<b>PROVINCIAL DEPARTMENTS</b>				
Agriculture	-	663	992	1 012
Economic Affairs	-	-	4	5
Education	-	14 985	2 041	354
Health	9 200	5 926	3 041	3 272
Housing	2	-	258	35
Office of the Premier	-	691	122	58
Provincial Legislature	-	-	1	190
Provincial Taxi Office	-	-	293	-
Provincial Treasury	-	21	3	533
Provincial Treasury - Bus subsidies	-	-	-	167 550
Provincial Treasury - Conversion account	-	-	-	8 285
Provincial Treasury - Inventory	-	-	4 178	4 178
Royal Household	-	57	61	30
Safety and Security	3	10	168	-
Social Welfare	1 597	2 724	110	3 889
Traditional and Local Government	288	1 948	200	1 488
Works	1 432	463	-	-
Other	-	-	1 143	-
<b>PUBLIC ENTITIES</b>				
Major Public Entities	-	-	-	11
National Public Entities	-	-	439	3 466
	12 522	28 196	16 793	197 166
<b>Other Government Entities</b>				
Claims Recoverable : Departments - other provinces	-	-	8	-
	-	-	8	-
<b>TOTAL</b>	<b>12 522</b>	<b>28 196</b>	<b>16 801</b>	<b>197 166</b>

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## ANNUAL FINANCIAL STATEMENTS

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### ANNEXURE 7 INTER-DEPARTMENTAL PAYABLES – CURRENT

GOVERNMENT ENTITY	Confirmed balance		Unconfirmed balance	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
<b>Department</b>				
<b>Amounts not included in Statement of Financial Position</b>				
<b>Current</b>				
Office of the Premier	4	-	-	-
KwaZulu-Natal Works	-	-	2175	-
<b>Total</b>	<b>4</b>	<b>-</b>	<b>2175</b>	<b>-</b>
<b>Amounts included in statement of financial position</b>				
<b>Current</b>				
National Departments	-	677	-	-
Provincial Departments	252	40 124	-	-
<b>Total</b>	<b>252</b>	<b>40 801</b>	<b>-</b>	<b>-</b>



## Part 4

ANNUAL FINANCIAL STATEMENTS

**KWAZULU-NATAL TAXI COUNCIL  
REGISTRATION NUMBER: 2001/020297/08**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005**



Part 4

# Part 4

## ANNUAL FINANCIAL STATEMENTS

### KWAZULU-NATAL TAXI COUNCIL ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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#### APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements have been approved by the committee on 10 August 2005.

Signed on behalf of the committee by:



*for Chairman:* B C Ngiba

## Part 4

### ANNUAL FINANCIAL STATEMENTS

# REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE KWAZULU-NATAL TAXI COUNCIL FOR THE YEAR ENDED 31 MARCH 2005

## 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 208 to 219 for the year ended 31 March 2005 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 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). 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.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

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

## 3. 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 2005, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.



**Part 4****A N N U A L   F I N A N C I A L   S T A T E M E N T S**

**REPORT OF THE AUDITOR-GENERAL  
ON THE FINANCIAL STATEMENTS OF THE  
KWAZULU-NATAL TAXI COUNCIL  
FOR THE YEAR ENDED 31 MARCH 2005**

**4. EMPHASIS OF MATTER**

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

**4.1 Non compliance with policy****4.1.1 Quotations for expenditure**

Based on a sample of expenditure vouchers selected for testing, the required three quotations for expenditure totalling R236 304 were not obtained. This is contrary to subsection 2.2.2 of the Internal Control Policy, adopted by the KwaZulu-Natal Taxi Council in terms of Section 51(1)(iii) of the Public Finance Management Act, Act 1 of 1999 (PFMA).

**4.2 Financial Management**

During the audit various control weaknesses were identified and reported to management which indicate that certain laid down routine controls were not adequately developed or monitored to ensure that it operated as designed and that the delegated responsibilities had been properly discharged.

**4.3 Non compliance with the PFMA and Treasury Regulations****4.3.1 Internal audit**

The entity has not established an internal audit function in accordance with section 51(a)(ii) of the PFMA.

**4.3.2 Treasury Regulations (TR)**

- The reporting responsibilities contained in TR 26 were not complied with by the accounting authority. These include quarterly reporting to the Executive Authority on income and expenditure projections and compliance with the PFMA and regulations.
- In terms of TR 30.1, the strategic plan of the Taxi Council did not include multi year projections of revenue and the materiality/significant framework referred to in TR 28.1.5.
- The accounting authority did not establish procedures for quarterly reporting to the Executive Authority in order to facilitate effective performance monitoring, evaluation and corrective action in accordance with TR 30.2.
- In terms of TR 31.2.1, the entity did not obtain approval from the National Treasury for the bank account in use.
- In terms of TR 33.1.1, the entity does not have a policy/procedure as well as a copy of the disciplinary code to ensure that alleged financial misconduct is adequately investigated.

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE KWAZULU-NATAL TAXI COUNCIL FOR THE YEAR ENDED 31 MARCH 2005

##### 4.4 Financial position

The Council recorded a net loss of R85 000 for the financial year ended 31 March 2005. This decreased the accumulated profit at 31 March 2004 from R217 000 to R132 000 at 31 March 2005.

##### 4.5 Performance information

The Taxi Council has not disclosed its performance information in the Director's Report which is contrary to the financial statement preparation guide issued by National Treasury and section 55(2)(a) of the PFMA.

##### 5. PROGRESS WITH SCOPA RESOLUTIONS

Further to the matters specifically reported above, my audit findings on the progress made with SCOPA Resolutions, is attached as annexure A of this report.

##### 6. APPRECIATION

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



**R. Rabichand**

**Pietermaritzburg**

**29 July 2005**



**AUDITOR - GENERAL**



Part 4

# Part 4

## ANNUAL FINANCIAL STATEMENTS

### REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE KWAZULU-NATAL TAXI COUNCIL FOR THE YEAR ENDED 31 MARCH 2005

#### ANNEXURE A

#### PROGRESS MADE WITH PREVIOUSLY REPORTED MATTERS AND SCOPA RESOLUTIONS

Reference to SCOPA resolution	Subject	Findings
SCOPA resolutions 51/2005	Role and Function of the KwaZulu-Natal Taxi Council.	According to the Chairperson of the Transport Portfolio Committee, this matter is on the agenda for the next meeting.
SCOPA resolution 52/2005	Employee tax	The employees of the Taxi Council are now registered with SARS to pay tax and all taxes were being paid monthly, however negotiations were underway with SARS not to level penalties.
SCOPA resolution 53/2005	Asset management	The asset register has been prepared for all assets in the Durban office of the taxi council and the Department of Transport was assisting the council in adopting the asset management system, which was being implemented in all departments of the province.
SCOPA resolution 54/2005	Council members Cheque signatures	The council members are still signatories to cheque payments.
SCOPA resolution 55/2005	Appointment of chief financial officer.	The chief financial officer has been seconded to the Taxi Council with effect from 1 May 2005.
SCOPA resolution 56/2005	Payroll records Staff salaries Subsistence and travel claims Amounts paid to consultants, advisory services and security services.	The payroll records have been prepared and submitted. This matter is resolved. Details of staff salaries and subsistence claims were submitted to the Department of Transport as per a request dated 18 February 2005. Amounts paid to consultants: Details were submitted to the Department of Transport as per a request dated 18 February 2005.

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE KWAZULU-NATAL TAXI COUNCIL FOR THE YEAR ENDED 31 MARCH 2005

SCOPA resolution 57/2005	Non-Compliance with the Department of Transport and the Public Finance Management Act, 1999-Audit committee.	Non-Compliance with the Department of Transport and the Public Finance Management Act, 1999-Audit committee.
SCOPA resolution 58/2005	Non-Compliance with the Department of Transport and the Public Finance Management Act, 1999-Internal Audit.	The internal audit function has not been established, however the provincial internal audit was approached to conduct the audit, but the request was declined verbally. A suggestion to outsource the function was made instead. Subsequently a tender has been prepared and advertised.
SCOPA resolution 59/2005	Non-Compliance with the Department of Transport and the Public Finance Management Act, 1999-Appointment of financial consultants.	The services of the consultants were terminated and new consultants appointed during March 2005.
SCOPA resolution 60/2005	Disclosure of remuneration of board members on the financial statements	The remuneration of the board members was disclosed on the 2004/2005 annual financial statements.
SCOPA resolution 61/2005	Autonomy of the Taxi Council from the Department of Transport	The Department has, in a letter dated 18 February 2005, taken steps to address concerns raised by the Committee. This will be followed up during the 2005-2006 audit.

Part 4

## Part 4

### A N N U A L   F I N A N C I A L   S T A T E M E N T S

## KWAZULU-NATAL TAXI COUNCIL DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2005

The Committee Members have pleasure in submitting their Report together with the audited Annual Financial Statements for the year ended 31 March 2005.

### General review

The company continued to engage in the monitoring of the affairs of the taxi industry. No matter, which is material to the financial affairs of the company, has occurred between 31 March 2005 and the date of approval of the financial statements.

### Statements of responsibility

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

The Committee Members are also responsible for the company's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that, the company has adequate resources in place to continue in operation for the foreseeable future, provided funding from the Department of Transport continues.

### Financial results

The financial results show a net loss of R 85 000. Full details of the financial results are set out on pages 208 to 219.



## Part 4

### A N N U A L   F I N A N C I A L   S T A T E M E N T S

# KWAZULU-NATAL TAXI COUNCIL DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2005

## Directors

The Management Committee of the company are:

B C Ngiba  
M J Mthiyane  
A M Mchunu  
M J Lekokotla  
Y Khaliva  
M A Mzelemu  
T Ndabana  
L T Mtumi  
L V Gumede  
M J Mabika  
H R Majola  
S G Manyathi  
M E Mkhize  
B V Molefe  
M Velase  
M X Njongwe  
A Sangweni  
F Z Ngcobo

## Business Address

83 Chapel Street  
Pietermaritzburg  
3201

## Postal Address

83 Chapel Street  
Pietermaritzburg  
3201



Part 4

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### KWAZULU-NATAL TAXI COUNCIL INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

		2004/05	2003/04
		R	R
<b>Continuing operations</b>	<b>Notes</b>		
Grants and transfers	2	5 600 000	5 059 000
Other income	3	-	28 000
		<u>5 600 000</u>	<u>5 087 000</u>
Administrative expenses	4	2 287 000	1 392 000
Staff costs	5	2 251 000	1 689 000
Other operating expenses	6	1 070 000	1 779 000
Depreciation	7	79 000	10 000
		<u>(87 000)</u>	<u>217 000</u>
(Loss)/Profit from operations			
Income from investments	8	2 000	-
		<u>(85 000)</u>	<u>217 000</u>
(Loss)/Profit before tax			
		<u>(85 000)</u>	<u>217 000</u>
(Loss)/Profit after tax			
		<u>(85 000)</u>	<u>217 000</u>
Net (loss)/profit for the year		<u>(85 000)</u>	<u>217 000</u>

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### KWAZULU-NATAL TAXI COUNCIL BALANCE SHEET AS AT 31 MARCH 2005

ASSETS	Notes	2004/05 R	2003/04 R
<b>Non-current assets</b>			
Property, plant and equipment	9	242 000	176 000
Intangible assets	10	5 000	-
		<u>247 000</u>	<u>176 000</u>
<b>Current Assets</b>			
Trade and other receivables	11	-	138 000
Cash and cash equivalents	12	23 000	41 000
Staff debtors		118 000	-
		<u>140 000</u>	<u>179 000</u>
<b>Total Assets</b>		<u><u>388 000</u></u>	<u><u>355 000</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	13	<u>132 000</u>	<u>217 000</u>
<b>Current Liabilities</b>			
Trade and other payables	14	84 000	138 000
Other current liabilities	15	172 000	-
		<u>256 000</u>	<u>138 000</u>
<b>Total Equity and liabilities</b>		<u><u>388 000</u></u>	<u><u>355 000</u></u>

Part 4

# Part 4

## ANNUAL FINANCIAL STATEMENTS

### KWAZULU-NATAL TAXI COUNCIL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2005

	Accumulated profit/loss R	Total R
<b>Balance at 1 April 2003</b>	-	-
Net profit for the year	217 000	217 000
<b>Balance at 1 April 2004</b>	<u>217 000</u>	<u>217 000</u>
Net loss for the year	(85 000)	(85 000)
<b>Balance at 31 March 2005</b>	<u><u>132 000</u></u>	<u><u>132 000</u></u>

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### KWAZULU-NATAL TAXI COUNCIL CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

		2004/05	2003/04
	Notes	R	R
<b>Operating activities</b>			
Cash generated from/(utilised in) operations	16	131 000	227 000
<b>Net cash from/(used in) operating activities</b>		<u>131 000</u>	<u>227 000</u>
<b>Net cash from/(used in) investing activities</b>	17	(149 000)	(186 000)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(18 000)</u>	<u>41 000</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>41 000</u>	-
<b>Cash and cash equivalents at the end of the year</b>		<u><u>23 000</u></u>	<u><u>41 000</u></u>

Part 4

## Part 4

### ANNUAL FINANCIAL STATEMENTS

## KWAZULU-NATAL TAXI COUNCIL NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

### 1. Accounting Policies

The Annual Financial Statements have been prepared in accordance with Statements of Generally Accepted Accounting Practice and the Public Finance Management Act, Act 1 of 1999 as amended.

The following are the principle accounting policies of the entity which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated :

#### 1.1 Basis of Preparation

The financial statements have been prepared on the historical cost basis, except as modified for the revaluation of land and buildings, plant and equipment, investment properties and marketable securities.

#### 1.2 Revenue

Revenue comprises government grants received from the Department of Transport and is recorded at the date of the transaction.

#### 1.3 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight line method. The expected useful lives are as follows :

Computer Equipment	3 years
Office equipment	5 years
Furniture and Fittings	6 years

#### 1.4 Financial Instruments

##### 1.4.1 Recognition

Financial assets and financial liabilities are recognised on the entity's balance sheet when the entity becomes a party to the contractual provisions of the instrument.

##### 1.4.2 Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below :

## Part 4

### ANNUAL FINANCIAL STATEMENTS

# KWAZULU-NATAL TAXI COUNCIL NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### 1.4.3 Financial liabilities

The entity's principle financial liability comprises:

- Accounts payable.
- Trade payables
- Trade and other payables are stated at their nominal value.

#### 1.5 Government grants

Government grants are recognised when it is probable that future economic benefits will flow to the public entity and these benefits can be measured reliably. The grant is recognised to the extent that there are no further obligations arising from the receipt of the grant.

#### 1.6 Comparative figures

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

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### KWAZULU-NATAL TAXI COUNCIL NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### 2. Grants and Transfers

	2004/05	2003/04
	R	R
Provincial Departments	5 600 000	5 059 000
Total	5 600 000	5 059 000

#### 3. Other Income

Sundry Income	-	28 000
Total	-	28 000

#### 4. Administrative Expenses

General and Administrative expenses	619 000	466 000
Director's emoluments	1 433 000	204 000
Travel and Subsistence	50 000	646 000
Other	10 000	-
Rentals in respect of Operating Leases (minimum lease payments)	175 000	76 000
– Buildings	156 000	72 000
– Plant, machinery and equipment	19 000	4 000
Total	2 287 000	1 392 000

#### 5. Staff Costs

Wages and Salaries	2 244 000	1 689 000
Basic Salaries	1 930 000	1 689 000
Other non-pensionable Allowance	259 000	-
Leave Pay Provision	55 000	-
Social Contributions (Employer's contributions)	7 000	-
UIF	7 000	-
Total	2 251 000	1 689 000



## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### KWAZULU-NATAL TAXI COUNCIL NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

##### 6. Other Operating Expenses

	2004/05	2003/04
	R	R
Staff Training and Development	1 000	131 000
Consultants, Contractors and Special Services	597 000	1 132 000
Legal Fees	16 000	173 000
Maintenance, Repairs and Running Costs	20 000	49 000
– Other maintenance, repairs and running costs	20 000	49 000
Amortisation of Intangibles	1 000	-
– Computer Software	1 000	-
Entertainment Expense	65 000	45 000
Taxi Regional Centres - Fixed assets purchased	271 000	-
Other	99 000	249 000
Total	1 070 000	1 779 000

##### 7. Depreciation

– Computer Equipment and Peripherals	45 000	2 000
– Office Furniture and Fittings	19 000	6 000
– Office Equipment	15 000	2 000
Total	79 000	10 000

##### 8. Income from Investments

Interest Income	2 000	-
– Bank deposits	2 000	-



# Part 4

## ANNUAL FINANCIAL STATEMENTS

### KWAZULU-NATAL TAXI COUNCIL NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

#### 9. Property, Plant and Equipment

##### Year ended 31/3/2004

	Computer equipment and peripherals R	Office Furniture and fittings R	Office Equipment R	Total R
Opening net carrying amount	-	-	-	-
Gross carrying amount				
Accumulated depreciation	-	-	-	-
Accumulated impairment losses				
Additions	18 000	118 000	50 000	186 000
Depreciation charge	(2 000)	(6 000)	(2 000)	(10 000)
Net carrying amount at 31 March 2004	16 000	112 000	48 000	176 000

##### Year ended 31/3/2005

Opening net carrying amount	16 000	112 000	48 000	176 000
Gross carrying amount	18 000	118 000	50 000	186 000
Accumulated depreciation	(2 000)	(6 000)	(2 000)	(10 000)
Accumulated impairment losses				
Additions	117 000	2 000	33 000	152 000
Disposals		(7 000)		(7 000)
Depreciation charge	(45 000)	(19 000)	(15 000)	(79 000)
Net carrying amount at 31 March 2005	88 000	88 000	66 000	242 000

#### 10. Intangible Assets

##### Year ended 31/3/2004

	Computer software R	Total R
Opening net carrying amount	-	-
Gross carrying amount	-	-
Accumulated amortisation	-	-
Accumulated impairment losses	-	-
Additions	-	-
Amortisation	-	-
Closing net carrying amount at 31 March 2004	-	-

##### Year ended 31/3/2005

Opening net carrying amount	-	-
Gross carrying amount	-	-
Accumulated amortisation	-	-
Accumulated impairment losses	-	-
Additions	6 000	6 000
Amortisation	(1 000)	(1 000)
Closing net carrying amount at 31 March 2005	5 000	5 000

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### KWAZULU-NATAL TAXI COUNCIL NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

##### 11. Trade and Other Receivables

	2004/05	2003/04
	R	R
Trade Receivables	-	138 000
Less: Provision for doubtful debts	-	-
Total	<u>-</u>	<u>138 000</u>

##### 12. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with registered banking institutions that are subject to insignificant interest rate risk. The carrying amount of these assets approximates their fair value.

	2004/05	2003/04
	R	R
Cash at bank	22 000	40 000
Cash on hand	1 000	1 000
	<u>23 000</u>	<u>41 000</u>

As required in section 7(2) and 7(3) of the Public Finance Management Act, the National Treasury has approved the local banks where the bank accounts are held.

##### 13. Capital and Reserves

	Accumulated profit/(loss)
	R
Balance at 1 April 2003	
Net profit for the year	<u>217 000</u>
Balance at 1 April 2004	217 000
Net loss for the year	<u>(85 000)</u>
Balance at 31 March 2005	<u>132 000</u>

##### 14. Trade and Other payables

	2004/05	2003/04
	R	R
Trade Creditors	<u>84 000</u>	<u>138 000</u>
	<u>84 000</u>	<u>138 000</u>

The carrying amount of trade payables approximates fair value.

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## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### KWAZULU-NATAL TAXI COUNCIL NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

15. Other Current Liabilities	2004/05 R	2003/04 R
Other current liabilities comprise:		
PAYE Liability	117 000	-
Leave pay provision	55 000	-
	<u>172 000</u>	<u>-</u>

The PAYE liability of R 117 000 to South African Revenue Services (SARS), is in respect of employees tax not withheld and paid over to SARS by the KwaZulu-Natal Taxi Council for the period July 2003 to February 2004. This balance will be recovered in instalments over a period from the respective employees, and has been raised as a staff debtor.

16. Reconciliation of profit/(loss) before taxation to cash generated from/(utilised in) operations	2004/05 R	2003/04 R
Profit/(loss) before taxation	(85 000)	217 000
Adjusted for:		
- Depreciation on property, plant and equipment	79 000	10 000
- Amortisation of intangible assets	1 000	-
- Investment income	(2 000)	-
Operating cash flows before working capital changes	<u>(7 000)</u>	<u>227 000</u>
Working capital changes		
- Increase/(decrease) in payables	118 000	138 000
- Decrease/(increase) in receivables	138 000	(138 000)
- (Increase)/decrease in loans receivable	(118 000)	-
Cash generated from operations	<u>131 000</u>	<u>227 000</u>

17. Net cash from/(used in) investing activities		
Interest received	2 000	-
Acquisition of property, plant and equipment	(152 000)	(186 000)
Acquisition of intangible assets	(6 000)	-
Disposals	<u>7 000</u>	<u>-</u>
Cash from/(used in) investing activities	<u>(149 000)</u>	<u>(186 000)</u>

## Part 4

### ANNUAL FINANCIAL STATEMENTS

#### KWAZULU-NATAL TAXI COUNCIL NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

18. Directors Emoluments Non-executive directors	2004/05 Fees for Services R	2004/05 Expense allowance R	2004/05 Total R
B C Ngiba	50 000	37 000	87 000
M J Mthiyane	56 000	14 000	70 000
A M Mchunu	56 000	9 000	65 000
M J Lekokotla	56 000	37 000	93 000
Y Khaliva	56 000	11 000	67 000
M A Mzelemu	56 000	9 000	65 000
T Ndabana	56 000	41 000	97 000
L T Mtumi	45 000	54 000	99 000
L V Gumede	56 000	12 000	68 000
M J Mabika	56 000	36 000	92 000
H R Majola	56 000	13 000	69 000
S G Manyathi	56 000	34 000	90 000
M E Mkhize	56 000	18 000	74 000
B V Molefe	56 000	34 000	90 000
M Velase	56 000	18 000	74 000
M X Njongwe	56 000	15 000	71 000
A Sangweni	56 000	54 000	110 000
F Z Ngcobo	50 000	2 000	52 000
	<u>985 000</u>	<u>448 000</u>	<u>1 433 000</u>

Part 4



**Part 5**  
HUMAN RESOURCES

# Part 5

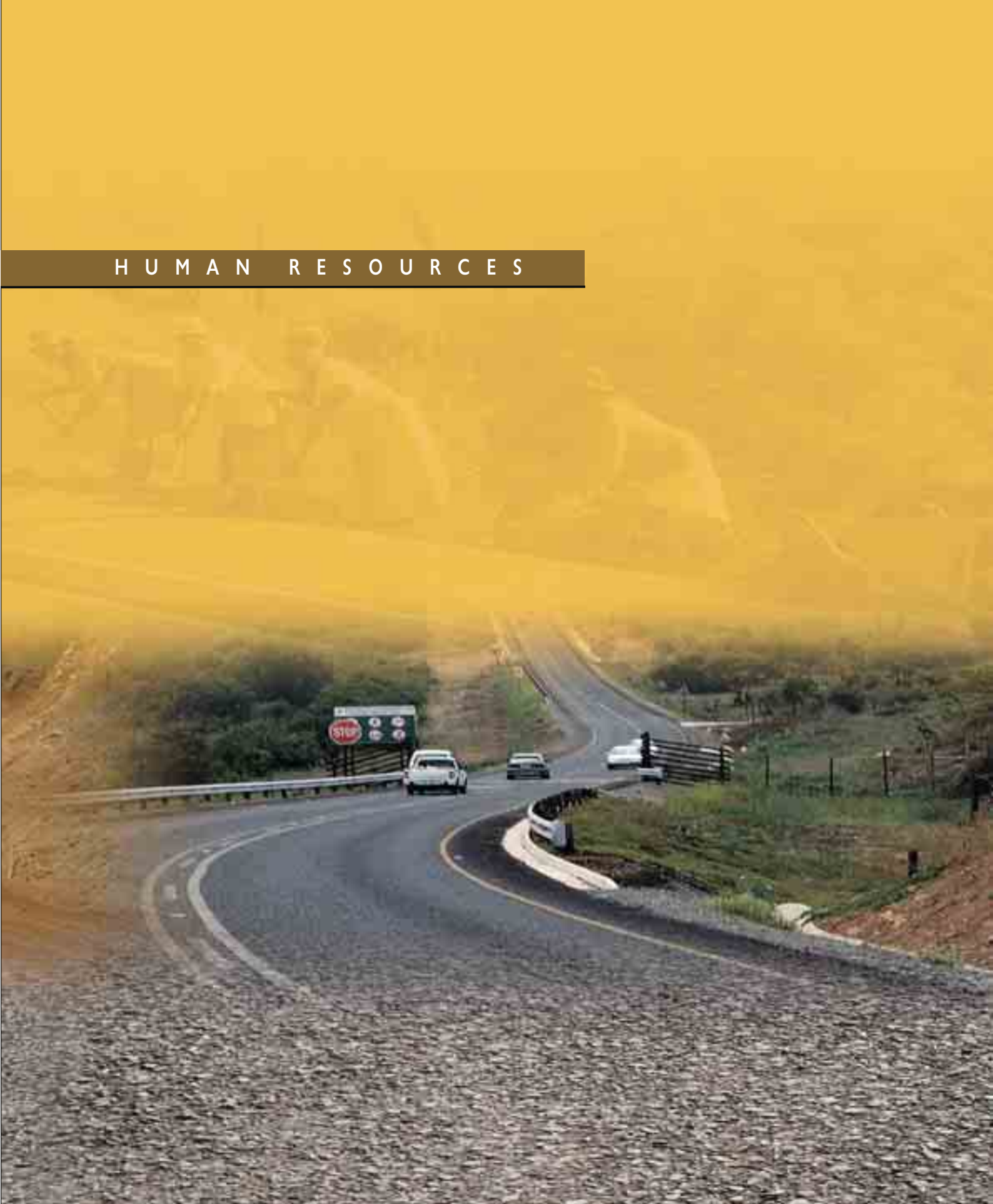


# Part 5

## HUMAN RESOURCES



# HUMAN RESOURCES



# Part 5

## HUMAN RESOURCES

### Programme 2: Road Infrastructure

Output type	Performance measures		Target 2004-05	Annual Totals	
				Actual	Variance
Upgrade to Surfaced Roads	Construct ARRUP Roads	Kilometres constructed	41	42	(1)
	Construct Cabinet Roads		10	11	(1)
	Construct other roads		15	20	(5)
Perform Rehabilitation of Surfaced Roads	Light Rehabilitation	Square metres	550 000	462 558	87 442
	Heavy Rehabilitation	Square metres	330 000	438 546	(108 546)
Maintain Surfaced Roads	Reseal Tarred Roads	Square metres	750 000	679 942	70 058
	Perform Blacktop Patching	Square metres	90 000	107 826	(17 826)
Construct Local Access Roads	Construction of Gravel Roads (Local)	Kilometres constructed	420	430	(10)
	Construction of Gravel Roads (IEC)	Kilometres constructed	220	230	(10)
Maintain Local Roads using Zibambele	Zibambele Maintenance Programme	Number of workers	22 280	23 451	(404)
		Kilometres of roads maintained	13 400	15 243	(1 843)
Maintain Gravel Roads	Blade roads	Kilometres bladed	75 000	79 009	(4 009)
	Regravel roads	Kilometres regavelled	800	906	(106)
Construction of Causeways and Bridges	Construct Causeways	Number	58	57	1
	Construct bridges (span > 2m)	Number	6	11	(5)
	Construct pedestrian bridges	Number	2	2	-
Award Contracts to Emerging Contractors	Award contracts to Vukuzakhe Contractors	No of contracts			
		Stage 1	550	531	19
		Stage 2	200	158	42
		Stage 3	130	100	30
		Stage 4	16	18	(2)
Creation of Employment Opportunities	Number of opportunities	Person days	300 000	348 700	(48 700)



# Part 5

## HUMAN RESOURCES

### Programme 3: Public Transport

Output type	Performance measures	Target	Actual
Integrated planning of transport	Provincial policy on land transport	Publish policy on public transport	Draft policy on public transport published awaiting approval
	Provincial policy on freight transport	Publish policy on freight transport and develop strategy	Published policy on freight transport & developed strategy
	Research strategic passenger and freight transport policy	2 research projects on urban non motorised transport and freight transport	1 research project on urban non motorised transport and freight transport implemented
Passenger and freight transport planning	Assistance for municipal integrated transport plans	Completion of legislated transport plans	60% Completion of legislated transport plans
	Development of the provincial transport framework and plan	Update status quo statistics for public and freight transport	Framework for public and freight transport completed
Regulation of public and freight transport	Registration of all public transport operators	Finalise policy on registration of operators and consult stakeholders	Scholar transport framework finalised and 50% complete on other transport modes
	Issue and administration of public transport permits	Relocate to DOTHO and establish satellite administration office in each district	Relocated to DOTHO and establish satellite administration office in each district
Enterprise development	Develop and implement public and freight transport empowerment policies	Train emergent freight and public transport operators	Trained 282 emergent freight and public transport operators



Part 5

# Part 5

## HUMAN RESOURCES

### Programme 4: Traffic Management

Output type	Performance measures	Unit of Measurement	Target 2004-05	Annual Totals	
				Actual	Variance
Provide a safe road environment through community, outreach and development	Events management	Number of events	22	42	(20)
	Development and training of CRSC's	Total number of CRSC's	35	35	
Engineering of hazardous locations	High incident location remediation	Number of minor remediations	9	9	-
Promote safe use of public roads	Effective enforcement	Road side checks	620 000	645 223	(25 223)
		Government vehicle inspections	10 000	10 799	(799)
		Breath tests RBT	200 000	218 381	(18 381)
		Perform speed timing exercises	6 000 000	6 058 884	(58 884)
		Vehicle weighed	220 000	109 224	(110 776)
		Seat belt checks	320 000	344 089	(24 089)
Dedicated Road Patrols	Patrol all road in the Province	Kilometres patrolled	2 700 000	2 976 480	(276 480)
Reduce high pedestrian accident location	Audit and recommend remedial measures	Number of identifications	35	35	-

# Part 5

## HUMAN RESOURCES

### HR OVERSIGHT - APRIL 2004 to MARCH 2005 - KwaZulu-Natal Department of Transport

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	96 443	35 940	2 011	14 853	37	158	228
Road infrastructure	1 384 488	270 005	1 581	119 378	12	64	2 658
Public transport	30 967	9 580	3	11 621	31	181	53
Traffic management	265 894	144 505	446	24 324	54	131	1 111
Community based programmes	31 989	8 426	-	22 660	26	187	45
Theft and losses	481	-	-	-	-	-	-
Z-Total as on Financial Systems (BAS)	1 810 262	468 456	4 038	192 836	20	721	4095

TABLE 2.2 - Personnel costs by Salary Band

Salary Bands	Compensation of Employees (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R)	Total Compensation of Employees	Number of Employees
Lower skilled (Levels 1-2)	153 243	32,71	94 829	153 243	1 616
Skilled (Levels 3-5)	90 981	19,42	72 785	90 981	1 250
Highly skilled production (Levels 6-8)	157 568	33,64	159 643	157 568	987
Highly skilled supervision (Levels 9-12)	50 163	10,71	238 871	50 163	210
Senior management (Levels 13-16)	16 501	3,52	515 656	16 501	32
<b>TOTAL</b>	<b>468 456</b>	<b>100</b>	<b>114 397</b>	<b>468 456</b>	<b>4 095</b>

# Part 5

## HUMAN RESOURCES

# Part 5

**TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme**

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Administration	22 915	61	1 384	3,7	400	1,1	1 705	4,5	37 591
Road infrastructure	141 724	49,7	2 518	0,9	1 369	0,5	6 957	2,4	284 880
Public transport	4 420	40,6	3	25,5	68	0,6	262	2,4	10 875
Traffic management.	82 501	55,7	25 099	16,9	1 439	1	7 506	4,9	148 194
Community Based Programmes	4 819	41,3	6	0,1	31	0,3	110	0,9	11 678
<b>TOTAL</b>	<b>256 379</b>	<b>52</b>	<b>31 775</b>	<b>6,4</b>	<b>3 307</b>	<b>0,7</b>	<b>16 540</b>	<b>3,3</b>	<b>493 218</b>

**TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band**

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)
Lower skilled (Levels 1-2)	66 421	36,1	1 188	0,6	417	0,2	2 029	1,1	184 151
Skilled (Levels 3-5)	60 349	66,3	5 995	6,6	788	0,9	3 739	4,1	90 981
Highly skilled production (Levels 6-8)	91 762	60,6	19 534	12,9	1 696	1,1	8 632	5,5	151 422
Highly skilled supervision (Levels 9-12)	28 967	57,7	5 058	10,1	407	0,8	1 660	3,3	50 163
Senior management (Levels 13-16)	8 880	53,8	-	-	(1)	-	480	2,9	16 501
<b>TOTAL</b>	<b>256 379</b>	<b>52</b>	<b>31 775</b>	<b>6,4</b>	<b>3 307</b>	<b>0,7</b>	<b>16 540</b>	<b>3,3</b>	<b>493 218</b>

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### HUMAN RESOURCES

HR OVERSIGHT - APRIL 2004 to MARCH 2005 - KwaZulu-Natal Department of Transport

TABLE 3.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	1 918	228	88.1	10
Road Infrastructure	2 989	2 658	11.1	1
Public Transport	70	53	24.3	10
Traffic Management	1 484	1 111	25.1	-
Community Based Programmes	62	45	27.4	29
<b>TOTAL</b>	<b>6 523</b>	<b>4 095</b>	<b>37.2</b>	<b>50</b>

TABLE 3.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	2 559	1 616	36.9	1
Skilled (Levels 3-5)	2 086	1 250	40.1	47
Highly skilled production (Levels 6-8)	1 520	987	35.1	-
Highly skilled supervision (Levels 9-12)	321	210	34.6	-
Senior Management (Levels 13-16)	37	32	13.5	2
<b>TOTAL</b>	<b>6 523</b>	<b>4 095</b>	<b>37.2</b>	<b>50</b>

TABLE 3.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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### HUMAN RESOURCES

#### HR OVERSIGHT - APRIL 2004 to MARCH 2005 - KwaZulu-Natal Department of Transport

TABLE 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Up-graded	% of Up-graded Posts Evaluated	Number of Posts Down-graded	% of Down-graded Posts Evaluated
Lower skilled (Levels 1-2)	2 559	6	0.2	-	-	-	-
Skilled (Levels 3-5)	2 086	175	8.4	-	-	1	0.6
Highly skilled production (Levels 6-8)	1 520	118	7.8	2	1.7	-	-
Highly skilled supervision (Levels 9-12)	321	75	23.4	1	1.3	-	-
Senior Management Service Band A	30	-	-	-	-	-	-
Senior Management Service Band B	4	-	-	-	-	-	-
Senior Management Service Band C	2	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
<b>TOTAL</b>	<b>6 523</b>	<b>374</b>	<b>5.7</b>	<b>3</b>	<b>0.8</b>	<b>1</b>	<b>0.3</b>

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	2	-	1	3
<b>TOTAL</b>	-	<b>2</b>	-	<b>1</b>	<b>3</b>
Employees with a Disability	-	-	-	-	-

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.to PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	Number of Employees in Department
NIL	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	<b>4 095</b>
Percentage of Total Employment	-	-	-	-	-

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.to PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-
Employees with a Disability	-	-	-	-	-

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TABLE 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
<b>TOTAL</b>	-	-	-	-	-

TABLE 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2)	1 743	-	-	1 400	80.3
Skilled (Levels 3-5)	1 198	51	4.3	914	76.3
Highly skilled production (Levels 6-8)	1 002	173	17.3	794	79.2
Highly skilled supervision (Levels 9-12)	129	30	23.3	85	65.9
Senior management (Levels 13-16)	30	4	13.3	1	3.3
<b>TOTAL</b>	<b>4 102</b>	<b>258</b>	<b>6.3</b>	<b>3 194</b>	<b>77.9</b>

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## HUMAN RESOURCES

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### HR OVERSIGHT - APRIL 2004 to MARCH 2005 - KwaZulu-Natal Department of Transport

**TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)**

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	12	-	0	12	7	4	-	-	4	1	24
Professionals	352	44	152	548	168	112	13	46	171	59	946
Clerks	106	16	37	159	26	240	34	123	397	187	769
Service and Sales Workers	76	3	3	82	2	5	-	-	5	-	89
Craft and Related Trades Workers	131	12	30	173	68	1	-	-	1	-	242
Plant and Machine Operators and Assemblers	381	-	1	382	-	1	-	-	1	-	383
Elementary Occupations	1 474	2	7	9	10	144	-	1	145	1	165
Other	1	1	0	2	-	-	-	1	1	-	3
<b>TOTAL</b>	<b>2 533</b>	<b>78</b>	<b>230</b>	<b>2 841</b>	<b>281</b>	<b>507</b>	<b>47</b>	<b>171</b>	<b>725</b>	<b>248</b>	<b>4 095</b>

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	4	-	-	4	2	3	-	2	5	-	11

**TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands**

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	1	-	1	2	-	-	-	-	-	1	3
Senior Management	13	-	-	13	10	5	-	1	6	1	30
Professionally qualified and experienced specialists and mid-management	65	7	28	100	75	33	2	15	50	23	248
Skilled technical and academically qualified workers, junior management, supervisors, foremen	220	36	128	384	153	122	20	83	225	191	953
Semi-skilled and discretionary decision making	1 115	32	67	1 214	38	222	25	70	317	31	1 600
Unskilled and defined decision making	1 118	3	6	1 127	5	125	-	2	127	1	1 260
Not Available	1	-	-	1	-	-	-	-	-	-	1
<b>TOTAL</b>	<b>2 533</b>	<b>78</b>	<b>230</b>	<b>2 841</b>	<b>281</b>	<b>507</b>	<b>47</b>	<b>171</b>	<b>725</b>	<b>248</b>	<b>4 095</b>



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## HUMAN RESOURCES

TABLE 6.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	1	-	-	1	-	2	-	-	2	-	3
Professionally qualified and experienced specialists and mid-management	6	-	1	7	1	10	1	-	11	-	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen	6	-	2	8	3	4	-	1	5	-	16
Semi-skilled and discretionary decision making	157	9	23	189	3	71	6	11	88	3	283
Unskilled and defined decision making	1	-	-	1	-	5	-	-	5	-	6
<b>TOTAL</b>	<b>171</b>	<b>9</b>	<b>26</b>	<b>206</b>	<b>7</b>	<b>92</b>	<b>7</b>	<b>12</b>	<b>111</b>	<b>3</b>	<b>327</b>

Employees with disabilities

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	-	-	-	-	-	-	-	-	-	-	-

TABLE 6.4 - Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	1	-	-	1	-	2	-	1	3	-	4
Professionally qualified and experienced specialists and mid-management	13	-	2	15	1	7	1	5	13	1	30
Skilled technical and academically qualified workers, junior management, supervisors, foremen	61	10	27	98	26	22	4	10	36	13	173
Semi-skilled and discretionary decision making	21	1	4	26	1	13	1	9	23	1	51
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>96</b>	<b>11</b>	<b>33</b>	<b>140</b>	<b>28</b>	<b>44</b>	<b>6</b>	<b>25</b>	<b>75</b>	<b>15</b>	<b>258</b>



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	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	-	-	-	-	-	-	-	-	-	-	-
<b>TABLE 6.5 - Terminations</b>											
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experienced specialists and mid-management	3	1	1	3	5	1	-	-	1	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen	9	2	6	15	11	7	2	1	6	10	48
Semi-skilled and discretionary decision making	69	4	7	80	6	24	6	5	33	8	129
Unskilled and defined decision making	121	4	3	126	1	16	-	-	12	-	145
<b>TOTAL</b>	<b>202</b>	<b>11</b>	<b>17</b>	<b>224</b>	<b>23</b>	<b>48</b>	<b>8</b>	<b>6</b>	<b>52</b>	<b>19</b>	<b>334</b>

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	-	-	-	-	-	-	-	-	-	-	-
<b>TABLE 6.6 - Disciplinary Action</b>											
Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Correctional Counselling	8	-	2	10	1	4	-	6	10	1	22
Verbal Warning	16	3	1	20	1	2	-	1	3	-	24
Written Warning	8	1	1	10	4	8	-	-	8	1	23
Final Written Warning	25	2	2	29	1	8	-	1	9	3	42
Suspended Without Pay	-	-	-	-	-	-	1	-	1	-	1
Demotion	-	-	-	-	-	-	-	-	-	1	1
Dismissal	2	1	-	3	1	1	-	-	1	2	7
<b>TOTAL</b>	<b>59</b>	<b>7</b>	<b>6</b>	<b>72</b>	<b>8</b>	<b>23</b>	<b>1</b>	<b>8</b>	<b>32</b>	<b>8</b>	<b>120</b>

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TABLE 6.7 - Skills Development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	12	-	4	16	13	19	-	4	23	13	65
Professionals, Technicians and Associate Professionals	263	19	76	358	214	43	4	24	71	24	667
Clerks	112	32	68	212	42	110	17	46	173	81	508
Service and Sales Workers	1	-	-	1	-	-	-	-	-	1	2
Skilled Agriculture and Fishery Workers	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trades Workers	-	-	-	-	-	-	-	-	-	-	-
Plant and Machine Operators and Assemblers	87	8	12	107	16	-	-	-	-	-	123
Elementary Occupations	99	-	8	107	14	7	-	-	7	1	129
<b>TOTAL</b>	<b>574</b>	<b>59</b>	<b>168</b>	<b>801</b>	<b>299</b>	<b>179</b>	<b>21</b>	<b>74</b>	<b>274</b>	<b>120</b>	<b>1 494</b>

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	1	-	-	1	1	1	-	-	1	-	3



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HR OVERSIGHT - APRIL 2004 to MARCH 2005 - KwaZulu-Natal Department of Transport

TABLE 7.1 - Performance Rewards by Race, Gender and Disability

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	91	506	18	529	5 809
African, Male	263	2 530	10,4	1 592	6 052
Asian, Female	59	169	34,9	450	7 626
Asian, Male	51	230	22,2	526	10 310
Coloured, Female	9	47	19,1	62	6 935
Coloured, Male	18	78	23,1	149	8 300
<b>Total Black, Female</b>	<b>159</b>	<b>722</b>	<b>22</b>	<b>1 047</b>	<b>6 505</b>
<b>Total Black, Male</b>	<b>332</b>	<b>2 838</b>	<b>11,7</b>	<b>2 271</b>	<b>6 821</b>
White, Female	112	248	45,2	993	8 868
White, Male	99	280	35,4	1 205	12 172
Employees with a disability	3	7	42,9	11	3 569
<b>TOTAL</b>	<b>705</b>	<b>4 095</b>	<b>17,2</b>	<b>5 528</b>	<b>7 807</b>

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	146	1 616	9	449	3 075
Skilled (Levels 3-5)	152	1 250	12,2	651	4 283
Highly skilled production (Levels 6-8)	306	987	31	2 488	8 131
Highly skilled supervision (Levels 9-12)	83	210	39,5	1 341	16 157
<b>TOTAL</b>	<b>687</b>	<b>4 063</b>	<b>16,9</b>	<b>4 929</b>	<b>7 175</b>

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TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
<b>TOTAL</b>	-	-	-	-	-

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	12	25	48	297	24 750	2.5	12 047
Band B	3	4	7.5	121	40 333	6.5	1 851
Band C	2	2	100	102	51 000	6.8	1 501
Band D	1	1	100	68	68 000	6.2	1 102
<b>TOTAL</b>	<b>18</b>	<b>32</b>	<b>56.3</b>	<b>588</b>	<b>32 667</b>	<b>3.6</b>	<b>16 501</b>



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TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Lower skilled (Levels 1-2)	2	33.3	3	42.9	1	100	6	7	1
Skilled (Levels 3-5)	1	16.7	1	14.2	-	-	6	7	1
Highly skilled supervision (Levels 9-12)	3	50	3	42.9	-	-	6	7	1
<b>TOTAL</b>	<b>6</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>6</b>	<b>7</b>	<b>1</b>

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### HUMAN RESOURCES

TABLE 8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Administrative office workers	1	16.7	1	14.2	-	-	6	7	1
Other occupations	2	33.3	3	42.9	1	100	6	7	1
Professionals and managers	3	50	3	42.9	-	-	6	7	1
<b>TOTAL</b>	<b>6</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>6</b>	<b>7</b>	<b>1</b>

TABLE 9.1 - Sick Leave for Jan 2004 to Dec 2004

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	9 964.5	86.9	1 063	38.14	9	1 394	8 658
Skilled (Levels 3-5)	7 558	71.1	813	29.17	9	1 570	5 373
Highly skilled production (Levels 6-8)	7 897	71.7	813	29.17	10	2 731	5 666
Highly skilled supervision (Levels 9-12)	457	67.8	86	3.09	5	310	310
Senior management (Levels 13-16)	51	80.4	12	0.43	4	99	41
<b>TOTAL</b>	<b>25 927.5</b>	<b>77.3</b>	<b>2 787</b>	<b>100</b>	<b>9</b>	<b>6 104</b>	<b>20 048</b>

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TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2004 to Dec 2004

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification
Lower skilled (Levels 1-2)	1 690	100	36	42,86	47	232	1 690
Skilled (Levels 3-5)	989	100	24	28,57	41	203	989
Highly skilled production (Levels 6-8)	669	100	24	28,57	28	223	669
<b>TOTAL</b>	<b>3 348</b>	<b>100</b>	<b>84</b>	<b>100</b>	<b>40</b>	<b>658</b>	<b>3 348</b>

TABLE 9.3 - Annual Leave for Jan 2004 to Dec 2004

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	47 001,2	22	2 111
Skilled (Levels 3-5)	21 400,16	17	1 228
Highly skilled production (Levels 6-8)	20 722	20	1 041
Highly skilled supervision (Levels 9-12)	2 482	15	162
Senior management (Levels 13-16)	455	17	27
<b>TOTAL</b>	<b>92 060,36</b>	<b>20</b>	<b>4 569</b>



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TABLE 9.4 - Capped Leave for Jan 2004 to Dec 2004

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004	Number of Employees	Total number of capped leave available at 31 December 2004	Number of Employees as at 31 December 2004
Lower skilled (Levels 1-2)	967	5	73	184	11 5321	1 577
Skilled (Levels 3-5)	411	6	82	65	71 079	862
Highly skilled production (Levels 6-8)	586	6	71	106	64 415	909
Highly skilled supervision (Levels 9-12)	99	6	88	17	14 995	170
Senior management (Levels 13-16)	1	1	120	1	2 999	25
<b>TOTAL</b>	<b>2 064</b>	<b>6</b>	<b>76</b>	<b>373</b>	<b>268 809</b>	<b>3 543</b>



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TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	281	28	10 036
Capped leave payouts on termination of service for 2004/05	868	280	3 100
Current leave payout on termination of service for 2004/05	122	56	2 179
<b>TOTAL</b>	<b>1 271</b>	<b>364</b>	<b>3 492</b>

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TABLE 10.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV/Aids & related diseases (if any)	Key steps taken to reduce the risk
All Employees in the Department	All employees have been exposed to education campaigns on the risks of contracting HIV-Aids.
	Condom containers have been purchased and put up in strategic points in all Regions within the Department. Office services maintain the filling of the containers with condoms on a regular basis and the EAP component monitors this.
	Should any employee, whilst performing their daily functions, come into contact of blood, at the Department's cost, they will be via a Private Hospital, receive the necessary Post Exposure Prophylaxis treatment.



# Part 5

## HUMAN RESOURCES

**TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [Indicate Yes/No and provide required information]**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Senior General Manager: Corporate Services Ms V Cunliffe and Manager Human Resource Management Ms C Zwane
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		Since January 2005 the EAP/HIV/AIDS component has been created as per the new structure and the Assistant Manager (AM) post has subsequently been filled. Currently there is a Senior Personnel Officer assisting the AM. However the adverts for 7 EAP Practitioner posts have been completed and the filling of these posts will be done during 2005. A budget allocation of R3 million as been given for EAP and HIV/AIDS for the financial year 2004/2005.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		The primary function of the Employee Assistance Programme (EAP) is to assist a Departmental official with any personal or social problem, such as alcohol and drug dependency, HIV/Aids or occupational stress, that has an adverse effect on the efficiency and productivity of such an official, as well as his or her job satisfaction.
4. Has the Department established (a) committee's as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholders that they represent.	Yes		The Department is made up of 5 Regions and in each region an EAP/HIV/AIDS committee has been constituted comprising of approximately 10 members within each region. The functions of these delegates are to assist with the coordination of various projects and programmes and the referral of employees to EAP for assistance. Regional committees are chaired by the Deputy Managers: Corporate Services (DM) who in turn represent their regions once a month at the Departmental meeting held at Head Office. The names of these officials and their representatives per region are: Gugu Hlabisa (DM) and Richard Burns (Pietermaritzburg Region), Sinah Hlela (DM) and Joyce Mabanga and Pinky Mangole (Empangeni Region), David Mthembu (DM) and Pretty Dube (Durban Region) and Agnes Ndlovu (DM) and Denton Mayaba (Ladysmith Region). Premela Govender, Assistant Manager represents Head Office and Chairs the meeting and Rosemary Sikhakhane Senior Personnel Officer is the Secretary.
5. Has the Department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV/Aids status? If so, list the employment policies/practices so reviewed.	Yes		All policies and practices have been and are regularly reviewed.

## Part 5

### HUMAN RESOURCES

**TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [Indicate Yes/No and provide required information]**

Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		All services offered are treated as strictly confidential and any discrimination whatsoever will be dealt with via the disciplinary process. Employees within the EAP component and all members of the Regional Committees sign a confidentiality form informing them of what is expected of them and what will be the procedure in the event of a breach in the confidentiality.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		<p>Since April 2004 infected employees via the EAP component have been receiving a monthly supply of a combination of natural medication to assist them with the treatment of the illness. At the time any employee who wanted to know their status was sent to Lifeline or the State Hospitals to do VCT. However due to many problems being encountered by the employees at these sites the EAP component has subsequently obtained authority to conduct an in-house Wellness Clinic. In February 2005 the first clinic commenced in the Ladysmith region and on a bi-monthly basis employees are given an opportunity to see a Medical Doctor who is also a Specialist in HIV/AIDS to get tests such as Glucose, Cholesterol, High/Low Blood Pressure and various Bacterial tests as well as a HIV test done.</p> <p>When an employee comes to the clinic they are informed of the various tests available to them that can be done and they are also informed, that if they want, they can also do an HIV test. If they agree to do the HIV test they are given a consent form to sign giving the Doctor permission to draw blood for this test. Before this is done however he/she is given the pre-counselling and if they test positive the post-counselling. They are then given a form to take to LANCET Laboratory to get a confirmation test done as well as a CD4 and Viral Load of which the cost is paid for from the EAP Budget. They are then explained to that once the result is confirmed positive, they will then be put onto the EAP/HIV/AIDS Wellness programme for HIV/AIDS and given a monthly supply of combination medication and their health monitored on a monthly basis thereafter.</p>



Part 5

# Part 5

## HUMAN RESOURCES

**TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [Indicate Yes/No and provide required information]**

Question	Yes	No	Details, if yes
			<p>The number of infected employees that are now seeking assistance from the EAP component has increased drastically. The stigma surrounding the illness is becoming less evident and some employees are even taking their Supervisors into their confidence as they now realise that in order to treat HIV/AIDS they need support to manage it correctly. Since the start of the second session in May the Doctor and staff did not even need to encourage employees to test. They came to the clinics to do the HIV test as they now realise that they are going to get assistance to treat the illness.</p> <p>All employees that come to the clinic receive a nutritional porridge and a multi-vitamin and the aim is to encourage a healthier lifestyle. They are also advised on a proper eating plan, methods of exercise and the harmful effects of alcohol and substance abuse. Due to the success of the clinics the EAP component is currently putting in place a proposal to get Occupational Nurses on contract to assist the Doctor at the clinics. Once approval is obtained Regions will be advised accordingly.</p>
<p>8. Has the department developed measures/indicators to monitor &amp; evaluate the impact of your health promotion programme? If so, list these measures/indicators.</p>	<p>Yes</p>		<p>Monthly Reports are prepared and submitted to Management</p>

## Part 5

### HUMAN RESOURCES

**TABLE 11.1 - Collective Agreements**

Subject Matter	Date
Nil	

**TABLE 11.2 - Misconduct and Discipline Hearings Finalised**

Outcomes of disciplinary hearings	Number	Percentage of Total
Correctional Counselling	22	18.33%
Verbal Warning	24	20.00%
Written Warning	23	19.18%
Final Written Warning	42	35.00%
Suspended Without Pay	1	0.83%
Demotion	1	0.83%
Dismissal	7	5.83%
<b>TOTAL</b>	<b>120</b>	<b>100%</b>

**TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings**

Type of misconduct	Number	% of total
Disobeying a lawful instruction	6	33.33%
Fraud	6	33.33%
Under the influence of alcohol	3	16.67%
Absent without authority	2	11.11%
Abuse of Government vehicle	1	5.56%
<b>TOTAL</b>	<b>18</b>	<b>100%</b>

**TABLE 11.4 - Grievances Lodged**

Number of grievances addressed	Number	% of total
Resolved	2	20.00%
Not resolved	8	80.00%
<b>TOTAL</b>	<b>10</b>	<b>100%</b>

**TABLE 11.5 - Disputes Lodged**

Number of disputes addressed	Number	% of total
Upheld	27	50.00%
Dismissed	1	1.86%
Settled	6	11.11%
Withdrawn	2	3.70%
Outstanding	18	33.33%
<b>TOTAL</b>	<b>54</b>	<b>100%</b>

# Part 5

## HUMAN RESOURCES

**TABLE 11.6 - Strike Actions**

Strike Actions	Total
Total number of person working days lost	247
Total cost (R'000) of working days lost	174
Amount (R'000) recovered as a result of no work no pay	15 863

**TABLE 11.7 - Precautionary Suspensions**

Precautionary Suspensions	Total
Number of people suspended	5
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	30
Cost (R'000) of suspensions	12 430



## Part 5

### HUMAN RESOURCES

TABLE 12.1 - Training Needs Identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	-	19	1	20
	Male	19	-	34	-	34
Professionals, Technicians and Associate Professionals	Female	230	-	14	2	16
	Male	716	-	15	-	15
Clerks	Female	584	-	188	16	204
	Male	185	-	45	16	61
Service and sales workers	Female	5	-	-	-	-
	Male	84	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	1	-	-	-	-
	Male	241	-	-	-	-
Plant and machine operators and assemblers	Female	1	-	1	-	1
	Male	382	-	113	-	113
Elementary occupations	Female	147	-	14	-	14
	Male	1 495	-	320	3	323
<b>Gender sub totals</b>	<b>Female</b>	<b>973</b>	<b>-</b>	<b>236</b>	<b>19</b>	<b>255</b>
	<b>Male</b>	<b>3 122</b>	<b>-</b>	<b>527</b>	<b>19</b>	<b>546</b>
<b>Total</b>		<b>4 095</b>	<b>-</b>	<b>763</b>	<b>38</b>	<b>801</b>

# Part 5

## HUMAN RESOURCES

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	-	21	1	22
	Male	19	-	29	-	29
Professionals, Technicians and Associate Professionals	Female	230	-	95	2	97
	Male	716	-	572	-	572
Clerks	Female	584	-	269	12	281
	Male	185	-	254	12	266
Service and sales workers	Female	5	-	1	-	1
	Male	84	-	1	-	1
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	1	-	-	-	-
	Male	241	-	-	-	-
Plant and machine operators and assemblers	Female	1	-	-	-	-
	Male	382	-	123	-	123
Elementary occupations	Female	147	-	8	-	8
	Male	1 495	-	121	2	123
<b>Gender sub totals</b>	<b>Female</b>	<b>973</b>	<b>-</b>	<b>394</b>	<b>15</b>	<b>409</b>
	<b>Male</b>	<b>3 122</b>	<b>-</b>	<b>1 100</b>	<b>14</b>	<b>1 114</b>
<b>Total</b>		<b>4 095</b>	<b>-</b>	<b>1 494</b>	<b>29</b>	<b>1 523</b>

## Part 5

### HUMAN RESOURCES

**TABLE 13.1 - Injury on Duty**

Nature of injury on duty	Number	% of total
Required basic medical attention only	66	88
Temporary Total Disablement	4	5.3
Permanent Disablement	3	4
Fatal	2	2.7
<b>Total</b>	<b>75</b>	<b>100</b>

**TABLE 14.1 - Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Total Duration: Work days	Contract in value Rand
Engineering Services	154	1 year	85 681 508
Management Advisory Services	122	1 year	82 861 697
Legal Services	6	1 year	2 395 558

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
86	128	1 year	85 257 256

**TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.to. HDIs**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Engineering Services	53%	46%	64
Management Advisory Services	50%	45%	51
Legal Services	40%	40%	6

# Part 5

## HUMAN RESOURCES

**TABLE 14.3 - Report on consultant appointments using Donor funds**

Project Title	Total number of consultants that worked on the project	Total Duration: Work days	Donor and Contract value in Rand
NIL			

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
NIL			

**TABLE 14.4 - Analysis of consultant appointments using Donor funds, i.t.o. HDIs**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
NIL			





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